EMA NZ Lighting the path for business.

2023 Annual Report
Kia tūrama te huanui pakihi

Key Information

Financial accounts prepared by the EMA

Financial audit conducted by Grant Thornton
New Zealand Audit Limited

Legal services provided by Lockhart Legal Limited

Banking Services provided by ASB, Westpac, Kiwibank, ANZ

EMA is an Incorporated Society, certificate number 221372

Our Locations

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Tauranga

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Rotorua

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Whangārei

The Orchard Business
& Event Hub, Level 1,
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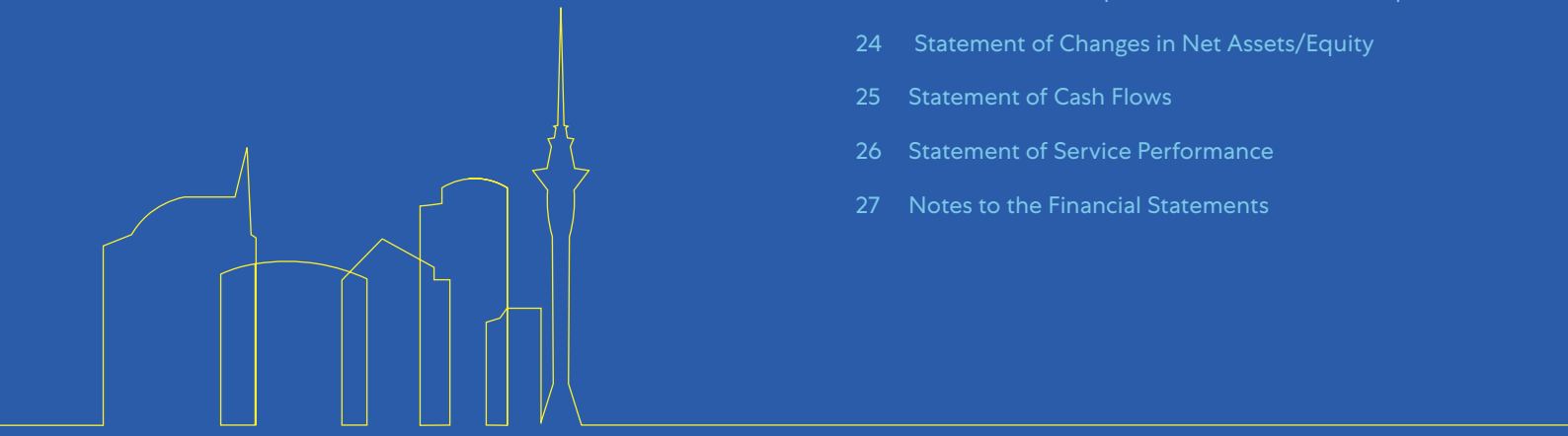

Chairman's Message

It has been a privilege to chair the EMA, especially for this unusual extended term. This organisation matters, the work we do matters, and the success of our members matters.

The last few years have thrown up many challenges and the EMA has responded to them all with energy, speed and effectiveness.

That's the legacy of nearly 140 years of history, and it is why we will continue to thrive, both now and under the new board leadership of our new Chair Colin Birch. Congratulations and thank you to Colin. I know you will be much better than the last person!

As I reflect on my time as Chair, we've continued to refresh and reframe the EMA. That is very visually evident in the new brand identity, but it's also true "under the skin" as well.

This month saw the EMA move onto a new state-of-the-art digital platform, which enables the EMA to have much better data that will support it to become a more responsive organisation.

From COVID to floods, it seems that we've spent much of our time supporting members and working with the government to deal with extraordinary circumstances. However, that is typical for much of the EMA's history.

Since the EMA was established nearly 140 years ago, it has faced many crises. One thing we know is true is that there will be many more in the future. I have been incredibly proud of how the EMA, and its partners in the Business NZ Network, have embraced each of these challenges.

One thing that is changing is the rate of change, and it is only going to get faster. That is why we need to continually strive to be more nimble.

We know that there are many challenges ahead – from climate change, global uncertainty, new and disruptive technology, and the ability of the education sector to adequately train the workers that we will need tomorrow. These challenges will impact each of us, and they will affect how we do business.

The EMA's own business model isn't immune to the changes that are occurring. I am proud of how we have made the tough decision to respond. These were not easy decisions, and there was an inevitable impact on the people who work for the EMA as well as short term costs, which are reflected in the FY23 financial statements. Nevertheless, they were the right decisions that have left the EMA in a stronger position to face the future with confidence.

For example, we made significant changes to both our legal and training businesses, and they are now growing strongly after a tough few years.

In a time when many membership organisations are suffering falling membership, such as sports clubs, social clubs and even business associations, I am excited that the changes we have made over the last year have seen a steady increase in membership across the current year.

Our advocacy work continues to be highly effective, with many of our policy suggestions being adopted by more than one political party in the recent election. And, alongside our colleagues at Business NZ, we have made a significant contribution internationally.

In particular, the work Brett has done with various trade missions to the Pacific, India and China has fostered networks, connections and opportunities for our members. I was fortunate to witness this first-hand while at the APEC CEO forum in San Francisco, where Brett was making introductions, connecting contacts and finding opportunities even in the airport as we were leaving.

The work we do with Advanced Manufacturing, Export NZ, our AI programme and the new sustainability programmes add new strings to our bow and will all lead and inspire members for years to come.

Across the EMA, there is a lot to be proud of. And while I would therefore like to say to my successor that the transformation work is complete, and we can simply look forward to the results, no organisation and no board can ever say that. In fact, I believe we are just at the beginning.

There is more work to do, more transformation to undertake and more opportunities to explore. The opportunity is immense and we are only bounded by our imagination.

The EMA is a strange hybrid between being a 'club' of member businesses and a service provider with a mix of subscription and on-demand services. This unusual mix does need more thought and more work so that we can ensure the EMA remains fit for purpose. We shouldn't be timid of doing this work, but excited because the result will be a new world of opportunities.

I'd like to finish by acknowledging our people. The EMA, and the Business NZ network, are ultimately made of dedicated people who care about achieving our mission. They know the importance of business to NZ Inc, and they live and breathe those values.

We have some incredible board members, all of whom are volunteers who freely give their time. I have learned from and been inspired and encouraged by you all, and I am proud of the board transition we have been through to ensure the board represents the diversity of our membership.

Above all, our professional team are a very special cohort. Especially over the past couple of years, we've had to organise and re-organise ourselves to deal with the disruption, in much the same way that many of our members have.

Some of the EMA team are well known – Brett O'Riley and, before him, Kim Campbell. I know how much the EMA means to you and I have been extremely lucky to work with these two amazing CEOs – thank you.

Others of the EMA team are increasingly familiar, such as Alan McDonald, working daily with media to ensure our voice is heard, but so many more people work tirelessly in the background to support the board, the CEO, their colleagues and above all, our members. I can't thank you all enough.

It has been an absolute pleasure being your Board Chair and I wish you all the very best in the future.

Andrew Hunt
Chair

Chief Executive's message

Tēna koutou katoa

It is our pleasure to present the EMA Annual Report for the 2023 Financial Year (FY23).

The past year has been both exciting and extremely challenging for the EMA and our members. We find ourselves navigating an increasingly challenging economic and social environment, exacerbated by the impacts of the pandemic, global conflicts, and technological disruption.

But resilience and managing through these downturns is something that the EMA knows about – it is in our DNA. But like other businesses, it impacts us as well.

Inflation, interest rates, and supply constraints are all having a negative impact on economic activity and placing heightened pressure on businesses. To compound these challenges, many of our members were seriously affected, directly and indirectly, by the Auckland floods and Cyclone Gabrielle.

Through it all, we have continued to stand alongside our members, lighting the pathway to their success, just as we have done for the past 137 years. In FY23, we also looked to the future. This saw us taking the time to examine what we do and how we can improve our systems and processes to make life easier and more productive for our members, our staff, and our partners.

As part of this work, we made a substantial investment in FY23 to develop a new digital platform, with the latest stage of development launched on November 1st, 2023. Our new platform offers a much more tailored experience that will transform how we engage with our members, making it much easier for them to access the information they need, when they need it. The platform also enables us to access data to improve insights into their needs and respond with new programmes and initiatives.

But that's not all we've done to modernise. In FY23, we conducted a major review of the EMA brand identity, which reaffirms our commitment to championing New Zealand businesses. Our new identity represents more than just a new look and feel; it repositions the EMA as the country's leading business and advocacy service. This means acting as a trusted professional business advisor to our members. We connect members to potential partners, markets and suppliers. We share knowledge and insights, and we provide advice to help our members shape their future, lighting their way.

The way we deliver support and value may be changing, but our commitment to our members remains unwavering. We are dedicated to continuing to deliver the best employment advice, legal support, training, and people experience services that they've come to expect from us. Our promise is to do it even better, tailored for our members and their businesses.

We greatly appreciate the unwavering support of our Board in investing in our new platform, brand, and resources, as well as the commitment of our staff, partners and suppliers who have worked tirelessly throughout the year.

