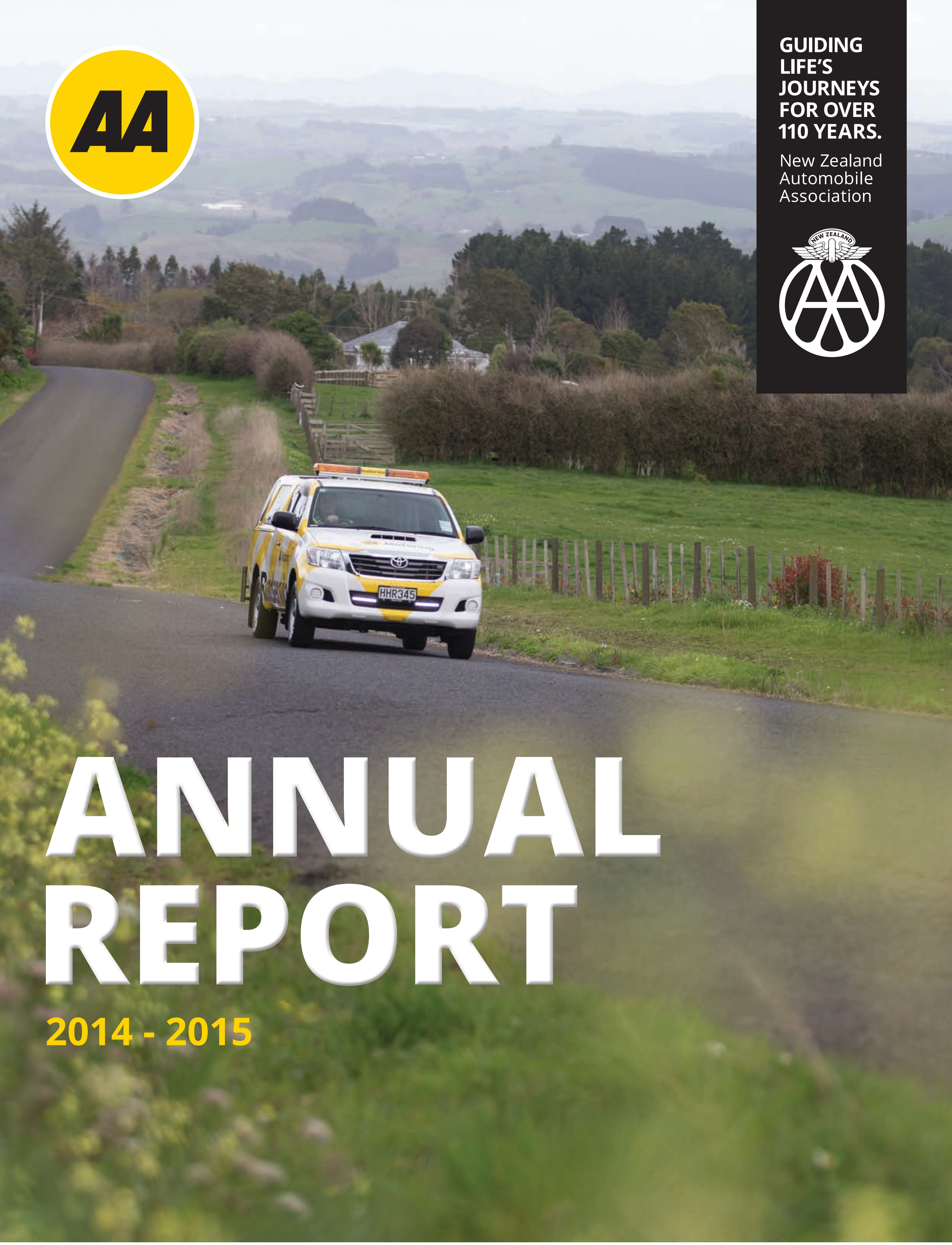


GUIDING LIFE'S JOURNEYS FOR OVER 110 YEARS.

New Zealand Automobile Association

NEW ZEALAND

ANNUAL REPORT

2014 - 2015

NEW ZEALAND AUTOMOBILE ASSOCIATION INCORPORATED

CONTENTS

The year in review	4
Membership	6
AA Smartfuel	6
AA Roadservice	7
Driver Education	7
AA Motoring	7
Driver Licensing	7
AA Traveller	8
AA Finance	8
AA Insurance	9
AA Life	9
Advocacy	10
Financial Results	10
Financial Report	11

The year in review

The AA has had a particularly successful year with achievements on multiple fronts, including unprecedented Membership growth. In fact, it would be fair to describe 2014/15 as a standout year.

The many successes we highlight in this report demonstrate that the Association has a real relevance when it comes to assisting and servicing the motoring needs of New Zealanders. The numbers also show that the support we provide continues to be genuinely valued.

Central to our positive results is significantly increased Membership numbers. The last financial year saw a record 121,000 joins with Membership totalling 1.48 million at the end of June and that growth continues, evidenced by Membership now surpassing 1.5 million.

While that growth has been across all age groups, what is particularly pleasing is the expanding base of young, first-time drivers. The launch of AA Ignition, which provides three free professional driving lessons to Members and the children of Members who are learner drivers, was clearly a factor driving the growth of that younger demographic.

Encouraging new drivers to gain the skills and knowledge to tackle an increasingly complex motoring environment is one of the many ways the Association contributes to improving road safety in New Zealand and was the catalyst for launching AA Ignition.

While AA Ignition's popularity surpassed expectations, it also demonstrated that the Association can still find new ways of broadening the range of services and benefits available to Members, in this case with an emphasis on younger drivers. Our aim is to ensure that, collectively, those services and benefits present a compelling reason for every motorist to belong.

Expanding services has been a hallmark of the Association in recent years - with the launch of AA Ignition last year, the introduction of free eye examinations with Specsavers the year before and, prior to that, the launch of AA Smartfuel as examples. Each of those initiatives found favour with Members, as the numbers highlight:

- AA Ignition provided nearly 20,000 free lessons this year alone.
- More than 350,000 free eye exams were taken at Specsavers, equating to $21m in savings over the two years since launch.
- $242m in fuel savings have been availed through AA Smartfuel since launch.

What is also worth noting is that these services were provided without the need to increase Membership subscriptions. Being able to maintain Membership fees, which we have been able to do for a number of years now, is something we are particularly proud of and will continue to be our objective.

Pleasingly, our ability to hold Membership fees and at the same time increase the number of benefits available takes nothing away from the traditional services provided by the Association, such as roadside assistance and free maps and guides. AA Roadservice continues to provide assistance to around 500,000 Members every year and we continue to seek new ways to make that service even more valuable, relevant and easy to access. Our motivation is driven by the desire to enhance Members' experience and satisfaction wherever we can but today is very much enabled by the financial contribution of our commercial activities.

Strong financial returns from those commercial activities enable the expansion and improvement of all services, but also allow us to develop greater depth and diversity within the Association in terms of new ways the AA can help its Members with.

From left, AA Chief Executive Brian Gibbons and AA President Trevor Follows.

Membership

AA Membership enjoyed unprecedented growth over the 2014/15 year with total Membership increasing by a net 54,025 to 1,480,920.

A record 121,007 new personal Members joined the Association, taking the total personal Membership roll to 952,959. Vehicle-based Membership enjoyed record growth of 5.1% increasing to 527,961.

There is no doubt the Association's strategy to add new Member benefits beyond the traditional services like AA Roadservice is driving that growth year on year. In addition to the new benefits already reported, these include free vehicle safety checks, discounted movie tickets at EVENT Cinemas, special rates on Thrifty Car Rentals, discounted accommodation and savings with AA Insurance and AA Life. In effect, each is contributing value however collectively they provide savings that today far outweigh the cost of belonging.

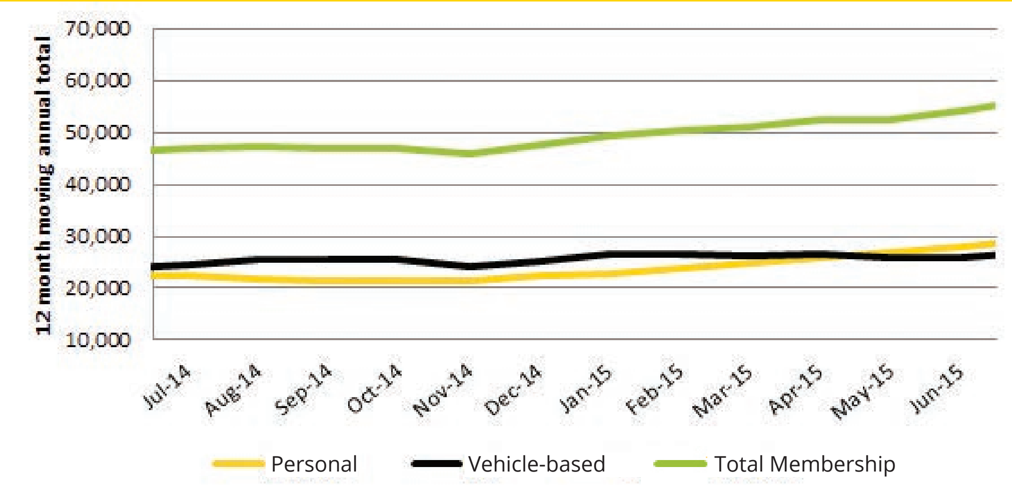
The importance of that value equation is such that we now highlight those savings on Members' individual subscription renewal notices. When combined with the Association's 'My AA' Membership pricing model, which rewards the loyalty of Members with increasing tenure discounts, it has resulted in a Membership retention rate of over 90%.

Maintaining that philosophy of expanding benefits each year, the next 12 months will see further initiatives launched, each of which will enhance further the value of Membership and build on our aspiration of truly making AA Membership indispensable for New Zealand motorists.

TOTAL
MEMBERSHIP
1,480,920

June 2015 saved
$51.75
on average, excluding Roadservice, Maps and Guides. This is **$1.53 less** than the average cost of renewal.

AA MEMBERSHIP ANNUAL GROWTH



AA Smartfuel

AA Smartfuel celebrated another successful year of growth and further engagement of AA Members.

The focus for the year was on educating Members on the benefits of the programme and how accumulating fuel discounts leads to higher savings.

A major marketing campaign around character Edward was highly successful. Key highlights included growing the number of accumulators by 20,000, launching and promoting a mobile phone app with more than 50,000 downloads and increasing new cardholder growth to more than 17,000 per month.

In addition, AA Smartfuel developed and launched a new website designed to simplify the accumulation message. As a result of this the number of visitors to the site doubled and the time spent browsing increased.

During the financial year AA Smartfuel provided $71m in fuel discounts to 1.2 million cardholders who swiped at more than 1,900 participating outlets.

