

**IMPORTED MOTOR VEHICLE INDUSTRY ASSOCIATION INC  
AND SUBSIDIARY COMPANIES**

# **CONSOLIDATED ANNUAL REPORT**

**FOR THE YEAR ENDED 31 MARCH 2016**

## **C O N T E N T S**

<b>Page</b>	<b>1</b>	<b>Directory</b>
	<b>2</b>	<b>Consolidated Statement of Financial Performance and Consolidated Statement of Movement in Equity</b>
	<b>3</b>	<b>Consolidated Statement of Financial Position</b>
	<b>4 - 11</b>	<b>Consolidated Notes to the Financial Statements</b>
	<b>12</b>	<b>Accountants Review Report</b>

\*\*\*\*\*

**IMPORTED MOTOR VEHICLE INDUSTRY ASSOCIATION INC  
AND SUBSIDIARY COMPANIES**

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

**DIRECTORY**

**AS AT 31 MARCH 2016**

<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 Willett Mr N Owens</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 Banking Corporation</b>
<b>Solicitors</b>	<b>LeeSalmonLong</b>
<b>Accountants</b>	<b>Henning &amp; Associates</b>
<b>Review Accountants</b>	<b>Grant Thornton</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  
AND SUBSIDIARY COMPANIES**

**CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE**

**FOR THE YEAR ENDED 31 MARCH 2016**

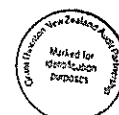
	NOTE	2016 \$	2015 \$
<u>CONTINUING ACTIVITIES</u>			
Taxable Activities	3	(14,634)	39,805
Membership Activities	2	84,140	115,285
		<hr/>	<hr/>
<u>SURPLUS/(DEFICIT) BEFORE TAXATION</u>		69,506	155,090
LESS Taxation	7	-	-
		<hr/>	<hr/>
<u>NET SURPLUS/(DEFICIT) FOR THE YEAR</u>		69,506	155,090
		<hr/>	<hr/>

**CONSOLIDATED STATEMENT OF MOVEMENT IN EQUITY**

**AS AT 31 MARCH 2016**

	2016 \$	2015 \$
Equity at 1 April 2015	831,188	676,098
ADD Net Surplus/(Deficit) for the Year	69,506	155,090
	<hr/>	<hr/>
<u>TOTAL RECOGNISED REVENUES AND EXPENSES FOR THE YEAR</u>	69,506	155,090
	<hr/>	<hr/>
<u>EQUITY AT 31 MARCH 2016</u>	900,694	831,188
	<hr/>	<hr/>

These unaudited Financial Statements are to be read in conjunction  
with the notes on page 4 - 11



**IMPORTED MOTOR VEHICLE INDUSTRY ASSOCIATION INC  
AND SUBSIDIARY COMPANIES**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

**AS AT 31 MARCH 2016**

	NOTE	2016 \$	2015 \$
<u>EQUITY AT YEAR END</u>		900,694	831,188
Represented By:			
<u>NON CURRENT ASSETS</u>			
Fixed Assets	5	13,344	15,943
<u>TOTAL NON CURRENT ASSETS</u>		13,344	15,943
<u>CURRENT ASSETS</u>			
Cash, Bank and Deposits	6	901,110	811,583
Accounts Receivable	9	86,942	66,565
Inventory	8	8,919	6,513
Accrued Interest		9,388	9,889
Tax refund due	7	25	72
Prepayments		1,206	1,059
<u>TOTAL CURRENT ASSETS</u>		1,007,590	895,681
<u>CURRENT LIABILITIES</u>			
Accounts Payable and Accruals		61,854	40,780
Holiday Pay Accrual		16,712	9,568
Subscriptions Received in Advance	14	30,092	21,800
GST Payable		11,582	8,288
<u>TOTAL CURRENT LIABILITIES</u>		120,240	80,436
		887,350	815,245
<u>NET ASSETS</u>		900,694	831,188

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

  
.....  
Chief Executive Officer

  
.....  
Chairman

16.5.16  
.....  
Date

These unaudited Financial Statements are to be read in conjunction  
with the notes on page 4 - 11



**IMPORTED MOTOR VEHICLE INDUSTRY ASSOCIATION INC  
AND SUBSIDIARY COMPANIES**  
**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2016**

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 special purpose reports.

