

**42 Bombay St
Ngaio
Wellington 6035**

27 August 2012

The Executive Committee
Newtown Residents Association (Inc)
P O Box 7021
Wellington South.

Dear Committee Members,

**Management Letter in Respect of the Audit of Association Financial Statements
30 June 2012**

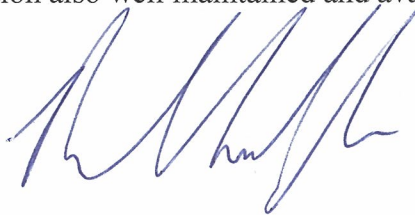
I have completed the audit of the above financial statements and present to you formal financial statements for the year to 30 June 2012 together with my audit report.

I am pleased to advise that during my conduct of the audit of the 30 June 2012 year financial statements no significant or material matters were identified

In general terms the maintenance of the financial records of Newtown Residents Association (Inc) were for the year to 30 June 2012 maintained to a very high standard with supporting documentation also well maintained and available.

Yours faithfully,

**Noel D Sulzberger
Chartered Accountant-Wellington**



Newtown Residents Association (Inc)

Financial Statements

For the Year Ended

30 June 2012

Newtown Residents Association (Inc)

Contents

30 June 2012

Audit Report

Statement of Financial Performance

Statement of Financial Performance-Association

Statement of Financial Performance-Festival

Statement of Movements in Equity

Statement of Financial Position

Schedule of Fixed Assets and Depreciation

Notes to the Financial Statements

Newtown Residents Association (Inc)

Audit Report

30 June 2012

I have audited the financial statements attached. The financial statements provide information about past financial performance of the Newtown Residents association (Inc) and its financial position as at 30 June 2012. This information is stated in accordance with the accounting policies set out in the notes to the financial statements.

Responsibilities of the Executive of the Association.

The executive's are responsible for the preparation of financial statements, which fairly reflects the financial position of the Newtown Residents Association (Inc) 30 June 2012 and of the results of operations for the year ended 30 June 2012.

Auditor's Responsibility.

It is my responsibility to express an independent opinion on the financial statements presented by the Executive and report my opinion to you.

Basis of Opinion.

An audit includes examining on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

- the significant estimates and judgement made by the executive in preparation of the financial statements and
- whether the accounting policies are appropriate to the Newtown Residents Association (Inc) consistently applied and adequately disclosed.

The audit has been conducted in accordance with generally accepted auditing standards in New Zealand except where that work was limited as explained below. The audit was planned and performed so as to obtain all the information and explanation which were considered necessary in order to provide sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

Other than in my capacity as auditor I have no relationship with or interest in the Newtown Residents association (Inc)

Newtown Residents Association (Inc)

Audit Report - Continued

30 June 2012

Qualified Opinion.

Control over cash income prior to being recorded is limited and there are no practical audit procedures to determine the effect of the limited control.

In our opinion, except for the adjustment that might have been found to be necessary had we been able to obtain sufficient evidence concerning cash income, the financial statements fairly reflect the financial position of the Newtown Residents Association (Inc) as at 30 June 2012 and the results of its operation for the year ended on that date.

My audit was completed on Tuesday 27 August 2012 and my qualified opinion is expressed as at that date.



Noel D Sulzberger, Chartered Accountant, Wellington

Tuesday 27 August 2012

Date

Newtown Residents Association (Inc)

Statement of Financial Performance For Year Ended 30 June 2012

	2012	2011
	\$	\$
INCOME		
Income as per Schedule	<u>125,014</u>	<u>127,968</u>
TOTAL INCOME	125,014	127,968
LESS COST OF SALES		
Opening Stock - Merchandise	3,335	-
Purchases - Merchandise	-	7,092
<i>Less</i>		
Closing Stock - Merchandise	<u> </u>	<u>3,335</u>
TOTAL COST OF SALES	<u>3,335</u>	<u>3,757</u>
GROSS SURPLUS	121,679	124,211
LESS EXPENDITURE		
Audit Fee	1,400	1,400
Expenditure as per Schedule	<u>123,088</u>	<u>116,141</u>
TOTAL EXPENDITURE	<u>124,488</u>	<u>117,541</u>
NET OPERATING SURPLUS	<u><u>- 2,808</u></u>	<u><u>6,670</u></u>

Newtown Residents Association (Inc)

Statement of Financial Performance-Festival For Year Ended 30 June 2012

	2012	2011
INCOME		
Advertising	6,257	8,900
Donations & Sponsorship	0	6,523
Fair (Stallholders)	43,218	38,218
Grants	73,500	70,000
Interest	820	996
Licence Fees Recovered	823	2,362
Sundry		222
Total Festival Income	124,617	127,221
Less		
EXPENDITURE		
FESTIVAL		
Advertising	12,829	10,303
Community Centre Programme	-	1,543
Contractors	-	524
Entertainers	25,100	14,507
Carrara Park	1,730	1,806
Licenses & Registrations	1,038	913
Sundry Expenses	474	1,151
Management	41,416	40,833
PA's	9,500	3,985
Road Closure	12,620	16,700
Site Services	14,903	14,308
Stages	2,019	9,222
Website	717	
Total Festival Expenses	122,346	115,795
FESTIVAL NET INCOME	2,271	11,426

