

# Performance Report

The Karangahape Road Business Association, Incorporated

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# Entity Information

'Who are we?', 'Why do we exist?'

## The Karangahape Road Business Association, Incorporated For the year ended 30 June 2016

### Legal Name of Entity

The Karangahape Road Business Association, Incorporated

### Entity Type and Legal Basis

Incorporated Society

### Registration Number

221397

### Entity's Purpose or Mission

To assist and guide the development and advancement of the commercial interests of business people and businesses in The Karangahape Road Business Association, Incorporated (KBA) precinct through a coordinated, structured and measurable communications, marketing, and economic development programme.

### Entity Structure

KBA is run by a Precinct Manager who reports to a committee of eight members including a Chairperson and Treasurer. The committee is elected annually by KBA. Staff comprise the Precinct Manager, an Office Manager, a security guard, and a heritage adviser.

### Main Sources of Entity's Cash and Resources

Auckland Council (Council) Grants

### Main Methods Used by Entity to Raise Funds

The Precinct Manager submits a budget to the Council by 31 October, and if approved funds are paid to KBA for the following financial year in quarterly instalments.

### Physical Address

Shop 8, 59 Pitt Street (entrance Beresford Square), Newton, Auckland 1010

### Postal Address

PO Box 68 370, Newton, Auckland 1145

# Statement of Service Performance

'What did we do?', 'When did we do it?'

The Karangahape Road Business Association, Incorporated  
For the year ended 30 June 2016

## Description of Entity's Outcomes

The aim of KBA is to foster the economic development of the business precinct as a whole, and the economic success of its individual members. KBA works towards these goals by taking guidance from a strategic plan which is commissioned every five years, and an annual plan which is prepared every twelve months.

## Description and Quantification of the Entity's Outputs

KBA delivers an annual programme of marketing and events, including two in-house street festivals. It participates in a number of Auckland-wide events including:

- the Auckland Heritage Festival
- the NZ Fashion Week
- the Auckland Artweek, and
- the Myers Park Medley, amongst others.

The success of these events is measured through online member surveys, formal reports from the event coordinators, and commissioned Marketview reports.

The following services are also available to members:

- on-call day security service
- on-call support for Council-related streetscape and maintenance issues
- on-call support for liaison with the Council over issues ranging from liquor licensing to resource consents
- free promotions on KBA's social media sites, and
- free listing on KBA's website.

## Additional Output Measures

Marketview reports, based on BNZ credit card and Eftpos spending, indicate attendance trends at KBA's in-house festivals, as well as the trends of spending at these events.

# Statement of Financial Performance

'How was it funded?' and 'What did it cost?'

The Karangahape Road Business Association, Incorporated  
For the year ended 30 June 2016

|  | NOTES | 2016       | 2015       |
|--|-------|------------|------------|
| <b>Revenue</b>                                   |       |            |            |
| Donations, fundraising and other similar revenue | 1     | 402,270.00 | 438,255.56 |
| Interest, dividends and other investment revenue | 1     | 2,657.62   | 2,189.83   |
| Other revenue                                    | 1     | 31,142.50  | 6,847.89   |
| Total Revenue                                    |       | 436,070.12 | 447,293.28 |
| <b>Expenses</b>                                  |       |            |            |
| Volunteer and employee related costs             | 2     | 118,715.54 | 159,950.91 |
| Costs related to providing goods or service      | 2     | 297,800.00 | 285,564.63 |
| Other expenses                                   | 2     | 8,001.85   | 5,171.41   |
| Total Expenses                                   |       | 424,517.39 | 450,686.95 |
| Surplus/(Deficit) for the Year                   |       | 11,552.73  | (3,393.67) |

This Statement should be read in conjunction with the accompanying Independent Auditor's Report and the Notes to the Financial Statements.

# Statement of Financial Position

'What the entity owns?' and 'What the entity owes?'