While it hasn't always been easy, we have made significant progress in the past financial year, despite the revenue and cost challenges that many other businesses have faced. But we have invested against the curve and the signs ahead are promising. On the horizon are new partnerships and relationships that will strengthen what we do. We also look forward to engaging with the government, which appears to be committed to growing the economy by partnering with business, improving productivity, and reducing the pervasive impact that regulation and bureaucracy has on the need for our members to operate at world-leading pace.

It's the combination of these opportunities, and the progress we have made to date, that allows us to look to the future with confidence. Our commitment to our members is paramount, and the ability to make a difference to their performance and the environment they operate in.

Ngā mihi nui

Brett O'Riley
Chief Executive Officer

2023 Highlights

19,263 inbound calls answered by AdviceLine

300+ engagements with central and local government

292 companies became members of the EMA

3,102 people attended a member briefing

5,720 learners attended a course or completed a programme

6,784 people who attended one of our live and digital events

1,351 emails received through advice@ema.co.nz

7 policy forums attended by key industry and local and central government officials

464 items in the media

29 learners awarded a Health and Safety qualification

1,054 member businesses supported by our legal and consulting team

Membership

Our membership team's primary focus in FY23 has been on supporting our 6,759 members, who together employ approximately 25% of New Zealand's workforce. In the last financial year, we were delighted to welcome 292 new members.

The economic environment continues to be challenging for many of our members, who are grappling with rising costs, skills shortages and weakening consumer confidence. Our focus over the past year has been helping them through this period by providing them with the practical advice, tools and support that they need.

To help us do this, we undertook a reorganisation of our membership function in FY23 to better support the team to meet the needs of our members.

We also continued to build both our capabilities and relationships so that we can provide improved support to our members in the regions. In Northland, in particular, the past year saw us strengthen our relationship with NorthChamber, which we are now looking to deepen into the future.

Throughout FY23, our membership team worked closely with other parts of the organisation, ensuring the members voice was incorporated into everything we did. This included supporting the Advocacy team in the development of the EMA's pre-election manifesto, and in helping the EMA's Marketing and Events team drive awareness and attendance at EMA events.

Subscriptions for the financial year ending 30 June 2023 were $7.39 million, a marginal increase from the year prior.

Advocacy

In the past year, we were proud to continue building our reputation as one of New Zealand's most influential advocacy groups, representing our members interests by promoting a business-friendly policy and regulatory environment that benefits all New Zealanders.

We continued to work closely with our partners at BusinessNZ to ensure the voice of business is amplified with Ministers, regulators and officials at all levels, and that the impact on business of new legislation or regulations is fully understood and considered.

A key focus for FY23 was the development of the EMA's pre-election manifesto, which was released ahead of the General Election. The manifesto brought together a range of different policy proposals for consideration by the incoming government. The manifesto was developed with the support of the EMA's Policy Advisory Group and feedback from members on key policy priorities.

During the year, we made eight submissions, including on the Spatial Planning and Natural and Built Environment Bills, the Health and Safety at Work (Health and Safety Representatives and Committees) Amendment Bill, and the Therapeutic Products Bill, along with six letters regarding topics like immigration, water management, regional development issues, and pay equity.

In FY23, our Advocacy team engaged with central and local government more than 300 times and spoke at more than 50 events.

In total, the team recorded 913 engagements on topics ranging from immigration, infrastructure, education and skills, employment relations, resource management reform, sustainability and health and safety.

As part of our advocacy programme, we look to provide opportunities for members to hear directly from government ministers, local body politicians and industry experts on issues that matter to them through our policy forums. In FY23, we held seven policy forums. Forum speakers included Ministers Chris Hipkins, Grant Robertson, David Parker and Ginny Anderson, Leader of the ACT Party David Seymour, Auckland Mayor Wayne Brown, Professor of Economics Gail Pacheco, and Auckland Airport talking about their terminal redevelopment plans.

We also continued our programme of member briefings, which we held across the region, providing updates on the political and legal landscape. Member events continued to be well attended, with more than 3,000 members attending 63 briefings.

Our Advocacy team continues to work closely with government agencies, including the Ministry of Social Development and Immigration New Zealand, to identify areas to collaborate, provide feedback and improve processes. This will continue with the new government, as the team has been consistently creating relationships across multiple parties, allowing them to hit the ground running and ensuring the voice of business is front of mind.

Trade Groups

The EMA continues to support a range of trade groups, which have both a local and international focus. This work ranges from providing Executive Director and Secretariat services, through to survey compilation of sales data.

Following the pandemic, when most events were virtual, global meetings have recommenced. FY23 saw Cosmetics NZ not only hold industry-wide meetings but also hosting a 50-year celebration attended by global leaders. Out Executive Director also attended meetings of CEOs for the Direct Selling industry and association leaders. We have also been proud to continue our support of the NZ Metal Roofing Manufacturers, Hearing Aid Manufacturers, Clay Brick and Paver Manufacturers, and Consumer Electronics associations.

Partnerships

The past financial year has seen the Partnerships team focus on broadening and deepening its range of strategic partnerships to deliver benefits for members. The EMA has developed strong and mutually beneficial relationships with a range of partners that allow it to enhance its membership proposition.

To ensure we were maximising the benefits delivered by our partnerships, our partnership function was integrated into our Marketing team during the year. This has resulted in a more strategic approach to partnerships, ensuring we are in the best position to maximise them for the benefit of both parties.

FY23 saw the return of live sponsored events, following an enforced hiatus caused by the pandemic. This return to normalcy helped the team generate revenue of $202,046. The signature event for the year was Go Global, held in November, which explored new export business models and how new approaches to technology and investment can help exporters grow their business. The event, which attracted $93,000 in sponsorship from a wide range of sponsors, provided an opportunity for attendees to acquire global market insights and hear from industry leaders.

Our partnership with insurer nib continues to develop. Our largest partner, nib is our strategic partner for our HR persona. The highlight of this partnership was the undertaking of the Workplace Wellbeing Survey, a nationwide survey the culminated in the results being released at a special event hosted by the EMA in September. Through this partnership, we also ran several People Experience events around the attraction and retention of staff.

BNZ continued as our strategic export and manufacturing partner. In FY23, this partnership saw us facilitate a series of networking events in Auckland, Hamilton and Tauranga, including the Export Excelerator Programme.

Our strategic partnership with Malcolm Pacific Immigration has continued to flourish. Through the relationship, we have supported regular immigration webinars and updates, and it has also allowed us to better support members with immigration enquiries through AdviceLine. The partnership also saw us run a Skills Shortage Survey in February 2023, which supported the generation of data to support our advocacy activity around the state of the labour market.

We are continuing work to deepen our relationships with our other key partners, including Business Mentors, Z Energy, Strategic Pay and TradeWindow. These relationships are important to supporting our membership value proposition, by allowing us to provide a range of exclusive savings and discounts.

Communities

In the last financial year, we continued our work supporting our communities: Manufacturing, Export, Human Resources, and Health and Safety.

Through exclusive networking events, we aim to connect community members with fellow business owners, partners and industry peers.

Manufacturing Community

In FY23, we continued our strong support of the manufacturing sector. This included making substantial investment into manufacturing initiatives such as the Industry 4.0 Demonstration Network. This network enables manufacturers to explore and implement innovative technologies and practices, positioning them at the forefront of the industry's digital transformation.

Export Community

We continued to work alongside ExportNZ in FY23 to provide a range of resources, insights and networking opportunities for exporters. We also continued our Export Excelerator mentorship programme, connecting experienced mentors with aspiring exporters, offering guidance and expertise to navigate the complexities of international trade.

Human Resources Community

Our Human Resources Community continued to act as a hub for HR professionals in FY23, providing opportunities for HR experts and practitioners from diverse industries to come together to learn, collaborate and network. Members of the community participated in a range of workshops, seminars and webinars to discuss the latest trends and best practices in people management.

Health and Safety Community

Members of our Health and Safety community share a dedication to safeguarding the wellbeing of their workplaces and their employees. In FY23, the community continued its focus on fostering a culture of safety and continuous improvement. This was supported through a range of seminars, workshops and training programmes to keep community members abreast of the latest regulations and best practices.

Marketing

In FY23, we undertook a significant review of our marketing function. The aim of this review was to strategically focus our marketing activity to better enable the organisation to achieve its business objectives.

As part of this review, marketing, partnerships, events and communications came together into one team. This allows communication and marketing activity to be better coordinated so they are working together to drive engagement and awareness.

The past financial year also saw us undertake a review of our brand identity. In an increasingly crowded market, this was an important opportunity to understand where we are positioned, how we are viewed, and what we can do better for the benefit of our members.

This work has resulted in a major refresh of our brand identity, so that we are positioned to better meet the needs of our members. Not only did this work see us update our look and feel, but it also reconfirmed our commitment to being New Zealand's leading business and advocacy service.

This has seen us look at everything we do through our new brand lens, ensuring we are positioning ourselves as the trusted business adviser to our members, and providing them with the insights, tools and connections they need to thrive.

An example of this work was the planning of our Future of Work programme, which was undertaken in the latter half of FY23 and launched in September with a series of dedicated webinars and events looking at Artificial Intelligence and the opportunities it provided for business.

Throughout the year, we continued to publish regular newsletters to members and stakeholders, providing them updates and insights on key topics. Our emails performed well, achieving an open rate of approximately 30%.

