

Financial Statements

Browns Bay Business Association
For the year ended 30 June 2021

Prepared by Robinson & Running Ltd

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Directory

Browns Bay Business Association For the year ended 30 June 2021

Nature of Business

Business Association

Officers

| | |
|------------------------|---------------|
| Malcolm McDonald | Chairman |
| Bruce Taylor | Vice-Chairman |
| Kim Murdoch | Secretary |
| Robinson & Running Ltd | Treasurer |

BID Manager

Kim Murdoch

IRD Number

46-481-496

Auditor

Ken S Freeman Chartered Accountants Ltd

Chartered Accountant

Robinson & Running Ltd
PO Box 35-242
Browns Bay
Auckland

Bankers

Westpac Bank
Browns Bay
AUCKLAND


Approval of Financial Report

Browns Bay Business Association For the year ended 30 June 2021

The Officers are pleased to present the financial statements of the Browns Bay Business Association for year ended 30 June 2021.

APPROVED

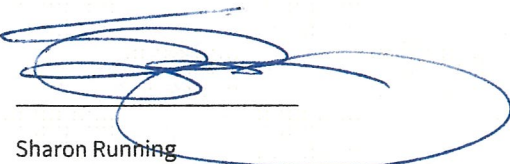
For and on behalf of the Board.



Malcolm McDonald

Chairperson

Date ...12-10-2021



Sharon Running

Treasurer

Date ...12/10/2021

Balance Sheet

Browns Bay Business Association As at 30 June 2021

| | NOTES | 30 JUN 2021 | 30 JUN 2020 |
|---|-------|---------------|---------------|
| Current Assets | | | |
| Westpac Bank | | 36,784 | 50,617 |
| Accounts Receivable | | | |
| Trade receivables | | - | 374 |
| Prepayments | | 10,371 | 10,000 |
| Total Accounts Receivable | | 10,371 | 10,374 |
| GST | | 2,638 | 5,175 |
| Income Tax | | 3 | 4 |
| Total Current Assets | | 49,796 | 66,170 |
| Current Liabilities | | | |
| Trade and Other Payables | | 8,730 | 16,253 |
| Prepaid Income | | 37,500 | 37,500 |
| Total Current Liabilities | | 46,230 | 53,753 |
| Net Current Assets (Liabilities) | | 3,567 | 12,417 |
| Non-Current Assets | | | |
| Property, Plant and Equipment | | 19,650 | 36,592 |
| Total Non-Current Assets | | 19,650 | 36,592 |
| Net Assets | | 23,216 | 49,009 |
| Accumulated Surplus | | | |
| Surplus | | 23,216 | 49,009 |
| Total Accumulated Surplus | | 23,216 | 49,009 |

The accompanying notes form part of these financial statements. These financial statements have been subject to audit, and should be read in conjunction with the attached Independent Auditor's Report.

Statement of Profit or Loss

Browns Bay Business Association For the year ended 30 June 2021

| | NOTES | 2021 | 2020 |
|--|-------|-----------------|----------------|
| Income | | | |
| Auckland City Council - BID Income | | 150,000 | 150,000 |
| Auckland City Council - Other Grants | | 20,000 | 11,304 |
| Auckland City Council - Capital Grants | | - | 9,000 |
| Membership Income | | 859 | 359 |
| Events & Promotion Income | | 3,295 | 1,285 |
| Sponsorship Income | | 2,200 | 3,950 |
| Other Revenue | | 596 | 718 |
| Total Income | | 176,949 | 176,617 |
| Less Direct Costs | | | |
| Advertising & Marketing Expenses | | 6,030 | 19,047 |
| Events Costs | | 76,373 | 26,184 |
| Promotion Costs | | 21,827 | 9,955 |
| Retail Enhancement | | 7,081 | - |
| Total Less Direct Costs | | 111,311 | 55,185 |
| Gross Profit | | 65,638 | 121,431 |
| Other Income | | | |
| Interest Income | | 22 | 24 |
| Total Other Income | | 22 | 24 |
| Expenses | | | |
| Accounting Fees | | 2,110 | 2,110 |
| Audit Fees | | 1,595 | 1,595 |
| Bank Fees | | 199 | 190 |
| Catering and Meeting Expenses | | 662 | 825 |
| Cleaning and Rubbish Removal | | 130 | - |
| Depreciation | | 16,943 | 22,214 |
| Insurance | | 1,190 | 1,165 |
| Management Fees | | 50,000 | 51,080 |
| Operating Costs | | - | 1,464 |
| Printing, Postage & Stationery | | 1,857 | 1,859 |
| Repairs and Maintenance | | 1,076 | 170 |
| Security | | 11,233 | 8,736 |
| Storage | | 2,045 | 2,045 |
| Subscription - Software | | 576 | 594 |
| Telephone & Internet | | 314 | 83 |
| Website Costs | | 1,523 | 1,474 |
| Total Expenses | | 91,452 | 95,603 |
| Net Surplus / (Deficit) | | (25,793) | 25,852 |

The accompanying notes form part of these financial statements. These financial statements have been subject to audit, and should be read in conjunction with the attached Independent Auditor's Report.

