



IMPORTED MOTOR VEHICLE INDUSTRY ASSOCIATION INC

CONSOLIDATED ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2022

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IMPORTED MOTOR VEHICLE INDUSTRY ASSOCIATION INC

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

DIRECTORY

AS AT 31 MARCH 2022

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
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 2022

	NOTE	2022 \$	2021 \$
<u>REVENUE</u>			
Revenue from membership and sponsorship contributions	2	466,062	450,237
Revenue from provision of services	3	725	468
Revenue from sale of goods	3	7,873	12,723
Other income	3	9,124	37,567
		<hr/>	<hr/>
<u>TOTAL REVENUE</u>		483,784	500,995
<u>EXPENSES</u>			
Expenses relating to provision of services	3	174	380
Expenses relating to sale of goods	3	2,328	5,269
Administration expenses	10	472,127	465,534
		<hr/>	<hr/>
<u>TOTAL EXPENSES</u>		474,629	471,183
 <u>OPERATING SURPLUS/(DEFICIT) FOR THE YEAR</u>		 9,155	 29,812
 Income tax expense	 8	 -	 -
		<hr/>	<hr/>
<u>NET SURPLUS/(DEFICIT) FOR THE YEAR</u>		9,155	29,812
		<hr/> <hr/>	<hr/> <hr/>

CONSOLIDATED STATEMENT OF MOVEMENT IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2022

	2022 \$	2021 \$
Opening – Retained Earnings	133,859	104,047
 ADD Net Surplus/(Deficit) for the Year	 9,155	 29,812
	<hr/>	<hr/>
<u>TOTAL RECOGNISED REVENUES AND EXPENSES FOR THE YEAR</u>	9,155	29,812
	<hr/>	<hr/>
<u>CLOSING – RETAINED EARNINGS</u>	143,014	133,859
	<hr/> <hr/>	<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 2022

	NOTE	2022 \$	2021 \$
<u>EQUITY AT YEAR END</u>		143,014	133,859
Represented By:			
<u>NON CURRENT ASSETS</u>			
Fixed Assets	5	2,192	3,791
<u>TOTAL NON CURRENT ASSETS</u>		2,192	3,791
<u>CURRENT ASSETS</u>			
Cash and Cash Equivalents	6	181,885	176,873
Accounts Receivable	4	8,142	14,373
Inventory	7	6,583	8,271
Tax Refund Due	8	14	15
<u>TOTAL CURRENT ASSETS</u>		196,624	199,532
<u>CURRENT LIABILITIES</u>			
Accounts Payable and Accruals		15,555	21,551
Holiday Pay Accrual		36,200	32,729
Climate Change Campaign Income Received in Advance	13	-	9,000
Subscriptions Received in Advance	13	-	500
GST Payable		4,407	5,684
<u>TOTAL CURRENT LIABILITIES</u>		55,802	69,464
<u>WORKING CAPITAL</u>		140,822	130,068
<u>NET ASSETS</u>		143,014	133,859

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 2022

	2021	2020
	\$	\$
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
<i>Cash was provided from/(applied to):</i>		
Receipts from Customers	480,391	443,969
GST	(1,637)	4,758
Dividends and Interest Received	124	478
Other Income	-	46,089
Payments to suppliers / employees	(473,867)	(458,304)
Income Tax Paid	1	10
<u>Net cash flows from/ (used in) operating activities</u>	5,012	37,000
 <u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
<i>Cash was provided from/(applied to):</i>		
Fixed Asset purchases / disposals	-	-
Investment in Short Term Deposits	-	23,780
<u>Net cash flows from/ (used in) investing activities</u>	-	23,780
 <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	 5,012	 60,780
Add opening cash brought forward	176,873	116,093
 <u>ENDING CASH CARRIED FORWARD</u>	 181,885	 176,873
 <i>Represented by:</i>		
Westpac 03 a/c	105,142	86,781
Westpac 00 a/c	76,275	76,225
Westpac 04 a/c	400	13,799
Westpac 90 a/c	68	68
 <u>ENDING CASH CARRIED FORWARD</u>	 181,885	 176,873

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 2022

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 Incorporated Societies Act 2022 will not impact the Association until it is required to re-register.

