



IMPORTED MOTOR VEHICLE INDUSTRY ASSOCIATION INC

CONSOLIDATED ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2021

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IMPORTED MOTOR VEHICLE INDUSTRY ASSOCIATION INC

**PO BOX 14-143 PANMURE
AUCKLAND 1741**

DIRECTORY

AS AT 31 MARCH 2021

Chairperson	Mr C Stephenson
Chief Executive Officer	Mr D Vinsen
Directors	Mr M Battle Mr K Quigley Mr S Stevens
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 2021

	NOTE	2021 \$	2020 \$
<u>REVENUE</u>			
Revenue from membership and sponsorship contributions	2	450,237	399,255
Revenue from provision of services	3	468	53,663
Revenue from sale of goods	3	12,723	14,120
Other income	3	46,567	11,558
		<hr/>	<hr/>
<u>TOTAL REVENUE</u>		509,995	478,596
<u>EXPENSES</u>			
Expenses relating to provision of services	3	380	51,976
Expenses relating to sale of goods	3	5,269	1,854
Administration expenses	10	456,534	605,385
		<hr/>	<hr/>
<u>TOTAL EXPENSES</u>		462,183	659,215
<u>OPERATING SURPLUS/(DEFICIT) FOR THE YEAR</u>		47,812	(180,619)
Income tax expense	8	-	-
		<hr/>	<hr/>
<u>NET SURPLUS/(DEFICIT) FOR THE YEAR</u>		47,812	(180,619)
		<hr/>	<hr/>

CONSOLIDATED STATEMENT OF MOVEMENT IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2021

	2021 \$	2020 \$
Opening – Retained Earnings	104,047	284,666
ADD Net Surplus/(Deficit) for the Year	47,812	(180,619)
	<hr/>	<hr/>
<u>TOTAL RECOGNISED REVENUES AND EXPENSES FOR THE YEAR</u>	47,812	(180,619)
<u>CLOSING – RETAINED EARNINGS</u>	151,859	104,047
	<hr/>	<hr/>

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 STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2021

	NOTE	2021 \$	2020 \$
<u>EQUITY AT YEAR END</u>		151,859	104,047
Represented By:			
<u>NON CURRENT ASSETS</u>			
Fixed Assets	5	3,791	10,337
<u>TOTAL NON CURRENT ASSETS</u>		3,791	10,337
<u>CURRENT ASSETS</u>			
Cash and Cash Equivalents	6	176,873	116,093
Short Term Deposits	6	-	23,780
Accounts Receivable	4	14,373	14,121
Inventory	7	8,271	9,859
Tax Refund Due	8	15	25
GST Refund Due		-	-
<u>TOTAL CURRENT ASSETS</u>		199,532	163,878
<u>CURRENT LIABILITIES</u>			
Accounts Payable and Accruals		12,551	17,257
Holiday Pay Accrual		32,729	32,278
Subscriptions Received in Advance	13	500	19,707
GST Payable		5,684	926
<u>TOTAL CURRENT LIABILITIES</u>		51,464	70,168
<u>WORKING CAPITAL</u>		148,068	93,710
<u>NET ASSETS</u>		151,859	104,047

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

.....
Chief Executive Officer

.....
Chairman

.....
Date

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 STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

	2021	2020
	\$	\$
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
<i>Cash was provided from/(applied to):</i>		
Receipts from Customers	443,969	459,201
GST	4,758	(17)
Dividends and Interest Received	478	1,273
Other Income	46,089	10,285
Payments to suppliers / employees	(458,304)	(648,668)
Income Tax Paid	10	0
<u>Net cash flows from/ (used in) operating activities</u>	37,000	(177,926)
 <u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
<i>Cash was provided from/(applied to):</i>		
Fixed Asset purchases / disposals	0	(3,000)
Investment in Short Term Deposits	23,780	(735)
<u>Net cash flows from/ (used in) investing activities</u>	23,780	(3,735)
 <u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
<i>Cash was provided from/(applied to):</i>		
	-	-
<u>Net cash flows from/ (used in) financing activities</u>	-	-
 Net increase/(decrease) in cash held	 60,780	 (181,661)
Add opening cash brought forward	116,093	297,754
<u>ENDING CASH CARRIED FORWARD</u>	176,873	116,093
 <i>Represented by:</i>		
Westpac 03 a/c	86,781	39,778
Westpac 00 a/c	76,225	76,198
Westpac 04 a/c	13,799	49
Westpac 90 a/c	68	68
<u>ENDING CASH CARRIED FORWARD</u>	176,873	116,093

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 2021

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.

