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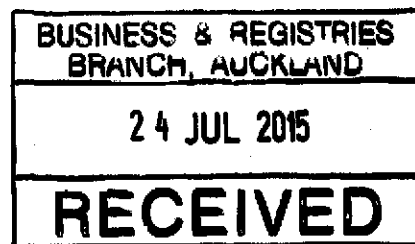


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Auckland Co-operative Taxi Society Limited

Annual Report

For the year ended 31 March 2015



www.cooptaxi.co.nz

10 Macaulay St – Auckland – PO Box 8626 – Symonds Street – P 300 3100 – F 303 0080



CODE OF CONDUCT FOR ALL MEETINGS OF MEMBERS

1. All persons attending the meeting are to be seated before the meeting opens and are to remain seated throughout the meeting.
2. Only one person is to speak at any one time.
3. If you wish to speak, you will need to be recognized by the Chairman of the meeting and you will be asked to come forward and speak into a microphone which will be placed at the front of the meeting room.
4. If you do speak in accordance with 3 above, you must make your point within 3 minutes, or you will be asked to step down, so that others who may wish to speak can have the opportunity to do so.
5. No abusive or obscene language or behaviour will be tolerated.
6. No personal verbal attacks on any other members or staff will be tolerated.

If a meeting fails to be conducted according to the above Code of Conduct, the meeting will be closed.

A handwritten signature in black ink, appearing to be "Ian Graham", written in a cursive style.

Ian Graham
Secretary
Auckland Co-operative Taxi Society Limited

Auckland Co-operative Taxi Society Limited
Annual Report
For the Year Ended 31 March 2015

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Auckland Co-operative Taxi Society Limited
Chairman's Report
For the Year Ended 31 March 2015

I am pleased to welcome all the Shareholders on behalf of Board of Governance. I would also like to take this opportunity as Chairperson, to present the Annual Report of Auckland Co-operative Taxi Society Limited, incorporating the Financial Statements and Audit Report for the year ended 31 March 2015.

I am very pleased to announce that the ACTS Group has made a highly significant financial shift over this last financial year.

	2015	2014
Net Profit / (Loss)	\$571,223.00 Profit	\$(1,263,223.00) Loss
MT Data Loan Payment	\$576,611.00	\$306,841.00

It was very challenging to achieve this financial performance. Our strategies of cost cutting the Society's expenses, negotiating the prices of existing ranks & other contracts along with improved performance in operations has contributed to the delivery of a strong platform in place for future growth. We have started making extra payments of **\$60,000** each month towards the MT Data Loan enabling us to repay this loan a lot earlier. Within **27** months, this will save approximately **\$400,000** in interest charges for the Society. I would like to thank the Board of Directors, Shareholders, management and staff, as this growth was not possible without your support & joint efforts.

Like many other businesses we are facing some headwinds. I want to confirm that Uber has not affected our business, as much as it has affected other taxi companies. We have not only retained our customer base and all the big contracts; but also there was an increase in total no. of jobs dispatched (**115,213** more jobs dispatched in 2015 comparative to 2014). Despite some of the drivers shifting to Uber, the outcome has resulted in higher job distribution among the Shareholders. We have also introduced a new policy wherein any driver found driving for Uber will not be issued an ACTS permit in future.

	2015	2014
Total No of Phone calls	4,272,187	4,156,974

Our focus will be on growing revenue where we can, controlling costs and looking for further efficiencies while improving services for consumers and the taxi operators. The Board of Directors believe that we are well placed for the future. Our advance Taxi Booking Apps technology platform coupled with Taxi charge product innovations such as the TPP, have strengthened our credibility for taxi driver payments, taxi voucher clearing and factoring payments. This is not only within the ACTS group but also among other Taxi companies. The Taxi Booking App has become more efficient with the addition of new features that provide additional payment options for the customers.

Total amount paid to Taxi operators from ACL has increased by **\$2million (\$2,008,357)** which is a positive sign that operators have generated more money comparative to last year.

2015	2014
\$40,030,354	\$38,021,998

Air New Zealand contract is currently under negotiations and there are high chances of success to get the contract for their admin staff & clients.

In June we have signed a new contract with Fletcher to provide Taxi service to their staff. Their annual budget is \$300,000 for the taxis. This contract came across from Alert & Corporate Cabs.

After successful negotiations with Auckland Airport, we have managed to remove one of the Taxi Rank Signs and are currently working on the removal of the other sign at the International area. According to current discussions with the Auckland Airport Authority, they have advised us that the forthcoming tender will allow for three taxi companies only, with a total of 300 taxis to service the airport between the International and Domestic terminals. We are considered one of the preferred service providers and have had several meetings in this regard to secure the tender for next term. As per recent discussions with Auckland Transport & Auckland City Council we are awaiting a decision soon regarding allowing taxis on Grafton Bridge.

We are currently negotiating with Sky City to bring our rank at the front again where it was originally. Our last few meetings were very successful with Sky city in this regard.

The Board has been continuously working on improving marketing strategies that are more effective. Several new marketing initiatives have been approved over the last year, while ensuring that costs are kept to a minimum. For example, advertisements on buses, radio FM 96.6 advertisement for 3 months along with other online & print branding efforts.

One of our main goals is to be an exclusive taxi provider of corporate businesses. Along with retaining our existing client base, we have successfully secured new major contracts. Vector Ltd. has moved over from Corporate Cabs, Madison Recruitment & North Shore CMA from Alert cabs are a few examples. The Board has increased the budget for marketing for the next financial year to improve the scope of marketing opportunities and to expand our business.

I would ask all operators - to maintain their level of excellent customer service. I give my assurance that the Board of Governance will keep striving toward increasing the sources of taxi service related revenues and, expanding growth options for ACTS in future years. I would like to wish good luck to Balraj for his future. It was a great opportunity to have you as a director of board we all really appreciate your contribution & hard work towards the progress of society. It has been an honour to serve the society as a chairman over the past months and work alongside the shareholders, board members, management & staff. I thank you all for your support in working together and I would like for this to continue.

