Integrity Audit
P O Box 217-125
Botany Junction 2164
AUCKLAND

This representation letter is provided in connection with your audit of the financial statements for the Wiri Business Improvements Assoc. Inc. , prepared in compliance to the Financial Reporting Act 2013, for the purpose of expressing an opinion as to whether the financial statements give a true and fair view of the financial position, changes in financial positions and results of operation, under the new Public Benefit Entity NZ IPSAS RDR Reporting regime.

The organisation and its governing body accepts that it is responsible for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting. The board acknowledges its responsibility for the design and implementation of internal controls to safeguard assets and prevent and detect error, fraud and non-compliance with laws and regulations.

We confirm, to the best of our knowledge and belief, the following representations:

We acknowledge our responsibility for the preparation of the financial statements, including the appropriate disclosure of all information required by Statute. We also understand the accounting policies, and accounting methods used to compile the annual report, including the effect of any of these methods, that may differ from the new Public Benefit Entity NZ IPSAS RDR Reporting regime.

There have been no irregularities involving management, volunteers, or the employees, that would have a material effect on the financial statements. We understand the risks of accounting for cash income, and acknowledge our responsibility for the staff / volunteers, vetted by us, for this role. We understand that in a situation with one-person handling cash income, where there are no stock control or invoicing systems that have a division of duties over multiple staff, then an audit qualification, on those limited control income sources, will occur.

We have made available to you all the books of account and the supporting documentation and all minutes of meetings of members, and board of trustees.

The financial statements are free of material errors and omissions, whether caused by fraud, changes in accounting policies, impairment of assets, off balance sheet assets and liabilities, or breaches of statutory requirements.

The management have complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of a non-compliance. There have been no communications concerning non-compliance with requirements of regulatory authorities in respect of financial matters.

We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities reflected in the financial statements.

We have recorded or disclosed all liabilities, both actual and contingent and have disclosed in the notes to the accounts guarantees, if any, that we have given to all third parties.

There are no events subsequent to balance date, which require adjustment of or disclosure in the financial statements and related notes.

No claims in connection with litigation have been or are expected to be received.

We have provided full and complete information regarding the identification of related parties. No loans, or guarantees, have been made to any member of the board of the governing body, or any staff member of the organisation, without the approval of the governance, and full disclosure in the annual financial statements.

Our governance believes the organisation is a going concern. There are, to the best of our knowledge and belief, no known or likely events, which could within the next 12 months, jeopardise the ability of the organisation to continue operating.

15/10/2019

President / Chairperson

Wiri Business Improvements Assoc. Inc.

Treasurer or Secretary

2019

Wiri Business Improvements Association Incorporated

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

MURRAY PHILLIPS

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Registered Office:	13 Inverell Avenue Manukau
Nature of Business:	To provide resources for building a positive environment to ensure the economic development of the district.
Executive Committee:	Richard Mason (Chairperson) Maureen Collins-Wright (Chairperson-February 2019) Ben Robinson (Deputy Chairperson) Sandra Bates (Secretary from November 2018) Gregor Botha Teena Rhind Richard Gallantree David Pazzini (Local Board Representative) (from May 2018) Murray Phillips (Advisory Panel) (Insight CA Limited) Audrey Williams (Manager)
Registered Society Number:	1807794
Independent Auditor:	Integrity Audit Limited Level 1, Building 2 15 Accent Drive East Tamaki Auckland, 2013
Bankers:	ASB Bank Limited

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 2019, 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 2019;
- 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 2019;
- 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
15/10/2019	15/10/2019
Date	Date

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 2019 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 2019 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 Trustees, as a body, in accordance with section 42F of the Charities Act 2005, and their deed of incorporation. Our audit work has been undertaken so that we might state to the Trustees 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 Trustees 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 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

