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Send your completed form to: Companies Office, Private Bag 92061, Victoria Street West, Auckland 1142 or processing@companiesoffice.govt.nz

Form IS4

Cover sheet – Financial statement for an incorporated society

Incorporated Societies Act 1908

Important

- › An officer of the society **must certify** that the financial statement has been submitted to, and approved by, the members of the society at a general meeting.
- › If your society is also registered under the **Charities Act 2005** it does not have to file an annual financial statement with the Registrar of Incorporated Societies but does need to file an annual return with Charities Services – www.charities.govt.nz.
- › You do not need to supply a copy of the minutes of the annual general meeting (AGM).

Society name

Heart of the City Incorporated (654431)

Society number or NZBN

9429042696940

Financial year

If the financial statement is for the period 1 April 2018 to 31 March 2019, the financial year would be 2019.

YE - 30 June 2020

Annual General Meeting (AGM) month

The month the society will hold its Annual General Meeting (AGM) each year. This should be recorded in your society's rules.

Month: October

Balance date

The society's financial statement balance date. This date should be recorded in your society's rules.

Day: 30

Month: June

Certification

I certify that the attached annual financial statement has been submitted to, and approved by, the members at a general meeting held on:

Date of meeting: 17 November 2020

Martin Snedden

Martin Snedden (Nov 19, 2020 17:11 GMT+13)

Signed:

Name: Martin Snedden

Position held: Executive Committee Chair

Date signed: 19 November 2020

Society name

Heart of the City Incorporated (654431)

Society number or NZBN

9429042696940

Is an audit or review report attached to the statement?*Please confirm if the audit or review report is included with the financial statements.***Note** — This is required only if the society's rules specify that an auditor or reviewer must be appointed.

Yes



No

Summary of the attached financial statement**Note** - If any of the totals for income, expenses, assets or liabilities is 'Nil', you must enter \$0.00. The fields can't be left blank.**Total income***Enter the society's total income as recorded in the attached financial statement.*

\$ 5508390.00

Total expenses*Enter the society's total expenditure/expenses as recorded in the attached financial statement.*

\$ 5225200.00

Total assets*Enter the society's total assets as recorded in the attached financial statement.*

\$ 3461719.00

Total liabilities*Enter the society's total liabilities as recorded in the attached financial statement.*

\$ 1651901.00

**I confirm that all mortgages, charges, and securities are included in the attached financial statement***The financial statements must include all mortgages, charges, and securities of any description affecting any of the society's property at the close of that year.***Addresses of the society***Please search the Incorporated Societies Register to check which address details are recorded.*

I confirm that the address details recorded on the Incorporated Societies Register are ALL still current, or



The address details have changed and the new address details are provided on Form IS3 attached.

Officers of the society*Please search the Incorporated Societies Register to check which officer details are recorded, if any.***Note** — It's not mandatory to provide officer details on the register.

I confirm that the officer details recorded on the Incorporated Societies Register are ALL still current, or



Officer details have changed and the new details are provided on Form IS3 attached.

Presenter details

Name: Lynette Tansy Geary

Email address: tansy@hotcity.co.nz

Telephone number: 093798000

Postal address:

P O Box 105331, Auckland 1010 or
Level 5, QBE Building, 125 Queen Street
Auckland CBD.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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.

Responsibilities of board for the financial statements

The board are responsible, on behalf of the entity, for the preparation and fair presentation of the financial statements in accordance with the stated special purpose accounting policies, and for such internal control as the board determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the board are responsible, on behalf of the society, for assessing the society'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 those charged with governance either intend to liquidate the society or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 decisions of users taken on the basis of these financial statements. A further description of the auditor's responsibilities for the audit of the financial statements is located at the XRB's website at:

https://xrb.govt.nz/Site/Auditing_Assurance_Standards/Current_Standards/Page8.aspx

Who we report to

This report is made solely to the members, as a body. Our audit 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 Heart of the City Incorporated and the members as a body, for our work, for this report, or for the opinions we have formed.

A handwritten signature in blue ink that reads 'RSM'.

