

NEW ZEALAND GERMAN BUSINESS ASSOCIATION INC

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

INDEX

	<u>Page</u>
Auditors' Report	1-2
Statement of Financial Performance	3
Statement of Movements in Equity	4
Statement of Financial Position	5
Notes to the Financial Statements	6-8

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 3 to 8, which comprise the statement of financial position as at 31 December 2014, 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.



Crowe Horwath
New Zealand Audit Partnership
Member Crowe Horwath International

Level 29, 188 Quay Street
Auckland 1010 New Zealand

PO Box 158 Shortland Street
Auckland 1140 New Zealand

Tel +64 9 303 4586

Fax +64 9 309 1198

www.crowehorwath.co.nz

Opinion

In our opinion, the financial statements on pages 3 to 8 present fairly, in all material respects, the financial position of The New Zealand German Business Association Incorporated as at 31 December 2014, and its financial performance for the year then ended in accordance with generally accepted accounting practice in New Zealand.

Crowe Horwath

Crowe Horwath New Zealand Audit Partnership
CHARTERED ACCOUNTANTS

1 May 2015

NEW ZEALAND GERMAN BUSINESS ASSOCIATION INC

STATEMENT OF FINANCIAL PERFORMANCE
FOR YEAR ENDED 31 DECEMBER 2014

	NOTE	2014 \$	2013 \$
REVENUE			
Membership fees		70,144	73,042
Trade service fees		186,745	203,171
German trade fair promotion		76,689	48,207
German trade representative funding		175,332	137,060
Oktoberfest income		58,208	49,459
Interest		280	461
Other income		67,766	53,618
Association Functions Income		9,655	8,244
Business guide		18,662	20,051
TOTAL OPERATING REVENUE		663,481	593,313
EXPENSES			
Association functions		4,042	5,124
Audit fees		5,513	3,991
Bad debts		3,298	816
Bank charges		3,045	3,242
Depreciation	2	14,468	17,687
Exchange fluctuations		8,257	(9,022)
Maintenance - equipment		2,048	2,333
Maintenance H/W and S/W		26,339	23,908
Oktoberfest expenses		54,628	66,572
Other administration expenses		36,030	37,464
Premises – rent & rates		32,671	29,768
Trade enquiry expenses		176,238	178,057
Salaries & management fees		160,385	171,722
Trade fair promotion expenses		77,193	48,207
Business guide expenses		13,617	17,696
Chancellor Visit		41,966	-
TOTAL EXPENSES		659,738	597,564
NET PROFIT/(DEFICIT) BEFORE TAXATION		3,743	(4,251)
Taxation expense/(benefit)		(548)	-
NET PROFIT/(DEFICIT) AFTER TAXATION		4,291	(4,251)

The notes on pages 6 to 8 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 2014

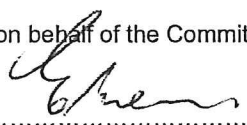
	2014	2013
	\$	\$
Accumulated funds at beginning of year	52,053	56,304
	-----	-----
Net Profit (Deficit) for the year	4,291	(4,251)
	-----	-----
Total recognised revenues and expenses for year	4,291	(4,251)
	-----	-----
Accumulated funds at end of year	56,344	52,053
	=====	=====

The notes on pages 6 to 8 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 2014

	NOTE	2014	2013
		\$	\$
CURRENT ASSETS			
ASB Bank – Cheque account		19,087	12,438
ASB Bank – Call account		5,221	23,000
ASB Bank – Euro account		(283)	2,003
Deutsche bank		94,419	10,166
Accounts receivable		21,551	27,695
Taxation receivable		98	95
Cash on hand		410	410
Prepayments and accrued revenue		(233)	2,412
		-----	-----
		140,270	78,219
		-----	-----
NON-CURRENT ASSETS			
Fixed Assets	2	24,434	32,913
Intangible Assets – Website	2	6,384	-
		-----	-----
		30,818	32,913
		-----	-----
TOTAL ASSETS		171,088	111,132
		=====	=====
CURRENT LIABILITIES			
Accounts payable		40,934	20,478
Deferred income and other payables		3,383	-
Accruals		66,549	36,692
PAYE clearing account		1,830	6,153
GST payable		741	1,256
Accrued trade fair commission		1,307	(5,500)
		-----	-----
TOTAL CURRENT LIABILITIES		114,744	59,079
		-----	-----
ACCUMULATED FUNDS		56,344	52,053
		-----	-----
		171,088	111,132
		=====	=====

Signed on behalf of the Committee



.....
President

01.05.2015
.....
Date

The notes on pages 6 to 8 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 2014

1. STATEMENT OF ACCOUNTING POLICIES

1.1 Reporting Entity

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

1.2 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.

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 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.

NEW ZEALAND GERMAN BUSINESS ASSOCIATION INC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR 31 DECEMBER 2014

1.3 Specific Accounting Policies (continued)

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.

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

	2014	2013
	\$	\$
Software – at cost	27,738	26,048
Less: Accumulated depreciation	25,811	24,874
	-----	-----
Written down value	1,926	1,174
	-----	-----
Furniture & fittings – at cost	17,332	14,982
Less: Accumulated depreciation	5,527	2,967
	-----	-----
Written down value	11,805	12,015
	-----	-----
Computer equipment – at cost	56,248	55,514
Less: Accumulated depreciation	50,546	45,790
	-----	-----
Written down value	5,702	9,724
	-----	-----
Leasehold improvements – at cost	15,000	15,000
Less: Accumulated depreciation	10,000	5,000
	-----	-----
Written down value	5,000	10,000
	-----	-----
Total Written Down Value	24,434	32,913
	=====	=====
<u>INTANGIBLE ASSETS</u>		
Intangible assets – at cost	7,600	-
Less: Accumulated depreciation	1,216	-
	-----	-----
Total Written Down Value	6,384	-
	=====	=====

NEW ZEALAND GERMAN BUSINESS ASSOCIATION INC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR 31 DECEMBER 2014

	2014	2013
	\$	\$
Depreciation		
Software	937	474
Furniture & fittings	2,559	2,409
Computer equipment	4,756	6,726
Leasehold improvements	5,000	5,000
Loss on disposal of assets	-	3,078
Amortisation of intangible assets	1,216	-
	-----	-----
Total Depreciation	14,468	17,687
	=====	=====

3. OPERATING LEASE COMMITMENTS

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

	2014	2013
	\$	\$
Current	20,948	20,948
Non-current	6,431	27,379
	-----	-----
	27,379	48,327
	=====	=====

During the year ended 31 December 2014, \$27,452 (2013: \$26,660) was recognised as an expense in the Statement of Financial Performance in respect of operating leases.

4. CONTINGENT LIABILITIES

There are no contingent liabilities as at 31 December 2014 (2013:\$Nil).

5. CAPITAL COMMITMENTS

The Association has no capital commitments at 31 December 2014 (2013:\$Nil).

6. OTHER COMMITMENTS

The Association has a hedging contract with Western Union for the following amounts, with an expiration date of 15 June 2015:

- Sell EUR30,000 at a rate of NZD1 : EUR0.6500
- Buy EUR15,000 at a rate of NZD1 : EUR0.6500
- Buy EUR15,000 at a rate of NZD1 : EUR0.6200

The Association has a hedging contract with Western Union for the following amounts, with an expiration date of 15 September 2015:

- Sell EUR30,000 at a rate of NZD1 : EUR0.6500
- Buy EUR15,000 at a rate of NZD1 : EUR0.6500
- Buy EUR15,000 at a rate of NZD1 : EUR0.6200

7. 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.