Since the launch of AA Smartfuel, nearly $250m in fuel discounts have been issued. The next 12 months will be one of further growth with AA Smartfuel leveraging its strong position to drive more savings for AA Members.

AA Roadservice

The AA is the premier provider of roadside assistance for New Zealand motorists and this is the number one drawcard for Membership. With that importance it remains our objective to constantly look at ways of enhancing the service, and this year was no exception.

Key service enhancements this year have centred around optimising the delivery mix of contracted roadside assistance providers, the AA's own Service Officers and operators of the AA Battery vans. The positive outcome of that approach has seen the AA response times enhanced in terms of meeting peak demand, and the success of that initiative has received positive Member feedback.

The other initiative this year has been driving innovation and efficiencies into roadservice through the use of new technologies, the use of web services to automate job dispatch to contractors, the replacement of ageing in-vehicle equipment and moving the technical information and support on-line.

Across all delivery channels this year - Service Officers, AA Battery Service Officers and contractors, collectively the Association attended 472,000 roadservice jobs of which:

- 40% were for flat batteries
- 14% for mechanical and electrical faults
- 16% for towing services
- 10% for lockouts
- 8% for tyre changes
- 5% for fuel

Critical to customer service satisfaction AA Roadservice attended 88% of those calls within 60 minutes, and was able to mobilise 92% of those breakdowns on the spot.

Driver Education

Following its launch in October 2014, the full AA Ignition programme offering three free driving lessons to new learner drivers finished the financial year with 12,000 sign-ups.

The AA Driving School extended the availability of the programme throughout New Zealand and has assisted thousands of new drivers to have professional driver training for the first time. The restricted test pass rate for students who have participated in AA Ignition is higher than the national average by about 10%.

Another focus for the year for AA Driving School was the development of new products including one to help pre-learners prepare for the theory test for the learner licence and for students to prepare for their restricted and full practical driving tests.

AA Driver Training for Fleets and Businesses has also increased its reach and relevance, with many companies now wanting to make sure their drivers are safe when driving on company business and enrolling their staff for AA driving assessments and courses.

AA Motoring Services

A key development during the year was the change in Warrant of Fitness (WoF) inspection intervals and the Association responding to those fewer WoF numbers.

With an expected decline in WoF volumes, some of the AA's Motoring Service sites have been converted to full AA Auto Centres where Members can avail the full suite of vehicle servicing needs including vehicle inspections, WoFs and minor repair work.

On the vehicle import front, high volumes of used car arrivals into New Zealand during the year continued to drive strong demand for the Association's compliance activity, necessitating the Association adding new delivery sites.

All in all, it was a busy year across motoring services, not forgetting the AA's free consumer vehicle information service.

Driver Licensing

Driver licence transactions increased by 7% over the previous year, with the AA Centres processing just under 1.2 million transactions.

In particular learner licence transactions grew by 8%, with 133,000 first time drivers obtaining their licence. However by far the largest growth in transaction numbers was in respect of overseas driver licence conversions, which was up 20% on the previous year.

The growth in transaction numbers through the AA Centre Network is especially pleasing given the AA's desire to interact with as many motorists as possible when it comes to their driver licensing needs.

AA Traveller

Efforts to further diversify and strengthen our role in travel and tourism made good progress in the last year.

Our core Tourism publishing business, which publishes more than 3 million maps, travel guides, and related tourism publications each year, continues to be transformed to recognise changes in Member/customer practices, and the economics of print businesses. A range of very successful new publications (the New Zealand Cycle Trail Guide, a Chinese language NZ visitor guide and the What's On series of visitor booklets which were acquired during the year), has diversified the core stable of maps and visitor guides which are so well known to, and popular with, AA Members.

The AA Traveller website, which handles tens of thousands of accommodation bookings each year, and also provides a wide range of other valuable online information to assist NZ travel planning and arrangements, is being further enhanced and developed to make it a more valuable reference source in today's mobile-enabled world.

The AA has become a more active participant in wider tourism industry affairs, with a focus on providing tourism businesses with cost effective and locally owned promotion and distribution channels for their products and services. It provides AA Members with great ideas, inspiration, and deals to help them get out and enjoy their own country, and helps all motorists (both local and visiting drivers) to safely enjoy exploring New Zealand by road.

The year ahead will see us continue to expand our profile, presence and commercial involvement, in the travel and tourism industry.

AA Finance

AA Car Loans had a remarkable year, noting that car loans were up by 52% on the previous 12 months.

Most of those loans originated from applications via the AA's website, and a lift in car finance demand undoubtedly reflects the ongoing higher profile of the AA particularly in this vehicle financing space.

A new Christchurch-based Car Loan Call Centre was opened this year. That operation, extended to a seven-day-a-week service facility, definitely added to the growth in both applications and draw-downs. The AA is committed to make contact with every borrower within 10 minutes of the finance application being received during the business day.

This enhanced service is expected to contribute to even higher finance lending levels in the year ahead. Specifically, the objective is for a further 48% growth during the current financial year.

The average AA Car Loan is $14,000, with a term of 39 months.

AA Insurance

A key development within AA Insurance this year has been the adoption of new claims and services systems in partnership with our joint venture shareholder, Suncorp. Part of this development has enabled AA Insurance to refine existing products and facilitate added benefits. In addition it has enabled the company to launch new Classic Vehicle and Landlord policies, both of which are proving popular.

The company enjoyed consistent customer policy growth during the year. That strong growth is attributable to AA Insurance's increasing reputation for providing value-for-money car, home, and contents insurance, backed by award-winning service, and increasing online capability.

There has also been significant progress in settling Canterbury earthquake claims; 97% of customer claims have now been resolved. The focus continues to be on reinstating homes or ensuring customers receive a cash settlement to purchase or build a new home, or undertake the repairs themselves.

As part of its customer-focused approach, AA Insurance initiated 'Live Chat' which allows customers to interact on line in real-time. In the last year more than 15,000 customers had used the service.

Another cornerstone of AA Insurance's success story is its reputation. The company has won the Direct Insurer of the Year Award for three years running now and was recognised in the inaugural Corporate Reputation Survey, rating fifth out of 50 companies.

For the past four years, AA Insurance has won Canstar Blue's Most Satisfied Customer Awards for Car Insurance, while winning the Home and Contents section for the past three years – achieving 5 out of 5 stars in every category for home and contents.

AA Insurance also won the inaugural Reader's Digest Most Trusted General Insurer for the past four years, as well as the inaugural Reader's Digest Quality Service Awards for Home and Contents and car insurance.

AA Life

AA Life has had a particularly successful year. It achieved strong growth in policy sales and customer numbers and was named New Zealand's Most Trusted Life Insurance Brand at the Reader's Digest Most Trusted Brands Awards for the third consecutive year.

Consumer awareness was enhanced during the year by an innovative marketing campaign featuring distinctive yellow sheep characters named "Ramsey" and "Lambert". That campaign stimulated interest in AA Life and our product range of life protection, attracting enquiries through all sales channels: AA Centres, over-the-phone, and online.

Advocacy

Another significant benefit of the Association is its continuing role advocating for road safety and motoring improvements on behalf of Members and the motoring public. The AA has been focussed on five areas in its advocacy work over the last 12 months and these will continue to be priorities. These are:

- Speed
- Drunk and drugged driving
- Visiting drivers
- One Network Road Classification system and regional transport funding
- Auckland infrastructure

Each of these are significant, long-term opportunities to make our roads safer and better, and to make motoring more pleasurable.

Mindful that speed is a factor in the road safety equation, your Association has been involved in a Government-led Safer Speed Programme. The Programme is trying to change the way the public perceives speed, encouraging better conversations and risk appreciation. It is also investing in new, more sophisticated methodologies to set safe and appropriate speeds more consistently across the country.

We undertook several Member surveys on speed issues and the input and assistance from those surveyed is greatly appreciated.

Pushing for alcohol interlocks to become mandatory for repeat or high-level drink drivers has been another major focus this year. The AA Research Foundation commissioned a study of the interlock programme to help guide future advocacy around this key road safety initiative.

Alongside its study of the interlock programme, the AA Research Foundation commissioned several pieces of work tied to improving road safety and our transport system. One study investigated how drivers perceive risks on the road while another examined the levels and types of traffic offending for young drivers and the pathway for youth through the justice system. This research will help guide the Association's policy and advocacy focus.

As crashes involving tourist drivers became a huge focus during the last year, the Association was motivated to become part of the Government's Visiting Drivers project which sought measures to address the issues. Numerous initiatives were proposed, including engineering improvements to some roads, better practices from rental firms and more information for visitors on our road rules and driving safely while here.

With increasing demand for road infrastructure in the Auckland region, it was imperative that Members' views be understood and represented. We conducted several surveys on the subject and also created a regular Auckland Matters publication to share Member views and stimulate discussion with the transport authorities.

Mindful of the importance of government plans around road safety and infrastructure and transport issues, the Association made strong pre-election calls to all political parties urging action to improve the New Zealand transport system. We will continue to push for these changes which include more median barriers on highways, introduction of roadside drug testing, making cycling safer, replacing RUC with a diesel excise tax and improving public transport in Auckland.

Key numbers:

15 surveys to more than 25,000 AA Members on road safety and transport issues

9 submissions to the Government on transport issues

15 changes called for in AA Election Calls to create better, safer roads

Financial Results

The continued expansion of Member benefits and services was possible because of a very strong financial result of the Association's commercial activities and Joint Venture enterprises.

The consolidated result of $20.8m for the 2014/15 financial year is attributed to no single activity but rather to a combination of successful trading of all divisions, the Joint Ventures, and prudent investment of the Association's surplus funds.

It is also worth noting that this result has been achieved after spending $2.7m on the AA Ignition free driving programme, making the combined result even more impressive.

Also of note is the fact that these results were achieved without increasing club subscription fees.

The consolidated result for the year further strengthened the Association's overall financial position giving it the ability to confidently plan for and invest in the future while continuing to expand benefits, either directly to Members or by providing the necessary resources to the motoring policy and advocacy work that the AA is associated with.

