YOUTHTOWN INC

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

YOUTHTOWN INC
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FOR THE YEAR ENDED 30 JUNE 2015

YOUTHTOWN INC
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015

	Note	GROUP 2015 (12 Months) $	GROUP 2014 (18 Months) $	PARENT 2015 (12 Months) $	PARENT 2014 (18 Months) $
Gaming revenue	3	12,475,976	18,836,577	12,475,976	18,836,577
Gaming expenditure					
Gaming venue payments and other direct costs		(4,050,159)	(6,018,357)	(4,050,159)	(6,018,357)
Gaming indirect costs		(764,631)	(950,172)	(764,631)	(950,172)
Gaming equipment depreciation	7	(813,164)	(2,125,210)	(813,164)	(2,125,210)
Gaming grants to other community groups	4	(1,747,366)	(2,765,380)	(1,747,366)	(2,765,380)
Total gaming expenditure		(7,375,320)	(11,859,119)	(7,375,320)	(11,859,119)
Gaming contribution		5,100,656	6,977,458	5,100,656	6,977,458
Youth Services and other revenue					
Programme registrations		1,028,704	1,543,521	1,028,704	1,543,521
Central govt programme funding		251,500	487,925	251,500	487,925
Council revenue grants		72,204	135,000	72,204	135,000
Fundraising		-	11,842	-	11,842
Insurance settlement		24,800	874,473	24,800	874,473
Gain on asset disposal		106,309	-	106,309	-
Sundry income		104,953	581,036	104,953	581,036
Total Youth Services and other revenue	2	1,588,470	3,633,797	1,588,470	3,633,797
Youth Services and other expenditure					
Youth Services direct programme expenses		(2,614,088)	(3,536,837)	(2,614,088)	(3,536,837)
Communications		(70,904)	(109,522)	(70,904)	(109,522)
Occupancy costs		(436,976)	(788,381)	(436,976)	(770,501)
Professional services		(347,504)	(488,740)	(294,031)	(438,553)
Audit fees		(69,268)	(30,334)	(69,268)	(30,334)
Depreciation	7	(212,286)	(487,324)	(212,286)	(410,165)
Amortisation	6, 8	-	(626,786)	-	(626,786)
Impairment of fixed assets	7	-	(1,332,726)	-	(344,632)
Personnel costs		(2,146,322)	(3,120,046)	(2,146,322)	(3,120,046)
Sundry costs		(613,032)	(766,863)	(599,272)	(771,455)
Contamination costs	5	(367,835)	(466,166)	(367,835)	(466,166)
Charitable grants		(62,732)	(49,350)	-	-
Total Youth Services and other expenditure		(6,940,947)	(11,803,075)	(6,810,982)	(10,624,997)
Finance Income		305,095	288,885	41,153	43,711
Finance Expense		(62,836)	(268,681)	(62,836)	(268,681)
Net Finance Income / (Expense)		242,259	20,204	(21,683)	(224,970)
Profit/(Loss) from continuing operations		(9,562)	(1,171,616)	(143,540)	(238,712)
Other Comprehensive Income items that are or may be reclassified subsequently to Profit or Loss					
Net change in fair value of available for sale financial assets		140,757	203,072	-	-
Total Comprehensive Profit/(Loss)		**131,195**	**(968,544)**	**(143,540)**	**(238,712)**
Abnormal Items		-		-	
Total Income		**131,195**	**(968,544)**	**(143,540)**	**(238,712)**

The financial statements must be read in conjunction with the attached notes

YOUTHTOWN INC
STATEMENT OF CHANGES IN ACCUMULATED FUNDS
FOR THE YEAR ENDED 30 JUNE 2015

		GROUP		PARENT	
		2015 (12 Months)	2014 (18 Months)	2015 (12 Months)	2014 (18 Months)
	Note	$	$	$	$
Accumulated Funds					
Balance at beginning of period		5,850,394	6,818,938	2,114,614	2,353,326
Total Comprehensive Income/(Loss) for the period					
Net Profit/(Loss)for the period		(9,562)	(1,171,616)	(143,540)	(238,712)
Total Other Comprehensive (Loss) for the Period					
Fair Value Movement on Available for sale financial asset		140,757	203,072	-	-
Total Comprehensive Profit/(Loss) for the period		131,195	(968,544)	(143,540)	(238,712)
Balance at end of period		5,981,589	5,850,394	1,971,074	2,114,614

The financial statements must be read in conjunction with the attached notes

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YOUTHTOWN INC
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015

		GROUP		PARENT	
		2015	2014	2015	2014
		(12 Months)	(18 Months)	(12 Months)	(18 Months)
	Note	$	$	$	$
Accumulated Funds					
Accumulated Funds		5,981,589	5,850,394	1,971,074	2,114,614
Total Accumulated Funds		5,981,589	5,850,394	1,971,074	2,114,614
Represented by:					
Current Assets					
Prepayments		342,647	245,775	265,488	168,616
Accounts Receivable	13	452,434	594,778	452,434	594,778
Cash and Cash Equivalents		1,944,707	2,185,942	1,507,276	1,717,179
Total Current Assets		2,739,788	3,026,495	2,225,198	2,480,573
Non-Current Assets					
Property Plant & Equipment	7	3,012,346	3,562,267	2,927,346	3,477,267
Intangible Assets	8	-	-	-	-
Investments	9	2,351,121	2,129,858	-	-
Total Non Current Assets		5,363,467	5,692,125	2,927,346	3,477,267
Total Assets		8,103,255	8,718,620	5,152,544	5,957,840
Current Liabilities					
Goods & Services Taxation	12	278,457	284,001	278,457	284,001
Trade Creditors	12	263,056	238,266	263,056	238,266
Other Creditors	12	1,580,153	1,779,243	1,664,957	1,779,243
Borrowings	10	-	566,716	-	566,716
Foundation Loan	10	-	-	975,000	975,000
Total Current Liabilities		2,121,666	2,868,226	3,181,470	3,843,226
Total Liabilities		2,121,666	2,868,226	3,181,470	3,843,226
Net Assets		5,981,589	5,850,394	1,971,074	2,114,614