Directory

Heart of the City Incorporated For the year ended 30 June 2020

Nature of Business

Promotes Inner City Business

Address

Level 5, 125 Queen St, Auckland City, New Zealand, 1010

IRD Number

63-827-452

Incorporation Number

654431

Incorporation Date

4 January 1995

Status

Registered

Chartered Accountant

Grant Thornton New Zealand Limited
L4, 152 Fanshawe Street
Auckland 1140

Auditors

RSM Hayes Audit
L1, 1 Broadway
Newmarket
Auckland

Bankers

ASB Bank Limited
138-142 Queen Street
Auckland 1010

Solicitors

Buddle Findlay
PWC Tower
188 Quay Street
Auckland 1010

Haigh Lyon
L14, 34 Shortland Street
Auckland 1010

Approval of Financial Report

Heart of the City Incorporated For the year ended 30 June 2020

The Board is pleased to present the approved financial report including the historical special purpose financial statements of Heart of the City Incorporated for year ended 30 June 2020.

APPROVED

For and on behalf of the Board.

Martin Snedden

Martin Snedden (Oct 21, 2020 15:37 GMT+13)

Chairperson

Date Oct 21, 2020

[Signature]

Board Member

Date Oct 21, 2020

Statement of Comprehensive Revenue and Expense

Heart of the City Incorporated
For the year ended 30 June 2020

	NOTES	2020	2019
Revenue from Exchange Transactions			
Partnership Income		184,200	252,725
Investment Income		31,145	45,267
Ministry of Social Development Funding		50,000	-
Total Revenue from Exchange Transactions		265,345	297,992
Revenue from Non-Exchange Transactions			
Auckland Council - Targeted Business Rates Funding		4,843,045	4,703,746
Auckland Council - Destination Marketing Campaign Funding		400,000	430,000
Total Revenue from Non-Exchange Transactions		5,243,045	5,133,746
Total Revenue		5,508,390	5,431,738
Expenses			
Accountancy		74,203	67,624
Advocacy		49,445	31,140
Audit Fees		21,092	19,317
Committee Expenses		27,377	29,229
Computer & Phone Maintenance		43,871	51,046
Depreciation, Amortisation & Loss on Disposal	8, 9	150,594	93,896
Events, Sponsorship & Advertising		2,728,336	2,699,699
General Expenses		59,057	67,983
Insurance		24,201	23,690
Legal Fees		15,963	29,250
Members Communications		38,924	67,966
Project Costs		31,330	120,050
Recruitment Expense		2,950	18,779
Rent		139,048	135,553
Personnel Expenses		1,547,744	1,487,792
Safety		228,947	142,284
Website and App Costs		42,117	89,479
Total Expenses		5,225,200	5,174,779
Comprehensive Revenue and Expenses before Planned Projects from Accumulated Reserves		283,191	256,960
Planned Projects from Accumulated Reserves			
Mission HomeGround Contribution	14	-	100,000
Queen Street Lights Project Expense	15	-	319,445
Total Planned Projects from Accumulated Reserves		-	419,445
Total Comprehensive Revenue and Expense		283,191	(162,486)

The notes to the financial statements form part of and should be read in conjunction with the financial statements.

Statement of Changes in Net Assets/Equity

Heart of the City Incorporated
For the year ended 30 June 2020

	2020	2019
Accumulated comprehensive revenue and expense		
Opening Balance	1,526,628	1,689,113
Comprehensive Revenue and Expense for the Year		
Surplus for the Year	283,191	(162,486)
Total Comprehensive Revenue and Expense for the Year	283,191	(162,486)
Total Accumulated comprehensive revenue and expense	1,809,819	1,526,628
Total Equity	1,809,819	1,526,628

The notes to the financial statements form part of and should be read in conjunction with the financial statements.

