WIRI BUSINESS IMPROVEMENTS ASSOCIATION INCORPORATED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

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FINANCIAL STATEMENTS
For the Year Ended 30 June 2016

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WIRI BUSINESS IMPROVEMENTS ASSOCIATION INCORPORATED

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For the Year Ended 30 June 2016

Registered office	13 Inverell Avenue Manukau
Nature of business	To provide resources for building a positive enviroment to ensure the economic development of the district.
Executive Committee	Richard Mason William Brown Tony Nawisielski Karen Spencer Shaun Jackson Murray Phillips Angela Dalton Jenne von Pein Mark Dowling David Renick Audrey Williams
Registered Society Number	1807794
Independent auditor	RSM Hayes Audit Level 1, 1 Broadway Manukau
Bankers	ASB

WIRI BUSINESS IMPROVEMENTS ASSOCIATION INCORPORATED

Executive Committee's Report and Statement of Responsibility
For the Year Ended 30 June 2016

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 2016, 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, RSM Hayes Audit have audited the financial statements and their report appears on page 3.

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 result of the Association for the year ended 30 June 2016;

- 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 2016;

- 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**
Date	**Date**

INDEPENDENT AUDITOR'S REPORT

Audit report to be inserted (2 pages)

WIRI BUSINESS IMPROVEMENTS ASSOCIATION INCORPORATED

Statement of Comprehensive Revenue and Expense
For the Year Ended 30 June 2016

	Notes	2016	2015
Revenue from exchange transactions	13	7,747	9,720
Revenue from non-exchange transactions	13	249,650	221,500
Revenue from non-exchange transactions	13a	54,904	
		312,301	231,220
Expenses			
Remuneration paid to RSM :			
- Audit Fee		3,500	3,500
- IPSAS conversion		1,500	-
Accountancy Fee		2,323	3,736
Advertising		2,128	14,195
Expansion project		26,068	-
Town Manager fee		73,920	67,200
Depreciation	8	5,137	4,513
Security		60,683	67,809
Southern Business Market		41,035	43,196
Other Operating Expenses	15	47,527	53,462
Total expenses		263,821	257,611
Finance income	14	92	1,882
Finance costs		-	-
Net finance costs		92	1,882
Net surplus before tax		48,572	(24,509)
Income tax	9	420	-
Net surplus for the year		48,992	(24,509)
Other comprehensive revenue and expense		-	-
Total comprehensive revenue and expense for the year		**48,992**	**(24,509)**

Additional information

Revenue of $54,904 which relates to the 2017 financial year has been recognised as income in the 2016 financial year. This was done to ensure compliance with the new revenue recognition policy as per the Not-For-Profit Public Benefit Entities Accounting Standards (PBE IPSAS 23). As a result the profit for the year ended 30 June 2016 is significantly higher than the comparative year.

Statement of Changes in Net Assets/Equity
For the Year Ended 30 June 2016

	Note	Accumulated comprehensive revenue and expense	Total
Opening balance 1 July 2014 (previously reported)		62,744	62,744
Adjustment for changes in accounting policies due to initial application of PBE Standards	21	980	980
Restated total equity at 1 July 2014		**63,724**	**63,724**
Net surplus for the year		(24,509)	(24,509)
Other comprehensive income and expense		-	-
Total comprehensive revenue and expense for		(24,509)	(24,509)
Closing equity 30 June 2015		**39,215**	**39,215**
Net surplus for the year		48,992	48,992
Other comprehensive income and expense		-	-
		48,992	48,992
Closing equity 30 June 2016		**88,207**	**88,207**

WIRI BUSINESS IMPROVEMENTS ASSOCIATION INCORPORATED

Statement of Financial Position
As at 30 June 2016

	Notes	2016	2015
ASSETS			
Current assets			
Cash and cash equivalents	5	81,913	7,100
Short term investments	5A	-	30,001
Receivables from exchange transactions	6	2,000	8,896
Receivables from non-exchange transactions	6	10,625	6,567
Total Current Assets		**94,538**	**52,564**
Non-current assets			
Property plant and equipment	8	11,886	15,445
Deferred tax		1,400	980
Total Current Assets		**13,286**	**16,425**
TOTAL ASSETS		**107,824**	**68,989**
LIABILITIES			
Current liabilities			
Payables and accruals (from exchange transactions)	11	19,617	27,057
Income in Advance	12	-	2,717
Total Current liabilities		**19,617**	**29,774**
TOTAL LIABILITIES		**19,617**	**29,774**
TOTAL NET ASSETS		**88,207**	**39,214**
Net assets			
Accumulated comprehensive revenue and expense		88,207	39,215
Total net assets attribution		**88,207**	**39,215**

For and on behalf of the Executive Committee:

Chairperson **Date**

Executive Member **Date**

These financial statements should be read in conjunction with the notes to the financial statements.

