

The New Zealand Credit & Finance Institute Incorporated
Financial Reports
For the Year Ended 30th June 2020

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The New Zealand Credit & Finance Institute Incorporated

Statement of Financial Performance

For the Year ended 30th June 2020

| | 2020 \$ | 2019 \$ |
|------------------------------------|-------------------------|--------------------------|
| REVENUE | | |
| Subscriptions | 28,055 | 31,000 |
| Members' Meetings | 22,972 | 32,092 |
| Seminars | 5,776 | 6,430 |
| Sponsorship | 10,000 | 10,870 |
| Conference Income | 40,744 | - |
| Total Sales | <u>107,547</u> | <u>80,392</u> |
| GROSS SURPLUS FROM TRADING | <u>107,547</u> | <u>80,392</u> |
| SUNDRY INCOME | | |
| Interest Received | 2,039 | 2,337 |
| Total Income | <u>109,586</u> | <u>82,729</u> |
| Less Expenses | | |
| Accountancy Fees | 1,180 | 1,150 |
| Annual General Meetings | - | 534 |
| Audit Fees | 4,200 | 4,200 |
| Bank Charges | 1,246 | 1,219 |
| Board Expenses | 2,291 | 3,009 |
| Committee Expenses | 1,303 | 1,343 |
| Conference Expenses | 39,219 | - |
| General Expenses | 4,660 | 1,286 |
| Marketing | - | 2,040 |
| Members' Meetings | 27,443 | 31,538 |
| Printing, Stamps & Stationery | 277 | 510 |
| Promotional Printing | 730 | 63 |
| Secretarial & Branch Committee | 28,500 | 43,000 |
| Seminars | 3,840 | 1,591 |
| Telephone, Tolls & Internet | 1,778 | 1,862 |
| Website Hosting | 352 | 238 |
| Website Expenses | 1,052 | 2,437 |
| Total Expenses | <u>118,071</u> | <u>96,020</u> |
| Net Deficit Before Depreciation | (8,485) | (13,291) |
| Less Depreciation | | |
| Depreciation as per Schedule | 409 | 817 |
| OPERATING SURPLUS/(DEFICIT) | <u>(8,894)</u> | <u>(14,108)</u> |
| NET SURPLUS/(DEFICIT) | <u><u>(\$8,894)</u></u> | <u><u>(\$14,108)</u></u> |

NOTE: This Statement is to be read in conjunction with the audit report set out on the accompanying page.



The New Zealand Credit & Finance Institute Incorporated

Statement of Changes in Equity

For the Year Ended 30th June 2020

| | 2020 | 2019 |
|---|----------|----------|
| | \$ | \$ |
| EQUITY AT START OF YEAR | 99,942 | 114,050 |
| PROFIT & REVALUATIONS | | |
| Loss after Tax | (8,894) | (14,108) |
| Total Recognised Income & Expenses | (8,894) | (14,108) |
| OTHER MOVEMENTS | | |
| EQUITY AT END OF YEAR | \$91,048 | \$99,942 |
| MOVEMENTS IN RETAINED EARNINGS | | |
| Retained Earnings at start of year | 99,942 | 114,050 |
| Net Loss | (8,894) | (14,108) |
| Retained Earnings at End of Year | 91,048 | 99,942 |

NOTE: This Statement is to be read in conjunction with the audit report set out on the accompanying page.



The New Zealand Credit & Finance Institute Incorporated

Balance Sheet

As at 30th June 2020

| | 2020 | 2019 |
|----------------------------------|----------|----------|
| | \$ | \$ |
| CURRENT ASSETS | | |
| ASB Bank Cheque Account | 13,662 | 29,415 |
| Investment Accounts | 70,250 | 70,250 |
| ASB Bank - 50 Account | - | 4,827 |
| Undeposited Funds | - | 290 |
| GST refund due | 168 | 847 |
| Accounts Receivable | 6,200 | 8,872 |
| Accrued Interest | 758 | 961 |
| Prepayments | - | 8,540 |
| Total Current Assets | 91,038 | 124,002 |
| NON-CURRENT ASSETS | | |
| Property, plant & equipment | 408 | 817 |
| TOTAL ASSETS | 91,446 | 124,819 |
| CURRENT LIABILITIES | | |
| ASB Bank Visa | - | 396 |
| Accounts Payable | 88 | 5,221 |
| Subscriptions in Advance | 310 | 310 |
| Conference Income in Advance | - | 18,950 |
| Total Current Liabilities | 398 | 24,877 |
| TOTAL LIABILITIES | 398 | 24,877 |
| NET ASSETS | \$91,048 | \$99,942 |

