

GERMAN-NEW ZEALAND CHAMBER OF COMMERCE INC

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

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GERMAN-NEW ZEALAND CHAMBER OF COMMERCE INC

**DIRECTORY
AS AT 31 DECEMBER 2018**

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 Bank Limited Deutsche Bank AG
Auditors:	Crowe Horwath New Zealand Audit Partnership Level 29 188 Quay Street Auckland

INDEPENDENT AUDITOR'S REPORT

To the Members of German-New Zealand Chamber of Commerce Incorporated

Opinion

We have audited the financial statements of the German-New Zealand Chamber of Commerce Incorporated (the Society) on pages 4 to 10, which comprise the statement of financial position as at 31 December 2018, the statement of financial performance and statement of movements in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Society for the year ended 31 December 2018 are prepared, in all material respects, in accordance with the significant accounting policies disclosed in the financial statements.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Society in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our firm has prepared the financial statements from documentation provided by the Committee of the German-New Zealand Chamber of Commerce Incorporated. The firm has no other relationship with, or interests in, German-New Zealand Chamber of Commerce Incorporated.

Emphasis of Matter – Basis of Accounting and Restriction on Distribution

We draw attention to the significant accounting policies disclosed in the financial statements, which describes the basis of accounting. The financial statements are prepared for the Committee of the German-New Zealand Chamber of Commerce Incorporated to assist them to assess the financial position of the Society and its results for the year. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the Society and should not be distributed to parties other than the German-New Zealand Chamber of Commerce Incorporated and its members. Our opinion is not modified in respect of this matter.

Responsibilities of the Committee for the Financial Statements

The Committee are responsible on behalf of the Society for the preparation of the financial statements in accordance with the significant accounting policies and for such internal control as the Committee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Committee are responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee either intend to liquidate the Society or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (NZ), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the Committee and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

We communicate with the Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Crowe Horwath New Zealand Audit Partnership
CHARTERED ACCOUNTANTS

Dated at Auckland this 30th day of April 2019

GERMAN-NEW ZEALAND CHAMBER OF COMMERCE INC

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 \$	2017 \$
REVENUE			
Membership Fees		92,934	77,799
Trade Service Fees		275,288	119,185
German Trade Fair Promotion		166,128	199,661
German Trade Representative Funding		181,318	191,474
Oktoberfest Income		145,916	137,972
Interest		25	26
Other Income		34,499	26,126
Association Functions Income		18,493	22,624
Business Guide		13,543	24,144
TOTAL OPERATING INCOME		928,145	799,011
EXPENSES			
Association Functions		19,481	8,347
Audit Fees		6,593	6,000
Bad Debts		-	70
Bank Charges		2,602	2,428
Depreciation & Amortisation	3	12,818	15,227
Exchange Fluctuations		2,318	5,545
Maintenance - Equipment		3,041	3,350
Maintenance H/W and S/W		39,218	33,074
Oktoberfest Expenses		120,736	121,602
Other Administration Expenses		40,442	36,583
Premises – Rent & Rates		38,458	40,466
Trade Enquiry Expenses		186,883	124,238
Salaries & Management Fees		293,045	239,809
Trade Fair Promotion Expenses		107,183	109,299
Business Guide Expenses		33,735	38,215
VIP Visit Expenses		-	17,984
TOTAL EXPENSES		906,553	802,237
NET PROFIT/(DEFICIT) BEFORE TAXATION		21,592	(3,226)
Taxation Expense		-	-
NET PROFIT/(DEFICIT) AFTER TAXATION		21,592	(3,226)



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

GERMAN-NEW ZEALAND CHAMBER OF COMMERCE INC

STATEMENT OF MOVEMENTS IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

	2018	2017
	\$	\$
Accumulated funds at beginning of year	58,758	61,984
Net Profit/(Deficit) for the year	21,592	(3,226)
Accumulated funds at year end	80,350	58,758




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

GERMAN-NEW ZEALAND CHAMBER OF COMMERCE INC

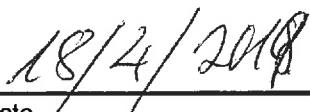
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note	2018 \$	2017 \$
CURRENT ASSETS			
Cash on Hand		311	363
ASB Bank - Cheque Account		11,675	10,732
ASB Bank - Call Account		3,056	22,035
ASB Bank - Euro Account		31	31
Deutsche Bank		103,737	55,400
Accounts Receivable		89,195	92,623
Taxation Receivable		3	4
GST Receivable		7,976	8,392
Prepayments and Accrued Revenue		32,835	47,784
TOTAL CURRENT ASSETS		248,819	237,364
NON CURRENT ASSETS			
Intangible Assets	2	3,773	898
Fixed Assets	1	19,445	23,367
TOTAL NON-CURRENT ASSETS		23,218	24,265
TOTAL ASSETS		272,037	261,629
CURRENT LIABILITIES			
Accounts Payable		56,781	67,302
Accruals and Income in Advance		113,654	126,164
PAYE Clearing Account		11,611	4,636
Kiwi Saver & Student Loan		2,087	899
Holiday Pay Provision		7,554	3,870
GST Payable		-	-
TOTAL CURRENT LIABILITIES		191,687	202,871
ACCUMULATED FUNDS		80,350	58,758
		272,037	261,629

