

HUNTERS CORNER TOWN CENTRE SOCIETY INCORPORATED
Financial Statements
For the Year Ended 30 June 2024

HUNTERS CORNER TOWN CENTRE SOCIETY INCORPORATED

Financial Reports

For the Year Ended 30 June 2024

Contents	Page
Financial Reports	2
Approval of Performance Report	3
Directory	4
Statement of Financial Performance	5-6
Statement of Movements in Equity	7
Statement of Financial Position	8
Schedule of Fixed Assets and Depreciation	9
Notes to the Financial Statements	10-12
Independent Audit Report	13-14

HUNTERS CORNER TOWN CENTRE SOCIETY INCORPORATED

Approval of Performance Report For the Year Ended 30 June 2024

The Executive Board are pleased to present the approved performance report including the historical financial statements of Hunters Corner Town Centre Society Incorporated for the year ended 30 June 2024.

APPROVED



Chairperson

Date: 15 October 2024



Treasurer

Date: 15 October 2024

HUNTERS CORNER TOWN CENTRE SOCIETY INCORPORATED

Directory

As at 30 June 2024

AUTHORISED PERSON	Rana Judge
SOCIETY NO	1142924
NZBN	9429043085651
DATE OF INCORPORATION	37047
REGISTERED OFFICE	129 Great South Road Papatoetoe Auckland
POSTAL ADDRESS	129 Great South Road Papatoetoe Auckland
ACCOUNTANT	Jayesh Mistry Auckland
BANKERS	ASB Bank
EMAIL	info@hctc.co.nz
NATURE OF BUSINESS	Provision of Economic Development Services in Papatoetoe Hunters Corner
AUDITOR	BVO Audit Level 2, 18 Broadway Newmarket, Auckland 1149

HUNTERS CORNER TOWN CENTRE SOCIETY INCORPORATED

Statement of Financial Performance

For the Year Ended 30 June 2024

	2024	2023
	\$	\$
INCOME		
Auckland City Council BID	132,920	126,590
Local Board Grant	25,000	2,000
Interest Received	-	112
Dividend Received	504	415
Winter Food Festival Contribution	-	-
	\$ 158,424	\$ 129,117
LESS EXPENSES		
Accountancy and Secretarial Costs	7,420	5,374
Audit Fees	3,250	4,522
Advertising	174	234
AGM Expenses	2,565	7,613
Bank Charges	45	39
Christmas Functions	-	3,027
Computer Expense	291	-
Costs - Flags	-	1,960
Diwali Expense	12,023	-
Electricity	1,741	1,737
Insurance	808	589
Interest	6,790	266
Legal Expenses	2,900	-
Licences & Subscription	723	-
Meeting expense	783	38
Mobile Phone	608	1,644
Office Expenses	395	-
Payday Filing Expenses	-	306
Printing & Stationery	260	1,235
Penalties -Non-Deductible	-	939
Professional Consultant	4,260	-
Rent	12,709	10,060
Repairs & Maintenance	210	-
Santa Parade/Christmas Week	357	583
Security Expenses	6,682	-
SGM Expenses	2,558	-
Strategic Plan	12,300	-
Telephone & Internet	1,998	1,492
Wages including Ambassadors & KSR Contribution	69,485	102,086
Website expenses	14,414	1,739
Winter Food Festival	-	6,072

These financial statements have been subject to audit, and should be read in conjunction with the attached Audit Report.



TOTAL EXPENSES	<u>\$ 165,747</u>	<u>\$ 151,555</u>
Net (Loss)/Profit Before Depreciation	<u>\$ (7,323)</u>	<u>\$ (22,438)</u>
Less Depreciation Adjustments		
Ordinary Depreciation	3,458	3,699
NET SURPLUS/(DEFICIT)	<u><u>\$ (10,781)</u></u>	<u><u>\$ (26,137)</u></u>



HUNTERS CORNER TOWN CENTRE SOCIETY INCORPORATED

Statement of Movements in Equity

For the Year Ended 30 June 2024

	2024	2023
	\$	\$
EQUITY AT START OF YEAR	(13,942)	11,982
SURPLUS & REVALUATIONS		
Net Surplus / (Deficit) for the Year	(10,781)	(26,137)
Prior Year Adjustments	7,629	198
Non Taxable Dividends Declared	-	15
Total Recognised Revenues & Expenses for the Year	(3,152)	(25,924)
EQUITY AT END OF YEAR	<u>\$ (17,094)</u>	<u>\$ (13,942)</u>



These financial statements have been subject to audit, and should be read in conjunction with the attached Audit Report.

