

**NEW ZEALAND GERMAN BUSINESS ASSOCIATION INC**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2011**

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## 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 2011, 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.

#### *Executives' 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.

An entity associated with 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 3 to 7 present fairly, in all material respects, the financial position of New Zealand German Business Association Inc as at 31 December 2011, 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

18 May 2012

**NEW ZEALAND GERMAN BUSINESS ASSOCIATION INC**

**STATEMENT OF FINANCIAL PERFORMANCE**  
**FOR YEAR ENDED 31 DECEMBER 2011**

	NOTE	2011 \$	2010 \$
<b>REVENUE</b>			
Membership fees		65,163	53,028
Trade service fees		107,169	154,655
German trade fair promotion		108,903	128,120
German trade representative funding		183,209	115,711
Oktoberfest income		53,146	61,896
Interest		1,466	497
Other income		43,236	26,839
Association Functions Income		7,605	4,603
Business guide		27,757	25,568
		-----	-----
<b>TOTAL OPERATING REVENUE</b>		597,654	570,917
		-----	-----
<b>EXPENSES</b>			
Accounting Fees		-	-
Association Functions		4,806	3,421
Audit fees		8,140	3,150
Bad debts		1,350	2,160
Bank charges		2,585	1,949
Depreciation	2	18,972	4,649
Exchange fluctuations		1,844	18,306
Loss on disposal		-	2,091
Maintenance - equipment		3,395	2,848
Maintenance H/W and S/W		34,616	24,394
Oktoberfest Expenses		55,994	51,362
Other Admin expenses		35,844	39,498
Premises – rent & rates		19,317	17,959
Trade Enquiry Expenses		144,229	119,796
Salaries & management fees		143,553	139,242
Trade fair promotion expenses		108,903	128,120
Business Guide Expenses		21,732	13,288
		-----	-----
<b>TOTAL EXPENSES</b>		605,280	572,233
		-----	-----
<b>NET SURPLUS / (DEFICIT) BEFORE TAXATION</b>		(7,626)	(1,316)
		-----	-----
Taxation Expense		81	-
		-----	-----
<b>NET SURPLUS / (DEFICIT) AFTER TAXATION</b>		(7,707)	(1,316)
		=====	=====

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 2011**

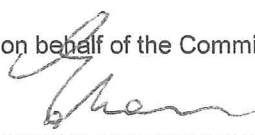
	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
Accumulated funds at beginning of year	65,575	66,891
	-----	-----
Net Surplus / (Deficit) for the year	(7,707)	(1,316)
	-----	-----
Total recognised revenues and expenses for year	(7,707)	(1,316)
	-----	-----
<b>Accumulated funds at end of year</b>	<b>57,868</b>	<b>65,575</b>
	=====	=====

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 2011**

	NOTE	2011	2010
		\$	\$
<b>CURRENT ASSETS</b>			
ASB Bank – Cheque Account		11,516	27,045
ASB Bank – Call Account		70,219	5,026
ASB Bank – Euro Account		2,003	123,560
Deutsche Bank		42,073	27,630
Accounts Receivable		76,010	11,765
GST Receivable		-	11,721
Taxation Receivable		322	97
Cash on Hand		410	410
Prepayments		21,730	1,707
		=====	=====
		224,283	208,961
		=====	=====
<b>FIXED ASSETS</b>	2	27,112	41,904
		=====	=====
<b>TOTAL ASSETS</b>		251,395	250,865
		=====	=====
<b>CURRENT LIABILITIES</b>			
Accounts Payable		43,004	75,424
Deferred Income and Other Payables		96,284	82,637
Accruals		35,602	19,721
PAYE Clearing Account		2,264	1,675
GST Payable		3,580	-
Accrued Trade Fair Commission		12,793	5,833
		=====	=====
<b>TOTAL CURRENT LIABILITIES</b>		193,527	185,290
		=====	=====
<b>ACCUMULATED FUNDS</b>		57,868	65,575
		=====	=====
		251,395	250,865
		=====	=====

Signed on behalf of the Committee

  
 .....  
 President

 18-05-2012  
 .....  
 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 2011**

**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 2011****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**

	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
Office equipment – at cost	24,728	24,728
Less: Accumulated depreciation	24,098	23,516
	<u>630</u>	<u>1,212</u>
Written down value		
Furniture & fittings – at cost	26,328	23,988
Less: Accumulated depreciation	20,270	19,036
	<u>6,058</u>	<u>4,952</u>
Written down value		
Computer equipment – at cost	49,684	45,001
Less: Accumulated depreciation	29,260	9,261
	<u>20,424</u>	<u>35,740</u>
Written down value		
<b>Total Written Down Value</b>	<b><u>27,112</u></b>	<b><u>41,904</u></b>
<b>Depreciation</b>		
Office equipment	582	953
Furniture & fittings	1,234	1,238
Computer equipment	17,156	2,458
	<u>18,972</u>	<u>4,649</u>
<b>Total Depreciation</b>	<b><u>18,972</u></b>	<b><u>4,649</u></b>

**3. OPERATING LEASE COMMITMENTS**

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

	<b>2011</b>	<b>2010</b>
Current	6,000	12,000
Non-current	-	6,000
	<u>6,000</u>	<u>18,000</u>
	<u>6,000</u>	<u>18,000</u>

During the year ended 31 December 2011, \$12,000 was recognised as an expense in the Statement of Financial Performance in respect of operating leases (2010: \$12,000).

**4. CONTINGENT LIABILITIES**

There are no contingent liabilities as at 31 December 2011 (2010:\$Nil).

**5. CAPITAL COMMITMENTS**

The Association has no capital commitments at 31 December 2011 (2010:\$Nil).