B Bradley
President
22 October 2015

Director
22 October 2015

The financial statements must be read in conjunction with the attached notes

YOUTHTOWN INC
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015

	Note	GROUP 2015 (12 Months) $	GROUP 2014 (18 Months) $	PARENT 2015 (12 Months) $	PARENT 2014 (18 Months) $
Cash Flow from Operating Activities					
Receipts from Customers		1,413,691	3,665,267	1,413,691	3,665,267
Gaming Machine Receipts		16,566,495	25,206,331	16,566,495	25,206,331
Payments to Suppliers and employees		(17,169,413)	(24,745,439)	(17,093,757)	(24,627,937)
Interest and Dividends Received		209,198	288,885	41,153	43,711
Interest Paid		(62,836)	(268,681)	(62,836)	(268,681)
Net Cash provided by Operating Activities		**957,135**	**4,146,363**	**864,746**	**4,018,691**
Cash Flow from Investing Activities					
Proceeds from maturity of Investments		-	-	-	-
Proceeds from Investments		(123,722)	162,113		-
Proceeds from Disposal of Property, Plant & Equipment		605,847	632,261	605,847	632,261
Payments for Property, Plant & Equipment		(1,113,779)	(2,135,636)	(1,113,779)	(2,135,636)
Payment for Intangible assets		-	-	-	-
Payment for Investment Portfolio		-	-		-
Net cash used in Investing Activities		**(631,654)**	**(1,341,262)**	**(507,932)**	**(1,503,375)**
Cash Flow from Financing Activities					
Proceeds from Financing - UDC Finance		-	-	-	-
Proceeds from Financing - Foundation Loan		-	-	-	-
Proceeds from Financing - Westpac Loan		-	1,207,000		1,207,000
Repayment of Financing		(566,716)	(2,678,129)	(566,716)	(2,678,129)
Net Cash used in Financing Activities		**(566,716)**	**(1,471,129)**	**(566,716)**	**(1,471,129)**
Net Increase / (Decrease) in cash and cash equivalents held		(241,235)	1,333,972	(209,902)	1,044,187
Cash and cash equivalents at beginning of period		2,185,942	851,970	1,717,179	672,992
Cash and Cash equivalents at end of period		**1,944,707**	**2,185,942**	**1,507,277**	**1,717,179**

The financial statements must be read in conjunction with the attached notes

YOUTHTOWN INC
STATEMENT OF ACCOUNTING POLICIES
FOR THE YEAR ENDED 30 JUNE 2015

1. STATEMENT OF ACCOUNTING POLICIES

Statement of Compliance

Youthtown Inc is an incorporated society, incorporated in New Zealand under the Incorporated Societies Act 1908 and registered under the Charities Act 2005. Its registered address is Level 4, 143 Nelson Street, Auckland.

The consolidated financial statements comprise, Youthtown Inc, (the "Parent") and the "Group" – Youthtown Inc and Youthtown Foundation Trust.

Youthtown Inc designs and delivers initiatives and activities that engage and develop young New Zealanders. The Youthtown Foundation Trust's purpose is to create and manage a fund to support Youthtown Inc.

Youthtown Inc and Youthtown Foundation Trust have been established to carry on activities for the exclusive benefit of charitable purposes within New Zealand.

The financial statements of Youthtown Inc and the Group for the year ended 30 June 2015 were authorised for issue in accordance with a resolution of the Directors.

Basis of Preparation

Statement of Compliance

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ('NZ GAAP'). They comply with New Zealand Equivalents to International Financial Reporting Standards ('NZ IFRS') and other applicable financial reporting standards, as appropriate for public benefit entities that qualify for and apply differential reporting concessions.

The Group qualifies for differential reporting exemptions as it has no public accountability and is not large. No reporting exemptions allowed under the Framework for Differential Reporting have been adopted.

The Parent and the Group is deemed a public benefit entity for financial reporting purposes, as its primary objective is to provide services to the community for social benefit and has been established with a view to supporting that primary objective rather than a financial return.

Transition to new Financial Reporting Framework

The Group currently prepares financial statements in accordance with NZ GAAP. New legislation will require the financial statements to be prepared under Public Benefit Entity International Public Sector Accounting Standards, Reduced Disclosure Regime (PBE IPSAS RDR) based on the annual reporting expenditure being greater than the $2 million threshold. The new accounting standards are required to be used for periods beginning on or after 1 April 2015, and therefore will apply to the Group for the year ending 30 June 2016.

Basis of Measurement
The financial statements have been prepared on a historical costs basis, except for assets and liabilities that have been measured at fair value.

Cost is based on the fair value of the consideration given in exchange for assets.

The accrual basis of accounting has been used unless otherwise stated and the financial statements have been prepared on a going concern basis.

