



IMPORTED MOTOR VEHICLE INDUSTRY ASSOCIATION INC

CONSOLIDATED ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2018

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IMPORTED MOTOR VEHICLE INDUSTRY ASSOCIATION INC

**CNR MT WELLINGTON HIGHWAY & VESTEY DRIVE
MT WELLINGTON, AUCKLAND**

DIRECTORY

AS AT 31 MARCH 2018

Patron	Mr J Nicholls
Chairmen	Mr G Macdonald & Mr L Wilson
Chief Executive Officer	Mr D Vinsen
Executive	Mr G Macdonald Mr L Wilson Mr F Willet Mr N Owens
Secretary	Mr A Sheard Unit 3B 303 Blenheim Rd P O Box 79-071 Christchurch 8446
Banker	Westpac New Zealand Limited ANZ Bank New Zealand Limited
Solicitors	LeeSalmonLong
Accountants	Henning & Associates
Review Accountants	RSM Hayes Audit

Mission Statement

“The IMVIA is committed to support and promote the vehicle importing industry”

The Association represents those who are directly or indirectly involved in the importation, refurbishment and marketing of vehicles.

IMPORTED MOTOR VEHICLE INDUSTRY ASSOCIATION INC

CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 31 MARCH 2018

	NOTE	2018 \$	2017 \$
<u>REVENUE</u>			
Revenue from membership and sponsorship contributions	2	334,768	329,344
Revenue from provision of services	3	253,827	431,754
Revenue from sale of goods	3	27,347	31,279
Other income	3	33,950	24,971
		<hr/>	<hr/>
<u>TOTAL REVENUE</u>		649,892	817,348
<u>EXPENSES</u>			
Expenses relating to provision of services	3	150,218	191,663
Expenses relating to sale of goods	3	6,821	8,629
Administration expenses	10	757,111	735,643
		<hr/>	<hr/>
<u>TOTAL EXPENSES</u>		914,150	935,935
<u>OPERATING SURPLUS/(DEFICIT) FOR THE YEAR</u>		(264,258)	(118,587)
Income tax expense	8	-	-
		<hr/>	<hr/>
<u>NET SURPLUS/(DEFICIT) FOR THE YEAR</u>		(264,258)	(118,587)

CONSOLIDATED STATEMENT OF MOVEMENT IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2018

	2018 \$	2017 \$
Opening Equity	782,106	900,693
ADD Net Surplus/(Deficit) for the Year	(264,258)	(118,587)
	<hr/>	<hr/>
<u>TOTAL RECOGNISED REVENUES AND EXPENSES FOR THE YEAR</u>	(264,258)	(118,587)
	<hr/>	<hr/>
<u>CLOSING EQUITY</u>	517,848	782,106

These Financial Statements are to be read in conjunction with the notes
on page 4 – 10 and independent Reviewer's Report on page 11

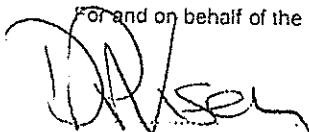
IMPORTED MOTOR VEHICLE INDUSTRY ASSOCIATION INC

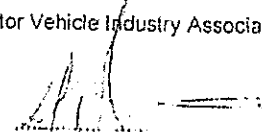
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2018

	NOTE	2018 \$	2017 \$
<u>EQUITY AT YEAR END</u>		517,848	782,106
Represented By:			
<u>NON CURRENT ASSETS</u>			
Fixed Assets	5	16,113	18,252
<u>TOTAL NON CURRENT ASSETS</u>		16,113	18,252
<u>CURRENT ASSETS</u>			
Cash, Bank and Deposits	6	562,786	785,921
Accounts Receivable	4	38,247	51,977
Inventory	7	9,525	10,491
Tax Refund Due	8	32	25
Prepayments		-	1,164
GST Refund Due		1,235	-
<u>TOTAL CURRENT ASSETS</u>		611,825	849,578
<u>CURRENT LIABILITIES</u>			
Accounts Payable and Accruals		46,032	39,603
Holiday Pay Accrual		28,892	17,340
Subscriptions Received in Advance	13	35,166	25,783
GST Payable		-	2,998
<u>TOTAL CURRENT LIABILITIES</u>		110,090	85,724
<u>WORKING CAPITAL</u>		501,735	763,854
<u>NET ASSETS</u>		517,848	782,106