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 2022, and has not recorded any transactions as at 31 March 2022, 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 2022

(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.

	2022	2021
	\$	\$
2. <u>MEMBERSHIP ACTIVITIES</u>		
Membership & Sponsorship Contributions	466,062	450,237
<u>LESS</u> Overhead Expenses - Apportioned (Note 10)	454,909	418,475
<u>SURPLUS / (DEFICIT) FOR MEMBERSHIP ACTIVITIES</u>	<u>11,153</u>	<u>31,762</u>

IMPORTED MOTOR VEHICLE INDUSTRY ASSOCIATION INC

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 MARCH 2022
(CONTINUED)**

	2022	2021
	\$	\$
3. <u>TAXABLE ACTIVITIES</u>		
<u>REVENUE</u>		
Technical Services	725	468
Stationery Sales	3,441	3,765
Vin Kit Sales	4,432	8,958
	<hr/>	<hr/>
<u>TOTAL REVENUE</u>	8,598	13,191
<u>LESS DIRECT EXPENSES</u>		
Technical Services	174	380
Stationery	1,688	1,588
Vin Kits	640	3,681
	<hr/>	<hr/>
<u>TOTAL DIRECT EXPENSES</u>	2,502	5,649
	<hr/>	<hr/>
GROSS PROFIT	6,096	7,542
	<hr/>	<hr/>
<u>OTHER REVENUE</u>		
Interest Received	124	478
Covid wage subsidy	-	21,089
Climate Change Campaign	9,000	16,000
Other	-	-
	<hr/>	<hr/>
<u>TOTAL OTHER REVENUE</u>	9,124	37,567
<u>OTHER EXPENDITURE</u>		
Overhead Expenses - Apportioned (Note 10)	17,218	47,059
	<hr/>	<hr/>
<u>TOTAL OTHER EXPENDITURE</u>	17,218	47,059
	<hr/>	<hr/>
<u>SURPLUS / (DEFICIT) FOR TAXABLE ACTIVITIES</u>	(1,998)	(1,950)
	<hr/>	<hr/>
	2022	2021
	\$	\$
4. <u>ACCOUNTS RECEIVABLE</u>		
Trade Debtors	8,142	14,373
	<hr/>	<hr/>
<u>TOTAL ACCOUNTS RECEIVABLE</u>	8,142	14,373
	<hr/>	<hr/>

IMPORTED MOTOR VEHICLE INDUSTRY ASSOCIATION INC

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 MARCH 2022
(CONTINUED)**

			2022	2021
			\$	\$
5.	<u>FIXED ASSETS</u>			
	Office Furniture and Equipment (at cost)		31,184	31,184
	Accumulated Depreciation		(29,755)	(28,483)
	Net Book Value		<hr/> 1,429	<hr/> 2,701
	Motor Vehicles (at cost)		9,500	9,500
	Accumulated Depreciation		(8,737)	(8,410)
	Net Book Value		<hr/> 763	<hr/> 1,090
	<u>TOTAL FIXED ASSETS</u>		<hr/> <hr/> 2,192	<hr/> <hr/> 3,791
6.	<u>CASH AND TERM DEPOSITS</u>			
		MATURITY		
			2022	2021
			\$	\$
	Current			
	<u>Cash and Cash Equivalents</u>			
	Westpac Banking Corporation			
	Cheque Account -03	At Call	0.05	105,142
	Ready Access - 90	At Call	0.05	68
	Cheque Account -04	At Call	0.05	400
	Cheque Account -00	At Call	0.05	76,275
	<u>TOTAL CASH AND TERM DEPOSITS</u>		<hr/> 181,885	<hr/> 176,873
			2022	2021
			\$	\$
7.	<u>INVENTORIES</u>			
	Stationery		6,583	8,271
	<u>TOTAL INVENTORIES</u>		<hr/> 6,583	<hr/> 8,271

