



Annual Report 2017/2018

Stronger together

www.rosebankbusiness.co.nz



People "are our
best Asset"

With thanks to our partners ...



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Rosebank Business Association

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AGM Agenda

4.30pm - 5.15pm

Registration - All members are requested to sign the RBA minute book.

Mix and Mingle - Refreshments provided

5.15pm - 6.15pm

1. AGM to commence. Welcome from RBA President and Chairperson Bernie McCrea.
2. Apologies to be received
3. Confirmation of minutes of the 2016/2017 RBA AGM held 26 October 2017
4. Copies of the 2016/2017 AGM minutes and copies of 2017/18 Annual Report will be available on the evening and available upon request prior
5. Statement and report from Chairperson Bernie McCrea.
6. Financial report and adoption of the Annual audit report, from Treasurer Steve Early
7. CEO Report - Mike Gibson
8. Presentation of 2019/20 RBA budget for adoption - Proposed to increase the BID targeted rate for the 2019/20 financial year by 6%. This represents an increase in targeted rates from \$430,000.00 to \$455,000.00.
9. CEO to background the RBA constitutional requirements and procedures for the election of Officers
10. Election of Officers, President, Treasurer, Executive - not less than five and not more than seven executive members and up to three non-voting members. See nominations for all positions. However, nomination forms for any other candidates seeking to be elected can be obtained from the RBA and must be signed and returned to the RBA at least seven days prior to the AGM meeting date.
11. Appointment of Auditors
12. General business. Please note that any items of general business must be received in writing/email by the RBA at least seven days prior to this meeting date.

6.15pm - 6.30pm

Comfort break and refreshments

6.30pm - 7.15pm

1. BLUM Hosting
2. Launch of New look Rosebank Roundabout and the "Home that Rosebank Built"

7.15pm - Close

Mix and mingle continued

EXECUTIVE BOARD

MANAGEMENT GROUP

Bernard McCrea
Mike Gibson
Stephen Early

Board of Governance



President

Bernard McCrea
General Manager
Abbott Group



Treasurer

Stephen Early
Director/Owner
Symmetry Limited



Executive Board

Peter Batcheler
General Manger
Southern Spars



Kelly Brown
Managing Director
Triquestra NZ



Michelle Maitland
Owner / Director
George Walker Auctions



Jason Ennor
Managing Director
MYHR



Executive Board

Past Chair Robert Mackie
Director Fullworks
International



Dr Darius Singh
Owner / Director
Chrysalis Group



Michael Hawkins
General Manager
BLUM NZ



Dr Grant Hewison, PhD
Lawyer specialising in
Local Government



Non Voting Members

Craig Bodmin
Patron

Chair's Report

Much has been done, much remains.

The Chinese language uses the same word for danger and opportunity - it all depends on how you approach an issue, whether you perceive things as a threat or, a chance to develop.

At the end of my first year as Chairman, I believe we accomplished many challenges along the way and, invested time in developing many of the opportunities we needed to. Essentially the challenge always remains that we are a smaller business association, that needs to keep its focus on adding value to your business, whilst working in the Rosebank area. That's why **'Stronger-Together'** remains the mantra.

There were also some critical learnings:

- There are a lot of pieces to the RBA jigsaw. It's about putting them all together to get the big 10,000 feet picture.
- That we are not just a small cog in a government/council machine. Our advocacy role is important for things like; transport, roading, stormwater, walkways, public amenities, power lines, rubbish disposal, etc.
- To be successful there is a real need to interact with other council entities and other business associations, e.g. the Whau Ward, and thank you to Tracy Mulholland as the Chair and the work you do for us, the Auckland Council BID committee and, our friends at the Central Park Henderson Business Association.
- That we produce an outstanding Roundabout news magazine, for which I am constantly surprised by how many people comment to me on the things that are happening here.
- That things take more time to happen than you'd necessarily like. In reality we are only 1 business improvement district (BID) who advocate to Auckland Council, along with 47 other BID's. Each one of us has our own issues and priorities but, if you don't keep advocating then your voice will get lost.
- That it isn't a perfect science and sometimes we get things wrong, for which I apologise. Rest assured though, we do take the learnings on board and strive to be better next time.

Moving on, the Treasurer's report reflects a good financial achievement. This will give us a good base for 2019 and onwards. It is however an ever-changing business environment and changes in Government policies impact our ability to keep a positive balance sheet. We do not run an excessive culture and every dollar is spent as wisely as possible.

The total membership experience is important to us. I know it's hard being the CEO, the Marketing Manager and the Bottle Washer all in one day, but that's what the entrepreneurial mindset is. There are plenty of examples of businesses in our area who started with 5 people and now have 20, and 40 people.

I often say, 'much has been done, much remains!'

Business occupancy remains above 98.5% and, we are now witnessing the next phase of growth in the Rosebank area with new property developments in Jomac Place and Patiki Road. This puts a strain on the support costs and requires us to keep investing in systems and processes to keep up with the growth.

Outside the RBA area in my view the West must keep working hard to keep its ability to pre-determine its own outcome. If we don't, then there are emerging signs that others will pre-determine it for us. A recent example of this is the merger of the West Auckland and North Shore Business Awards. I am a strong advocate for change and, I do see the need for change, but this merger lacked consultation with the West. We cannot simply stand-by and let that happen.

I am keen to keep building on the great work we've done at the RBA and as I often say, 'much has been done, much remains!