The Karangahape Road Business Association, Incorporated  
As at 30 June 2016

|  | NOTES                | 30 JUN 2016 | 30 JUN 2015 |
|--|----------------------|-------------|-------------|
| <b>Assets</b>                                    |                      |             |             |
| <u>Current Assets</u>                            |                      |             |             |
| Bank accounts and cash                           | 3 (and Page 8 of 12) | 267,068.95  | 47,186.33   |
| Debtors and prepayments                          | 3                    | 44,549.00   | 4,071.00    |
| Inventory  | 3                    | 7,305.88    | 2,400.00    |
| Other Current Assets                             | 3                    | 11,424.65   | 10,462.00   |
| Total Current Assets                             |                      | 330,348.48  | 64,119.33   |
| <u>Non-Current Assets</u>                        |                      |             |             |
| Property, Plant and Equipment                    | 5                    | 4,989.46    | 7,096.16    |
| Other non-current assets                         | 3                    | -           | -           |
| Total Non-Current Assets                         |                      | 4,989.46    | 7,096.16    |
| Total Assets                                     |                      | 335,337.94  | 71,215.49   |
| <b>Liabilities</b>                               |                      |             |             |
| <u>Current Liabilities</u>                       |                      |             |             |
| Creditors and accrued expenses                   | 4                    | 30,410.12   | 14,700.42   |
| Other current liabilities                        | 4                    | 257,472.30  | 20,612.28   |
| Total Current Liabilities                        |                      | 287,882.42  | 35,312.70   |
| Total Liabilities                                |                      | 287,882.42  | 35,312.70   |
| Total Assets less Total Liabilities (Net Assets) |                      | 47,455.52   | 35,902.79   |
| <u>Accumulated Funds</u>                         |                      |             |             |
| Accumulated surpluses or (deficits)              | 6                    | 47,455.52   | 35,902.79   |
| Total Accumulated Funds                          |                      | 47,455.52   | 35,902.79   |

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This Statement should be read in conjunction with the accompanying Independent Auditor's Report and the Notes to the Financial Statements.

# Statement of Cash Flows

'How the entity has received and used cash'

The Karangahape Road Business Association,  
Incorporated For the year ended 30 June 2016

|   | 2016              | 2015             |
|---|-------------------|------------------|
| <b>Cash Flows from Operating Activities</b>                   |                   |                  |
| Cash was received from:                                       |                   |                  |
| Donations, fundraising and other similar receipts             | 638,903.14        | 475,957.30       |
| Interest, dividends and other investment receipts             | 1,575.02          | 4,467.91         |
| Cash was applied to:  |                   |                  |
| Payments to suppliers and employees                           | 420,595.54        | 449,889.05       |
| Donations or grants paid                                      | -                 | -                |
| <b>Net Cash Flows from Operating Activities</b>               | <b>219,882.62</b> | <b>30,536.16</b> |
| <b>Cash Flows from Investing and Financing Activities</b>     |                   |                  |
| Cash was received from:                                       |                   |                  |
| Receipts from the maturity of investments                     | -                 | -                |
| Cash was applied to:  |                   |                  |
| Repayments of loans borrowed from other parties               | -                 | -                |
| <b>Net Cash Flows from Investing and Financing Activities</b> | <b>-</b>          | <b>-</b>         |
| <b>Net Increase/ (Decrease) in Cash</b>                       | <b>219,882.62</b> | <b>30,536.16</b> |
| Opening Cash  | 47,186.33         | 16,650.17        |
| Closing Cash  | 267,068.95        | 47,186.33        |
| This is represented by:                                       |                   |                  |
| Bank accounts and cash (Page 7 of 12)                         | 267,068.95        | 47,186.33        |



This Statement should be read in conjunction with the accompanying Independent Auditor's Report and the Notes to the Financial Statements.

# Statement of Accounting Policies

'How did we do our accounting?'

The Karangahape Road Business Association, Incorporated  
For the year ended 30 June 2016

## Basis of Preparation

The Karangahape Road Business Association, Incorporated (KBA) has elected to apply PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) on the basis that it does not have public accountability and has total annual expenses equal to or less than \$2,000,000. All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the entity will continue to operate in the foreseeable future.

## Goods and Services Tax (GST)

KBA is registered for GST. All amounts are stated exclusive of GST except for accounts payable and accounts receivable, which are stated inclusive of GST.

## Income Tax

KBA is wholly exempt from New Zealand income tax having fully complied with all statutory requirements to qualify.