For and on behalf of the Imported Motor Vehicle Industry Association Inc


Chief Executive Officer


Chairman

Date

These unaudited Financial Statements are to be read in conjunction with the notes on page 4 - 10 and independent Reviewer's Report on page 11

IMPORTED MOTOR VEHICLE INDUSTRY ASSOCIATION INC
CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

1. STATEMENT OF ACCOUNTING POLICIES

i) Reporting Entity

The Financial Statements presented here are for the Imported Motor Vehicle Industry Association Inc (IMVIA), an association incorporated under the Incorporated Societies Act 1908 (number 892015), and subsidiaries. The Financial Statements are prepared as a special purpose report.

The Group consists of IMVIA and its non-trading subsidiary Vehicle Traders Association Limited.

During the year IMVIA rebranded and now trades as VIA.

ii) Basis of Preparation

These financial statements have been prepared in accordance with the Special Purpose Framework for use by For-Profit Entities published by the New Zealand Institute of Chartered Accountants.

The financial statements have been prepared for the entity's members.

iii) Measurement Base

The 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. The going concern principle is also applied by the association.

iv) Specific Accounting Policies

The following specific accounting policies have been applied in the measurement of financial performance and the financial position:

- (a) **Basis of Consolidation** – As the subsidiary company mentioned above is non-trading as at 31 March 2018, and has not recorded any transactions as at 31 March 2018, the financial statements of the Association and the Group are identical.
- (b) **Inventory** – Stationery inventory has been stated at the lower of cost or net realisable value. Costs have been assigned to inventory using the first in first out basis. Vin Kit inventory has minimal value and is expensed on purchase.
- (c) **Accounts Receivable** – Are stated at estimated net realisable value. Bad debts are written off in the period in which they are identified.
- (d) **Fixed Assets** – The Association has two classes of fixed assets:

- Office Furniture and Equipment
- Motor Vehicles

All fixed assets are recorded at cost less accumulated depreciation.

IMPORTED MOTOR VEHICLE INDUSTRY ASSOCIATION INC

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

(CONTINUED)

- (e) **Depreciation** – All fixed assets have been depreciated at the maximum rate approved by the Inland Revenue Department on a diminishing value basis for the economic life of the asset.

The classes are depreciated at the following rates:

Office Furniture and Equipment	- 12.0% to 50.0%
Motor Vehicles	- 30%

- (f) **Revenue** – Revenue is recognised using the accrual method. Income received but not yet earned has been included as a liability. Dividend income is recognised when the right to entitlement is established. Interest income is recognised on an accrual basis where material. Membership, Trading and Consulting revenue is recognised when invoiced.

- (g) **Goods and Services Tax** – The Financial Statements have been prepared on a Goods and Services Tax exclusive basis, except for the Accounts Receivable and Accounts Payable balances which have been shown inclusive of GST in the Statement of Financial Position.

- (h) **Income Tax** – The income tax expense charged to the Statement of Financial Performance includes both the current year's tax and the income tax effects of timing differences calculated using the payments method.

Tax effect accounting has been applied on a comprehensive basis to all timing differences. A debit balance in the deferred tax account is only recognised if there is virtual certainty of realisation.

As an incorporated society, the Association is not subject to income tax on membership activities within its circle of membership but is subject to taxation on other income.

- (i) **Changes in Accounting Policies** – There have been no changes in accounting policies during the current financial period, other than to change the recognition of interest from when received to an accrual basis.