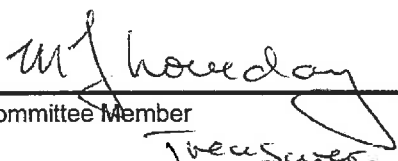
On Behalf of the Committee



President



Date



Committee Member
Treasurer



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

GERMAN-NEW ZEALAND CHAMBER OF COMMERCE INC

SIGNIFICANT ACCOUNTING POLICIES

Reporting entity

German-New Zealand Chamber of Commerce Incorporated (the "Society") is incorporated under the Incorporated Societies Act 1908.

Measurement Base

The measurement base adopted is that of historical cost. Accrual accounting is used to match expenses with revenue.

The Society is not required to prepare financial statements that comply with generally accepted accounting practise and as a result has elected to prepare special purpose financial statements. These special purpose financial statements are intended for the Committee of the Society to assist them to assess the financial position of the Society and its results for the year. As a result, the special purpose financial statements may not be suitable for another purpose.

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 Society is liable for taxation on all earnings except membership subscriptions.

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) 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.



GERMAN-NEW ZEALAND CHAMBER OF COMMERCE INC

SIGNIFICANT ACCOUNTING POLICIES

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 income in advance at balance date until the conditions are met.

Changes in Accounting Policies

There have been no material changes in accounting policies during the year.



GERMAN-NEW ZEALAND CHAMBER OF COMMERCE INC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

1 Fixed Assets	2018	2017
	\$	\$
Software - at cost	53,035	53,035
Less: Accumulated Depreciation	46,250	39,986
Written down value	<u>6,785</u>	<u>13,049</u>
Furniture & Fittings - at cost	18,851	18,851
Less: Accumulated Depreciation	13,059	11,611
Written down value	<u>5,792</u>	<u>7,240</u>
Computer equipment - at cost	67,916	62,107
Less: Accumulated Depreciation	61,050	59,029
Written down value	<u>6,868</u>	<u>3,078</u>
Leasehold improvement - at cost	15,000	15,000
Less: Accumulated Depreciation	15,000	15,000
Written down value	<u>-</u>	<u>-</u>
Total Written Down Value	<u><u>19,445</u></u>	<u><u>23,367</u></u>
2 Intangible Assets		
Website Costs - at cost	13,561	7,600
Less: Accumulated Depreciation	9,788	6,702
Total written down value	<u><u>3,773</u></u>	<u><u>898</u></u>
3 Depreciation		
Software	6,264	10,522
Furniture & Fittings	1,448	1,810
Computer equipment	2,021	2,066
Amortisation of intangible assets	3,085	829
Total Depreciation	<u><u>12,818</u></u>	<u><u>15,227</u></u>



GERMAN-NEW ZEALAND CHAMBER OF COMMERCE INC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

4 Operating Lease Commitments	2018	2017
At balance date the Society had the following operating lease commitments:	\$	\$
Current	8,389	28,611
Non-Current	-	7,549
	<u>8,389</u>	<u>36,160</u>

During the year end 31 December 2018 \$35,581 (2017: \$34,679) was recognised as an expense in the Statement of Financial Performance in respect of operating leases.

5 Contingent Liabilities

There are no contingent liabilities as at 31 December 2018 (2017:\$Nil).

6 Capital Commitments

The Society has no capital commitments at 31 December 2018 (2017:\$Nil)

7 Other Commitments

The Society had a forward contract at 31 December 2018 with HiFX for the following amounts, settlement date 31 December 2019, sell EUR 70,000 at a rate of NZD 1: EUR 0.5620 (NZD \$124,555) (2017: The Society had a forward exchange contract with Western Union for the following amounts, with an expiration date of 29 May 2018: Sell EUR 60,000 at a rate of NZD 1 : EUR 0.6150 (NZD \$97,561)).

8 Related Parties

Monique Surges is the CEO of the Society. During the year, the CEO:

- Was provided with the use of a motor vehicle for the year plus \$10,000 in cash settlement, from a member of the Society.
- Was contracted to provide services to the Society.