Thanks & Regards

Jacob Patel
Chairman

Auckland Co-operative Taxi Society Limited
Statement of Comprehensive Income
For the Year Ended 31 March 2015

	Note	Group 2015 \$	2014 \$
Total operating revenue	1	14,698,195	13,911,882
Total operating expenses	2	(17,445,052)	(18,692,445)
Operating profit / (loss)		<u>(2,851,853)</u>	<u>(4,780,563)</u>
Finance Costs		248,013	340,198
Share of Profits of associates	1	3,940,871	3,439,820
Profit / (Loss) before taxation		<u>946,001</u>	<u>(1,680,941)</u>
Income tax expense / (credit)	3	(374,778)	(417,718)
Net (Loss) / Profit for the year		<u>571,223</u>	<u>(1,263,223)</u>
Other Comprehensive Income:			
Gain/(Loss) on revaluation of land and buildings		384,400	662,600
Total Comprehensive Income / (Loss) for the year attributable to shareholders		<u>955,623</u>	<u>(600,623)</u>

The accompanying notes form part of, and are to be read in conjunction with these financial statements

Auckland Co-Operative Taxi Society Limited
Statement of Changes in Equity
For the Year Ended 31 March 2015

Group	Notes	Share capital \$	Retained earnings \$	Revaluation reserve \$	Total equity \$
Balance 1 April 2013		608,337	3,506,120	824,384	4,938,841
Profit / (loss) for the year		-	(1,263,223)	-	(1,263,223)
Other comprehensive income		-	-	662,600	662,600
Total comprehensive income for the year		608,337	(1,263,223)	662,600	(600,623)
Balance 31 March 2014		608,337	2,242,897	1,486,984	4,338,218
Profit / (loss) for the year		-	571,223	-	571,223
Other comprehensive income		-	-	384,400	384,400
Total comprehensive income for the year		-	571,223	384,400	955,623
Balance 31 March 2015		608,337	2,814,120	1,871,384	5,293,841

The accompanying notes form part of, and are to be read in conjunction with these financial statements

Auckland Co-Operative Taxi Society Limited
Statement of Financial Position
As at 31 March 2015

	Notes	Group 2015 \$	2014 \$
CURRENT ASSETS			
Cash and Cash equivalents	4	1,484,400	177,314
Trade & other receivables	5	4,225,874	4,098,310
Tax receivable		95,862	160,340
Inventories		114,421	136,897
Total current assets		<u>5,920,557</u>	<u>4,572,861</u>
NON-CURRENT ASSETS			
Investments in Associates	6	357,917	648,690
Intangibles	6	110,000	110,000
Property, plant and equipment	7	4,952,183	5,794,605
Total non-current assets		<u>5,420,100</u>	<u>6,553,295</u>
CURRENT LIABILITIES			
Bank Overdraft	4	-	1,082,325
Trade & Other Payables	8	3,374,372	2,622,356
Provisions	9	392,508	357,086
Total current liabilities		<u>3,766,880</u>	<u>4,061,767</u>
NON-CURRENT LIABILITIES			
Lease liability		55,841	151,232
Bank Loan	8	1,907,305	2,574,939
Deferred tax liability	3	316,790	-
Total non-current liabilities		<u>2,279,936</u>	<u>2,726,171</u>
NET ASSETS		<u>5,293,841</u>	<u>4,338,218</u>
EQUITY			
Paid in share capital	10	608,337	608,337
Accumulated funds		2,814,120	2,242,897
Asset revaluation reserve		1,871,384	1,486,984
TOTAL EQUITY		<u>5,293,841</u>	<u>4,338,218</u>



 Jacob Patel (Chairman)

_____ 16 July 2015



 Ian Graham (Secretary / Director)

_____ 16 July 2015

The accompanying notes form part of, and are to be read in conjunction with these financial statements

Auckland Co-Operative Taxi Society Limited
Statement of Cash Flows
For the Year Ended 31 March 2015

	Note	2015 \$	Group 2014 \$
CASHFLOWS FROM OPERATING ACTIVITIES			
Cash was provided from:			
Receipts from customers & members		14,528,038	15,181,469
Tax Refund received		39,247	4,893
Cash was applied to:			
Payments to suppliers and members		(9,845,124)	(14,140,091)
Payments to employees		(4,985,872)	(4,229,191)
Taxes refunded /(Paid)		70,890	(68,535)
Interest paid		(79,916)	(74,549)
		<u>(14,840,022)</u>	<u>(18,532,366)</u>
Net cash inflow from operating activities		<u>(272,735)</u>	<u>(3,346,004)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash was provided from:			
Dividends received		3,670,598	3,389,932
Proceeds from sale of fixed assets		52,117	59,863
Cash was applied to:			
Fixed asset additions		(160,756)	(325,205)
Investments		-	-
Net cash flow from investing activities		<u>3,561,959</u>	<u>3,124,590</u>
CASHFLOWS FROM FINANCING ACTIVITIES			
Cash was applied to:			
Repayment of finance lease		(137,367)	(95,234)
Repayment of bank loan		(762,444)	(306,841)
Net cash flow from financing activities		<u>(899,811)</u>	<u>3,220,243</u>
NET INCREASE / (DECREASE) IN CASH HELD		2,389,411	(623,489)
OPENING BALANCE		<u>(905,011)</u>	<u>(281,522)</u>
CLOSING BALANCE		<u>1,484,400</u>	<u>(905,011)</u>
Represented by:			
Cash Balances	4	1,484,400	177,314
Bank Overdraft		-	(1,082,325)
		<u>1,484,400</u>	<u>(905,011)</u>

The accompanying notes form part of, and are to be read in conjunction with these financial statements

Auckland Co-Operative Taxi Society Limited
Notes to the Financial statements
For the Year Ended 31 March 2015

Reporting entity

The reporting entity is Auckland Co-operative Taxi Society Limited (the "Parent"). The Parent is a profit oriented entity incorporated and domiciled in New Zealand. The "Group" comprising the Parent and its subsidiaries is a reporting entity for the purposes of the Financial Reporting Act 2013 and is registered under the Industrial and Provident Societies Act 1908. Its financial statements have been prepared in compliance with both these Acts.