Statement of Financial Position

Heart of the City Incorporated

As at 30 June 2020

	NOTES	30 JUN 2020	30 JUN 2019
Assets			
Current Assets			
Cash and Cash Equivalents		1,994,114	1,375,072
Short Term Deposits		134,802	130,837
Short Term Investments	5	979,572	1,251,125
Receivables from Exchange Transactions	6	35,544	9,083
GST Receivable		65,722	92,982
Suspensory Loan - Current	7	4,400	4,400
Total Current Assets		3,214,154	2,863,498
Non-Current Assets			
Property, Plant and Equipment			
Property, Plant and Equipment	8	122,924	149,659
Total Property, Plant and Equipment		122,924	149,659
Investments			
Suspensory Loan - Non-Current	7	8,800	13,200
Total Investments		8,800	13,200
Intangibles			
Intangibles	9	115,841	209,041
Total Intangibles		115,841	209,041
Total Non-Current Assets		247,565	371,900
Total Assets		3,461,719	3,235,399
Liabilities			
Current Liabilities			
Accounts Payable and Accruals		413,661	470,532
Income Received in Advance	13	1,195,654	1,195,654
Retentions		42,586	42,586
Total Current Liabilities		1,651,901	1,708,771
Total Liabilities		1,651,901	1,708,771
Net Assets		1,809,819	1,526,628
Net Equity			
Accumulated Comprehensive Revenue and Expense		1,809,819	1,526,628
Total Net Equity		1,809,819	1,526,628

The notes to the financial statements form part of and should be read in conjunction with the financial statements.

Statement of Cash Flows

Heart of the City Incorporated
For the year ended 30 June 2020

	2020	2019
Cash Flows from Operating Activities		
Receipts from Council	5,214,735	5,201,131
Receipts from grants	57,500	-
Receipts from Partners	211,830	206,454
Interest Received	33,060	41,890
Dividends Received	375	760
GST	520,727	505,442
Payments to Suppliers and Employees	(5,637,636)	(6,117,268)
Total Cash Flows from Operating Activities	400,590	(161,591)
Cash Flows from Investing Activities		
Net Cash Movement in Funds Held on Behalf of Others	-	(116,204)
Proceeds from/(Payment for) of Investments and Deposits	267,588	509,618
Payment for Property, Plant & Equipment	(24,236)	(25,692)
Payment for intangibles	(24,900)	(158,100)
Total Cash Flows from Investing Activities	218,452	209,622
Net Cash Flows	619,042	48,031
Cash Balances		
Cash and cash equivalents at beginning of period	1,375,072	1,327,041
Cash and cash equivalents at end of period	1,994,114	1,375,072
Net change in cash for period	619,042	48,031

The notes to the financial statements form part of and should be read in conjunction with the financial statements.

Notes to the Financial Statements

Heart of the City Incorporated For the year ended 30 June 2020

1. Reporting Entity

Heart of the City Incorporated is an incorporated society registered under the Incorporated Societies Act 1908. Heart of the City Incorporated promotes inner city business in Auckland City.

These financial statements have been approved and were authorised for issue by the Board on the date indicated on page 6.

2. Statement of Compliance

Heart of the City Incorporated as an incorporated society is not required to report under the Public Benefit Entity International Public Sector Accounting Standards ("PBE IPSAS") and other applicable financial reporting standards as appropriate that have been authorised for use by the External Reporting Board for Not-For-Profit entities. However, it has chosen to voluntarily adopt accounting policies and disclosures that align with these standards in the preparation of these special purpose financial statements, with the exception of the non-presentation of key management personnel disclosures.

The board considers that the accounting policies adopted in these special purpose financial statements are appropriate to give the users of the financial statements meaningful information about the performance and position of the organisation for the current year.

3. Summary of Accounting Policies

The significant accounting policies used in the preparation of these financial statements as set out below have been applied consistently to both years presented in these financial statements.

3.1 Basis of Preparation

These financial statements have been prepared on the basis of historical cost, unless specified in the accounting policies below.

These financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period.

3.2 Functional and Presentational Currency

The financial statements are presented in New Zealand dollars (\$), which is Heart of the City Incorporated's functional currency. All financial information presented in New Zealand dollars has been rounded to the nearest dollar.

3.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefit will flow to Heart of the City Incorporated and revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. The following specific recognition criteria must be met before revenue is recognised.