## 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 six months or less.

## 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.





# Notes to the Performance Report

The Karangahape Road Business Association, Incorporated  
For the year ended 30 June 2016

|   | 2016       | 2015       |
|---|------------|------------|
| <b>1. Analysis of Revenue</b>                           |            |            |
| <u>Donations, fundraising and other similar revenue</u> |            |            |
| Auckland Council Irregular Grants                       | 17,000.00  | 49,012.00  |
| Auckland Council Payments                               | 21,000.00  | 24,780.00  |
| Auckland Council Quarterly Grant                        | 363,190.00 | 364,463.56 |
| Overbridge Design Grant                                 | 1,080.00   | -          |
| Total Donations, fundraising and other similar revenue  | 402,270.00 | 438,255.56 |
| <u>Interest, dividends and other investment revenue</u> |            |            |
| Dividends Received                                      | 504.69     | 490.40     |
| Interest Income   | 2,010.53   | 1,699.43   |
| Interest Income Accrued                                 | 142.40     | -          |
| Total Interest, dividends and other investment revenue  | 2,657.62   | 2,189.83   |
| <u>Other revenue</u>                                    |            |            |
| Non-Taxable Income                                      | 6.86       | 6.43       |
| Other Revenue   | 31,135.64  | 6,841.46   |
| Total Other revenue                                     | 31,142.50  | 6,847.89   |
|   | 2016       | 2015       |

## 2. Analysis of Expenses

|   |            |            |
|---|------------|------------|
| <u>Volunteer and employee related costs</u>         |            |            |
| Administration Fees                                 | 58,395.53  | 51,673.45  |
| Heritage Plan                                       | 10,950.00  | 17,410.37  |
| KiwiSaver Employer Contributions                    | 4,600.65   | 4,167.51   |
| Precinct Manager                                    | 42,638.61  | 84,033.97  |
| Recruitment   | 1,291.10   | -          |
| Travel - International                              | 686.17     | 2,497.50   |
| Travel - National                                   | 153.48     | 168.11     |
| Total Volunteer and employee related costs          | 118,715.54 | 159,950.91 |
| <u>Costs related to providing goods or services</u> |            |            |
| Accident Compensation Levy                          | 695.37     | 571.73     |
| Advertising & Promotions                            | 14,797.26  | 17,329.07  |
| Audit Fees  | 6,394.20   | 6,412.50   |
| Consulting & Accounting                             | 5,623.34   | 5,726.13   |
| Donation  | -          | 21.00      |
| Events  | 112,195.78 | 136,723.51 |
| Insurance   | 895.20     | 865.20     |
| Interim Management                                  | 16,580.09  | -          |
| Light, Power, Heating                               | 1,145.38   | 1,358.16   |
| Meetings  | 2,542.86   | 3,662.65   |
| Myers Park Book                                     | 3,425.76   | -          |

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|  |            |            |
|--|------------|------------|
| Office Database                                    | 1,635.00   | -          |
| Office Expenses                                    | 8,545.01   | 12,293.45  |
| Overbridge Design Work                             | 1,080.00   | -          |
| Parking  | 4,950.48   | 4,533.09   |
| Planning   | -          | 400.00     |
| Printing & Stationery                              | 19.57      | 55.60      |
| Rent   | 15,044.40  | 15,044.40  |
| Road Safety  | 5,861.92   | -          |
| Security and Lighting                              | 47,066.15  | 69,912.15  |
| Security Wages                                     | 43,167.67  | -          |
| Subscriptions                                      | 586.96     | -          |
| Telephone & Internet                               | 3,270.06   | 3,027.15   |
| Training   | 659.56     | 866.54     |
| Website Expenses                                   | 1,617.98   | 6,762.30   |
| Total Costs related to providing goods or services | 297,800.00 | 285,564.63 |

Other expenses

|                      |          |          |
|----------------------|----------|----------|
| Bank Fees            | 231.69   | 115.48   |
| Depreciation         | 2,952.70 | 4,843.00 |
| Income Tax Expense   | 424.20   | 164.64   |
| Interest Expense     | 44.71    | 48.29    |
| Legal expenses       | 4,348.55 | -        |
| Total Other expenses | 8,001.85 | 5,171.41 |

