

2020



# Wiri Business Improvements Association Incorporated

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020  
MURRAY PHILLIPS

**Wiri Business Improvement Association Incorporated**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

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**Wiri Business Improvements Association Incorporated**  
**EXECUTIVE COMMITTEE'S REPORT AND STATEMENT OF RESPONSIBILITY**  
**FOR THE YEAR ENDED 30 JUNE 2020**

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**Executive Committee's Report**

The Executive Committee of Wiri Business Improvements Association Inc. presents this Annual Report, being the financial statements of the Association for the year ended 30 June 2020, and the independent auditor's report thereon.

**Statement of Responsibility**

The Executive Committee is responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statements and related information.

The independent external auditors, Integrity Audit Limited have audited the financial statements and their report appears on pages 4 & 5.

The Executive Committee is also responsible for the systems of internal control. These are designed to provide reasonable but not absolute assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability for assets, and to prevent and detect material misstatements.

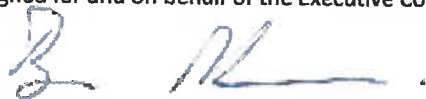
Appropriate systems of internal control have been employed to ensure that all transactions have been executed in accordance with authority and correctly processed and accounted for in the financial records. The systems are implemented and monitored by suitably trained personnel with an appropriate segregation of authority and duties. Nothing has come to the attention of the Executive Committee to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The financial statements are prepared on a going concern basis. Nothing has come to the attention of the Executive Committee to indicate that the Association will not remain a going concern in the foreseeable future.

In the opinion of the Executive Committee:

- The Statement of Comprehensive Revenue and Expense is drawn up so as to present fairly, in all material respects, the financial results of the Association for the year ended 30 June 2020;
- The Statement of Financial Position is drawn up so as to present fairly, in all material respects, the state of affairs of the Association as at 30 June 2020;
- There are reasonable grounds to believe that the Association will be able to pay its debts as and when they fall due.

Signed for and on behalf of the Executive Committee:



Chairperson



Executive Member

1 Oct 2020

Date

7/10/2020

Date

**Wiri Business Improvement Association Incorporated**  
DIRECTORY  
FOR THE YEAR ENDED 30 JUNE 2019

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<b>Registered Office:</b>	13 Inverell Avenue Manukau
<b>Nature of Business:</b>	To provide resources for building a positive environment to ensure the economic development of the district.
<b>Executive Committee:</b>	Richard Mason (Chairperson) (retired at October AGM) Ben Robinson (Chairperson from November 2019) Jordan Palmer (Deputy Chairperson from November 2019) Sandra Bates Gregor Botha Teena Rhind Richard Gallantree Allan Oliver (Elected from November 2019) Mark Prujean (Elected from November 2019) Leatuao Tupai-Lavea (Elected from November 2019) David Pazzini (Local Board Representative) (from May 2018) Murray Phillips (Advisory Panel) (Insight CA Limited) Audrey Williams (Manager)
<b>Registered Society Number:</b>	1807794
<b>Independent Auditor:</b>	Charity Integrity Audit Limited PO Box 217-125 Botany Junction Auckland, 2165
<b>Bankers:</b>	ASB Bank Limited

### **Opinion**

We have audited the financial statements of the Wiri Business Improvements Association on pages 6 to 21, which comprises the statement of financial position as at 30 June 2020 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements on pages 6 to 21 present fairly, in all material respects, the financial position of the Wiri Business Improvements Association as at 30 June 2020 and its financial performance and its cash flows for the year ended, in accordance with Public Benefit Entity Standards Reduced Disclosure Regime.

### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described below in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Wiri Business Improvements Association in accordance with Professional and Ethical Standard 1 (Revised) Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit

evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, the Wiri Business Improvements Association.

### **Restriction on Responsibility**

This report is made solely to the management committee, as a governance board, in accordance with their deed of incorporation. Our audit work has been undertaken so that we might state to the board those matters 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 board as a body, for our audit work, for this report, or for the opinions we have formed.