Statement of Changes in Accumulated Funds

Browns Bay Business Association

For the year ended 30 June 2021

| | 2021 | 2020 |
|--------------------------------|---------------|---------------|
| Accumulated Funds | | |
| Opening Balance | 49,009 | 23,157 |
| Increases | | |
| Surplus | | |
| Current year earnings | (25,793) | 25,852 |
| Total Surplus | (25,793) | 25,852 |
| Total Increases | (25,793) | 25,852 |
| Total Accumulated Funds | 23,216 | 49,009 |

The accompanying notes form part of these financial statements. These financial statements have been subject to audit, and should be read in conjunction with the attached Independent Auditor's Report.

Notes to the Financial Statements

Browns Bay Business Association

For the year ended 30 June 2021

1. Reporting Entity

Browns Bay Business Association is an Incorporated Society operating as a "Not for Profit" organisation for the improvement of the Browns Bay Business District under the Auckland Council BID programme.

This special purpose financial report was authorised for issue in accordance with the Chairman and Treasurer of the Browns Bay Business Association.

2. Statement of Accounting Policies

Basis of Preparation

These financial statements have been prepared in accordance with the Special Purpose Framework for use by For-Profit Entities (SPFR for FPEs) published by Chartered Accountants Australia and New Zealand.

Historical Cost

These financial statements have been prepared on a historical cost basis, except when otherwise indicated. The financial statements are presented in New Zealand dollars (NZ\$) and all values are rounded to the nearest NZ\$, except when otherwise indicated.

Changes in Accounting Policies

There have been no changes in accounting policies. Policies have been applied on a consistent basis with those of the previous reporting period.

Revenue Recognition

Fundraising and other similar revenue are recognised when cash is received.

Fees and subscriptions from members is recorded as revenue evenly over the period in which the items are provided to the members. Any fees or subscriptions received in advance of the period to which they relate should be recorded as a liability.

Lease or rental revenue is recorded as revenue on a straight-line basis over the term of the agreement, unless another systematic basis is representative of the time pattern of the user's benefit.

Interest income is recognised as it is earned during the period.

Fundraising and Grants

If particular conditions are attached to a grant that would require it to be repaid if these conditions are not met, then the grant is recorded as a liability until the conditions are satisfied.

Property, Plant and Equipment and Investment Property

Property, plant and equipment and investment property are stated at historical cost less any accumulated depreciation and impairment losses. Historical cost includes expenditure directly attributable to the acquisition of assets, and includes the cost of replacements that are eligible for capitalisation when these are incurred.

An item of property, plant and equipment or investment property is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the

difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

Upon derecognition, the asset revaluation reserve relating to the asset disposed shall be transferred to retained earnings.

Depreciation

| Account | Method | Rate |
|-------------------|--------------------------|------------|
| Plant & Equipment | Diminishing Value (100%) | 20% - 100% |

Goods and Services Tax

All amounts are stated exclusive of goods and services tax (GST) except for accounts payable and accounts receivable which are stated inclusive of GST.

Taxation

No provision for income tax has been made as there is no current or deferred tax payable.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Trade and Other Receivables

Receivables are stated at their estimated realisable value. Bad debts are written off in the year in which they are identified.

Trade and Other Payables

Trade payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. Trade payables are recognised at their transaction price. They are subject to normal credit terms and do not bear interest.

Going Concern

These financial statements have been prepared on the basis that the entity is a going concern.

3. Audit

These financial statements have been subject to audit, please refer to Auditors' Report.

4. Contingent Liabilities

There are no contingent liabilities at year end (30 June 2020: Nil).

5. Related Party

There were related party transactions with the Treasurer who is also the provider of accounting services to the Browns Bay Business Association. These services were provided at less than arms length value.

| Robinson & Running Limited (Current) | 2021 | 2020 |
|---|-------------|-------------|
| Value of Services (excl GST) | \$ 2,110 | \$2,110 |
| Payable at 30 June (Incl GST) | \$1,154 | \$1,154 |

There were related party transactions with Pages Design & Print Services Limited whose Director, Bruce Taylor, is also a member of the Board. These services were provided at fair market value.

| Pages Design & Print Services | 2021 | 2020 |
|--|-------------|-------------|
| Value of Services (excl GST) | \$31,786 | \$26,165 |
| Payable at 30 June (Incl GST) | \$ 1,429 | \$ 7,159 |

There were related party transactions with Eltec Ltd whose Director, Mike Jansen, is also a member of the Board. These services were provided at fair market value.

| ELTEC Limited | 2021 | 2020 |
|-------------------------------|-------------|-------------|
| Value of Services (excl GST) | NIL | \$10,982 |
| Payable at 30 June (Incl GST) | NIL | \$ 103 |

6. Sponsorship

During the year sponsorship income was gratefully received from:

Augenstein's Jewellers

Browns Bay Liquor Centre

New World Browns Bay

Pit Stop Browns Bay

SGA Insurance Brokers

Ultrasound Direct

Waterworld Limited

7. Events & Promotion Costs

During the year the following events and promotions were run:

| | |
|---|-----------|
| Summer Weekend Event | \$ 36,822 |
| Christmas Parade and Lighting the Tree Events | \$ 23,037 |
| Christmas Shop Local Promotion | \$ 7,682 |
| Fishing Competition | \$ 7,514 |
| Winter Shop Local Promotion | \$ 6,864 |
| Mothers Day Promotion | \$ 6,811 |
| Boys Toys Event | \$ 4,428 |
| AGM | \$ 2,521 |
| Networking Events | \$ 2,006 |
| Easter Hunt | \$ 515 |

Depreciation Schedule

Browns Bay Business Association For the year ended 30 June 2021

| NAME | RATE | METHOD | COST | OPENING VALUE | PURCHASES | DEPRECIATION | CLOSING ACCUM DEP | CLOSING VALUE |
|--|---------|--------|---------------|---------------|-----------|---------------|----------------------|---------------|
| Plant & Equipment | | | | | | | | |
| Instant Marquee | 30.00% | DV | 3,621 | 416 | - | 125 | 3,330 | 291 |
| Christmas Tree Lights | 33.00% | DV | 1,262 | 128 | - | 42 | 1,176 | 86 |
| Christmas Tree - 20ft | 33.00% | DV | 12,718 | 1,292 | - | 426 | 11,852 | 866 |
| Canon EOS700D | 67.00% | DV | 1,217 | 3 | - | 2 | 1,216 | 1 |
| Fence Panels for Xmas Tree 1m x 1.2m | 33.00% | DV | 4,760 | 801 | - | 264 | 4,223 | 537 |
| Minix Media Box | 40.00% | DV | 430 | 37 | - | 15 | 408 | 22 |
| Phillips 3PL 43" Professional Signage Screen | 40.00% | DV | 1,217 | 105 | - | 42 | 1,154 | 63 |
| Veon 55" Screen | 40.00% | DV | 739 | 64 | - | 26 | 701 | 38 |
| Veon 55" Screen | 40.00% | DV | 739 | 64 | - | 26 | 701 | 38 |
| Veon 55" Screen | 40.00% | DV | 739 | 64 | - | 26 | 701 | 38 |
| Ball Garlands (30) for Xmas Tree | 67.00% | DV | 6,960 | 1,271 | - | 852 | 6,541 | 419 |
| Website | 50.00% | DV | 8,795 | 4,214 | - | 2,107 | 6,688 | 2,107 |
| Security System Phoenix Plaza | 20.00% | DV | 5,189 | 4,237 | - | 847 | 1,799 | 3,390 |
| Christmas Garlands | 67.00% | DV | 13,425 | 6,679 | - | 4,475 | 11,221 | 2,204 |
| LED Firework Light | 40.00% | DV | 1,340 | 983 | - | 393 | 750 | 590 |
| Town Fairy Lights | 40.00% | DV | 20,362 | 14,932 | - | 5,973 | 11,403 | 8,959 |
| iPhone 11 Pro | 100.00% | DV | 1,736 | 1,302 | - | 1,302 | 1,736 | - |
| Total Plant & Equipment | | | 85,251 | 36,592 | - | 16,943 | 65,601 | 19,650 |
| Total | | | 85,251 | 36,592 | - | 16,943 | 65,601 | 19,650 |

The accompanying notes form part of these financial statements. These financial statements have been subject to audit, and should be read in conjunction with the attached Independent Auditor's Report.



INDEPENDENT AUDITOR'S REPORT

To the Members of Browns Bay Business Association Incorporated

Opinion

We have audited the financial statements of Browns Bay Business Association Incorporated on pages 5 to 12, which comprise the balance sheet as at 30 June 2021, and the statements of profit or loss and changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are prepared, in all material respects, in accordance with the accounting policies stated in Note 2.

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 in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of Browns Bay Business Association Incorporated 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, Browns Bay Business Association Incorporated.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 2 to the financial statements, which describes the basis of accounting. The financial statements have been prepared for the members and the entity's funders. As a result, the financial statements may not be suitable for another purpose.

Executive Committee' Responsibility for the Financial Statements

The Executive Committee are responsible on behalf of the entity for determining that the Generic Special Purpose framework adopted is acceptable in Browns Bay Business Association Incorporated's circumstances, the preparation of financial statements, and for such internal control as the Executive Committee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

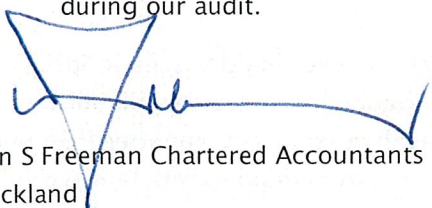
In preparing the financial statements, the Executive Committee are responsible on behalf of the entity for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Executive Committee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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these financial statements.

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- conclude on the appropriateness of the use of the going concern basis of accounting by the Executive Committee and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management. We communicate with the Executive Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Ken S Freeman Chartered Accountants Limited
Auckland
12 October 2021