We also hosted a range of events, both in Auckland and in the regions, aimed at bringing members together to network, celebrate, share insights and listen to a wide range of speakers. More than 6,700 people attended one of our live or online events, and we achieved a strong Net Promoter Score of 46.16 across all measurable events.

In FY23, we also maintained our position as one of the leading media voices by achieving over 460 pieces of media coverage.

Services

AdviceLine

AdviceLine is our member-only dedicated employment support line. Staffed by specialist employer advisers, AdviceLine provides confidential, practical employment advice. The team also publishes a range of comprehensive guides for employers and managers.

In FY23, AdviceLine responded to 19,263 inbound calls and received 1,351 emails. This was slightly down from the previous year, which reflects a decreased demand for support following the pandemic. The top three topics managed by AdviceLine were employee leave, employment agreements and terms, and discipline and termination. The AdviceLine team achieved a strong Net Promoter Score of 68, well above our goal of 50.

During the year, we increased the connection between the AdviceLine and Legal and Consultancy, with the teams coming together to form the EMA's Employment Relations practice. This ensures that we are in the best position to provide end-to-end employment relations assistance.

Legal and Consultancy

Our Legal and Consultancy team was in high demand over the past financial years, supporting members to navigate their employment relations challenges. Through the year, the team supported 1,058 member businesses and generated revenue of $4,313,320.

While COVID-related issues subsided in importance throughout the year, many of our members were seriously impacted by the Auckland floods and Cyclone Gabrielle in the new year. In response, our Legal and Consultancy team prepared tailored flood-relief packs that contained policies and guidance on how to respond to these events. We also offered one-on-one sessions for members, providing advice on a range of issues from business continuity planning through to restructuring.

Our Legal and Consultancy team also worked with members to support them through the challenges created by the Fair Pay Agreements Act and the obligations it created, as well as helping them navigate the current economic and inflationary challenges that are increasing the costs of doing business.

People Experience

Our People Experience (PX) service provides an ecosystem of support to our members to help them implement best practices to attract, engage, grow and retain their people. Our PX service generated $216,000 in revenue in FY23.

In the last financial year, our PX Resource Library recorded 2,770 downloads, providing members with a wide range of resources to help them with their recruitment and retention, performance management and succession planning.

Forty-eight members completed our online HR Maturity Assessment, which provided them a personalised report highlighting where they should focus their HR activities to best meet their business needs.

The year also saw the EMA host a series of HR Activate Workshops, focussed on becoming an employer of choice. We ran a series of podcasts, providing content from a range of experts, academics and practitioners on key PX issues. The podcasts also featured several success stories, where members shared their business challenges and how they overcame them. These are available on both Spotify and YouTube

Our team of specialist consultants also continued to support members throughout the year on a range of projects, including defining and using their Employee Value Proposition to recruit, engage and retain staff; enhancing and updating performance engagement to improve employee effectiveness; and implementing successional planning processes for business-critical roles.

Learning

Our Learning portfolio aims to support our members to build their people capability through the delivery of a range of specialist programmes and courses. We are a NZQA-registered Private Training Establishment (PTE) and offer more than 80 different courses, which are delivered throughout the year and in a variety of ways to meet the needs of learners.

In FY23, we continued to help members and the wider business community grow their people and their capability. Throughout the year, our focus was on providing programmes to meet the needs of the business community, including delivering several new courses.

More than 5,720 learners attended one of the 533 training sessions we ran throughout the year and nearly 200 learners registered to attend a standalone eLearning course. In addition, 556 learners gained a NZQA credit for assessments they achieved, while 29 learners achieved either a certificate or diploma in workplace Health and Safety.

In FY23, our learning portfolio achieved revenue of $3.86 million, a year-on-year increase of 36%, and we retained our Category 2 status as a PTE with NZQA.

Our People

Our people are our most important asset.

At the end of FY23, we employed 100 staff, compared to the 93 employed at the end of the previous financial year. We also employed a number of temporary and contract staff to provide specialist support for short periods of time, or to allow us to quickly scale up our services when required.

Similar to many other businesses, FY23 marked a return to normality following the disruptive two years caused by the pandemic. This saw us support our staff return to back to the office but with some increased flexibility to allow work-from-home days during the week. To support a collaborative culture, our expectation is that most staff will be in the office most days.

We are committed to the EMA being an employer of choice by creating a fun, supportive and rewarding environment. As part of this commitment, we hosted several events for staff throughout the year, including celebrating important cultural events, participating in Pink Shirt Day, delivering numerous wellbeing initiatives and holding our annual People Day, which brings everyone together for a day of strategy and team building.

Given New Zealand's very low unemployment rate and the high demand for skilled staff, turnover continued to be a challenge throughout FY23. To reduce turnover, our focus has been on continuing to develop a strong and supportive culture that provides a rewarding environment for staff, and which allows them to progress their careers. We continued our work with partners to provide staff with a range of employment benefits, including discounted gym membership, improved EAP services, health insurance and income protection insurance.

In FY23, we also improved our internal processes. This included creating a new offboarding form and new exit interview process so that we can properly understand why an individual made the decision to leave. We also launched our new employee digital handbook.

The past financial year also saw the EMA review and update its employee values, providing our staff with the right framework for the behaviours and outcomes that we are working together to achieve, and which will foster a supportive and collaborative culture.

Financial Statements

Employers' and Manufacturers'
Association (Northern) Incorporated
For the year ended 30 June 2023

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Directory

Nature of Business

Provision of Advocacy Services, Employment Relations Advice, Training and Consultancy

Business Address

145 Khyber Pass Road
Grafton, Auckland

Postal Address

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Auckland 1142

IRD Number

010-009-405

Auditor

Grant Thornton New Zealand Audit Limited,
Level 4, Grant Thornton House
152 Fanshawe, Street Auckland 1140

Bankers

ANZ Bank New Zealand Limited
ASB Bank Limited
Westpac New Zealand Limited
Kiwibank Limited

Solicitors

Lockhart Legal Limited

President

Andrew Hunt, Kinetics Group Limited

Board Members

Andrew Phipps, University of Auckland
(resigned 22 November 2022)

Andy Nock, Far North Holdings Ltd

Colin Birch, Smart Climate Solutions

David Welsh, Fletcher Building
(appointed 22 November 2022)

Frank Cui, SureCapital Group

Hannah Young, Parallaxx

Heta Hudson, Whāriki Māori Business Network
(appointed 22 November 2022)

Jugdis Parbhu, BDO Auckland

Margaret Gracie, nominee of New Zealand Steel Ltd
(resigned 22 November 2022)

Melanie Dyer, Port of Tauranga

Murray Jamieson, MV Advisory Ltd
(resigned 22 November 2022)

Mike Riley, Dotterel Technologies

Sarah Duffin, BNZ

Saia Mataele, PWC

Imche Fourie, Outset Ventures

John Miles, NZ Marketing Association
(resigned 22 November 2022)

Alex Zhang, Chance Immigration and Education
(appointed 22 November 2022)

Carolyn Banks, Venus Networks and NZ
(appointed 22 November 2022)

Simon Bennett, Accordant
(appointed 22 November 2022)

Sarah Caunter, Corys Electrical
(appointed 22 November 2022)

Key Management Personnel

Brett O'Riley, Chief Executive Officer

Alan McDonald, Head of Advocacy, Strategy and Finance

Raymond Skoglund, Head of Services and Operations

Geraldine Bromley, Head of Finance and Facilities
(resigned 27 January 2023)

Omima Alsafwani, Head of People and Support Services

Matthew Dearing, Head of Legal Services
(resigned 14 July 2022)

Simon Devoy, Head of Membership
(commenced 1 March 2022)

Melanie McKay, Head of Corporate Communications
(resigned 19 July 2023)

Paul O'Neil, Head of Legal, Consultancy and General Counsel
(commenced 12 December 2022)

Lisa Dean, Head of Marketing
(commenced 18 January 2023)

Independent Auditor's Report

Grant Thornton

To the Members of Employers' and Manufacturers' Association (Northern) Incorporated

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Employers' and Manufacturers' Association (Northern) Incorporated (the "Association") which comprise:

a. the financial statements set out on pages 22 to 42, which comprise the statement of financial position as at 30 June 2023, and the statement of comprehensive revenue and expense, statement of changes in net assets/equity, and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies; and

b. the statement of service performance on page 26.

In our opinion, the accompanying financial statements present fairly, in all material respects:

a. the financial position of the Association as at 30 June 2023 and its financial performance and cash flows for the year then ended; and

b. the service performance for the year ended 30 June 2023 in accordance with the Association's service performance criteria

in accordance with the Public Benefit Entity Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board.

Basis for Opinion

We conducted our audit of the financial statements in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and the audit of the service performance information in accordance the International Standard on Assurance Engagements (New Zealand) (ISAE (NZ)) 3000 (Revised) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Association in accordance with Professional and Ethical Standard 1 International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Other Information Other than the Financial Statements and Auditor's Report thereon

The Board members are responsible for the other information. The other information comprises the Annual Report including Chairman and Chief Executive messages together with key highlights and services from page 2 to 19 but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements 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, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, 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.

