

NEW ZEALAND GERMAN BUSINESS ASSOCIATION INC

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

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NEW ZEALAND GERMAN BUSINESS ASSOCIATION INC

**DIRECTORY
AS AT 31 DECEMBER 2015**

Date of Incorporation: 4-Aug-1983

Incorporation Number: 446158

IRD Number: 43-729-756

Registered Office: Level 14
188 Quay Street
Auckland

Nature of Business: Fostering bilateral trade between Germany and New Zealand

Business Address: Level 14
188 Quay Street
Auckland

Bankers: ASB

Auditors: Crowe Horwath New Zealand Audit Partnership
Level 29
188 Quay Street
Auckland

INDEPENDENT AUDITOR'S REPORT

To the readers of the financial statements of The New Zealand German Business Association Incorporated

Report on the Financial Statements

We have audited the financial statements of The New Zealand German Business Association Incorporated on pages 4 to 9, which comprise the statement of financial position as at 31 December 2015, the statement of financial performance, and statement of movements in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Committee's Responsibility for the Financial Statements

The committee members 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 committee members determine 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 judgement, 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, as well as evaluating the 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.

Our firm prepares the statutory financial statements for the association. We have no other relationship with, or interests in, the association.

Opinion

In our opinion, the financial statements on pages 4 to 9 present fairly, in all material respects, the financial position of The New Zealand German Business Association Incorporated as at 31 December 2015, and its financial performance for the year then ended in accordance with generally accepted accounting practice in New Zealand.



Crowe Horwath New Zealand Audit Partnership
CHARTERED ACCOUNTANTS
17 May 2016

NEW ZEALAND GERMAN BUSINESS ASSOCIATION INC

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015 \$	2014 \$
REVENUE			
Membership Fees		73,845	70,144
Trade Service Fees		224,447	186,745
German Trade Fair Promotion		98,669	76,689
German Trade Representative Funding		160,581	175,332
Oktoberfest Income		100,369	58,208
Interest		614	280
Other Income		57,458	67,766
Association Functions Income		12,522	9,655
Business Guide		22,200	18,662
TOTAL OPERATING INCOME		750,705	663,481
EXPENSES			
Association Functions		6,169	4,042
Audit Fees		5,000	5,513
Bad Debts		1,500	3,298
Bank Charges		2,991	3,045
Depreciation	1	16,490	14,468
Exchange Fluctuations		(7,555)	8,257
Maintenance - equipment		2,048	2,048
Maintenance H/W and S/W		23,535	26,339
Oktoberfest Expenses		107,294	54,628
Other Administration Expenses		43,532	36,030
Premises – rent & rates		42,610	32,671
Trade Enquiry Expenses		178,761	176,238
Salaries & Management Fees		197,711	160,385
Trade Fair Promotion Expenses		98,669	77,193
Business Guide Expenses		27,295	13,617
Chancellor Visit		-	41,966
TOTAL EXPENSES		746,050	659,738
NET PROFIT BEFORE TAXATION		4,655	3,743
Taxation Expense		-	(548)
NET PROFIT AFTER TAXATION		4,655	4,291

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



NEW ZEALAND GERMAN BUSINESS ASSOCIATION INC

STATEMENT OF MOVEMENTS IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015

	2015	2014
Accumulated funds at beginning of year	\$ 56,344	\$ 52,053
Net Profit/(Deficit) for the year	4,655	4,291
Accumulated funds at year end	<u>60,999</u>	<u>56,344</u>

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



NEW ZEALAND GERMAN BUSINESS ASSOCIATION INC

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

	Note	2015 \$	2014 \$
CURRENT ASSETS			
Cash on Hand		410	410
ASB Bank - Cheque Account		58,572	19,087
ASB Bank - Call Account		52,228	5,221
ASB Bank - Euro Account		29	(283)
Deutsche Bank		5,419	94,419
Accounts Receivable		60,127	21,551
Taxation Receivable		255	98
Prepayments and Accrued Revenue		33,331	(233)
TOTAL CURRENT ASSETS		210,371	140,270
NON CURRENT ASSETS			
Intangible Assets	1	3,320	6,384
Fixed Assets	1	17,904	24,434
TOTAL NON-CURRENT ASSETS		21,224	30,818
TOTAL ASSETS		231,595	171,088
CURRENT LIABILITIES			
Accounts Payable		79,515	40,934
Deferred Income and Other Payables		-	3,383
Accruals		67,626	66,549
PAYE Clearing Account		4,833	1,830
Kiwi Saver & Student Loan		1,397	-
Holiday Pay Provision		4,832	-
Income in Advance		460	-
GST Payable		10,063	741
Accrued Fair Trade Commission		1,870	1,307
TOTAL CURRENT LIABILITIES		170,596	114,744
ACCUMULATED FUNDS		60,999	56,344
		231,595	171,088

On Behalf of the Committee

President

Committee Member

16th May 2016

Date

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



NEW ZEALAND GERMAN BUSINESS ASSOCIATION INC

SIGNIFICANT ACCOUNTING POLICIES

Reporting entity

New Zealand German Business Association Inc ("the Association") is incorporated under the Incorporated Societies Act 1908.