The Group consists of IMVIA and its non-trading subsidiary Vehicle Traders Association Ltd.

ii) 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.

iii) 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 2016, and has not recorded any transactions as at 31 March 2016, 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.

(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%



**IMPORTED MOTOR VEHICLE INDUSTRY ASSOCIATION INC  
AND SUBSIDIARY COMPANIES**

**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2016  
(CONTINUED)**

- (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.
- (g) **Investments** – Investments are held at market value and are revalued to market value at each year end with revaluation movements being directly reflected through the Statement of Financial Performance.
- (h) **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.
- (i) **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.

- (j) **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.

	2016 \$	2015 \$
<b>2. <u>MEMBERSHIP ACTIVITIES</u></b>		
Membership & Sponsorship Contributions	310,917	320,301
<u>LESS</u> Overhead Expenses - Apportioned (Note 11)	226,777	205,016
	84,140	115,285
<b><u>SURPLUS / (DEFICIT) FOR MEMBERSHIP ACTIVITIES</u></b>	<b>84,140</b>	<b>115,285</b>



**IMPORTED MOTOR VEHICLE INDUSTRY ASSOCIATION INC  
AND SUBSIDIARY COMPANIES**

**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2016  
(CONTINUED)**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>3. <u>TAXABLE ACTIVITIES</u></b>		
<u>REVENUE</u>		
Technical Services	531,398	427,526
Stationery Sales	13,491	11,768
Vin Kit Sales	14,874	16,779
Consulting Income	51,432	75,808
	611,195	531,881
<u>LESS DIRECT EXPENSES</u>		
Technical Services	178,018	109,270
Stationery	6,905	5,535
Vin Kits	7,882	4,950
Consulting Expenses	58,315	46,999
	251,120	166,754
<u>GROSS PROFIT</u>	360,075	365,127
<u>OTHER REVENUE</u>		
Interest Received	29,863	27,921
Dividends Received	370	360
Other	75	-
	30,308	28,281
<u>OTHER EXPENDITURE</u>		
Overhead Expenses - Apportioned (Note 11)	435,017	323,603
Doubtful Debts	(30,000)	30,000
	405,017	353,603
<u>SURPLUS / (DEFICIT) FOR TAXABLE ACTIVITIES</u>	(14,634)	39,805
	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>4. <u>TOTAL REVENUE</u></b>		
Total Membership Levies / Contributions (Note 2)	310,917	320,301
Total Revenue From Trading Taxable Activities (Note 3)	611,195	531,881
Total Other Revenue From Taxable Activities (Note 3)	30,308	28,281
	952,420	880,463
<u>TOTAL REVENUE</u>	952,420	880,463



**IMPORTED MOTOR VEHICLE INDUSTRY ASSOCIATION INC  
AND SUBSIDIARY COMPANIES**

**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2016**  
**(CONTINUED)**

		2016	2015
		\$	\$
5.	<u>FIXED ASSETS</u>		
	Office Furniture and Equipment (at cost)	30,566	25,007
	Accumulated Depreciation	(23,705)	(18,326)
	Net Book Value	6,861	6,681
	Motor Vehicles (at cost)	9,500	9,500
	Accumulated Depreciation	(3,017)	(238)
	Net Book Value	6,483	9,262
	<u>TOTAL FIXED ASSETS</u>	13,344	15,943
6.	<u>CASH AND BANK</u>		
		2016	2015
		\$	\$
	<b>Current</b>		
	Westpac Banking Corporation		
	Cheque Account -03	At Call	Nil
	Ready Access - 90	At Call	2.55
	Cheque Account -04	At Call	2.55
	Cheque Account -00	At Call	2.55
	Term Deposit	29/12/16	4.70
	Term Deposit	19/01/18	3.30
	Term Deposit		-
	Term Deposit		-
	Term Deposit		-
	ANZ Bank		
	Term Deposit	18/07/16	3.30
	Term Deposit	05/12/16	3.50
	Petty Cash		100
	Cash on hand		-
	<u>TOTAL CASH AND BANK</u>	901,110	811,583