Responsibilities of Board Members for the Financial Statements

The Board Members are responsible on behalf of the Association for:

(a) the preparation and fair presentation of the financial statements and statement of service performance in accordance with Public Benefit Entity Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board;

(b) service performance criteria that are suitable in order to prepare service performance information in accordance with Public Benefit Entity Standards Reduced Disclosure Regime; and

(c) such internal control as Board Members determine is necessary to enable the preparation of the financial statements and statement of service performance that are free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors on behalf of the Association are responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless those charged with governance either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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 conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

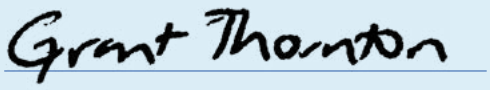
As part of an audit in accordance with ISAs (NZ) and ISAE (NZ) 3000 (Revised), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements and the service 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 the association's internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the use of the going concern basis of accounting by those charged with governance and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the association'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 financial statements 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 association's to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements and the service performance information, including the disclosures, and whether the financial statements and the service performance information represents the underlying transactions and events in a manner that achieves fair presentation.
- Perform procedures to obtain evidence about and evaluate whether the reported outcomes and outputs, and quantification of the outputs to the extent practicable, are relevant, reliable, comparable and understandable.

We communicate with those charged with governance 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.

Restriction on use of our report

This report is made solely to the Association's members, as a body. Our audit work has been undertaken so that we might state to the Association's members, as a body, those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and its members, as a body, for our audit work, for this report or for the opinion we have formed.



Grant Thornton New Zealand Audit Limited

Auckland

16 November 2023

Statement of Financial Position
For the year ended 30 June 2023

	NOTES	2023	2022
Equity			
Total Equity		**25,354,033**	**27,556,623**
Assets			
Current Assets			
Cash and Bank	13	1,277,734	2,004,370
Receivables from Exchange Transactions	7	5,108,703	4,971,157
Total Current Assets		**6,386,437**	**6,975,527**
Non-Current Assets			
Investment in Business NZ Incorporated	11	810,197	740,024
Investment in EMA China Limited	19(iii)	128,313	89,519
Property, Plant and Equipment	8	28,921,404	27,291,535
Investment Properties	10	2,075,000	2,275,000
Intangibles	9	246,683	404,167
Total Non-Current Assets		**32,181,597**	**30,800,245**
Total Assets		**38,568,034**	**37,775,772**
Liabilities			
Current Liabilities			
Payables	21	2,864,812	1,819,722
Subscription and Fees in Advance		6,201,774	5,872,239
GST Payable		743,143	906,133
Annual Leave Accrual		426,479	593,262
Loan Credit Facility	14	2,977,793	1,027,793
Total Current Liabilities		**13,214,001**	**10,219,149**
Total Liabilities		**13,214,001**	**10,219,149**
Net Assets		**25,354,033**	**27,556,623**

For and on behalf of the Board, which authorised the issue of these Financial Statements:

Andrew Hunt
President

Date: 16 November 2023

Brett O'Riley
Chief Executive Officer

Date: 16 November 2023

Statement of Comprehensive Revenue and Expenses
For the year ended 30 June 2023

	NOTES	2023	2022
Revenue from Exchange Transactions			
Membership Subscriptions		7,880,259	7,335,004
Business Central Income		396,662	500,330
Employment Relations Consultancy, OSH, Legal Services and Publications		3,929,209	3,562,575
Export NZ and Advocacy Income		150,441	44,300
Other Income	3	3,177,310	4,818,075
Rent Received		341,766	234,855
Training and Conferences		3,627,279	2,743,690
Total Revenue from Exchange Transactions		**19,502,926**	**19,238,829**
Revenue from Non-Exchange Transactions			
Commission and Dividends Received		1,720	-
Total Revenue from Non-Exchange Transactions		1,720	-
Total Revenue		**19,504,646**	**19,238,829**
Expenses			
Administration and General Expenses		448,769	283,389
Depreciation	18	559,785	417,588
Amortisation	18	210,768	158,508
Audit Fee	6	36,400	28,875
Business Central Expenses		321,274	393,161
Business NZ Levy		871,806	871,796
Communications, Photocopying and Publishing		174,937	192,825
Contractors' Expenses		4,618,493	3,776,527
Employment	18	9,796,484	9,564,317
Information Technology Expenses		1,284,904	1,069,030
Members Functions, Promotions and Advertising		523,663	378,839
Occupancy		673,785	594,661
Training and Conferences Delivery Expenses		1,650,439	1,097,197
Travelling, Accommodation and Motor Vehicle Expenses		303,591	160,414
Total Expenses		**21,475,098**	**18,987,127**
Net (Loss) / Profit from Continuing Operations		**(1,970,452)**	**251,702**
Finance Costs / (Income)			
Interest paid / (received)	2(i) 2(j)	(16,748)	1,504
Interest - Loans		117,853	18,658
Net Finance Costs / (Income)		**101,105**	**20,162**
Other Revenue / (Expenses)			
Equity Accounted Profit / (Loss) from Business New Zealand Incorporated	11	70,173	98,538
Equity Accounted Profit / (Loss) from EMA China Limited	19(iii)	(1,206)	9,519
(Loss) on Fair Value of Investment Properties	10	(200,000)	(325,000)
Net Other (Expenses)		**(131,033)**	**(216,943)**
Net Loss / Surplus for the Year		**(2,202,590)**	**14,597**

These financial statements are to be read in conjunction with the Notes to the Financial Statements and the Auditor's Report.

Statement of Comprehensive Revenue and Expenses (cont'd)

	NOTES	2023	2022
Comprehensive Revenue and Expenses for the Year			
Net Loss / Surplus for the Year		**(2,202,590)**	**14,597**
Other Comprehensive Revenue and Expenses Movements in Revaluation Reserve	8	-	711,447
Total Other Comprehensive Revenue and Expenses		**-**	**711,447**
Total Comprehensive Revenue and Expenses for the Year		**(2,202,590)**	**726,044**

Statement of Changes in Net Assets/Equity For the year ended 30 June 2023

	NOTES	Revaluation Reserve	Accumulated Revenue and Expenses	Total Equity
Equity for the year ended 30 June 2023				
Opening Balance		5,694,269	21,862,354	27,556,623
Net Surplus for the year			(2,202,590)	(2,202,590)
Loss / (Gain) on Revaluation of Property, Plant and Equipment	8	-	-	-
Total Equity for the year ended 30 June 2023		**5,694,269**	**19,659,764**	**25,354,033**

	NOTES	Revaluation Reserve	Accumulated Revenue and Expenses	Total Equity
Equity for the year ended 30 June 2022				
Opening Balance		4,982,822	21,847,757	26,830,579
Net Surplus for the year		-	14,597	14,597
Gain on Revaluation of Property, Plant and Equipment	8	711,447	-	711,447
Total Equity for the year ended 30 June 2022		**5,694,269**	**21,862,354**	**27,556,623**

These financial statements are to be read in conjunction with the Notes to the Financial Statements and the Auditor's Report.

Statement of Cash Flows
For the year ended 30 June 2023

	2023	2022
Cash Flows From / (To) Operating Activities		
Receipts from Subscriptions and Members' Services	19,976,763	17,576,296
Receipts of Property Rentals	341,766	234,855
Interest, Commission and Dividends Received (Paid)	18,122	(1,503)
Payments to Suppliers and Employees	(19,303,146)	(17,546,534)
Business NZ Levy Paid	(871,806)	(871,796)
National Subscription Paid to Other Regional Associates	(109,831)	(75,937)
Net GST, FBT and ACC Levy	(297,394)	(15,345)
Bank Fees and Interest Paid	(136,266)	(40,299)
Net Cash (Outflow) from Operating Activities	**(381,792)**	**(740,263)**
Cash Flows From / (To) Investing Activities		
Receipts from Disposal of Plant, Equipment & IT	28,094	-
Purchase of Property, Plant and Equipment	(2,189,654)	(120,917)
EMA China Limited Investment	(80,000)	(40,000)
Purchase of Intangible Assets	(53,284)	(385,943)
Net Cash (Outflow) from Investing Activities	**(2,294,844)**	**(546,860)**
Cash Flows From / (To) Financing Activities		
Proceeds from Term Loan	1,950,000	500,000
Net Cash Inflow from Financing Activities	**1,950,000**	**500,000**
Net Increase/(Decrease) in Cash and Cash Equivalents	(726,636)	(787,123)
Cash and Cash Equivalents at beginning of period	2,004,370	2,791,493
Cash and Cash Equivalents at end of period	**1,277,734**	**2,004,370**
Reconciliation of Net Cash Flows from Operating Activities to Surplus / (Loss)		
Surplus / (Loss)	**(2,202,590)**	**14,597**
Adjustments for:		
Bad Debts Provision	48,619	(7,575)
Depreciation	559,785	417,588
Amortisation	210,768	158,508
(Gain) / Loss on Disposal of Assets	(28,094)	16,306
Loss on Fair Value of Investment Properties	200,000	325,000
EMA China Limited Investment	40,000	(40,000)
(Gain)/Loss from Investment in EMA China Limited	1,206	(9,519)
(Gain) from Investment in Business NZ	(70,173)	(98,538)
Change in Assets and Liabilities		
(Increase) In Receivables	(355,853)	(480,336)
Decrease In Trade and Other Payables	264,906	58,060
Decrease in MV Loan	783,092	
Decrease In Inventory	-	9,067
(Increase) / Decrease In Income in Advance	329,535	(1,218,136)
(Increase) / Decrease In Net GST Payable	(162,993)	114,714
Net Cashflow from Operating Activities	**(381,792)**	**(740,264)**

Statement of Service Performance
As at 30 June 2023

Our vision is to lead an ecosystem of support, advice and training for New Zealand businesses to enable them and their people to thrive.

