

GERMAN-NEW ZEALAND CHAMBER OF COMMERCE INCORPORATED

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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GERMAN-NEW ZEALAND CHAMBER OF COMMERCE INCORPORATED

**DIRECTORY
AS AT 31 DECEMBER 2020**

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 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 special purpose financial statements of 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 2020, the statement of financial performance and statement of movements in equity for the year then ended, and notes to the special purpose financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying special purpose financial statements present fairly, in all material respects, the financial position of the Society as at 31 December 2020 and its financial performance for the year then ended in accordance with the significant accounting policies as disclosed in the special purpose 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 Special Purpose Financial Statements* section of our report. We are independent of the Society in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* 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 Society. 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 Society 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 Special Purpose Financial Statements

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

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In preparing the special purpose 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 Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose 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 special purpose 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 special purpose 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 Society'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 Society'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 special purpose 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 Society 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.

Restriction on Use

This report is made solely to the members, as a body. Our audit has been undertaken so that we might state to the Society's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the society and the members as a body, for our audit work, for this report, or for the opinions we have formed.



Crowe New Zealand Audit Partnership
CHARTERED ACCOUNTANTS

Dated at Auckland this 25th day of March 2021

GERMAN-NEW ZEALAND CHAMBER OF COMMERCE INCORPORATED

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 \$	2019 \$
REVENUE			
Membership Fees		110,360	100,944
Trade Service Fees		195,737	179,117
German Trade Fair Promotion		78,217	170,147
German Trade Representative Funding		226,183	197,342
Oktoberfest Income		-	121,671
Interest		33	53
Other Income		29,982	40,431
Association Functions Income		35,642	20,608
Business Guide		14,412	11,923
TOTAL OPERATING INCOME		690,566	842,236
EXPENSES			
Association Functions		18,720	5,337
Audit Fees		14,270	7,000
Legal Fees		3,510	-
Bank Charges		2,340	2,282
Bad Debts		720	-
Depreciation & Amortisation	3	14,327	10,672
Exchange Fluctuations		4,294	(2,124)
Maintenance - Equipment		3,208	3,055
Maintenance H/W and S/W		72,729	43,196
Oktoberfest Expenses		-	105,750
Other Administration Expenses		34,927	71,590
Premises – Rent & Rates		36,410	42,240
Trade Enquiry Expenses		78,377	123,265
Salaries & Management Fees		294,099	274,180
Trade Fair Promotion Expenses		69,926	110,008
Business Guide Expenses		34,899	35,996
TOTAL EXPENSES		682,756	832,448
NET PROFIT BEFORE TAXATION		7,810	9,788
Taxation Expense		-	-
NET PROFIT AFTER TAXATION		7,810	9,788

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



GERMAN-NEW ZEALAND CHAMBER OF COMMERCE INCORPORATED

STATEMENT OF MOVEMENTS IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
	\$	\$
Accumulated funds at beginning of year	90,138	80,350
Net Profit for the year	7,810	9,788
Accumulated funds at year end	97,948	90,138

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



GERMAN-NEW ZEALAND CHAMBER OF COMMERCE INCORPORATED

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	2020 \$	2019 \$
CURRENT ASSETS			
Cash on Hand		227	308
ASB Bank - Cheque Account		12,248	19,184
ASB Bank - Call Account		66,777	25,100
Deutsche Bank		70,598	122,088
Accounts Receivable		20,306	43,330
Taxation Receivable		6	7
GST Receivable		7,968	4,124
Prepayments and Accrued Revenue		12,856	42,751
TOTAL CURRENT ASSETS		190,986	256,891
NON CURRENT ASSETS			
Intangible Assets	2	1,020	1,962
Fixed Assets	1	22,794	24,178
TOTAL NON-CURRENT ASSETS		23,814	26,141
TOTAL ASSETS		214,800	283,032
CURRENT LIABILITIES			
Accounts Payable		23,410	83,619
Accruals and Income in Advance		81,326	95,406
PAYE Clearing Account		7,658	4,751
Kiwi Saver & Student Loan		1,927	1,278
Holiday Pay Provision		2,531	7,840
TOTAL CURRENT LIABILITIES		116,852	192,894
ACCUMULATED FUNDS		97,948	90,138
		214,800	283,032

On Behalf of the Committee

22/03/2021

President

Date

Committee Member



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

GERMAN-NEW ZEALAND CHAMBER OF COMMERCE INCORPORATED

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 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 INCORPORATED

SIGNIFICANT ACCOUNTING POLICIES

vii) 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 INCORPORATED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1 Fixed Assets	2020	2019
	\$	\$
Software - at cost	73,300	61,300
Less: Accumulated Depreciation	58,471	49,838
Written down value	<u>14,830</u>	<u>11,462</u>
 Furniture & Fittings - at cost	 21,245	 21,245
Less: Accumulated Depreciation	15,655	14,258
Written down value	<u>5,590</u>	<u>6,987</u>
 Computer equipment - at cost	 70,853	 70,853
Less: Accumulated Depreciation	68,479	65,124
Written down value	<u>2,374</u>	<u>5,728</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>22,794</u></u>	 <u><u>24,178</u></u>
 2 Intangible Assets		
Website Costs - at cost	13,561	13,561
Less: Accumulated Depreciation	12,541	11,599
Total written down value	<u>1,020</u>	<u>1,962</u>
 3 Depreciation & Amortisation		
Software	6,942	3,588
Furniture & Fittings	1,398	1,198
Loss on Disposal	2,295	-
Computer equipment	2,750	4,075
Intangible assets	942	1,811
Total Depreciation	<u><u>14,327</u></u>	<u><u>10,672</u></u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

4 Operating Lease Commitments	2020	2019
At balance date the Society had the following operating lease commitments:	\$	\$
Current	31,924	29,610
Non-Current	17,066	35,775
	<u>48,990</u>	<u>65,385</u>

During the year end 31 December 2020 \$33,009 (2019: \$39,052) 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 2020 (2019:\$Nil).

6 Capital Commitments

The Society has no capital commitments at 31 December 2020 (2019:\$Nil)

7 Other Commitments

The Society has no other commitments at 31 December 2020 (2019: The Society had no other commitments)

8 Related Parties

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

- Was contracted to provide services to the Society.

9 Events After Balance Date

There were no significant events after the balance date that impact these financial statements.

Events After Balance Date (2019):

The Committee is aware of the World Health Organisation's declaration of a global health emergency relating to the spread of COVID-19 on 31 January 2020 and the New Zealand governments decision that all non-essential businesses are to close effective 25 March 2020 for a period of four weeks. This matter is being addressed with business continuity planning and the Committee have considered that this is a "non-adjusting" subsequent event and there is no impact on the 2019 financial year.

The Committee consider that the Society's profitability and cash flows along with current cash reserves are adequate to meet the investing and financing cash flow requirements of the Society for the foreseeable future. The Society has also received an offer from the German Federal Ministry of Economics to provide additional funding to the Society if it were to be in financial distress. For these reasons, the Committee continue to adopt the going concern assumption in preparing the financial statements for the year ended 31 December 2019.