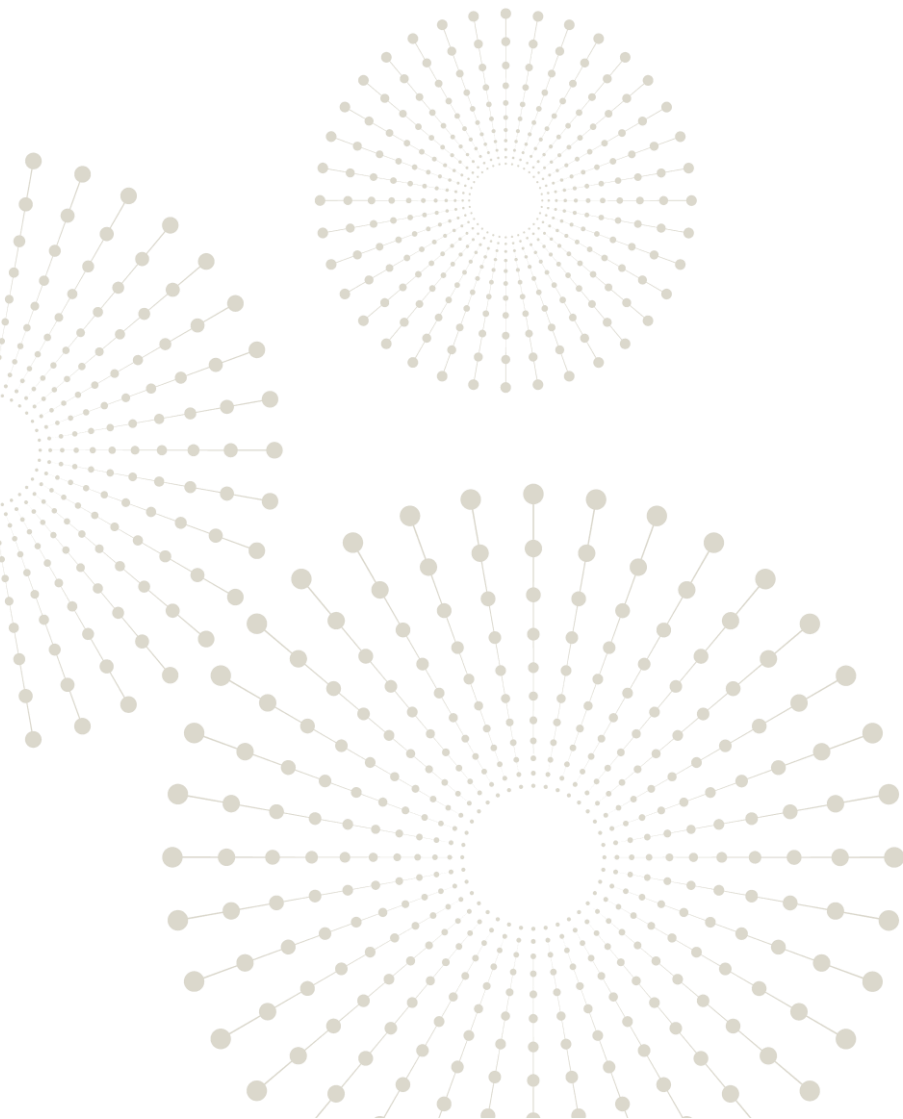


2025/26 Annual report

FOR THE YEAR ENDED 30 JUNE 2026



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

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External Reporting Board

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Message from the Chair

I am pleased to introduce the External Reporting Board's (XRB) Annual Report for the year ended 30 June 2026.

This year we made strong progress in advancing our strategic priorities and responded to a rapidly evolving reporting landscape in New Zealand and internationally.

Front of mind for us as standard setters is ensuring that our standards remain fit for purpose, which we achieve through maintaining a strong focus on user needs, proportionality, and an assessment of benefits and costs.

Key highlights of our work this year includes the targeted improvements we made to our climate standards to support implementation and to address stakeholder feedback. We also developed our draft climate reporting roadmap that sets out the proposed future direction for climate reporting in New Zealand, again informed by stakeholder feedback. Other significant areas of work included starting work on our Accounting Standards Framework review, contributing to the Finance and Expenditure Committee inquiry into performance reporting and public accountability, and issuing new internationally aligned sustainability assurance standards.

The Board is cognisant of the economic and fiscal context and maintained a strong focus on the XRB delivering value for money and cost savings in responding to the Government's fiscal initiatives.

Stakeholder engagement remained central to our work, helping to ensure our standards are practical, robust, and relevant to New Zealand.

This year we made strong progress in advancing our strategic priorities and responded to a rapidly evolving reporting landscape in New Zealand and internationally.

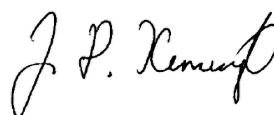
It was pleasing to see the results of our annual performance survey showing overall satisfaction with the XRB's performance remained high at 80%.

We have also developed the XRB's organisational values to guide how we work together and deliver our work.

During the year, we saw a number of changes across our Boards. I thank those members of the XRB Board and our technical boards who retired during the year for their significant contribution to strengthening New Zealand's external reporting and assurance standards, and warmly welcome new members who bring fresh perspectives and valuable experience.

Finally, I thank my fellow Board members, our leadership team, and XRB staff for their commitment and dedication. Their efforts continue to underpin the quality of our work and confidence in New Zealand's external reporting and assurance system.

Ngā mihi nui



John Kensington

Message from the Chief Executive

This was the first year of our 2025–2030 Statement of Intent and an important step in turning our strategy into action. By ensuring our standards are internationally aligned and locally relevant, we support high-quality reporting and assurance, informed decision making, efficient capital markets and trust in New Zealand’s external reporting and assurance system.

We delivered a significant programme of standard setting and implementation support and progressed key strategic initiatives. As international reporting and assurance requirements continue to evolve, our focus was not only on developing and maintaining high-quality standards but helping our stakeholders understand and apply them effectively.

We issued revised auditing standards relating to fraud and going concern, introduced new internationally-aligned sustainability assurance standards, and amended our climate standards in response to stakeholder feedback. We provided extensive support to for-profit entities implementing NZ IFRS 18 and helped incorporated societies understand and prepare for new reporting requirements.

We also looked to the future of New Zealand’s reporting frameworks. The release of our draft climate reporting roadmap in June was a major milestone. We look forward to engaging with stakeholders on the future direction of climate reporting in New Zealand. We also commenced a review of our Accounting Standards Framework and contributed to the Parliamentary inquiry into public sector performance reporting. These initiatives will continue to be key priorities for the year ahead.

International engagement remains critical to ensuring New Zealand’s voice is heard and our standards remain connected to global developments. Through our participation in international forums and advisory bodies, engagement with other standard setters and initiatives such as our mid-tier sustainability reporting workshop, we both contributed to and benefited from international thinking on reporting and assurance issues.

This year also brought important changes to New Zealand’s legislative and regulatory environment affecting the XRB’s work. We worked closely with

We delivered a significant programme of standard-setting and implementation support and progressed key strategic initiatives.

Looking ahead, we will continue to respond to a changing environment and work collaboratively to maintain a reporting and assurance system that is credible, coherent, and fit for purpose.

the Parliamentary Counsel Office to ensure our standards met new publication and presentation requirements for secondary legislation and progressed the work required to implement the Regulatory Standards Act 2025.

As an organisation we remain focused on delivering value for money, operating efficiently and continuously improving how we work. During the year, we expanded the use of artificial intelligence (**AI**) across the organisation to improve productivity and efficiency. Most staff now use AI in their daily work, and we are developing an AI action plan to guide the safe and effective use of this fast-evolving technology.

I thank our stakeholders for their strong engagement with the work we do and ongoing support. Their insights and perspectives help ensure our work is responsive to New Zealand’s needs and builds a credible and effective reporting and assurance system.

I also thank our people for their professionalism, dedication and hard work. Their commitment and expertise underpin our achievements. I am grateful to the Board for their guidance, advice and support throughout the year.

Looking ahead, we will continue to respond to a changing environment and work collaboratively to maintain a reporting and assurance system that is credible, coherent, and fit for purpose.

Ngā mihi nui



Wendy Venter

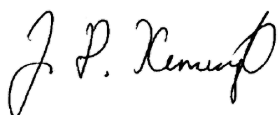
Statement of responsibility

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 maintaining 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 2026.

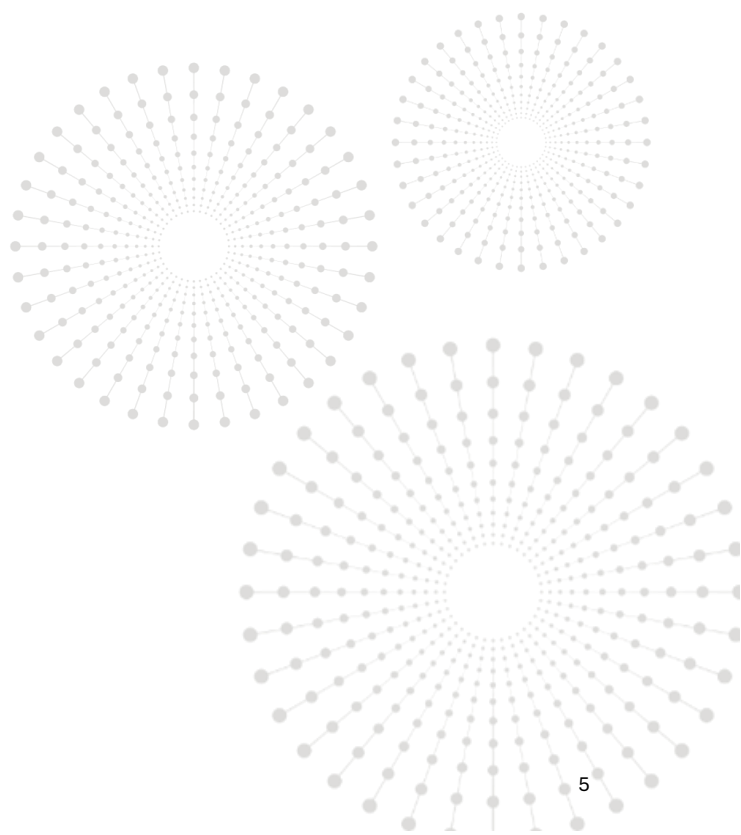
Signed on behalf of the Board:



John Kensington
Chair
17 September 2026



Jacqueline Cheyne
Deputy Chair
17 September 2026



Overview of 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 (**Financial Reporting Act**).

Our purpose is to promote trust in external reporting and assurance

Our 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 issue reporting and assurance standards for New Zealand

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 reporting 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
- Professional and ethical standards that apply to assurance practitioners applying the XRB auditing and assurance standards
- Non-binding guidance on a wider range of non-financial matters

The XRB is not a regulator; monitoring and enforcement functions are carried out by regulators such as the Financial Markets Authority and Charities Services.

We consult widely and set standards independently, in the public interest

The XRB is required under the Financial Reporting Act 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, the accounting profession, reporting entities and regulators). Independent standard setting has long been accepted as best practice for international and national standard setters.