We will continue to improve our governance programme. It is crucial to us that your BID levies are carefully used for the appropriate resources and that we remain fully compliant.

It's also crucial that we keep generating other (Private Good Income \$350,000 in 17/18), that enables the RBA team to build on providing better business development tools including Rosebank Plus, better Membership resources and services.

Going forward, the board plans to early next year refresh our current 3-year strategic plan. This will enable us to keep building the RBA towards being NZ's best BID.

I'd like to thank all the people for coming to the member's events. I value the friendships I've made over the years and believe our events programme achieves something special. Moreover, the Rosebank Plus programme enables businesses to participate in a strong learning environment locally.

Finally, I would like to thank our CEO, Mike Gibson, Julie, Phil, Briar and Kelli for their support and assistance in driving the RBA forward. Thank you to our other RBA directors for your contributions and time. Special thanks to our Treasurer, Steve Early for his assistance in the management group and work on our financials.

Regards and thank you



Bernard McCrea
Chair
Rosebank Business Association

CEO's Report

Members are our greatest asset!

Members are our greatest asset, as the 50% increase in membership growth illustrated in 2017/18, over the previous year. This has provided the basis for continued Business growth. So what does it do for the RBA?

Our core strength is our membership and as we develop and grow that, so we enhance the quality of our association given it's mix of Public and Private Good activities. Just as the RBA is individual within all business associations so you are as our members. To the group you bring a strength of knowledge and inspiration that projects into a central spring like mechanism from which you can all take and re-invent as a business building mechanism. The RBA could be likened to a "circle of life" when it was conceived 15 years ago gathering its original core strength of 17 founding to today's rapidly growing membership. It's been our ability in utilising that strength by providing added benefits to our membership base.

We are proud of having 286 Private Good members which has been an increase of 95 members to date over 2016/17 and from those members we have reached a milestone of having almost 50% of its potential total of (Targeted Rated Members). You, as vibrant interested community members share with us the responsibility of welcoming and bringing new members along and so continuing the strength of the RBA for we have much more to accomplish.

Advocacy liaison with Key Government Ministers and other MPs What does it achieve?

Keeping our ear to the ground on all advisory matters has been important as we try and influence the change to the general infrastructure of Rosebank. The new Waterview tunnel is a case in point. We are keeping pressure on the local Ministers of the Crown, Auckland Council and their BID team, the Whau Local Board, ATEED, Auckland Transport, Panuku Development via Dr Grant Hewison. As often as possible we are scheduling working group meetings with Wellington (i.e. Iain-Lees Galloway, Carmel Sepuloni, Phil Twyford) thus ensuring Central Government are well aware of how our business community is affected by change or what needs to change. We have been successful previously but a successful alignment between AT and Central Government is missing if we are ever to achieve ultimate success in our Traffic and Transport advocacy efforts. This will hopefully be overcome when we meet with the Transport Minister in November to realign the traffic and transport woes currently being experienced by the 50% increase in Rosebank traffic volumes on a daily basis.

Board governance establishment of the RBA Board Charter

We have achieved much progress in our governance goals in establishing our Board Charter, (which is available to view) and have met 6 times during the year, led by the chair Bernie McCrea. RBA board members attended the strategic planning day in February facilitated by MyHR and all key staff attended a Professional Development Seminar run by Landmark in January 2018.

Board /CEO Reporting Governance. Advocacy PUBLIC GOOD Activities

Public Good Advocacy creates up to 50% of our workloads mainly involved with providing submissions via the RBA in conjunction with Dr Grant Hewison (who continues to navigate his way around Auckland Council protocols better than most in providing the way forward). Be it congestion around schools, conflict around correct signage, Transpower NZ being kept in line, Graffiti free buildings and how tidy the

The RBA could be likened to a "circle of life" when it was conceived 15 years ago gathering its original core strength of 17 founding to today's rapidly growing membership.

streets look or the perennial traffic woes, RBA is always there with your voice.

These submissions are listed as follows:

Responsibility	Output	Status
GH	Insight Auckland Reporting to Board	Monthly & Ongoing
GH	Advocacy Articles in Rosebank Roundabout	Monthly & Ongoing
MLG	Attend EMA Policy Seminar on Transport and meet briefly with Minister of Transport Phil Twyford	March 2018
GH	Submission to Auckland Council Regional Storm water in collaboration with other industrial BIDs	Submission made in March 2018 (ongoing)
MLG/GH	Submission to Auckland Council Long Term Plan in collaboration with other BIDs	Submission made in April 2018
GH/MLG	Submission to Auckland Council/Whau Local Board on Long Term Plan (with a specific focus on the Whau area and initiatives)	Submission made in April 2018
GH/MLG	Meeting to discuss Whau Local Board draft Local Economic Development Plan	May 2018
GH/MLG	Submission to Auckland Regional Land Transport Plan in collaboration with other BIDs	Submission made in May 2018
GH/MLG	Submission to Auckland Council/Whau Local Board on Regional Land Transport Plan (with a specific focus on the Whau area and initiatives)	Submission made in May 2018
GH/BMcC	Meeting with Whau Local Board regarding Pollen Island/Cycleway, Business Rating, Saunders Reserve, Whau Local Board Governance	June 2018
MLG/GH	Submission to Whau Local Board on the Local Economic Development Action Plan	June 2018

GH = Grant Hewison, MLG = Mike Gibson, BMcC = Bernie McCrea.