IMPORTED MOTOR VEHICLE INDUSTRY ASSOCIATION INC

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 MARCH 2022
(CONTINUED)**

	2022	2021
	\$	\$
8. <u>TAXATION</u>		
Surplus / (Deficit) Before Taxation	9,155	29,812
<u>LESS</u> Membership Activities	11,153	31,762
	<hr/>	<hr/>
	(1,998)	(1,950)
Add Back Permanent Differences:		
Imputation Credit on net Dividend Received	-	-
Add Timing Differences:		
Holiday Pay	(1,990)	(2,035)
Accruals	(368)	(503)
	<hr/>	<hr/>
<u>Assessable Income / (Taxable Loss)</u>	(4,356)	(4,488)
	<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	-	-
Resident Withholding Tax	14	15
	<hr/>	<hr/>
<u>TAXATION REFUND DUE</u> (as per Statement of Financial Position)	14	15
	<hr/>	<hr/>
Total Income / (Tax Loss) – current year	(4,356)	(4,488)
<u>LESS</u> Prior year losses brought forward	928,139	923,651
	<hr/>	<hr/>
Tax loss to carry forward	932,495	928,139
	<hr/>	<hr/>
Imputation Credits – current year	-	-
Excess Imputation Credits brought forward	15,057	15,057
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 2022. There are no capital commitments at 31 March 2022.

IMPORTED MOTOR VEHICLE INDUSTRY ASSOCIATION INC

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 MARCH 2022
(CONTINUED)**

10. OVERHEAD EXPENSES

	2022	2021
	\$	\$
Promotion / Lobbying	31,999	16,000
AGM Expenses	2,740	5,213
Independent Review Fee	7,800	7,613
Bank Fees and Charges	724	590
Computer Expenses	9,514	12,218
Communications	-	1,020
Depreciation - Office Furn & Equip and Vehicles	1,599	2,981
Gift Presentation	227	105
General Expenses	119	-
Insurance	10,480	9,938
Legal Expenses and Debt Collection	-	-
Statistics	-	1,242
Licences and Subscriptions	1,723	1,499
Loss on Sale	-	3,565
Motor Vehicle Expenses	448	534
Payroll Processing Costs	613	355
Postage, Printing and Stationery	1,723	2,526
Events & Functions	250	-
Accounting	18,500	18,000
Repairs and Maintenance	34	219
Management Costs	127,500	150,000
Salaries	243,731	218,143
Secretarial Services	-	3,661
Staff Amenities	411	487
Website Charges	2,107	1,050
Telephone, Tolls and Fax	7,297	6,785
Travel, Accommodation, Meals	2,588	1,790
	<hr/>	<hr/>
<u>TOTAL OVERHEAD EXPENSES</u>	472,127	465,534
	<hr/>	<hr/>
Apportioned:		
Membership Activities (Note 2)	454,909	418,475
Taxable Activities (Note 3)	17,218	47,059
	<hr/>	<hr/>
	472,127	465,534
	<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 2022
(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 2022 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 2022 (2021: nil).

13. INCOME RECEIVED IN ADVANCE

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 2023 financial year has been disclosed in the Statement of Financial Position. The amount is zero as at 31 March 2022 due to the alignment of annual subscription roll over with year end.

Climate Change Campaign Income Received in Advance – The 2021 comparatives record Income received from members that contributed to the climate change campaign that relates to the 2022 financial year and was disclosed on 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 2022 the single issued share is uncalled.

15. GOING CONCERN

IMVIA has incurred deficits in prior years, amounting to \$180,619 in 2020 and \$233,181 in 2019.

Efforts to reverse the trend have resulted in surpluses for 2022 and 2021 and is budgeted to remain in surplus going forward. The Board has continued to adopt the use of the going concern assumption in the preparation of these financial statements. Remedial actions taken by the Board to improve the situation include cost restructure and focus on key principles of advocacy representation and technical advice.