Our Board provides strong governance and is ably supported by three technical boards

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 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

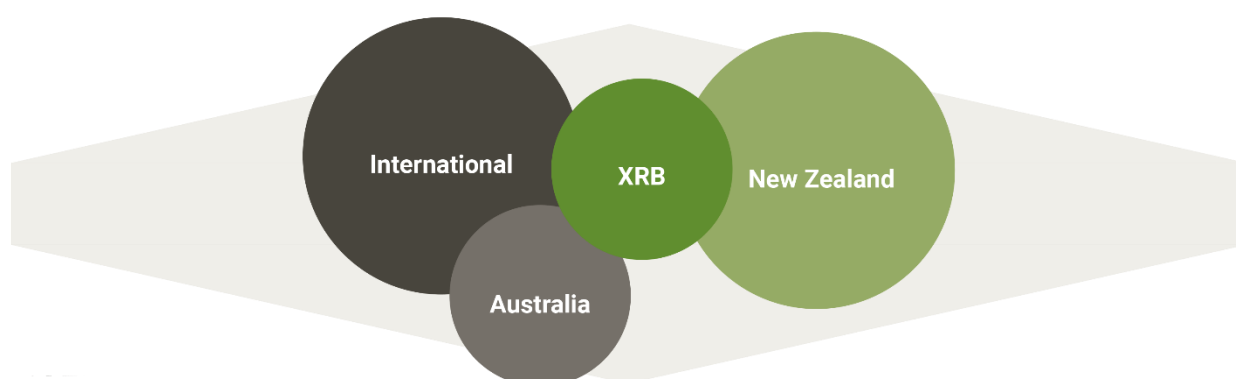
- New Zealand Accounting Standards Board (**NZASB**): prepare and issue financial reporting² standards and authoritative notices
- New Zealand Auditing and Assurance Standards Board (**NZAuASB**): prepare and issue auditing, assurance, professional and ethical, and other related services standards
- Sustainability Reporting Board (**SRB**): prepare and issue climate standards, authoritative notices and non-binding guidance on non-financial reporting

All three technical boards 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 ecosystem



New Zealand stakeholders

Regulatory and other bodies

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

Information users

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

Information preparers

- Governance and management
 - For-profit organisations
 - Not-for-profit organisations
 - Public sector organisations

- Accounting and other advisers
- Other third-party preparers (eg bookkeepers)

Audit and assurance practitioners

- Audit firms
- The Audit Office
- Other assurance practitioners

International standard-setting bodies

International

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

Australia

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

Our strategic framework

Our purpose is to promote trust in external reporting and assurance

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 are that New Zealand benefits from trusted, informative and integrated reporting



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

We aim to build a trusted external reporting and assurance system that supports transparency, accountability and informed decision making

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.

The work we deliver

Reporting strategies and frameworks

Financial reporting standards

Climate standards

Auditing and assurance standards

How we deliver our work

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

How we approach our work

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

Progress on strategic intentions

Our strategic priorities shape how we deliver our outcomes

Our strategy: internationally aligned, locally relevant

Our strategic intentions and approach to performance measurement for this annual report are set out in our [2025-2030 Statement of Intent \(SOI\)](#) and [2025/2026 Statement of Performance Expectations \(SPE\)](#).

These documents set out four strategic priorities that form the framework for our strategic intentions. For each strategic priority, we have key areas of focus that directly contribute to that strategic priority. We outline below the progress made in 2025/26, the first year under the current SOI, against these strategic priorities. More details are set out in the assessment of operations section and the audited statement of performance.



Fit for purpose

We want our reporting strategies, frameworks and standards to remain fit for purpose through a focus on user needs, costs and benefits.

Our key areas of focus:

- Better understanding user needs
- Assessing costs and benefits
- Reviewing our reporting frameworks and strategies
- Staying abreast of trends, risks and opportunities

Progress this year:

- Commenced strategic work to shape the future of New Zealand's financial and climate reporting frameworks through our initial work on an accounting standards framework review and developing a draft climate reporting roadmap
- Consulted on and published amendments to the climate reporting standards relating to how organisations should account for anticipated financial impacts and when the requirements would apply
- Consulted on the proposed Public Benefit Entity (PBE) standards on revenue and transfer expenses
- Published the final report of the independent multi-year effectiveness evaluation of the Climate-related disclosures (CRD) regime
- Published sustainability assurance standards, moving from a temporary approach to alignment with international and Australian standards
- Reviewed our approach on assessing the costs and benefits. This included the changes required to our processes and documentation to implement the new Regulatory Standards Act 2025.
- Maintained a strong focus on understanding and responding to the technology implications for reporting and assurance by hosting a technology assurance roundtable for NZ stakeholders with IAASB, and regularly engaging with other international and domestic stakeholders on the topic
- Progressed work to meet new publication and presentation requirements to enhance accessibility and improve the overall quality and consistency of agency-published secondary legislation

Contribution to our outcomes

Decisions about future reporting requirements are well-informed by developments in external reporting and assurance, evidence and stakeholder experience. The work this year will help ensure future reporting requirements remain future-focused, relevant, proportionate and focused on delivering value for users.



Supporting adoption and implementation

We want to support the effective adoption and implementation of our standards. We do this in many ways: influencing international standard setting, working with domestic stakeholders to ensure the local relevance of standards and providing guidance to assist with adoption and implementation.

Our key areas of focus:

- Influencing international standard setting so that the New Zealand context is well considered early in the development of standards
- Ensuring the local relevance of our standards
- Providing guidance and collaborating

Progress this year:

- Engaged with stakeholders through consultation and feedback mechanisms to influence international standard-setting and ensure local relevance of our standards
- Supported members of international standard-setting boards and advisory bodies, including the IAASB, IPSASB, Accounting Standards Advisory Forum (**ASAF**) and Asian-Oceanian Standard-Setters Group (**AOSSG**)
- Delivered numerous adoption and implementation support activities to New Zealand stakeholders, including webinars, workshops, and guidance materials across all areas of our mandate: accounting, climate, and audit and assurance.

Contribution to our outcomes

Our stakeholders are supported to understand and apply new reporting and assurance requirements consistently and effectively. Our engagement enables us to understand domestic issues and influence international standard-setting. The work contributes to higher quality reporting, improved comparability of information and confidence for those relying on reported information to make decisions.



Sustainability and integrated reporting and assurance

We aim to continue our focus on integrated reporting and achieving coherence in sustainability reporting and assurance.

Our key areas of focus:

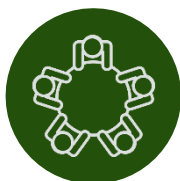
- Sustainability reporting and assurance
- Integrated reporting

Progress this year:

- Advanced the Ngā pou o te kawa ora project, focusing on increased uptake of He Tauira and updating supporting guidance material
- Continued our implementation support for the CRD regime, as well as seeking views and supporting evidence from stakeholders about the international alignment of the regime going forward
- Published new sustainability assurance standards, moving from a temporary approach to alignment with international and Australian standards.

Contribution to our outcomes

Our work this year will help ensure the credibility, consistency and future direction of sustainability reporting and assurance, maintain alignment with international developments and consider New Zealand's needs.



Public benefit entities

We want to contribute to the evolution and enhancement of public benefit entity performance reporting and assurance.

Our key areas of focus:

- Public benefit entity performance reporting and assurance
- Public sector performance reporting

Progress this year:

- Contributed to the Parliamentary inquiry³ into performance reporting and public accountability
- Undertook consultation and delivered educational materials on service performance information (**SPI**) reporting.

Contribution to our outcomes

Our work this year provides a foundation for future improvements in ensuring trust and confidence with public benefit entity reporting.

³ The Finance and Expenditure select committee inquiry was initiated on 12 February 2025.

Our performance story

Implementing the Government's priorities

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 new standard and the implications of its benefits and costs, and continuing to work on the post-implementation review of the climate standards. We have also sought opportunities to influence and provide thought leadership internationally with international standard setting bodies (refer to a case study on page 14). The XRB is subject to the applicable whole of government directions [currently in effect](#).

Ensuring value for money

The Board and management remain cognisant of the Government's fiscal constraints, the need to operate within our means, and to ensure value for money in all the XRB does. Accordingly, a cost-control, value for money, continuous improvement culture and approach continues to be strongly promoted within the organisation.

We have made deliberate choices about what work we prioritise, ensuring the greatest impact on delivery of our statutory functions. We have also maintained a strong focus on productivity and efficiency initiatives. A key focus for this year has been introducing technology enabling tools such as AI and a workflow tool.

Assessment of operations and performance

What we have delivered

During the year ended 30 June 2026, the XRB delivered a broad and demanding programme across our core work of standard-setting, implementation support, stakeholder engagement and international influence. The year was significant not only for the volume of activity delivered, but for the way the work positioned the XRB to respond to a changing and more complex reporting environment.

We issued and amended financial reporting, auditing and assurance, ethical, and sustainability standards; published consultation and guidance material; and maintained full compliance with due process requirements. We also advanced multi-year strategic initiatives, including the effectiveness evaluation of the CRD regime, He Tauira, and work to strengthen PBE performance reporting.

Alongside our standard-setting activities, we supported adoption and implementation through webinars, workshops, guidance materials, consultation outreach and targeted stakeholder engagement across the accounting, sustainability, and audit and assurance sectors. This support is an important part of turning standards into practice. It helps stakeholders understand new and amended requirements, supports more consistent application, and provides feedback that informs future standard-setting priorities.

The XRB delivered strongly against its 2025/26 performance expectations across financial reporting, sustainability reporting, auditing and assurance, and international influence. All performance measures related to standards, consultations and submissions being completed on time and in line with due process, were achieved, except for two⁴. Adoption and implementation support exceeded planned activity levels across all areas, and stakeholder satisfaction with the support XRB provided remained high and above performance targets in all areas.

More details on what we have achieved during the year and the mechanisms to measure our contribution to the achievement of outcomes and assessment of output delivery can be found in the output performance section (pages 22 to 34).

⁴ The measures not achieved were the 'timing' and 'quality' measures related to *Service Performance Reporting* (refer page 23).



Our relationships and how we engage and influence to deliver

Engaging with our stakeholders and collaborating with others is essential to the work we do. The XRB is responsible for issuing standards and guidance. Maintaining a high-quality external reporting and assurance environment, however, relies on the collective efforts of regulators, government agencies, oversight bodies, and other stakeholders.

Our core domestic stakeholder engagement underpins our standard-setting and work influencing international standard-setting. It helps us understand issues, share insights, and coordinate with others across the reporting and assurance system. We influence international standard-setting through submissions, participation on international boards and other task forces and forums, and engagement with global and Australian standard setters. Together, these activities supported our purpose of promoting trust and confidence, transparency and accountability through high-quality external reporting and assurance that is internationally credible and relevant to New Zealand.



Case study: Supporting strong public benefit entity performance reporting

The XRB wants to strengthen public benefit entity performance reporting and assurance. Service performance information for Tier 1 and 2 not-for-profit entities is the main way these entities demonstrate how well they have delivered services and achieved outcomes. This reporting plays an important role in maintaining trust and confidence, supporting accountability and for decision-making purposes.

Through consultation, we explored the challenges faced by preparers, users and assurance practitioners and where XRB support would add most value. Feedback showed that changes to PBE FRS 48 *Service Performance Reporting* were not the priority; stakeholders wanted more practical guidance and examples to support consistent implementation.

In response, we shifted our focus from amending the standard to developing implementation support, including fact sheets and guidance materials. This reinforced that progress is not always achieved through new standards, but through listening to stakeholders and adapting our approach to improve reporting quality and accountability outcomes. The effectiveness of this support will be monitored to determine whether future amendments to the standard are required.



