

**26 August 2025**

The Board  
Avondale Business Association Inc

Via Email

Dear Board

**FINANCIAL STATEMENT AUDIT FOR THE YEAR ENDED 30 JUNE 2025**

We have completed our audit of the special purpose financial statements of Avondale Business Association Inc for the year ended 30 June 2025. 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 2025 show total operating loss for the year of \$51,970 and net assets of \$256,319

We performed our standard audit work with particular emphasis on revenue recognition including accrued income and grants 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 in relation to grants received in advance and accruals were processed. The tax adjustment was not processed on the basis that it is immaterial.

We have issued an unmodified audit opinion in respect of the 30 June 2025 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.

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- 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 2025 year is estimated to be \$6,725 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:

- New Incorporated Society regulations have been finalized and attention is required with urgency. Avondale Business Association needs to reregister under the new legislation by April 2026 and then comply with financial reporting requirements.
- Avondale Business Association Inc is an Incorporated Society that is only liable for taxation on all interest and other non-member income in excess of \$1,000. We note that Avondale Business Association Inc received \$5,683 interest income for the year ending 30 June 2025. We suggest that Avondale Business Association Inc should consider this when preparing income tax return.
- Care should be taken with GST returns to ensure GST applicable or not applicable on grants are appropriately recorded.

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**

A handwritten signature in blue ink, appearing to read 'J G Edwards'.

**J G Edwards**  
Partner