Represented by;

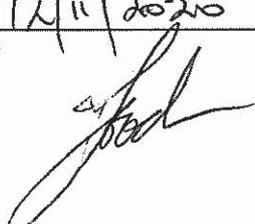
EQUITY

| | | |
|---------------------|----------|----------|
| Share capital | - | - |
| Retained Earnings | 91,048 | 99,942 |
| TOTAL EQUITY | \$91,048 | \$99,942 |

The accompanying notes form part of these Financial Statements and should be read in conjunction with the reports contained herein.
For and on behalf of the Board ;

12/11/2020

Date _____



NOTE: This Statement is to be read in conjunction with the audit report set out on the accompanying page.



The New Zealand Credit & Finance Institute Incorporated
Depreciation Schedule
For the Year ended 30th June 2020

| Asset | Private Use | Cost Price | Book Value 01/07/2019 | Additions Disposals | Gain/Loss on Disposal | Capital Profit | --- Depreciation --- Mth Rate | \$ | Accum Deprec 30/06/2020 | Book Value 30/06/2020 |
|---------------------|-------------|------------|--------------------------|------------------------|-----------------------------|-------------------|----------------------------------|----------|-------------------------------|-----------------------------|
| OFFICE EQUIPMENT | | | | | | | | | | |
| Website Development | | 9,809 | 817 | | | | 12 | 50.0% DV | 409 | 9,401 |
| Sub-Total | | 9,809 | 817 | | | | | 409 | 9,401 | 408 |
| TOTAL | | 9,809 | 817 | | | | | 409 | 9,401 | 408 |

NOTE: This Statement is to be read in conjunction with the audit report set out on the accompanying page.



The New Zealand Credit & Finance Institute Incorporated

Notes to the Financial Statements

For the Year Ended 30th June 2020

1. STATEMENT OF ACCOUNTING POLICIES

These financial statements are for The New Zealand Credit & Finance Institute Incorporated. ("the Society")

The accounting principles recognised as appropriate for the measurement and reporting of financial performance and financial position on a historical cost basis are followed by the Society.

These financial statements are of special purpose and have been prepared for taxation purposes on the principles contained in the Income Tax Act 2007 and internal management purposes.

The accounting policies adopted are not in conformity with generally accepted accounting practice. Accordingly, the financial statements should only be relied on for the expressly stated purpose.

Changes in Accounting Policies

There have been no changes in accounting policies. All policies have been applied on bases consistent with those used in previous years.

Specific Accounting Policies

In the preparation of these financial statements, the specific accounting policies are as follows:

(a) Property, Plant & Equipment

The Society has the following classes of Property, Plant & Equipment;
Office Equipment

All property, plant & equipment except for land is stated at cost less depreciation.

Depreciation has been calculated in accordance with rates permitted under the Income Tax Act 2007.

(b) Goods & Services Tax

These financial statements have been prepared on a GST exclusive basis with the exception of accounts receivable and accounts payable which are shown inclusive of GST.

(c) Income Tax

The New Zealand Credit and Finance Institute Incorporated is only subject to Income Tax on Income over \$1,000.00 derived from outside the circle of Membership.

(d) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to The New Zealand Credit & Finance Institute Incorporated, revenue can be measured reliably and that there are no further significant costs to be incurred. Subscription and Sponsorship revenue is recognised as it is billed. Revenue from Member Meeting, Seminars and the National Conference is recognised as the service is provided to the Society.

(e) Receivables

Receivables are stated at their estimated realisable value. Bad debts are written off in the year in which they are identified.

2. AUDIT

These financial statements have been subject to audit, please refer to Auditor's Report.

3. CONTINGENT LIABILITIES

At balance date there are no known contingent liabilities (2019:\$0). The New Zealand Credit & Finance Institute Incorporated has not granted any securities in respect of liabilities payable by any other party whatsoever.

NOTE: This Statement is to be read in conjunction with the audit report set out on the accompanying page.