Measurement Base

These financial statements are prepared in accordance with the generally accepted accounting practices as outlined in New Zealand Financial Reporting Standards.

The general accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on a historical cost basis are followed by the Association. Accrual accounting has been used to match revenue and expenses.

These accounts are presented in New Zealand dollars, which is the functional and presentation currency of the Association.

Specific Accounting Policies

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

i) Foreign Currencies

Transactions in foreign currencies are converted at the New Zealand rate of exchange ruling at the date of the transaction. At balance date foreign monetary assets and liabilities are translated at the closing rate and variations arising from these translations are included in the Statement of Financial Performance.

ii) Accounts Receivable

Accounts receivable are stated at their estimated realisable value.

iii) Taxation

The Association is liable for taxation on all interest earnings in excess of \$1,000.

iv) Fixed Assets

Fixed assets acquired are stated at cost. Depreciation has been calculated using the diminishing value or straight line methods using the following rates:

Furniture & fittings	20% DV
Software	48% DV
Computer equipment	48% DV
Leasehold improvements	33% SL
Intangible assets	48% DV

v) Goods and Services Tax

The financial statements have been prepared on a GST exclusive basis except for accounts receivable and accounts payable which are stated GST inclusive.

vi) Differential Reporting

As the Association is not publicly accountable and is not large, it qualifies for differential reporting. The Association has chosen to take advantage of all exemptions available under differential reporting.

vii) Leases

Operating lease payments, where the lessors effectively retain substantially all the risks and benefits of ownership of the leased items, are included in the determination of the operating surplus in equal instalments over the lease term.

viii) Income Recognition

Operating revenue is recognised when the goods and services are provided. Membership income is recorded as deferred income when received, and is recognised as income on a straight line basis over the duration of the membership. Grants with conditions attached are recognised when the requirements of the conditions are satisfied. Grants that do not meet specific conditions are recognised as a deferred income at balance date until the conditions are met.

Changes in Accounting Policies

There have been no changes in accounting policies. All the policies have been applied on a basis consistent with those used in the previous year.



NEW ZEALAND GERMAN BUSINESS ASSOCIATION INC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

1 Fixed Assets	2015	2014
	\$	\$
Software - at cost	30,030	27,738
Less: Accumulated Depreciation	27,590	25,811
Written down value	<u>2,440</u>	<u>1,927</u>
Furniture & Fittings - at cost	17,332	17,332
Less: Accumulated Depreciation	7,888	5,527
Written down value	<u>9,444</u>	<u>11,805</u>
Computer equipment - at cost	60,092	56,248
Less: Accumulated Depreciation	54,073	50,546
Written down value	<u>6,019</u>	<u>5,702</u>
Leasehold improvement - at cost	15,000	15,000
Less: Accumulated Depreciation	15,000	10,000
Written down value	<u>-</u>	<u>5,000</u>
Total Written Down Value	<u><u>17,904</u></u>	<u><u>24,434</u></u>
Intangible Assets		
Website Costs - at cost	7,600	7,600
Less: Accumulated Depreciation	4,280	1,216
Total written down value	<u><u>3,320</u></u>	<u><u>6,384</u></u>
Depreciation		
Software	1,779	937
Furniture & Fittings	2,361	2,559
Computer equipment	4,300	4,756
Leasehold improvements	5,000	5,000
(Gain)/Loss on disposal of assets	(14)	-
Amortisation of intangible assets	3,064	1,216
Total Depreciation	<u><u>16,490</u></u>	<u><u>14,468</u></u>



NEW ZEALAND GERMAN BUSINESS ASSOCIATION INC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

2 Operating Lease Commitments	2015	2014
At balance date the Association had the following operating lease commitments:	\$	\$
Current	33,974	20,948
Non-Current	78,626	6,431
	<u>112,600</u>	<u>27,379</u>

During the year end 31 December 2015 \$32,290 (2014: \$27,452) was recognised as an expense in the Statement of Financial Performance in respect of operating leases.

3 Contingent Liabilities

There are no contingent liabilities as at 31 December 2015 (2014:\$Nil).

4 Capital Commitments

The Association has no capital commitments at 31 December 2015 (2014:\$Nil)

5 Other Commitments

The Association has a hedging contract with Western Union for the following amounts, with an expiration date of 29 March 2016:

- Sell EUR 40,000 at a rate of NZD 1.6129 : EUR 1.0000
- Buy EUR 20,000 at a rate of NZD 1.6129 : EUR 1.0000
- Buy EUR 20,000 at a rate of NZD 1.6878 : EUR 1.0000

6 Related Parties

Monique Surges is the CEO of the Association and is defined by SSAP 22 as key management personnel. During the year, the CEO:

- Provided sponsorship to the Association; and
- Was contracted to provide services to the Association.