Case study: Influencing IPSASB work plan

During the year, XRB staff presented at the IPSASB Public Sector Standard Setters Forum on the need for the IPSASB to lead a project to clarify the architecture of reporting and the boundaries of financial statements. XRB staff highlighted that recent developments such as sustainability reporting and SPI have emphasised the need for greater clarity about what guidance applies to general purpose financial statements, general purpose financial reports, and information outside the financial statements. This recommendation was subsequently incorporated into the IPSASB's work plan consultation, to which the XRB also submitted feedback.

This shows how New Zealand's influence is achieved through active participation, technical expertise, and trusted relationships, helping ensure future international standards consider the needs of smaller jurisdictions.

During the year we also continued to work closely with a range of domestic agencies to share insights, coordinate activities, support policy development, implementation of legislation and standards, and contribute to broader public sector work programmes. These agencies include the FMA, the Audit Office, the Reserve Bank of New Zealand, the Treasury, MBIE, Charities Services, and the Parliamentary Counsel Office. Some examples of collaboration this year are provided below:

- We have been working with the Companies Office, MBIE and Inland Revenue in relation to the changes required under the Incorporated Societies Act 2022. This collaboration enables us to connect with the relevant stakeholders and share all relevant and useful information with them on the implications of the changes.
- We have regularly engaged with Charities Services to share information and key messages that are included in their newsletters to help us reach our not-for-profit stakeholders. This was beneficial for our projects on SPI and incorporated societies this year.
- We worked with the Ministry of Primary Industries (**MPI**) to obtain New Zealand policy insights on the potential implications of the ISSB's proposed amendments to the SASB Standards in relation to its agricultural products standard, and meat, poultry and dairy standard. This engagement helps us to better understand issues that affect New Zealand primary producers and to ensure these concerns are raised in our engagements with the ISSB and other relevant international standard setters.

- We have been working collaboratively with the Ministry of Foreign Affairs and Trade (**MFAT**), MBIE and the FMA on sustainability reporting in the context of the Green Economy Partnership Agreement (**GEPA**).⁵ We are providing expert input into GEPA discussions to ensure New Zealand's context is well understood.
- We regularly engaged with the Companies Office and the FMA, to monitor when modified audit opinions are issued by auditors, to consider whether changes to our standards are required resulting from changes in the environment.
- With the FMA, we provide expert input into each other's material to ensure consistent standard-setting and regulatory messages are shared with the market. This year, our engagement with the FMA included work on CRD standards, staff guidance to support internal discussions about anticipated financial impacts, and on a staff guidance series for the measurement and assurance of greenhouse gas emissions.

⁵ The GEPA will be an enabling framework for trade and investment opportunities in key sectors that either have competitive sustainability credentials or advance climate and environmental solutions. It will comprise a mix of trade rules, commitments, cooperation initiatives and projects and will be a living agreement that evolves over time.

Financial performance

Financial statements for the year ended 30 June 2026 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.

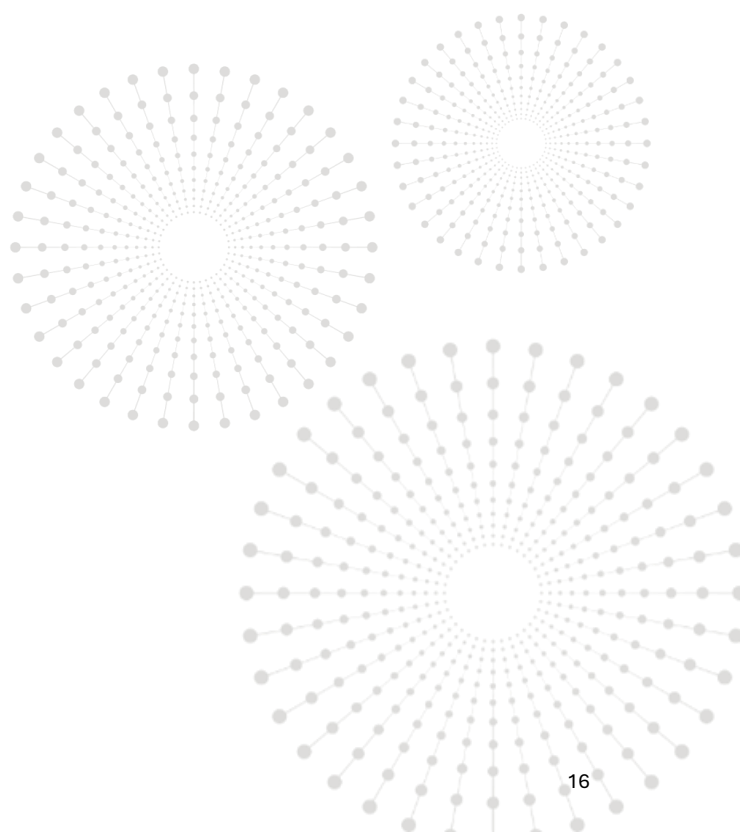
Operating

We achieved a deficit of \$4k for the year, compared with a planned deficit of \$486k. Lower than expected expenditure reflects active cost management across all areas, including reduced international travel, board fees and greater use of internal resources for functions such as communications and recruitment. Note 27 to the financial statements provides more detail on major variations in specific expense items.

Financial measure	2025/2026 Actual (\$000)	2025/2026 Budget (\$000)
Funding from the Crown	8,319	8,319
Interest revenue / other income	154	138
Expenses	(8,477)	(8,943)
Operating surplus/(deficit)	(4)	(486)
Equity	4,322	3,792
Net cash flows from operating activities	(149)	(495)
Net (decrease)/increase in cash and cash equivalents	(154)	68

Capital expenditure

Our capital expenditure for the year to 30 June 2026 was \$41k. This was replacement of computer equipment.



Statement of performance

For the year ended 30 June 2026

Outcomes

For the past financial year our work was focused on contributing to the outcomes we seek **“that New Zealand benefits from trusted, informative and integrated reporting”** as noted in our strategic framework on page 8.

Appropriation

The XRB is funded by a gross appropriation under Vote: Business, Science and Innovation administered by MBIE. The appropriation is limited to funding of one reportable output class: the development and issuing of accounting standards, climate standards, auditing and assurance standards, non-financial reporting guidance, and associated activities.

Four areas make up this output class and these are described in the output performance section (pages 22 to 34).

Output class	2025/2026 Actual \$000	2025/2026 Budget \$000	2024/2025 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	8,319
Revenue from others	154	138	157
Expenses	(8,477)	(8,943)	(8,511)
Operating surplus/(deficit)	(4)	(486)	(35)

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 last financial year that is not a reportable class of outputs.

Measuring performance

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

Performance survey

In June and July 2026, the XRB's annual stakeholder [performance survey](#) was conducted by Verian Group. The survey measured stakeholders' satisfaction with the XRB's contribution to achieving our purpose, as well as our performance against the measures set out in the Statement of Performance Expectations.

Overall, satisfaction with the XRB's performance remains high at 80% with improvements from 2025 being sustained in 2026⁶.

Survey results exceeded the Verian Group stakeholder benchmark of 76%. Respondents generally viewed the XRB's performance positively and reported constructive experiences when engaging with us. We will use the feedback and insights gained from the survey to develop specific actions to improve

our services and engagement activities. Further information on satisfaction with consultation processes and supporting information, XRB-hosted events and engagements, and implementation guidance and support materials is provided in the output performance section (pages 22 to 34).

“XRB staff are knowledgeable and consultation is proactive and staff appear genuinely interested in our perspective”

Survey respondent

XRAP survey

In recent years, we have surveyed our broad stakeholder base annually but have experienced reduced response rates due to survey fatigue. As a result, we now undertake a focused performance survey each year (as noted above) and a full stakeholder survey every three years, as well as annual feedback from the External Reporting Advisory Panel (XRAP) about our performance, what we are doing well, and what we can do better. We surveyed XRAP members for the first time in June and July 2026 to assess their satisfaction with the XRB's contribution to achieving its purpose. The XRAP overall satisfaction is high, with 90% of respondents reporting they were either satisfied or very satisfied⁷. Feedback highlighted positive perceptions of the XRB's leadership, proactive approach, stakeholder engagement, and ability to deliver on its work programme.

XRB commissioned research

We undertake and use research on a range of topics to give us an understanding of our contribution to achieving desired outcomes. In the year ended 30 June 2026:

- We continued the multi-year independent effectiveness evaluation of the CRD regime and published the final report in July 2026. Initial evidence shows that the regime is improving business decision making, disclosure quality and investor practices, and reshaping governance and internal processes. The XRB will use the report's insights to guide our standard setting and implementation priorities, including informing our work on the draft climate reporting roadmap.
- We undertook post-implementation reviews of:
 - Restructured PES 1, *International Code of Ethics for Assurance Practitioners (including International Independence Standards)*
 - Provisions for responding to non-compliance with laws and regulations
 - NZ IFRS 16, *Leases*
 - ISA (NZ) 540, *Auditing Accounting Estimates and Related Disclosures*

⁶ There were 161 responses to the [XRB performance survey 2026](#).

⁷ There were 10 responses to the XRAP member survey 2026.

Outcome indicators

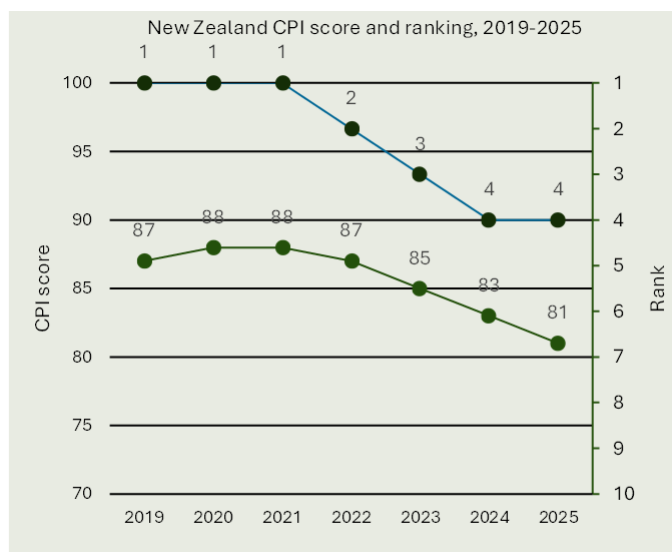
Several external indicators and reports have a natural correlation to the outcomes we seek and therefore form part of our evaluation process. We use the following sources:

1. New Zealand's ranking in Transparency International's Global Corruption Perceptions 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.

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

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. We use these results as part of our assessment of the wider environment in which external reporting and assurance operates and to help evaluate whether our standards continue to support the provision of trusted, high-quality information that contributes to public confidence and informed decision making.