Presentation Currency
The financial statements are presented in New Zealand dollars, which is the Parent and Group's functional currency. All numbers presented have been rounded to the nearest dollar, unless otherwise stated.

Use of Estimates and Judgments
The preparation of financial statements in conformity with NZ IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Where material, information on significant judgments, estimates and assumptions is provided in the relevant accounting policy or note disclosure.

The estimates and underlying assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances. Estimates are subject to ongoing review and actual results may differ from these estimates. Revisions to accounting estimates are recognised in the year in which the estimate is revised and in any future years affected.

Reporting Date Change and Comparatives
The Group changed its balance date from December 31 to June 30 during the comparative financial period. The current financial period is for a 12 month period covering 1 July 2014 to 30 June 2015, whereas the comparative financial period presented is 18 months covering 1 January 2013 to 30 June 2014, and therefore is not entirely comparable. The balance date was changed to better align with our funding and obligations.

Significant Accounting Policies
The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(a) Basis of Consolidation
The Youthtown Foundation Trust is accounted for on a consolidation basis as though it is a subsidiary of the Parent. Youthtown Inc, as Parent, consolidates the Youthtown Foundation Trust because it has the capacity to control the Youthtown Foundation Trust through the appointment and removal of the Trustee and Advisory Trustees, and it benefits from the activities of the Youthtown Foundation Trust.

The purchase method is used to prepare the consolidated group financial statements, which involves adding together like items of assets, liabilities, equity, income and expensed on a line-by-line basis.

Intergroup balances, and any unrealised income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

(b) Foreign currency

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the foreign exchange rate ruling at that date. Foreign exchange rate differences arising on translation are recognised in the Statement of Comprehensive Income.

(c) Non derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, investments, trade and other payables and finance loans.

Recognition

Financial instruments are initially measured at fair value plus directly attributable transaction costs. Subsequent to initial recognition, these instruments are measured as set out below.

A financial instrument is recognised if the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control of substantially all risks and rewards of the asset. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held on call with banks, and other short-term, highly liquid investments.

Other

All non derivative financial instruments are classified as either loans and receivables or other financial liabilities. Subsequent to initial recognition, all financial instruments are measured at amortised cost using the effective interest rate method, less any impairment losses.

Loans and Other Receivables

Loans and other receivables (including trade and other receivables and investments) are stated at amortised cost, using the effective rate of interest method, less impairment losses.

The Group initially recognises loans and receivables on the date that they are originated. All other financial assets (including assets designated at fair value through Statement of Comprehensive Income) are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial assets into the following categories: held-to-maturity financial assets, loans and receivables and available-for-sale financial assets.

Investments
Held-to-maturity financial assets
If the Group has the positive intent and ability to hold debt securities to maturity, then such financial assets are classified as held-to-maturity. Held-to-maturity financial assets are recognised initially at fair value plus any directly attributable transaction costs.

Subsequent to initial recognition held-to-maturity financial assets are measured at amortised cost using the effective interest method, less any impairment losses.

Held-to-maturity financial assets comprise debentures, bonds and capital notes.

Available-for-sale financial assets
Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not classified in any of the above categories of financial assets. Available-for-sale financial assets are recognised initially at fair value plus any directly attributable transaction costs.

Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for-sale debt instruments, are recognised in other comprehensive income and presented in the fair value reserve in equity.

When an investment is derecognised, the gain or loss accumulated in equity is reclassified to the Statement of Comprehensive Income.

Available-for-sale financial assets comprise equity securities and debt securities.

(d) Non Derivative Financial Liabilities
Trade and Other Payables
Trade and other payables are recognized when the entity becomes obliged to make future payments resulting from the purchase of goods and services. Payables are classified as financial liabilities at amortised cost using the effective interest method.

Finance Costs
Interest payable on borrowings is recognised on an accrual basis and calculated using the effective interest rate method. All interest costs are recognised in the Statement of Comprehensive Income.

(e) Property, Plant & Equipment
Recognition and Measurement
Land is recorded at cost. All other owned items of property, plant and equipment are recorded at cost less accumulated depreciation. Initial cost includes the purchase consideration, or fair value in the case of a donated asset and those costs directly attributable to bringing the asset to the location

and condition necessary for its intended use. These costs include, where appropriate, site preparation costs and installation costs.

Subsequent Costs
Subsequent expenditure relating to an item of property, plant or equipment is added to its gross carrying amount when such expenditure either increases the future economic benefits beyond its existing service potential, or is necessarily incurred to enable future economic benefits to be obtained, and if that expenditure would have been included in the initial cost of the item if it had been incurred at that time.

Items of property, plant or equipment are written down immediately if impairment in the value of the asset causes its recoverable amount to fall below its carrying amount. The impairment is recognised in the Statement of Comprehensive Income.

Where an item of property, plant or equipment is disposed of, the gain or loss recognised in the Statement of Comprehensive Income is calculated as the difference between the net sale price and the carrying amount of the asset. Any revaluation is reduced or increased by the amount applicable to that item.

Depreciation
Depreciation is calculated on all assets, with the exception of land, over their estimated useful lives. Property, Plant and Equipment are stated at cost less accumulated depreciation.

Buildings	2.0% SL – 11.4% DV
Plant & Equipment	10.0% - 80.0% DV
Motor Vehicles	10.0% - 36% DV
Furniture & Fittings	9.0% - 60.0% DV
Gaming Equipment	24% – 48% SL

The assets' residual values, depreciation methods, and useful lives are reviewed and adjusted if appropriate at each reporting date.

