



**IMPORTED MOTOR VEHICLE INDUSTRY ASSOCIATION INC**

# **CONSOLIDATED ANNUAL REPORT**

**FOR THE YEAR ENDED 31 MARCH 2019**

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**IMPORTED MOTOR VEHICLE INDUSTRY ASSOCIATION INC**

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

**DIRECTORY**

**AS AT 31 MARCH 2019**

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

**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 2019**

	NOTE	2019 \$	2018 \$
<u>REVENUE</u>			
Revenue from membership and sponsorship contributions	2	403,855	334,768
Revenue from provision of services	3	167,244	253,827
Revenue from sale of goods	3	18,711	27,347
Other income	3	10,201	33,950
		<hr/>	<hr/>
<u>TOTAL REVENUE</u>		600,011	649,892
<u>EXPENSES</u>			
Expenses relating to provision of services	3	143,261	150,218
Expenses relating to sale of goods	3	7,775	6,821
Administration expenses	10	682,156	757,111
		<hr/>	<hr/>
<u>TOTAL EXPENSES</u>		833,192	914,150
<u>OPERATING SURPLUS/(DEFICIT) FOR THE YEAR</u>		(233,181)	(264,258)
Income tax expense	8	-	-
		<hr/>	<hr/>
<u>NET SURPLUS/(DEFICIT) FOR THE YEAR</u>		(233,181)	(264,258)
		<hr/>	<hr/>

**CONSOLIDATED STATEMENT OF MOVEMENT IN EQUITY**

**FOR THE YEAR ENDED 31 MARCH 2019**

	2019 \$	2018 \$
Opening Equity	517,847	782,105
ADD Net Surplus/(Deficit) for the Year	(233,181)	(264,258)
	<hr/>	<hr/>
<u>TOTAL RECOGNISED REVENUES AND EXPENSES FOR THE YEAR</u>	(233,181)	(264,258)
	<hr/>	<hr/>
<u>CLOSING EQUITY</u>	284,666	517,847
	<hr/>	<hr/>

These Financial Statements are to be read in conjunction with the notes  
on page 5 – 12 and independent Reviewer's Report on page 13

**IMPORTED MOTOR VEHICLE INDUSTRY ASSOCIATION INC**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

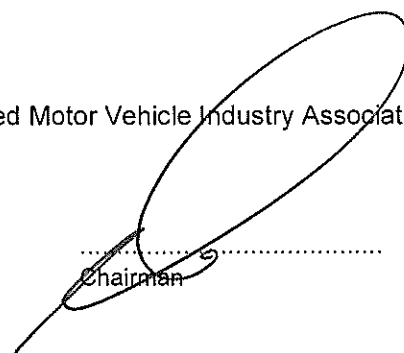
AS AT 31 MARCH 2019

	NOTE	2019 \$	2018 \$
<u>EQUITY AT YEAR END</u>		284,666	517,847
Represented By:			
<u>NON CURRENT ASSETS</u>			
Fixed Assets	5	13,559	16,113
<u>TOTAL NON CURRENT ASSETS</u>		13,559	16,113
<u>CURRENT ASSETS</u>			
Cash and Cash Equivalents	6	297,754	44,860
Short Term Deposits	6	23,045	517,926
Accounts Receivable	4	21,160	38,247
Inventory	7	11,138	9,525
Tax Refund Due	8	25	32
GST Refund Due		-	1,235
<u>TOTAL CURRENT ASSETS</u>		353,122	611,825
<u>CURRENT LIABILITIES</u>			
Accounts Payable and Accruals		18,788	46,033
Holiday Pay Accrual		27,701	28,892
Subscriptions Received in Advance	13	34,583	35,166
GST Payable		943	-
<u>TOTAL CURRENT LIABILITIES</u>		82,015	110,091
<u>WORKING CAPITAL</u>		271,107	501,734
<u>NET ASSETS</u>		284,666	517,847

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



Chief Executive Officer



Chairman

23.5.19.