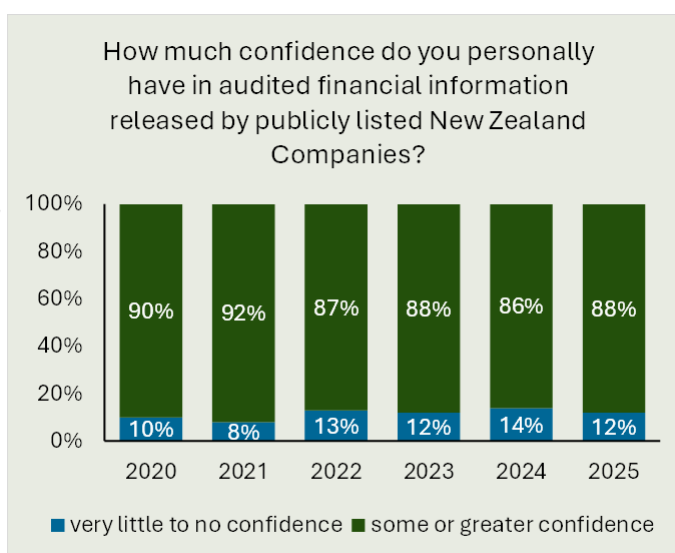
source: Transparency International

2. Chartered Accountants Australia and New Zealand Investor Confidence Survey

This [survey](#) monitors retail investor confidence in financial markets

Investor confidence is influenced by many factors, and the XRB is only one contributor. Nevertheless, the survey provides a useful indicator of whether reporting is meeting the needs of investors and supporting informed decision making and where future improvements or focus might be required.

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



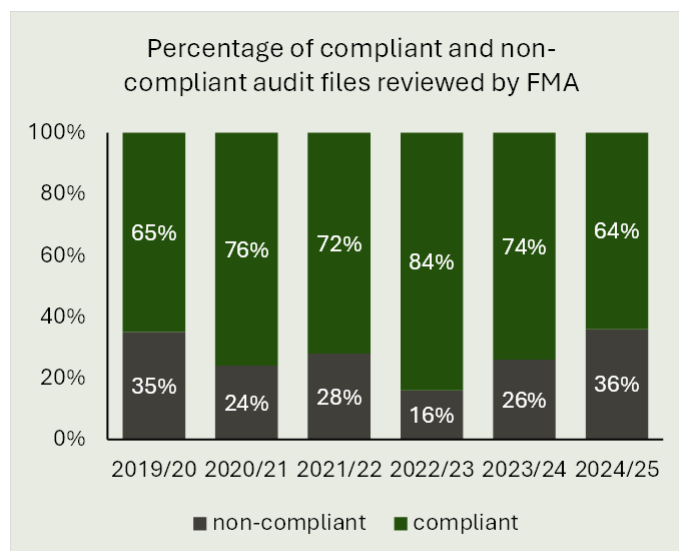
source: Chartered Accountants Australia and New Zealand

3. FMA Audit Quality Monitoring Report

This annual [report](#) provides findings from the FMA's reviews of registered audit firms and licensed auditors and trends in audit quality.

Audit quality remains strong in New Zealand

We use the report to monitor trends in audit quality and identify whether issues identified by the FMA may indicate a need for changes to standards, additional implementation support, or further engagement with the profession.



source: FMA

4. FMA Consumer Confidence Survey

This [survey](#) provides insights into New Zealanders' level of confidence in financial markets, amongst other things. Confidence in New Zealand's financial markets is strongest amongst those more satisfied and engaged with their personal financial circumstance.

More than 50% of investors remain confident in New Zealand's financial markets

The survey notes broader economic conditions at the time of the survey, may have affected some of people's perceptions of financial markets more broadly. The 2025 survey was not available at time of publication.

We use the survey results as a high-level indicator of confidence in New Zealand's financial markets and to help assess whether reporting is providing information that users can trust and rely on when making decisions.



source: FMA

5. FMA 2026 Climate-related Disclosures Insights Report

The [2026 Climate-related Disclosures Insights Report](#) provides insights from the FMA's reviews of 62 climate statements prepared for the second reporting period under the CRD regime. The report indicates that climate reporting practices are transitioning from initial implementation towards developing maturity, with improvements in report structure, reporting processes and recognition of climate change as a material business issue. It also highlights areas for further improvement, particularly in the identification, assessment and disclosure of physical climate risks and their anticipated impacts. We use these insights to assess how the climate reporting is operating in practice and to inform our ongoing work to support high-quality climate reporting in New Zealand.

6. OECD Economic Surveys: New Zealand 2026

The OECD's [2026 Economic Survey of New Zealand](#) highlights the importance of unlocking capital and building deeper capital markets to drive innovation and growth, noting that the foundations are in place to deepen the market. Deepening capital markets, including by mobilising household savings and improving access to equity and long-term finance, will support firm growth, economic diversification and productivity. High-quality financial and non-financial reporting supports this by giving investors, lenders and other stakeholders information they can rely on when making decisions. We use these insights to understand the broader economic context in which our standards operate and to assess how external reporting supports well-functioning capital markets in New Zealand.

7. The Audit Office's Results of the 2024 school audits

The Audit Office's report on the [results of the 2024 school audits](#), issued in December 2025, highlights the ongoing importance of high-quality, proportionate financial reporting standards. The report provides insights into the quality of financial reporting and audit findings across New Zealand schools, including the nature and frequency of audit issues identified. We review the reasons for modified audit reports issued by the Auditor-General and consider whether they indicate any issues with the appropriateness, applicability, clarity and/or completeness of the relevant standards⁸. We have not identified any such issues.

8. Reserve Bank of New Zealand Financial Stability Report

The [Financial Stability Report](#) outlines their assessment of the state of, and risks to, New Zealand's financial stability. While the XRB's work does not directly influence financial stability, high-quality external reporting and assurance contribute to market trust by supporting transparent, comparable and decision-useful information about financial position, performance, risks and resilience. Monitoring this report helps us understand the broader environment in which reporting and assurance standards operate, including areas where reporting may support confidence, risk transparency and informed decision making.

⁸ The Companies Act 1993, the Financial Markets Conduct Act 2013 and the Incorporated Societies Act 2022 requires an auditor to send the audit report to the XRB if the auditor's report indicates that the respective Acts have not been complied with. We also review the reasons for these modified audit reports submitted to the XRB and consider whether they indicate any issues with the relevant standards.

Output performance

This section sets out what we have achieved against what was planned as set out in our [2025/2026 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 and public benefit entities 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 general-purpose financial reports to have trust and confidence in the reporting and make informed decisions.

Performance measures	2025/2026 Performance target per SPE	2025/2026 Actual	2024/2025 Actual
Issue all relevant ⁹ international consultation and exposure drafts	Timing: All consultations and exposure drafts are issued within 3 weeks from international release Quality: 100% compliance with due process ¹⁰	Timing and Quality: Achieved IASB: 3 issued IPSASB ¹¹ : 6 issued	Timing and Quality: Achieved IASB: 4 issued IPSASB: 4 issued
Issue all relevant ¹² international (IASB and IPSASB) accounting standards in line with the XRB's convergence and harmonisation policy ¹³ .	Timing: <u>IASB Standards:</u> Issue a minimum of 6-12 months, depending on the significance, before the international effective date <u>IPSASB Standards:</u> Issue a minimum of 6-12 months, depending on the significance, before the national effective date Quality: 100% compliance with due process	Timing and Quality: Achieved IASB: 1 issued IPSASB ¹⁴ : 4 issued	Timing and Quality: Achieved IASB: 2 issued IPSASB: 2 issued

⁹ Relevant means that the international consultation and exposure draft is within the XRB mandate and applicable in the New Zealand context.

¹⁰ Section 22 of the Financial Reporting Act 2013 requires the XRB to take reasonable steps to consult the persons who would be substantially affected by the issue of a standard, amendment or revocation. The XRB Board has a set of due process guidelines which must be followed. An explanation of our standard-setting process and due process guidelines can be accessed at [How are our standards set? » XRB](#).

¹¹ This measure relates only to IPSASB international consultations and exposure drafts, which are subject to international publication and response deadlines. It does not include the New Zealand PBE Exposure Drafts based on IPSAS, which are consulted on and issued separately through the XRB's domestic due process and timelines.

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

¹³ The XRB convergence and harmonisation policy is detailed in the XRB governance manual and referred to in the Explanatory Guide A1: Guide to application of the accounting standards framework (EG A1).

¹⁴ Because New Zealand's PBE Standards are based on IPSASB standards, the IPSASB figures reported here represent the PBE Standards that were issued or amended during the year.

Performance measures	2025/2026 Performance target per SPE	2025/2026 Actual	2024/2025 Actual
Contribute to the enhancement and evolution of public benefit entity performance reporting:			
Develop the domestic exposure draft amendments to PBE FRS 48: <i>Service Performance Reporting</i> in response to the feedback received from the 2024/2025 Discussion Paper	Timing: Dec 2025 Quality: 100% compliance with due process	Not achieved Following consultation, stakeholders indicated that guidance materials were the preferred option over changing the standard. As a result, we redirected our efforts from developing amendments to developing guidance materials. The effectiveness of this support will be monitored to determine whether future amendments to the standard are required. (refer to case study on page 14)	N/A – new work
- Collaborate with stakeholders to understand the issues and opportunities in public sector performance reporting: - Develop an XRB public sector reporting strategy - Contribute to the Parliamentary inquiry¹⁵ into performance reporting and public accountability, as relevant	Number of engagements – 4 Timing: June 2026	Achieved We developed a strategy to support and inform our work on public sector reporting ¹⁶ In October 2025, we submitted to the Parliamentary inquiry into performance reporting and public accountability	N/A – new work

¹⁵ The Finance and Expenditure select committee inquiry was initiated on 12 February 2025.

¹⁶ The strategy work has been informed by our work on public sector performance reporting including discussions with key stakeholders, engagement with the Parliamentary inquiry and related reform developments.

Performance measures	2025/2026 Performance target per SPE	2025/2026 Actual	2024/2025 Actual
Support the adoption and implementation of key financial reporting standards through consultation outreach activities and implementation support (including walk through and deep dive webinars, workshops, feedback forums, guidance material).	Number of adoption and implementation support activities and publications: 10	Number: Achieved 75	Number: Achieved 35
	Quality: 75% of survey respondents are satisfied with the quality of the XRB's financial reporting related consultation outreach, adoption and implementation support	Quality: Achieved 93% satisfaction ¹⁷	Quality: Achieved Respondents satisfied or very satisfied ¹⁸ with the XRB's: Public Benefit Entity consultation process and supporting information: 84% hosted engagements: 80% implementation documents and guidance material: 84% For-profit consultation process and supporting information: 91% implementation documents and guidance material: 89% hosted engagements: 84%

Financial reporting standards issued to 30 June 2026:

IASB	IPSASB ¹⁹
Translation to a Hyperinflationary Presentation Currency	- Public Benefit Entity International Public Sector Accounting Standard 50 Exploration for and Evaluation of Mineral Resources - Consequential Amendments arising from PBE IPSAS 50 - Stripping Costs in the Production Phase of a Surface Mine - Amendments to PBE Standards Specific IFRIC Interpretations

¹⁷ There were 55 responses on financial reporting (accounting) standards to the [XRB performance survey 2026](#).

¹⁸ The survey questions were comparable but not the same last year.

¹⁹ Because New Zealand's PBE Standards are based on IPSASB standards, the IPSASB figures reported here represent the PBE Standards that were issued or amended during the year.

