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Institute of Finance Prof.

Financial report for the period ended 31 March 2003



Approval of financial report

The chairman and board are pleased to present the financial report of the Institute of Finance Professionals New Zealand Incorporated, including the financial statements contained therein, for the period ended 31 March 2003.


Chairman
Date: 23 July 2003

Board Member 
Date: 23.7.2003

**AUDIT REPORT
TO THE MEMBERS OF THE
INSTITUTE OF FINANCE PROFESSIONALS NEW ZEALAND INC.**

We have audited the financial report on pages 5 to 12. The financial report provides information about the past financial performance of the Institute of Finance Professionals New Zealand Inc (INFINZ) and its financial position as at 31 March 2003. 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 2003 and the results of its operations for the period ended on that date.

Auditors' Responsibilities

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

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 in our capacity as auditor we have no other relationship with or interests in INFINZ.

Unqualified Opinion

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

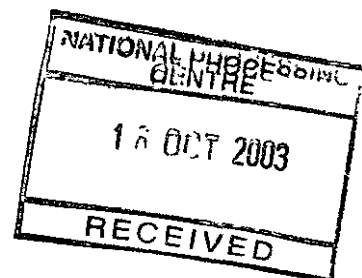
In our opinion the financial report on pages 5 to 12 fairly reflects the financial position of INFINZ as at 31 March 2003 and the results of its operations for the period ended on that date.

Our audit was completed on 23 July 2003 and our unqualified opinion is expressed as at that date.



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Business directory

as at 31 March 2003

Location of Business	Level 6 2 Woodward Street Wellington
IRD Number	82-320-482
Accountants	Charles Purcell 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



Statement of financial performance

for the period ended 31 March 2003

	Note	2003 \$
Revenue	3	415,894
Trading expenses		
Operating	4	243,975
Administration	5	152,643
Non-cash items	6	<u>4,137</u>
		400,755
Surplus before tax		<u>15,139</u>
Tax expense	7	6,577
Net surplus		<u>8,562</u>

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





Statement of movements in equity

for the period ended 31 March 2003

	2003 \$
Total recognised revenues and expenses	
Net surplus	8,562
Movements in equity for the period	<u>8,562</u>
Equity at the end of period	<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 2003

	Note	2003 \$
Total equity	8	<u>8,562</u>
Current assets		
Cash and bank balances	9	1,872
Prepayments		2,165
Accounts receivable		11,631
GST refund due		895
		<u>16,563</u>
Non-current assets		
Property, plant and equipment	10	15,368
Total assets		<u>31,931</u>
Current liabilities		
Accounts payable		15,496
Income in Advance		1,575
Tax payable		6,298
Total liabilities		<u>23,369</u>
Total net assets		<u><u>8,562</u></u>


Chairman
 Date: 23 July 2003


Board Member
 Date: 23-7-2003

Notes to the financial statements

1 Accounting policies

Basis of preparation

The financial statements presented are those of the Institute of Finance Professionals 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 1993, in terms of which the society is an exempt entity. The financial statements have been prepared on the basis of historical cost.

This is the first period of operation for Institute of Finance Professionals New Zealand Incorporated therefore no comparative figures are shown. The institute was incorporated on 8 May 2002 therefore the current statement of financial performance is for the period 8 May 2002 to 31 March 2003.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation.

Depreciation is calculated using the maximum rates allowed by the Inland Revenue Department.

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

	2003
Member	\$
Income	
Event Income	118,730
Membership Subscriptions	71,720
Publications	38
Total Member Income	<u>190,488</u>

	2003
Non Member	\$
Income	
Event Income	95,151
Sponsorship	56,000
Interest received	1,755
Total Non Member Income	<u>152,906</u>

Reconciliation to total trading Income

Member	190,488
Non Member	152,906
Total trading Income	<u>343,394</u>

3 Revenue

	2003
	\$
Event Income	213,881
Membership Subscriptions	71,720
Gifts Received	72,500
Publications	38
Sponsorship	56,000
Interest received	1,755
	<u>415,894</u>