THE NEW ZEALAND AUTOMOBILE ASSOCIATION INCORPORATED

ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2015

THE NEW ZEALAND AUTOMOBILE ASSOCIATION INCORPORATED
CONTENTS
FOR THE YEAR ENDED 30 JUNE 2015

Directory	1
Board Members Statement	2
Statement of Comprehensive Income	3
Statement of Changes in Equity	4
Statement of Financial Position	5
Statement of Cash Flows	6
Notes to the Financial Statements	7 to 45
Auditors' Report	46

THE NEW ZEALAND AUTOMOBILE ASSOCIATION INCORPORATED
DIRECTORY
FOR THE YEAR ENDED 30 JUNE 2015

BOARD MEMBERS		Appointed	Resigned
T G Follows	President	24/03/2007	
R K Bull	Vice President	29/03/2008	
B H Flintoff		27/03/2010	
W S Masters		19/03/2011	
G T Stocker		28/03/2009	
L J Tait		18/04/2002	
M R Winger		25/06/1993	
S J Grant		22/03/2014	
B W Petrenas		10/12/2004	22/03/2014

REGISTERED OFFICE
Level 17
AA Centre
99 Albert Street (corner Albert and Victoria Streets)
Auckland

INCORPORATED SOCIETY NUMBER
215426

POSTAL ADDRESS
The New Zealand Automobile Association Inc
Head Office, Level 17
AA Centre
99 Albert Street (corner Albert and Victoria Streets)
PO Box 5
Auckland, 1140

AUDITORS
Deloitte

BANKERS
ANZ

SOLICITORS
Holmden Horrocks

THE NEW ZEALAND AUTOMOBILE ASSOCIATION INCORPORATED
BOARD MEMBERS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2015

Disclosure to the National Council and Members

The Board Members have pleasure in presenting the Annual Report for the year ended 30 June 2015.

The Board Members have approved the financial statements of The New Zealand Automobile Association Incorporated for the year ended 30 June 2015.

For and on behalf of the Board.

T G Follows, President	M R Winger, Board Member
25-9-2015	25-9-2015
Date	Date

Approved for distribution by the National Council on 25 September 2015.

THE NEW ZEALAND AUTOMOBILE ASSOCIATION INCORPORATED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 $'000	2014 $'000
Revenue	1	120,483	110,287
Share of profit or loss in joint ventures	23	13,152	9,122
Other gains / (losses)	2	6,543	8,618
Total revenue		140,178	128,027
Employee entitlements		63,754	59,838
Delivery and distribution		27,995	23,463
Plant, office and property overheads		8,348	8,384
Advertising and promotion		3,721	3,266
IT and telecommunications		6,108	6,193
Motor vehicle expenses		3,174	3,215
Goodwill impairment expense	12	293	365
Other expenses		5,742	5,496
Total expenses	3	119,135	110,220
Operating surplus before tax and grants		21,043	17,807
Grant to NZAA Research Foundation		303	305
Grant to SADD Aotearoa - Students against Driving Drunk Charitable Trust		100	-
Taxation benefit/(expense)	4	-	-
Net surplus for the year attributable to the association acting in the interests of members		20,640	17,502
Other comprehensive income net of tax			
Revaluation of properties	19	621	545
Gain/(loss) arising on translation of foreign joint venture	20	(382)	298
Share of other comprehensive income/(loss) of joint ventures	23	(73)	(21)
Other comprehensive income for the year net of tax		166	822
Total comprehensive income for the year attributable to the association acting in the interests of members, net of tax		20,806	18,324

The accompanying notes form an integral part of these financial statements and should be read in conjunction with them.

THE NEW ZEALAND AUTOMOBILE ASSOCIATION INCORPORATED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015

	Note	Asset revaluation reserve $'000	Foreign currency translation reserve $'000	Accumulated funds $'000	Total $'000
Balance at 30 June 2013		9,443	84	107,967	117,494
Net surplus for the year attributable to the association acting in the interests of members		-	-	17,502	17,502
Other comprehensive income					
Gain/(loss) on revaluation of properties	19	545	-	-	545
Transfer to retained earnings	19	(1,460)	-	1,460	-
Gain arising on translation of foreign joint venture	20	-	259	-	259
Transfer to profit and loss on disposal of foreign operation	20	-	39	-	39
Share of other comprehensive income of joint ventures	23	-	-	(21)	(21)
Total other comprehensive income		(915)	298	1,439	822
Total comprehensive income, net of tax		(915)	298	18,941	18,324
Balance at 30 June 2014	19, 20 & 21	8,528	382	126,908	135,818
Net surplus for the year attributable to the association acting in the interests of members		-	-	20,640	20,640
Other comprehensive income					
Gain/(loss) on revaluation of properties	19	621	-	-	621
Transfer to retained earnings	19	-	-	-	-
Gain arising on translation of foreign joint venture	20	-	(17)	-	(17)
Transfer to profit and loss on disposal of foreign operation	20	-	(365)	-	(365)
Share of other comprehensive income of joint ventures	23	-	-	(73)	(73)
Total other comprehensive income		621	(382)	(73)	166
Total comprehensive income, net of tax		621	(382)	20,567	20,806
Balance at 30 June 2015	19, 20 & 21	9,149	-	147,475	156,624

The accompanying notes form an integral part of these financial statements and should be read in conjunction with them.

THE NEW ZEALAND AUTOMOBILE ASSOCIATION INCORPORATED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015

	Note	2015 $'000	2014 $'000
Current assets			
Cash and cash equivalents	26	46,377	30,899
Other financial assets	8	57,445	50,244
Taxation receivable		-	1
Sundry receivables & prepaid expenses	9	9,380	9,363
Dividend receivable		42	-
Inventories	10	1,094	1,052
Related party receivable	24	610	60
Total current assets		114,948	91,619
Non-current assets			
Property, plant and equipment	11	31,161	29,563
Investment properties	14	180	180
Investments accounted for using the equity method	23	48,602	46,136
Related party receivable	24	-	3,304
Capitalised lease		31	50
Goodwill	12	7,939	8,232
Other intangible assets	13	2,036	2,369
Total non-current assets		89,949	89,834
Total assets		204,897	181,453
Current liabilities			
Accounts payable	15	13,931	12,376
Employee entitlements		5,212	5,038
Unearned revenue	18	1,842	2,512
Deferred income	17	3,042	2,761
Total current liabilities		24,027	22,687
Non-current liabilities			
Make good provision	16	143	138
Deferred income	17	2,229	2,110
Total non-current liabilities		2,372	2,248
Total liabilities before subscriptions in advance		26,399	24,935
		178,498	156,518
Association funds			
Accumulated funds	21	147,475	126,908
Asset revaluation reserve	19	9,149	8,528
Foreign currency translation reserve	20	-	382
Total association funds		156,624	135,818
Subscriptions in advance		21,874	20,700
Total association funds and subscriptions in advance		178,498	156,518

For and on behalf of the Board

T G Follows

T G Follows, President

25-9-2015

Date

M R Winger, Board Member

25-9-2015

Date

The accompanying notes form an integral part of these financial statements and should be read in conjunction with them.

THE NEW ZEALAND AUTOMOBILE ASSOCIATION INCORPORATED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 $'000	2014 $'000
Operating activities			
Receipts from members and customers		120,201	109,426
Interest received		1,649	1,335
Dividends received		5	5
Dividends received from joint ventures		8,589	7,510
Payments to suppliers and employees		(113,005)	(102,391)
Grant to the NZAA Research Foundation		(303)	(305)
Grant to Students Against Dangerous Driving Trust		(100)	-
Net cash from operating activities	27	17,036	15,580
Investing activities			
Proceeds from disposal of property, plant and equipment		726	3,043
Proceeds from disposal of joint ventures		-	2,374
Decrease/(increase) interest in joint ventures		-	3
Payments for property, plant and equipment		(4,283)	(2,358)
Payment for intangible assets		(706)	(1,384)
Net cash outflow on acquisition of subsidiaries		-	(4,603)
Loans (to)/repaid from joint ventures		2,705	1,815
Decrease/(increase) in deposits		-	(10,000)
Proceeds from disposal of business		-	800
Net cash used in investing activities		(1,558)	(10,310)
Financing activities			
Net cash used in financing activities		-	-
Net increase / (decrease) in cash and cash equivalents		15,478	5,270
Cash and cash equivalents at the beginning of year		30,899	25,629
Cash and cash equivalents at the end of year	26	46,377	30,899

The accompanying notes form an integral part of these financial statements and should be read in conjunction with them.

THE NEW ZEALAND AUTOMOBILE ASSOCIATION INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

Statement of accounting policies

The New Zealand Automobile Association Incorporated (the 'Association') is an Incorporated Society registered under the Incorporated Societies Act 1908 and domiciled in New Zealand.

The Association business is in providing motoring and auxiliary services to its members and the public within New Zealand.

Statement of compliance

The statutory base for the Association is the Incorporated Societies Act 1908. The statutory base for the Association's subsidiaries is the Companies Act 1993 and the Financial Reporting Act 2013.

The financial statements have been prepared in accordance with New Zealand generally accepted accounting practice ("NZ GAAP"). They comply with New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS"), International Financial Reporting Standards ("IFRS"), and other applicable financial reporting standards, as appropriate for public benefit entities, except for NZ IAS 16 whereby the Association has accounted for revaluations on an asset by asset basis rather than by class of asset. NZ IFRS requires all entities to determine whether they are a public benefit entity or a profit oriented entity for reporting purposes. The Board considers that the Association is more closely aligned with the characteristics of a public benefit entity than a profit oriented entity.

The financial statements of the Group are for the year ended 30 June 2015. The financial statements were issued by the Board, and approved for distribution by the National Council, on the 25 of September 2015.

Basis of preparation

The financial statements have been prepared on the historical cost basis except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2015 and in the comparative information presented in these financial statements.

Presentation and Functional currency

The financial statements are presented in New Zealand Dollars (NZD). The functional currency is New Zealand Dollars (NZD).

Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

a) Basis of Consolidation

The Group financial statements incorporate the financial statements of the Association and entities controlled by the Association (its subsidiaries). Control is achieved where the Association has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

THE NEW ZEALAND AUTOMOBILE ASSOCIATION INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

Statement of accounting policies (continued)

a) Basis of Consolidation (continued)

Entities controlled by the same party before and after a business combination are considered to be entities under common control, as the business combination does not result in a transfer of control. A business combination involving entities under common control involves assets and liabilities being transferred at carrying amounts with any difference resulting in an adjustment to equity.

All subsidiaries are accounted for under the group policies.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation. Refer to note 22 for a full listing of subsidiaries at balance date.

Only the group results have been presented as under the Incorporated Societies Act 1908 parent results are not required.

b) Investments in associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The group has no investment in Associates.

c) Interest in joint ventures

A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity that is subject to joint control, that is when the strategic financial and strategic operating policy decisions relating to the activities of the joint venture require the unanimous consent of the parties sharing control.

Joint venture arrangements that involve the establishment of a separate entity in which each venturer has an interest are referred to as jointly controlled entities.

The results and assets and liabilities of joint ventures are incorporated in the Group financial statements using the equity method of accounting. Under the equity method, investments in joint ventures are carried in the statement of financial position at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the joint venture, less any impairment in the value of individual investments. Losses of a joint venture in excess of the Group's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture) are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the joint venture recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of that investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss (refer to (d)).

Where the Group transacts with its jointly controlled entities, unrealised profits and losses are eliminated to the extent of the Group's interest in the joint venture. However, where the Group provides loans to its jointly controlled entities interest earnt is recognised within the group and it is not eliminated on consolidation.