Consultations and exposure drafts on international financial reporting standards issued to 30 June 2026:

IASB	IPSASB ²⁰
• IASB/RFI/2025/1 Request for Information: post-implementation review of IFRS 16 <i>Leases</i> • ED: Risk Mitigation Accounting - Proposed Amendments to IFRS 9 and IFRS 7 • ED Amendments to the Fair Value Option for Investments in Associates and Joint Ventures - Proposed amendments to IAS 28	• IPSASB 2025 Work Programme Consultation • IPSASB ED 94 Linkages Between IPSAS Standards and the Government Finance Statistics Manual 2014 (Amendments to IPSAS 22) • IPSASB ED 95 Amendments to IPSAS Accounting Standards - Volume 10 • IPSASB ED 96 Definition of an Operation and Recognition of Acquired Liabilities and Contingent Liabilities • IPSASB ED 97 Making Materiality Judgments • IPSASB CP Presentation of Financial Statements

In addition to international consultations, exposure drafts and standards, reported above, we completed the following to 30 June 2026:

Domestic consultations and exposure drafts on financial reporting standards	Domestic financial reporting standards
• ED Amendments to XRB A2 resulting from the Regulatory Systems (Economic Development) Amendment Act 2025 • ED PBE IPSAS 50 Exploration for and Evaluation of Mineral Resources • ED Stripping Costs in the Production Phase of a Surface Mine (Proposed Amendments to PBE IPSAS 12 Inventories) • ED Amendments to PBE Standards: Specific IFRIC Interpretations • RDR Translation to a Hyperinflationary Currency	• Amendments to XRB A2 resulting from the Regulatory Systems (Economic Development) Amendment Act 2025 • Amendments to For-profit Domestic Accounting Standards due to NZ IFRS 18 • 2025 Amendments to XRB A1 Application of the Accounting Standards Framework

	2025/2026 Actual \$000	2025/2026 Budget \$000	2024/2025 Actual \$000
Crown revenue allocated	2,502	2,502	2,218
Other revenue allocated	46	42	42
Expenses	(1,766)	(1,886)	(1,661)
Attributed overhead costs	(840)	(804)	(760)
Operating surplus/(deficit)	(58)	(146)	(161)

²⁰ This measure relates only to IPSASB international consultations and exposure drafts, which are subject to international publication and response deadlines. It does not include the New Zealand PBE Exposure Drafts based on IPSAS, which are consulted on and issued separately through the XRB's domestic due process and timelines.



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.

Providing climate reporting entities with a CRD regime 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.

Performance measures	2025/2026 Performance target per SPE	2025/2026 Actual	2024/2025 Actual
Support the adoption and implementation of Aotearoa New Zealand Climate Standards (NZ CS) by: - Consulting on the differential reporting and international alignment aspects of the climate-related disclosure framework (as part of the framework's post-implementation review) - Providing adoption and implementation support (e.g., outreach activities and guidance publications)	Timing: Complete the consultation on the climate-related disclosure framework in line with the following timetable: - Complete Request for Information (RFI) process by September 2025 - If stakeholder feedback necessitates: 1) publish a paper on initial options/proposals for change within three months of completing the RFI process and 2) issue relevant standards by June 2026 Number of adoption and implementation support activities and publications: 10 Quality: 100% compliance with due process for differential reporting/international alignment consultation	Timing: Achieved RFI process completed by September 2025 Stakeholder feedback did not necessitate a further paper or standard changes in the proposed timeframe²¹ Number: Achieved 36 adoption and implementation support activities and publications Quality: Achieved for international alignment consultation (noting the differential reporting consultation was no longer relevant due to Government decisions)	Timing: N/A new work Number: Achieved 39 adoption and implementation support activities Quality: Respondents satisfied or very satisfied²³ with the XRB's: implementation documents and guidance material on climate standards: 79%. Achieved

²¹ A key theme that [we heard from the RFI](#) was the need for stability and a phased approach to change. 73% of submitters said that now was not the right time to amend or replace Aotearoa New Zealand Climate Standards to achieve closer international alignment with any other standards.

²³ The survey questions were comparable but not the same last year.

Performance measures	2025/2026 Performance target per SPE	2025/2026 Actual	2024/2025 Actual
	75% of survey respondents are satisfied with the quality of the XRB's climate-related consultation outreach activities, adoption and implementation support	Achieved: 77% satisfaction²²	hosted engagements attended on climate standards: 73%. Not achieved
Continue the Ngā pou o te kawa ora project by: - Supporting the voluntary uptake of He Tauira - Sharing lessons learnt through the development with domestic and international stakeholders	Timing: Updated version of He Tauira incorporating trial insights published by December 2025 Number of engagements to promote the voluntary uptake of He Tauira (beyond the initial cohort) or sharing lessons learned with domestic and international stakeholders: 10 Quality: Two-thirds of entities trialling He Tauira continue to use He Tauira to guide their reporting beyond the official trial end date	Timing: Achieved Following a successful trial, the XRB published an updated version of He Tauira in November 2025. We also published the He Tauira post-trial report to share lessons learnt through the development phase. We commenced an early adopter phase to further support voluntary uptake Number: Achieved 17 outreach activities Quality: Achieved Seven of the ten trial entities (70%) are continuing to use He Tauira to guide their reporting	N/A – earlier phase of the project

²² There were 60 responses on climate standards to the [XRB performance survey 2026](#).

Performance measures	2025/2026 Performance target per SPE	2025/2026 Actual	2024/2025 Actual
Develop a sustainability reporting strategy based on current and emerging trends in sustainability and integrated reporting	Timing: June 2026	Timing: Achieved A draft climate reporting roadmap was published on 30 June 2026, proposing a strategic direction for climate reporting. We decided to narrow the scope of the sustainability reporting strategy to focus on climate reporting at this stage, rather than broader sustainability/ integrated reporting, in response to continued international uncertainty on sustainability reporting architecture and the need to provide regulatory certainty to climate reporting entities	N/A – new work

In addition to the above, we completed the following to 30 June 2026:

Domestic consultations and exposure drafts on climate reporting standards	Climate reporting standards issued
- Proposed amendments to climate and assurance standards - Proposed amendments to NZ CS 1 Greenhouse gas emissions - Draft climate reporting roadmap consultation	Amendments to Adoption of Aotearoa NZ Climate Standards 2025

	2025/2026 Actual \$000	2025/2026 Budget \$000	2024/2025 Actual \$000
Crown revenue allocated	2,168	2,168	2,276
Other revenue allocated	40	36	43
Expenses	(1,477)	(1,634)	(1,591)
Attributed overhead costs	(728)	(697)	(780)
Operating surplus/(deficit)	3	(127)	(52)



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 include professional and ethical standards.

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

Performance measures	2025/2026 Performance target per SPE	2025/2026 Actual	2024/2025 Actual
Issue all relevant ²⁴ international (IAASB and IESBA) consultation documents and exposure drafts	Timing: All consultations and exposure drafts are issued within 3 weeks of international release Quality: 100% compliance with due process	Timing and Quality: Achieved IAASB: 2 issued IESBA: 2 issued IAASB/IESBA joint: 1 issued	Timing and Quality: Achieved IAASB: 1 issued IESBA: 1 issued
Issue all relevant ²⁵ international (IAASB and IESBA) auditing and assurance standards in line with the XRB's convergence and harmonisation policy ²⁶ .	Timing: Issue a minimum of 6-12 months, depending on the significance, before the international effective date Quality: 100% compliance with due process	Timing and Quality: Achieved IAASB: 5 issued IESBA: 2 issued	Timing and Quality: Achieved IAASB: 1 issued No IESBA standards issued
Support adoption and implementation of key auditing and assurance standards through consultation outreach and implementation support activities (including need-to-know updates, deep dive webinars, feedback forums and workshops, guidance material)	Number of adoption and implementation support activities and publications: 15 Quality: 75% of survey respondents are satisfied with the quality of the XRB's audit and assurance-related consultation outreach, adoption and implementation support	Number: Achieved 31 Quality: Achieved 90% satisfaction ²⁷	Number: Achieved 30 Quality: Achieved Respondents satisfied or very satisfied ²⁸ with the XRB's: consultation process and supporting information: 89% hosted engagements: 84% implementation documents and guidance material: 79%

²⁴ Relevant means that the consultation, exposure draft or standard is within the XRB's mandate and is applicable in the New Zealand context.

²⁵ Relevant means that the international standard is within the XRB's mandate and is applicable in the New Zealand context.

²⁶ [NZAuASB Policy and Process for International Conformance and Harmonisation of Standards](#).

²⁷ There were 40 responses on audit and assurance standards to the [XRB performance survey 2026](#).

²⁸ The survey questions were comparable but not the same last year.

Auditing and assurance standards issued to 30 June 2026:

IAASB	IESBA
• International Standard on Auditing (New Zealand) 570, Going Concern • International Standard on Auditing (New Zealand) 240, The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements • International Standard on Sustainability Assurance (New Zealand) 5000, General Requirements for Sustainability Assurance Engagements • Narrow-scope amendments to standards arising from the IESBA's using the work of an external expert project (included in Amendments to Auditing Standards 2026) • Narrow-scope amendments as a result of the revisions to the definitions of listed entity and public interest entity (included in Reissued ISA (NZ) suite and Reissued other assurance standards)	• International Ethics Standards for Sustainability Assurance (Including International Independence Standards) and other revisions relating to sustainability • Using the Work of an External Expert

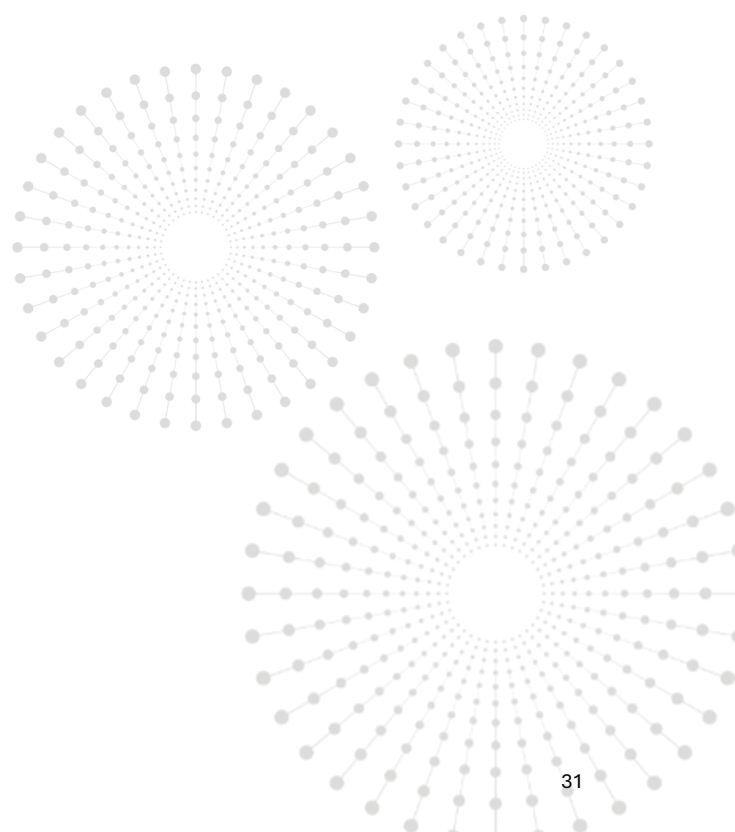
Consultations on international auditing and assurance standards issued to 30 June 2026:

IAASB	IESBA	IAASB & IESBA
• Post-implementation review ISA (NZ) 540 <i>Auditing accounting estimates and related disclosures</i> • Proposed ISRE 2410 (Revised), <i>Review of interim financial information performed by the independent auditor of the entity's annual financial statements</i>	• Post-implementation review of the Restructured Code • Post-implementation review of the provisions for responding to non-compliance with laws and regulations	• 2028–2031 Strategy and workplan survey

In addition to international consultations, exposure drafts and standards, reported above, we completed the following to 30 June 2026:

Domestic consultations and exposure drafts on auditing and assurance standards	Domestic auditing and assurance standards
• International Alignment. Sustainability assurance, ethics and independence and using the work of an external expert • Proposed amendments to climate and assurance standards	• Amendment to Assurance Engagements over Greenhouse Gas Emissions Disclosures 2025 • Domestic revisions included in reissued ISA (NZ) suite, other assurance standards, and professional and ethical standards

	2025/2026 Actual \$000	2025/2026 Budget \$000	2024/2025 Actual \$000
Crown revenue allocated	2,180	2,180	1,967
Other revenue allocated	41	36	37
Expenses	(1,455)	(1,643)	(1,378)
Attributed overhead costs	(732)	(700)	(674)
Operating surplus/(deficit)	34	(127)	(48)





International influence and liaison

This area is about the activities we undertake to harmonise standards with Australia and influence the work of the international standard-setting bodies 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 bodies, we aim for global standards that are internationally aligned, 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.