Key Outputs 2018

PRIVATE GOOD Activities

Membership /Partnerships activity

The membership is comprised of the following types:

- Enhanced 128
- Standard 108
- Associate 46
- Corporate 4
- Total 286**

Partners

Our most valued partners for 2017/18 were:

- Abbott Insurance
- Babich Wines
- Bayleys
- BNZ
- EMA
- MyHR
- Service King
- Smith and Partners
- Spark Business
- The Trusts

Event Activities

During the 2017/18 financial year Membership Hostings were held with BNZ, Methven, World Moving, Smith and Partners, Spark Business, Westie Food Group, MyHR and our annual Christmas Party held at the Pleasuredome.

Additionally **The Rosebank Plus** brand initiated for the production and presentation of business development sessions (particularly for SME's) held joint venture sessions with

Partner entities such as **EMA, MYHR, UNITEC, ICEHOUSE and BNZ.**

Database Management, via ACT, regular local inputs from RBA staff, the annual print production of the Rosebank Business Directory and the continual updating/matching of data on the RBA online Website.

Targeted Ratepayers Returns:

- Provision of local Services i.e. **Rosebank Security** with a growing list of customers and better financial performance. Rosebank Security has continued to grow steadily without incident.
- **Zero** tolerance of graffiti.
- Graffiti removal based on a 24hr zero tolerance policy in place on Rosebank road has continued to reduce to almost zero levels.
- Continue to provide an increased range of better security services via **RSS**. Your own **Rosebank Security entity**.
- Continuing to make **Rosebank** a better place to work in.
- Continuing to make **Rosebank** attractive to new property developers.
- Continuing to provide **Rosebank SME's** with quality business development tools under **Rosebank Plus**.
- Continued balance sheet growth and sustainability incorporating an annual contingency fund.
- Continuing to provide all businesses with better HR help and understanding via the Free **MYHR Advice Line 0800 694769**.



General (including growth plans for 2018/19)

The year has seen us reflecting on where we are going with our branding (our number plate) and what we can do to refresh, invigorate and enhance what we already have. To return the best possible outcome to our members we need to generate additional income. The first step in this change is to develop **“features to sell advertising rather than promote advertising that may create features.”** This has been accompanied with a refreshed **Roundabout** currently in production. Tactically we see this as our principle means of communication with you all and our best way of being able to act as a networking and lobby group for our members. Concurrently we will expand our social media presence as a means to connect with the younger people in business. We must be seen to continue our drive for new members by perhaps looking at a wider coverage of West Auckland businesses and associated services while retaining the high quality of membership benefits.

Summary

In conclusion may I thank all of our RBA board and particularly the management group comprising Chair Bernie McCrea and Steve Early our Treasurer. Following the disappointing year of 2016/17 their help to me and the staff has been considerable and appreciated immensely by all. It has helped stabilise the balance sheet whilst providing a stronger base from where we can progress and protect our future.

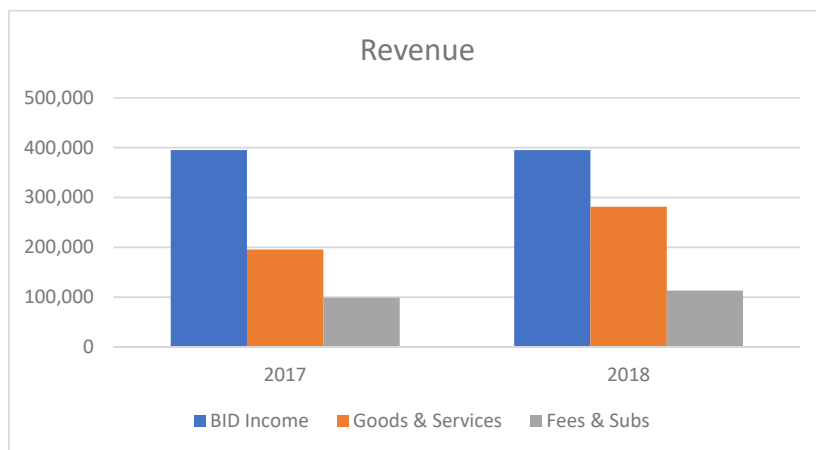
Mike Gibson
CEO
Rosebank Business Association

Treasurer's Report

Welcome to the 2017/18 financial report of the Rosebank Business Association

The year ended 30 June 2018 resulted in a profit of \$20k. This may seem a modest result in comparison to \$789k of Revenue but represents a more significant effort when compared to the previous year's deficit of \$60k. An \$80k improvement on the results of the 2016/2017 year.

This result was driven by a concerted effort resulting in increasing Revenue year on year by 14.5%. This was despite no change in BID income. Further, during the 2018 year BID income represented only 50% of total Revenue, down from 57% in the year before.



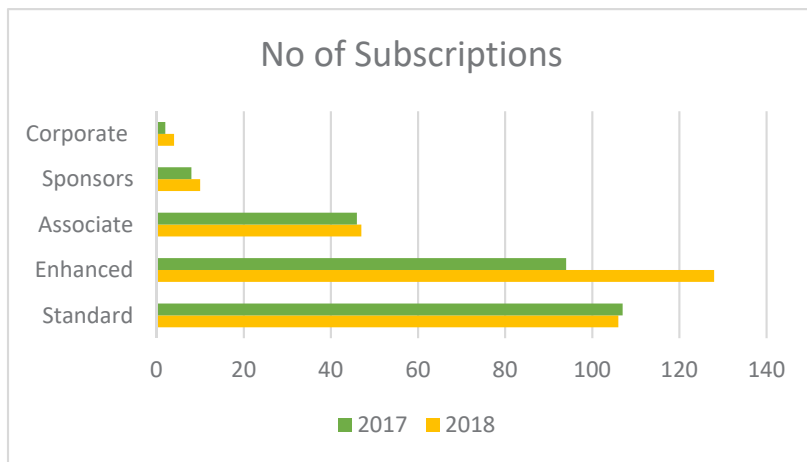
With only BID and membership income to rely on but with plenty of reasons to spend Revenues obtained, the RBA is focussed on:

- a) delivery of services in a more efficient fiscally responsible manner; and
- b) increasing the proportion of Revenue from goods and services thus reducing reliance on BID income and membership.