Our mission is to inspire and instill belief in the ingenuity and industry of New Zealand business. As champions of commercial ambition and acumen, we use our insights and expertise to make the connections that will create the greatest opportunities and growth for a business, its people, and its community.

Our vision and mission are executed through our strategic goals and KPI's detailed below.

Strategic Goals	KPI	Target	FY23	FY22
Member Success and Engagement	Legal - Net Promoter Score (Industry Benchmark 32)	60	82	74
	Events - Net Promoter Score	50 Good, 60 Great, 70 Outstanding	50	58
	Learning - Net Promoter Score (Industry Benchmark 27)	60	69	69
	Reduction in member churn.	<4% Key Accounts, <8% Regions, <13% SMEs and increase in member loyalty.	<0.73% Key Accounts, <12.32% Regions, <4.01% SMEs and increase in member loyalty.	<4% Key Accounts, <8% Regions, <13% SMEs and increase in member loyalty.
Policy and Advocacy Leadership Nationally that drives change for our communities	Number of Member briefings held		63	22
Platforms and services that are saleable and deliver value to our communities	Engagements with Advice Line - Net Promoter Score	NPS 50 Good, 60 Great, 70 Outstanding	68	69
	% of Advice Line Engagements responded to within 20 seconds		96	93
A culture that enables our staff, members and partners to be outstanding and love being part of our community	EMA employee retention for financial year	**>80% Good, >82% Great, >85% Outstanding.**	69%	65%

These financial statements are to be read in conjunction with the Notes to the Financial Statements and the Auditor's Report.

Notes to the Financial Statements
For the year ended 30 June 2023

1. Reporting Entity

The financial statements of Employers' and Manufacturers' Association (Northern) Incorporated ('the Association') for the year ended 30 June 2023 were authorised for issue in accordance with a resolution of the Board on the date stated in the Statement of Financial Position.

Employers' and Manufacturers' Association (Northern) Incorporated is registered in New Zealand under the Incorporated Societies Act 1908. The financial statements of the Association are a general purpose report, which have been prepared in accordance with generally accepted accounting practices.

The Association's primary function is to support its Member organisations in growing and developing their business through Employment Relations advice and consultancy, occupational health and safety and workplace safety advice and training, skills training and education courses, events and networking opportunities and making submissions on proposed legislations and organising occasional campaigns to improve the environment in which to do business.

The Association has offices in Auckland, Waikato and the Bay of Plenty representing over 7,400 member organisations to the north of Taupō.

2. Summary of Significant Accounting Policies

Basis of Preparation

Statement of Compliance

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with the Public Benefit Entity International Public Sector Accounting Standards ("PBE IPSAS") and other applicable financial reporting standards as appropriate that have been authorised for use by the External Reporting Board for Not-For-Profit entities. For the purposes of complying with NZ GAAP, the Association is a public benefit not-for-profit entity and is eligible to apply Tier 2 Not-For-Profit PBE IPSAS on the basis that it does not have public accountability and it is not defined as large.

The Board of Directors has elected to report in accordance with Tier 2 Not-For-Profit PBE Accounting Standards and in doing so has taken advantage of all applicable Reduced Disclosure Regime ("RDR") disclosure concessions.

Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on the reported results of operations.

Changes in Accounting Policy

All accounting policies remain on a consistent basis with the prior year.

Basis of Measurement

The financial statements are prepared on the historical cost basis, except for investment properties and owner-occupied land and buildings which have been measured at fair value.

Presentation Currency

These financial statements are presented in New Zealand dollars ($), rounded to the nearest dollar.

Significant Accounting Policies

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

(a) Property, Plant and Equipment

All items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses except for land and buildings as noted below. Where material parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised as surplus or deficit in that Statement of Comprehensive Revenue and Expenses.

Patrick Ryan (CBRE), an independent valuer made the following valuations of land and buildings owned by Employers and Manufacturers Association (Northern) Incorporated as at 30 June 2022;

Property	Value($)
145 Khyber Pass Road, Grafton, Auckland	16,650,000
159 Khyber Pass Road, Grafton, Auckland	3,920,000
11 Auburn Street, Grafton, Auckland	6,200,000

Land and Buildings have been accounted for at fair value in line with the above valuations with the movement being recognised as other comprehensive income taken to the Asset Revaluation Reserve within Equity. The Association will revalue owner-occupied land and building assets periodically to ensure the fair value recorded within the financial statements remain up to date. If evidence suggests that the value of the properties change significantly then a revaluation is performed. This is reviewed every two years for land and building assets. The fair value represents the amount at which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction at the date of valuation. The fair value estimate is considered a level 3 estimate within the fair value hierarchy.

Key Assumptions

- Discounted cash flow model, direct comparison and capitalisation approach
- Principal occupancy term is 8 years
- Capitalisation rate: 11 Auburn Street 5.50%, 145 Khyber Pass Road 5.625%
- Terminal yield date of 10 years
- Yield at terminal date of 5.75% (145 Khyber Pass Road only)
- Discount rate of 7.00% (145 Khyber Pass Road only)

Subsequent Costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the Association and the cost of the item can be measured reliably. Ongoing repairs and maintenance are expensed as incurred.

Depreciation

Depreciation is charged based on an assets estimated useful life. The Board deem that these rates are a suitable proxy for estimating the de preciation and therefore the useful lives of assets. Land is not depreciated. The estimated useful lives and depreciation rates are:

Asset	Useful Life	Rate and Method
Buildings	100 years	1% SL
Property Improvements	2-20 years	8-50% DV
Furniture and Equipment	2-13 years	10-67% DV and 21% SL
Computer Hardware	3 years	25-67% DV
Motor Vehicles	5 years	30% DV and 21% SL

Freehold land is not depreciated and Work in Progress is only depreciated when it is ready for use and transferred into an asset category.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. Property improvements are classified as assets made to buildings held which cannot be easily added or disposed of.

Furniture and equipment are classified as assets which are easily added or disposed of such as plants, office equipment, partitions, classrooms, telephone equipment and furniture and fittings.

(b) Intangible Assets

Software

The cost of acquiring an intangible asset is amortised over the period of its useful life from the date of purchase. All intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses. These assets have been defined as having a finite life and are amortised over the period of their useful life using the following rates:

Software and development costs	2 - 3 years	36-50% DV

Significant costs associated with software have a benefit or relationship to more than one accounting period and are deferred and amortised over the periods of their expected benefit.

(c) Financial Assets and Financial Liabilities

Financial assets and financial liabilities are recognised when the Association becomes a party to the contractual provisions of the financial instrument.

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

The Association derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire.

The Association also derecognises financial assets and financial liabilities when there have been significant changes to the terms and/or the amount of contractual payments to be received/paid.

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

Financial assets are cash and cash equivalents and trade and other receivables. Financial liabilities consist of payables, leave accrual and the bank loan. All financial instruments are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income and impairment (financial assets) and interest expense (financial liabilities) are recognised in surplus or deficit.

(d) Impairment of Financial Assets

A financial asset not subsequently measured at fair value through surplus or deficit is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that the loss event(s) had an impact on the estimated future cash flows of that asset that can be received. Objective evidence that financial assets are impaired includes default or delinquency by adverse changes in the payment status of borrowers or issuers, economic conditions that correlate with defaults or the disappearance of an active market for a security.

In addition, for an equity security classified as an available-for-sale financial asset, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

Refer to Note 4 for Financial Risk Management Objectives and Policies

(e) Receivables from Exchange Transactions

Receivables from exchange transactions are measured at their cost less impairment losses. Receivables from exchange transactions are non-interest bearing and are generally on 30-60 day terms. A provision for impairment loss is recognised when there is objective evidence that an individual receivable is impaired.

(f) Impairment

The carrying amounts of the Association's assets are reviewed at each balance date to determine whether there is any objective evidence of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses directly reduce the carrying amount of assets and are recognised in the Statement of Comprehensive Revenue and Expenses.

Estimated recoverable amount of investments and receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at their original effective interest rate. Receivables with a short duration are not discounted.

Estimated recoverable amount of other assets is the greater of their fair value less costs to sell and value in use. Value in use is determined by estimating future cash flows from the use and ultimate disposal of the asset and discounting these to their present value using a pre-tax discount rate that reflects current market rates and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

(g) Payables

These amounts represent liabilities for goods and services, provided to the Association prior to the end of the period, which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. The carrying value of is assumed to approximate their fair value.

(h) Revenue Recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Association and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Revenue from exchange transactions

Membership Subscriptions Income

Income is recognised in the year it relates to. Subscriptions are billed on an annual basis. Any portion of the income relating to a period outside of the financial year is treated as unearned income and transferred to the Subscriptions in Advance account in the Statement of Financial Position.

Training and Conference Income

Training courses, conference and events are generally billed in advance. All billings are posted to unearned revenue as Fees in Advance in the Statement of Financial Position when cash is received and are recognised as revenue only at the time that the courses or conferences take place.

