



PARNELL INCORPORATED

Special Purpose Report Financial Statements For The Year Ended 30 June 2010

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Auditors' Report for Parnell Inc

To the Members

I have audited the Special Purpose Financial Statements on pages 2 to 5. The Special Purpose Financial Statements provide information about the past financial performance of Parnell Inc and its financial position as at 30 June 2010. This information is stated in accordance with the accounting policies set out on page 4.

Management Committee Responsibilities

The Management Committee are responsible for the preparation of the Special Purpose Financial Statements which give a true and fair view of the financial position of the Association as at 30 June 2010 and of the results of its operations for the year ended 30 June 2010.

Auditors' Responsibilities

It is my responsibility to express an independent opinion on the Special Purpose Financial Statements presented by the Management Committee 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 Special Purpose Financial Statements. It also includes assessing:

- The significant estimates and judgments made by the Management Committee in the preparation of the Special Purpose Financial Statements, and
- Whether the accounting policies are appropriate to the Association's circumstances, consistently applied and adequately disclosed.

I have conducted my audit in accordance with New Zealand Auditing standards. I have planned and performed the audit so as to obtain all the information and explanations which I considered necessary. I have obtained sufficient evidence to give reasonable assurance that the Special Purpose Financial Statements are free from material misstatements, whether caused by fraud or error. In forming my opinion I have also evaluated the overall adequacy of the presentation of information in the Special Purpose Financial Statements.

Other than in my capacity as auditor, I have no relationship with or interest in Parnell Inc.

Unqualified Opinion

I have obtained all the information and explanations I have required.

In my opinion:

- Proper accounting records have been kept by the Management Committee as far as appears from my examination of those records; and
- The Special Purpose Financial Statements on 2 to 5:
 - comply with the stated accounting policies; and
 - give a true and fair view of the financial position of Parnell Inc as at 30 June 2010 and the results of its operations for the year ended on that date.

My audit was completed on 16 August 2010 and my unqualified opinion is expressed as at that date.

A handwritten signature in blue ink, appearing to read 'David G Knightley', is written over a light blue horizontal line.

DAVID G KNIGHTLEY
Chartered Accountant



PARNELL INCORPORATED

Special Purpose Report Statement of Income and Expenditure For The Year Ended 30 June 2010

	<u>Note</u>	<u>2010</u> \$	<u>2009</u> \$
INCOME			
Grant – Auckland City		281,416	270,515
Grant – Auckland City (Branding)		-	5,000
		<hr/>	<hr/>
TOTAL OPERATING REVENUE		281,416	275,515
Other Income	3	8,675	7,758
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TOTAL REVENUE		290,091	283,273
		<hr/>	<hr/>
Less EXPENSES			
Advertising		64,243	40,358
Parnell Rebranding		31,251	33,961
Administration		141,762	131,245
Promotions		48,245	93,476
Mainstreet Services		27,435	19,924
Website Development Expenses		7,121	17,747
Parnell Strategic Review		-	13,773
Sundry		2,596	3,845
		<hr/>	<hr/>
TOTAL EXPENSES		322,653	354,329
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OPERATING DEFICIT OF INCOME OVER EXPENSES		(32,562)	(71,056)
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PARNELL INCORPORATED

Special Purpose Report Balance Sheet As At Year Ended 30 June 2010

	<u>Note</u>	<u>2010</u> \$	<u>2009</u> \$
ASSETS			
Current Assets			
Cash at bank - Current Account		1,515	5,283
- Term Deposit/Savings		49,486	92,459
Debtors receivable		59	844
Petty cash		-	430
GST receivable		6,362	8,972
Other current Assets		10,114	3,001
Total Current Assets		<u>67,536</u>	<u>110,989</u>
Non-Current Assets			
Fixed Assets at cost		50,414	51,835
Less accumulated depreciation		(40,278)	(34,993)
Total Non-Current Assets		<u>10,136</u>	<u>16,842</u>
Total Assets		<u>77,672</u>	<u>127,831</u>
LIABILITIES			
BNZ Visa		171	-
Creditors		19,058	36,826
Total Liabilities		<u>19,229</u>	<u>36,826</u>
Net Assets		<u>\$58,443</u>	<u>\$91,005</u>
ACCUMULATED FUNDS			
Funds brought forward		91,005	162,061
Excess/(Deficit) of Income over Expenditure		(32,562)	(71,056)
Total Accumulated Funds		<u>\$58,443</u>	<u>\$91,005</u>

On behalf of Parnell Incorporated

Committee Member

Committee Member

Date 11th August 2010

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The above is to be read in conjunction with the notes and the Audit Report



PARNELL INCORPORATED

Special Purpose Report Notes To The Financial Statements For The Year Ended 30 June 2010

1. STATEMENT OF ACCOUNTING POLICIES:

Reporting Entity

Parnell Incorporated is an Incorporated Society under the Incorporated Societies Act 1908, formed and domiciled in New Zealand under terms of the constitution.

The Financial Statements of Parnell Incorporated has been prepared as special purpose reports authorised by the committee.

Measurement Base

The accounting principles recognised as appropriate for measurement and reporting of financial performance and financial position on a historical cost basis are followed by the Society.

Specific Accounting Policies

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

Goods and Services Tax

The financial statements have been prepared on a GST exclusive basis, with the exception of accounts receivable or payable. The net amount of GST payable or refund due at 30 June 2010 is shown in the statement of financial position as a current liability or current asset as the case may be.

Taxation

Parnell Incorporated meets the criteria for exemption from Income Tax. No provision for Income tax has been made.

Accounts Receivable

Debtors are stated at their expected realisable value. Bad debts are written off in the period during which they are identified.

Fixed Assets

All owned items of property, plant and equipment are initially recorded at cost and depreciated as outlined below. Initial cost includes the purchase consideration, and those costs directly attributable to bringing the asset to the location and condition necessary for its intended use.

Depreciation

Depreciation is charged at the same rate as is allowed by the Income Tax Act 2007. The following rates have been used:

▪ Office Equipment	-
▪ Office Furniture & Fittings	15.6% - 39.6% diminishing value
▪ Computer Equipment & software	48% & 60% diminishing value
▪ Mainstreet Assets	19.2% - 60% diminishing value

Grants

Grants received are recognised in operating revenue, unless specific conditions attach to a grant and repayment of the grant is required where these conditions are not met. In these cases, the grant is treated as a liability until the conditions are met.

Changes in Accounting Policies

There have been no changes in accounting policies in the 2010 year.

PARNELL MAINSTREET INCORPORATED

Special Purpose Report Notes To The Financial Statements For The Year Ended 30 June 2010

	<u>June</u> <u>2010</u> \$	<u>June</u> <u>2009</u> \$
2. <u>OPERATING SURPLUS</u> reported is after deducting the following disclosed expenses:		
Auditors remuneration	2,000	2,000
Rental expense	12,552	12,506
Depreciation of fixed assets	6,171	11,652
3. <u>OTHER INCOME:</u>		
Interest on investments	1,814	5,486
Gain on Sale of Fixed Asset	-	1,870
RWT refund from IRD	6,290	-
Miscellaneous	571	402
TOTAL	<u>\$8,675</u>	<u>\$7,758</u>

4. **RELATED PARTY TRANSACTIONS:**

There were no related party transactions during the period.

5. **COMMITMENTS/CONTINGENT LIABILITIES:**

No commitments or contingent liabilities are known to exist at balance date. (2009: Nil)

6. **ACCOUNTING FOR EVENTS AFTER BALANCE DATE:**

No significant events have occurred since balance date that would require a change to the financial statements.