The Group's principal activity is that of providing taxi services in Auckland and Whangarei. The group also provides call centre services to taxi companies outside of its own jurisdiction and collection/factoring services to its drivers.

These financial statements were authorised for issue by the Board of Directors on 16 July 2015.

Statement of Compliance

The financial statements of the Group have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ("NZ GAAP") and the requirements of the Companies Act 1993 and the Financial Reporting Act 2013. They comply with New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS") and other applicable financial reporting standards, as appropriate for profit-oriented entities.

For the purposes of complying with NZ GAAP, the group is eligible to apply Tier 2 For-profit Accounting Standards (New Zealand equivalents to International Financial Reporting Standards – Reduced Disclosure Regime ('NZ IFRS RDR')) on the basis that it does not have public accountability and is not a large for-profit public sector entity. The group has elected to report in accordance with NZ IFRS RDR and has applied applicable disclosure concessions.

Measurement base

The financial statements have been prepared on the basis of historical cost with the exception of certain assets and liabilities at fair value. The accrual basis of accounting has been used throughout.

Presentation Currency

The financial statements are presented in New Zealand dollars (\$), which is the Group's functional currency. Numbers presented are rounded to the nearest dollar

Accounting policies

The accounting policies that materially affect the measurement of financial performance, financial position and cash flows are set out below. There are no new NZ IFRS pronouncements that have come into effect during the reporting period that directly impacts the Group. The Parent controls an entity if it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Basis of consolidation

The Group financial statements consolidate the Parent and all entities over which the Parent has the power to govern the financial and operating policies so as to obtain benefits from their activities (defined as "subsidiaries"). The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

All subsidiaries have a 31 March balance date and consistent accounting policies are applied. The purchase method is used to prepare the consolidated financial statements, which involves adding together like terms of assets, liabilities, income and expenses on a line-by-line basis. All transactions and balances between Group companies are eliminated on consolidation.

Auckland Co-Operative Taxi Society Limited
Notes to the Financial statements
For the Year Ended 31 March 2015

Basis of consolidation continued

If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interest;
- Derecognises the cumulative carrying amount of foreign currency translation; differences recorded in reserves;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss; and
- Reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss, or retained earnings as appropriate

Business Combinations

The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred. The Group recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of (a) fair value of consideration transferred, (b) the recognised amount of any non-controlling interest in the acquiree and (c) acquisition-date fair value of any existing equity interest in the acquiree, over the acquisition-date fair values of identifiable net assets.

Revenue

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Group and revenue can be reliably measured. Revenue is measured at the fair value of consideration received, excluding sales taxes, rebates, and trade discounts. The following specific recognition criteria must be met before revenue is recognised:

Sale of goods

Sale of goods comprises the sale of uniforms to members and is recognised when the Group has transferred to the member the significant risks and rewards of ownership of the goods supplied. Significant risks and rewards are generally considered to be transferred when the member has taken delivery of the goods.

Rendering of services

Service revenue comprises commissions earned from processing vouchers and taxi chits, providing call centre services and priority taxi services to contract customers. Revenue from services rendered is recognised in the accounting period in which the services are provided

Rental income

Rental income is accounted for on a straight-line basis over the lease term

Interest Income

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

Dividend Income

Distributions from associate entities are recorded in income when the distribution has been declared

Other revenue

Other revenues are derived from charges to members such as levies, surcharges and entrance fees. Revenue is recognised as the agreed fee is charged to the member and monies become payable to the group.

Auckland Co-Operative Taxi Society Limited
Notes to the Financial statements
For the Year Ended 31 March 2015

Property, plant and equipment

Property, plant and equipment are measured at cost, less accumulated depreciation and any impairment losses, except for land. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Additions

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value at the acquisition date. All repairs and maintenance expenditure is charged to profit or loss in the year in which the expense is incurred.

Disposals

Gains or losses on disposal are determined by comparing the proceeds with the carrying amount of the asset and the difference reported in profit or loss.

Depreciation

Depreciation is charged on a straight-line basis on all property, plant and equipment over the estimated useful life of the asset (except for land). Depreciation is charged to profit or loss and the residual value and useful life of property, plant and equipment is reassessed annually. The following depreciation rates have been applied to each class of property, plant and equipment:

Buildings	5%	Straight line
Motor Vehicles	30% - 36%	Diminishing value
IT & Other equipment	7.5% - 48%	Diminishing value
Furniture & Fittings	9% - 48%	Diminishing value

Revaluations

Following initial recognition at cost, land and buildings are carried at re-valued amounts, which is the fair value at the date of the revaluation less any accumulated impairment losses. Fair value is determined by reference to market based evidence, which is the amount for which the assets could be exchanged between a willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date.

Any revaluation surplus is recognised in other comprehensive income and credited to the asset revaluation reserve in equity, unless the increase relates to a revaluation decrease of the same asset previously recognised in the profit or loss. Any revaluation deficit is recognised in other comprehensive income and credited to the asset revaluation reserve in equity to the extent of the revaluation reserve balance accumulated from previous year gains. When no revaluation reserve balance is available to offset a revaluation loss the revaluation deficit is reported within profit or loss for the year

Revaluations are completed on an asset basis and movements are evaluated on an asset class basis. Upon disposal, any revaluation reserve relating to the particular asset being sold is reclassified to retained earnings.

Independent valuations are performed on at least a 3 yearly basis or with sufficient regularity to ensure that the carrying amount does not differ materially from the asset's fair value at the reporting date.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs have been assigned to inventory quantities on hand at balance date based on purchase price using the first in first out method. Net realisable value is the estimated selling price in the ordinary course of business.