(f) Intangible Assets
Intangible assets are recognised at cost less any accumulated amortisation. Amortisation methods, useful lives and current residual values are reassessed annually.

Amortisation is recognised in Statement of Comprehensive Income on a straight line basis over the estimated useful life of the intangible asset.

(g) Impairment
Financial Assets (including receivables)
At each reporting date, the Group assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the Statement of Comprehensive Income.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit characteristics.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. Impairment loss reversals are recognised in the Statement of Comprehensive Income.

Non-Financial Assets
At each reporting date, the Group reviews the carrying values of its tangible and intangible assets, to determine whether there is any indication that those assets have been impaired.

If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use (depreciated replacement cost), is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Comprehensive Income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

(h) Goods and Services Tax
Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except for receivables and payables, which are recognised inclusive of GST.

Cash flows are included in the statement of cash flow on a net 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.

(i) Employee Benefits
Provision is made for benefits accruing to employees in respect of wages and salaries, Kiwisaver and annual leave when it is probable that settlement will be required and they are capable of being measured.

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

(j) Revenue
Revenue is measured at the fair value of consideration received or recoverable.

Sponsorship, Donations, Government Funding and Grants
Sponsorship, donations and grant income is recognised as income when it becomes receivable unless the Group has a liability to repay the sponsorship, donation, or grant if the requirements or conditions of the specific revenue received are not fulfilled. A liability is recognized as income received in advance to the extent that such conditions are not fulfilled at the end of the reporting period.

Bequests
Bequests are recognised in the Statement of Comprehensive Income once received. Revenue from specifically designated bequests where the designated expenditure during the year has not occurred or is incomplete, and where there is an obligation to repay the funds, are transferred to income received in advance and will be brought to account in the future as the funds are expended.

Gaming Revenue
Gaming revenue is recognised when it becomes receivable, and is presented net of applicable gaming duties and levies.

Dividends
Dividend income from investment portfolios are recognised in the Statement of Comprehensive Income as received.

Donated Assets
Where a physical asset is donated or vested in the Parent or Group for nil or nominal consideration, the fair value of the asset received is recognised as revenue. Assets vested in the Parent or Group are recognised as revenue when control through ownership over the asset is obtained.

Programme Registrations
Revenue from the programmes is recognised when the service is rendered. Revenue received but not able to be recognised under the above policy is recorded as income received in advance in the Statement of Financial Position as a liability.

Changes in Accounting Policies
All policies have been applied on bases consistent with those used in previous years.

(k) Income Tax
The Group was granted charitable tax status by the Charities Commission and therefore taxation expense does not apply.

(l) Leases
The Group as lessee:
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.

Operating lease payments are recognised as an expense on a straight line basis over the lease term. Lease incentives received are recognised in the Statement of Comprehensive Income over the lease term as an integral part of the total lease expense.

Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased asset and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding, using the effective interest method.

The corresponding rental obligations, net of finance charges are shown as liabilities on the Statement of Financial Position. The interest element of the finance cost is charged to the Statement of

Comprehensive Income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Property, plant and equipment acquired under a finance lease is treated in the same manner as owned assets as detailed in note 8.

The Group as lessor:

Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

(m) Use of Estimates and Judgements

In preparing these financial statements the Group has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future period affected.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is noted as follows:

- Management have judged that the Group is a public benefit entity. The primary objective of the Group is to benefit young New Zealander's.
- Any equity has been provided with a view to supporting that primary objective rather than for a financial return to equity holders.

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2. ACTIVITIES OF YOUTHTOWN INC

Youthtown Inc provides youth development and recreational services throughout New Zealand, which is partly funded by the operation of gaming machines.

Youthtown Inc – Youth Services

	GROUP		PARENT	
	2015 (12 Months) $	2014 (18 Months) $	2015 (12 Months) $	2014 (18 Months) $
Revenue:				
Sponsorship, Donations & Grants	417,861	971,868	417,861	971,868
Programme & Facility Income	1,056,760	1,772,511	1,056,760	1,772,511
Other Sundry Revenue	113,849	889,418	113,849	889,418
	1,588,470	3,633,797	1,588,470	3,633,797

3. GAMING REVENUE

Youthtown generates revenue from the operation of gaming machines at 20 gaming venues around New Zealand. These revenues are applied to the provision of Youthtown's 'Youth Services' at Youthtown Inc as the end user trust and they are also distributed as community grants (Note 4).

	GROUP		PARENT	
	2015 (12 Months) $	2014 (18 Months) $	2015 (12 Months) $	2014 (18 Months) $
Gaming Revenue:				
Gross Gaming Revenue	16,525,667	24,972,274	16,525,667	24,972,274
Gaming Duties & Levies	(4,049,691)	(6,135,697)	(4,049,691)	(6,135,697)
	12,475,975	18,836,577	12,475,976	18,836,577

Legally Youthtown Inc is required to return Gaming Machine Duty of 20.00% of GST-inclusive gross gaming revenue (2014: 20.00%) and Problem Gambling Levies of 1.48% of gross gaming revenue (2014: 1.48%).

4. GAMING GRANTS TO OTHER COMMUNITY GROUPS

Youthtown Inc's Gaming operation is required by law to distribute at least 37.12% of gross gaming revenue by way of Grants to the community. During the year Youthtown Inc's Gaming operation has met its obligation and paid out 37.20% ($6,147,243) of gross gaming revenue (2014: 39.13%, $6,398,287).