IMVIA 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 2021, and has not recorded any transactions as at 31 March 2021, 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 2021
(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.

	2021 \$	2020 \$
2. <u>MEMBERSHIP ACTIVITIES</u>		
Membership & Sponsorship Contributions	450,237	399,255
<u>LESS</u> Overhead Expenses - Apportioned (Note 10)	403,163	508,486
<u>SURPLUS / (DEFICIT) FOR MEMBERSHIP ACTIVITIES</u>	<u>47,074</u>	<u>(109,231)</u>

IMPORTED MOTOR VEHICLE INDUSTRY ASSOCIATION INC

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 MARCH 2021
(CONTINUED)**

	2021	2020
	\$	\$
3. <u>TAXABLE ACTIVITIES</u>		
<u>REVENUE</u>		
Technical Services	468	53,663
Stationery Sales	3,765	5,798
Vin Kit Sales	8,958	8,322
	<hr/>	<hr/>
<u>TOTAL REVENUE</u>	13,191	67,783
<u>LESS DIRECT EXPENSES</u>		
Technical Services	380	51,976
Stationery	1,588	1,279
Vin Kits	3,681	575
	<hr/>	<hr/>
<u>TOTAL DIRECT EXPENSES</u>	5,649	53,830
	<hr/>	<hr/>
GROSS PROFIT	7,542	13,953
	<hr/>	<hr/>
<u>OTHER REVENUE</u>		
Interest Received	478	872
Covid wage subsidy	21,089	-
Climate Change Campaign	25,000	-
Dividends Received	-	401
Events & Functions	-	10,000
Other	-	285
	<hr/>	<hr/>
<u>TOTAL OTHER REVENUE</u>	46,567	11,558
<u>OTHER EXPENDITURE</u>		
Overhead Expenses - Apportioned (Note 10)	53,371	97,399
Doubtful Debts	-	(500)
	<hr/>	<hr/>
<u>TOTAL OTHER EXPENDITURE</u>	53,371	96,899
	<hr/>	<hr/>
<u>SURPLUS / (DEFICIT) FOR TAXABLE ACTIVITIES</u>	738	(71,388)
	<hr/>	<hr/>
	2021	2020
	\$	\$
4. <u>ACCOUNTS RECEIVABLE</u>		
Trade Debtors	14,373	14,121
	<hr/>	<hr/>
<u>TOTAL ACCOUNTS RECEIVABLE</u>	14,373	14,121
	<hr/>	<hr/>

IMPORTED MOTOR VEHICLE INDUSTRY ASSOCIATION INC

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 MARCH 2021
(CONTINUED)**

			2021	2020
			\$	\$
5.	<u>FIXED ASSETS</u>			
	Office Furniture and Equipment (at cost)		31,184	44,658
	Accumulated Depreciation		(28,483)	(35,878)
	Net Book Value		<hr/> 2,701	<hr/> 8,780
	Motor Vehicles (at cost)		9,500	9,500
	Accumulated Depreciation		(8,410)	(7,943)
	Net Book Value		<hr/> 1,090	<hr/> 1,557
	<u>TOTAL FIXED ASSETS</u>		<hr/> 3,791	<hr/> 10,337
6.	<u>CASH AND TERM DEPOSITS</u>			
		MATURITY		
			RATE	
			%	
	Current			
	<u>Cash and Cash Equivalents</u>			
	Westpac Banking Corporation			
	Cheque Account -03	At Call	0.05	
	Ready Access - 90	At Call	0.05	
	Cheque Account -04	At Call	0.05	
	Cheque Account -00	At Call	0.05	
			<hr/> 86,781	<hr/> 39,778
			68	68
			13,799	49
			76,225	76,198
			<hr/> 176,873	<hr/> 116,093
	<u>Short Term Deposits</u>			
	ANZ Term Deposit		-	23,780
	<u>TOTAL CASH AND TERM DEPOSITS</u>		<hr/> 176,873	<hr/> 139,873
			2021	2020
			\$	\$
7.	<u>INVENTORIES</u>			
	Stationery		8,271	9,859
	<u>TOTAL INVENTORIES</u>		<hr/> 8,271	<hr/> 9,859