Performance measures	2025/2026 Performance target per SPE	2025/2026 Actual	2024/2025 Actual
Build and maintain relationships and New Zealand membership, representation, and participation with key international and jurisdiction-level standard setting bodies and relevant task forces.	Demonstrated relationships with and access to, key decision makers (e.g., via meetings, email communication, participation in mutual events) including maintaining New Zealand membership on and participation with the following boards: - International Public Sector Accounting Standards Board (IPSASB) - International Auditing and Assurance Standards Board (IAASB) - Australian Accounting Standards Board (AASB) - Australian Auditing and Assurance Standards Board (AUASB) - Australian Financial Reporting Council (FRC)	Achieved <i>Memberships throughout the year:</i> IPSASB: Angela Ryan IAASB: Greg Schollum AASB: Carolyn Cordery AUASB: Graeme Pinfold FRC: John Kensington²⁹ <i>International visitors hosted:</i> IASB Chair Dr Andreas Barckow (May) Members of the Canadian Sustainability Standards Board, the Sustainability Standards Board of Japan and the UK Financial Reporting Council (May)	<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)

²⁹ Attending FRC meetings whilst awaiting formal appointment as a member.

Performance measures	2025/2026 Performance target per SPE	2025/2026 Actual	2024/2025 Actual
	Plus: • Selection to task forces and working groups • Invitations to speak at events • Participation in relevant regional and technical groupings	Various XRB representatives selected on task forces and working groups as well as attending and/or speaking at events and international groupings as per below	Various XRB representatives selected on task forces and working groups as well as attending and/or speaking at events and international groupings
Make submissions to the IASB, IPSASB, ISSB, IAASB, and IESBA international exposure drafts as relevant ³⁰ .	Timing: Before the comment period closes internationally	Timing: Achieved IASB: 2 IPSASB: 2 ISSB: 2 IAASB: 2 IESBA: 1 IAASB and IESBA joint: 1	Timing: Achieved IASB: 5 IPSASB: 3 ISSB: 1 IESBA 1

We consulted on, as appropriate, and submitted to the following international standard setting boards:

IASB	IPSASB	ISSB
• Request for Information: Post-implementation review IFRS 16 <i>Leases</i> • ED 2026/1 Amendments to the Fair Value Option for Investments in Associates and Joint Ventures	• 2025 Work Programme Consultation • ED 93 Definition of Material	• Exposure Draft: Enhancing the SASB Standards • Exposure Draft: Agricultural Products, Meat & Dairy, and Electric Utilities & Power Generators SASB Standards

IAASB	IESBA	IAASB & IESBA
• Use of experts: narrow-scope amendments • Post-implementation review ISA (NZ) 540 <i>Auditing accounting estimates and related disclosures</i>	• Post-implementation review of the Restructured Code	• 2028–2031 Strategy and workplan survey

In addition to the above, we consulted on and made two submissions to the GHG Protocol on:

- Scope 2 public consultation
- Consequential accounting for electricity projects

³⁰ Relevant means that the exposure draft is within the XRB's mandate and is applicable in the New Zealand context. XRB staff assess whether a matter is relevant to New Zealand and submit that assessment to the technical board, which determines whether a comment letter should be developed.

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

- Greg Schollum for IAASB – first revision of ISA for LCE, modernising the ISA 500 series, Going concern, Fraud, IAASB/IESBA co-ordination member
- Angela Ryan for IPSASB – Presentation of Financial Statements, Measuring intangible assets (IPSAS 31)
- Carolyn Cordery for IASB – member of ASAF (jointly with Australia)
- Carolyn Cordery as XRB representative of AOSSG
- XRB staff member as member of the GHG Protocol’s Corporate Standard Technical Working Group

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

- World Standard Setters (October)
- International Federation of Accounting Standard Setters (**IFASS**) (September)
- Jurisdictional Standard Setters (Audit) (May)

	2025/2026 Actual \$000	2025/2026 Budget \$000	2024/2025 Actual \$000
Crown revenue allocated	1,469	1,469	1,858
Other revenue allocated	27	24	35
Expenses	(986)	(1,107)	(1,030)
Attributed overhead costs	(493)	(472)	(637)
Operating surplus/(deficit)	17	(86)	226

Organisational health and capability

Our board provides governance and strategic oversight

Our Board includes up to nine members who are appointed by the Governor-General on the recommendation of the Minister of Commerce and Consumer Affairs.

XRB Board

John Kensington (Chair) (from August 2025)
 Michele Embling (Chair) (to August 2025)
 Jacqueline Cheyne (Deputy Chair) (from August 2025)
 Aaron Hockly (from December 2025)
 Andrew Mills (Financial Reporting Council – Australia)
 Fergus Welsh (to December 2025)
 Michael Bradbury
 Sheree Ryan
 Simone Robbers (from December 2025)

Our technical boards develop and issue standards

Our three technical boards – NZASB, NZAuASB and SRB – provide technical expertise and sector experience in developing and issuing our reporting and assurance standards.

New Zealand Auditing and Assurance Standards Board (NZAuASB)

Graeme Pinfold (Chair) (from September 2025)
 Rebecca Palmer (Deputy Chair) (from September 2025)
 Michael Bradbury (Deputy Chair to August 2025) (XRB Board representative)
 Darby Healey
 Doug Niven (AUASB)
 Richard Kirkland
 Todd Beardsworth
 Vasana Vanpraseuth

Sustainability Reporting Board (SRB)

Becky Lloyd (Chair)
 Joe Hanita (Deputy Chair) (to June 2026)
 Alec Tang
 Alison Howard (to June 2026)
 Carolyn Mortland
 Jacqueline Cheyne (XRB Board representative)
 Mathew Nelson (AASB)

New Zealand Accounting Standards Board (NZASB)

Carolyn Cordery (Chair)
 Sheree Ryan (Deputy Chair) (XRB Board representative)
 Bede Carran (from January 2026)
 David Pacey (from January 2026)
 Jason Stinchcombe (to December 2025)
 Kathryn Waugh (from July 2026)
 Keith Kendall (AASB)
 Lara Truman
 Nicky Haslam (from August 2025)
 Richard Perry
 Richard Smyth (to June 2026)

Our advisory groups support our work

During the year the XRB had two advisory groups, the 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.

Last year, 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.

External Reporting Advisory Panel (XRAP)

Craig Fisher (Chair)
 Alex Ball (from July 2025)
 Amy Wharakura-Taewa (from May 2026)
 Andy Fulbrook (to June 2026)
 Barry Baker
 Cameron Town
 Christine Begbie (from May 2026)
 Darren Beatty (to June 2026)
 Em Lewis
 Emma Winsloe (from August 2026)
 Greg Munford
 Ian Proudfoot (from August 2026)
 Jo Miller
 Joost van Amelsfort
 Katie Beith
 Kirsten Patterson
 Mike Burrell
 Nadine Tunley
 Rachel Walsh

Rick Jones
 Rickey Ward
 Russell Bates
 Ruth Tolise (to June 2026)
 Simon Brotherton (to June 2026)
 Simon Wilkins (to June 2026)
 Steven Moe
 Stewart McRobie (from May 2026)
 Tom Scott
 Zowie Pateman

Kaitiaki Group (disestablished August 2025)

Joe Hanita (Chair)
 Darren Beatty
 Kiwa Hammond
 Michele Embling
 Sheree Ryan
 Wendy Venter

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.
- The XRB did not undertake any transactions that were invalid under section 19 of the Crown Entities Act 2004 but enforced in reliance on section 20(3) of the same Act.

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 component	2025/2026	2024/2025
Full Time Equivalent (FTE)	26.5	30.0
Employees (headcount)	30	34
Part-time	9	10
Casual	-	1
Women	77%	65%
Women in management team	100%	100%

Our 2025/26 FTE and headcount exclude two vacancies that are being covered by a contractor and a secondee while permanent recruitment is underway.

Workforce age profile	2025/2026	2024/2025
Under 30 years of age	1	2
30-39 years of age	7	12
40-49 years of age	11	8
50-59 years of age	9	10
≥60 years of age	2	2

Workforce ethnicity

We capture ethnicity data as part of our diversity, equity and inclusion action plan. Employees can identify with multiple ethnicities which explains why the total is greater than 100%.

Workforce ethnicity	2025/2026	2024/2025
European	64.3%	69.7%
Māori	3.6%	3.0%
Pacific	0.0%	0.0%
Asian	14.3%	12.1%
MELAA (Middle Eastern/Latin American/African)	7.1%	6.1%
Other	35.8%	24.2%

Good employer information

Consistent with our Statement of Intent 2025–2030, we are committed to maintaining strong organisational health and capability to support the delivery of our strategic objectives. We uphold the principles of good employer practice and meet our obligations under the Crown Entities Act 2004.

We maintain a suite of policies and processes that support a safe, respectful, and inclusive workplace. These set clear expectations for behaviour and provide guidance for preventing and responding to workplace issues.

Leadership and ways of working

Since developing our current SOI, we have taken a more deliberate strategic and cross-organisational focus to our work programmes and prioritisation, ensuring effort and resources are focused on the work that will have the greatest impact.

During the year, the senior leadership team undertook a team leadership development programme.

We encourage collaboration across teams and working across our different functions. We bring staff together regularly for information sharing and group activities and to focus on strategic priorities. We value hard work and celebrate our successes.

Maintaining and building capability

To support our people's development, we foster strong engagement between senior leaders and staff, complemented by technical training and personal development opportunities for everyone.

We operate a formal process around annual performance reviews (as well as informal performance discussions during the year). These processes support ongoing dialogue between managers and our people and are also used to recognise good performance and address performance concerns, as well as informing remuneration reviews.

We are developing a more structured learning and development programme that identifies mandatory and optional training, strengthens core capability, and supports our people to build the skills needed to contribute effectively to XRB's work.

We operate open and public recruitment processes. Candidates of varying skills and backgrounds are encouraged to apply. We appoint people based solely on their qualifications, experience, relevant skills, and ability to operate within the organisational culture. Our recruitment decisions are based on merit and role requirements, and we are committed to fair and inclusive selection practices.

Our approach to remuneration, recognition, and conditions of employment supports the attraction, development, and retention of high-quality staff, and is aligned with public sector expectations. 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.

Values and culture

We have developed new organisational values with a group of staff values champions, which have recently been endorsed by the XRB Board, to guide how we work together and deliver our work. We will be embedding these values in the coming months. We also rolled out 'The Code of Conduct for the Public Service', which took effect on 30 March 2026, reinforcing the standards of integrity and conduct expected of everyone at the XRB.

Inclusion and equal opportunities

We recognise that building a diverse, equitable and inclusive workplace culture results in enhanced relationships with stakeholders and better decision-making and organisational performance.