	2018 \$	2017 \$
2. <u>MEMBERSHIP ACTIVITIES</u>		
Membership & Sponsorship Contributions	334,768	329,344
<u>LESS</u> Overhead Expenses - Apportioned (Note 10)	403,615	313,274
<u>SURPLUS / (DEFICIT) FOR MEMBERSHIP ACTIVITIES</u>	<u>(68,847)</u>	<u>16,070</u>

IMPORTED MOTOR VEHICLE INDUSTRY ASSOCIATION INC

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 MARCH 2018
(CONTINUED)**

	2018	2017
	\$	\$
3. <u>TAXABLE ACTIVITIES</u>		
<u>REVENUE</u>		
Technical Services	253,827	390,257
Stationery Sales	10,246	9,694
Vin Kit Sales	17,101	21,585
Consulting Income	-	41,497
	<hr/>	<hr/>
<u>TOTAL REVENUE</u>	281,174	463,033
<u>LESS DIRECT EXPENSES</u>		
Technical Services	142,895	156,519
Stationery	4,422	3,872
Vin Kits	2,399	4,757
Consulting Expenses	3,323	35,144
	<hr/>	<hr/>
<u>TOTAL DIRECT EXPENSES</u>	153,039	200,292
	<hr/>	<hr/>
GROSS PROFIT	128,135	262,741
	<hr/>	<hr/>
<u>OTHER REVENUE</u>		
Interest Received	20,445	22,951
Dividends Received	375	370
Rent Received	3,130	-
Other	10,000	1,650
	<hr/>	<hr/>
<u>TOTAL OTHER REVENUE</u>	33,950	24,971
<u>OTHER EXPENDITURE</u>		
Overhead Expenses - Apportioned (Note 10)	353,496	422,369
Doubtful Debts	4,000	-
	<hr/>	<hr/>
<u>TOTAL OTHER EXPENDITURE</u>	357,496	422,369
	<hr/>	<hr/>
<u>SURPLUS / (DEFICIT) FOR TAXABLE ACTIVITIES</u>	(195,411)	(134,657)
	<hr/>	<hr/>
	2018	2017
	\$	\$
4. <u>ACCOUNTS RECEIVABLE</u>		
Trade Debtors	44,247	53,977
LESS Provision for Doubtful Debts	(6,000)	(2,000)
	<hr/>	<hr/>
<u>TOTAL ACCOUNTS RECEIVABLE</u>	38,247	51,977
	<hr/>	<hr/>

IMPORTED MOTOR VEHICLE INDUSTRY ASSOCIATION INC

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 MARCH 2018
(CONTINUED)**

			2018 \$	2017 \$
5.	<u>FIXED ASSETS</u>			
	Office Furniture and Equipment (at cost)		49,057	43,235
	Accumulated Depreciation		(36,121)	(29,521)
	Net Book Value		<hr/> 12,936	<hr/> 13,714
	Motor Vehicles (at cost)		9,500	9,500
	Accumulated Depreciation		(6,323)	(4,962)
	Net Book Value		<hr/> 3,177	<hr/> 4,538
	<u>TOTAL FIXED ASSETS</u>		<hr/> 16,113	<hr/> 18,252
6.	<u>CASH AND BANK</u>			
		MATURITY	2018	2017
			\$	\$
	Current			
	Westpac Banking Corporation			
	Cheque Account -03	At Call	Nil	13,592
	Ready Access - 90	At Call	2.00	31,049
	Cheque Account -04	At Call	2.00	49
	Cheque Account -00	At Call	2.00	70
	Term Deposit	19/01/19	3.50	495,726
	ANZ Bank			
	Term Deposit	31/10/18	3.60	22,200
	Term Deposit	05/12/17	3.35	-
	Petty Cash		100	100
	<u>TOTAL CASH AND BANK</u>		<hr/> 562,786	<hr/> 785,921
			2018	2017
			\$	\$
7.	<u>INVENTORIES</u>			
	Stationery		9,525	10,491
	<u>TOTAL INVENTORIES</u>		<hr/> 9,525	<hr/> 10,491