These financial statements do not include the value associated with bookings that have been made but no payment has been received.

Advertising and Sponsorship Income

Advertising and sponsorship income is generally billed in the month of activity. Where income is billed in advance, it is posted to the unearned sponsorship account in the Statement of Financial Position and is only recognised when the activity takes place.

Rental Income

Rental income from investment properties is accounted for on a straight-line basis over the lease term. Contingent rental income is recognised as income in the periods in which it is earned. Lease incentives granted are recognised as an integral part of the total rental income.

Contract Revenue

The Association has been contracted to manage and operate a specific business helpline which was set up to provide a response to the COVID-19 pandemic. In addition, the Association has been contracted to deliver part of the Industry 4.0 Manufacturing Programme and Activate Tamaki Makaurau Programme. These contracts are considered to be exchange revenue as the Association are committed to provide a service with consideration being received for the provision of this service. Furthermore, the Association had been contracted to provide service for flood-impacted small businesses in Auckland.

The consideration received under these contracts are initially recognised as a liability. Revenue is recognised as the Association provides the service. The Association has an obligation to return any unspent funds.

Employment Relations Consultancy, OSH, Legal Services and Publications; Export NZ and Advocacy and Business Central Income

Employment Relations Consultancy, Occupational Safety and Health, Legal Services and Publications, Export NZ and Advocacy and Business Central Income is recognised on an entitlement to bill method. Revenue relates to services rendered under normal commercial arrangements.

Revenue from non-exchange revenue

Non-exchange transactions are those where the Association receives an inflow of resources (i.e. cash and other tangible or intangible items), but provides no (or nominal) direct consideration in return.

(i) Finance Income and Expenses

Finance income comprises interest income, dividend income, and changes in the fair value of financial assets at fair value through the Statement of Comprehensive Revenue and Expenses. Interest income is recognised as it accrues, using the effective interest method. Dividend income is recognised on the date that the Association's right to receive payment is established, which in the case of quoted securities is the "ex-dividend" date.

Finance expenses comprise interest expense on borrowings, changes in the fair value of financial assets at fair value through the Statement of Comprehensive Revenue and Expenses, and impairment losses recognised on financial assets (except for trade receivables). All borrowing costs are recognised as profit or loss using the effective interest method.

(j) Income Tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax is provided on all temporary differences as at the Statement of Financial Position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction affects neither the accounting profit not taxable profits or loss; or

- when the taxable temporary difference is associated with investments in subsidiaries, associates or interest in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are not recognised as the organisation does not foresee utilisation and benefit in the near future.

(k) Goods and Services Tax (GST)

With the exception of trade payables and receivables, all items are stated exclusive of GST.

(l) Investments in Associates and Joint Ventures

The Association's investment in Business New Zealand and EMA China Limited (joint ventures) is accounted for using the equity method of accounting in the financial statements. Associates are entities over which the Association has significant influence and that are neither subsidiaries nor joint ventures. The Association generally deems it has significant influence if it has over 20% of the voting rights.

Under the equity method, investments in associates and joint ventures are carried in the Statement of Financial Position at cost plus post-acquisition changes in the Association's share of net assets of the associates or joint ventures.

The Association's share of its associates' and joint ventures' post-acquisition profits or losses is recognised in the Statement of Comprehensive Revenue and Expenses, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment.

When the Association's share of losses in an associate or joint venture equals or exceeds its interest in the associate, including any unsecured long-term receivables and loans, the Association does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The reporting dates of Business New Zealand and the Association are identical and the associates' accounting policies conform to those used by the Association for like transactions and events in similar circumstances.

(m) Investment Properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which is based on active market prices, adjusted if necessary, for any difference in the nature, location or condition of the specific asset at the Statement of Financial Position date. Gains or losses arising from changes in the fair values of investment properties are recognised in the Statement of Comprehensive Revenue and Expenses in the year in which they arise.

Investment properties are derecognised either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the Statement of Comprehensive Revenue and Expenses in the year of retirement or disposal.

(n) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

(i) Association as a lessor

Leases in which the Association retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as rental income. Leases in which the Association transfers substantially all the risks and benefits of ownership of the leased asset are classified as finance leases.

(ii) Association as a lessee

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Comprehensive Revenue and Expenses on a straight- line basis over the period of the lease. Leases in which a significant portion of the risks and rewards of ownership are transferred to the Association are classified as finance leases.

(o) Employee Leave Benefits

Wages, salaries, and annual leave:

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

3. Other Income

	2023	2022
Contract Revenue	2,649,185	4,201,759
Other Miscellaneous Income	528,125	616,316
Total Other Income	3,177,310	4,818,075

4. Financial Risk Management Objectives and Policies

The Association's principal financial instruments comprise of receivables, payables, and cash and short-term deposits.

The Association's risk management objectives are to ensure medium term cash flows and costs can be met, to provide a strong Statement of Financial Position so that Member needs can be serviced and to avoid undue financial risks.

The Association achieves its risk management objectives through its risk management policies. These are to set subscriptions at a level that will cover operational costs, monitoring the financial status of counterparties and regularly monitoring business cash flows.

Risk Exposure and Responses

Interest Rate Risk

The Association's exposure to market interest rates relates primarily to the Association's cash and cash equivalents.

Financial Assets / Financial Liabilities	**2023**	**2022**
Cash and cash equivalents	1,277,734	2,004,370
Loan credit facility	(2,977,793)	(1,027,793)
Net exposure	**(1,700,059)**	**976,577**

	2023	**2022**
+1% (100 basis points)	(17,001)	9,766
-1% (100 basis points)	17,001	(9,766)

The movements show the estimated impact of interest rate movements on cash and interest bearing loans.

The effect of the rate movement would increase or decrease the interest income / expense recorded in the Statement of Comprehensive Income and Expenses each year.

Foreign Currency Risk

The Association does not operate outside of New Zealand and therefore is not affected by movements in foreign currency exchange rates.

Credit Risk

Credit risk arises from the financial assets of the Association, which comprise cash and cash equivalents, trade and other receivables. The Association's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. Exposure at balance date is addressed in each applicable note.

The Association does not hold any credit derivatives to offset its credit exposure.

The Association trades only with recognised, creditworthy third parties, and as such collateral is not requested nor is it the Association's policy to securitise its trade and other receivables.

In addition, receivable balances are monitored on an ongoing basis with the result that the Association's exposure to bad debt is not significant.

There are no significant concentrations of credit risk within the Association and financial instruments are spread amongst a number of financial institutions to minimise the risk of default of counterparties.

Liquidity Risk

Liquidity risk arises from the financial liabilities of the Association and the Association's subsequent ability to meet their obligations to repay their financial liabilities as and when they fall due.

The Association's policy is to hold sufficient cash to cover obligations as they arise. The Association holds a pre-approved bank loan as at the year-end date with a facility of up to $8 million over the property at 145 Khyber Pass Road, Newmarket, Auckland with a current limit in place of $5 million.

5. Significant Accounting Judgements, Estimates and Assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue, and expenses. Management bases its judgements and estimates on historical experience and other various factors it believes to be reasonable under the circumstances, the result of which forms the basis of the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

(i) Significant Accounting Judgements

Impairment of Non-Financial Assets

The Association assesses impairment of all assets at each reporting date by evaluating conditions specific to the Association and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. A loss on valuation was recognised on owner-occupied buildings and land assets in the prior year.

Investment in Associates and Joint Ventures

The Association applies the equity method of accounting for its investment in Business New Zealand Incorporated and EMA China Limited. Management consider that the Association has significant influence over the investment entity and therefore this method of accounting is appropriate.

(ii) Significant Accounting Estimates and Assumptions

Valuation of Investment Properties and Owner-Occupied Buildings

The Association has entered into commercial property leases on its investment property portfolio. The fair value of these properties is determined by an appropriately qualified independent valuer by reference to an active market.

The Association has valuations undertaken in relation to Land and Buildings held as Property Plant and Equipment. The fair value of these properties is determined considering valuations prepared by an appropriately qualified independent valuer by reference to an active market.

The Association continues to review evidence to ensure revaluations are performed when required. If evidence suggests that the value of the properties change significantly then a revaluation is performed. This is reviewed every two years for owner-occupied buildings and every year for investment properties.

Estimation of Useful Lives of Assets

The estimation of useful lives of assets has been based on historical experience as well as manufacturers' warranties (for plant and equipment), lease terms (for leased equipment) and turnover policies (for motor vehicles). In addition, the condition of the assets is assessed at least once per year and considered against the remaining useful life.

6. Remuneration of Auditors

	2023	2022
Audit Fee	36,400	28,875
Total Remuneration of Auditors	**36,400**	**28,875**

The auditor of the Association for 2023 is Grant Thornton New Zealand Audit Limited (2022: Grant Thornton New Zealand Audit Limited).

7. Receivables

	2023	2022
Receivables from Exchange Transactions	5,314,723	5,128,557
Provision for Bad Debts	(206,020)	(157,400)
Total Receivables	**5,108,703**	**4,971,157**

Receivables past due but not considered impaired are $412,143 (2022: $339,097). The Association has been in direct contact with the relevant debtors and is satisfied that the amount is recoverable.