We are committed to having an inclusive environment where all our people are encouraged to reach their full potential, and individual differences are valued and respected.

Wellbeing and flexibility

We are committed to providing a healthy and safe working environment and to supporting our people to balance work and personal commitments. We encourage our people 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 regularly included in our team meetings.

We support flexible ways of working and recognise the importance of employee wellbeing. Our approach reflects a focus on trust, collaboration, and delivering outcomes.

Māori-Crown relations

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

Measuring our scope 1, 2 and 3 greenhouse gas (GHG) emissions commenced in 2022, and we have a continued focus to reduce our GHG 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 2025/2026 emissions were 100 tonnes of carbon dioxide equivalent (tCO₂e) lower than in 2024/2025. The reduction in emissions was mainly due to less international travel this year compared to last year.

GHG emissions 2025/2026³¹

	2025/2026 tCO ₂ e	2024/2025 tCO ₂ e
Scope 1 – Produced directly through our operations	0	0
Scope 2 – Emissions from purchased electricity	2	3
Scope 3 – Emissions from wider supply chain, including business travel and purchased goods and services	338	437
Total	340	440

Our 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

³¹ Our emissions data is unaudited. We use the operational control consolidation method. Emissions factors used in 2025/26 are from the Ministry for the Environment's Measuring emissions: A guide for organisations: 2026 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 2026. We also used emissions factors from thinkstep-anz. (2025). Emission Factors for New Zealand: Greenhouse Gas Emission Intensities for Commodities and Industries. V3.0. Wellington. Our emission factors use Global Warming Potentials (GWP100) from the Fifth Assessment Report (IPCC AR5).

Financial statements

Statement of comprehensive revenue and expense

For the year ended 30 June 2026

	Note	Actual 2026 \$000	*Budget 2026 \$000	Actual 2025 \$000
Total revenue	5	8,473	8,457	8,476
Board fees	7,27	(225)	(323)	(254)
Technical board fees	8	(523)	(561)	(463)
Communication and engagement costs	27	(49)	(125)	(84)
Depreciation	12,13	(67)	(79)	(81)
Contributions/copyright to international bodies		(516)	(521)	(512)
Personnel costs	6	(5,637)	(5,598)	(5,594)
Travel costs	27	(451)	(571)	(532)
General operating costs	9,27	(1,009)	(1,165)	(991)
Total expenses		(8,477)	(8,943)	(8,511)
Total comprehensive revenue and expenses		(4)	(486)	(35)

* 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 accompanying notes form part of these financial statements.

Statement of changes in equity

For the year ended 30 June 2026

Actual	Contributed capital \$000	Accumulated revenue and expenses \$000	Total equity \$000
Balance at 1 July 2024	725	3,636	4,361
Total comprehensive revenue and expense	-	(35)	(35)
Balance at 30 June 2025	725	3,601	4,326
Balance at 1 July 2025	725	3,601	4,326
Total comprehensive revenue and expense	-	(4)	(4)
Balance at 30 June 2026	725	3,597	4,322

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

* 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 accompanying notes form part of these financial statements.

Statement of financial position

As at 30 June 2026

	Note	Actual 2026 \$000	*Budget 2026 \$000	Actual 2025 \$000
Equity				
Contributed capital		725	725	725
Accumulated revenue and expenses		3,597	3,067	3,601
Total equity		4,322	3,792	4,326
Current assets				
Cash and cash equivalents	10,27	942	518	1,096
Receivables and prepayments	14	48	9	86
Investments	11	3,695	3,884	3,553
Total current assets		4,685	4,411	4,735
Current liabilities				
Payables and accruals	15	(224)	(420)	(337)
Employee entitlements	16	(268)	(364)	(227)
Total current liabilities		(492)	(784)	(564)
Non-current assets				
Property, plant and equipment	12	169	205	195
Total non-current assets		169	205	195
Non-current liabilities				
Provisions	17	(40)	(40)	(40)
Total non-current liabilities		(40)	(40)	(40)
Total net assets		4,322	3,792	4,326

* 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 accompanying notes form part of these financial statements.

Statement of cash flows

For the year ended 30 June 2026

	Note	Actual 2026 \$000	*Budget 2026 \$000	Actual 2025 \$000
Cash flows from operating activities				
Cash was provided from:				
Revenue from the Crown		8,319	8,319	8,319
Cash was disbursed to:				
Payments to employees		(5,578)	(5,568)	(5,688)
Payments to Board and technical board members		(691)	(884)	(737)
Payments to suppliers		(1,674)	(1,841)	(1,622)
Contributions/copyright to international bodies		(516)	(521)	(412)
Goods and services tax (net)		(9)	-	19
Net cash flow from operating activities	27	(149)	(495)	(121)
Cash flows from investing activities				
Cash was provided from:				
Sale of property, plant and equipment		2	-	-
Interest received from investments		176	138	132
Maturity of investments		7,154	6,800	6,192
Cash was disbursed to:				
Purchase of investments		(7,296)	(6,295)	(4,508)
Purchase of property, plant and equipment		(41)	(80)	(14)
Net cash flow from investing activities	27	(5)	563	1,802
Cash flow from financing activities				
Return of retained earnings to Crown		-	-	(1,100)
Net cash flow from financing activities		-	-	(1,100)
Net increase/(decrease) in cash and cash equivalents		(154)	68	581
Add opening cash and cash equivalents		1,096	450	515
Closing cash and cash equivalents	10	942	518	1,096

* 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 accompanying notes form part of these financial statements.

Notes to the financial statements

For the year ended 30 June 2026

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 PBE accounting standards. The financial statements are for the year ended 30 June 2026 and were approved by the XRB Board on 17 September 2026.

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 historical 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 25 June 2025.

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

	Actual 2026 \$000	Actual 2025 \$000
Funding from the Crown	8,319	8,319
Total revenue from non-exchange transaction	8,319	8,319
Interest income	152	157
Other income	2	-
Total revenue	8,473	8,476

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

6. Personnel costs

	Actual 2026 \$000	Actual 2025 \$000
Salaries and contractors	5,370	5,340
Contributions to defined contribution plans	160	154
Increase/(decrease) in annual leave provision	26	(15)
Other personnel costs	81	115
Total personnel costs	5,637	5,594

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 fees

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 (2025: None).

XRB Board	Actual 2026 \$	Actual 2025 \$
John Kensington (Chair from Aug 2025)	95,706	30,030
Michele Embling (Chair to Aug 2025)	8,021	113,115
Jacqueline Cheyne (Deputy Chair from Aug 2025)	36,936	24,278
Jane Taylor (Deputy Chair to April 2025)	-	21,363
Aaron Hockly (from Dec 2025)	13,763	-
Andrew Mills (FRC) (non-remunerated role)	-	-
Fergus Welsh (non-remunerated role to Dec 2025)	-	-
Michael Bradbury	26,801	29,835
Sheree Ryan	29,216	35,198
Simone Robbers (from Dec 2025)	14,111	-
Total board meeting expenses	224,554	253,819

8. Technical board fees

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	Actual 2026 \$	Actual 2025 \$
Carolyn Cordery (Chair) ³²	117,800	88,920
Michael Bradbury (Deputy Chair to April 2025)	1,560	18,720
Sheree Ryan (Deputy Chair from June 2025)	19,080	3,120
Bede Carran (from Jan 2026)	8,340	-
David Pacey (from Jan 2026)	8,340	-
Francis Caetano (to June 2025)	-	13,900
Jason Stinchcombe (to Dec 2025)	5,560	16,680
Keith Kendall (AASB) (non-remunerated role)	-	-
Lara Truman	16,680	16,680
Nicky Haslam (from Aug 2025) (non-remunerated roles)	-	-
Richard Perry	16,680	16,680
Richard Smyth (to June 2026)	16,680	16,680
Warwick White (to June 2025) (non-remunerated role)	-	-
Total NZASB fees	210,720	191,380
SRB	Actual 2026 \$	Actual 2025 \$
Becky Lloyd (Chair)	55,100	46,360
Joe Hanita (Deputy Chair to June 2026)	25,044	17,915
Alec Tang	19,460	11,815
Alison Howard (to June 2026)	12,510	11,815
Carolyn Mortland	15,116	15,811
Jacqueline Cheyne	24,772	16,283
Mathew Nelson (AASB) (non-remunerated role)	-	-
Total SRB fees	152,002	119,999

NZAuASB	Actual 2026 \$	Actual 2025 \$
Graeme Pinfold (Chair from Sep 2025)	65,218	-
Marje Russ (Chair to June 2025)	-	75,240
Rebecca Palmer (Deputy Chair from Sep 2025)	18,947	-
John Kensington (Deputy Chair to May 2025)	-	12,480
Michael Bradbury (Deputy Chair from June to Aug 2025)	23,254	3,120
Darby Healey	17,549	2,780
David Hay (to June 2025)	-	16,680
Doug Niven (AUASB) (non-remunerated role)	-	-
Mark Maloney (to November 2024) (non- remunerated role)	-	-
Richard Kirkland	17,549	16,680
Todd Beardsworth (from January 2025) (non- remunerated role)	-	-
Vasana Vanpraseuth	17,375	16,680
Wendy Venter (to Dec 2024)	-	8,340
Total NZAuASB fees	159,892	152,000

³² Includes fees as a member of ASAF.

9. General operating costs

	Actual 2026 \$000	Actual 2025 \$000
Auditor fees for external audit ³³	49	46
Loss on disposal/impairment of fixed assets	-	1
Operating lease expenses	354	358
Technology costs	273	259
Professional fees	112	102
Other operating expenses	221	225
Total general operating costs	1,009	991

10. Cash and cash equivalents

	Actual 2026 \$000	Actual 2025 \$000
Cash in current account	325	87
Cash on call	617	1,009
Total cash and cash equivalents	942	1,096

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

11. Investments

All term deposit investments are held with ANZ Bank

Rate	Maturity	Actual 2026 \$000	Actual 2025 \$000
3.45% to 3.5%	July 2026 to November 2026	3,695	-
4.05% to 5.10%	July 2025 to December 2025	-	3,553
Total investments		3,695	3,553

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 Poor's.

³³ Audit fees are for the audit of the financial statements, and no other services are provided from BDO Wellington Audit Limited.

12. Property, plant and equipment

\$000	Furniture and fittings	Plant and equipment	Property improvements	Computer equipment	Total
Cost					
Opening balance	197	12	93	232	534
Additions	-	-	-	41	41
Disposals/Impairment	-	-	-	(23)	(23)
Closing balance	197	12	93	250	552
Accumulated depreciation					
Opening balance	124	11	22	182	339
Depreciation	13	-	13	41	67
Disposals/Impairment	-	-	-	(23)	(23)
Closing balance	137	11	35	200	383
Carrying amounts					
At 30 June 2026	60	1	58	50	169
At 30 June 2025	73	1	71	50	195

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 comparing 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% (2025: 40%)
- Furniture and fittings 10.5% (2025: 10.5%)
- Plant and equipment 30% (2025: 30%)
- Property improvements 14.3% (2025: 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

	Website	Total
Cost		
Opening balance	34	34
Additions	-	-
Disposals	(34)	(34)
Closing balance	-	-
Accumulated amortisation		
Opening balance	34	34
Amortisation	-	-
Disposals	(34)	(34)
Closing balance	-	-
Carrying amounts		
At 30 June 2026	-	-
At 30 June 2025	-	-

Software acquisition and development

Costs associated with the development and maintenance of the XRB corporate website are recognised as an expense when incurred. The XRB does not have any other computer software acquired or developed.