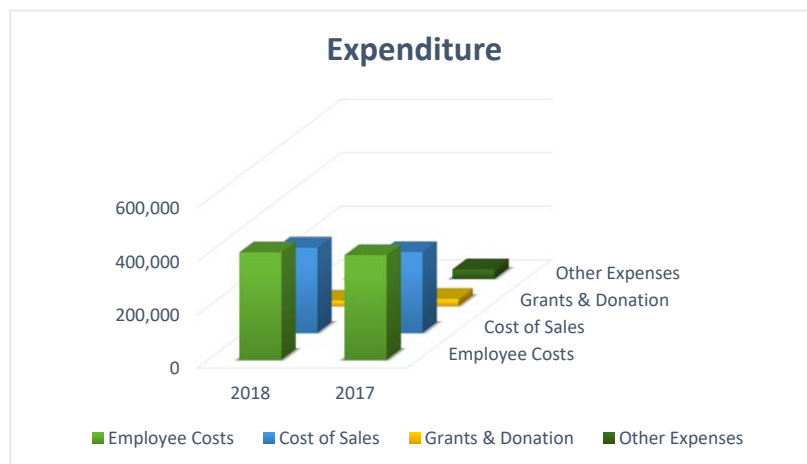
The increase in Non-Bid Revenue can be attributed to an increase in membership across the board.

Overall Non-Bid Income increased by \$100k or 34%. You will note from the graph above that this growth in Revenue was mostly related to the "enhanced" subscriptions. The upcoming year is unlikely to see such dramatic increases in Revenue and Memberships but we know that in order to better represent the RBA community we need to continually look after the Revenue we have while looking to increase and improve where that Revenue comes from.

Although Revenue was increased significantly the trick to passing this increase to the bottom line profit is to contain the expenditure in a sustainable way. Expenditure increased year on year only \$10k or less than 1.5% of Revenue.



The financial objectives of the upcoming year are to continually improve the Revenue and operation of the RBA in order to repair the balance sheet. The RBA needs to build reserves for when things do not pan out. Currently, the RBA has less assets



than liabilities to the extent of \$19k. Like NZ's or the household budget, if we do not have monies in the tin we will have to find it from somewhere. This would be particularly challenging when that unexpected surprise arrives.

Luckily your RBA executive, led by Mike and his team, are very much focussed on addressing the issue over the longer term and in a sustainable manner. This is while managing increased advocacy and service delivery for RBA members together with the increased costs of doing so.

I look forward to reporting an improved result for the 2018/2019 year and thank you for the opportunity to serve the RBA community.

