

**16 September 2024**

The Board  
Avondale Business Association Inc

Via Email

Dear Board

**FINANCIAL STATEMENT AUDIT FOR THE YEAR ENDED 30 JUNE 2024**

We have completed our audit of the special purpose financial statements of Avondale Business Association Inc for the year ended 30 June 2024. In accordance with our standard practice and International Auditing Standards, we provide this memorandum to those charged with governance.

**Financial Statements**

The audited special purpose financial statements of Avondale Business Association Inc for the year ended 30 June 2024 show total operating surplus for the year of \$14,990 and net assets of \$308,289.

We performed our standard audit work with particular emphasis on revenue recognition including accrued income and income received in advance, confirmation of bank balances, completeness of liabilities and expenditure. We have adopted a fully substantive audit approach and therefore place no reliance on internal controls.

| Significant Risk                | Audit Response  |
|---------------------------------|---|
| Revenue recognition             | Detailed review of cutoff including grants and deferred revenue.              |
| Management override of controls | Review of general journals and material expense line items on a sample basis. |
| Related Party transactions      | Reviewed related parties, minutes and expenditure.                            |

The attached adjustments were identified during our audit work. Adjustments were not processed on the basis that they were immaterial.

We have issued an unmodified audit opinion in respect of the 30 June 2024 financial statements.

In addition, the audit report includes:

- **Material Uncertainty Related to Going Concern.** The special purpose financial statements have been prepared on the basis that Society is a going concern. This is dependent upon the continued grant funding from Auckland Council.

- Emphasis of Matter that the special purpose financial statements are intended for the Board of the Society to assist them to assess the financial position and results of the operation. As a result the special purpose financial statements may not be suitable for another purpose.

As required by International Auditing Standards, we advise that Note 4 of the financial statements disclose related party transactions.

Our audit fee for the 2024 year is estimated to be \$6,405 plus GST. Other than in our capacity as auditor, we have no relationship with, or interest in Avondale Business Association Inc.

#### Other Observations

We make the following observations from our work:

- Avondale Business Association Inc is an Incorporated Society that is only liable for taxation on all interest and other non-member income excess \$1,000. We note that Avondale Business Association Inc received \$7,438 interest income for the year ending 30 June 2024. We suggest that Avondale Business Association Inc should consider this when preparing income tax return.
- We note that Avondale Business Association Inc accepted and paid a few invoices that are not under the name of Avondale Business Association while claiming for the assets. We suggest that Avondale Business Association should consider only approving invoices addressed to Avondale Business Association for accounting and tax purposes.
- New Incorporated Society regulations have been finalized. Avondale Business Association needs to reregister under the new legislation by April 2023 and then comply with financial reporting requirements.

Finally, we would like to take this opportunity to thank Pirie Brown and Piyush Gosalia for their assistance during the course of our audit.

Yours sincerely  
**HLB MANN JUDD**



**J G Edwards**  
Partner

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