Date

These Financial Statements are to be read in conjunction with the notes  
on page 5 – 12 and independent Reviewer's Report on page 13

**IMPORTED MOTOR VEHICLE INDUSTRY ASSOCIATION INC**

**CONSOLIDATED STATEMENT OF CASH FLOWS**

FOR THE YEAR ENDED 31 MARCH 2019

	2019	2018
	\$	\$
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
<i>Cash was provided from/(applied to):</i>		
Receipts from Subscriptions	420,359	357,881
Receipts from Services	167,244	253,827
Receipts from Sales	18,711	27,347
GST	2,178	(4,233)
Other Income	10,201	33,950
Payments to suppliers	(181,085)	(138,092)
Overheads	(674,747)	(747,986)
Income Tax Paid	7	(7)
<u>Net cash flows from/ (used in) operating activities</u>	<u>(237,132)</u>	<u>(217,313)</u>
 <u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
<i>Cash was provided from/(applied to):</i>		
Fixed Asset purchases / disposals	<u>(4,855)</u>	<u>(5,822)</u>
<u>Net cash flows from/ (used in) investing activities</u>	<u>(4,855)</u>	<u>(5,822)</u>
 <u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
<i>Cash was provided from/(applied to):</i>		
	<u>-</u>	<u>-</u>
<u>Net cash flows from/ (used in) financing activities</u>	<u>-</u>	<u>-</u>
 Net increase/(decrease) in cash held	 (241,987)	 (223,135)
Add opening cash brought forward	562,786	785,921
 <u>ENDING CASH CARRIED FORWARD</u>	 <u><u>320,799</u></u>	 <u><u>562,786</u></u>
 <i>Represented by:</i>		
Westpac 03 a/c	51,475	13,592
Westpac 90 a/c	68	31,049
Westpac 04 a/c	49	49
Westpac 00 a/c	246,062	70
Westpac TD	-	495,726
ANZ TD	23,045	22,200
Petty Cash	100	100
<u>ENDING CASH CARRIED FORWARD</u>	<u><u>320,799</u></u>	<u><u>562,786</u></u>

These Financial Statements are to be read in conjunction with the notes  
on page 5 - 11 and independent Reviewer's Report on page 12

# IMPORTED MOTOR VEHICLE INDUSTRY ASSOCIATION INC

## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

### 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 2018 financial year, IMVIA rebranded and 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 2019, and has not recorded any transactions as at 31 March 2019, 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 2019  
(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.

	2019 \$	2018 \$
2. <u>MEMBERSHIP ACTIVITIES</u>		
Membership & Sponsorship Contributions	403,855	334,768
<u>LESS</u> Overhead Expenses - Apportioned (Note 10)	465,056	403,615
<u>SURPLUS / (DEFICIT) FOR MEMBERSHIP ACTIVITIES</u>	<u>(61,201)</u>	<u>(68,847)</u>

**IMPORTED MOTOR VEHICLE INDUSTRY ASSOCIATION INC**

**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2019  
(CONTINUED)**

	<b>2019</b>	<b>2018</b>
	\$	\$
<b>3. <u>TAXABLE ACTIVITIES</u></b>		
<b><u>REVENUE</u></b>		
Technical Services	167,244	253,257
Stationery Sales	7,288	10,246
Vin Kit Sales	11,423	17,101
	<hr/>	<hr/>
<b><u>TOTAL REVENUE</u></b>	<b>185,955</b>	<b>281,174</b>
<b><u>LESS DIRECT EXPENSES</u></b>		
Technical Services	148,761	142,895
Stationery	4,213	4,422
Vin Kits	3,562	2,399
Consulting Expenses	-	3,323
	<hr/>	<hr/>
<b><u>TOTAL DIRECT EXPENSES</u></b>	<b>156,536</b>	<b>153,039</b>
	<hr/>	<hr/>
<b>GROSS PROFIT</b>	<b>29,419</b>	<b>128,135</b>
	<hr/>	<hr/>
<b><u>OTHER REVENUE</u></b>		
Interest Received	1,130	20,445
Dividends Received	375	375
Rent Received	-	3,130
Other	8,696	10,000
	<hr/>	<hr/>
<b><u>TOTAL OTHER REVENUE</u></b>	<b>10,201</b>	<b>33,950</b>
	<hr/>	<hr/>
<b><u>OTHER EXPENDITURE</u></b>		
Overhead Expenses - Apportioned (Note 10)	217,100	353,496
Doubtful Debts	(5,500)	4,000
	<hr/>	<hr/>
<b><u>TOTAL OTHER EXPENDITURE</u></b>	<b>211,600</b>	<b>357,496</b>
	<hr/>	<hr/>
<b><u>SURPLUS / (DEFICIT) FOR TAXABLE ACTIVITIES</u></b>	<b>(171,980)</b>	<b>(195,411)</b>
	<hr/>	<hr/>
	<b>2019</b>	<b>2018</b>
	\$	\$
<b>4. <u>ACCOUNTS RECEIVABLE</u></b>		
Trade Debtors	21,660	44,247
LESS Provision for Doubtful Debts	(500)	(6,000)
	<hr/>	<hr/>
<b><u>TOTAL ACCOUNTS RECEIVABLE</u></b>	<b>21,160</b>	<b>38,247</b>
	<hr/>	<hr/>