The New Zealand Credit & Finance Institute Incorporated

Notes to the Financial Statements

For the Year Ended 30th June 2020

4. OPERATING INCOME

| | 2020 | 2019 |
|------------------------|-----------------------|----------------------|
| | \$ | \$ |
| Sales | 107,547 | 80,392 |
| Interest Received | <u>2,039</u> | <u>2,337</u> |
| Total Other Income | <u>2,039</u> | <u>2,337</u> |
| Total Operating Income | <u><u>109,586</u></u> | <u><u>82,729</u></u> |

5. RELATED PARTIES

There were no transactions with related parties requiring disclosure with the exception that Administration Fees of \$36,500.00 (including \$8,000.00 for running of National Conference) have been paid to Owen Goodwin for the year ending 30 June 2020 (2019 \$43,000.00)

6. PROPERTY, PLANT & EQUIPMENT

| | 2020 | 2019 |
|--|---------------------|---------------------|
| | \$ | \$ |
| Office Equipment | | |
| At cost | 9,809 | 9,809 |
| Less accumulated depreciation | <u>(9,401)</u> | <u>(8,992)</u> |
| | <u>408</u> | <u>817</u> |
| Current year depreciation | <u>409</u> | <u>817</u> |
| | <u>409</u> | <u>817</u> |
| Total Property, Plant & Equipment | <u><u>\$408</u></u> | <u><u>\$817</u></u> |
| Total Depreciation for the year | <u><u>\$409</u></u> | <u><u>\$817</u></u> |

7. COMMITMENTS

The New Zealand Credit & Finance Institute Incorporated had no operating Lease or Capital Commitments as at 30 June 2020 (2019 \$4,000.00)

8. EVENTS AFTER BALANCE DATE

The Directors' of the Society are aware of the World Health Organisations' declaration of a global health emergency relating to the spread of COVID-19 on 31 January 2020 and the New Zealand Government's decision that all non-essential businesses are to close effective 25 March 2020 for a period of four weeks, as well as the second lockdown announced 12 August 2020. The Directors' of the Society are addressing the impact of COVID-19 on the Society through business continuity planning.

The Directors' of the Society anticipate that the revenues achieved for the year ending 30 June 2021 by the Society may be lower than the revenue achieved for the year ended 30 June 2020. This could also result in the Society reporting lower balances as at 30 June 2021 for investments together with cash and cash equivalents. The Directors' of the Society consider that the Society's financial position along with current cash reserves are adequate to meet the operating, investing and financing cash flow requirements of the Society for the foreseeable future. For this reason, the Directors of the Society continue to adopt the going concern assumption in preparing the financial statement for the year ending 30 June 2020.

NOTE: This Statement is to be read in conjunction with the audit report set out on the accompanying page.



INDEPENDENT AUDITOR'S REPORT

To the Members of The New Zealand Credit & Finance Institute Incorporated

Opinion

We have audited the special purpose financial statements of The New Zealand Credit & Finance Institute Incorporated (the 'Society') on pages 1 to 6, which comprise the Balance Sheet as at 30 June 2020, the Statement of Financial Performance and the Statement of Changes 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 of the Society for the year ended 30 June 2020 are prepared, in all material respects, in accordance with the accounting policies as disclosed in Note 1 of 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 (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.

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

Emphasis of Matter – Basis of Accounting and Restriction on Distribution

We draw attention to Note 1 to the special purpose financial statements, which describes the basis of accounting. The special purpose financial statements are prepared for taxation purposes on the principles contained in the Income Tax Act 2007 and for internal management purposes. As a result, the special purpose financial statements may not be suitable for another purpose.

Emphasis of Matter – COVID-19

We draw attention to Note 8 of the financial statements, which describes the effects relating to the spread of COVID-19. Our opinion is not modified in respect of this matter.

Responsibilities of the Directors for the Special Purpose Financial Statements

The Directors are responsible on behalf of the Society for the preparation of the special purpose financial statements in accordance with the accounting policies as disclosed in Note 1 of the special purpose financial statements and for such internal control as the Directors determine is necessary to enable the preparation of special purpose financial statements that are free from material misstatement, whether due to fraud or error.



In preparing the special purpose financial statements, the Directors 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 Directors 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 Directors 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 Directors 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.

A handwritten signature of the word "Crowe" in blue ink, written in a cursive style.

Crowe New Zealand Audit Partnership
CHARTERED ACCOUNTANTS

Dated at Auckland this 12th day of November 2020