**IMPORTED MOTOR VEHICLE INDUSTRY ASSOCIATION INC  
AND SUBSIDIARY COMPANIES**

**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2016  
(CONTINUED)**

	2016 \$	2015 \$
7. <u>TAXATION</u>		
Surplus / (Deficit) Before Taxation	69,506	155,090
<u>LESS</u> Membership Activities	84,140	115,285
	(14,634)	39,805
Add Back Permanent Differences:		
Imputation Credit on net Dividend Received	141	137
Add Timing Differences:		
Holiday Pay	5,169	3,290
Accruals	12,505	(13,905)
Provision for Doubtful Debts	(29,925)	30,474
	(26,744)	59,801
<u>Assessable Income / (Taxable Loss)</u>	(26,744)	59,801
Tax at 28%	-	-
<u>LESS</u> Imputation Credit	-	-
	-	-
<u>TAX PROVISION</u> (as per Statement of Financial Performance)	-	-
<u>LESS</u> Provisional Tax Paid	-	47
Resident Withholding Tax	25	25
	25	72
<u>TAXATION REFUND DUE</u> (as per Statement of Financial Position)	25	72
Total Income / (Tax Loss) – current year	(26,744)	59,801
<u>LESS</u> Prior year losses brought forward	300,233	360,034
	326,977	300,233
Tax loss to carry forward	326,977	300,233
Imputation Credits – current year	141	137
Excess Imputation Credits brought forward	14,316	14,179
Imputation Credits applied	-	-
	14,457	14,316
Excess Imputation Credits to carry forward	14,457	14,316



**IMPORTED MOTOR VEHICLE INDUSTRY ASSOCIATION INC  
AND SUBSIDIARY COMPANIES**  
**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2016**  
**(CONTINUED)**

	2016 \$	2015 \$
8. <u>INVENTORIES</u>		
Stationery	8,919	6,513
	8,919	6,513
<u>TOTAL INVENTORIES</u>	8,919	6,513
	2016 \$	2015 \$
9. <u>ACCOUNTS RECEIVABLE</u>		
Trade Debtors	88,942	98,565
LESS Provision for Doubtful Debts	(2,000)	(32,000)
	86,942	66,565
<u>TOTAL ACCOUNTS RECEIVABLE</u>	86,942	66,565

10. 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 2016 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 2016 are included in the Statement of Financial Position as accounts payable and accruals.

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



**IMPORTED MOTOR VEHICLE INDUSTRY ASSOCIATION INC  
AND SUBSIDIARY COMPANIES**

**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2016**  
**(CONTINUED)**

11. OVERHEAD EXPENSES

	2016	2015
	\$	\$
Promotion	62,700	32,585
AGM Expenses	2,816	2,960
Independent Review Fee	9,600	8,900
Bank Fees and Charges	2,845	2,472
Computer Expenses	16,591	11,197
Depreciation - Office Furn & Equip and Vehicles	8,158	4,199
ESC Campaign	4,199	-
Gift Presentation	584	273
General Expenses	800	736
Insurance	13,394	12,457
Legal Expenses and Debt Collection	350	2,400
Library Expenses	6,580	2,185
Licences and Subscriptions	2,489	1,582
Loss on Sale	-	83
Motor Vehicle Expenses	2,308	3,706
Payroll Processing Costs	378	410
Postage, Printing and Stationery	4,401	5,956
Events & Functions	9,048	4,499
Accounting	18,000	16,200
Lease Equipment	3,386	2,591
Rates and Power	8,009	7,153
Rental Office	30,145	22,392
Repairs and Maintenance	7,795	3,012
Management Costs	137,500	132,267
Salaries	202,916	161,623
Secretarial Services	6,085	5,086
Staff Amenities	890	617
Staff Recruitment/Training/Moving Expenses	2,901	13,996
Website Charges	567	1,056
Telephone, Tolls and Fax	12,212	14,450
Travel, Accommodation, Meals	68,776	32,652
Executive Fees	15,370	18,924
<b><u>TOTAL OVERHEAD EXPENSES</u></b>	<b>661,794</b>	<b>528,619</b>
Apportioned:		
Membership Activities (Note 2)	226,777	205,016
Taxable Activities (Note 3)	435,017	323,603
	<b>661,794</b>	<b>528,619</b>