### **Governance Responsibility for the Financial Statements**

The governance board is responsible for the preparation and fair presentation of the financial statements in accordance with Public Benefit Entity NZ IPSAS Standards with the Reduced Disclosure Regime and for such internal control as the governance determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the governance is responsible for assessing the

entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the governance either intends to liquidate the entity or to cease operations, or has 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 these financial statements. We are also required to apply the explanatory guide EG Au 1.

A further description of the auditor's responsibilities for the audit of the financial statements is located at the XRB's website at [https://xrb.govt.nz/Site/Auditing\\_Assurance\\_Standards/Current\\_Standards/Page8.aspx](https://xrb.govt.nz/Site/Auditing_Assurance_Standards/Current_Standards/Page8.aspx)

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Charity Integrity Audit Ltd,  
South Auckland  
1st October 2020

**Wiri Business Improvements Association Incorporated**  
**STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	Notes	2020	2019
Revenue from Exchange Transactions	12	32,611	26,568
Revenue from Non-Exchange Transactions	12	737,000	686,750
Revenue from Non-Exchange Transactions	12a	-	-
		<u>769,611</u>	<u>713,318</u>
<b>Expenses</b>			
Remueration paid to Auditors:			
- Audit Fee		(300)	5,036
Accountancy Fee		15,000	6,751
Advertising		6,194	26,800
Town Manager Fee		-	46,615
Depreciation	8	9,365	4,065
Security		237,944	221,316
Other Operating Expenses	14	338,583	251,329
<b>Total Expenses</b>		<u>606,786</u>	<u>561,912</u>
Finance Income	13	3,215	339
Finance Costs		(73)	(60)
<b>Net Finance Costs</b>		<u>3,142</u>	<u>279</u>
<b>Net Surplus Before Tax</b>		165,967	151,685
Income Tax	9	(619)	-
<b>Net Surplus for the Year</b>		<u>165,348</u>	<u>151,685</u>
Other Comprehensive Revenue and Expense		-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<u><b>165,348</b></u>	<u><b>151,685</b></u>

**Wiri Business Improvements Association Incorporated**  
**STATEMENT OF CHANGES IN NET ASSETS / EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2020**

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	Notes	Accumulated Comprehensive Revenue and Expense	Total
Opening Balance 1 July 2019			
Net Surplus for the Year		506,439	506,439
<b>Total Comprehensive Income and Expense for the Year</b>		<u>506,439</u>	<u>506,439</u>
<b>Closing Equity 30 June 2019</b>			
Net Surplus for the Year		165,348	165,348
		<u>165,348</u>	<u>165,348</u>
<b>Closing Equity 30 June 2020</b>		<u><b>671,787</b></u>	<u><b>671,787</b></u>

**Wiri Business Improvements Association Incorporated**  
**STATEMENT OF FINANCIAL POSITION**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	Notes	2020	2019
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	5	668,421	476,837
Receivables from Exchange Transactions	6	6,838	26,875
Receivables from Non-Exchange Transactions	6	14,835	10,427
<b>Total Current Assets</b>		<b>690,094</b>	<b>514,139</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	8	26,079	24,656
<b>Total Non-Current Assets</b>		<b>26,079</b>	<b>24,656</b>
<b>Total Assets</b>		<b>716,173</b>	<b>538,795</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
ASB Credit Card	5	-	-
Payables and Accruals (from Exchange Transactions)	11	44,386	32,357
<b>Total Current Liabilities</b>		<b>44,386</b>	<b>32,357</b>
<b>Total Liabilities</b>		<b>44,386</b>	<b>32,357</b>
<b>Total Net Assets</b>		<b>671,787</b>	<b>506,438</b>
<b>Net Assets</b>			
Accumulated Comprehensive Revenue and Expense		671,787	506,438
<b>Total Net Assets Attribution</b>		<b>671,787</b>	<b>506,438</b>

For and on behalf of the Executive Committee:



Chairperson

1 Oct 2020

Date



Executive Member

7/10/2020

Date

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**Wiri Business Improvements Association Incorporated**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

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	Notes	2020	2019
<b>Cash Flows From Operating Activities</b>			
Receipts from Grants and other Income		794,802	693,112
Interest Received		2,106	350
Income Tax Received		-	-
Cash Paid to Suppliers and Employees		<u>(592,620)</u>	<u>(542,505)</u>
<b>Net Cash Inflow/(Outflow) from Operating Activities</b>		<b>204,288</b>	<b>150,957</b>
<b>Cash Flows From Investing Activities</b>			
Increase in Short Term Investments	8	-	-
Purchase of Property, Plant and Equipment		<u>(13,946)</u>	<u>(20,968)</u>
<b>Net Cash Inflow/(Outflows) from Investing Activities</b>		<b>(13,946)</b>	<b>(20,968)</b>
Net Increase/(Decrease) in Cash and Cash Equivalents		190,342	129,989
Cash and Cash Equivalents at 1 July		<u>476,836</u>	<u>346,847</u>
<b>Cash and Cash Equivalents at 30 June</b>	<b>5</b>	<b><u>667,178</u></b>	<b><u>476,836</u></b>

**Wiri Business Improvements Association Incorporated**  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020

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**1. Reporting Entity**

The Wiri Business Improvements Association Inc. (the "Reporting Entity") is incorporated under the Incorporated Societies Act 1908 and a public benefit entity for the purposes of financial reporting in accordance with the Not-For-Profit PBE IPSAS – RDR Reporting Framework.

These financial statements were authorized for issue by the Executive Committee on the date indicated on page 8.

**2. Basis of Preparation**

*a) Statement of compliance*

These financial statements have been prepared in accordance with the Financial Reporting Act 2013.

The Wiri Business Improvements Association Inc. is a public benefit entity for the purpose of financial reporting. The financial statements comply with Public Benefit Entity Standards. For the purposes of complying with NZ GAAP, the Society is a public benefit no-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. All reduced disclosure regime exemptions have been adopted.

*b) Measurement basis*

The financial statements have been prepared on the historical cost basis.

*c) Functional and presentation currency*

The financial statements are presented in New Zealand Dollars (\$), which is the functional and presentation currency, rounded to the nearest dollar.

*d) Changes in accounting policy*

All accounting policies have been applied on a basis consistent with those used in previous years.

**3. Significant Judgements and Estimates**

The preparation of the Association's financial statements requires management to make adjustments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

*a) Judgements*

In the process of applying the Association's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

- Revenue recognition: the recognition of non-exchange revenue (conditions vs restrictions);
- Classification of non-financial assets as cash generating or non-cash generating assets for the purpose of assessing impairment indicators and impairment testing.

The majority of property, plant and equipment held by the Association is classified as non-cash generating assets.

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**Wiri Business Improvements Association Incorporated**  
**NOTES TO THE FINANCIAL STATEMENTS cont'd**  
**FOR THE YEAR ENDED 30 JUNE 2020**

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**Signification Judgements and Estimates cont'd.**

b) *Assumptions and estimation uncertainties*

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material judgement to the carrying amounts of assets and liabilities within the next financial year, are described below. The Association based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstance and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Association. Such changes are reflected in the assumptions when they occur.

*Useful lives and residual values*

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- The condition of the asset based on the assessment of experts employed by the Association.
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- The nature of the processes in which the asset is deployed.
- Availability of funding to replace the asset.
- Changes in the market in relation to the asset.

*Changes in accounting estimates*

There have been no changes in the accounting estimates for the current reporting period.

**4. Significant Accounting Policies**

a) *Revenue*

Revenue is recognised to the extent that it is probable that the economic benefits of service potential will flow to the Association and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

The specific recognition criteria described below must also be met before revenue is recognised.

i) *Revenue from exchange transactions*

**Interest received**

Interest income is recognised as it accrues using the effective interest rate. Effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability.