HUNTERS CORNER TOWN CENTRE SOCIETY INCORPORATED

Statement of Financial Position

As at 30 June 2024

	2024 \$	2023 \$
ASSETS		
CURRENT ASSETS		
ASB Bank - 00 A/c	7,845	14,317
Accounts Receivables	9,753	-
GST Refunds due	1,947	2,816
Resident Withholding Tax	864	724
Total Current Assets	\$ 20,409	\$ 17,857
NON-CURRENT ASSETS		
Fixed Assets (as per schedule)	13,462	12,638
Total Non-Current Assets	\$ 13,462	\$ 12,638
TOTAL ASSETS	\$ 33,870	\$ 30,495
LIABILITIES		
CURRENT LIABILITIES		
Accruals	2,500	2,500
Trade and other payables	9,682	-
PAYE Payable	38,783	41,937
Total Current Liabilities	\$ 50,965	\$ 44,437
TOTAL LIABILITIES	\$ 50,965	\$ 44,437
NET ASSETS (DEFICIT)	\$ (17,094)	\$ (13,942)
EQUITY		
Retained Earnings	(17,094)	(13,942)
TOTAL FUNDS (DEFICIT)	\$ (17,094)	\$ (13,942)

These financial statements have been subject to audit, and should be read in conjunction with the attached Audit Report.



HUNTERS CORNER TOWN CENTRE SOCIETY INCORPORATED

Schedule of Fixed Assets and Depreciation For the Year Ended 30 June 2024

ASSET	Private Use	Cost Price	Book Value 01/7/2023	Additions Disposals	Gain/Loss on Disposal	Capital Profit	-----Depreciation----- Mth Rate	Accum Deprec 30/06/2024	Book Value 30/06/2024
Fixed Assets									
Computer Equipment		2,474	12				12 40.0%	5 2,467	7 3,567
Computer Equipment		4,281		4,281			5 40.0%	713 713	9,407
Decorations & Fashion items		21,200	11,758				12 20.0%	2,352 11,793	116
Furniture		1,482	145				12 20.0%	29 1,366	348
TV & Computer Screens		2,568	696				12 50.0%	348 2,220	17
Wireless Radio		4,395	28				12 40.0%	11 4,378	
Sub-Total		36,400	12,639	4,281				3,458 22,938	13,462
TOTAL		\$36,400	\$12,639	\$4,281				\$3,458	\$22,938
									\$13,462



HUNTERS CORNER TOWN CENTRE SOCIETY INCORPORATED

Notes to the Financial Statements

For the Year Ended 30 June 2024

1 Statement of Accounting Policies

These are the financial statements of Hunters Corner Town Centre Society Inc, an incorporated society registered under the Incorporated Societies Act 1908. Hunters Corner Town Centre Society Inc is dedicated to nurturing the growth and success of the business community in Papatoetoe's Hunters Corner.

Basis of Preparation

The financial statements of Hunters Corner Town Centre Society Incorporated have been prepared as special purpose reports authorised by the Committee to report on the grants received from Auckland Council and the related expenditure in accordance with the agreement that the Association has with Auckland Council and may not be suitable for another purpose.

Measurement Base

The financial statements of Hunters Corner Town Centre Society Inc has been prepared on an historical cost basis, except as noted otherwise below. The information is presented in New Zealand dollars and has been rounded to whole dollars, unless otherwise stated.

Specific Accounting Policies

In preparation of these financial statements, the specific accounting policies are follows:

Donations

Donation revenue is recognised when received.

Donated goods or services (other than donated assets) are not recognised.

Where significant donated assets are received with useful lives of 12 months or more, and the fair value of the asset is readily obtainable, the donation is recorded at the value of the asset obtained. Where the fair value of the asset is not readily obtainable, the donation is not recorded. Donated assets with useful lives less than 12 months are not recorded.

Grants

Grant income is accounted for depending on whether or not it has a "use or return" condition attached. Where no use or return conditions are attached, the revenue is recorded as income when the funds are received. Where income includes a use or return condition, it is initially recorded as a liability on receipt. The income is then subsequently recognised within the Statement of Financial Performance as the performance conditions are met.

Events Income and Expenses

Events Income and Expenses are accounted for an accruals basis

Interest Income

Interest income is recognised on an accruals basis.



Sundry Income

All other income is accounted for on an accruals basis and accounted for in accordance with the substance of the transaction.

Bank Accounts and Cash

Bank accounts and cash in the Statement of Cash Flows comprise cash balances and bank balances (including short term deposits) with original maturities of 90 days or less.

Accounts Receivable

Accounts Receivable are carried at estimated realisable value after providing against debts where collection is doubtful. Bad debts are written off in the period in which they are identified.

Goods and Services Tax (GST)

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

Property, Plant and Equipment

Property, Plant and Equipment are recorded at cost less any accumulated depreciation and impairment losses.

Depreciation

Depreciation is provided on a diminishing value basis on all property, plant and equipment, at rates that will write off the cost of the assets to their estimated residual values over their useful lives. The depreciation rates and useful lives associated with major classes of assets have been estimated as follows:

Computer – 40%

Furniture – 20%

Wireless Radio – 40%

TV and Computer Screens – 50%

Decorations & Fashion Items - 20%

Employee Entitlements

Employee entitlements are measured at undiscounted nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned but not taken at balance date.

Income Tax

The Association is subject to income tax pursuant to sections DV 8 of the Income Tax Act 2007.

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.



2 Commitment

The Society has a tenancy agreement until 31 July 2026.

