

CROMWELL & DISTRICTS PROMOTION GROUP (INC)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2006

1 Reporting Entity

The Cromwell & Districts Promotion Group (Inc) is a Society Incorporated under the Incorporated Societies Act 1908. The financial statements have been prepared according to generally accepted accounting practice.

2 Measurement Base

Accounting principles recognised as appropriate for the measurement and reporting of financial performance and position on a historical cost basis have been followed.

Accrual accounting is used to match income and expenditure with the exception of income from members' subscriptions which is accounted for on a cash basis.

3 Specific Accounting Policies

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

- Income and expenditure whether of a capital or a revenue nature is stated net of GST.
- The Promotion Group qualifies for the Differential Reporting Exemption as it is not publicly accountable and is not large as defined by the Framework for Differential Reporting. The Promotion Group has taken advantage of the Differential Reporting Exemptions allowing it not to include a statement of cash flows in its financial report.

4 Changes in Accounting Policies

There have been no changes in accounting policies.

5 Grants

Grants were received and recognised as revenue for the following activities:-

	Pub Charity
Bannockburn Mountain Bike	3,306
Lake Dunstan Cycle Challenge	3,306
Pub to Pub	3,305
Carricktown Crusher	3,306
Cromwell Half Marathon	3,306
Lake Dunstan Triathlon	3,306
Bonza Fireworks	5,000
	<u>\$24,835</u>

6 Future Funding

An application by the Group for a grant of \$90,000 from the Central Otago District Council for the year ending 31 May 2007 has been approved by the Cromwell Community Board on behalf of the Council.

7 Grants Unexpended

There are no unexpended grants at the year ended 31 May 2006.

8 Contingent Liabilities

There were no contingent liabilities at 31 May 2006.

CROMWELL & DISTRICTS PROMOTION GROUP INC.
STATEMENT OF FINANCIAL PERFORMANCE FOR YEAR ENDED 31 MAY 2006

Last Year		-----This Year-----	
	INCOME		
1,389	Miscellaneous Income	-	
300	Donations	505	
4,578	Subscriptions	742	
90,000	Grant From District Council	90,000	
4,149	Bannockburn Mountain Bike Race	8,027	
3,582	Lake Dunstan Cycle Challenge	4,363	
3,029	Lake Dunstan Triathlon	613	
1,891	Cromwell Half Marathon	2,577	
1,237	Carricktown Crusher MTB	1,898	
158	Bonza Guy Fawkes	(317)	
229	Pub to Pub	3,756	
924	Farmer's Market	573	
124	Interest	86	
111,590	TOTAL INCOME		112,823
	<u>LESS EXPENDITURE</u>		
	ADVERTISING		
5,562	Classified Advertising	3,750	
5,850	Destination South	-	
3,873	Cinema Advertising	2,149	
2,276	Website Advertising	2,533	
17,561			8,432
	PERSONAL SELLING		
39,667	Promotions Officer	40,000	
11,250	Canterbury A & P Show	21,577	
-	Go Otago	2,205	
1,827	Promotional Goods	3,228	
52,744			67,010
	PUBLICITY		
6,979	Local Activity Support		5,871
	SALES PROMOTION		
2,520	Town Centre Promotions	1,825	
3,508	Photographs	2,554	
3,547	Promotional Brochures/Handbook	15,037	
2,475	Tearaway Maps	455	
6,330	Banner & Signs	1,025	
4,984	Equipment	2,026	
23,364			22,922

The accompanying notes form part of these financial statements.

CROMWELL & DISTRICTS PROMOTION GROUP INC.
STATEMENT OF FINANCIAL PERFORMANCE FOR YEAR ENDED 31 MAY 2006

Last Year		-----This Year-----	
	INFRASTRUCTURE DEVELOPMENT		
420	Film Studio Feasibility	-	
-	Mall Security	4,859	
2,048	Model Stamper Battery	-	
1,981	Walkway Construction	-	
-	Walkway Repairs	2,998	
<hr/> 4,449		<hr/>	7,857
	OPERATING		
1,438	Insurance	1,934	
1,820	Stationery & Postage	2,878	
1,229	General Expenses	1,166	
7,132	Administration Costs	8,078	
805	AGM Expenses	538	
670	Subscriptions	623	
<hr/> 13,094		<hr/>	15,217
<hr/> 118,192	TOTAL EXPENDITURE		<hr/> 127,309
<hr/> (6,602)	EXCESS OF (EXPENDITURE) OVER INCOME		<hr/> (14,486)
<hr/> <hr/>			<hr/> <hr/>

The accompanying notes form part of these financial statements.



CROMWELL & DISTRICTS PROMOTION GROUP INC.
STATEMENT OF FINANCIAL POSITION AS AT 31 MAY 2006

Last Year		-----This Year-----	
	CURRENT ASSETS		
50,410	BNZ - Cheque Account	16,895	
2,016	Prepaid Expenses	2,460	
<u>52,426</u>		<u>19,355</u>	
<u>52,426</u>	TOTAL ASSETS		<u>19,355</u>
	CURRENT LIABILITIES		
23,184	Sundry Creditors	12,611	
836	GST Payable	1,613	
8,790	Grants Unexpended	-	
<u>32,810</u>		<u>14,224</u>	
	ACCUMULATED FUNDS		
26,218	Balance as at 1 June 2005		19,617
(6,602)	Less Excess Expenditure over Income		(14,486)
<u>19,616</u>			<u>5,131</u>
<u>52,426</u>	TOTAL LIABILITIES & ACCUMULATED FUNDS		<u>19,355</u>

The accompanying notes form part of these financial statements.

Auditor's Report

TO THE MEMBERS OF THE CROMWELL & DISTRICTS PROMOTIONS GROUP INC.

I have audited the financial statements which provide information about the past financial performance and financial position of the Cromwell & Districts Promotions Group Inc. ("the Group") as at 31 May 2006. This information is stated in accordance with the accounting policies.

The Committee's Responsibilities

The Committee are responsible for the preparation of the financial statements which give a true and fair view of the financial position of the Group as at 31 May 2006 and of the results of its operations for the year ended on that date.

Auditor's Responsibilities

It is my responsibility to express an independent opinion on the financial statements presented by the 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 financial statements. It also includes assessing:

- * the significant estimates and judgements made by the Committee in the preparation of the financial statements and
- * whether the accounting policies are appropriate to the Group's circumstances, consistently applied and adequately disclosed.

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

Qualified Opinion

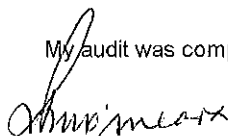
Control over income prior to its being recorded is limited and there are no practical audit procedures to determine the effect of this limited control.

In this respect alone I have not obtained all the information and explanations I have required.

In my opinion, except for the adjustments that might have been found to be necessary had I been able to obtain sufficient evidence concerning income received:

- * Proper accounting records have been kept by the Group as far as appears from my examination of those records; and
- * the financial statements:
 - comply with generally accepted accounting practice;
 - give a true and fair view of the financial position of the Group as at 31 May 2006 and of the results of its operations for the year ended on that date.

My audit was completed on 4 July 2006 and my qualified opinion is expressed as at that date.



R M O'Meara CA
Cromwell
July 4, 2006