All community grants up to $50,000 are approved by the Board Sub-Committee for Grants and all community grants over $50,000 must be approved by the Board.

All community grants must meet the criteria outlined in the Grants Policy including being for an "authorised purpose" as defined by the Gambling Act 2003.

Youthtown Inc as an end user trust applies gaming proceeds to enable the delivery of Youth Services programs and activities that engage and develop young New Zealander's

These 'grants' to Youth services do not appear in the Statement of Comprehensive Income as they are internal transactions that flow through as Gaming's contribution.

5. CONTAMINATION COSTS

During the 2012 financial year Youthtown Inc discovered lead contamination in the basement of the Nelson Street facility. The lead contamination was the result of years of operation of the rifle range in the basement, most recently by a Shooting Club. During the 2015 financial year significant asbestos was discovered and cleaned as part of the decontamination process.

Costs have been expensed and accrued in these accounts for the decontamination.

6. SUBSIDIARIES

	GROUP		PARENT	
	2015 (12 Months) $	2014 (18 Months) $	2015 (12 Months) $	2014 (18 Months) $
Youthtown Foundation Trust	-	-	-	-

Although the Company does not hold any ownership interests in the Youthtown Foundation Trust, it has the capacity to control the Youthtown Foundation Trust through the appointment and removal of the Trustee and Advisory Trustees, and it receives substantially all of the benefits related to their operations and net assets based on the Trust Deed under which Youthtown Foundation Trust was established. Consequently, Youthtown Inc consolidates this entity.

7. NON CURRENT ASSETS - PROPERTY, PLANT & EQUIPMENT

PARENT

	Freehold Land	Building	Plant & Equipment	Motor Vehicles	Furniture & Fittings	Gaming Equipment	Total
	$	$	$	$	$	$	$
Gross carrying amount:							
Balance as at 1 January 2013	-	1,738,807	1,433,386	1,096,051	304,254	8,871,613	13,444,111
Additions	-	-	209,069	175,883	5,581	1,506,524	1,897,057
Corrections to opening balances		-	238,579	-	-	(774,044)	(535,465)
Transfers between classes	-	-	(7,378)	7,378	-	-	-
Disposals	-	-	(7,167)	(109,654)	-	(655,982)	(772,803)
Impairment of assets	-	(414,813)	(690,108)	-	(220,727)	-	(1,325,648)
Balance as at 30 June 2014	**-**	**1,323,994**	**1,176,381**	**1,169,658**	**89,108**	**8,948,110**	**12,707,251**
Additions	-	-	148,616	-	25,311	613,792	787,720
Disposals	-	(5,376)	(211,904)	(748,703)	(66,177)	(1,139,604)	(2,171,763)
Impairment of assets	-	-	-	-	-	-	-
Balance as at 30 June 2015	**-**	**1,318,618**	**1,113,094**	**420,955**	**48,243**	**8,422,298**	**11,323,208**
Accumulated depreciation / amortisation and impairment:						-	
Balance as at 1 January 2013	-	286,617	1,178,216	835,044	199,564	6,091,293	8,590,734
Disposals	-	-	(7,023)	(73,230)	-	(834,856)	(915,109)
Corrections to opening balances	-	-	126,529	-	-	(407,697)	(281,168)
Transfers between classes	-	-	(5,350)	5,350	-	-	-
Depreciation expense	-	73,125	218,328	205,301	24,901	2,294,888	2,816,542
Depreciation reversed on impairment	-	(225,360)	(589,524)	-	(166,132)	-	(981,016)
Balance as at 30 June 2014	**-**	**134,382**	**921,176**	**972,465**	**58,333**	**7,143,628**	**9,229,984**
Disposals	-	(1,100)	(114,632)	(659,584)	(34,846)	(1,049,984)	(1,860,146)
Depreciation expense	-	27,684	95,686	83,556	5,934	813,164	1,026,023
Depreciation reversed on impairment	-	-	-	-	-	-	-
Balance as at 30 June 2015	**-**	**160,966**	**902,230**	**396,437**	**29,421**	**6,906,808**	**8,395,862**
Net book value:						-	
Balance as at 30 June 2014	**-**	**1,189,612**	**255,205**	**197,193**	**30,775**	**1,804,482**	**3,477,267**
Balance as at 30 June 2015	**-**	**1,157,652**	**210,864**	**24,518**	**18,822**	**1,515,490**	**2,927,346**