Integrity Audit

Integrity Audit, East Tamaki, Auckland
14th October 2019

Wiri Business Improvements Association Incorporated
STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE
FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2019	2018
Revenue from Exchange Transactions	12	26,568	23,406
Revenue from Non-Exchange Transactions	12	686,750	670,000
Revenue from Non-Exchange Transactions	12a	-	-
		713,318	693,406
Expenses			
Remueration paid to Auditors:			
- Audit Fee		5,036	3,040
Accountancy Fee		6,751	3,504
Advertising		26,800	40,061
Town Manager Fee		46,615	88,269
Depreciation	8	4,065	4,366
Security		221,316	177,388
Southern Business Market		-	8,161
Other Operating Expenses	14	251,329	180,551
Total Expenses		561,912	505,340
Finance Income	13	339	12
Finance Costs		60	-
Net Finance Costs		279	12
Net Surplus Before Tax		151,685	188,078
Income Tax	9	-	-
Net Surplus for the Year		151,685	188,078
Other Comprehensive Revenue and Expense		-	-
Total Comprehensive Revenue and Expense for the Year		**151,685**	**188,078**

INTEGRITY AUDIT

Wiri Business Improvements Association Incorporated
STATEMENT OF CHANGES IN NET ASSETS / EQUITY
FOR THE YEAR ENDED 30 JUNE 2019

	Notes	Accumulated Comprehensive Revenue and Expense	Total
Opening Balance 1 July 2018			
Net Surplus for the Year		354,753	354,753
Total Comprehensive Income and Expense for the Year		354,753	354,753
Closing Equity 30 June 2018			
Net Surplus for the Year		151,685	151,685
		151,685	151,685
Closing Equity 30 June 2019		**506,438**	**506,438**

INTEGRITYAUDIT

Wiri Business Improvements Association Incorporated
STATEMENT OF FINANICAL POSITION
FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2019	2018
Assets			
Current Assets			
Cash and Cash Equivalents	5	476,837	346,847
Receivables from Exchange Transactions	6	26,875	5,865
Receivables from Non-Exchange Transactions	6	10,427	14,457
Total Current Assets		**514,139**	**367,169**
Non-Current Assets			
Property, Plant and Equipment	8	24,656	9,149
Total Non-Current Assets		**24,656**	**9,149**
Total Assets		**538,795**	**376,318**
Liabailities			
Current Liabilities			
ASB Credit Card	5	-	-
Payables and Accurals (from Exchange Transactions)	11	32,357	21,566
Total Current Liabilities		**32,357**	**21,566**
Total Liabilities		**32,357**	**21,566**
Total Net Assets		**506,438**	**354,752**
Net Assets			
Accumulated Comprehensive Revenue and Expense			
Total Net Assets Attribution		**506,438**	**354,752**

INTEGRITY AUDIT

For and on behalf of the Executive Committee:

Chairperson

15/10/2019
Date

Executive Member

15/10/2019.
Date

Wiri Business Improvements Association Incorporated
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2019	2018
Cash Flows From Operating Activities			
Receipts from Grants and other Income		693,112	696,302
Interest Received		350	1
Income Tax Received		-	-
Cash Paid to Suppliers and Employees		(542,505)	(505,189)
Net Cash Inflow/(Outflow) from Operating Activities		**150,957**	**191,114**
Cash Flows From Investing Activities			
Decrease in Short Term Investments	8	-	-
Purchase of Property, Plant and Equipment		(20,968)	(5,500)
Net Cash Inflow/(Outflows) from Investing Activities		**(20,968)**	**(5,500)**
Net Increase/(Decrease) in Cash and Cash Equivalents		129,989	185,614
Cash and Cash Equivalents at 1 July		346,847	161,233
Cash and Cash Equivalents at 30 June	5	**476,836**	**346,847**

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.

INTEGRITY AUDIT

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 whey 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.

INTEGRITY AUDIT

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 has 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.

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 then suggested by historical trends.

Significant Accounting Policies cont'd.

Financial assets classified as loans and receivables cont'd.

An impairment loss is 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.

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%

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.

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 entitles 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

	Notes	2019	2018
Cash and Cash Equivalents include the following components:			
Cheque Account		478,215	346,847
Credit Card		(1,378)	-
		476,837	**346,847**

There are no restrictions over cash and cash equivalents held.