Revenue from Non-Exchange Transactions

Auckland Council Revenue

Revenue from Auckland Council relates to funding provided to Heart of the City Incorporated for the purpose of promoting the inner city business area. Revenue from non-exchange transactions is recognised when any use or return conditions associated with the revenue has been met. If the use or return condition has not been met then an income in advance liability is recognised in the Statement of Financial Position.

Revenue from Exchange Transactions

Partnership Income

Marketing and Sponsorship funds are received from business partners in exchange for brand affiliation and exposure to various events throughout the year. These funds are recognised as revenue in the period the partnership agreement relates to, and the services have been delivered.

Interest and dividend revenue

Interest revenue is recognised as it accrues, using the effective interest method.

Dividend revenue is recognised when the dividend is declared.

3.4 Cash and Cash Equivalents

Cash and cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3.5 Short Term Deposits

Short term deposits comprise bank term deposits which have a term of greater than three months and less than 12 months and therefore do not fall into the category of cash and cash equivalents.

3.6 Short Term Investments

Short term investments comprise deposits managed externally which have a term of less than 12 months. There are held for investment properties rather than meeting short term cash commitments, and therefore do not fall into the category of cash and cash equivalents.

3.7 Financial Instruments

Financial assets and financial liabilities are recognised when Heart of the City Incorporated becomes a party to the contractual provisions of the financial instrument.

Financial Assets

Heart of the City Incorporated derecognises a financial asset or, where applicable, a part of a financial asset or part of a group of similar financial assets when the rights to receive cash flows from the asset have expired or are waived, or Heart of the City Incorporated has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party; and either:

- Heart of the City Incorporated has transferred substantially all the risks and rewards of the asset; or
- Heart of the City Incorporated has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial assets within the scope of NFP PBE IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets. The classifications of the financial assets are determined at initial recognition.

The categorisation determines subsequent measurement and whether any resulting revenue and expense is recognised in surplus or deficit or in other comprehensive revenue and expense. Heart of the City Incorporated's financial assets are classified as loans and receivables and include: cash and cash equivalents, short-term investments, receivables from non-exchange transactions, receivables from exchange transactions and investments.

All financial assets except for those at fair value through surplus or deficit are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

Loans and Receivables.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less any allowance for impairment. Heart of the City Incorporated's cash and cash equivalents, short-term investments, receivables from non-exchange transactions, receivables from exchange transactions and non-equity investments fall into this category of financial instruments.

Financial Liabilities

Heart of the City Incorporated's financial liabilities include trade and other creditors (excluding GST and PAYE, employee entitlements, and deferred revenue).

All financial liabilities are initially recognised at fair value and are measured subsequently at amortised cost using the effective interest method except for financial liabilities at fair value through surplus or deficit.

3.8 Property, Plant, Equipment and Depreciation

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Where an asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit.

The costs of day-to-day servicing of property, plant, and equipment are recognised in the surplus or deficit as they are incurred.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and are adjusted if there is a change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset.

Depreciation is charged on a diminishing value or straight line basis over the useful life of the assets. Depreciation is charged at rates calculated to allocate the cost or valuation of the asset less any estimated residual value over its remaining useful life:

	Useful Life	Rate	Method
Office Equipment	2 - 6 Years	16% - 67%	DV
Computer Equipment	2 - 4 Years	25% - 60%	DV
Fittings & Furniture	4 - 10 Years	10% - 21.6%	DV
Promotional Assets	2 - 5 Years	20% - 48%	DV/SL

3.9 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised on a diminishing value basis over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits or service potential embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

The amortisation expense on intangible assets with finite lives is recognised in surplus or deficit as the expense category that is consistent with the function of the intangible assets.

The amortisation periods for Heart of the City Incorporated assets are as follows:

	Useful Life	Rate	Method
Websites	2 Years	50%	DV
Trademarks	Indefinite	0%	-

3.10 Leases

Payments on operating lease agreements, where the lessor retains substantially the risk and rewards of ownership of an asset, are recognised as an expense on a straight-line basis over the lease term.