Refer to note 23 for a full listing of joint ventures at balance date.

Statement of accounting policies (continued)

d) Goodwill

Goodwill arising on the acquisition of a subsidiary or a jointly controlled entity represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary or jointly controlled entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. The recoverable amount is the higher of fair value less cost to sell and value in use. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary or a jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The Group's policy for goodwill arising on the acquisition of a joint venture is described at c) above.

e) Revenue

Revenue from services

Revenue from the rendering of services is measured at the fair value of the consideration received or receivable, net of returns and allowances, discounts and volume rebates. Depending on contractual arrangements, revenue is recognised either when services are rendered, or when the period of cover is complete.

Subscription income

Members' subscriptions are paid annually in advance throughout the year and are allocated to revenue on a daily pro rata time basis. The proportion of subscriptions received, which relate to the period after balance date, are included in the financial statements as subscriptions in advance.

Unearned Income

Advertising revenue is earned through two sources, web and publications.

Advertising revenue for publications is deferred and classified as unearned revenue on the balance sheet until completion of delivery to the users of the publications at which point it is recognised in profit or loss.

The cost of publications in development at balance date is recognised as an asset where the costs directly attributable to the development of the publication can be measured reliably. The development costs mainly comprise the direct costs of certain personnel dedicated to developing adverts and creating the content for the publications, artwork and other publication production and development costs, including appropriate and directly attributable overheads. The asset is amortised to profit or loss on completion of delivery of the relevant publication when the related revenue is recognised. The asset is set off against the related unearned income in the balance sheet until recognition in profit or loss.

Deferred income

Deferred income from corporate membership is recognised in profit or loss over the period to which the service relates which may be longer than a year. It is classified as liabilities on the statement of financial position and allocated between current and non-current.

Statement of accounting policies (continued)

e) Revenue (continued)

Rental income

Rental income is recognised on a straight line basis over the period of the lease.

Dividend and interest revenue

Dividend revenue from investments is recognised when the right to receive payment has been established.

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

f) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash in banks and investments in money market instruments, net of outstanding bank overdrafts.

g) Financial assets

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Loans and receivables

Trade receivables, loans, and other receivables are recorded at amortised cost using the effective interest method less impairment.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period to the net carrying amount of the financial asset.

Financial assets at fair value through profit and loss
Financial assets are classified as at FVTPL where the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:
• it has been acquired principally for the purpose of selling in the near future; or
• it is part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
• it is a derivative that is not designated and effective as a hedging instrument.

Financial assets at FVTPL are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset.

Impairment of financial assets
Financial assets other than those at fair value through profit or loss are assessed for indicators of impairment at each statement of financial position date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

Statement of accounting policies (continued)

g) Financial Assets (continued)

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

h) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price in the ordinary course of business less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

i) Property, plant and equipment

Carrying amount

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed by independent registered valuers and with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the statement of financial position date.

Refer to the accounting policy critical accounting judgments and key sources of estimation uncertainty policy for methods and significant assumptions used in the valuations.

Any revaluation increase arising on the revaluation of such land and buildings is credited in equity to the asset revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. A decrease in the carrying amount arising on the revaluation of such land and buildings is charged to profit or loss to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

Depreciation on revalued buildings is charged to profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the asset revaluation reserve is transferred directly to retained earnings. No transfer is made from the revaluation reserve to retained earnings except when an asset is derecognised.

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the item.

Statement of accounting policies (continued)

i) Property, plant and equipment (continued)

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of comprehensive income.

Depreciation

Depreciation is provided on property, plant and equipment, including freehold buildings but excluding land.

Depreciation is calculated on a straight line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight line method. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each annual reporting period.

The following estimated useful lives are used in the calculation of depreciation.

- Buildings - Retail/Administration 50 years
- Buildings - Technical 25 years
- Leasehold Improvements 10 years
- Plant & Equipment 10 years
- Motor vehicles 6 years
- Furniture and Fittings 5 years
- Computer Equipment 3-5 years

The residual value of assets is reassessed annually.

j) Investment Property

Investment property is property held to earn rental income. Investment property is measured initially at its cost including transaction costs. Subsequent to initial recognition, investment property is measured at fair value with any change therein recognised in profit or loss.

Investment property revaluations are performed annually. The values are based on market values being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

In the absence of current prices in an active market, the valuations are prepared using a discounted cashflow methodology based on the estimated rental cash flows expected to be received from the property adjusted by a discount rate that appropriately reflects the risks inherent in the expected cash flows. Refer to the accounting policy critical accounting judgments and key sources of estimation uncertainty policy for methods and significant assumptions used in the valuations.

Investment properties are derecognised when they have been disposed of and any gains or losses incurred on disposal are recognised in the statement of comprehensive income in the year of derecognition.

k) Intangible assets

Computer software assets are finite life intangibles and are recorded at cost less accumulated amortisation and impairment. Amortisation is charged on a straight line basis over an estimated useful life of 3 or 5 years. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period.

THE NEW ZEALAND AUTOMOBILE ASSOCIATION INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

Statement of accounting policies (continued)

l) Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

m) Leased assets

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are initially recognised at their fair value or, if lower, at amounts equal to the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease liabilities.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs.

Finance leased assets are amortised on a straight line basis over the estimated useful life of the asset or the lease term, whichever is shorter.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

n) Trade payables and other accounts payable

Trade payables and other accounts payable are recognised when the Group becomes obliged to make future payments resulting from the purchase of goods and services. Trade payables and other accounts payable are initially measured at fair value, and subsequently measured at amortised cost, using the effective interest rate method.

A provision for make good is recognised when there is a present obligation as a result of a property lease, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the provision can be measured reliably.

o) Taxation

The Group is liable for taxation on its commercial trading activities, interest and rental income under section CB33 of the Income Tax Act 2007. The Group is exempt from taxation on membership related activities.

Income tax expense

Income tax expense represents the sum of the tax currently payable and deferred tax.

THE NEW ZEALAND AUTOMOBILE ASSOCIATION INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

Statement of accounting policies (continued)

o) Taxation (continued)

Current tax

Current tax is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are deductible in other years and it further excludes items that are never taxable or deductible. The Group's provision for current tax is calculated using tax rates that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax

Deferred tax is recognised on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profit, and is accounted for using the statement of financial position liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary differences arise from goodwill or from the initial recognition (other than as a result of a business combination) of other assets and liabilities in a transaction that affects neither taxable profit nor accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the statement of financial position date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognised directly in equity, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or in determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the business combination.

Imputation credits

No disclosure is made in respect of imputation credits, since these are not utilisable by parties external to the Group.

Statement of accounting policies (continued)

p) Goods and services tax

"Revenues, expenses, assets and liabilities are recognised net of the amount of goods and services tax (GST), except:

(i) where the amount of GST incurred is not recovered from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
(ii) for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

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

q) Employee benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits expected to be settled within 12 months are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to the reporting date.

Defined contribution plans

Contributions to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

r) Statement of cash flows

For the purpose of the cash flow statement, cash and cash equivalents include cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. The following terms are used in the statement of cash flows:

Operating activities are the principal revenue producing activities of the Group and other activities that are not investing or financing activities.

Investing activities are the acquisition and disposal of long-term assets and other investments not included in cash equivalents.

Financing activities are activities that result in changes in the size and composition of members' funds and borrowings of the entity.

s) Foreign currencies

Foreign currencies transactions

All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Foreign currency monetary items at reporting date are translated at the exchange rate existing at reporting date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in the statement of comprehensive income in the period in which they arise.

Statement of accounting policies (continued)

s) Foreign currencies (continued)

Foreign operations

For the purpose of presenting the Group financial statements, the assets and liabilities of the Group's foreign operations are expressed in New Zealand dollars using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated as a separate component of equity in the Group's foreign currency translation reserve. Such exchange differences are reclassified from equity to profit or loss (as a reclassification adjustment) in the period in which the foreign operation is disposed of.

t) Impairment

At each statement of financial position date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying value does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Critical accounting judgments and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described above, the Board Members are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgments in applying accounting policies

There were no critical judgments made in applying the accounting policies above.

Statement of accounting policies (continued)

Critical accounting judgments and key sources of estimation uncertainty (continued)

Key sources of estimation uncertainty

Fair value of land and buildings and investment property

The fair value of land & buildings and investment properties is determined at balance date using market values determined by independent registered valuers. In the absence of current prices in an active market, the valuations are prepared using a discounted cashflow methodology based on the estimated rental cash flows expected to be received from the property adjusted by a discount rate (ranging from 7.07% to 10.37%) that appropriately reflects the risks inherent in the expected cash flows. The most significant property is Albert Street and the effective market yield ranges from 7.07% to 7.33% as at 30 June 2015. Valuations are completed in accordance with the New Zealand Institute of Valuers (NZIV) and Property Institute of New Zealand (PINZ) Code of Ethics, and Valuation Standards, including API and NZPI Professional Practice Fifth Edition, New Zealand Valuation Guidance Note 1 and International Valuation Application 1. Refer to note 11 and 14 for valuations.

Joint Ventures

Although the Group holds less than 50% ownership interest in some of their investments (refer note 23), these are classified as joint ventures as there is a contractual arrangement and the Group holds 50% of the voting rights and hence has joint control in all cases. The carrying value of investments in joint ventures is reviewed at balance date to determine whether or not any losses over and above the carrying amount of the investment should be recognised. If the Group determines there is a constructive obligation to the joint venture then the Group will continue to recognise their share of the losses.

Impairment of Goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the Board members to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value, refer note 12.

Standards, amendments and interpretations that are not yet effective and have not been early adopted

The Minister of Commerce has approved a new Accounting Standards Framework developed by the External Reporting Board (XRB). Under this Accounting Standards Framework, the Association is classified as a Not-For-Profit Public Benefit Entity (NFP PBE) and will be required to apply NZ IFRS PBE and other New Zealand accounting standards and pronouncements that have authoritative support and are applicable to entities that apply NZ IFRS PBE. These standards have been issued by the XRB and will be effective for the Association for the period ending 30 June 2016. Management is yet to assess the implications of the New Accounting Standards Framework.

Due to the change in the Accounting Standards Framework for NFP PBE's, all new NZ IFRS and amendments to existing NZ IFRS will not be applicable to PBE's. Therefore, the XRB has effectively frozen the financial reporting requirements for public benefit entities until the new Accounting Standards Framework is effective. Accordingly, no disclosure has been made about new or amended NZ IFRS that exclude PBE's from their scope.