**IMPORTED MOTOR VEHICLE INDUSTRY ASSOCIATION INC**

**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2019  
(CONTINUED)**

			2019 \$	2018 \$
5.	<u>FIXED ASSETS</u>			
	Office Furniture and Equipment (at cost)		47,290	49,057
	Accumulated Depreciation		(35,955)	(36,121)
	Net Book Value		<hr/> 11,335	<hr/> 12,936
	Motor Vehicles (at cost)		9,500	9,500
	Accumulated Depreciation		(7,276)	(6,323)
	Net Book Value		<hr/> 2,224	<hr/> 3,177
	<u>TOTAL FIXED ASSETS</u>		<hr/> <hr/> 13,559	<hr/> <hr/> 16,113
6.	<u>CASH AND TERM DEPOSITS</u>			
		<b>MATURITY</b>	<b>2019</b>	<b>2018</b>
			<b>\$</b>	<b>\$</b>
	<b>Current</b>			
	<u>Cash and Cash Equivalents</u>			
	Westpac Banking Corporation			
	Cheque Account -03	At Call	Nil	13,592
	Ready Access - 90	At Call	68	31,049
	Cheque Account -04	At Call	49	49
	Cheque Account -00	At Call	246,062	70
	Petty Cash		100	100
			<hr/> 297,754	<hr/> 44,860
	<u>Short Term Deposits</u>			
	Westpac Term Deposit	-	-	495,726
	ANZ Term Deposit	25/8/19	3.40	22,200
			<hr/> 23,045	<hr/> 517,926
	<u>TOTAL CASH AND TERM DEPOSITS</u>		<hr/> <hr/> 320,799	<hr/> <hr/> 562,786
			2019 \$	2018 \$
7.	<u>INVENTORIES</u>			
	Stationery		11,138	9,525
	<u>TOTAL INVENTORIES</u>		<hr/> 11,138	<hr/> 9,525

**IMPORTED MOTOR VEHICLE INDUSTRY ASSOCIATION INC**

**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2019  
(CONTINUED)**

	2019 \$	2018 \$
8. <u>TAXATION</u>		
Surplus / (Deficit) Before Taxation	(233,181)	(264,258)
<u>LESS</u> Membership Activities	(61,201)	(68,847)
	<hr/>	<hr/>
	(171,980)	(195,411)
Add Back Permanent Differences:		
Imputation Credit on net Dividend Received	142	142
Add Timing Differences:		
Holiday Pay	(4,953)	3,656
Accruals	(1,232)	(2,189)
Provision for Doubtful Debts	(2,746)	1,715
	<hr/>	<hr/>
<u>Assessable Income / (Taxable Loss)</u>	(180,769)	(192,087)
	<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
Resident Withholding Tax	25	7
	<hr/>	<hr/>
<u>TAXATION REFUND DUE</u> (as per Statement of Financial Position)	25	32
	<hr/>	<hr/>
Total Income / (Tax Loss) – current year	(180,769)	(192,087)
<u>LESS</u> Prior year losses brought forward	666,514	474,427
	<hr/>	<hr/>
Tax loss to carry forward	847,283	666,514
	<hr/>	<hr/>
Imputation Credits – current year	142	142
Excess Imputation Credits brought forward	14,740	14,598
Imputation Credits applied	-	-
	<hr/>	<hr/>
Excess Imputation Credits to carry forward	14,882	14,740
	<hr/>	<hr/>

9. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

The Executive are not aware of any contingent liabilities as at 31 March 2019. There are no capital commitments at 31 March 2019.

