

INDEPENDENT AUDITOR'S REPORT

To the Executive of the New Zealand German Business Association Inc

Report on the Financial Statements

We have audited the financial statements of the New Zealand German Business Association Inc on pages 3 to 7, which comprise the statement of financial position as at 31 December 2010, 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.

Executive' Responsibility for the Financial Statements

The Executive are responsible for the preparation and fair presentation of financial statements in accordance with generally accepted accounting practice in New Zealand; and for such internal control as the Executive 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.

Other than in our capacity as auditor we have no relationship with, or interests in, the association.

Opinion

In our opinion, the financial statements on pages 3 to 7 present fairly, in all material respects, the financial position of New Zealand German Business Association Inc as at 31 December 2010, and its financial performance for the year then ended in accordance with generally accepted accounting practice in New Zealand.

We have obtained all the information and explanations that we have required.

In our opinion proper accounting records have been kept by the association as far as appears from an examination of those records.

WHK Auckland

Auckland, New Zealand
CHARTERED ACCOUNTANTS

10 June 2011

NEW ZEALAND GERMAN BUSINESS ASSOCIATION INC

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

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NEW ZEALAND GERMAN BUSINESS ASSOCIATION INC**STATEMENT OF FINANCIAL PERFORMANCE**
FOR YEAR ENDED 31 DECEMBER 2010

	NOTE	2010 \$	2009 \$
REVENUE			
Membership fees		53,028	49,513
Trade service fees		154,655	158,847
German trade fair promotion		128,120	99,350
German trade representative funding		115,711	72,404
Oktoberfest income		61,896	55,227
Interest		497	385
Other income		26,839	13,766
Association Functions Income		4,603	8,940
Business guide		25,568	19,889
		-----	-----
TOTAL OPERATING REVENUE		570,917	478,321
		-----	-----
EXPENSES			
Accounting Fees		-	3,200
Association Functions		3,421	13,147
Audit fees		3,150	2,900
Bad debts		2,160	-
Bank charges		1,949	1,959
Depreciation	2	4,649	9,525
Exchange fluctuations		18,306	16,364
Loss on disposal		2,091	-
Maintenance - equipment		2,848	2,067
Maintenance H/W and S/W		24,394	16,680
Oktoberfest Expenses		51,362	48,026
Other Admin expenses		39,498	38,191
Premises – rent & rates		17,959	18,665
Trade Enquiry Expenses		119,796	92,527
Salaries & management fees		139,242	112,565
Trade fair promotion expenses		128,120	99,350
Business Guide Expenses		13,288	16,322
		-----	-----
TOTAL EXPENSES		572,233	491,488
		-----	-----
NET SURPLUS / (DEFICIT) BEFORE TAXATION		(1,316)	(13,167)
Taxation Expense		-	-
		-----	-----
NET SURPLUS / (DEFICIT) AFTER TAXATION		(1,316)	(13,167)
		=====	=====

The notes on pages 6 to 7 form part of and are to be read in conjunction with these financial statements.

NEW ZEALAND GERMAN BUSINESS ASSOCIATION INC**STATEMENT OF MOVEMENTS IN EQUITY**
FOR YEAR ENDED 31 DECEMBER 2010

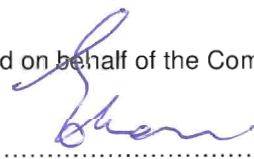
	2010	2009
	\$	\$
Accumulated funds at beginning of year	66,891	80,058
	-----	-----
Net Surplus / (Deficit) for the year	(1,316)	(13,167)
	-----	-----
Total recognised revenues and expenses for year	(1,316)	(13,167)
	-----	-----
Accumulated funds at end of year	65,575	66,891
	=====	=====

The notes on pages 6 to 7 form part of and are to be read in conjunction with these financial statements.

NEW ZEALAND GERMAN BUSINESS ASSOCIATION INC**STATEMENT OF FINANCIAL POSITION**
AS AT 31 DECEMBER 2010

	NOTE	2010	2009
		\$	\$
CURRENT ASSETS			
ASB Bank – Cheque Account		27,045	28,383
ASB Bank – Call Account		5,026	15,594
ASB Bank – Euro Account		123,560	52,923
Deutsche Bank		27,630	33,640
Accounts Receivable		11,765	8,145
GST Receivable		11,721	13,239
Taxation Receivable		97	75
Cash on Hand		410	410
Prepayments		1,707	428
		-----	-----
		208,961	152,837
		-----	-----
FIXED ASSETS	2	41,904	14,832
		-----	-----
TOTAL ASSETS		250,865	167,669
		=====	=====
CURRENT LIABILITIES			
Accounts Payable		75,424	63,576
Deferred Income and Other Payables		82,637	-
Accruals		19,721	12,906
PAYE Clearing Account		1,675	911
Accrued Trade Fair Commission		5,833	17,867
Other Accrued Income		-	5,518
		-----	-----
TOTAL CURRENT LIABILITIES		185,290	100,778
		-----	-----
ACCUMULATED FUNDS		65,575	66,891
		-----	-----
		250,865	167,669
		=====	=====

Signed on behalf of the Committee



 President

 10/06/2011

 Date

The notes on pages 6 to 7 form part of and are to be read in conjunction with these financial statements.

NEW ZEALAND GERMAN BUSINESS ASSOCIATION INC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

1. STATEMENT OF ACCOUNTING POLICIES

1.1 Reporting Entity

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

1.2 Measurement Base

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.

1.3 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 method using the following rates:

Furniture & fittings	20% DV
Office equipment	48% DV
Computer Equipment	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.

NEW ZEALAND GERMAN BUSINESS ASSOCIATION INC**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
FOR THE YEAR 31 DECEMBER 2010**1.4 Changes In Accounting Policies**

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

2. FIXED ASSETS

	2010	2009
	\$	\$
Office equipment – at cost	24,728	24,728
Less: Accumulated depreciation	23,516	22,563
	-----	-----
Written down value	1,212	2,165
	-----	-----
Furniture & fittings – at cost	23,988	23,988
Less: Accumulated depreciation	19,036	17,798
	-----	-----
Written down value	4,952	6,190
	-----	-----
Computer equipment – at cost	45,001	86,661
Less: Accumulated depreciation	9,261	80,184
	-----	-----
Written down value	35,740	6,477
	-----	-----
Total Written Down Value	41,904	14,832
	=====	=====
Depreciation		
Office equipment	953	5,980
Furniture & fittings	1,238	1,548
Computer equipment	2,458	1,997
	-----	-----
Total Depreciation	4,649	9,525
	=====	=====

3. OPERATING LEASE COMMITMENTS

At balance date the Association had the following operating lease commitments:

	2010	2009
Current	12,000	6,000
Non-current	6,000	-
	-----	-----
	18,000	6,000
	=====	=====

During the year ended 31 December 2010, \$12,000 was recognised as an expense in the income statement in respect of operating leases (2009: \$12,000).

4. CONTINGENT LIABILITIES

There are no contingent liabilities as at 31 December 2010 (2009: \$Nil).

5. CAPITAL COMMITMENTS

The Association has no capital commitments at 31 December 2010 (2009: \$Nil).