Auckland Co-Operative Taxi Society Limited
Notes to the Financial statements
For the Year Ended 31 March 2015

Investment in associates

Associates are those entities over which the Group is able to exert significant influence but which are neither subsidiaries nor joint ventures. Investments in associates are initially recognised at cost and subsequently accounted for using the equity method.

The Group generally deems it has significant influence if it has over 20% of the voting rights.

The carrying amount of the investments in associates is increased or decreased to recognise the Group's share of the profit or loss and other comprehensive income of the associate. These changes include subsequent depreciation, amortisation or impairment of the fair value adjustments of assets and liabilities.

The Group's share of associate's profits or losses is recognised in profit or loss, and its share of movements in other comprehensive income is recognised in other comprehensive income. The cumulative movements are adjusted against the carrying amount of the investment.

The Group determines at each reporting date whether there is any objective evidence that the associate investment is impaired. If this is the case the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in the "share of profit in an associate" in the statement of comprehensive income.

Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin. Expenditure for warranties is recognised and charged against the associated provision when the related revenue is recognised.

Goodwill

Goodwill represents the excess of the purchase consideration over the Group's interest in the fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Goodwill and other intangible assets with indefinite useful lives are measured at cost less accumulated impairment losses; impairment testing is performed on an annual basis.

Auckland Co-Operative Taxi Society Limited
Notes to the Financial statements
For the Year Ended 31 March 2015

Income Tax

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill, or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with investments in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided those rates are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be able to be utilised against future taxable income. This is assessed based on the Group's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full.

Deferred tax assets and liabilities are offset only when the Group has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income (such as the revaluation of land) or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

Financial Instruments

Financial instruments are comprised of trade debtors and other receivables, cash and cash equivalents, other financial assets, trade creditors and other payables, borrowings and other financial liabilities. Financial assets and financial liabilities are measured initially at fair value plus transaction costs, except for those carried at fair value through profit or loss, which are measured at fair value.

Recognition and de-recognition of financial assets and liabilities

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Auckland Co-Operative Taxi Society Limited
Notes to the Financial statements
For the Year Ended 31 March 2015

Subsequent measurement of financial assets

The subsequent measurement of financial assets depends on their classification based on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition into one of four categories defined below, and re-evaluates this designation at each reporting date. All financial assets except for those classified as fair value through profit or loss are subject to review for impairment at least at each reporting date. Different criteria to determine impairment are applied to each category of financial assets, which are described below.

The category determines subsequent measurement and whether any resulting income and expense is recognised in profit or loss or in other comprehensive income

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 provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of a counterparty and other shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified group.

Financial assets at fair value through profit or loss

The group has no such financial instruments.

Held-to-maturity investments

The group has no such financial instruments.

Available-for-sale financial assets

The group has no such financial instruments.

Leased assets

Leases where the Group assume substantially all the risks and rewards incidental to ownership of the leased assets, are classified as finance leases. All other leases are classified as operating leases.

Upon initial recognition finance leased assets are measured at an amount equal to the lower of its fair value and the present value of minimum leased payments and a matching liability is recognised for minimum lease payment obligations excluding the effective interest expense. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to the asset.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease. Associated costs, such as maintenance and insurance, are expensed as incurred.

Auckland Co-Operative Taxi Society Limited
Notes to the Financial statements
For the Year Ended 31 March 2015

Statement of Cash Flows

The following are the definitions of the terms used in the Statement of Cash Flows:

Operating activities include all transactions and other events that are not investing or financing activities.

Investing activities are those activities relating to the acquisition, holding and disposal of property, plant and equipment and of investments. Investments can include securities not falling within the definition of cash.

Financing activities are those activities that result in changes in the size and composition of the capital structure. This includes both equity and debt not falling within the definition of cash. Dividends paid in relation to the capital structure are included in financing activities.

Cash is considered to be cash on hand and current accounts in banks, net of bank overdrafts.

Employee entitlements

Employee benefits that the Group expects to be settled within 12 months of balance date are measured at nominal value based on accrued entitlements at current rate of pays. These include salaries and wages accrued up to balance date, annual leave earned but not yet taken at balance date.

Provisions

A provision is recognised for a liability when the settlement amount or timing is uncertain; when there is a present legal or constructive obligation as a result of a past event; it is probable that expenditures will be required to settle the obligation; and a reliable estimate of the potential settlement can be made. Provisions are not recognised for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted to their present values, where the time value of money is material.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Changes in accounting policies

There have been no changes to the accounting policies during the year. All policies have been applied on bases consistent with previous years.

Auckland Co-Operative Taxi Society Limited
Notes to the Financial Statements
For the Year Ended 31 March 2015

1. Operating Revenue

	2015	Group	2014
	\$		\$
Levies	5,956,308		5,822,386
Double shift surcharge	535,668		461,052
Entrance fees	268,342		265,724
Exchange Gain	6,631		19,482
Bureau fees	927,473		895,393
Commission received	2,598,745		2,421,645
Contract fees	3,574,025		3,302,525
Other Income	831,003		723,675
	<u>14,698,195</u>		<u>13,911,882</u>

Share of profits in associates

	2015	Group	2014
	\$		\$
Taxi Charge New Zealand Limited	3,940,871		3,438,255
Blue Bubble Alliance Limited	-		1,565
	<u>3,940,871</u>		<u>3,439,820</u>

2. Operating Expenses

	2015	Group	2014
	\$		\$
Operating expenses include:			
Auditors' remuneration	93,598		77,780
Board of Governance fees	285,154		318,940
Commission charges	1,216,370		1,170,575
Depreciation of property, plant & equipment (Note 7)	1,372,473		2,438,584
Doubtful debts			
- written off net	-		2,995
- increase (decrease) in impairment allowance	42,593		(27,311)
Leasing costs	6,248		179,172
Rebates – member levies	7,788		58,645
Salaries	4,736,140		4,237,043
Surcharge rebate	-		108,929
Taxi rank servicing	3,041,794		3,030,543
Telephone costs	536,868		613,899
Terminal Rental	561,046		533,431
Contract costs	2,971,152		3,164,598
Rent	82,812		87,976
Gain/Loss on disposal of asset	11,282		(1,000)
Loss on revaluation	-		9,097

Auckland Co-Operative Taxi Society Limited
Notes to the Financial Statements cont'd
For the Year Ended 31 March 2015

3. Tax

The relationship between the expected tax expense based on the domestic effective tax rate of the Parent and Group at 28% (2012: 28%) and the reported tax expense in profit or loss is provided as follows:

Reconciliation of the effective tax rate

	2015	Group 2014
	\$	\$
Profit before tax	946,001	(1,680,941)
Company's domestic income tax rate	28%	28%
Expected tax expense	264,880	(470,663)
Adjustment for non-deductible expenses	49,615	39,574
Tax losses not recognised	-	40,149
Deferred tax previously not recognised	66,694	-
Prior period adjustment	(5,178)	(31,830)
Other	(1,233)	5,052
Actual income tax expense	374,778	(417,718)

Tax expense comprises:

Current tax expense	(6,412)	(24,231)
Deferred tax expense		
– Origination and reversal of temporary differences	(11,203)	(22,510)
– Tax losses	(369,987)	(370,977)
Tax expense	374,778	(417,718)

The group entities are members of a tax consolidated group that is recognised as a single tax entity for income tax purposes. At balance date, the consolidated group has \$628,862 (2014: \$382,518) of imputation credits available for use in subsequent reporting periods. Disclosure is in accordance with FRS 44.

Auckland Co-Operative Taxi Society Limited
Notes to the Financial Statements cont'd
For the Year Ended 31 March 2015

3. Tax continued

Deferred taxation

Reconciliation of temporary differences

Deferred tax arising from temporary differences can be summarised as follows:

Group 2015				
	Opening balance	Recognised in other comprehen- sive income	Recognised in P&L	Closing balance
Fixed assets	(481,606)	64,400	(39,346)	(456,552)
Trade debtors and other receivables	36,755	-	12,291	49,046
Employee provisions	60,466	-	12,187	72,653
Other financial assets	13,408	-	3,665	17,073
Tax losses	370,977	-	(369,987)	990
Deferred tax temporary asset/(liability)	-	64,400	(381,190)	(316,790)

Group 2014				
	Opening balance	Recognised in other comprehen- sive income	Recognised in P&L	Closing balance
Fixed assets	(427,299)	(92,400)	38,093	(481,606)
Trade debtors and other receivables	58,066	-	(21,311)	36,755
Employee provisions	57,665	-	2,801	60,466
Other financial assets	10,481	-	2,927	13,408
Tax losses	-	-	370,977	370,977
Deferred tax temporary asset/(liability)	(301,087)	(92,400)	393,487	-

Auckland Co-Operative Taxi Society Limited
Notes to the Financial Statements cont'd
For the Year Ended 31 March 2015

4. Cash and Bank Balances

	2015	2014
	\$	\$
Accounts in credit		
• Cash on hand	900	900
• Westpac accounts	-	7,003
• ASB accounts	1,512,863	169,411
	1,513,763	177,314
Accounts in overdraft		
• Cheque account	-	-
• Auckland Collections	(29,363)	(1,082,325)
	(29,363)	(1,082,325)
Net cash and bank balances	1,484,400	(905,011)

The cheque account and the Auckland Collections Limited account are secured by a registered first and exclusive debenture over the group's assets, undertakings and uncalled capital. The registered first and exclusive mortgage is over the properties situated 10 Macaulay Street, Newton, Auckland as legally described in Certificates of Title 66C/147 and 66C/148 and 5/203 Kirkbride Road, Mangere, Auckland described in Certificates of Title Unit E and Accessory Unit 5 Deposited Plan 355711.

The overdraft limit was \$1,710,000 as at 31 March 2015 (2014: \$1,700,000) with interest charged based on the current Corporate Indicator Rate plus a credit margin of 2.75%.

The bank accounts below are held in the Society's name on behalf of members and are not included within these financial statements:

	Group	
	2015	2014
	\$	\$
Social club cheque account	12,252	664
Benevolent fund cheque account	12,481	881

5. Trade & other Receivables

	Group	
	2015	2014
	\$	\$
Trade receivables	3,860,362	3,789,494
Members control accounts	317,272	332,813
Intercompany	-	-
Other receivables & Payments	223,404	107,274
Impairment allowance	(175,164)	(131,271)
	4,225,874	4,098,310

Auckland Co-Operative Taxi Society Limited
Notes to the Financial Statements cont'd
For the Year Ended 31 March 2015

6. Investments

Subsidiaries	Activity	% owned	Incorporation Date	Reporting date
Communication & Training Service Limited	Services	100%	20 May 1999	31 March
Auckland Shuttle and Tour Company Limited	Franchise	100%	22 Dec 1999	31 March
North Shore Taxis Limited	Services	100%	5 Oct 2000	31 March
Western Cabs Limited	Services	100%	19 Dec 2008	31 March
Auckland Collections Limited	Services	100%	14 Oct 2009	31 March
Auckland Black Cabs Limited	Services	100%	27 May 2009	31 March
Auckland Taxi Training Academy Limited	Services	100%	18 Jan 2010	31 March
Kwik Taxicabs Limited	Services	100%	2 Feb 1990	31 March
A1 Cabs 2013 Limited	Services	100%	19 Feb 2013	31 March

Associates	Activity	% Owned	Incorporation Date	Reporting Date
TaxiCharge New Zealand Limited	Services	26.83%	21 Oct 1997	31 March
Blue Bubble Alliance Limited	Services	45.00%	17 Oct 2008	31 March

Investments In Associates

	Group	
	2015	2014
	\$	\$
Taxi Charge New Zealand Limited	231,311	522,084
Blue Bubble Alliance Limited	<u>126,606</u>	<u>126,606</u>
	<u>357,917</u>	<u>648,690</u>

Auckland Co-Operative Taxi Society Limited
Notes to the Financial Statements cont'd
For the Year Ended 31 March 2015

6. Investments (continued)

The results for associate entities have been equity accounted as the Board believe the Society has significant influence.

Taxi Charge New Zealand Limited	Group	
	2015	2014
	\$	\$
Carrying amount at beginning of year	522,084	472,196
Equity accounted earnings	3,379,825	3,439,282
Less distributions received	(3,670,698)	(3,389,393)
Total Investments	<u>231,311</u>	<u>522,084</u>

Blue Bubble Alliance Limited	Group	
	2015	2014
	\$	\$
Carrying amount at beginning of year	126,606	126,606
Equity accounted earnings	-	-
Less distributions received	-	-
	<u>126,606</u>	<u>126,606</u>

Goodwill

Goodwill is recognised by the Group upon acquisition of subsidiary entities. A reconciliation of the gross carrying amount and accumulated impairment losses is provided below:

	2015	2014
	\$	\$
Opening balance	110,000	110,000
Impairment	-	-
Total	<u>110,000</u>	<u>110,000</u>

Goodwill has an indefinite life. There are no restrictions over title of the Group's intangible assets, or any intangible assets pledges as security.

Auckland Co-Operative Taxi Society Limited
Notes to the Financial Statements cont'd
For the Year Ended 31 March 2015

7. Property, plant and equipment

GROUP 2015	Land & Buildings \$	Motor Vehicles \$	IT & Other equipment \$	Furniture & Fittings \$	Total \$
Gross carrying amount					
Balance 1 April 2014	2,820,000	331,048	10,282,449	67,223	13,500,720
Additions	-	64,385	142,374	44,017	250,756
Revaluation movements	320,000	-	-	-	320,000
Disposals	-	104,645	-	-	104,645
Balance 31 March 2015	3,140,000	290,768	10,424,823	111,240	13,966,831
Accumulated depreciation and impairment					
Balance 1 April 2014	-	167,333	7,481,177	57,605	7,706,115
Current year depreciation	-	58,233	1,297,097	17,013	1,372,343
Revaluation movements	-	-	-	-	-
Depreciation written back on disposal	-	63,810	-	-	63,810
Balance 31 March 2015	-	161,756	8,778,274	74,618	9,014,648
Carrying amount 31 March 2014	2,820,000	163,715	2,801,272	9,618	5,794,605
Carrying amount 31 March 2015	3,140,000	129,012	1,646,549	36,622	4,952,183
GROUP 2014					
Gross carrying amount					
Balance 1 April 2013	2,074,097	318,317	10,747,418	83,590	13,223,426
Additions	-	84,599	237,026	3,580	325,205
Revaluation movements	745,903	-	-	-	745,903
Disposals	-	71,868	701,995	19,947	793,810
Balance 31 March 2014	2,820,000	331,048	10,282,449	67,223	13,500,720
Accumulated depreciation and impairment					
Balance 1 April 2013	-	113,979	5,813,146	75,367	6,002,482
Current year depreciation	-	86,505	2,349,884	2,195	2,438,584
Revaluation movements	-	-	-	-	-
Depreciation written back on disposal	-	33,151	681,853	19,947	734,951
Balance 31 March 2014	-	167,333	7,481,177	57,605	7,706,115
Carrying amount 31 March 2013	2,074,097	204,338	4,934,272	8,233	7,220,944
Carrying amount 31 March 2014	2,820,000	163,715	2,801,272	9,618	5,794,605

Revaluations

The Group engaged Seagars & Partners (Registered Valuers and Property Consultants) to determine the fair value of land and buildings. The effective date of the revaluation was 31 March 2015. The valuation was completed on a vacant possession basis.

Bank security

The Group's MT DATA despatch system has been pledged as security for the bank loan as disclosed in Note 8.

Auckland Co-Operative Taxi Society Limited
Notes to the Financial Statements cont'd
For the Year Ended 31 March 2015

8. Trade Creditors and Other Payables

	Group	
	2015	2014
	\$	\$
Sundry creditors and accruals	2,756,109	2,074,648
Lease Liability	100,854	121,321
Bank Loan	517,409	426,386
	<u>3,374,372</u>	<u>2,622,356</u>
Bank loan		
Current	517,409	426,386
Non-current	1,907,305	2,574,939
	<u>2,424,714</u>	<u>3,001,325</u>

9. Provisions

	Group	
	2015	2014
	\$	\$
Opening Balance	357,086	349,234
Movements In Provision	<u>35,422</u>	<u>7,852</u>
Closing Balance	<u>392,508</u>	<u>357,086</u>

The above provision relates to PAYE and unpaid holiday pay accrued by individuals in accordance with their employment agreement. This meets the criteria of a provision due to the group having no limit on leave being accrued, neither in terms of the number of days or time it must be taken by.

10. Share Capital

	Group	
	2015	2014
	\$	\$
Balance at beginning of year	<u>608,337</u>	<u>608,337</u>
Balance at end of year	<u>608,337</u>	<u>608,337</u>

As at 31 March 2015 there were 697 shares issued and fully paid (2014: 697). All shares carry equal rights.

Auckland Co-Operative Taxi Society Limited
Notes to the Financial Statements cont'd
For the Year Ended 31 March 2015

11. Related Party Transactions

Transactions with Members

The Society and its subsidiaries provide administration services and collect various levies from its members.

Transactions with associates

The group receives regular distributions from its associate entities. Refer note 6 for amounts accrued and paid during the year.

In addition to this the associate entities charged the following:

	Group	
	2015	2014
	\$	\$
From TaxiCharge		
Terminal rental	561,046	533,431
From Blue Bubble		
Marketing fees	113,703	113,703

Transactions with key management personnel

The Group has a related party relationship with its key management personnel. Key management personnel include the Board as well as senior management.

Key management personnel compensation includes the following expenses

	Group	
	2015	2014
	\$	\$
Total	578,206	638,435

Auckland Co-Operative Taxi Society Limited
Notes to the Financial Statements cont'd
For the Year Ended 31 March 2015

12. Contingent Liabilities / Assets

	Group	
	2015	2014
	\$	\$
Guarantee in respect of Performance Bond for: Westfield Centres	50,600	50,600

The above contingent liability is security for the performance by the Group of its obligations under their respective contracts. There are no current claims. In the event of the claim, the Group is covered by the insurance – under "Public Liability Insurance".

13. Capital Commitments

There were no capital commitments at balance date (2014: Nil) for the Group.

14. Lease Commitments

	Group	
	2015	2014
	\$	\$
Operating Lease Commitments		
Analysis of non-cancellable operating lease commitments:		
Payable no later than one year	12,153	99,394
Payable later than one, not later than five years	-	12,153
Later than five years	-	-
	<u>12,153</u>	<u>111,547</u>

These operating leases relate to lease premises for the Auckland Collections Ltd operations and communication equipment.

	Group	
	2015	2014
	\$	\$
Finance lease commitments		
Current	100,654	121,319
Non-current	55,841	151,232
	<u>156,695</u>	<u>272,551</u>

The Group has several items on finance lease including IT equipment used in the call centre and office equipment. The net book value of assets held under finance leases is as follows:

	Group	
	2015	2014
	\$	\$
IT equipment	37,406	71,936
Office equipment	14,975	33,057
	<u>52,381</u>	<u>104,993</u>

Auckland Co-Operative Taxi Society Limited
Notes to the Financial Statements cont'd
For the Year Ended 31 March 2015

14. Lease Commitments (continued)

2015 - Group	Future minimum lease payments	Interest	Present value of minimum lease payments
	\$	\$	\$
Less than one year	123,986	18,913	105,073
Between one and five years	55,841	4,219	51,622
More than five years	-	-	-
Total	179,827	23,132	156,695

2014 - Group	Future minimum lease payments	Interest	Present value of minimum lease payments
	\$	\$	\$
Less than one year	145,234	23,916	121,319
Between one and five years	163,023	11,791	151,232
More than five years	-	-	-
Total	308,258	35,707	272,551

The finance rate charged on finance leases ranges from 10.25% - 16.40% per annum (2014:10.25% - 16.40%).

All lease agreements include fixed lease payments but have no purchase options at the end of the term. The agreements are non-cancellable but do not contain any further restrictions.

No contingent rents were recognised as an expense in the year (2014:\$Nil), and no future sublease income is expected to be received as all assets are used exclusively by the Group.

Auckland Co-Operative Taxi Society Limited
Notes to the Financial Statements cont'd
For the Year Ended 31 March 2015

15. Post balance-date events

There were no subsequent events.

16. Going Concern

The financial statements have been prepared on a going concern basis, which assumes that the Group will continue in operational existence for the foreseeable future. The directors believe the going concern assumption is a valid basis on which to prepare the financial statements.

The group has made significant profits due to the following main factors:

- Decrease in admin & operational expenses
- Actual cost cutting in each area (e.g. levy rebate, donations etc.)
- Increase in partnership Income from Taxi Charge
- Increased no. of transactions at ACL

The Board are continually focusing on improvement of financial position of the group and are currently:

- Reviewing potential options for terminal upgrade
- Reviewing New exclusive ranks (negotiations in progress)
- LAN and software upgrades to obtain faster technical support systems
- Increased budget for marketing
- Paying extra \$60 K per month towards MT Data Loan which will pay off the entire loan in 27 or less months with an estimated saving of \$400K of interest

Independent Auditor's Report

Audit

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To the Shareholders of Auckland Co-operative Taxi Society Limited

Report on the financial statements

We have audited the accompanying consolidated financial statements of Auckland Co-operative Taxi Society Limited (the "Parent") on pages 5 to 27 which comprise the consolidated statement of financial position as at 31 March 2015, and the consolidated statement of comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information for the Group. The Group comprises the Parent and the entities it controlled at 31 March 2015 or from time to time during the financial year.

Directors' responsibility for the consolidated financial statements

The Directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with New Zealand Equivalents to International Financial Reporting Standards Reduced Disclosure Regime, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the overall presentation of the consolidated financial statements.

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.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Auckland Co-operative Taxi Society Limited and its subsidiaries as at 31 March 2015 and their financial performance and cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards Reduced Disclosure Regime.



Grant Thornton New Zealand Audit Partnership
Auckland, New Zealand
16 July 2015

Grant Thornton New Zealand Audit Partnership
P O Box 1961
Auckland

Attention: Alec Flood

Date: 16 July 2015

Dear Sir

MANAGEMENT REPRESENTATION

This representation letter is provided in connection with your audit of the financial statements of Auckland Co-operative Taxi Society Limited as at 31 March 2015 for the purpose of expressing an opinion as to whether, in accordance with the External Reporting Board's ("XRB") reporting requirements, the financial statements presents fairly, in all material respects, the financial performance and cash flows for the year then ended and the financial position as at that date.

We confirm to the best of our knowledge and belief, and having made appropriate enquiries of other Board members and officials of the Society, the following representations:

1. We acknowledge our responsibility for the preparation and fair presentation of the financial statements in accordance with the applicable financial reporting framework and confirm we have fulfilled this responsibility.
2. The general accounting principles and particular accounting policies are appropriate, accurately described and have been consistently applied, with the exception of any changes which may be disclosed within the financial statements.
3. Significant assumptions used by us in making accounting estimates, including those measured at fair value are reasonable.
4. All statutory obligations have been fulfilled and all transactions are within the corporate powers and rules set out in the Society's constitution. Proper accounting records have been maintained.
5. The Board members accept responsibility for designing, implementing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting as well as to prevent and detect fraud. The Board members have maintained effective internal control systems during the reporting period.
6. The Board members have assessed the risk that the financial statements may be materially misstated as a result of fraud and the outcome was low.
7. We are not aware of any frauds, suspected fraud or irregularities involving Board members, management or employees that have significant roles in internal control, or others that could have a material effect on the financial statements.
8. We are not aware of any allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, analysts, regulators or others.
9. We have made all explanations and information available to you, including minutes of all management and shareholder meetings, access to accounting records and other documents and notified you further of information including post audit date events which had or might have had a bearing on your audit responsibilities. We note where minutes of meetings were not signed they represent accurately the items discussed.



300 3000

**Auckland Co Operative Taxi
Society Limited**
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We have also provided you with unrestricted access to persons within the Society from whom you determined it was necessary to obtain audit evidence.

10. We confirm all transactions have been correctly recorded and presented fairly in the financial statements.
11. We confirm the completeness of the information provided regarding the identification of related parties, and further confirm the completeness of information regarding any transactions with related parties.
12. The financial statements are free of material errors and omissions.
13. The Society has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance. There have been no communications concerning non-compliance with requirements of regulatory authorities with respect to financial matters.
14. All known instances of non-compliance with laws and regulations whose effects should be considered when preparing the financial statements have been disclosed to you.
15. We have no plans or intentions that may materially affect the value or classification of assets and liabilities reflected in the financial statements.
16. We have made adequate provision for all known and anticipated losses at the date of this letter.
17. We have identified all excess or obsolete stock, and no stock is stated at an amount in excess of net realisable value.
18. We have identified and provided for all possible bad and doubtful debts; all other accounts receivable are collectible in the ordinary course of business.
19. The following have been properly recorded and where appropriate, adequately disclosed in the financial statements:
 - Balances and transactions with related parties;
 - Losses arising from sale and purchase commitments;
 - Agreements to buy back assets previously sold;
 - Assets pledged as collateral;
 - Financial instruments.
20. The Society has satisfactory title to all assets and there are no liens or encumbrances on the Society's assets.
21. We have recorded or disclosed all liabilities, both actual and contingent, and any guarantees given to third parties. We have also disclosed all material contingent assets in the financial statements.
22. We have provided you with the names of all the solicitors who we have dealt with and to whom we have referred matters during the period covered by your audit.
23. The Society is adequately indemnified by insurers against all risks which are of an insurable nature, and which, having regard for the type of business, the premium payable, and the risk involved, should be reasonably insured.
24. No events, other than those disclosed in the financial statements, have occurred subsequent to the reporting date or are pending that would require adjustment to, or disclosure in, the

financial statements or amendments to significant assumptions used in the preparation of the accounting estimates.

25. Except as disclosed in the Society's financial statements there have been no changes in the accounting policies or application of those that would have a material effect on the Society's financial statements in either the current or a subsequent reporting periods.
26. There are no claims in connection with litigation which have been or are expected to be received other than those already brought to your attention.
27. As Board members we acknowledge responsibility to ensure that the transition from New Zealand Financial Reporting Standards and Statements of Standard Accounting Practice to New Zealand equivalents to International Financial Reporting Standards has been calculated correctly and we further confirm that we have made all necessary disclosures in accordance with New Zealand equivalents to International Financial Reporting Standards.
28. We confirm that accounting records are being retained for seven years in accordance with the provisions of the Income Tax Act 2007, Tax Administration Act 1994 and the Goods and Services Tax Act 1985 and the regulations that accompany them.
29. There are no formal or informal compensating balance arrangements with any of our cash and investment accounts. Except as disclosed in the notes to the financial statements, there are no other line of credit arrangements, and no transactions and balances have been offset, except where a right of set-off is permitted by within the accounting standards.
30. There are no known material commitments at the reporting date other than those disclosed in the financial statements.
31. The carrying amount of all non-current assets measured at historical cost has been reviewed to determine whether it is in excess of the assets' recoverable amount. Where an asset's estimated recoverable amount is lower than its carrying amount, it has been written down to that lower value.
32. Our considered view is that, after making enquiries, there are adequate resources to continue operations for the foreseeable future. The Board members have considered forecast information relating to operational profitability and cash flow requirements and are satisfied there will be sufficient cash flows generated from operating activities and financing sources to meet the investing and financing cash flow requirements of the Society. For these reasons we continue to adopt the going concern assumption in preparing the financial statements.
33. We confirm that prior to approving the financial statements we reviewed, agreed and adjusted for the items detailed in Appendix A, in addition to reviewing and agreeing that the effects of the uncorrected misstatements, detailed on Appendix B, have no significant impact, both individually and in aggregation, to the financial statements as a whole.
34. We reviewed as of the date of this letter, and approved, the financial statements of the Society for issue.

Specific Representations:

35. We confirm the following entities, listed as subsidiaries of the Society are dormant entities that do not, and have not traded, and have no balances which should be included in the

financial statements. Because of their states, we confirm it is appropriate to exclude them from the consolidated financial statements of the Society:

- North Shore Eco Taxis Limited
- Combined Eco Taxis Limited
- Western Eco Taxis Limited
- Taxi Card Limited
- Taxi 300-3000 Limited
- Western Cabs Auckland Limited
- Taxi North Shore Limited
- East 888 Taxis Limited
- Auckland Taxis Limited
- AA Taxis Limited

36. We confirm that there are no share sales which are required to be accrued for at year end for the Society.
37. We confirm that the impact on GST of the prior year, and current year, audit adjustments will be reflected in the upcoming GST return.
38. We confirm the following levy charges were in place during the audit period:
- a. Airport Levy: \$42
 - b. Rank Levy: \$43
 - c. Operational Levy: \$149
 - d. North Shore Taxis: \$205
 - e. Dedicated Decal: \$20
 - f. Free flow Decal: \$313
39. We confirm the social club and benevolent funds are not under the control of the group and are held in trust for all shareholders, therefore it is appropriate that these accounts are not recognised in the group financials, as in the prior period.

We further confirm that the group used some funds from these accounts in the period, purely for operational cash flow purposes, and that all monies have now been returned to the appropriate fund account. These accounts have not been used fraudulently.

Signed for and on behalf of the Group by:



Ian Graham (Secretary / Director)



Jacob Patel (Chairman)