GROUP

	Freehold Land	Building	Plant & Equipment	Motor Vehicles	Furniture & Fittings	Plant & Equipment - Gaming	Total
	$	$	$	$	$	$	$
Gross carrying amount:							
Balance as at 1 January 2013	85,000	3,657,637	1,433,386	1,096,051	304,254	8,871,613	15,447,941
Additions	-	-	209,069	175,883	5,581	1,506,524	1,897,057
Corrections to opening balances	-	-	238,579	-	-	(774,044)	(535,465)
Transfers between classes	-	-	(7,378)	7,378	-	-	-
Disposals	-	-	(7,167)	(109,654)	-	(655,982)	(772,803)
Impairment of assets	-	(2,333,643)	(690,108)	-	(220,727)	-	(3,244,478)
Balance as at 30 June 2014	**85,000**	**1,323,994**	**1,176,381**	**1,169,658**	**89,108**	**8,948,110**	**12,792,251**
Additions	-	-	148,616	-	25,311	613,792	787,720
Disposals	-	(5,376)	(211,904)	(748,703)	(66,177)	(1,139,604)	(2,171,763)
Impairment of assets	-	-	-	-	-	-	-
Balance as at 30 June 2015	**85,000**	**1,318,618**	**1,113,094**	**420,955**	**48,243**	**8,422,298**	**11,408,208**
Accumulated depreciation / amortisation and impairment:							
Balance as at 1 January 2013	-	286,617	1,178,216	835,044	199,564	6,091,293	8,590,734
Disposals	-	-	(7,023)	(73,230)	-	(834,856)	(915,109)
Corrections to opening balances	-	-	126,529	-	-	(407,697)	(281,168)
Transfers between classes	-	-	(5,350)	5,350	-	-	-
Depreciation expense	-	73,125	218,328	205,301	24,901	2,294,888	2,816,542
Depreciation reversed on impairment	-	(225,360)	(589,524)	-	(166,132)	-	(981,016)
Balance as at 30 June 2014	**-**	**134,382**	**921,176**	**972,465**	**58,333**	**7,143,628**	**9,229,984**
Disposals	-	(1,100)	(114,632)	(659,584)	(34,846)	(1,049,984)	(1,860,146)
Depreciation expense	-	27,684	95,686	83,556	5,934	813,164	1,026,023
Depreciation reversed on impairment	-	-	-	-	-	-	-
Balance as at 30 June 2015	**-**	**160,966**	**902,230**	**396,437**	**29,421**	**6,906,808**	**8,395,862**
Net book value:							
Balance as at 30 June 2014	**85,000**	**1,189,612**	**255,205**	**197,192**	**30,775**	**1,804,482**	**3,562,267**
Balance as at 30 June 2015	**85,000**	**1,157,652**	**210,864**	**24,517**	**18,822**	**1,515,490**	**3,012,346**

The amount of expenditure recognised in the carrying amount of an item of Plant & Equipment in the course of construction at balance date is $25,000 (2014: $204,000 Plant & Equipment - Gaming).

Due to lead contamination, the fair value of the property at 68 Nelson St cannot be reliably measured. This property and related fit out has therefore been stated at cost less impairment charges. An impairment charge of $NIL was recognised at Group level in 2015 (2014:$1,332,726). The freehold land of this property is carried at cost.

The Youthtown Foundation Trust has entered into a conditional Agreement for Sale and Purchase of Real Estate in regard to the property at 68 Nelson Street. The sale is at market value and is conditional upon the remediation and clearing of the site. The terms and conditions of the agreement are confidential.

8. INTANGIBLE ASSETS

At the time of acquisition on 1 August 2012, the Premier Gaming management contract had 14 months remaining, expiring September 2013. The purchase value of Premier Gaming was amortised on a Straight Line basis over the remaining 14 months with nine months of amortisation expense being stated in the Statement of Comprehensive Income in 2014 and no amortization in 2015.

	GROUP		PARENT	
	2015	2014	2015	2014
	(12 Months)	(18 Months)	(12 Months)	(18 Months)
	$	$	$	$
Cost				
Opening Balance	975,000	975,000	975,000	975,000
Closing Balance	975,000	975,000	975,000	975,000
Amortisation and impairment losses				
Opening Balance	975,000	348,214	975,000	348,214
Amortisation for the year	-	626,786	-	626,786
Closing Balance	975,000	975,000	975,000	975,000
Carrying Amounts	-	-	-	-

9. INVESTMENTS

The market value of the debentures, notes and bonds, investments in shares and managed fund portfolio at 30 June 2015 was as follows:

	GROUP		PARENT	
	2015 (12 Months) $	2014 (18 Months) $	2015 (12 Months) $	2014 (18 Months) $
Held to Maturity				
Debentures, Notes and Bonds	308,299	350,661	-	-
	308,299	350,661	-	-
Available-for-Sale Financial Assets				
Investments in Shares	1,606,284	1,434,233	-	-
Managed Fund Portfolio	436,539	344,964	-	-
	2,042,822	1,779,198	-	-
	2,351,121	2,129,859	-	-

10. BORROWINGS

	GROUP		PARENT	
	2015 (12 Months) $	2014 (18 Months) $	2015 (12 Months) $	2014 (18 Months) $
Current				
Foundation Loan	-	-	975,000	975,000
Westpac Loan	-	566,716	-	566,716
	-	566,716	975,000	1,541,716

The Westpac loan was repaid during the year.

The Youthtown Foundation Trust loan incurs interest at 6% per annum and is repayable on demand.

11. LEASE COMMITMENTS

	GROUP		PARENT	
	2015 (12 Months) $	2014 (18 Months) $	2015 (12 Months) $	2014 (18 Months) $
Not longer than 1 year	264,009	141,620	264,009	141,620
Longer than 1 year and not longer than 5 years	647,658	87,090	647,658	87,090
Longer than 5 years	-	-	-	-
	911,667	228,710	911,667	228,710

The Group has entered into a number of operating leases in relation to premises and communication facilities. Where an operating lease contract contains an option to renew, the contract also contains a market review clause, in the event of renewal. The entity does not have an option to purchase the leased assets at the expiry of the lease periods.