3 Material Uncertainty in Relation to Going Concern

Due to the association not meeting Auckland Council's BID Policy compliance by 30 June 2024, the Hunters Corner BID targeted rate grant was not renewed from 1 July 2024. As a result, the Hunters Corner BID programme has not been operational, and no BID targeted rate grant will be received for the 2024/2025 year. However, the association continues to operate throughout 2024/2025 as a business association, making significant operational changes to operate within the financial constraints over next 12 months.

It is important to highlight that the association currently has a significant liability to the IRD for unpaid PAYE totalling \$60,475 incurred from prior years. The association has entered in to an arrangement with Inland Revenue whereby unpaid PAYE will be repaid over 24 instalments. Upon payment of all instalments, penalties of \$24,467.58 will be remitted. The core debt plus unpaid interest of \$6,789.84 has been recognised in these financial statements. This debt will require prudent financial management from the executive committee over the coming years and will impact the association's ability to deliver the BID programme over the 2025/2026 and future years.

To reestablish the Hunters Corner Business Improvement District (BID) programme, the association must hold a BID ballot to determine whether the businesses and property owners of Hunters Corner support reinstating the BID programme and paying the BID targeted rate. This ballot must be conducted before 31 March 2025. If successful, the association will need to maintain full compliance with Council BID Policy, ensuring regular reporting and continuous monitoring by Auckland Council. If unsuccessful, the association may have to cease operations, realise assets and repay liabilities in the best manner possible.

4 Prior Period Adjustment

PAYE Payable amounts required to be reconciled to the amount payable to Inland Revenue Department (IRD), net of any penalties and other charges as imposed by the IRD; overstated in prior years



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HUNTERS CORNER TOWN CENTRE SOCIETY INCORPORATED

OPINION

We have audited the accompanying financial statements of Hunters Corner Town Centre Society Incorporated on pages 5 to 12 which comprises the statement of financial position as at 30 June 2024, the statement of financial performance, the statement of movements in equity, and the notes to the financial statements, including a summary of significant accounting policies, which have been prepared as a Special Purpose Financial Reporting as adopted by the Management Committee for reporting the receipt of levies from Auckland Council and from other sources and to account for the expenditure of the Society to which the levies and other income relate.

In our opinion, the accompanying special purpose financial statements present fairly, in all material aspects, the financial position of Hunters Corner Town Centre Society Incorporated and its financial performance for the year then ended prepared in accordance with Special Purpose Financial Reporting adopted by the Management Committee.

BASIS FOR OPINION

We have conducted the 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* section of our report.

We are independent of the Hunters Corner Town Centre Society 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 audit opinion.

Other than in our capacity as auditor, we have no relationship with, or interests in Hunters Corner Town Centre Society Incorporated.

EMPHASIS OF MATTER - BASIS OF ACCOUNTING

Without modifying our opinion, we draw attention to the Note headed "Basis of Preparation" on page 10 of the financial statements which describes the basis of accounting. The special purpose financial statements are prepared solely to assist the Society's Management Committees financial planning and management obligations and to report the Committee's financial stewardship of the affairs of the Society to its members and Auckland Council. As a result, the special purpose financial statements may not be suitable for any other purpose.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to the Note 3 headed "Material Uncertainty" on page 12 of the financial statements which highlights that the Society is primarily dependent on Auckland Council Grants which are funded by levies raised from Ratepayers in the Society's designated area. Without these grants and other funding, the Society has limited resources to continue operations, given that the Society has liabilities that exceed its Current assets, and as highlighted in Note 3, potentially the society may have to cease operations, realise assets and repay liabilities in the best manner possible.

THE RESPONSIBILITY OF THE MANAGEMENT COMMITTEE FOR THE FINANCIAL STATEMENTS

The Management Committee are responsible on behalf of the society for:

- (a) The preparation and fair presentation of the financial statements which comprises:

BVO Audit

Level 2, 18 Broadway, Newmarket, Auckland 1023
PO Box 9579, Newmarket, Auckland 1149, New Zealand
Telephone: +64-9-520 4089, Email: accounts@bvo.co.nz
www.bvoaudit.co.nz  @bvo-audit

- the statement of financial position of Hunters Corner Town Centre Society Incorporated as at 30 June 2024, and the statement financial performance, the statement of movements in equity, and the notes to the financial statements, including a summary of significant accounting policies, prepared in accordance with the Special Purpose Reporting as adopted by the Management Committee, and
- (b) for such internal control as the Management Committee determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management Committee are responsible on behalf of the society for assessing the society'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 Members either intend to liquidate the Society or to ceases operations, or has no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITY

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole is 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 considered 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 the accompanied financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located at the XRB's website at:

<https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/>

RESTRICTIONS ON RESPONSIBILITY

This report is made solely to the Management Committee, as a body representing the members of the Society. Our audit has been undertaken so that we might state to the Members 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 Society and the Members as a body, for our work, for this report, or for the opinions we have formed.

Blackmore Virtue & Owens

BLACKMORE, VIRTUE & OWENS
AUCKLAND
15 OCTOBER 2024