Stephen Earlyly
Director/Owner, Symmetry Limited

Budget Year End June 2019

INCOME	ACTUAL 2017/2018	BUDGET 2018/2019	FORECAST 2019/2020
BID Grant Auckland Council	\$395,000	\$430,000	\$455,000
Business Directory Income	\$36,545	\$30,000	\$30,000
CEO Luncheons Income	\$3000	\$0	\$0
Christmas Function Ticket Sales	\$12,657	\$10,000	\$10,000
Events Income	\$11,451	\$15,000	\$20,000
Interest Received	\$18	\$0	\$0
Membership Subscriptions Income	\$100,277	\$95,000	\$110,000
Partnership Agreement Income	\$60,367	\$40,000	\$50,000
Rosebank Plus Income	\$11,570	\$5000	\$5,000
Rosebank Roundabout Income	\$91,721	\$160,000	\$180,000
Sundry Income	\$397	\$10,000	\$10,000
Website and Email Advert Income	\$22,139	\$15,000	\$20,000
TOTAL INCOME (Excludes all RSS Transactions)	\$745,142	\$810,000	\$890,000
Less Cost of Sales			
Business Development Initiatives	\$19,938	\$25,000	\$30,000
Business Directory Costs	\$6,990	\$17,000	\$20,000
Christmas Function	\$22,685	\$10,000	\$10,000
Commission Payments	\$7,474	\$0	\$0
Contractors	\$31,653	\$35,000	\$40,000
Rosebank Plus Expenses	\$2,990	\$5,000	\$5,000
Rosebank Roundabout	\$56,097	\$88,000	\$100,000
Wages and Salaries Expense	\$232,497	\$250,000	\$285,000
Total Cost of Sales (Excludes all RSS Transactions)	\$380,322	\$430,000	\$490,000
Gross Profit (Excludes all RSS Transactions)	\$364,820	\$380,000	\$400,000
Less Operating Expenses			
ACC Levy Expenses	\$670	\$1000	\$1,000
Accounting Fees	\$3325	\$3,000	\$3,000
Administration Costs	\$2705	\$4,000	\$4,000
Audit Fees	\$9,538	\$10,000	\$10,000
Bad Debts	\$250	\$3,000	\$3,000
Bank Fees	\$1,323	\$2,000	\$2,000
Branding	\$775	\$7,000	\$5,000
Committee Meetings and AGM	\$7032	\$7,000	\$7,000
Computer Expenses/IT	\$5,292	\$4,000	\$4,000
Consultancy	\$4,300	\$5,000	\$5,000
Database/CRM	\$3,078	\$6,000	\$6,000
Depreciation	\$9489	\$12,000	\$12,000
Events	\$62,884	\$30,000	\$30,000
Human Resources	\$1,800	\$2,000	\$2,000
Insurance	\$13,522	\$15,000	\$15,000
Interest Paid	\$410	\$1,000	\$1,000
Legal Fees	\$0	\$2,000	\$2,000
Mainstreet Maintenance and Services	\$1,150	\$6,000	\$6,000
Management Expenses	\$11,028	\$10,000	\$12,000
Management Fees	\$130,000	\$135,000	\$145,000
Membership Expenses	\$7583	\$5,000	\$5,000
Office Expenses	\$6,922	\$6,000	\$6,000
Postage and Courier	\$873	\$0	\$0
Printing & Photocopying	\$2,055	\$2,000	\$2,000
Relocation Costs - move to Jomac Place	\$7,735	\$0	\$0
Rent	\$24,414	\$25,000	\$25,000
Small Assets	\$747	\$3,000	\$3,000
Social Media	\$132	\$5,000	\$5,000
Sponsorship	\$19,494	\$20,000	\$25,000
Stationery & Postage	\$971	\$3,000	\$3,000
Strategic Planning	\$1,179	\$1,000	\$2,000
Subscriptions	\$280	\$1,000	\$2,000
Telephone and Internet	\$6,731	\$7,000	\$7,000
Training and Courses	\$1,761	\$2,000	\$2,000
Website Maintenance	\$1,545	\$3,000	\$5,000
Total Operating Expenses (Excludes all RSS Transactions)	\$350,994	\$348,000	\$367,000
NET PROFIT (Excludes all RSS Transactions)	\$13,826	\$32,000	\$33,000

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROSEBANK BUSINESS ASSOCIATION INCORPORATED

Report on the Performance Report

We have audited the consolidated performance report of Rosebank Business Association Incorporated (the Group) on pages 8 to 18, which comprises the statement of financial performance and the statement of cash flows for the year ended 30 June 2018, the statement of financial position as at 30 June 2018, the statement of accounting policies and other explanatory information.

In our opinion, the performance report presents fairly, in all material respects, the financial position of the Group as at 30 June 2018 and of its financial performance and cash flows for the year then ended in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) issued in New Zealand by the New Zealand Accounting Standards Board.

Basis for Opinion

We conducted our audit of the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report 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 Performance Report section of our report. We are independent of Rosebank 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 audit opinion.

Other than in our capacity as auditor we have no relationship with, or interests in the Group.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 12 to the performance report which describe the uncertainty related to going concern of the Group. The performance report is prepared on a going concern basis, the validity of which depends on the ability of the Group to generate sufficient additional revenue to meet all costs for the foreseeable 12 months from the date of the authorization of these financial statements.

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The network for doing business

Executive Committee's Responsibility for the Performance Report

The Executive Committee is responsible for:

- a. identifying outcomes and outputs, and quantifying the outputs to the extent practicable, that are relevant, reliable, comparable and understandable, to report in the statement of service performance;
- b. the preparation and fair presentation of the performance report which comprises:
 1. the entity information;
 2. the statement of service performance; and
 3. the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance reportin accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) issued in New Zealand by the New Zealand Accounting Standards Board, and
- c. for such internal control as the Executive Committee determines is necessary to enable the preparation of a performance report that is free from material misstatement, whether due to fraud or error.

In preparing the performance report, the Executive Committee is responsible for assessing the Group'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 intends to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Performance Report

Our objectives are to obtain reasonable assurance about whether the performance report 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 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 economic decisions of users taken on the basis of this performance report.

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

- Identify and assess the risks of material misstatement of the performance report, 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- 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 Group'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 performance report 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the performance report, including the disclosures, and whether the performance report represents the underlying transactions and events in a manner that achieves fair presentation.

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.

Other Information

The Executive Committee is responsible for the other information. The other information comprises of entity information, statement of service performance and the annual report, but does not include the financial information, and our auditor's report thereon.

Our opinion on the performance report does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the performance report, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the performance report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Restriction on Responsibility

This report is made solely to the members, as a body, in accordance with the constitution of Rosebank Business Association Incorporated. Our audit work 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 audit work, for this report, or for the opinions we have formed.

UHY Haines Norton (Auckland) Limited

UHY Haines Norton (Auckland) Limited
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9th October 2018

Date

The network for doing business

Entity Information

Rosebank Business Association Incorporated
For the year ended 30 June 2018

Legal Name of Entity

Rosebank Business Association Incorporated

Entity Type and Legal Basis

Incorporated society under The Incorporated Societies Act 1908

Registration Number

1164559

Entity's Purpose or Mission

Creating a "safer, cleaner and smarter" business community by being "Stronger Together".

Entity Structure

The Society is governed by an Executive Committee. The Executive Committee consists of:

- an elected Chairperson and Treasurer;
- an uneven number of members; and
- no less than five voting members; and
- no more than seven voting members and two non-voting members.