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 is amortised over the remaining useful life of the existing asset, where these do not enhance the useful life of the existing asset.

The amortisation rate of the website has been estimated at 25% (2025: 25%).

14. Receivables and prepayments

	Actual 2026 \$000	Actual 2025 \$000
Other receivables	-	24
Prepayments	9	32
GST receivable	39	30
Total receivables and prepayments	48	86

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 (2025: none).

15. Payables and accruals

	Actual 2026 \$000	Actual 2025 \$000
Payables	110	259
Accruals	114	78
Total payables and accruals	224	337

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

	Actual 2026 \$000	Actual 2025 \$000
Holiday pay accrual	232	206
Accrued salaries	36	21
Total employee entitlements	268	227

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 a defined contribution superannuation scheme and are recognised as an expense in the statement of comprehensive revenue and expenses as incurred.

17. Provisions

	Make good of office premises \$000	Total \$000
Balance at 1 July 2025	40	40
Amounts used	-	-
Additional provisions made	-	-
Balance at 30 June 2026	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

	Actual 2026 \$000	Actual 2025 \$000
Up to one year	179	234
Between two and five years	602	748
After five years	-	33
Total operating lease commitments	781	1,015

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 expired 30 June 2026 and has not been renewed.

- 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 2026	Actual 2025
\$100,000 - \$109,999	1	2
\$110,000 - \$119,999	2	2
\$120,000 - \$129,999	1	1
\$130,000 - \$139,999	2	1
\$150,000 - \$159,999	1	6
\$160,000 - \$169,999	7	1
\$170,000 - \$179,999	1	1
\$180,000 - \$189,999	2	2
\$190,000 - \$199,999	-	2
\$200,000 - \$209,999	2	-
\$210,000 - \$219,999	1	2
\$220,000 - \$229,999	-	1
\$230,000 - \$239,999	-	1
\$240,000 - \$249,999	2	1
\$270,000 - \$279,999	1	2
\$280,000 - \$289,999	1	-
\$360,000 - \$369,999	1	-
Total	25	25

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 (2025: None).

Key management personnel compensation

	Actual 2026	Actual 2025
XRB Board meeting fees (remuneration to XRB Board members) (\$000)	225	254
Full-time equivalent members	0.61	0.68
Salaries and other short-term employee benefits (\$000)	1,422	1,498
Full time equivalent employees	5.00	5.31
Total key management personnel compensation (\$000)	1,647	1,752

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 (2025: 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 2026, no severance payments have been made (2025: one payment of \$52,033).

23. Indemnity insurance

We have professional indemnity insurance cover during the financial year of \$1,000,000 (2025: \$1,000,000), in respect of the liability or costs of Board members or employees.

24. Capital commitments

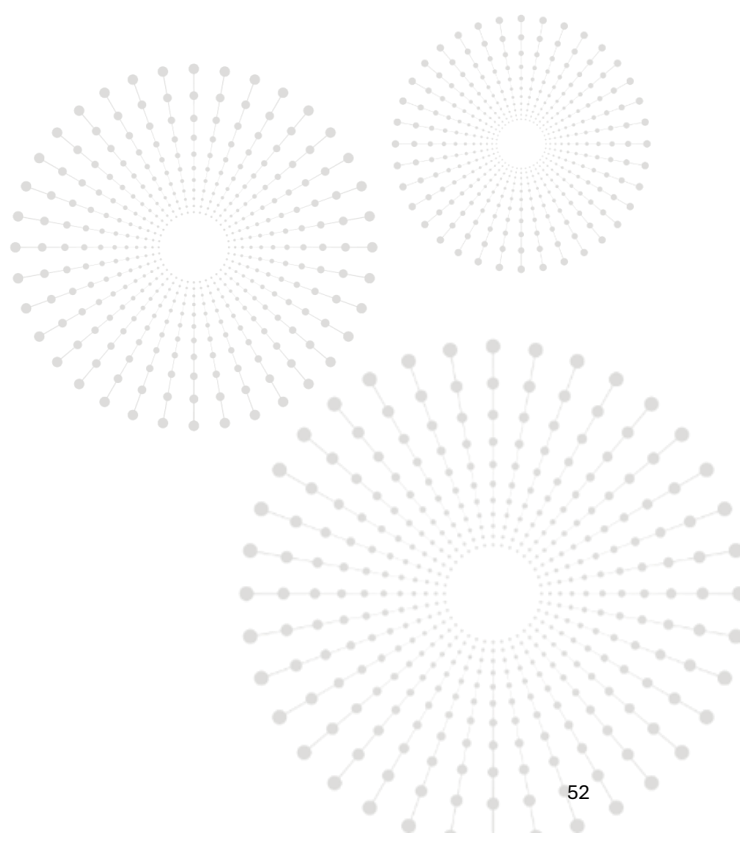
The XRB has no capital commitments at 30 June 2026 (2025: None).

25. Contingencies

The XRB has no material contingent assets or contingent liabilities to report (2025: None).

26. Events after the reporting period

No adjusting or non-adjusting subsequent events occurred that require further disclosure (2025: Nil).



27. Explanation of major variances against budget

	Actual 2026 \$000	Budget 2026 \$000	Variance \$000
Board fees	(225)	(323)	98
Communication and engagement costs	(49)	(125)	76
Travel costs	(451)	(571)	120
General operating costs	(1,009)	(1,165)	156
Cash and cash equivalents	942	518	424
Net cash flow from operating activities	(149)	(495)	346
Net cash flow from investing activities	(5)	563	(568)

Board fees

Board fees were lower than budget due to delays in appointments following vacancies arising from board member changes. Chair fees were also lower than budget, mainly due to reduced domestic and international commitments.

Communication and engagement costs

We utilised more internal resources in the communication and engagement function which reduced our expenditure on external providers compared to budget.

Travel costs

The number of international trips for international meetings and events this year has been lower than planned.

General operating costs

We have spent less on research overall this year but did complete the evaluation of the CRD regime. We had also budgeted for higher external consultancy costs but this support was not required as our work programme evolved.

Cash and cash equivalents / Net cash flow from investing activities

Cash and cash equivalents were higher than budget due to budgeting a larger deficit during the year that did not occur.

Net cash flow from operating activities

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



Independent Auditor's Report

To the readers of External Reporting Board's financial statements and performance information for the year ended 30 June 2026

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 the audit of the financial statements and performance information on his behalf.

Opinion

We have audited:

- the financial statements of the XRB that comprise the statement of financial position as at 30 June 2026, 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 40 to 53; and
- the performance information that consists of the statement of performance for the year ended 30 June 2026 on pages 17 to 34.

In our opinion:

- The financial statements of the XRB present fairly, in all material respects, its financial position as at 30 June 2026, and its financial performance and cash flows for the year then ended, in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP") Public Benefit Entity Standards Reduced Disclosure Regime.
- The performance information is appropriate and meaningful and prepared in accordance with the XRB's measurement bases or evaluation methods and New Zealand Generally Accepted Accounting Practice ("NZ GAAP") Public Benefit Entity Standards Reduced Disclosure Regime and presents fairly, in all material respects:
 - the XRB's service performance and actual revenue and expenses for each reportable class of outputs for the year ended 30 June 2026 compared to the forecast standards and budgets included in the statement of performance expectations for the year.

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. Our responsibilities under those standards are further described in the *Responsibilities of the auditor* section of our report.

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 performance information

The Board is responsible on behalf of the XRB for preparing financial statements and performance information that are fairly presented and comply with generally accepted accounting practice in New Zealand.

This includes:

- the selection of elements/aspects of service performance, performance measures and/or descriptions, and measurement bases or evaluation methods to enable the presentation of service performance information that is appropriate and meaningful; and
- the preparation of a statement of performance, in accordance with the XRB's measurement bases or evaluation methods, that provides an appropriate and meaningful basis to enable readers to assess what has been achieved for the year.

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

In preparing the financial statements and performance information, the Board is responsible on behalf of the XRB for assessing the XRB's ability to continue as a going concern. The Board is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to merge or to terminate the activities of the XRB, or there is no realistic alternative but to do so.

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 performance information

Our objectives are to obtain reasonable assurance about whether the financial statements and performance information, 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 performance information.

For the budget information reported in the financial statements and the performance information, 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 performance information.

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 performance information, 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 obtain an understanding of the process applied by the XRB to select its elements/aspects of service performance, performance measures and/or descriptions and the measurement bases or evaluation methods.

- We evaluate whether:
 - the selection of elements/aspects of service performance, performance measures and/or descriptions and measurement bases or evaluation methods present an appropriate and meaningful assessment of the entity's service performance; and
 - the performance information is prepared in accordance with the XRB's measurement bases or evaluation methods, and presents fairly, in all material respects in accordance with generally accepted accounting practice in New Zealand, 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 to the expected revenues and the proposed output expenses included in the XRB's statement of performance expectations for the financial year.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the XRB's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the information we audited or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the XRB to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and performance information 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 all of the information included in the annual report, but does not include the financial statements, the performance information consisting of the statement of performance, and our auditor's report thereon.

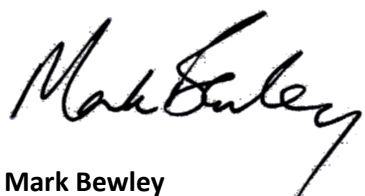
Our opinion on the financial statements and the performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and the performance information, 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 performance information 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 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)* [as applicable for audits of public interest entities] 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

17 September 2026

Glossary

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

AASB	Australian Accounting Standards Board
AI	Artificial Intelligence
AOSSG	Asian-Oceanian Standard-Setters Group
APESB	Accounting Professional and Ethical Standards Board
ASAF	Accounting Standards Advisory Forum
AUASB	Australian Auditing and Assurance Standards Board
CPI	Corruption Perceptions Index
CRD	Climate-related disclosures
ED	Exposure draft
FMA	Financial Markets Authority
FRC	Australian Financial Reporting Council
GEPA	Green Economy Partnership Agreement
GHG	Greenhouse Gas
IAASB	International Auditing and Assurance Standards Board
IASB	International Accounting Standards Board
IESBA	International Ethics Standards Board for Accountants
IFASS	International Federation of Accounting Standard Setters
IFRS	International Financial Reporting Standard
IPSASB	International Public Sector Accounting Standards Board
ISA	International Standard on Auditing
ISA for LCE	International Standard on Auditing for Audits of Financial Statements of Less Complex Entities
ISSB	International Sustainability Standards Board
MBIE	Ministry of Business, Innovation and Employment
MFAT	Ministry of Foreign Affairs and Trade
MPI	Ministry of Primary Industries
NZASB	New Zealand Accounting Standards Board
NZAuASB	New Zealand Auditing and Assurance Standards Board
NZ CS	Aotearoa New Zealand Climate Standards
NZ GAAP	New Zealand Generally Accepted Accounting Practice
PBE	Public Benefit Entity
RBNZ	Reserve Bank of New Zealand
RDR	Reduced Disclosure Regime
SASB	Sustainability Accounting Standards Board
SOI	Statement of Intent
SPE	Statement of Performance Expectations
SPI	Service Performance Information
SRB	Sustainability Reporting Board
tCO ₂ e	Tonnes of carbon dioxide equivalent
XRAP	External Reporting Advisory Panel
XRB	External Reporting Board