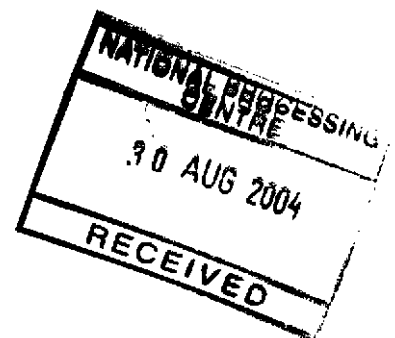




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Institute of Finance Professionals New Zealand Incorporated

Annual report
for the year ended 31 March 2004



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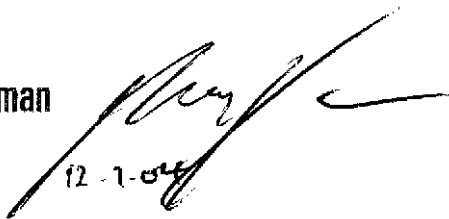
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Approval of annual report

The Chairman and Board are pleased to present the annual report of Institute of Finance Professionals New Zealand Incorporated, including the financial statements contained therein, for the year ended 31 March 2004.

Chairman

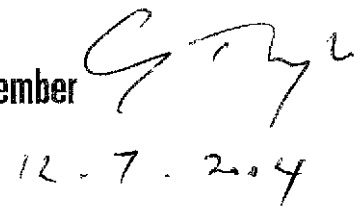
Date:



12-1-04

Board member

Date:



12-7-2004

Business directory

as at 31 March 2004

Nature of Business	Industry Body
Location of Business	Level 6 2 Woodward Street Wellington
IRD Number	82-320-482
Accountants	M G Coleman KPMG KPMG Centre 135 Victoria Street Wellington
Auditors	Grant Thornton Level 13 AXA Centre 80 The Terrace Wellington
Bankers	Bank of New Zealand 1 Willis Street Wellington
Solicitors	Chapman Tripp 1-13 Grey Street Wellington

**Audit Report
To The Members Of The
Institute Of Finance Professionals New Zealand Incorporated**

We have audited the financial report on pages 5 to 13. The financial report provides information about the past financial performance of the Institute of Finance Professionals New Zealand Incorporated (INFINZ) and its financial position as at 31 March 2004. This information is stated in accordance with the accounting policies set out on page 8.

Executive Board's Responsibilities

The Executive Board is responsible for the preparation of a financial report which fairly reflects the financial position of INFINZ as at 31 March 2004 and the results of its operations for the year ended on that date.

Auditors' Responsibilities

It is our responsibility to express to you an independent opinion on the financial report presented by the Executive Board.

Basis of Opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial report. It also includes assessing:

- the significant estimates and judgements made by the Executive Board in the preparation of the financial report, and
- whether the accounting policies are appropriate to INFINZ's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with New Zealand Auditing Standards. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to obtain reasonable assurance that the financial report is free from material misstatements, whether caused by fraud or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial report.

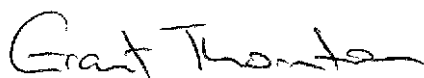
Other than as auditors Grant Thornton has no other relationship with or interest in INFINZ.

Unqualified Opinion

We have obtained all the information and explanations we have required.

In our opinion the financial report on pages 5 to 13 fairly reflects the financial position of INFINZ as at 31 March 2004 and the results of its operations for the year ended on that date.

Our audit was completed on 12 July 2004 and our unqualified opinion is expressed as of that date.



PO Box 10712
Level 13
AXA Centre
80 The Terrace
Wellington
New Zealand
T 64 4 385 2162
F 64 4 385 2183
E correspondence@wn.gtnz.co.nz
W www.grantthornton.co.nz

**Grant Thornton
Wellington**

Statement of financial performance

for the year ended 31 March 2004

	Note	2004 \$	2003 \$
Revenue	3	478,942	415,894
Trading expenses			
Operating	4	275,253	243,975
Administration	5	213,587	152,643
Finance	6	1,002	-
Non-cash items	7	6,399	4,137
		<u>496,241</u>	<u>400,755</u>
Surplus/(deficit) before tax		(17,299)	15,139
Tax expense	8	-	6,577
Net surplus/(deficit)		(17,299)	8,562

Statement of movements in equity

for the year ended 31 March 2004

	2004 \$	2003 \$
Total recognised revenues and expenses		
Net surplus/(deficit)	(17,299)	8,562
Movements in equity for the year	<u>(17,299)</u>	<u>8,562</u>
Equity at the beginning of year	8,562	-
Equity at the end of year	<u>(8,737)</u>	<u>8,562</u>

This statement is to be read in conjunction with the notes to the financial statements.