IMPORTED MOTOR VEHICLE INDUSTRY ASSOCIATION INC

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 MARCH 2018
(CONTINUED)**

	2018 \$	2017 \$
8. <u>TAXATION</u>		
Surplus / (Deficit) Before Taxation	(264,258)	(118,587)
<u>LESS</u> Membership Activities	(68,847)	16,070
	<hr/>	<hr/>
	(195,411)	(134,657)
Add Back Permanent Differences:		
Imputation Credit on net Dividend Received	142	141
Add Timing Differences:		
Holiday Pay	3,656	(903)
Accruals	(2,189)	(11,878)
Provision for Doubtful Debts	1,715	(153)
	<hr/>	<hr/>
<u>Assessable Income / (Taxable Loss)</u>	(192,087)	(147,450)
	<hr/>	<hr/>
Tax at 28%	-	-
<u>LESS</u> Imputation Credit	-	-
	<hr/>	<hr/>
<u>TAX PROVISION</u> (as per Statement of Financial Performance)	-	-
<u>LESS</u> Provisional Tax Paid	25	25
Resident Withholding Tax	7	-
	<hr/>	<hr/>
<u>TAXATION REFUND DUE</u> (as per Statement of Financial Position)	32	25
	<hr/>	<hr/>
Total Income / (Tax Loss) – current year	(192,087)	(147,450)
<u>LESS</u> Prior year losses brought forward	474,427	326,977
	<hr/>	<hr/>
Tax loss to carry forward	666,514	474,427
	<hr/>	<hr/>
Imputation Credits – current year	142	141
Excess Imputation Credits brought forward	14,598	14,547
Imputation Credits applied	-	-
	<hr/>	<hr/>
Excess Imputation Credits to carry forward	14,740	14,598
	<hr/>	<hr/>

9. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

The Executive are not aware of any contingent liabilities as at 31 March 2018. There are no capital commitments at 31 March 2018.

IMPORTED MOTOR VEHICLE INDUSTRY ASSOCIATION INC

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

(CONTINUED)

10. OVERHEAD EXPENSES

	2018	2017
	\$	\$
Promotion	30,331	15,278
AGM Expenses	5,398	3,727
Independent Review Fee	4,938	10,041
Bank Fees and Charges	2,580	2,688
Computer Expenses	30,554	14,873
Communications	51,020	42,458
Consultancy	-	5,089
Depreciation - Office Furn & Equip and Vehicles	7,961	7,761
Gift Presentation	494	867
General Expenses	-	995
Insurance	11,041	16,984
Legal Expenses and Debt Collection	11,455	15,572
Statistics	1,153	1,785
MVR Access Fee	-	1,148
Licences and Subscriptions	2,577	3,943
Motor Vehicle Expenses	1,057	2,101
Payroll Processing Costs	363	400
Postage, Printing and Stationery	3,978	6,754
Events & Functions	14,886	14,527
Accounting	20,975	18,000
Lease Equipment	4,116	3,996
Rates and Power	8,976	7,737
Rental Office	36,929	34,724
Repairs and Maintenance	6,830	11,846
Management Costs	150,000	150,000
Salaries	231,127	213,094
Secretarial Services	8,704	7,260
Staff Amenities	1,580	838
Staff Recruitment/Training	4,000	9,920
Membership Services	-	745
Website Charges	1,198	1,308
Telephone, Tolls and Fax	12,634	16,681
Travel, Accommodation, Meals	63,371	66,331
Executive Fees	26,885	26,172
<u>TOTAL OVERHEAD EXPENSES</u>	<u>757,111</u>	<u>735,643</u>
Apportioned:		
Membership Activities (Note 2)	403,615	313,274
Taxable Activities (Note 3)	353,496	422,369
	<u>757,111</u>	<u>735,643</u>

The apportionment of overhead expenses is based on the proportion of taxable and non-taxable income in relation to total income

IMPORTED MOTOR VEHICLE INDUSTRY ASSOCIATION INC

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018
(CONTINUED)

11. TRANSACTIONS WITH RELATED PARTIES

During the year the Association entered into the following transactions with related parties, all on normal trading terms. The Financial Statements for the year ended 31 March 2018 reflect all transactions undertaken during the year.

Payments of Secretarial Fees and other professional fees were made to Mr A J Sheard in his capacity as Association Secretary.

Payments of Executive Fees and travel costs were made to Executive during the year in relation to the Executive meetings. Amounts owing to the Executive at 31 March 2018 are \$nil (\$2,748 2017).

No related party debts have been written off or forgiven during the year.

12. FORWARD COMMITMENTS

Operating Leases

Non-cancellable operating leases payable after balance date are as follows:

	2018	2017
	\$	\$
PREMISES		
Current	17,575	35,150
Non current	-	17,575
	<u>17,575</u>	<u>52,725</u>

The lease was renewed in October 2015 for a further three year period.