12. TRADE AND OTHER PAYABLES

	GROUP		PARENT	
	2015	2014	2015	2014
	(12 Months)	(18 Months)	(12 Months)	(18 Months)
	$	$	$	$
Trade Creditors	263,056	238,266	263,056	238,266
Income Received in Advance	62,012	231,922	62,012	231,922
Employee Salary and Wages Accrual	106,923	85,616	106,923	85,616
Employee Holiday Pay Accrual	182,850	149,721	182,850	149,721
Sundry Creditors	-	18,463	84,804	18,463
IRD - PAYE	44,134	38,730	44,134	38,730
Accrued Expenses	1,184,234	1,254,791	1,184,234	1,254,791
IRD - GST	278,457	284,001	278,457	284,001
	2,121,666	2,301,510	2,206,470	2,301,510

13. ACCOUNTS RECEIVABLE

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, as this may have an influence on credit risk.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main component of this allowance is a specific loss component that relates to individually significant exposures.

	GROUP		PARENT	
	2015	2014	2015	2014
	(12 Months)	(18 Months)	(12 Months)	(18 Months)
	$	$	$	$
Accounts Receivable - Youth Services	167,179	268,637	167,179	268,637
Accounts Receivable - Gaming	285,254	326,141	285,254	326,141
	452,434	594,778	452,434	594,778

14. FINANCIAL INSTRUMENTS

The Group has exposure to the following risks from its use of financial instruments:
- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

A summary of the financial instruments held by category is provided below:

	GROUP		PARENT	
	2015	2014	2015	2014
	(12 Months)	(18 Months)	(12 Months)	(18 Months)
	$	$	$	$
Financial Liabilities				
Financial liabilities at amortised cost				
Trade and other payables	2,121,666	2,301,510	2,206,470	2,301,510
Loans and borrowings	-	566,716	975,000	1,541,716
Total Financial Liabilities	2,121,666	2,868,226	3,181,470	3,843,226

Risk Management Framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities.

Exposure to Credit Risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	GROUP		PARENT	
	2015	2014	2015	2014
	(12 Months)	(18 Months)	(12 Months)	(18 Months)
	$	$	$	$
Debentures, Notes and Bonds	308,300	350,662	-	-
Investment in Shares	1,606,284	1,434,233	-	-
Managed Fund Portfolio	436,539	344,964	-	-
Receivables	452,434	594,778	452,434	594,778
Cash and Cash Equivalents	1,944,707	2,185,942	1,507,276	1,717,179
	4,748,262	4,910,579	1,959,710	2,311,957

Impairment Losses

The aging of trade and other receivables at the reporting date that were not impaired was as follows:

	GROUP		PARENT	
	2015	2014	2015	2014
	(12 Months)	(18 Months)	(12 Months)	(18 Months)
	$	$	$	$
Not past due or impaired	35,699	546,181	35,699	546,181
Past due 0 - 30 Days	152,615	17,808	152,615	17,808
Past due 31 - 90 Days	95,860	2,316	95,860	2,316
Past due 91 Days Plus	79,325	28,473	79,325	28,473
	363,499	594,778	363,499	594,778

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows:
Group – 2015 $Nil (2014 – $Nil)

An allowance for doubtful debts has been made for estimated irrecoverable amounts from the sale of services, determined by reference to past default experience. The allowance is $20,000 during the year (2014: $20,000). No collateral is held over debtors.

Bad Debts written off total $NIL in the current year (2014: $101).

Debentures
Guardian Trust are the appointed Trustee of the Youthtown Foundation Trust and also manage the investments of the Youthtown Foundation Trust.

The Group limits its exposure to credit risk by investing only in liquid debentures and only with counterparties. Guardian Trust actively monitors credit ratings and given that the Group has only invested in securities with high credit ratings, the Group does not expect any counterparty to fail to meet its obligations.

Cash and Cash Equivalents
The Parent and Group held cash and cash equivalents of $1,507,276 and $1,944,707 respectively at 30 June 2015 (2014: $1,771,179 and $2,185,942 respectively), which represents its maximum credit exposure on these assets. The cash and cash equivalents are held with bank and financial institution counterparties.

Liquidity Risk
Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

Carrying Amount	Total	2 Months or Less	2 - 12 Months	1 - 2 Years	2 - 5 Years	More than 5 Years
Loan from Foundation	975,000	975,000	-	-	-	-
Trade and Other Payables	263,056	263,056	-	-	-	-
	1,238,056	1,238,056	-	-	-	-

Market Risk
Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency Risk
As at 30 June 2015 the Group had no exposure to foreign currency risk.

Interest Rate Risk
The Group adopts a policy of ensuring that between 45% and 65% of its exposure to changes in interest rates on borrowings is on a fixed-rate basis, taking into account assets with exposure to changes in interest rates.

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

	GROUP		PARENT	
	2015 (12 Months) $	2014 (18 Months) $	2015 (12 Months) $	2014 (18 Months) $
Fixed Rate Instruments				
Financial Assets	4.45% - 8.95%	3.67% - 9.80%	-	-
Financial Liabilities	6.00% - 6.35%	5.20% - 9.72%	6.00% - 6.35%	5.20% - 9.72%
Variable Rate Instruments				
Financial Assets	0.5% - 3.5%	0.75% - 2.75%	0.5% - 3.5%	0.75% - 2.75%

Fair Value Sensitivity Analysis for Fixed Rate Instruments
The Group does not account for any fixed rate financial assets and liabilities at fair value through Statement of Comprehensive Income, and the Group does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore a change in interest rates at the reporting date would not affect the Statement of Comprehensive Income.

Other Market Price Risk
Equity price risk arises from available-for-sale equity securities held. The Group monitors the mix of debt and equity securities in its investment portfolio based on market indices. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Youthtown Foundation Trust Trustees.

Sensitivity Analysis – Equity Price Risk
All of the Group's listed equity investments are listed on either the New Zealand Stock Exchange (NZX), the Australian Stock Exchange (ASX), or the London Stock Exchange (FTSE100). For such investments classified as available for sale, a 2% fluctuation in the NZX, ASX and FTSE100 at the reporting date would have increased or decreased equity by $32,126 (2014: $24,782).

Capital Management
The Group's policy is to maintain a strong capital base so as to maintain creditor and market confidence and to sustain future development of the business. Capital consists of retained earnings.

15. CAPITAL COMMITMENTS

As at balance date there are no known capital or other expenditure commitments (2014: $Nil). Non-cancellable operating lease commitments are disclosed in Note 11 to the financial statements.

16. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

As at balance date there were no known contingent assets or contingent liabilities.

During the 2012 period the Group experienced a lead contamination at their Nelson Street facility (see Note 5). As at that 30 June 2014 it was believed that approximately $296,000 would need to be spent on further clean up should the facility ever be sold or structurally changed. Costs of $367,835 have been accounted for in the current financial period, and in the next financial period there will be significant costs for the demolition of the building which will leave the site in a clean state. No other actual or contingent liability is believed to still exist.

17. RELATED PARTY TRANSACTIONS

One of the current Directors of Youthtown Inc is a Partner of Wilson McKay. Wilson McKay provided legal services to Youthtown Inc during the current and five prior periods.

One of the Directors of Youthtown Inc is an employee of BTG (Business Technology Group). BTG provided IT services to Youthtown Inc during the current period.

There were no fees paid to any Directors during the year (2014: $Nil) and there are no trade receivables from Directors (2014: $Nil).

Payments to related parties represent operational services provided during the period on an arm's length basis.

The balances included in closing balances are detailed below:

	GROUP		PARENT	
	2015 (12 Months) $	2014 (18 Months) $	2015 (12 Months) $	2014 (18 Months) $
Trade Payables	3,529	978	3,529	978

Key Management Personnel

The Directors, CEO and Senior Leadership Team are considered to be the key management personnel of Youthtown Inc. The Directors do not receive any remuneration. The remuneration for the CEO and Senior Leadership Team is as follows:

	GROUP		PARENT	
	2015	2014	2015	2014
	(12 Months)	(18 Months)	(12 Months)	(18 Months)
	$	$	$	$
Employee Benefits Expense	980,104	1,181,565	980,104	1,181,565
Total Compensation	980,104	1,181,565	980,104	1,181,565

18. RECONCILIATION WITH OPERATING PROFIT

	GROUP		PARENT	
	2,015	2,014	2,015	2,014
	(12 Months)	(18 Months)	(12 Months)	(18 Months)
	$	$	$	$
Comprehensive Income	131,195	(968,544)	(143,540)	(238,712)
b) Non Cash flow Items from Operating Profit				
Gaming Machine Depreciation	881,084	2,125,210	881,084	2,125,210
Depreciation	144,366	487,324	144,366	410,165
Amortisation	-	626,786	-	626,786
Impairment of fixed assets	-	1,332,726	-	344,632
Gain on sale of fixed assets	(106,309)	(5,199)	(106,309)	(522)
Change in fair value (Gain) of Available for Sale Financial Instruments	(97,541)	(203,032)	-	-
Sundry Costs	138,713	-	138,713	-
Movements in Assets / Liabilities				
Prepayments	(96,872)	(147,931)	(96,872)	(147,931)
Accounts Receivable - Youth Services	101,517	187,877	101,517	187,877
Accounts Receivable - Gaming	40,828	77,650	40,828	77,650
Goods & Services Taxation	(5,544)	(15,103)	(5,544)	(15,103)
Trade Creditors	24,790	(369,075)	24,790	(369,075)
Other Creditors	(199,091)	1,017,713	(114,286)	1,017,713
Revenue Received in Advance	-	-	-	-
Cash Flow from Operating Profit	957,136	4,146,402	864,747	4,018,690

19. GOING CONCERN

The year end Group reports working capital amounts to $618,122 (2014: $158,269).

The Directors have assessed the validity of the going concern assumption due to the negative working capital position of the Parent of ($956,272) (2014: ($1,362,653)) as at 30 June 2015. As at year end the Parent has made a loss of $143,522 and has positive equity of $1,971,074.

The Directors have based their assessment on a letter of confirmation from the Youthtown Foundation Trust confirming it will provide ongoing financial support in the event the Parent requires funding to ensure it meets its financial commitments and daily operational obligations, and that it will not call upon the $975,000 loan in the foreseeable future.

20. EVENTS AFTER REPORTING DATE

There were no significant events after reporting date that would affect the financial statements.

INDEPENDENT AUDITOR'S REPORT
To the Members of Youthtown Incorporated

Report on the Financial Statements
We have audited the financial statements of Youthtown Incorporated and group on pages 3 to 26, which comprise the statement of financial position as at 30 June 2015, the statement of comprehensive income, statement of changes in accumulated funds and 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 Youthtown Incorporated. 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.

Board of Directors' Responsibility for the Financial Statements
The Board of Directors are responsible for the preparation and fair presentation of these financial statements in accordance with generally accepted accounting practice in New Zealand and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, Youthtown Incorporated or any of its subsidiaries.

Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of Youthtown Incorporated and group as at 30 June 2015, and its financial performance and its cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards applying Differential Reporting Exemptions.

BDO Auckland

BDO Auckland
22 October 2015
Auckland
New Zealand