2016

2015

**3. Analysis of Assets**Bank accounts and cash

|                              |            |           |
|------------------------------|------------|-----------|
| ASB Cheque Account           | 20,356.04  | 1,657.82  |
| ASB Savings 51               | 98,892.07  | 16,419.18 |
| ASB Savings 52               | 110,121.03 | -         |
| ASB Savings Account          | 12,699.81  | 29,109.33 |
| Short Term Deposit 0073      | 25,000.00  | -         |
| Total Bank accounts and cash | 267,068.95 | 47,186.33 |

Debtors and prepayments

|                               |           |          |
|-------------------------------|-----------|----------|
| Accounts Receivable           | 24,999.00 | 4,071.00 |
| Open Streets Funding Due      | 19,550.00 | -        |
| Total Debtors and prepayments | 44,549.00 | 4,071.00 |

Inventory

|                 |          |          |
|-----------------|----------|----------|
| Stock on Hand   | 7,305.88 | 2,400.00 |
| Total Inventory | 7,305.88 | 2,400.00 |

Other current assets

|                            |           |           |
|----------------------------|-----------|-----------|
| Accrued interest           | 142.40    | -         |
| GST                        | 10,335.19 | 10,462.00 |
| Imputation Credits         | 318.82    | -         |
| Withholding tax paid       | 628.24    | -         |
| Total Other current assets | 11,424.65 | 10,462.00 |

2016 2015

**4. Analysis of Liabilities**Creditors and accrued expenses

|                                      |           |           |
|--------------------------------------|-----------|-----------|
| Accounts Payable                     | 26,250.56 | 10,242.83 |
| PAYE Payable                         | 4,159.56  | 4,457.59  |
| Total Creditors and accrued expenses | 30,410.12 | 14,700.42 |

Other current liabilities

|                                 |            |           |
|---------------------------------|------------|-----------|
| ACCAB                           | 24,999.00  | -         |
| Accrued Expenses                | 12,910.97  | 21,352.00 |
| Funds Received in Advance       | 95,337.50  | -         |
| Income Tax                      | 304.83     | (803.81)  |
| Overbridge Art Fund             | 98,920.00  | -         |
| Pay Outstanding                 | -          | 64.09     |
| Strategic Plan Fund             | 25,000.00  | -         |
| Total Other current liabilities | 257,472.30 | 20,612.28 |

2016 2015

**5. Property, Plant and Equipment**Furniture and Fittings

|   |             |             |
|---|-------------|-------------|
| Furniture and fittings owned                            | 18,498.16   | 17,652.16   |
| Accumulated depreciation - furniture and fittings owned | (15,217.36) | (13,973.00) |
| Total Furniture and Fittings                            | 3,280.80    | 3,679.16    |

Other Fixed Assets

|   |            |            |
|---|------------|------------|
| Owned fixed assets                            | 6,800.00   | 6,800.00   |
| Accumulated depreciation - fixed assets owned | (5,091.34) | (3,383.00) |
| Total Other Fixed Assets                      | 1,708.66   | 3,417.00   |

|                                     |          |          |
|-------------------------------------|----------|----------|
| Total Property, Plant and Equipment | 4,989.46 | 7,096.16 |
|-------------------------------------|----------|----------|

2016 2015

**6. Accumulated Funds**Accumulated Funds

|                                     |           |            |
|-------------------------------------|-----------|------------|
| Opening Balance                     | 35,902.79 | 39,296.46  |
| Accumulated surpluses or (deficits) | 11,552.73 | (3,393.67) |
| Total Accumulated Funds             | 47,455.52 | 35,902.79  |
| Total Accumulated Funds             | 47,455.52 | 35,902.79  |

**7. Contingent Liabilities and Guarantees**

There are no contingent liabilities or guarantees as at 30 June 2016 (Last year - \$nil).

**8. Related Parties**

There were no transactions involving related parties during the financial year.

**9. Events after Balance Date**

There were no events that have occurred after the balance date that would have a material impact on the Performance Report (Last year - nil).

**10. Ability to Continue Operating**

The entity has adequate funding to continue to operate for the foreseeable future.