The voting members of the Executive Committee shall be at least five full members of the Association and any other person appointed to be a voting member of the Executive Committee.

The Executive Committee may from time to time appoint any person who it considers appropriate, including the Local Board Representative, to be a non-voting member of the Executive Committee.

The Executive Committee may give consideration to achieving a selection of representation across the various types and categories of the businesses located within the BID Targeted Rating Area.

Main Sources of Entity's Cash and Resources

- Targeted Rate BID Payment;
- Additional revenue from sponsorships, magazine advertising, Business Directory advertising, website and event advertising as well as business association membership subscriptions.

Main Methods Used by Entity to Raise Funds

Utilising the marketing, sales and HR resources and mechanisms.

Entity's Reliance on Volunteers and Donated Goods or Services

There is not a heavy reliance on volunteers and donated goods and services.

Physical Address

18 Jomac Place, Rosebank, Auckland, 1026

Postal Address

P. O. Box 15 1190, New Lynn, Auckland, 0640

Phone

(09) 820 0551

Website

www.rosebankbusiness.co.nz

Statement of Service Performance

Rosebank Business Association Incorporated

For the year ended 30 June 2018

These aspects of the RBA's annual performance are best described as being recognised as being "The RBA's Silent Sales Team". There are no business plans to report against, no overarching financial parameters, they are the warm Business blood vessels that form the basis of our engagement with all our Partners.

A brief summary shows these as follows:

1 Pathways to the Future Trust

Incorporated in 2008 and provides young employees with funding grants of up to \$3,000 per awardee. The basic criteria is the employee must be nominated by their employer, be 18~35 years of age and show initiative in becoming a future middle manager employee. Since December 2016 RBA has assumed all operational aspects of Pathways Trust and has continued to do so through 2017/18. Pathways now has a secondary form of funding through a relationship established in 2017 by RBA with EMA (Employers and Manufacturers Association), whereby RBA encourage likely Pathways recipients to select a course offered by EMA to best assist them in future with their business careers. EMA offer a broad range of business development and training courses. These courses are gifted to RBA by way of an offset whereby EMA assume a preference from RBA in terms of being able to expand both their own membership to RBA members and undertake business development training with RBA membership directly if required.

	2018	2017
Number of awardees	8	9
Funding grant awarded	\$ 14,962	\$ 13,113

2 RBA Membership Subscriptions

This membership was developed to provide RBA businesses with other opportunities to grow their levels of contact with fellow Rosebank businesses. It includes controlled use of the RBA database, discounts on magazine and business directories, free attendance for two people at each RBA members hosting 10~11 annually, free attendance for each member's CEO, Director, CFO and General Manager, one free "This is our business" editorial in the Rosebank Roundabout, a free Enhanced Listing comprising up to 150 words, photo and picture for inclusion on the RBA website.

<u>No of Subscriptions sold</u>	2018	2017
Standard	106	107
Enhanced	128	94
Associate	47	46
Sponsors	10	8
Corporate	4	2

3 Rosebank Roundabout Magazine

This full colour, 40 page magazine is printed monthly and is the front door show piece for RBA and its members. By nature of its free delivery and distribution to all businesses in the Rosebank Business precinct the magazine is available for all targeted rate members and their employees (about 9000 FTE's) to read.

	2018	2017
Issues during the year	12	12
Copies distributed	30,000	30,000

4 Rosebank and Central Park Business Directory Annual Publication

	2018	2017
2000 copies distributed to Rosebank businesses in August 2018	2,000	2,000

Other RBA beneficiaries and RBA sponsors assisted projects include:

Akarana and Muriwai Junior Golf
Alexander Park Sponsors (Smith & Partners) Race Night
American Chamber of Commerce - AmCham Golf Tournament
Auckland Chamber of Commerce - Westpac Business Awards
Autex Industries - Melanoma Charity Golf Day
Avondale College 1st XV
Community Waitakere Charitable Trust - Whau Youth Awards
Methven Ltd "Drop the Boss" Challenge
Avondale Police Annual Sounds & Sirens Function
Unitec Awards

Statement of Financial Performance

Rosebank Business Association Incorporated

For the year ended 30 June 2018

		Group	
	Notes	2018	2017
		\$	\$
Revenue			
Donations, fundraising and other similar revenue	1	395,000	395,000
Revenue from providing goods or services	1	281,376	195,453
Fees, subscriptions and other revenue from members	1	113,087	98,667
Other revenue		18	131
Total Revenue		789,482	689,251
Expenses			
Volunteer and employee related costs	2	404,808	394,065
Costs related to providing goods or service	2	319,805	304,051
Grants and donations made		19,494	26,066
Other expenses		25,486	23,603
Impairment of Goodwill		-	11,784
Total Expenses		769,594	759,569
Surplus/(Deficit) for the Year		19,888	(70,318)
Income tax expenses		-	-
Surplus/(Deficit) after Tax		19,888	(70,318)

Statement of Financial Position

Rosebank Business Association Incorporated

As at 30 June 2018

	Notes	2018 \$	Group 2017 \$
Assets			
Current Assets			
Bank accounts and cash	3	105,657	36,946
Debtors and prepayments	3	38,043	51,948
Total Current Assets		143,700	88,894
Non-Current Assets			
Property, Plant and Equipment	5	16,225	17,443
Total Non-Current Assets		16,225	17,443
Total Assets		159,925	106,337
Liabilities			
Current Liabilities			
Creditors and accrued expenses	4	34,445	35,886
Employee costs payable	4	36,702	10,311
Unused donations and grants with conditions	4	107,500	98,750
Total Current Liabilities		178,647	144,947
Total Liabilities		178,647	144,947
Total Assets less Total Liabilities (Net Assets)		(18,722)	(38,610)
Accumulated Funds			
Accumulated surpluses	6	(18,722)	(38,610)
Total Accumulated Funds		(18,722)	(38,610)

For and on behalf of the Executive Committee:

Dated:

8/10/18


Chairperson
B McLEOD


Treasurer
S EARNLEY

This statement should be read in conjunction with the attached Auditor's Report and notes to the performance report.