Statement of financial position

as at 31 March 2004

	Note	2004 \$	2003 \$
Total equity	9	(8,737)	8,562
Current assets			
Cash and bank balances	10	26,022	1,872
Prepayments		1,881	2,165
Accounts receivable		1,203	11,631
GST refund due		-	895
Tax refund due	8	6,676	-
		35,782	16,563
Non-current assets			
Property, plant and equipment	11	13,303	15,368
Total assets		49,085	31,931
Current liabilities			
Accounts payable		23,693	15,496
Income in Advance		30,798	1,575
GST payable		3,331	-
Tax payable	8	-	6,298
Total liabilities		57,822	23,369
Total net assets (liabilities)		(8,737)	8,562

Chairman

Date:

12.7.04

Board member

Date:

12.7.2004

Notes to the financial statements

1 Accounting policies

Basis of preparation

The financial statements presentee are those of the Institute of Finance Professionals New Zealand Incorporated. The financial statements have been prepared in accordance with the requirements of the Incorporated Societies Act 1908 and comply with the Financial Reporting Act, in terms of which the society is an exempt entity. The financial statements have been prepared on the basis of historical cost.

Changes in accounting policies

There have been no changes in accounting policy. The accounting policies adopted are consistent with those of the previous year.

Property, plant and equipment

Property, plant, and equipment are stated at cost and depreciated as outlined below.

Depreciation

Depreciation is charged at the same rate as is allowed by the Income Tax Act 1994. The following rates have been used:

Office equipment 39.6% - 48% diminishing value
Furniture and fittings 11.4% - 48% diminishing value

Accounts receivable

Accounts receivable are stated at net realisable value.

Taxation

Income tax expense is recognised on the surplus before tax adjusted for permanent and timing differences between taxable and accounting income.

Goods and services tax

The financial statements are prepared on a GST exclusive basis with the exception of Accounts receivable and Accounts payable, which are shown GST inclusive.

Differential reporting

The financial statements have been prepared recognising the Framework for Differential reporting issued by the Institute of Chartered Accountants of New Zealand. The Society qualifies for differential reporting as it has no public accountability and is not considered large in terms of the Framework for Differential Reporting.

2 Trading statements

	2004	2003
Member	\$	\$
Income		
Event Income	111,361	118,730
Membership Subscriptions	86,581	71,720
Publications	-	38
Total member income	197,942	190,488
Non Member	\$	\$
Income		
Event Income	97,928	95,151
Sponsorship	128,532	56,000
Interest received	541	1,755
Total member income	227,001	152,906
Reconciliation to total trading income		
Member	197,942	190,488
Non Member	227,001	152,906
Total trading income	424,943	343,394

3 Revenue

	2004	2003
	\$	\$
Event Income	209,288	213,881
Membership Subscriptions	86,581	71,720
Gifts Received	54,000	72,500
Publications	-	38
Sponsorship	128,532	56,000
Interest received	541	1,755
	478,942	415,894

4 Operating expenses	2004	2003
	\$	\$
Advertising	-	1,737
Credit Card Commission	7,766	4,841
Equipment hire	789	1,210
Institute Events	225,230	211,367
Marketing and promotion	4,125	3,289
Postage & Courier	5,777	3,394
Printing & Stationery	8,484	10,668
Telecommunications	8,185	7,059
Travelling	14,897	410
	275,253	243,975

5 Administration	2004	2003
	\$	\$
Accident compensation	876	-
Accounting	6,500	5,700
Affiliation Subscriptions	4,302	3,009
Audit fees	4,220	3,500
Bank charges	322	854
Board expenses	2,007	-
Computer expenses	2,124	1,730
Entertainment - deductible	1,055	1,183
Entertainment - non-deductible	1,172	1,315
General expenses	2,892	2,162
Insurance	5,057	2,329
Legal - deductible	7,900	3,157
Professional Fees	1,874	6,438
Repairs & Maintenance	-	822
Rent & Electricity	13,887	9,205
Salaries	158,712	103,578
Training and course fees	687	-
Travelling	-	7,661
	213,587	152,643

6 Finance	2004	2003
	\$	\$
Interest	1,002	-
	1,002	-

7	Non-cash items	2004	2003
		\$	\$
	Depreciation	6,399	4,137
		6,399	4,137
8	Tax	2004	2003
		\$	\$
	Operating surplus/(deficit) before tax	(17,299)	15,139
	Adjustments for permanent differences		
	<i>Non deductible expenditure</i>		
	Expenses related to members	203,713	268,779
	Other Allowances	-	(1,000)
		<u>203,713</u>	<u>267,779</u>
	<i>Non assessable income</i>		
	Income derived from members	(197,942)	(190,488)
	Gifts	(54,000)	(72,500)
		<u>(251,942)</u>	<u>(262,988)</u>
	Taxable income (loss carried forward)	(65,528)	19,930
	Tax expense	-	6,577
	Resident withholding tax paid	-	(279)
	Provisional tax paid	(6,676)	-
	Income tax payable/(refund)	(6,676)	6,298

9	Equity	2004	2003
		\$	\$
	Retained earnings	(8,737)	8,562
		(8,737)	8,562

10	Cash and bank balances	2004	2003
		\$	\$
	Cash on hand	49	21
	BNZ - Current Account	24,999	1,658
	BNZ - Savings Account	974	193
		26,022	1,872