IMPORTED MOTOR VEHICLE INDUSTRY ASSOCIATION INC

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 MARCH 2021
(CONTINUED)**

	2021	2020
	\$	\$
8. <u>TAXATION</u>		
Surplus / (Deficit) Before Taxation	47,812	(180,619)
<u>LESS</u> Membership Activities	47,074	(109,231)
	<hr/>	<hr/>
	738	(71,388)
Add Back Permanent Differences:		
Imputation Credit on net Dividend Received	-	145
Add Timing Differences:		
Holiday Pay	(1,519)	(3,705)
Accruals	(379)	(1,257)
Provision for Doubtful Debts	-	(163)
	<hr/>	<hr/>
<u>Assessable Income / (Taxable Loss)</u>	(1,158)	(76,368)
	<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	15	-
	<hr/>	<hr/>
<u>TAXATION REFUND DUE</u> (as per Statement of Financial Position)	15	25
	<hr/>	<hr/>
Total Income / (Tax Loss) – current year	(1,158)	(76,368)
<u>LESS</u> Prior year losses brought forward	923,651	847,283
	<hr/>	<hr/>
Tax loss to carry forward	924,809	923,651
	<hr/>	<hr/>
Imputation Credits – current year	-	145
Excess Imputation Credits brought forward	15,057	14,882
Imputation Credits applied	-	-
	<hr/>	<hr/>
Excess Imputation Credits to carry forward	15,057	15,057
	<hr/>	<hr/>

9. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

The Directors are not aware of any contingent liabilities as at 31 March 2021. There are no capital commitments at 31 March 2021.

IMPORTED MOTOR VEHICLE INDUSTRY ASSOCIATION INC

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 MARCH 2021
(CONTINUED)**

10. OVERHEAD EXPENSES

	2021	2020
	\$	\$
Promotion / Lobbying	7,000	13,685
AGM Expenses	5,213	5,705
Independent Review Fee	7,613	7,470
Bank Fees and Charges	590	1,915
Computer Expenses	12,218	10,542
Communications	1,020	10,610
Depreciation - Office Furn & Equip and Vehicles	2,981	6,160
Gift Presentation	105	592
General Expenses	-	2,891
Insurance	9,938	10,114
Legal Expenses and Debt Collection	-	7,665
Statistics	1,242	1,542
Licences and Subscriptions	1,499	1,984
Loss on Sale	3,565	62
Motor Vehicle Expenses	534	1,562
Payroll Processing Costs	355	358
Postage, Printing and Stationery	2,526	1,960
Events & Functions	-	12,227
Accounting	18,000	18,500
Lease Equipment	-	3,908
Rates and Power	-	8,033
Rental Office	-	34,107
Repairs and Maintenance	219	3,559
Management Costs	150,000	150,050
Salaries	218,143	221,872
Secretarial Services	3,661	13,077
Staff Amenities	487	310
Website Charges	1,050	1,182
Telephone, Tolls and Fax	6,785	9,470
Travel, Accommodation, Meals	1,790	27,592
Executive Fees	-	17,181
	<hr/>	<hr/>
<u>TOTAL OVERHEAD EXPENSES</u>	456,534	605,885
	<hr/>	<hr/>
Apportioned:		
Membership Activities (Note 2)	403,163	508,486
Taxable Activities (Note 3)	53,371	97,399
	<hr/>	<hr/>
	456,534	605,885
	<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 2021

(CONTINUED)

11. TRANSACTIONS WITH RELATED PARTIES

During the year any transactions entered into with related parties were all on normal trading terms. The Financial Statements for the year ended 31 March 2021 reflect all transactions undertaken during the year.

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

12. FORWARD COMMITMENTS

Operating Leases - There are no operating leases at 31 March 2021.

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 2022 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 2021 the single issued share is uncalled.

15. GOING CONCERN

IMVIA has incurred deficits in prior years, amounting to \$180,619 in 2020 and \$264,258 in 2019.

Efforts to reverse the trend have resulted in a surplus for 2021 and is budgeted to remain in surplus going forward. The Directors have continued to adopt the use of the going concern assumption in the preparation of these financial statements.