Statement of Cash Flows

Rosebank Business Association Incorporated
For the year ended 30 June 2018

	Group	
	2018	2017
	\$	\$
Cash Flows from Operating Activities		
Donations, Fundraising & Other Similar Receipts	403,750	395,000
Fees, Subscriptions & Other Receipts From Members	293,423	98,667
Goods and Services Tax (net)	1,669	939
Receipts from Providing Goods & Services	113,104	205,212
Payments to Suppliers & Employees	(715,476)	(713,582)
Donations or Grants Paid	(19,494)	(26,066)
Net cash from/(to) the Operating Activities	76,976	(39,830)
Cash flows from Investing Activities		
Purchase of Property, Plant & Equipment	(8,265)	(16,167)
Receipt from Sale of Property, Plant & Equipment	-	2,495
Acquisition of Subsidiaries, Net of Cash Acquired	-	(11,782)
Net cash from/(to) the Investing Activities	(8,265)	(25,454)
Net Increase/(Decrease) in Cash	68,711	(65,284)
Cash Balances		
Bank accounts and cash at beginning of period	36,946	102,230
Bank accounts and cash at end of period	105,657	36,946

Notes to the Performance Report

Rosebank Business Association Incorporated

For the year ended 30 June 2018

Account	2018 \$	2017 \$
1. Analysis of Revenue		
Donations, fundraising and other similar revenue		
Auckland Council - BID Grant	395,000	395,000
Total Donations, fundraising and other similar revenue	395,000	395,000
Revenue from providing goods or services		
Rosebank Roundabout advertising income	91,721	69,614
Rosebank Business Directory advertising income	36,545	34,080
Partnership Agreement Income (previously known as Platinum Sponsorship income)	60,367	61,898
Rosebank Plus Income	11,570	-
Security services	44,339	20,082
Other services	36,835	9,779
Total Revenue from providing goods or services	281,376	195,453
Fees, subscriptions and other revenue from members		
Annual Membership Subscription	113,087	98,667
Total Fees, subscriptions and other revenue from members	113,087	98,667
Other revenue		
Interest received	18	131
Total Other revenue	18	131
Total Analysis of Revenue	789,482	689,251
Account	2018 \$	2017 \$
2. Analysis of Expenses		
Volunteer and employee related costs		
Wages and salaries expense	232,497	235,468
Management fee	135,000	125,000
Contractors	36,641	33,218
ACC levy expenses	670	379
Total Volunteer and employee related costs	404,808	394,065
Costs related to providing goods or services		
Rosebank Roundabout expenses	56,097	52,787
Rent and office expenses	31,336	34,923
Business development initiatives	20,088	24,959
Events (Previously known as Networking Hostings)	62,884	21,627
Christmas Function	22,685	20,461
Business directory costs	6,990	17,832
Security service costs	26,650	13,436
Other costs	93,075	118,026
Total Costs related to providing goods or services	319,805	304,051

Notes to the Performance Report

Rosebank Business Association Incorporated

For the year ended 30 June 2018

Account	2018	2017
	\$	\$
3. Analysis of Assets		
Bank accounts and cash		
Petty cash	46	46
BNZ Call Account	85,010	25,007
BNZ Account	12,470	5,608
Bank balance of RSS	8,132	6,285
Total Bank accounts and cash	105,657	36,946

As at 30 June 2018, the Group has an unsecured overdraft facility of \$50,000 from BNZ.

Debtors and prepayments

Accounts receivable	25,014	38,747
Prepayment	10,833	12,660
Related party receivable	1,676	-
GST receivable	111	163
RWT	409	378
Total Debtors and prepayments	38,043	51,948

Account	2018	2017
	\$	\$

4. Analysis of Liabilities

Creditors and accrued expenses

Accounts payable	19,937	29,055
Related party payable	(414)	-
Accruals	14,922	6,831
Total Creditors and accrued expenses	34,445	35,886

Unused donations and grants with conditions

Auckland Council - BID Grant in advance	107,500	98,750
Total Unused donations and grants with conditions	107,500	98,750

Employee costs payable

Accrued leave liabilities	11,991	6,726
Salary and wages payable	24,711	3,585
Total Employee costs payable	36,702	10,311

Notes to the Performance Report

Rosebank Business Association Incorporated
For the year ended 30 June 2018

5. Property, Plant and Equipment

2018	Opening Carrying Amount	Purchases	Disposals	Current Year Depreciation	Closing Carrying Amount
	\$	\$	\$	\$	\$
Computer Equipment	1,594	1,865	-	1,881	1,578
Furniture	550	1,200	534	110	1,106
Leasehold Improvements	-	3,923	-	262	3,661
Office equipment	5,585	4,143	872	3,111	5,745
Plant and Equipment	1,581	-	1,457	124	-
Website Development	8,133	2	-	4,000	4,135
Total	17,443	11,133	2,863	9,488	16,225