4	Operating expenses	2003 \$
	Advertising	1,737
	Credit Card Commission	4,841
	Equipment hire	1,210
	Institute Events	211,367
	Marketing and promotion	3,289
	Postage & Courier	3,394
	Printing & Stationery	10,668
	Telecommunications	7,059
	Travelling	410
		<u>243,975</u>
5	Administration	2003 \$
	Accounting	5,700
	Affiliation Subscriptions	3,009
	Audit fees	3,500
	Bank charges	854
	Computer expenses	1,730
	Entertainment - deductible	1,183
	Entertainment - non-deductible	1,315
	General expenses	2,162
	Insurance	2,329
	Legal - deductible	3,157
	Professional Fees	6,438
	Repairs & Maintenance	822
	Rent & Electricity	9,205
	Salaries	103,578
	Travelling	7,661
		<u>152,643</u>
6	Non-cash items	2003 \$
	Depreciation	4,137
		<u>4,137</u>

7	Tax	2003 \$
	Surplus before tax	15,139
	<i>Adjustments for permanent differences</i>	
	<i>Non deductible expenditure</i>	
	Expenses related to members	268,779
	Other Allowances	(1,000)
		<u>267,779</u>
	<i>Non assessable income</i>	
	Income derived from members	(190,488)
	Income from Gifts	(72,500)
	Taxable income	<u>19,930</u>
	Tax expense per statement of financial performance	<u>6,577</u>
	Resident withholding tax paid	279
	Tax balance as per statement of financial position	<u>6,298</u>
8	Equity	2003 \$
	Retained earnings	8,562
		<u>8,562</u>
9	Cash and bank balances	2003 \$
	Cash on hand	21
	BNZ - Current Account	1,658
	BNZ - Savings Account	193
		<u>1,872</u>

10 Property, plant and equipment

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

11 Contingent Liabilities - Capital Commitments

There are no known contingent liabilities or capital commitments at balance date

12 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 Incorporated (NZSCT)

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

13 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

	\$
With 1 Year	12,750
1 - 2 Years	12,750
2 - 5 Years	1,330

Property, plant and equipment schedule

for the period ended 31 March 2003

	Date	Private Use	Original cost	Opening accum depn	Opening WDV	Additions	Sale Price	Profit/(loss) on sale	Capital Gain/(loss) method	Depn	Closing WDV	
Office equipment												
Toshiba Laptop	6/06/02		4,748	-	-	4,748			48.0D	1,898	2,850	
MS Office XP, Norton Anti Virus Software	6/06/02		635	-	-	635			48.0D	254	381	
Cash Manager - Software	19/07/02		360	-	-	360			48.0D	130	230	
Desktop Computer	29/08/02		2,220	-	-	2,220			48.0D	710	1,510	
MS Windows, MS Windows XP & Adobe Software	29/08/02		960	-	-	960			48.0D	307	653	
Website Development	16/09/02		3,150	-	-	3,150			.0D	-	3,150	
			12,074	-	-	12,074				3,299	8,775	
Furniture and fittings												
Office Desks	1/07/02		226	-	-	226			14.4D	25	201	
Office Partitioning - Demountable	15/07/02		2,750	-	-	2,750			14.4D	297	2,453	
Boardroom Office and Chairs	19/07/02		1,441	-	-	1,441			18.0D	194	1,247	
Audio Conferencing Telephone	30/08/02		699	-	-	699			31.2D	145	554	
Uniden Speaker Phone	16/09/02		116	-	-	116			31.2D	-	116	
Precision Smartstore Cabinet	15/10/02		1,370	-	-	1,370			14.4D	98	1,272	
Uniden Speaker Phone	28/11/02		116	-	-	116			31.2D	15	101	
Uniden Speaker Phone	30/11/02		116	-	-	116			31.2D	15	101	
Precision Storage Cupboard	15/10/02		514	-	-	514			11.4D	29	485	

Date	Private Use	Original cost	Opening accum depn	Opening WDV	Additions	Sale Price	Profit/(loss) on sale	Capital Gain/(loss) method	Depn	Closing WDV
15/10/02		85	-	-	85			48.0D	20	65
		7,431	-	-	7,431				838	6,593
		19,505	-	-	19,505				4,137	15,368

Total property, plant and equipment