3.11 Employee Benefits

Wages, salaries, and annual leave

Liabilities for wages and salaries, and annual leave are recognised in surplus or deficit during the period in which the employee provided the related services. Liabilities for the associated benefits are measured at the amounts expected to be paid when the liabilities are settled.

Employee benefits expected to be settled within twelve months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay.

3.12 Income Tax

Due to its status as an Incorporated Society and under section CW40(1) of the Income Tax Act 2007, Heart of the City Incorporated is exempt from income tax.

3.13 Goods and Services Tax (GST)

Revenues, expenses and assets are recognised exclusive of GST except for receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the Inland Revenue Department is classified as part of operating cash flows.

3.14 Equity

Equity is the members' interest in Heart of the City Incorporated, measured as the difference between total assets and total liabilities. Equity is made up of the following components:

Accumulated comprehensive revenue and expense

Accumulated comprehensive revenue and expense is Heart of the City Incorporated's accumulated surplus or deficit since its formation.

4. Significant Accounting Judgements, Estimates and Assumptions

The preparation of Heart of the City Incorporated's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying Heart of the City Incorporated's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Operating Lease Commitments

Heart of the City Incorporated has entered into a number of lease commitments.

Heart of the City Incorporated has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a substantial portion of the economic life of the assets, that it does not retain all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Heart of the City Incorporated based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of Heart of the City Incorporated. Such changes are reflected in the assumptions when they occur.

- Useful Lives and Residual Values of Property, Plant and Equipment and Intangible Assets

Useful Lives and Residual Values

The useful lives and residual values of assets are assessed using the following indicators to determine potential future use and value from disposal:

- The condition of the asset
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset
- Changes in the market in relation to the asset

The estimated useful lives of the asset classes held by Heart of the City Incorporated are listed in Note 3.8 and 3.9.

	2020	2019
5. Short Term Investments		
Private Wealth Advisers - On Call Deposit	185,059	479,540
Private Wealth Advisers - Term Deposit - 6 Months	420,593	412,042
Private Wealth Advisers - Term Deposit - 3 Months	373,920	359,543
Total Short Term Investments	979,572	1,251,125

These funds are treated as investments as they are not required for operational cashflow purposes.

	2020	2019
6. Receivables from Exchange Transactions		
Trade and Other Receivables	35,544	9,083
Total Receivables from Exchange Transactions	35,544	9,083

7. Ferry Building Partnership Suspensory Loan

There is a suspensory loan to the Ferry Building Partnership for the amount of \$13,200. This loan is being forgiven in ten equal instalments of \$4,400 upon each anniversary of the initial payment. If the Ferry Building Partnership for any reason is not able to meet the terms of the agreement, the remaining loan balance will be payable to Heart of the City Incorporated.

	2020	2019
8. Property, Plant & Equipment		
Office Furniture & Fittings		
Cost	119,995	119,995
Accumulated Depreciation	(59,134)	(51,630)
Total Office Furniture & Fittings	60,861	68,365
Computer & Office Equipment		
Cost	114,781	107,195
Accumulated Depreciation	(97,303)	(92,924)
Total Computer & Office Equipment	17,478	14,271
Promotional Assets		
Cost	522,175	556,043
Accumulated Depreciation	(477,589)	(489,019)
Total Promotional Assets	44,585	67,023
Total Property, Plant & Equipment	122,924	149,659

Reconciliation of the carrying amount at the beginning and end of the period:

	2020	2019
Property, Plant & Equipment Reconciliation (Net Book Value)		
Office Furniture & Fittings		
Opening Balance	68,365	74,239
Additions	-	2,432
Disposals	-	-
Depreciation	(7,504)	(8,306)
Total Office Furniture & Fittings	60,861	68,365
Computer & Office Equipment		
Opening Balance	14,271	25,249
Additions	10,607	-
Disposals	(65)	-
Depreciation	(7,335)	(10,979)
Total Computer & Office Equipment	17,478	14,271
Promotional Assets		
Opening Balance	67,023	81,858
Additions	20,052	23,260
Disposals	(10,222)	-
Depreciation	(32,268)	(38,094)
Total Promotional Assets	44,585	67,023
Total Property, Plant & Equipment Reconciliation (Net Book Value)	122,924	149,659