8. Property, Plant and Equipment

Year ended 30 June 2023

	Freehold Land	Freehold Buildings	Building Improvement	Furniture and Equipment	Computer Hardware	Motor Vehicles	Work in Progress	Total
	$	$	$	$	$	$	$	$
Net book value at 1 July 2022	7,077,513	19,068,725	639,518	373,231	32,684	22,399	77,465	27,291,535
Additions	-	-	91,042	49,816	156,644	850,250	1,057,651	2,205,403
Disposal - Cost	-	-	(22,716)	-	(88,714)	(217,282)	-	(328,712)
Disposal - Accumulated Depreciation	-	-	16,667	-	85,798	210,498	-	312,963
Depreciation charge for the year	-	(206,651)	(81,061)	(89,785)	(82,024)	(100,264)	-	(559,785)
Net book value at 30 June 2023	**7,077,513**	**18,862,074**	**643,450**	**333,262**	**104,388**	**765,601**	**1,135,116**	**28,921,404**

	Freehold Land	Freehold Buildings	Building Improvement	Furniture and Equipment	Computer Hardware	Motor Vehicles	Work in Progress	Total
	$	$	$	$	$	$	$	$
Cost / Valuation	7,077,513	20,285,423	1,409,865	1,629,887	488,682	925,015	1,135,116	32,951,501
Accumulated depreciation	-	(1,423,349)	(766,415)	(1,296,625)	(384,294)	(159,414)	-	(4,030,097)
Net carrying amount	**7,077,513**	**18,862,074**	**643,450**	**333,262**	**104,388**	**765,601**	**1,135,116**	**28,921,404**

The Association revalued the land and buildings effective 30 June 2022. The Association revalues these properties every two years in line with the policy of the Board. The Association believes the revaluation better reflects the non-financial assets of the Association.

Refer to accounting policy note (a) for key assumptions utilised by the valuers in the valuation completed on the 30 June 2022.

Year ended 30 June 2022

	Freehold Land	Freehold Buildings	Building Improvement	Furniture and Equipment	Computer Hardware	Motor Vehicles	Work in Progress	Total
	$	$	$	$	$	$	$	$
Net book value at 1 July 2021	6,517,491	19,118,640	705,100	424,378	49,038	31,998	46,420	26,893,065
Additions	-	-	16,139	45,316	13,401	-	61,625	136,481
Gain on Revaluation	560,022	151,425	-	-	-	-	-	711,447
Asset / WIP Transfers	-	-	-	-	-	-	(30,580)	(30,580)
Disposal - Cost	-	-	-	-	(2,754)	-	-	(2,754)
Disposal - Accumulated Depreciation	-	-	251	-	1,213	-	-	1,464
Depreciation charge for the year	-	(201,340)	(81,972)	(96,463)	(28,214)	(9,599)	-	(417,588)
Net book value at 30 June 2022	**7,077,513**	**19,068,725**	**639,518**	**373,231**	**32,684**	**22,399**	**77,465**	**27,291,535**

	Freehold Land	Freehold Buildings	Building Improvement	Furniture and Equipment	Computer Hardware	Motor Vehicles	Work in Progress	Total
	$	$	$	$	$	$	$	$
Cost / Valuation	7,077,513	20,285,423	1,341,540	1,580,071	420,752	292,046	77,465	31,074,810
Accumulated depreciation	-	(1,216,698)	(702,022)	(1,206,840)	(388,068)	(269,647)	-	(3,783,275)
Net carrying amount	**7,077,513**	**19,068,725**	**639,518**	**373,231**	**32,684**	**22,399**	**77,465**	**27,291,535**

9. Intangible Assets - Software

Carrying Amount	2023	2022
Opening Balance	404,167	176,732
Additions	53,284	385,943
Amortisation Charge	(210,768)	(158,508)
Closing Balance	**246,683**	**404,167**
Reconciliation:		
Cost	1,269,222	1,215,938
Accumulated Amortisation - Software	(1,022,539)	(811,771)
Net Balance	**246,683**	**404,167**

10. Investment Properties

	2023	2022
Investment Properties		
Opening Balance	2,275,000	2,600,000
(Loss) from Fair Value Adjustments	(200,000)	(325,000)
Total Investment Properties	**2,075,000**	**2,275,000**

The Association revalued the investment property effective 30 June 2023. The Association revalues these properties every year in line with the policy of the Board. The Association believes the revaluation better reflects the non-financial assets of the Association.

Refer to accounting policy note (a) for key assumptions utilised by the valuers in the valuation completed on the 30 June 2023.

The following table outlines the valuation impact of changes to assumptions, keeping all other valuation inputs constant:

	Sensitivity	Valuation Impact
Capitalisation Rate	0.25% increase	$100,000 decrease
	0.25% decrease	$75,000 increase

The fair value represents the amount at which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction at the date of valuation. The fair value estimate is considered a level 3 estimate within the fair value hierarchy.

Key Assumptions

- Capitalisation Approach and Land Value Approach (2022: Land Value Plus Deferred Income Approach and Capitalisation Approach)
- Capitalisation Rate of 7.00% (2022: 6.00%)
- Value per square metre of $4,500 (2022: $5,250)
- Weighted average lease term of 0.56 years (2022: 0.70 years)

11. Investment in Business NZ Incorporated (Associate)

(a) Movements in the carrying amount of the Association's investment in Associates

	2023	2022
Share of Profit after Income Tax	70,173	98,538
Closing Balance	70,173	98,538
Extract from Association's Statement of Financial Position		
Assets		
Current Assets	11,319,700	10,710,324
Non-Current Assets	389,744	399,981
Total Assets	**11,709,444**	**11,110,305**
Liabilities		
Current Liabilities	10,124,003	9,660,858
Total Liabilities	10,124,003	9,660,858
Net Assets	1,585,441	1,449,447
Share of Associates' Net Assets	**810,197**	**740,024**
Extract from the associates' Statement of Comprehensive Income		
Revenue	11,142,699	9,813,098
Net Profit	135,995	190,965

The principal place of business is located at 3-11 Hunter Street, Wellington. The proportion of ownership interest or participating share held by the Association is 51.6%.

The Association does not have control over Business NZ Incorporated as it is one of four founding members and has five of its board members appointed to the Business NZ's 12-member Executive Council. Accordingly, Business NZ is considered an Associate.

12. Income Tax Expense

	2023	2022
Net Profit / (Loss) Before Tax		
Net Profit / (Loss) Before Tax	(2,202,590)	14,597
Taxable Income / (Loss)	**(2,202,590)**	**14,597**
At statutory income tax rate of 28%		
Tax Payable / (Refundable) at 28%	(616,725)	4,087
Income Tax Expense	**(616,725)**	**4,087**
Additions to Taxable Profit		
Depreciation claimed on Building	15,630	**15,632**
Non-taxable activities	664,648	**246,083**
Tax losses not recognised/(utilised)	840,528	**321,316**
Other	-	**67,523**
Total Additions to Taxable Profit	**1,520,806**	**650,554**
Deductions from Taxable Profit		
Non-taxable activities		
Other apportioned expenses	956,203	654,641
Total Deductions from Taxable Profit	**956,203**	**654,641**
Income Tax Expense		-
Recognised deferred tax assets and liabilities		
Deferred tax liability / (asset)		
Provision for doubtful debts	(36,935)	(22,473)
Provisions for Employee Entitlements (including ACC)	885	24,858
Deferred tax liability / (asset) relating to timing differences	(36,050)	2,385
Future income tax benefit on losses	36,050	(2,385)
Net deferred tax liability / (asset)		
Total Losses to Carry Forward	**(8,894,787)**	**(5,929,903)**

Deferred tax is not recognised on unused losses as the organisation does not foresee utilisation and benefit in the near future.

13. Cash and Bank

Cash and Cash Equivalents	2023	2022
ANZ Bank New Zealand	1,255,650	1,977,866
ASB Bank Limited - Call	19,339	19,084
Kiwibank Limited - Call	-	4,692
Westpac New Zealand Limited	2,745	2,728
Total Cash and Cash Equivalents	**1,277,734**	**2,004,370**

Cash and Cash Equivalents in the Statement of Financial Position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in values.

14. Current Liabilities

	2023	2022
ANZ Bank Loan	2,977,793	1,027,793
Total Current Liabilities	**2,977,793**	**1,027,793**

Repayment Terms: Rolling Credit Facility loan with a limit of $5,000,000.
Effective Rate: BKBM + 1.85% p.a.
Security: Secured over the property at 145 Khyber Pass Road, Newmarket, Auckland.

- Credit card facility up to $100,000 (unused)
- Registered first ranking General Security over all present and after-acquired property of EMA
- There is also a security interest over all present and future assets and undertakings (including goodwill) of the borrower.
- Registered first ranking mortgage over 159-175 Khyber Pass Road, Auckland

15. Commitments for Expenditure

Operating Lease Commitments	2023	2022
Not later than one year	169,268	141,700
Later than one year but not later than 5 years	337,945	189,365
Total Operating Lease Commitments	**507,213**	**331,065**

Finance Lease Commitments	2023	2022
Not later than one year	167,905	-
Later than one year but not later than 5 years	504,674	-
Total Operating Lease Commitments	**672,579**	-

(i) Non-cancellable operating leases comprised rental premises leases

16. Contingent Liabilities

The Association has no contingent liabilities as at 30 June 2023 (2022: contingent liabilities Nil).