2017	Opening Carrying Amount	Purchases	Disposals	Current Year Depreciation	Closing Carrying Amount
	\$	\$	\$	\$	\$
Computer Equipment	3,104	2,359	-	3,869	1,594
Furniture	-	609	-	59	550
Office equipment	7,857	3,200	2,497	2,975	5,585
Plant and Equipment	1,878	-	-	297	1,581
Website Development	-	10,000	-	1,867	8,133
Total	12,839	16,168	2,497	9,067	17,443

Account	2018	2017
	\$	\$
6. Accumulated Funds		
Opening Balance	(38,610)	31,708
Current Year Earnings	19,888	(70,318)
Closing Balance	(18,722)	(38,610)

7. Commitments and Contingencies

Commitments

The Society has a sublease agreement for its office with a monthly rent of \$2,000 starting 1 November 2017. The renewal date is 1 April 2022.

	2018	2017
Less than one year	24,000	16,000
Between one and two years	24,000	24,000
Two to three years	24,000	24,000
Greater than three years	18,000	42,000
Total non-cancellable operating lease payments	90,000	106,000

8. Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at balance date (Last Year - nil).

Notes to the Performance Report

Rosebank Business Association Incorporated

For the Year Ended 30 June 2018

9. Related Party Disclosure

<u>Related Party Transaction</u>			2018	2017
			\$	\$
Related Party	Relationship	Description of the Transaction		
MyHR Ltd	Jason Ennor, member of the RBA Board, is also the director of MyHR	Service provided to RBA	1,200	5,750
		Service received from RBA	5,895	1,190
		"In-kind" services provided to RBA	2,333	-
P&L Events And Marketing Company Limited ("P&L")	Mike Gibson, the CEO of RBA, is also the director and shareholder of P&L	Management fee paid	135,000	125,000
		Expense reimbursed	13,427	11,017
Central Park Business Association Incorporated ("CPBA")	CPBA and RBA had common Executive Committee members last financial year, however this is no longer the case for the year ended 30 June 2018.	Expense paid on behalf of CPBA	N/A	40,730
		Income received on behalf of CPBA	N/A	44,100
IC Frith (now known as Abbott Insurance Brokers Ltd - see further transactions below)	Bernard McCrea, Chairman of the RBA Board, was also General Manager Life & Health, IC Frith	Service provided to RBA	2,407	2,768
		Service provide from RBA	7,670	8,000
Abbott Insurance Brokers (previously know as IC Frith)	Bernard McCrea, Chairman of the RBA Board is also General Manager, Life, Health, Mortgages, Investments at Abbott Insurance Brokers	Service provided from RBA	2,575	-
Fullworks International	Robert Mackie, members of RBA Board is also Chairman of Fullworks International	Service provided to RBA	2,559	3,947
		Service provided from RBA	1,145	1,045
George Walkers Online	Michelle Maitland, member of the RBA Board is also Director of George Walkers Online	Service provided to RBA	739	4,091
		Service provided from RBA	1,145	2,645

Notes to the Performance Report

Rosebank Business Association Incorporated

For the Year Ended 30 June 2018

Related Party Balances

Related Party	Relationship	Nature of the balance	2018	2017
			\$	\$
MyHR Ltd	Jason Ennor, member of the RBA Board, is also the director of MyHR	Payables	(86)	-
		Receivables	-	-
P&L Events And Marketing Company Limited ("P&L")	Mike Gibson, the CEO of RBA, is also the director and shareholder of P&L	Payables	-	-
		Receivables	1,676	-
Central Park Business Association Incorporated ("CPBA")	CPBA and RBA had common Executive Committee members last financial year, however this is no longer the case for the year ended 30 June 2018.	Payables	N/A	(3,370)
		Receivables	N/A	-
George Walkers Online	Michelle Maitland, member of the RBA Board is also Director of George Walkers Online	Payables	500	500
		Receivables	-	529

10. Business Combinations

On 21 December 2016, the society acquired 100% shares in Rosebank Security Service Ltd. Mike Gibson, the CEO of RBA, used to be a director and held one third of the shares of RSS. No considerations was transferred as a result of the acquisition while RSS had a negative \$11,784 of net identifiable assets acquired and liabilities assumed as at acquisition date. This was recognised as goodwill from business combination.

As at 30 June 2017, an impairment loss of \$11,784 on goodwill was recognised in the statement of financial performance.

11. Events After the 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).

12. Ability to Continue Operating

The Group has reported a negative net equity of \$18,722 for the year ended 30 June 2018. The Executive Committee has budgeted for a small surplus for the year ending 30 June 2019, and believe that the organisation can generate sufficient revenue from grants, sponsorship and membership subscriptions to meet all costs for the period of 12 months from the date of authorisation of this performance report. In addition, the going concern assumption is also strengthened by the unsecured bank overdraft facility of \$50,000 from BNZ.

In reaching this conclusion, the Management has considered the achievability of the 2019 financial performance approved by the Executive Committee, including the appropriateness of the assumptions underlying those forecasts. The Executive Committee acknowledge that there are material uncertainties within the forecast assumptions, which may cast doubt over the entity's ability to continue as a going concern. This performance report has been prepared on a going concern basis based on the successful outcome of the assumptions. This performance report does not include any adjustments that may need to be made to reflect the situation should the entity be unable to continue as a going concern.



People "are our
best Asset"



Stronger together

www.rosebankbusiness.co.nz