THE NEW ZEALAND AUTOMOBILE ASSOCIATION INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

		2015 $'000	2014 $'000
1	**Revenue**		
	Sale of goods	4,896	4,490
	Rendering of services to members and public	113,915	104,422
	Dividends	5	5
	Interest revenue (loans and receivables)	1,667	1,370
		120,483	110,287

		2015 $'000	2014 $'000
2	**Other gains / (losses)**		
	Revaluation of investment properties	-	13
	Change in fair value of financial asset classified as fair value through profit or loss	7,201	3,928
	Impairment reversal / (losses) on revalued land and buildings	288	(70)
	Disposal of business (note 6)	-	1,343
	Disposal of joint ventures (note 7)	-	1,783
	Reversal of joint venture losses previously recognised in the profit and loss	722	1,621
	Revaluation of investment in joint venture	(1,668)	-
		6,543	8,618

		2015 $'000	2014 $'000
3	**Expenses**		
	Net surplus for the year has been arrived at after charging/(crediting):		
(a)	***General expenses***		
	Depreciation of property, plant and equipment (note 11)	3,307	3,465
	Amortisation - Software (note 13)	839	928
	Operating lease expense	3,212	3,464
	Raw materials and consumables used	3,162	2,639
	(Gain)/loss on disposal of property, plant and equipment	(440)	148
	(Gain)/loss on disposal of intangible assets	201	-
	Legal expenses	240	243
(b)	***Personnel expenses***		
	Employee benefits expense	57,639	55,150
	Defined contribution plans	2,760	2,672

4 Taxation

4a *Income tax expense*

	2015 $'000	2014 $'000
Current tax (expense)/benefit	-	-
Deferred tax	-	-
Income tax (expense)/benefit for the year	-	-

Income tax (expense)/benefit for the period can be reconciled to the accounting profit as follows:

	2015 $'000	2014 $'000
Operating surplus/(loss) from continuing activities before tax and grants	21,043	17,807
Less grants to NZAA Research Foundation	(303)	(305)
Less grant to Students against Dangerous Driving Trust	(100)	-
	20,640	17,502
Income tax using company tax rate 28%	5,779	4,901
Non-deductible/(non-assessable) expenses/(income)	(3,049)	(2,731)
Effect of unused tax losses not recognised as deferred tax assets	(2,730)	(2,170)
	-	-

4b *Deferred tax assets/ (liabilities)*

Deferred tax assets and liabilities are offset on the face of the Statement of Financial Position where they relate to entities within the same taxation authority.

The following is the analysis of temporary differences relating to deferred tax balances (after offset) for balance sheet purposes:

	1-Jul-14 $'000	Charge to profit or loss $'000	Charge to equity $'000	30-Jun-15 $'000
Gross deferred tax liabilities				
Property, plant and equipment	(2,900)	(23)	-	(2,923)
Investment Property	(49)	-	-	(49)
Tax liabilities	(2,949)	(23)	-	(2,972)
Set off of tax	2,949	23	-	2,972
Net tax liabilities	-	-	-	-
Gross deferred tax assets				
Employee provisions	660	30	-	690
Doubtful debts provision	27	21	-	48
Inventory provisions	14	(9)	-	5
Other	95	1	-	96
Brought forward tax losses recognised	2,153	(20)	-	2,133
Tax assets	2,949	23	-	2,972
Set off of tax	(2,949)	(23)	-	(2,972)
Net tax assets	-	-	-	-

4b *Deferred tax assets/ (liabilities) (continued)*

	1-Jul-13 $'000	Charge to profit or loss $'000	Charge to equity $'000	30-Jun-14 $'000
Gross deferred tax liabilities				
Property, plant and equipment	(3,215)	315	-	(2,900)
Investment Property	(45)	(4)	-	(49)
Tax liabilities	(3,260)	311	-	(2,949)
Set off of tax	3,260	(311)	-	2,949
Net tax liabilities	-	-	-	-
Gross deferred tax assets				
Employee provisions	601	59	-	660
Doubtful debts provision	6	21	-	27
Inventory provisions	11	3	-	14
Other	87	8	-	95
Brought forward tax losses recognised	2,555	(402)	-	2,153
Tax assets	3,260	(311)	-	2,949
Set off of tax	(3,260)	311	-	(2,949)
Net tax assets	-	-	-	-

The Association has unrecognised New Zealand tax losses of approximately $26.65 million (2014: $23.46 million).

5 Acquisition of Business

5.1 Acquisition of AA Tourism Publishing Limited

Effective 31 December 2013, The New Zealand Automobile Association Inc, acquired the New Zealand publishing operation from Club Tourism Publishing Partnership, which is a jointly controlled entity (note 23). The business acquired has been placed in the subsidiary AA Tourism Publishing Limited. AA Tourism Publishing Limited produces accommodation guides and similar publications in the New Zealand market.

5.2 Analysis of Assets and Liabilities Acquired

	Fair value on acquisition $'000
Current Assets	
Inventories	27
Non-current Assets	
Plant and equipment	58
Intangible Assets	64
	149
Goodwill on acquisition	4,821
Cost of acquisition	4,970

5.3 Cost of acquisitions

The cost of acquisition of the New Zealand operation of CTPP was made up as follows:

	$'000
Paid in cash	4,970

5.4 Net cash outflow on acquisition

	$'000
Total purchase consideration	4,970

5.5 Goodwill arising on acquisition

Goodwill arose in the acquisition of the New Zealand operation of CTPP because the cost included a premium to gain control of the New Zealand business. The New Zealand business has traditionally provided significant member benefits. These benefits are not recognised separately from goodwill as the future economic benefits arising from them cannot be reliably measured and they do not meet the definition of identifiable intangible assets. Goodwill will not be deductible for income tax purposes.

5.6 Impact of acquisitions on the results of the Group

For the period 1 January 2014 to 30 June 2014, included in the Group profit for the year is a $1.18 million loss and in Group revenue $409,000 attributable to AA Tourism Publishing Limited. Included in unearned income in 2014 is $2.5 million related to deferred advertising revenues and directly attributable development costs related to undistributed publications (note 18).

5.7 Acquisition of AA Tourism Limited

Effective 31 December 2013, The New Zealand Automobile Association Inc, acquired the remaining 50% share of AA Tourism Limited, which was a jointly controlled entity (note 23). AA Tourism Limited was a service provider to the Club Tourism Publishing Partnership. The cost of the acquisition was $426,000, which was paid in cash of $485,000 and a deferred purchase adjustment of ($59,000). Assets acquired in the transaction consist of cash of $852,000.

6 Disposal of Assets

During the prior financial year the directors entered into three asset sale and purchase agreements related to Geosmart Maps Limited. These agreements were completed on 1 June 2014, on which date control of the assets passed to the acquirer. This transaction means that the only assets remaining under Geosmart's control relate to the Cartography part of the business. Details of the assets disposed of are as follows:

Non-current assets	**$'000**
Property, plant and equipment	57
Net assets disposed of	57
Gain on disposal	1,343
Disposal proceeds	1,400

6.1 Consideration

Consideration paid in cash and cash equivalents	800
Deferred Sales Proceeds	600
	1,400

The deferred sale proceeds will be settled by way of on-going services provided by the acquirer and through receipt of a share of net revenue generated by the acquirer for the period to 1 June 2016.

7 Disposal of Joint Venture

During the prior financial year, the Group disposed of its shareholdings in the following joint ventures:

Joint Venture	Sales Price $'000	Profit/(loss) on Sale $'000
AA Bookabach Limited	2,546	1,845
AAA Tourism Services Pty Limited	309	(62)

On disposal of AAA Tourism Services Pty Limited the foreign currency translation reserve of $56,245 transferred to the profit and loss.

Consideration:	Consideration received in cash $'000	Deferred sales proceeds/ (adjustments) $'000
AA Bookabach Limited	2,016	530
AAA Tourism Services Pty Limited	358	(49)

The deferred sales proceeds on the sale of the shareholding in AA Bookabach Limited are due on 1 November 2015. The directors do not believe there are any reasons that these proceeds should not be received in full.

8 Other financial assets	2015 $'000	2014 $'000
Investment managed fund	57,445	50,244
	57,445	50,244

Investment managed fund represents the Group's investment in two diversified portfolios managed by JMIS Limited and Nikko Asset Management New Zealand Limited (formerly Tyndall Investment Management New Zealand Limited). The portfolios consist of equities, trust units and fixed interest investments.

9 Sundry receivables, prepaid expenses and other current assets	2015 $'000	2014 $'000
Sundry receivables	6,164	4,854
Prepayments	1,645	1,568
Deferred consideration on sale of assets (note 6)	289	600
Deferred consideration on sale of joint venture (note 7)	530	530
Other	752	1,811
	9,380	9,363

The average credit period on sales of goods and service is 60 days (2014: 60 days). Interest is charged only when the customers goes beyond their agreed credit period. The Group provides for doubtful debts on a customer by customer basis. Payment terms are determined by contractual arrangements.

The receivables balance is made up of a large number of low-value receivables; there are no customers who represent more than 5% (2014: 11%) of the total balance of trade receivables. Before accepting a new customer the Group assesses the potential customer's credit quality and defines credit limits by customer.

Included in the Group's sundry receivables balance are receivables with a carrying amount of $1,027,668 (2014: $1,242,442) which are past due at the reporting date for which the Group has not provided as there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral over these balances.

Ageing past due sundry receivables that are not impaired	2015 $'000	2014 $'000
30-60 days	528	1,015
60-90 days	148	196
90+ days	351	31
	1,027	1,242

Movement in the allowance for doubtful debts	2015 $'000	2014 $'000
Balance at beginning of the period	96	23
Impairment losses recognised on receivables	132	73
Amounts written off as uncollectable	(20)	-
Amounts recovered during the year	(38)	-
Impairment losses reversed	-	-
Balance at end of period	170	96

9 Sundry receivables, prepaid expenses and other current assets (continued)

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The Board members believe that there is no further credit provision required in excess of the allowance for doubtful debts.

The impairment recognised represents the difference between the carrying amount of these trade receivables and the present value of the expected proceeds. The Group does not hold collateral over these balances. The net carrying amount is considered to approximate their fair value.

The doubtful debt provision of $169,934 (2014: $95,902) is applicable to invoices aged 30+ days (2014: 30+ days).

10 Inventory

	2015 $	2014 $
Retail stock	615	626
Consumables	479	426
	1,094	1,052

The cost of inventories recognised as an expense during the period was $3,161,718 (2014: $2,638,558). The cost of inventories recognised as an expense includes $20,729 (2014: $51,625) in respect of write-downs of inventory to net realisable value, and has been reduced by $30,895 (2014: $11,285) in respect of the reversal of such write-downs.