6. Receivables

	Notes	2019	2018
Receivables from Exchange Transactions			
Trade Debtors		26,875	5,065
Deposits		-	-
		26,875	**5,065**
Receivables from Non-Exchange Transactions			
GST Receivable		10,427	14,457
		10,427	**14,457**

Financial Instruments cont'd.

At 30 June 2019, 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
2019	10,427	10,427			
2018	14,457	14,457			-

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 $46,615 (2018: $88,269). 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 $6,751 (2018: $3,504).

8. Property, Plant and Equipment

2019

	Opening Balance (NBV) $	Additions $	Disposals $	Impairments $	Depreciation $	Total (NBV)
Office Equipment	4,082	2,188	-	-	2,110	4,160
Motor Vehicles	5,067	17,384	-	-	1,955	20,496
Balance as at 30 June 2019	**9,149**	**19,572**	-	-	**4,065**	**24,656**

	2018			2019		
	Cost or Valuation $	Accumulated Depreciation $	Net Book Value $	Cost or Valuation $	Accumulated Depreciation $	Net Book Value
Office Equipment	8,886	4,804	4,082	11,074	6,914	4,160
Motor Vehicles	17,383	12,315	5,067	34,766	14,270	20,496
Balance	**26,269**	**17,119**	**9,149**	**45,840**	**21,184**	**24,656**

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.

10. Financial Instruments

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

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

30 June 2018	Financial Assets	Finanical Liabilities
	Loans and Receivables	Amortised Cost
Cash and Cash Equivalents	346,847	-
Receivables from Exchange Transactions (excl Prepayments)	5,865	-
Receivables from Non-Exchange Transactions	-	-
Payables	-	21,566
	352,712	**21,566**

11. Payable and Accruals

Exchange Transactions	2019	2018
Trade Payables	19,537	17,066
Trade Payables-Other (incl. GST & PAYE)	6,820	-
Accounting Fees	-	1,500
Audit Fees Accural	6,000	3,000
	32,357	**21,566**

12. Revenue

Revenue from Exchange Transactions	**2019**	**2018**
Sponsorship	4,780	20,209
Other Revenue	21,788	3,197
	26,568	**23,406**

12.a Revenue from Non-Exchange Transactions	**2019**	**2018**
Local Board	-	-
Seeding Grant	502,500	502,500
Seeding Grant for YE 2020 recognised in 2019	184,250	167,500
Special Grant: Expansion Project	-	-
	686,750	**670,000**

13. Financial Income

	2019	**2018**
Interest Received	339	12
	339	**12**

14. Other Operating Expenses

Other Operating Expense Includes the following Items	**2019**	**2,018**
AGM Meeting Expenses	1,200	2,729
Business Development	10,511	9,831
Consulting Fees/Contractors	13,165	28,203
Equipment Lease	2,594	865
Function Expenses	40,662	74,534
Graffiti Contractors	6,000	6,000
Insurance	3,712	4,118
Legal Fees	9,531	4,850
Meeting Expenses	2,656	2,136
Office Expenses	28,958	10,798
Power, Heating and Lighting	1,741	1,233
Rent	1,739	1,956
Salaries / Kiwisaver	100,513	28,804
Telephone	5,881	4,385
Waste Management Review	22,466	109
	251,329	**180,551**

15. Capital Commitments
The Association had no known capital commitments in the current year (2018:Nil).

16. Contingent Assets and Liabilities
There are no contingent assets or liabilities at the reporting date (2018:Nil).

17. Events after the Reporting Date
The Executive Committee are not aware of any other matters or circumstances since the end of the reporting period, not otherwise dealt with in these financial statements that have significantly or may significantly affect the operations of the Association (2018:Nil).

18. Operating Lease Commitments
As at 30 June 2019, the Association has entered into a 48-month lease arrangement with CSG Finance (NZ) Limited, for a KONICA Minolta Photocopier. The lease expires on 31 January 2022. There were no lease commitments in the 2018 year.

19. Going Concern
These financial statements have been prepared on a going concern basis. The Association is heavily reliant on funding from Auckland Council. The Executive Committee believes that the Association will be able to meets its financial and regulatory obligations for the foreseeable future and that the going concern assumption adopted in the preparation of these financial statements is appropriate.