Interest income is included in finance income in the statement of financial performance.

**Significant Accounting Policies cont'd.**

ii) Revenue from non-exchange transactions

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.

With the expectation of services-in-kind, inflow of resources from non-exchange transaction are only recognised as assets where both:

- It is probable that the associated future economic benefit or service potential will flow to the entity, and
- Fair value is reliably measurable.

Inflows of resources from non-exchange transactions that are recognised as assets are recognised as non-exchange revenue, to the extent that a liability is not recognised in respect to the same inflow.

Liabilities are recognised in relation to inflows of resources from non-exchange transactions when there is a resulting present obligation as a result of the non-exchange transactions, where both:

- It is probable that an outflow of resources embodying future economic benefit or service potential will be required to settle the obligation, and
- The amount of the obligation can be reliably estimated.

The following specific recognition criteria in relation to the Association's non-exchange transaction revenue streams must also be met before revenue is recognised.

**Grants, Donations, Legacies and Bequests**

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

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

Stipulations that are 'restrictions' do not specifically require the Association to return the inflow of resources received if they are not utilized in the way stipulated, and therefore do not result in the recognition of non-exchange liability, which results in the immediate recognition of non-exchange revenue.

Income from the funding contract and other grants are recognised when it is probable that the associated future economic benefit or service potential will flow to the entity, the fair value is reliably measurable, and there is no associated liability in respect of the same inflow.

**Wiri Business Improvements Association Incorporated**  
**NOTES TO THE FINANCIAL STATEMENTS cont'd**  
**FOR THE YEAR ENDED 30 JUNE 2020**

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**Significant Accounting Policies cont'd.**

*b) Financial Statements*

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 assets 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 derecognises a 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 that asset and settle the liability simultaneously.

The Association classifies financial assets as loans and receivables and cash and cash equivalents.

The Association classifies financial liabilities as at amortised cost.

Financial instruments are initially measured at fair value, plus for those financial instruments not subsequently measured at fair value through surplus or deficit, directly attributable transactions costs.

Subsequent measurement is dependent on the classification of the financial instrument and is specifically detailed in the accounting policies below.

*i) Loans and Receivables*

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market.

Loans and receivables are subsequently measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents and trade receivables, excluding prepayments.

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 value.



**Wiri Business Improvements Association Incorporated**  
NOTES TO THE FINANCIAL STATEMENTS cont'd  
FOR THE YEAR ENDED 30 JUNE 2020

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**Significant Accounting Policies cont'd.**

**Loans and Receivables cont'd.**

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

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

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

Financial liabilities classified as amortised cost comprise payables.

*c) Impairments of non-derivative 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 estimate reliably.

Objective evidence that financial assets are impaired included default or delinquency by a counterparty, restructuring of an amount due to the Association on terms that the Association would not consider otherwise, indication that a counterparty or issuer will enter bankruptcy, 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.

*i) Financial assets classified as loans and receivables*

The Association considers evidence of impairment for financial assets measured at amortised cost (loans and receivables) at both a specific asset and collective level.

All individually significant assets are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified.

Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Association uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

**Significant Accounting Policies cont'd.**

**Financial assets classified as loans and receivables cont'd.**

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in surplus or deficit and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised.

When an event occurring after the impairment was recognised causes that amount of impairment loss to decrease, the decrease in impairment loss is reversed through surplus or deficit.

d) *Property, plant and equipment*

i) Recognition and measurement

Items of property, plant and equipment are initially measured at cost, except those acquired through non-exchange transactions which are instead measured at fair value as their deemed cost at initial recognition.

Items of property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) 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 in surplus or deficit.

Upon disposal of revalued items of property, plant and equipment, any associated gain or losses on revaluation to that item are transferred from the revaluation surplus to accumulated surplus.

ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it is probable that the future economic benefits associated with the expenditure will flow to the Association. Ongoing repairs and maintenance is expensed as incurred.