Newtown Residents Association (Inc)

Statement of Financial Performance-Association For Year Ended 30 June 2012

	2011	2010
INCOME		
Interest	345	412
Grants	0	250
Subscriptions	52	85
Total Association Income	397	747
Less		
EXPENDITURE		
Depreciation	153	0
Disbursements	60	11
Meetings	529	336
Total Association Expenses	742	347
ASSOCIATION NET INCOME	-344	400

Newtown Residents Association (Inc)

Statement of Movements in Equity For Year Ended 30 June 2012

	2012	2011
	\$	\$
MOVEMENT IN ASSOCIATION EQUITY		
Accumulated Funds		
Opening Balance at 1 July 2011	38,795	32,124
Net Surplus for Year	- 2,808	6,671
Newtown History Project	2,500	2,500
WSLCT Project	6,000	6,000
	-	
Total Accumulated Funds at 30 June 2012	44,487	47,295

Newtown Residents Association (Inc)

Statement of Financial Position As At 30 June 2012

	2012	2010
	\$	\$
CURRENT ASSETS		
Westpac-Association	2,304	1,810
Westpac-Festival	11,149	5,797
Westpac Term Deposit-Association	15,722	15,377
Westpac Term Deposit-Festival	12,578	12,302
Accounts Receivable	-	2,275
GST	5,234	8,747
Stock on Hand	-	3,335
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TOTAL CURRENT ASSETS	46,987	49,643
PLUS NON CURRENT ASSETS		
As per Schedule of Fixed Assets and Depreciation	-	152
	<hr/>	<hr/>
TOTAL ASSETS	46,987	49,795
LESS CURRENT LIABILITIES		
Unspent Grants	1,100	1,100
Accounts Payable	1,400	1,400
	<hr/>	<hr/>
TOTAL CURRENT LIABILITIES	2,500	2,500
NON CURRENT LIABILITIES	-	-
	<hr/>	<hr/>
TOTAL LIABILITIES	2,500	2,500
NET ASSETS	<hr/> 44,487 <hr/>	<hr/> 47,295 <hr/>
 REPRESENTED BY:		
ASSOCIATION FUNDS		
Accumulated Funds Brought Forward	38,795	32,124
Current Year Surplus	- 2,808	6,671
WSLCT History Project	6,000	6,000
Newtown History Project	2,500	2,500
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TOTAL ASSOCIATION FUNDS	<hr/> 44,487 <hr/>	<hr/> 47,295 <hr/>

Newtown Residents Association (Inc)

Schedule of Fixed Assets and Depreciation For Year Ended 30 June 2012

Asset	Purchase Cost	Opening B/Value	Additions Deletions	Depreciation Rate	Depreciation Value	Closing B/Value
Computer Equipment	917	152		67.0%	152	-

Newtown Residents Association (Inc)

Notes to Financial Statements

30 June 2012

Statement of Accounting Policies

Reporting Entity

Newtown Residents Association (Inc) is an incorporated society registered under the Incorporated Societies Act 1908 and is entitled to use differential reporting exemptions as it is not publicly accountable and does not qualify as large.

Measurement Base

The accounting principles recognised as appropriate for the measurement and reporting of Financial Performance and Financial Position on an historical cost basis are followed by the Club.

Specific Accounting Policies

The following specific accounting policies which materially effect the measurement of financial performance and financial position have been applied:

- **Changes in Accounting Policies**

There have been no changes in accounting policies. All policies have been applied on bases consistent with those used in previous years
- **Grants**

Grants received are recognised in income, unless specific conditions are not met. In these cases the grant is accounted for as a liability until the conditions are met or the grant is repaid. During the period the club received grants from the Lion Foundation, Trust House and wellington City Council totalling \$73,500. Unspent grants brought forward from the previous year were \$1,100. As at 30 June 2012 unspent grant funds received were \$1,100.
- **Fixed Assets and Depreciation**

Fixed Assets are stated at cost less accumulated depreciation. Depreciation has been calculated using maximum rates permitted by the Income Tax Act 1994.
- **Goods and Services Tax**

The Financial Statements have been prepared on a GST exclusive basis.
- **Stock**

Stock has been valued at the lower of historical cost or market value on the assumption that stock purchased first has been used first.
- **Taxation**

Newtown Residents Association (Inc) is not liable for taxation on its income.
- **Bequests**

Bequests and Legacies are recognised as income when received. Bequests and Legacies are treated as liabilities if conditions are attached to them. Once those conditions are satisfied, the liability is extinguished and income is recognised in the

year.

- **Related Parties**

There were no related party transactions during the year under review.

- **Audit**

These financial statements have been audited. Please refer to Auditor's Statement

Commitments and Contingent Liabilities

At balance date there are no known capital commitments or contingent liabilities. Newtown Residents Association (Inc) has not granted any securities in respect of liabilities payable by any other party whatsoever.