11	Property, plant and equipment	Cost	Current Depn Chg	Accum Depn	Carrying Value
		2004	2004	2004	2004
		\$	\$	\$	\$
	Office equipment	13,575	5,016	8,316	5,259
	Furniture and fittings	10,265	1,383	2,221	8,044
	Total	23,840	6,399	10,536	13,303

		Cost	Current Depn Chg	Accum Depn	Carrying Value
		2003	2003	2003	2003
		\$	\$	\$	\$
	Office equipment	12,074	3,299	3,299	8,775
	Furniture and fittings	7,431	838	838	6,593
	Total	19,505	4,137	4,137	15,368

12 Capital commitments

There are no known contingent liabilities or commitments at balance date.
 [2003 : Nil]

13 Comparatives

This is the second year of operation for Institute of Finance Professionals New Zealand Incorporated. The comparative figures are shown for a period of 11 months.

14 Related Parties

The Institute of finance professionals of New Zealand Incorporated (INFINZ) is a member of the New Zealand Society of Investment Analysts Incorporated (NZSIA) and the New Zealand Society of Corporate Treasurers.

	2004	2003
	\$	\$
<i>Significant related party transactions are:</i>		
Gift received from NZSIA	27,000	45,500
Gift received from NZSCT	27,000	27,000
	54,000	72,500

15 Operating Lease Commitment

INFINZ lease part of level 6 at 2 Woodward Street, Wellington for 3 years from 1 May 2002 with a right of renewal from 1 May 2005 for a further 3 years.

The lease commitment is as follows:

	2004	2003
	\$	\$
With 1 year	13,000	12,750
1-2 years	2,167	12,750
2-5 years	-	1,330

12 Capital commitments

There are no known contingent liabilities or commitments at balance date.
[2003 : Nil]

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	2004	2003
	\$	\$
With 1 year	13,000	12,750
1-2 years	2,167	12,750
2-5 years	-	1,330

16 Going concern

The Board confirms to the best of its knowledge that the Institute has adequate resources to continue operations for the foreseeable future. For this reason the Institute continues to adopt the going concern assumption in preparing the financial statements for the period ended 31 March 2004

Property, plant and equipment schedule

for the year ended 31 March 2004

	<i>Date</i>	<i>Private Use</i>	<i>Original cost</i>	<i>Opening accum depn</i>	<i>Opening WDV</i>	<i>Additions</i>	<i>Sale Price</i>	<i>Profit/(loss) on sale</i>	<i>Capital Gain/(loss)</i>	<i>Deprn method</i>	<i>Deprn</i>	<i>Closing WDV</i>
Office equipment												
Toshiba Laptop	6/06/02		4,748	1,898	2,850					48.0D	1,368	1,482
MS Office XP, Norton Anti Virus Software	6/06/02		635	254	381					48.0D	183	198
Cash Manager - Software	19/07/02		360	130	230					48.0D	110	120
Desktop Computer	29/08/02		2,220	710	1,510					48.0D	725	785
MS Windows, MS Windows XP & Adobe Software	29/08/02		960	307	653					48.0D	314	339
Website Development	16/09/02		3,150	-	3,150					48.0D	1,971	1,179
Brother HL 1430 Laser Printer	9/09/03		335	-	-	335				39.6D	77	258
Brother MFC 9660 Laser Printer	9/09/03		1,165	-	-	1,165				39.6D	268	897
			13,574	3,299	8,775	1,500					5,016	5,259
Furniture and fittings												
Office Desks	1/07/02		226	25	201					14.4D	29	172
Office Partitioning - Demountable	15/07/02		2,750	297	2,453					14.4D	353	2,100
Boardroom Office and Chairs	19/07/02		1,441	194	1,247					18.0D	224	1,023
Audio Conferencing Telephone	30/08/02		699	145	554					31.2D	173	381
Uniden Speaker Phone	16/09/02		116	-	116					31.2D	21	95
Precision Smartstore Cabinet	15/10/02		1,370	98	1,272					14.4D	183	1,089

	Date	Private Use	Original cost	Opening accum depn	Opening WDV	Additions	Sale Price	Profit/(loss) on sale	Capital Gain/(loss)	Depn method	Depn	Closing WDV
Uniden Speaker Phone	28/11/02		116	15	101					31.2D	31	70
Uniden Speaker Phone	30/11/02		116	15	101					31.2D	31	70
Precision Storage Cupboard	15/10/02		514	29	485					11.4D	55	430
Monitor Stand x 2	15/10/02		85	20	65					48.0D	31	34
6 Level Smart Store Unit	11/07/03		1,528	-	-	1,528				14.4D	165	1,363
Portable Bannerstand Frame and Fabric Panel	6/10/03		1,107	-	-	1,107				11.4D	63	1,044
Mobile Draws 2nd Hand	11/04/03		199	-	-	199				12.0D	24	175
			10,265	838	6,593	2,834					1,383	8,044
Total property, plant and equipment			23,839	4,137	15,368	4,334					6,399	13,303