11 Property, plant and equipment	Freehold Land at fair value $'000	Buildings at fair value $'000	Leasehold Improvements at cost $'000	Plant and Equipment at cost $'000	Furniture & Fittings at cost $'000	Motor Vehicles at cost $'000	Computer Equipment at cost $'000	Work in Progress at cost	Total $'000
Gross carrying amount									
Balance at 1-July-13	10,070	12,420	6,092	3,008	12,073	10,207	6,181	612	60,663
Net additions / (transfers)	-	267	191	15	388	1,524	218	(187)	2,416
Disposals	(1,500)	(930)	(465)	(183)	(510)	(1,606)	(267)	-	(5,461)
Revaluation increase / (decrease)	65	434	-	-	-	-	-	(289)	210
Reclassified as held for sale	-	-	-	-	-	-	-		-
Balance at 30-June-14	8,635	12,191	5,818	2,840	11,951	10,125	6,132	136	57,828
Net additions / (transfers)	-	746	582	3	957	1,733	306	(45)	4,282
Disposals	-	-	(180)	(18)	(163)	(2,063)	(1,674)	-	(4,098)
Revaluation increase / (decrease)	867	(247)	-	-	-	-	-	-	620
Reclassified as held for sale	-	-	-	-	-	-	-		-
Balance at 30-June-15	9,502	12,690	6,220	2,825	12,745	9,795	4,764	91	58,632
Accumulated depreciation									
Balance at 1-July-13	-	0	4,751	2,100	10,417	5,090	5,319	-	27,677
Depreciation expense	-	270	355	133	676	1,502	529	-	3,465
Eliminated on disposals	-	(5)	(342)	(176)	(480)	(1,389)	(220)	-	(2,612)
Eliminated on revaluation	-	(265)	-	-	-	-	-	-	(265)
Reclassified as held for sale	-	-	-	-	-	-	-		-
Balance at 30-June-14	-	(0)	4,764	2,057	10,613	5,203	5,628	-	28,265
Depreciation expense	-	290	321	123	662	1,556	355	-	3,307
Eliminated on disposals	-	-	(179)	(17)	(163)	(1,781)	(1,670)	-	(3,810)
Eliminated on revaluation	-	(290)	-	-	-	-	-	-	(290)
Reclassified as held for sale	-	-	-	-	-	-	-		-
Balance at 30-June-15	-	(0)	4,906	2,163	11,112	4,978	4,313	-	27,472
Carrying amount									
As at 30-June-14	8,635	12,191	1,054	783	1,338	4,922	504	136	29,563
As at 30-June-15	9,502	12,690	1,314	663	1,633	4,817	451	91	31,161

THE NEW ZEALAND AUTOMOBILE ASSOCIATION INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

11 Property, plant and equipment (continued)

Valuation of land & buildings

Land & buildings were last revalued by independent registered valuers at 30 June 2015. The total value as per valuer was as follows:

	Date of Inspection	30 June 2015 $'000	30 June 2014 $'000
Colliers International	8/07/2015	12,200	11,175
Quotable Value New Zealand	14/07/2015	385	400
Telfer, Young	21/07/2015	2,700	2,450
Chadderton & Associates Ltd	3/07/2015	715	750
SW Binnie	14/07/2015	700	700
Telfer, Young	26/06/2015	290	290
Duke & Cooke	16/07/2015	1,340	1,300
Alexander Hayward Limited	14/07/2015	1,835	1,795
Graeme Isbister	29/07/2015	447	406
Telfer, Young	1/07/2015	1,580	1,560
		22,192	20,826

Had the Group's land and buildings been measured on a historical cost basis, their carrying amount would have been as follows:

	2015 $'000	2014 $'000
Freehold land	1,464	1,464
Buildings	7,860	8,086
	9,324	9,550

12 Goodwill

	2015 $'000	2014 $'000
Cost		
Balance at 1 July	10,911	6,090
Additional amounts recognised from business combinations occurring during the year (note 5.2)	-	4,821
Balance at 30 June	10,911	10,911
Accumulated impairment losses		
Balance at 1 July	(2,679)	(2,314)
Impairment losses charged to profit and loss	(293)	(365)
Balance at 30 June	(2,972)	(2,679)
Carrying amount		
As at 1 July	8,232	3,776
As at 30 June	7,939	8,232

12 Goodwill (continued)

12b *Allocation of goodwill to cash-generating units ("CGU's")*

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units (CGU's) that are expected to benefit from that business combination. Before recognition of impairment losses, the carrying amount of goodwill had been allocated as follows:

	2015 $'000	2014 $'000
New Zealand Automobile Association Inc	3,118	-
AA Vehicle Testing Ltd	-	3,411
AA Tourism Publishing Limited (note 5.2)	4,821	4,821
	7,939	8,232

The Group tests goodwill annually for impairment or more frequently if there are indicators that goodwill might be impaired.

For all CGU's above, the recoverable amounts of the cash-generating units are determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the directors. The period is a five year period and the discount rate used is 10% (2014: 10% per annum).

Cash flow projections during the budget period are based on the same expected gross margins during the budget period and price inflation during the budget period. The cash flows beyond that five year period have been extrapolated using a 2% per annum growth rate which is less than the projected long-term average growth rate. The Board members believe that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating unit.

During the year the eight vehicle testing stations under AA Vehicle Testing were transferred to sit under the New Zealand Automobile Association Inc. This CGU contains eight (2014: eight) vehicle testing stations, which are grouped into appropriate geographical areas to which goodwill has been allocated for impairment testing purposes. During the year the Group assessed the recoverable amount of goodwill, and determined that goodwill allocated to one CGU within AA Vehicle Testing station's was impaired by $293,000. No impairment of other assets in the cash-generating unit was deemed necessary. The directors determined it necessary to impair the goodwill allocated to this CGU due to the continuing impact of the change to the Warrant of Fitness regime.

13 Other intangible assets

	Computer Software $'000
Gross carrying amount	
Balance at 30-June-13	12,345
Additions	1,447
Disposals	(1,678)
Balance at 30-June-14	12,114
Additions	706
Disposals	(397)
Balance at 30-June-15	12,423
Accumulated amortisation and impairment	
Balance at 30-June-13	10,490
Amortisation expense	928
Eliminated on disposals	(1,673)
Balance at 30-June-14	9,745
Amortisation expense	839
Eliminated on disposals	(197)
Balance at 30-June-15	10,387
Carrying amount	
As at 30-June-14	2,369
As at 30-June-15	2,036

14 Investment properties

At fair value	2015 $'000	2014 $'000
Balance at start of year	180	167
Change in fair value	-	13
Balance at the end of the period	180	180

The Association holds the freehold to all investment properties.

Valuation of investment properties

All investment properties were valued by independent registered valuers as at 30 June 2015. The total value per valuer was as follows:

	Date of Valuation	2015 $'000	2014 $'000
Telfer Young	30/06/2015	180	180
		180	180

15 **Accounts payable**	**2015 $'000**	**2014 $'000**
Trade payables	5,708	4,754
Accrued expenses	4,553	4,543
Goods and services tax (GST) payable	700	799
Other	2,970	2,280
	13,931	12,376

The average credit period on purchases is up to one month. No interest is charged on trade payables as the Group always pays by due date. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

16 Make Good Provision

The make good provision relates to make good requirements under property leases.

	2015 $'000	**2014 $'000**
Balance at beginning of period	138	105
Movement for period	5	33
Balance at end of period	143	138

17 Deferred income

This is deferred income relating to corporate membership subscriptions. Income is recognised in profit or loss over the period to which the service relates which may be for more than a year.

This is disclosed as:	**2015 $'000**	**2014 $'000**
Current portion	3,042	2,761
Non-current portion	2,229	2,110
	5,271	4,871

18 Unearned revenue

Unearned Revenue represents the deferral of licence fees received and the impact on the balance sheet of deferring the advertising revenues and directly attributable development costs relating to undistributed publications.

	2015 $'000	**2014 $'000**
This is disclosed as:		
Current portion	1,842	2,512
Non-current portion	-	-
Total Unearned Revenue	1,842	2,512

THE NEW ZEALAND AUTOMOBILE ASSOCIATION INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

19 Asset revaluation reserve	2015 $'000	2014 $'000
Balance at beginning of period	8,528	9,443
Increase on revaluation of properties	666	636
Decrease on revaluation of properties	(45)	(91)
Transfer to accumulated funds	-	(1,460)
Balance at end of period	9,149	8,528

The asset revaluation reserve arises on the revaluation of land and buildings. Where revalued land or buildings are sold, the portion of the asset revaluation reserve that relates to that asset, and is effectively realised, is transferred directly to accumulated funds.

20 Foreign currency translation reserve	2015 $'000	2014 $'000
Balance at beginning of period	382	84
Gain/(loss) on translation of foreign operations	(17)	259
Transfer to profit and loss on disposal of foreign operation	(365)	39
Balance at end of period	-	382

The foreign currency translation reserve arises on the translation of the Group's foreign joint ventures into New Zealand dollars.

21 Accumulated funds	2015 $'000	2014 $'000
Balance at beginning of period	126,908	107,967
Transfer from asset revaluation reserve	-	1,460
Net surplus for the year ended attributable to the Association acting in the interest of members	20,640	17,502
Share of other comprehensive income/(loss) of joint ventures	(73)	(21)
Balance at end of period	147,475	126,908

In the event the Association is wound up, the residual assets are to be applied towards an entity having substantially similar objectives and activities.

22 Subsidiaries

Details of the Group's significant subsidiaries at 30 June 2015 are as follows:

Name of Subsidiary	Place of Incorporation	Principle activity	Ownership interest and voting rights (%) 2015	2014
The New Zealand Automobile Association Limited	New Zealand	Brand Licensing	100	100
AA Finance Limited	New Zealand	Non Trading	100	100
AA Tourism Publishing Limited	New Zealand	Publishing Guides and Maps	100	100
Geosmart Maps Limited	New Zealand	Developing Mapping Software	100	100
AA Rewards Operations Limited	New Zealand	Non Trading	100	100
AA Auto Service Limited	New Zealand	Vehicle Servicing Franchise	100	100
AA Vehicle Testing Limited	New Zealand	Vehicle W.O.F & Related Services	100	100
AA Driver Training Limited	New Zealand	Driver Training Franchise	100	100
NZAA Assets Limited	New Zealand	Service Provider	100	100
AA Tourism Limited	New Zealand	Tourism	100	100

23 Investments accounted for using the equity method

Investment in joint ventures

Certain joint ventures have different year ends compared to the Group. For these joint ventures the Board considers what procedures are necessary to enable inclusion of the results into the financial statements of the group. This may include an interim audit, or use of the latest management accounts and the results are used in preparation of the groups consolidated financial statements.

Name of Joint Venture	Financial year end	Place of Incorporation	Principle activity	Voting rights On Significant Transactions (%) 2015	2014	Ownership interest (%) 2015	2014
AA Insurance Limited	30 June	New Zealand	Insurance Provider	50%	50%	32%	32%
Qualmark New Zealand Limited	30 June	New Zealand	Tourism Agency	50%	50%	40%	40%
Access New Zealand Limited	30 September	New Zealand	Non Trading	50%	50%	50%	50%
AA Battery Services Limited	30 June	New Zealand	Service Provider	50%	50%	50%	50%
AA Life Services Limited	30 June	New Zealand	Insurance Provider	50%	50%	50%	50%
Bookastay.com.au Pty Limited	30 June	Australia	Tourism	0%	50%	0%	50%
Club Tourism Publishing	31 December	Australia	Tourism	50%	50%	50%	50%
Marac JV Holdings Limited	30 June	New Zealand	Insurance Provider	50%	50%	50%	50%
AA Smartfuel Limited	30 June	New Zealand	Loyalty Program	50%	50%	50%	50%
AA Finance Marketing Partnership	30 June	New Zealand	Finance Marketing	50%	0%	50%	0%

Although the Group holds less than 50% ownership interest in some of the investments listed above, these are classified as joint ventures as there is a contractual arrangement and the Group holds 50% of the voting rights and hence has joint control in all cases.

23 Investments accounted for using the equity method (continued)

Summarised financial information in respect of the Group's joint ventures is set out below:

	2015 $'000	2014 $'000
Current assets	439,611	190,286
Long term assets	118,564	315,451
Total assets	558,175	505,737
Current liabilities	184,986	172,283
Long term liabilities	251,104	223,433
Total liabilities	436,090	395,716
Net assets	122,085	110,021
Group's share of net assets of joint ventures	48,572	46,136
Total revenue	256,969	271,346
Total expenses	(228,920)	(243,698)
Total profit	28,049	27,648
Group's share of profits of joint ventures	13,152	9,122

Included in net assets and the Group's share of profits of joint ventures is the Group's share of the joint venture which has been reclassified as assets held for resale.

Movement in the carrying amount of the Group's investments in joint ventures:

Carrying value of joint ventures	2015 $'000	2014 $'000
Carrying value at beginning of period	46,136	44,250
Share of net surplus/(losses)	13,152	9,122
Share of other comprehensive income of joint ventures	(73)	(21)
Losses/(surplus) offset against related party receivable	(314)	(154)
Shareholder advances	-	(3)
Dividends received	(8,661)	(7,010)
Sale of business	-	(337)
De-recognition of joint venture now consolidated	-	(426)
Reclassification of joint venture investment previously offset against related party receivable	-	736
Gain arising on translation of foreign joint venture	-	(21)
Revaluation of investment in joint venture	(1,668)	-
Carrying value at end of period	48,572	46,136

23 Investments accounted for using the equity method (continued)

	2015	2014
The carrying value is comprised of:	$'000	$'000
Cost	22,661	24,749
Share of joint venture post-acquisition reserves	19,170	13,164
Goodwill	6,741	7,841
Foreign currency translation reserve	-	382
	48,572	46,136
Joint venture share of net surplus		
Share of surplus before taxation	17,176	12,129
Share of taxation expense	(4,024)	(3,007)
Share of total recognised revenues and expenses	13,152	9,122

24 Related parties

The Association is an incorporated society acting in the interest of its members.

Equity interest in related parties

Details of interests in subsidiaries and joint ventures are disclosed in notes 22 and 23 respectively.

Related party transactions and outstanding balances

Transactions with and amounts outstanding between the Group and related parties are:

THE NEW ZEALAND AUTOMOBILE ASSOCIATION INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

24 Related parties (continued)

Joint Ventures (Continued)

2015

Related Party	Type of Transaction	Amount during the year ($'000)	Balance at 30 June ($'000)
Joint Ventures:			
AA Insurance Limited			
	Amount Owed to NZAA		137
	Service Commission and Operational Funding	6,551	
AA Life Services Ltd			
	Amount Owed to NZAA		32
	Service Commission and Operational Funding	854	
AA Battery Services Ltd			
	Amount Owed to NZAA		116
	Amount Owed to AA Battery Services		127
	Purchase of Battery Stock	1,123	
	Service Commission and Operational Funding	(326)	
Club Tourism Publishing			
	Amount Owed to NZAA		-
	Amount Owed to Club Tourism Publishing		-
	Revolving Credit Facility	(253)	-
	Operational Funding	-	
AA Smartfuel Limited			
	Amount Owed to NZAA		133
	Revolving Credit Facility		600
	Service Provider and Operational Funding	1,205	
	Brand Licensing and Program Fees	(214)	

24 Related parties (continued)

Joint Ventures (Continued)

Related Party	Type of Transaction	Amount during the year ($'000)	Balance at 30 June ($'000)
Marac JV Holdings Limited			
	Amount Owed to Marac JV Holdings Limited		13
	Service Commission and Operational Funding	684	
AA Finance Marketing Partnership			
	Amount Owed to NZAA		136
	Service Provider and Operational Funding	380	
	Brand Licensing and Program Fees	100	
Other related parties:			
Staff Superannuation Schemes			
	Employer Contribution	2,760	
	Expenses	456	
New Zealand Automobile Association Research Foundation			
	Amount Owed to NZAA		15
	Grant paid to NZAA Research Foundation	303	
SADD Aotearoa - Students against Driving Drunk Charitable Trust			
	Amount Owed to NZAA	95	6
	Amount Owed from NZAA	160	-
	Revolving Credit Facility	(50)	10
	Grant paid to Students Against Driving Drunk Aotearoa	100	

THE NEW ZEALAND AUTOMOBILE ASSOCIATION INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

24 Related parties (continued)
Joint Ventures (Continued)

2014

Related Party	**Type of Transaction**	**Amount during the year ($'000)**	**Balance at 30 June ($'000)**
Joint Ventures:			
AA Insurance Limited			
	Amount Owed to NZAA		144
	Service Commission and Operational Funding	6,356	
AA Life Services Ltd			
	Amount Owed to NZAA		10
	Service Commission and Operational Funding	922	
AA Battery Services Ltd			
	Amount Owed to NZAA		112
	Amount Owed to AA Battery Services		134
	Purchase of Battery Stock	752	
	Service Commission and Operational Funding	142	
AA Bookabach Limited			
	Operational Funding	(61)	
Bookastay.com.au Pty Limited			
	Operational Funding	(9)	
Club Tourism Publishing			
	Amount Owed to NZAA		14
	Amount Owed to Club Tourism Publishing		1
	Revolving Credit Facility	(1,875)	-
	Operational Funding	312	

24 Related parties (continued)

Joint Ventures (Continued)

Related Party	Type of Transaction	Amount during the year ($'000)	Balance at 30 June ($'000)
Marac JV Holdings Limited			
	Amount Owed to Marac JV Holdings Limited		2
	Service Commission and Operational Funding	1,276	
AA Smartfuel Limited			
	Amount Owed to NZAA		48
	Revolving Credit Facility		3,304
	Service Provider and Operational Funding	1,640	
Other related parties:			
Staff Superannuation Schemes			
	Employer Contribution	2,672	
	Expenses	391	
New Zealand Automobile Association Research Foundation			
	Amount Owed to NZAA		11
	Grant paid to NZAA Research Foundation	305	
SADD Aotearoa - Students against Driving Drunk Charitable Trust			
	Amount Owed to NZAA	109	4
	Amount Owed from NZAA	69	-
	Revolving Credit Facility	60	60

The amounts outstanding are unsecured and will be settled in cash. No expense has been recognised in the period for bad or doubtful debts in respect of the amounts owed by related parties. Joint venture losses have been offset against revolving credit facility balances owed by related parties (note 23).

THE NEW ZEALAND AUTOMOBILE ASSOCIATION INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

24 Related Parties (Continued)

Compensation of Key management personnel

Loans and advances to key management personnel amounted to $Nil (2014: $Nil).

The compensation of the Board members and executives, being the key management personnel of the entity, is set out below.

	2015 $'000	2014 $'000
Short-term employee benefits	2,841	2,694
Post-employment benefits	343	325
	3,184	3,019

25 Remuneration of auditors	2015 $'000	2014 $'000
Audit of the financial statements	239	230
Taxation compliance services	92	114
Taxation advisory services	27	92
Other assurance related services	36	49
	394	485

The auditor of The New Zealand Automobile Association Incorporated and subsidiaries is Deloitte.

26 Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, cash in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the period as shown in the cash flow statement can be reconciled to the related items in the balance sheet as follows:

	2015 $'000	2014 $'000
Cash on hand	47	47
Cash in banks	2,793	3,576
Fixed term deposits ≤ 3 months	30,274	16,438
Call deposits	13,263	10,838
Total cash and cash equivalents per statement of cash flow	46,377	30,899

27 Reconciliation of net surplus after taxation for the period to net cash	2015 $'000	2014 $'000
Net profit for the year attributable to the association acting in the interest of members	20,640	17,502
Non-cash items:		
Depreciation expense	3,307	3,465
Amortisation expense	839	928
Impairment of goodwill recognised in profit and loss	293	365
Capitalised lease	19	(39)
Share of (profit)/loss of joint ventures	(13,152)	(9,122)
Loss/(gain) on managed funds	(7,201)	(3,928)
Changes in working capital:		
(Increase)/decrease in assets:		
Taxation receivable	1	-
Sundry receivables and prepayments	686	(3,020)
Dividend receivable	-	500
Inventories	(42)	51
(Decrease)/increase in liabilities:		
Accounts payable	1,555	2,708
Employee entitlements	174	279
Make Good Provision	5	33
Unearned & deferred income	(270)	2,451
Subscriptions in advance	1,174	934
Items classified as financing/investing activities:		
Loss/(gain) of disposal of property, plant and equipment	(440)	148
Loss/(gain) of disposal of intangible assets	201	5
Loss/(gain) on revaluation of freehold land and buildings	(288)	70
Loss/(gain) on revaluation of investment property	-	(13)
Dividend from joint venture companies	8,589	7,010
Loss/(gain) on disposal of business	-	(1,343)
Loss/(gain) on disposal of joint ventures	-	(1,783)
Reversal of joint venture losses previously recognised in the profit and loss	(722)	(1,621)
Loss/(gain) on revaluation of joint venture	1,668	-
Net cash from operating activities	17,036	15,580

28 Amount, timing and uncertainty of cash flows

The Groups revenue is widely sourced across a range of services, products and industries and as such the Board Members consider the risk to cash flow is minimised.

The major source of revenue for the Group is membership subscription income. This risk is mitigated as there are a large number of personal members, who pay a comparatively low subscription, so to suffer a material change in membership subscription income would require a significant change in personal members.

The only significant risk to profit from membership subscription income is the cost of members' demand for road service. This risk is mitigated predominantly through the use of a fixed cost operating structure based on estimated future demand. The Group's budgets contain amounts conservatively calculated to cover the cost of such factors that in the past have generally proved more than adequate.

In addition, the method of calculating earned subscription income by it being spread using a time based formula so as to calculate that portion of the subscription applicable to the unexpired period of a membership term, adds certainty to the future revenue.