**Wiri Business Improvements Association Incorporated**  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020

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**Significant Accounting Policies cont'd.**

iii) Depreciation

For property, plant and equipment, depreciation is based on the cost of an asset less its residual value and for buildings is based on the revalued amount less its residual value.

Significant components of individual assets that have a useful life that is different from the remainder of those assets, those components are depreciated separately.

Depreciation is recognized in surplus or deficit on a diminishing value basis over the estimated useful lives of each component of an item of property, plant and equipment.

The estimated useful lives are:

Motor Vehicles	DV30%
Office Equipment	DV16 - 50%
Website	DV 50%

Depreciation methods, useful lives, and residual values are reviewed at reporting date and adjusted if appropriate. Gains and losses on disposal of assets are taken into account in determining the operating result for the year.

e) *Impairment of non-financial assets*

The carrying amounts of the Association's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the future remaining service potential (for non-cash-generating assets) is discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

Impairment losses are recognized in surplus or deficit. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised.

f) *Equity*

Equity is the community's interest in the Association measured as the difference between total assets and total liabilities. Equity is made up of the following components:

*Accumulated comprehensive revenue and expense*

Accumulated comprehensive revenue and expense is the Association's accumulated surplus or deficit since the formation of the Association adjusted for transfers to/from specific reserves.



**Wiri Business Improvements Association Incorporated**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

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**Significant Accounting Policies cont'd.**

*g) Income Tax*

The Association is liable for tax only on income earned from entities or activities outside the circle of membership. The Association also receives an exemption of \$1,000 on income earned from outside entities or activities.

*h) Goods and Services Tax*

Items of income and expenditure are stated exclusive of Goods and Services Tax. All items in the statement of financial position are net of GST, with the exception of receivables and payables, which include GST.

*i) Leases*

*i) Classification and treatment*

Leases in terms of which the Association assumes substantially all the risks and rewards of ownership are classified as finance leases.

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Association. Operating lease payments are recognised as an operating expense in surplus or deficit on a straight-line basis over the lease term.

The Association does not have finance lease.

**5. Cash and Cash Equivalents**

	<b>Notes</b>	<b>2020</b>	<b>2019</b>
Cash and Cash Equivalents include the following components:			
Cheque Account		390,870	478,215
Credit Card		(2,449)	(1,378)
ASB Term Deposit		280,000	-
		<b>668,421</b>	<b>476,837</b>

There are no restrictions over cash and cash equivalents held.

## 6. Receivables

	Notes	2020	2019
<b>Receivables from Exchange Transactions</b>			
Trade Debtors		6,838	26,875
Deposits		-	-
		<u>6,838</u>	<u>26,875</u>
<b>Receivables from Non-Exchange Transactions</b>			
PAYE Receivable		447	-
GST Receivable		14,388	10,427
		<u>14,835</u>	<u>10,427</u>

At 30 June 2020, the ageing analysis of receivables from non-exchange transaction is as follows:

	Neither Past Due Nor Impaired	< 30 Days	30-60 Days	61-90 Days	>90 Days
2020	14,835	14,835	-	-	-
2019	10,427	10,427	-	-	-

## 7. Related Party Transactions and Balances

There were no meeting fees paid to the Executive Committee during the year.

Businesses that are a tenant of a commercially rated property within the Targeted Rating Area, which engage in business transactions with the Association are related parties by virtue of being members of the Association.

### Key Management Personnel Compensation

Total amount paid to the Town Manager for the year amounted to \$NIL (2019: \$46,615). As from mid-December 2018 this position became that of an employee

Murray Phillips of Insight CA Limited, Financial Advisor for the year amounted to \$15,000 (2019: \$6,751).