	2018	2017
	\$	\$
OFFICE EQUIPMENT		
Current	3,996	3,996
Non current	3,330	7,326
	<u>7,326</u>	<u>11,322</u>

The equipment leased is Xerox Photocopier.

13. MEMBERSHIP SUBSCRIPTIONS RECEIVED IN ADVANCE

Association members have the option to pay their subscriptions annually in advance. The portion of subscription received applicable to the 2019 financial year has been disclosed in the Statement of Financial Position.

14. NON-TRADING SUBSIDIARIES

A non-trading IMVIA subsidiary Vehicle Traders Association Limited was incorporated on 19 July 2002. At 31 March 2018 the single issued share is uncalled.

Independent Assurance Practitioner's Review Report

To the National Executive of Imported Motor Vehicle Industry Association (IMVIA)

RSM Hayes Audit

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Newmarket, Auckland 1149
Level 1, 1 Broadway
Newmarket, Auckland 1023

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Conclusion

We have reviewed the consolidated financial statements of Imported Motor Vehicle Industry Association, which comprise:

- the consolidated statement of financial position as at 31 March 2018;
- the consolidated statement of financial performance for the year then ended;
- consolidated statement of movements in equity for the year then ended; and
- the notes to the financial statements, which include significant accounting policies.

Based on our review, nothing has come to our attention that causes us to believe that the consolidated financial statements on pages 2 to 10 do not present fairly, in all material respects, the financial position of Imported Motor Vehicle Industry Association as at 31 March 2018, and its financial performance for the year then ended, in accordance with the NZICA Special Purpose Financial Reporting Framework for For-Profit Entities.

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (New Zealand) (ISRE (NZ)) 2400, *Review of Historical Financial Statements Performed by an Assurance Practitioner who is not the Auditor of the Entity*. Our responsibilities under that standard are further described in the *Assurance Practitioner's responsibilities* section of our report. We are independent of Imported Motor Vehicle Industry Association 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 review evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Other than in our capacity as assurance practitioner we have no relationship with, or interests in, the Imported Motor Vehicle Industry Association.

Emphasis of matter – Basis of accounting and restriction on distribution

We draw attention to Note 1 ii) of the consolidated financial statements, which describes the basis of accounting. The consolidated financial statements are prepared in accordance with the NZICA Special Purpose Financial Reporting Framework for For-Profit Entities and are intended for use by the members of Imported Motor Vehicle Industry Association. As a result, the consolidated financial statements may not be suitable for another purpose. Our report is also intended solely for The National Executive of Imported Motor Vehicle Industry Association and should not be distributed to other parties. Our conclusion is not modified in respect of this matter.

Responsibilities of the National Executive for the financial statements

The National Executive are responsible, on behalf of Imported Motor Vehicle Industry Association, for the preparation and fair presentation of the financial statements in accordance with the NZICA Special Purpose Financial Reporting Framework for For-Profit Entities, and for such internal control as The National Executive determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The National Executive are also responsible for determining that the NZICA Special Purpose Financial Reporting Framework for For-Profit Entities framework is acceptable in the entity's circumstances.

In preparing the financial statements, The National Executive are responsible, on behalf of Imported Motor Vehicle Industry Association, for assessing Imported Motor Vehicle Industry Association'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 those charged with governance either intend to liquidate Imported Motor Vehicle Industry Association or to cease operations, or have no realistic alternative but to do so.

Assurance Practitioner's responsibilities

Our responsibility is to express a conclusion on the accompanying consolidated financial statements. We conducted our review in accordance with International Standard on Review Engagements (New Zealand) (ISRE (NZ)) 2400, *Review of Historical Financial Statements Performed by an Assurance Practitioner who is not the Auditor of the Entity*. ISRE (NZ) 2400 requires us to conclude whether anything has come to our attention that causes us to believe that the consolidated financial statements, taken as a whole, are not prepared, in all material respects, in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review of consolidated financial statements in accordance with ISRE (NZ) 2400 is a limited assurance engagement. The assurance practitioner performs procedures, primarily consisting of making enquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand). Accordingly, we do not express an audit opinion on these consolidated financial statements.