17. Key Management Personnel

	2023	2022
Number of key management personnel (FTE)	8	8
Compensation for Key Management Personnel		
Short-term employee benefits	1,665,685	1,723,345
Total Compensation for Key Management Personnel	**1,665,685**	**1,723,345**

As at 30 June 2023 $0 bonuses were accrued (2022: $80,644).
The accrued bonus payments are included in the employee benefits disclosed above.

18. Expenses

	2023	2022
Direct operating expense related to investment properties	62,067	73,875
Interest on loans and overdrafts	117,853	18,658

Depreciation, revaluation gain / loss and amortisation included in the Statement of Comprehensive Income and Expenses

Depreciation	559,785	417,588
Revaluation loss	200,000	325,000
Amortisation of Intangibles	210,768	158,508
Total	**970,553**	**901,096**
Minimum lease payments - operating lease	175,925	116,987
Employee benefit expense		
Wages and salaries	9,257,504	9,074,719
Other employee benefits expense	538,980	489,598
Total employee benefit expense	**9,796,484**	**9,564,317**

19. Related Party Transactions

Details relating to key management personnel, including remuneration paid, are included in note 17. This includes payment made to family members (employed at arms-length as staff), wages total $26,725.

All Board members and some of their Associated companies are members of the Association. Transactions with entities related through common ownership / directorship to EMA Board members include subscriptions, training income, and courses related costs. The following table outlines transactions with entities related to EMA board members in the current year:

Activity during the year	2023	2022
Subscription Income	26,332	39,775
Courses and sponsorship Income	48,295	12,751
Course related costs	(137,429)	(63,581)
Consultancy, carpark, meeting room hire, catering	25,659	39,439

Balances outstanding at year end:	2023	2022
Receivables	37,958	23,112
Payables	51,129	(9,431)

Sales to and purchases from related parties are made in arm's length transactions both at normal market prices and on normal commercial terms.

Outstanding balances at year-end are unsecured, interest-free and settlement occurs in cash.

(a) Transactions with Related Parties

(i) Business New Zealand Incorporated (Business NZ)

The Association is one of four founding members and has five of its board members appointed to Business NZ's 12-member Executive Council. Accordingly, Business NZ is considered an Associate.

The Association pays an annual levy to Business NZ and the sum for this year are fully disclosed in the Statement of Comprehensive Revenue and Expenses.

(ii) Auckland Agricultural, Pastoral and Industrial Shows

The Association has Board members in common with the Auckland Agricultural, Pastoral and Industrial Shows board, an entity that manages the Auckland Showgrounds. The Board representation arises out of legal requirements placed on the Auckland Manufacturers Association (AMA) by the Auckland Agricultural, Pastoral and Industrial Shows Board Act 1972 (the Act). The EMA does not recognise any asset or liability or financial performance as a result of this commonality of Board membership, as no benefits arise as a result of limitations imposed by the Act.

(iii) EMA China Limited (Limited Liability Joint Venture)

On 1 December 2021, the Association has entered a Limited Liability Joint Venture. The General Partner is China Business Centre LP Limited, with the Limited Partners being the EMA, Shuo Cui (Frank Cui), and Li Xu. The EMA holds 50% voting rights and the other 50% is owned by Shuo Cui (Frank Cui), who is athe member of the EMA Board and the Director of Sure Capital. EMA has made a contribution of $40,000 but the Association made a loss $1,206 from EMA China Limited as at 30 June 2023.

There were no contingent liabilities relating to interests in EMA China Limited to which EMA was jointly and/or severally liable (2022: nil).

There were no contingent assets relating to interests in EMA China Limited to which the Group would benefit either jointly and / or severally (2022: nil).

Movements in the carrying amount of the Association's investment in Joint Venture

	2023	2022
Share of Profit / (Loss) after Income Tax	(1,206)	9,519
Closing Balance	(1,206)	9,519

20. Categories of Financial Assets and Financial Liabilities

	2023	2022
Assets		
Cash and Cash Equivalents	1,277,734	2,004,370
Total Cash and Cash Equivalents	**1,277,734**	**2,004,370**
Loans and Receivables		
Receivables from Exchange Transactions	5,314,723	5,128,557
Total Loans and Receivables	**5,314,723**	**5,128,557**
Total Assets	**6,592,457**	**7,132,927**
Liabilities		
Annual Leave Accrual	426,479	593,262
Payables	2,042,367	1,798,080
ANZ Bank Loan	2,977,793	1,027,793
Total Liabilities at amortised cost	**5,446,639**	**3,419,135**

21. Payables

	2023	2022
Accounts Payable	2,042,367	1,798,080
Other Accruals	822,445	21,642
Total Payables	**2,864,812**	**1,819,722**

22. Events Occurring After Balance Date

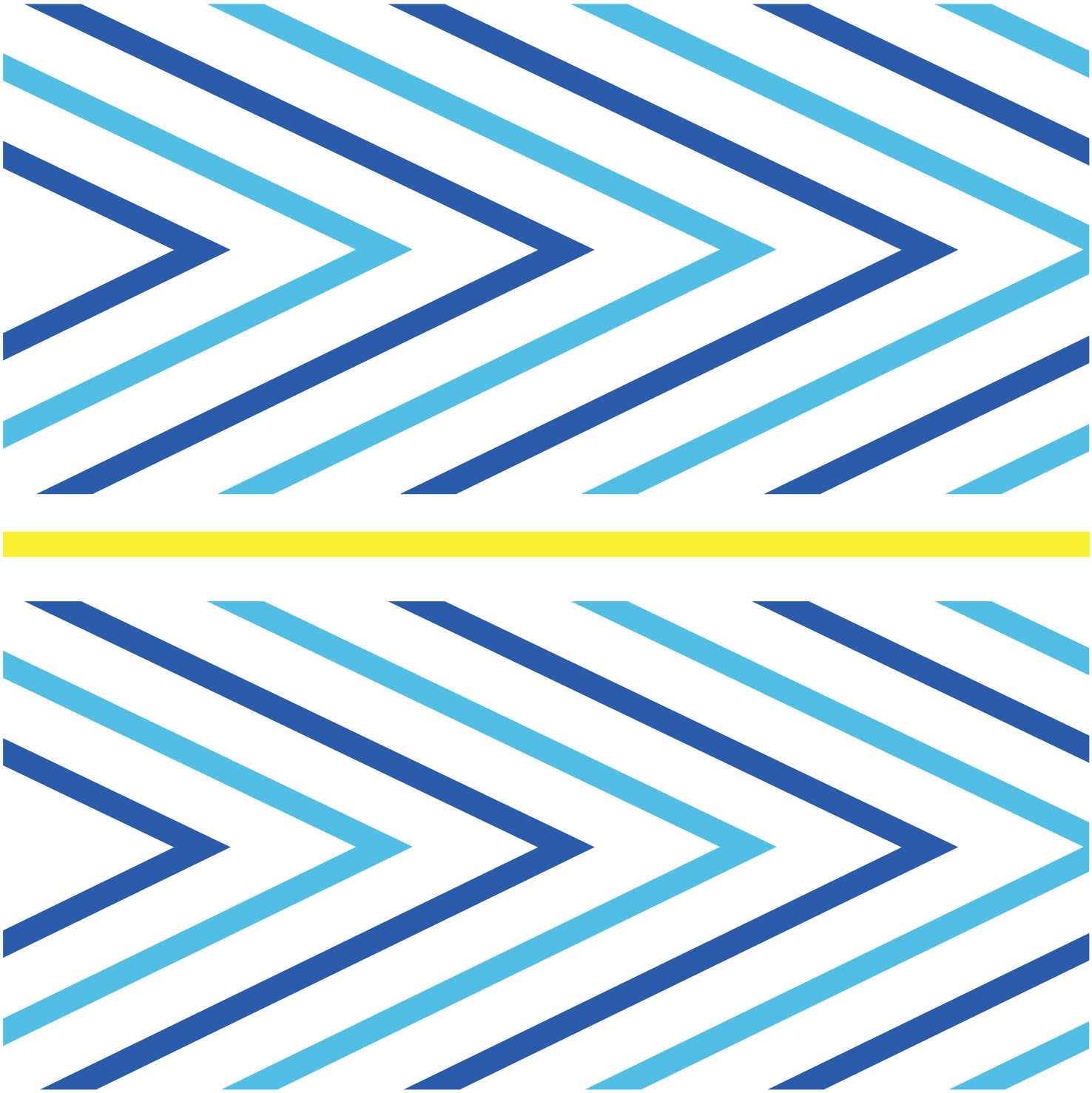
The Association has committed to implementing a new Client Relationship Management (CRM) system. This capital cost was a $1.1 million commitment in the year ending 30 June 2023. This capital cost is estimated to be a $0.675 million commitment in the year ending 30 June 2024. The project has an estimated five-year timeline with the total value not yet confirmed.

As a result of financial position in FY23 and the overall economic conditions across the country, the Association has decided to restructure the business and conducted redundancy across the organisation.

Mauri mahi,

THROUGH INDUSTRY

mauri ora.

WE PROSPER.

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