WIRI BUSINESS IMPROVEMENTS ASSOCIATION INCORPORATED

Statement of Cash Flows
For the Year Ended 30 June 2016

	Notes	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from grants and other income		319,205	236,801
Interest received		92	1,882
Income tax received		(4,058)	(1,101)
Cash paid to suppliers and employees		(268,123)	(240,565)
Net cash inflow/(outflow) from operating activities		**47,116**	**(2,983)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Decrease in short term investments		30,001	18,866
Purchase of property, plant and equipment	**8**	(1,578)	(15,853)
Net cash inflow/(outflow) from investing activities		**28,423**	**3,013**
Net increase/(decrease) in cash and cash equivalents		74,813	31
Cash and cash equivalents at 1 July		7,100	7,069
Cash and cash equivalents at 30 June	**5**	**81,913**	**7,100**

These financial statements should be read in conjunction with the notes to the financial statements.

Notes to the financial statements
For the Year Ended 30 June 2016

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 authorised for issue by the Executive Committee on the date indicated on page 6.

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 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. 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.

There has been no change in the functional currency of the Association during the year.

d) Changes in accounting policy
For the year ended 30 June 2016, the Association prepared its financial statements using Old GAAP. These have now been restated to Not-For-Profit PBE IPSAS – RDR. An explanation of how the transition to Tier 2 Not-For-Profit PBE Accounting Standards has affected the reporting is provided in Note 21 of the financial statements.

3. SIGNIFICANT JUDGMENTS AND ESTIMATES

The preparation of the Association's financial statements requires management to make judgements, 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 purposes 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.

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 adjustment 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 circumstances 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

3. SIGNIFICANT JUDGMENTS AND ESTIMATES (CONT'D)

Useful lives and residual values (Cont'd)

- 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 or 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.

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 exception of services-in-kind, inflows of resources from non-exchange transactions 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 utilised 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 utilised in the way stipulated, and therefore do not result in the recognition of a 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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

a) Revenue (cont'd)

b) Financial instruments
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 also derecognises 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 the 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 transaction 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.
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) Impairment 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 estimated reliably.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

c) Impairment of non-derivative financial assets (cont'd)

Objective evidence that financial assets are impaired includes default or delinquency by a counterparty, restructuring of an amount due to the Association on terms that the Association would not consider otherwise, indications 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.

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 the 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 capitalised 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.

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 recognised 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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

iii) Depreciation (con't)

The estimated useful lives are:

Plant & Equipment	SL 40%
Motor Vehicles	SL36%
Office Equipment	DV26%

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 recognised 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 amortisation, 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.

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 leases.

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following components:

	2016	2015
Cheque Account	81,913	7,100
Savings Account	-	-
	81,913	7,100

There are no restrictions over cash and cash equivalents held.

5A. SHORT TERM INVESTMENTS

Current

	2016	2015
Bank Term Deposit	-	30,001
	-	30,001

6. RECEIVABLES

Receivables from exchange transactions

	2016	2015
Trade Debtors	-	8,896
Deposits	2,000	-
	2,000	8,896

Receivables from non-exchange transactions

	2016	2015
GST Receivable	10,625	6,567
	10,625	6,567

At 30 June 2016, the ageing analysis of receivables from non-exchange transactions is as follows:

	Neither past due nor impaired	< 30 days	30-60 days	61-90 days	>90 days
2016	10,625	10,625	-	-	-
2015	6,567	6,567	-	-	-

7. RELATED PARTY TRANSACTIONS AND BALANCES

There were no meeting fees paid to the Executve Committee during the year

The Association obtained printing services from Colourworx Dye Sublimation Limited for $Nil (2015:$17,640), which is a related entity as two of the Committee Members are also shareholders and directors of the company.

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 $73,920 , (2015:$67,200).

8. PROPERTY, PLANT AND EQUIPMENT

2016

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	$	$	$	$	$	$
Plant & Equipment	-	-	-	-	705 -	705
Office Equipment	670	1,579	-	-	-	2,249
Motor vehicles	14,775	-	-	-	4,433	10,342
Balance as at 30 June 2016	**15,445**	**1,579**	**-**	**-**	**5,138**	**11,886**

8. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	2015			2016		
	Cost or Valuation	**Accumulated Depreciation**	**Net Book Value**	**Cost or Valuation**	**Accumulated Depreciation**	**Net Book Value**
2015	**$**	**$**	**$**			
Plant & Equipment	6,265	6,265	-	6,265	6,265	-
Office Equipment	1,811	1,141	670	3,390	1,846	1,544
Motor vehicles	17,383	2,608	14,775	17,383	7,041	10,342
Balance as at 30 June 2015	**25,459**	**10,014**	**15,445**	**27,038**	**15,152**	**11,886**

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.

i. Classification and fair values of financial instruments

30 June 2016

	Financial Assets	**Financial liabilities**
	Loans and receivables	**Amortised cost**
Cash and cash equivalents	81,913	-
Short term investments	-	-
Receivables from exchange transactions (excl prepayments)	-	-
Receivables from non-exchange transactions	-	-
Payables		19,617
	81,913	19,617