	2020	2019
9. Intangibles		
Website	91,280	184,480
Trademarks	24,561	24,561
Total Intangibles	115,841	209,041

Reconciliation of the carrying amount at the beginning and the end of the period:

	2020	2019
Intangibles Reconciliation (Net Book Value)		
Website		
Opening Balance	184,480	37,996
Additions	-	183,000
Disposals	(1,920)	(13,130)
Amortisation	(91,280)	(23,386)
Total Website	91,280	184,480
Trademarks		
Opening Balance	24,561	24,561
Additions	-	-
Disposals	-	-
Total Trademarks	24,561	24,561
Total Intangibles Reconciliation (Net Book Value)	115,841	209,041
	2020	2019

10. Operating Lease Commitments

Less than one year	199,187	192,245
Later than one year and no later than five years	255,944	420,183
Later than five years	-	-
Total Operating Lease Commitments	455,131	612,428

Operating leases relate to the following:

Description of Lease	Lessor	End of Commitment
Buildings		
125 Queen Street	Special Situations Assets Limited	01/04/2023
Plant and Equipment		
Photocopier	Ricoh Photocopier	18/11/2023
Pedestrian Cameras	Canon Finance	31/12/2021

11. Related Parties

The society has conducted transactions with related parties as follows. There are no amounts outstanding at year end (2019: \$nil).

Related Party	Description of the Transaction	Value of the Transactions	Value of the Transactions
		2020	2019
Viv Beck Chief Executive Non-Voting Member of Executive Committee	Auckland Children's Christmas Parade Trust - Event Sponsorship Paid	30,000	30,000

12. Categories of Financial Assets and Liabilities

The carrying amounts of financial instruments presented in the statement of financial position relate to the following categories of assets and liabilities:

	2020	2019
Financial Assets - loans and receivables		
Bank & Cash	1,994,110	1,374,964
Short Term Deposits	134,802	130,837
Short Term Investments	979,572	1,251,125
Trade and Other Receivables	35,544	9,083
Loans	13,200	17,600
Total Financial Assets - loans and receivables	3,157,228	2,783,609

	2020	2019
Financial Liabilities at amortised cost		
Trade Payables	413,661	470,532
Retentions	42,586	42,586
Total Financial Liabilities at amortised cost	456,247	513,117

13. Income Received in Advance

Within Income Received in Advance as at 30 June 2020 are targeted rate funds received prior to year end from Auckland Council totalling \$1,195,654 (2019: \$1,195,654). As the funds relate to the first quarter of the next financial year these funds have been recognised as a liability and will be recorded as revenue in the next financial year.

14. Mission HomeGround Contribution

At Heart of the City Incorporated's Annual General Meeting in 2017, a funding increase was approved with provision for a one-off contribution of \$100,000 to the Auckland City Mission's redevelopment project "HomeGround" in line with Heart of the City Incorporated's commitment to ending rough sleeping in the Auckland City Centre. This was paid in the 2019 year out of accumulated cash reserves.

15. Queen Street Lights Expense

This was a planned contribution by the entity which was paid out of accumulated cash reserves brought forward from prior years, and recognised as an expense during the 2019 year.

16. Contingent Liabilities

The bank holds an \$80,000 guarantee in respect of the organisation's property lease, in case of default. There are no other contingent liabilities at balance date.

17. Capital Commitments

Heart of the City Incorporated had no capital commitments as at 30 June 2020 (30 June 2019: Nil)

18. Events After the Reporting Date / Going Concern

On March 11 2020, the World Health Organisation declared the outbreak of COVID-19 (a novel Coronavirus) a pandemic. While the disruption is currently expected to be temporary, there is a level of uncertainty around the impact to the business. At this time the full financial impact of the COVID-19 pandemic is not able to be determined.

However, the governing body has taken into account the level of reserves of the organisation as well as the latest forecasted results and is satisfied that preparing the financial statements on a going concern basis is appropriate.