The income derived from other activities is spread across a wide range of business ventures, some involving a discretionary spend (tourism, vehicle inspections) and others where expenditure is unavoidable (Warrants of Fitness, Registration, and Licensing). The spread of income amongst these categories minimises the risk to the overall revenue received from the source, particularly where the transactions tend to be of small value but involve large numbers of customers.

29 Operating lease and capital commitments

The group as lessee:

Operating leases primarily relate to retail space with lease terms of between one month to 20 years. All operating lease contracts contain market review clauses in the event that the Group exercises its option to renew. The Group does not have an option to purchase the leased asset at the expiry of the lease period.

Obligations payable after balance date on non-cancellable leases are as follows:

	2015 $'000	2014 $'000
Within one year	3,347	3,212
Between one and five years	5,528	6,303
After five years	819	1,327
	9,694	10,842

Capital commitments

At balance date the Group had no capital commitments (2014: $Nil).

30 Contingent assets

At balance date the Group had no contingent assets (2014: $Nil).

THE NEW ZEALAND AUTOMOBILE ASSOCIATION INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

	2015 $'000	2014 $'000
31 Contingent liabilities		
Contingent liabilities are categorised as follows:		
Uncalled capital on shares in:		
Qualmark New Zealand Limited	40	40
Motorway emergency telephone service indemnity bond	8	8

32 Subsequent events

The Group received the following dividends post balance date from joint ventures; $11.2 million on 27 August 2015 being their share of a dividend declared on 23 July 2015.

33 Financial instruments

The Group manages its exposure to key financial risks, including interest rate risk in accordance with the Group's financial risk management policy. The objective of the policy is to support the delivery of the Group's financial targets whilst protecting future financial security.

The main risks arising from the Group's financial instruments are credit risk, liquidity risk and market risk including interest rate risk. The Group uses different methods to measure and manage different types of risks to which it is exposed. Ageing analyses are undertaken to manage credit risk. Liquidity risk is monitored through the development of future rolling cash flow forecasts. Levels of exposure to interest rate risk are monitored and assessments are made of market forecasts for interest rates.

The Board members review and agree policies for managing each of the risks identified below, including the setting of limits for interest rate risk, and future cash flow forecast projections.

Capital risk management
The Group manages its capital to ensure that the Group will be able to continue as a going concern while ensuring sufficient return in order to meet the objectives of the Group. The capital structure of the Group includes cash and cash equivalents and members' funds of the Association comprising accumulated funds and other reserves.

Credit risk
Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents, sundry receivables and other current assets, and other financial assets. The Group's exposure to credit risk arises from potential default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures including an assessment of their independent credit rating, financial position, past experience and industry reputation. Risk limits are set for each individual customer in accordance with parameters set by the Board Members. These risk limits are regularly monitored.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable, with the result that the Group's exposure to bad debts is not significant.

33 Financial instruments continued

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are related entities. Concentration of credit risk did not exceed 5% of gross monetary assets at any time during the year. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The Group does not hold collateral over these accounts receivable.

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Board members, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves and banking facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Contractual maturities of financial liabilities

The table below summarises the contractual maturities of financial liabilities (including interest payments) based on the remaining period at the balance date to the contractual maturity date:

As at 30 June 2015	Carrying amounts $'000	Contractual cash flows $'000	On demand $'000	1 to 12 months $'000	1 to 5 years $'000
Liabilities					
Accounts payable	13,931	13,931	13,931	-	-
Total financial liabilities	13,931	13,931	13,931	-	-

As at 30 June 2014	Carrying amounts $'000	Contractual cash flows $'000	On demand $'000	1 to 12 months $'000	1 to 5 years $'000
Liabilities					
Accounts payable	12,376	12,376	12,376	-	-
Total financial liabilities	12,376	12,376	12,376	-	-

33 Financial instruments continued

Categories of financial assets and financial liabilities

As at 30 June 2015	Loans and Receivables $'000	At fair value through profit or loss $'000	Financial liabilities at amortised cost $'000	Total $'000
Assets				
Cash and cash equivalents	46,377	-	-	46,377
Other financial assets	-	57,445	-	57,445
Sundry receivables & other assets	7,777	-	-	7,777
Related party receivable	610	-	-	610
Total financial assets	54,764	57,445	-	112,209
Liabilities				
Accounts payable	-	-	(13,931)	(13,931)
Total financial liabilities	-	-	(13,931)	(13,931)

As at 30 June 2014	Loans and Receivables $'000	At fair value through profit or loss $'000	Financial liabilities at amortised cost $'000	Total $'000
Assets				
Cash and cash equivalents	30,899	-	-	30,899
Other financial assets	-	50,244	-	50,244
Sundry receivables & other assets	7,796	-	-	7,796
Related party receivable	3,364	-	-	3,364
Total financial assets	42,059	50,244	-	92,303
Liabilities				
Accounts payable	-	-	(12,376)	(12,376)
Total financial liabilities	-	-	(12,376)	(12,376)

Market risks

Foreign currency risk
The Group has exposure to foreign exchange risk, through its investment in two managed funds. This exposure relates to the translation of assets invested globally.

The Group manages its foreign exchange risk exposure through its Statement of Investment Policy and Objectives for Investment Funds. Exposure is limited by putting in place hedging and an outcome of this is the additional return that normally arises from the forward contracts which implement the hedging.

Interest rate risk
Interest rate risk is the risk that the value of the Group's assets and liabilities will fluctuate due to changes in the market interest rates. The Group is exposed to interest rate risk primarily through its cash, investments and advances to related party balances.

33 Financial instruments continued

The Group constantly analyses its interest rate exposure. Within this analysis consideration is given to potential renewals of existing positions, alternative financing, alternative hedging positions and the mix of fixed and variable interest rates.

The sensitivity analysis below has been determined based on the exposure to interest rates for financial instruments at the reporting date. The analysis is prepared assuming the balances of the financial instruments outstanding at the reporting date were outstanding for the whole year. A 100 basis point increase and decrease is used in the model to assess the impact on the income statement with all other variables held constant.

Equity price sensitivity analysis

The Group is exposed to equity price risks arising from equity investments.

Financial Assets

Financial Assets has a portfolio investment of cash and shares in managed fund. Risk analysis is therefore based on both changes in interest rate and equity price.

As at 30 June 2015	Balance $'000	Income impact of 1% fall in interest rate - (profit)/loss $'000	Income impact of 1% increase in interest rate - (profit)/loss $'000	Income impact of 5% fall in equity price - (profit)/loss $'000	Income impact of 5% increase in equity price - (profit)/loss $'000
Assets					
Cash and cash equivalents	46,377	464	(464)	-	-
Other financial assets	57,445	170	(170)	2,022	(2,022)
Related party receivable	610	25	(25)	-	-
Total financial assets	104,432	659	(659)	2,022	(2,022)
Total	104,432	659	(659)	2,022	(2,022)

The 1% impact on income has been calculated on the gross related party receivable before joint venture losses have been offset.

As at 30 June 2014	Balance $'000	Income impact of 1% fall in interest rate $'000	Income impact of 1% increase in interest rate $'000	Income impact of 5% fall in equity price $'000	Income impact of 5% increase in equity price $'000
Assets					
Cash and cash equivalents	30,899	309	(309)	-	-
Other financial assets	50,244	157	(157)	1,726	(1,726)
Related party receivable	3,364	59	(59)	-	-
Total financial assets	84,507	525	(525)	1,726	(1,726)
Total	84,507	525	(525)	1,726	(1,726)

33 Financial instruments continued

Fair Values

The fair value of financial assets with standard terms and conditions, and traded on active liquid markets, is determined with reference to quoted market prices. The financial asset in this category is the managed fund investment which is a portfolio consisting of equities, trust units and fixed interest investments.

The fair values of each class of financial instruments approximates to the carrying value as stated in the financial statements.

Fair value measurements recognised in the statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at 30 June 2015	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets				
Other financial assets	27,348	5,474	24,623	57,445
Total financial assets	27,348	5,474	24,623	57,445

As at 30 June 2014	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets				
Other financial assets	20,616	7,337	22,291	50,244
Total financial assets	20,616	7,337	22,291	50,244

There were no transfers between Level 1 and 2 in the period.

Reconciliation of Level 3 fair value measurements of financial assets	2015 $'000	2014 $'000
Balance at beginning of period	22,291	10,387
Purchases	-	10,000
Sales	-	-
Gains/(losses) recognised in profit or loss (note 2)	2,332	1,904
Balance at end of period	24,623	22,291

Commodity and other market risk

The group has no significant exposure to commodity or other market risk.

Deloitte.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
THE NEW ZEALAND AUTOMOBILE ASSOCIATION INCORPORATED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of The New Zealand Automobile Association Incorporated and its subsidiaries ('the Group') on pages 3 to 45, which comprise the consolidated statement of financial position as at 30 June 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.

This report is made solely to the Members, as a body, in accordance with the Rules of the Association. 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 the Members, as a body, for our audit work, for this report, or for the opinions we have formed.

Boards' Responsibility for the Consolidated Financial Statements

The Board is responsible for the preparation and fair presentation of these consolidated financial statements, in accordance with New Zealand Equivalents to International Financial Reporting Standards with Public Benefit Entity Modifications and generally accepted accounting practice in New Zealand, and for such internal control as the Governing Body 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 Responsibilities

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 and 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 the accounting policies used and the reasonableness of accounting estimates, as well as 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.

Our firm carries out other assignments for The New Zealand Automobile Association Incorporated in the area of other assurance services and taxation advice. In addition to this, partners and employees of our firm deal with The New Zealand Automobile Association Incorporated and its subsidiaries on normal terms within the ordinary course of trading activities of the business of The New Zealand Automobile Association Incorporated and its subsidiaries. These services have not impaired our independence as auditor of The New Zealand Automobile Association Incorporated and Group. The firm has no other relationship with, or interest in, The New Zealand Automobile Association Incorporated or any of its subsidiaries.

Opinion

In our opinion, the consolidated financial statements on pages 3 to 45 present fairly, in all material respects, the consolidated financial position of The New Zealand Automobile Association Incorporated and its subsidiaries as at 30 June 2015, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards with Public Benefit Entity Modifications and generally accepted accounting practice in New Zealand.

Deloitte

Chartered Accountants
25 September 2015
Auckland, New Zealand

This audit report relates to the financial statements of The New Zealand Automobile Association Incorporated for the year ended 30 June 2015 included on The New Zealand Automobile Association Incorporated's website. The Board Members are responsible for the maintenance and integrity of The New Zealand Automobile Association Incorporated's website. We have not been engaged to report on the integrity of The New Zealand Automobile Association Incorporated's website. We accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website. The audit report refers only to the financial statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and related audit report dated 25 September 2015 to confirm the information included in the audited financial statements presented on this website. Legislation in New Zealand governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.