30 June 2015

	Financial Assets	**Financial liabilities**
	Loans and receivables	**Amortised cost**
Cash and cash equivalents	7,100	-
Term deposits	30,001	-
Receivables from exchange transactions (excl prepayments)	8,896	-
Receivables from non-exchange transactions	-	-
Payables	-	27,057
	45,997	27,057

11. PAYABLES AND ACCRUALS

Exchange transactions

	2016	2015
Trade Payables	14,163	23,557
Accounting Fees	454	-
Audit Fees Accrual	5,000	3,500
	19,617	27,057

12. INCOME IN ADVANCE

Income in advance - Southern Business Market	-	2,717
	-	2,717

13. REVENUE

Revenue from exchange transactions		
Gain on sale of asset	-	470
Southern Business Market	7,747	9,250
	7,747	9,720
Revenue from non-exchange transactions		
Local Board grant	30,000	30,000
Seeding grant	199,650	181,500
Seeding grant for FY 2017 recognised in 2016	54,904	-
Special grant: Southern Business Market	-	10,000
Special grant: Expansion project	20,000	-
	304,554	221,500

The effect of the new accounting standars has resulted in grants received in June 2016 from Auckland Council relating to funding approved for the 2017 financial year, being recognised as revenue in 2016. Total amount received for 2017 amounted to $54,904.

14. FINANCE INCOME

Interest received	92	1,882
	92	1,882

15. OTHER OPERATING EXPENSES

Other operating expenses includes the following items

Meeting expenses	9,641	8,544
Auckland Unitary plan expenses	-	3,000
Function expenses	133	1,674
Graffiti Contractors	3,500	7,000
Power, Heating and Lighting	1,230	1,145
Legal fees	-	350
Insurance	-	964
Rent paid	2,726	458
	17,230	**23,135**

16. CAPITAL COMMITMENTS

The Association had no known capital commitments in the current year (2015: Nil).

17. CONTINGENT ASSETS AND LIABILITIES

There are no contingent assets or liabilities at the reporting date. (2015: $Nil).

18. 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 (2015: Nil).

19. OPERATING LEASE COMMITMENTS

As at 30 June 2016, the Association has no known commitments.

20. 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 meet 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.

21. CHANGES IN ACCOUNTING POLICY

a) Changes due to the initial application of a new, revised and amended PBE Standards

This is the first set of financial statements of the Association that is presented in accordance with PBE Standards. The Association has previously reported in accordance with old GAAP.

The accounting policies adopted in these financial statements are consistent with those of the previous year, except for instances when the accounting or reporting requirements of a PBE Standard are different to requirements under the previous GAAP as outlined below.

The changes to accounting policies and disclosures caused by first time application of PBE accounting standards are as follows:

PBE IPSAS 1: Presentation of Financial Statements
There are minor differences between PBE IPSAS 1 and the equivalent standard in the previous GAAP. These differences have an effect on disclosure only. The main changes in disclosure resulting from application of PBE IPSAS 1 are the following:

Receivables from exchange and non-exchange transactions:
In the financial statements of the previous financial year, receivables were presented as a single total in the statement of financial position. However, PBE IPSAS 1 requires receivables from non-exchange transactions and receivables from exchange transactions to be presented separately in the statement of financial position. This requirement affected the presentation of both current and comparative receivables figures.

PBE IPSAS 23 prescribes the financial reporting requirements for revenue arising from non-exchange transactions. There is no equivalent financial reporting standard under Old GAAP. The application of this standard affected the Associations's accounting for grant revenue. In the previous financial year, grants received in relation to the provision of a service were matched against the related expenses and therefore recognised as revenue on a percentage of completion basis. However, PBE IPSAS 23 requires revenue from non-exchange transactions, such as grants, to be recognised as revenue as soon as the inflow of resources can be recognised as an asset in the financial statements, unless the inflow of resources meets the definition of and recognition criteria for a liability. Non-exchange revenue from grants can only be deferred and recognised as a liability if there is a condition attached to the grant that require an entity to use the grant as specified by the grantor or return of the cash (or other resources transferred under the grant) if the entity does not perform as specified. Such a stipulation must also be enforceable.

PBE IPSAS 2: Cash Flow Statement
A cash flow is required to be prepared.

PBE IPSAS 17: Property, plant and equipment
Old GAAP allowed the useful lives to be assessed in line with the rates provided by the IRD. PBE Standards state that the useful life must be assessed with reference to the period over which the future economic benefits will be consumed by the asset. These rates were reassessed by the entity to reflect the economic benefits which will flow to the entity as a result of the use of the asset.

There was no adjustments made in this regard.

PBE IAS 12: Income taxes
Old GAAP provided concessions for the recognition of deferred tax. There are no similar concessions within PBE IPSAS - RDR. Therefore deferred tax has been accounted for in the current and comparative year.