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  
AND SUBSIDIARY COMPANIES**  
**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2016**  
**(CONTINUED)**

12. FORWARD COMMITMENTS

**Operating Leases**

Non-cancellable operating leases payable after balance date are as follows:

	2016	2015
	\$	\$
PREMISES		
Current	35,150	12,500
Non current	52,725	-
	<hr/>	<hr/>
	87,875	12,500
	<hr/>	<hr/>

The lease was renewed in October 2015 for a further three year period.

	2016	2015
	\$	\$
OFFICE EQUIPMENT		
Current	3,996	-
Non current	11,322	-
	<hr/>	<hr/>
	15,318	-
	<hr/>	<hr/>

The equipment leased is Xerox Photocopier.

13. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

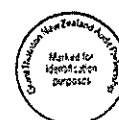
The Executive are not aware of any contingent liabilities as at 31 March 2016. There are no capital commitments at 31 March 2016.

14. 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 2017 financial year has been disclosed in the Statement of Financial Position.

15. NON-TRADING SUBSIDIARIES

A non-trading IMVIA subsidiary Vehicle Traders Association Limited was incorporated on 19 July 2002. At 31 March 2016 the single issued share is uncalled.



# Independent Review Report

**Audit****Grant Thornton New Zealand Audit Partnership**

L4, Grant Thornton House  
152 Fanshawe Street  
PO Box 1961  
Auckland 1140

+64 (09) 308 2570

+64 (09) 309 4892

[www.granthornton.co.nz](http://www.granthornton.co.nz)

**To the Executive Committee of the Imported Motor Vehicle Industry Association Incorporated**

We have reviewed the accompanying financial statements on pages 2 to 11 of the Imported Motor Vehicle Industry Association ("The Association") as at 31 March 2016 and for the year then ended which comprise the statement of financial position as at 31 March 2016, and the statement of financial performance, and statement of movements in equity for the year ended on that date, and a summary of significant accounting policies and other explanatory information.

**Executive's Responsibilities**

The Executive is responsible for the preparation of financial statements which comply with generally accepted accounting practice in New Zealand and which fairly reflect the financial position of the Association as at 31 March 2016, and the results of its operations for the year then ended, and for such internal controls as the Executive determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**Reviewer's Responsibilities**

We are responsible for reviewing the financial statements presented by the Association in accordance with Review Engagement Standards issued by the External Reporting Board in order to report to you whether, in our opinion and on the basis of the procedures performed by us, anything has come to our attention that would indicate that the financial statements do not present fairly the matters to which they relate.

A review of the financial statements in accordance with NZ SRE 2410 is a limited assurance engagement. The auditor performed procedures, primarily consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand). Accordingly we do not express an audit opinion on these financial statements.

Other than in our capacity as assurance practitioners, we have no relationship with or interests in the Imported Motor Vehicle Industry Association.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the financial statements of the Imported Motor Vehicle Industry Association do not present fairly, in all material respects, the financial position of the Imported Motor Vehicle Industry Association as at 31 March 2016 and its financial performance for the year ended 31 March 2016.

**Restriction on use of our report**

This report is made solely to Imported Motor Vehicle Industry Association's Executive committee, as a body. Our review work has been undertaken so that we might state those matters which we are required to state to them in our review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Imported Motor Vehicle Industry Association and Imported Motor Vehicle Industry Association's Executive committee, as a body, for our review procedures, for this report, or for the conclusion we have formed.



**Grant Thornton New Zealand Audit Partnership**  
Auckland, New Zealand  
16 May 2016