## 8. Property, Plant and Equipment

2020	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairments \$	Depreciation \$	Total (NBV)
Office Equipment	4,160	4,008	-	-	1,804	6,364
Motor Vehicles	20,496	-	-	-	6,149	14,347
Website		6,781			1,413	5,368
<b>Balance as at 30 June 2020</b>	<b>24,656</b>	<b>10,789</b>	<b>-</b>	<b>-</b>	<b>9,366</b>	<b>26,079</b>

Charity  
AUDIT

**Wiri Business Improvements Association Incorporated**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

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**Financial Instruments cont'd.**

	2019			2020		
	Cost or	Accumulated	Net Book	Cost or	Accumulated	Net Book
	Valuation	Depreciation	Value	Valuation	Depreciation	Value
	\$	\$	\$	\$	\$	\$
Office Equipment	11,074	6,914	4,160	15,082	8,718	6,364
Motor Vehicles	34,766	14,270	20,496	34,766	20,419	14,347
Website	-	-	-	6,781	1,413	5,368
<b>Balance</b>	<b>45,840</b>	<b>21,184</b>	<b>24,656</b>	<b>56,629</b>	<b>30,550</b>	<b>26,079</b>

**9. Income Tax**

The Association is exempt from income tax under Section CW 40 of the Income Tax Act 2007, therefore only liable for tax on revenue derived outside the circle of membership.

**Wiri Business Improvements Association Incorporated**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**10. Financial Instruments**

The table below shows the carrying amounts of the Association's financial assets and financial liabilities.

<b>30 June 2020</b>	<b>Financial Assets</b>	<b>Financial Liabilities</b>
	<b>Loans and Receivables</b>	<b>Amortised Cost</b>
Cash and Cash Equivalents	668,421	-
Receivables from Exchange Transactions (excl Prepayments)	1,796	-
Payables	-	43,767
	<b>670,217</b>	<b>43,767</b>

<b>30 June 2019</b>	<b>Financial Assets</b>	<b>Financial Liabilities</b>
	<b>Loans and Receivables</b>	<b>Amortised Cost</b>
Cash and Cash Equivalents	476,837	-
Receivables from Exchange Transactions (excl Prepayments)	35,484	-
Receivables from Non-Exchange Transactions	-	-
Payables	-	32,357
	<b>512,321</b>	<b>32,357</b>

**11. Payable and Accruals**

<b>Exchange Transactions</b>	<b>2020</b>	<b>2019</b>
Trade Payables	33,358	19,537
Trade Payables-Other (incl. GST & PAYE)	7,309	6,820
Accounting Fees	-	-
Audit Fees Accrual	3,100	6,000
	<b>43,767</b>	<b>32,357</b>



**Wiri Business Improvements Association Incorporated**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020

**12. Revenue**

	<b>2020</b>	<b>2019</b>
<b>Revenue from Exchange Transactions</b>		
Sponsorship	2,000	4,780
Other Revenue	30,611	21,788
	<u><b>32,611</b></u>	<u><b>26,568</b></u>

	<b>2020</b>	<b>2019</b>
<b>12.a Revenue from Non-Exchange Transactions</b>		
Seeding Grant	552,750	502,500
Seeding Grant for YE 2021 recognised in 2020	184,250	184,250
	<u><b>737,000</b></u>	<u><b>686,750</b></u>

**13. Financial Income**

	<b>2020</b>	<b>2019</b>
Interest Received	3,215	339
	<u><b>3,215</b></u>	<u><b>339</b></u>

**14. Other Operating Expenses**

	<b>2020</b>	<b>2019</b>
Other Operating Expense Includes the following Items		
AGM Meeting Expenses	1,208	1,200
Business Development	3,658	10,511
Consulting Fees/Contractors	12,666	13,165
Equipment Lease	2,594	2,594
Function Expenses	58,569	40,662
Graffiti Contractors	6,300	6,000
Insurance	5,228	3,712
Legal Fees	920	9,531
Meeting Expenses	4,726	2,656
Office Expenses	18,490	28,958
Power, Heating and Lighting	1,328	1,741
Rent	1,739	1,739
Salaries / Kiwisaver	211,103	100,513
Telephone	4,733	5,881
Waste Management Review	5,321	22,466
	<u><b>338,583</b></u>	<u><b>251,329</b></u>