**IMPORTED MOTOR VEHICLE INDUSTRY ASSOCIATION INC**

**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2019  
(CONTINUED)**

10. OVERHEAD EXPENSES

	2019	2018
	\$	\$
Promotion	21,375	30,331
AGM Expenses	2,669	5,398
Independent Review Fee	7,157	4,938
Bank Fees and Charges	2,631	2,580
Computer Expenses	9,971	30,554
Communications	44,940	51,020
Consultancy	2,185	-
Depreciation - Office Furn & Equip and Vehicles	7,225	7,961
Gift Presentation	243	494
Insurance	9,248	11,041
Legal Expenses and Debt Collection	19,430	11,455
Statistics	2,470	1,153
Licences and Subscriptions	3,208	2,577
Loss on Sale	184	-
Motor Vehicle Expenses	661	1,057
Payroll Processing Costs	358	363
Postage, Printing and Stationery	1,747	3,978
Events & Functions	12,436	14,886
Accounting	18,750	20,975
Lease Equipment	4,198	4,116
Rates and Power	7,916	8,976
Rental Office	35,150	36,929
Repairs and Maintenance	8,515	6,830
Management Costs	150,000	150,000
Salaries	216,085	231,127
Secretarial Services	16,893	8,704
Staff Amenities	423	1,580
Staff Recruitment/Training	-	4,000
Website Charges	721	1,198
Telephone, Tolls and Fax	11,451	12,634
Travel, Accommodation, Meals	46,602	63,371
Executive Fees	17,315	26,885
	<hr/>	<hr/>
<u>TOTAL OVERHEAD EXPENSES</u>	682,156	757,111
	<hr/>	<hr/>
Apportioned:		
Membership Activities (Note 2)	465,056	403,615
Taxable Activities (Note 3)	217,100	353,496
	<hr/>	<hr/>
	682,156	757,111
	<hr/>	<hr/>

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 2019  
(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 2019 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 2019 are \$nil (\$nil 2018).

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:

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
PREMISES		
Current	-	17,575
Non current	-	-
	<hr/>	<hr/>
	-	17,575
	<hr/>	<hr/>

The lease is presently on a month by month basis.

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
OFFICE EQUIPMENT		
Current	3,330	3,996
Non current	-	3,330
	<hr/>	<hr/>
	3,330	7,326
	<hr/>	<hr/>

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 2020 financial year has been disclosed in the Statement of Financial Position.

### 14. NON-TRADING SUBSIDIARY

A non-trading IMVIA subsidiary Vehicle Traders Association Limited was incorporated on 19 July 2002. At 31 March 2019 the single issued share is uncalled

**IMPORTED MOTOR VEHICLE INDUSTRY ASSOCIATION INC**

**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2019  
(CONTINUED)**

15. GOING CONCERN

IMVIA has incurred deficits for two consecutive years, including \$264,258 in 2018 and \$233,181 in 2019 and have currently budgeted for a deficit in the 2020 financial year.

The Executive is working to reverse the trend of on-going deficits by seeking new sources of revenue and considering cost reduction initiatives including staffing, travel and premises expenditures. The Executive is confident these plans can be implemented to achieve sufficient cash flows from operations that will allow the Association to continue operating into the future. Accordingly, the executive has adopted the use of the going concern assumption in the preparation of these financial statements.

The results incurred, together with the need to successfully implement revenue growth and/or significant cost reduction to a greater degree than budgeted for the 2020 financial year, creates a material uncertainty over the ability of the Association to continue as a going concern. Should the Association be unable to continue as a going concern it may be required to realise its assets and discharge its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements.