



**IMPORTED MOTOR VEHICLE INDUSTRY ASSOCIATION INC**

# **CONSOLIDATED ANNUAL REPORT**

**FOR THE YEAR ENDED 31 MARCH 2020**

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# IMPORTED MOTOR VEHICLE INDUSTRY ASSOCIATION INC

CNR MT WELLINGTON HIGHWAY & VESTEY DRIVE  
MT WELLINGTON, AUCKLAND

## DIRECTORY

AS AT 31 MARCH 2020

Chairmen	Mr G Macdonald & Mr L Wilson
Chief Executive Officer	Mr D Vinsen
Executive	Mr G Macdonald Mr L Wilson Mr N Owens Mr H Johnston Mr M Battle – co-opted June 2019 Mr C Stephenson – co-opted March 2020 Mr S Stevens – co-opted March 2020 Mr F Willett – co-opted March 2020
Secretary	Mr A Sheard Unit 3B 303 Blenheim Rd P O Box 79-071 Christchurch 8446
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 2020**

	NOTE	2020 \$	2019 \$
<u>REVENUE</u>			
Revenue from membership and sponsorship contributions	2	399,255	403,855
Revenue from provision of services	3	53,663	167,244
Revenue from sale of goods	3	14,120	18,711
Other income	3	11,558	10,201
		<hr/>	<hr/>
<u>TOTAL REVENUE</u>		478,596	600,011
<u>EXPENSES</u>			
Expenses relating to provision of services	3	51,976	143,261
Expenses relating to sale of goods	3	1,854	7,775
Administration expenses	10	605,385	682,156
		<hr/>	<hr/>
<u>TOTAL EXPENSES</u>		659,215	833,192
 <u>OPERATING SURPLUS/(DEFICIT) FOR THE YEAR</u>		 (180,619)	 (233,181)
 Income tax expense	 8	 -	 -
		<hr/>	<hr/>
<u>NET SURPLUS/(DEFICIT) FOR THE YEAR</u>		<u>(180,619)</u>	<u>(233,181)</u>

**CONSOLIDATED STATEMENT OF MOVEMENT IN EQUITY**

**FOR THE YEAR ENDED 31 MARCH 2020**

	2020 \$	2019 \$
Opening – Retained Earnings	284,666	517,847
 ADD Net Surplus/(Deficit) for the Year	 (180,619)	 (233,181)
	<hr/>	<hr/>
<u>TOTAL RECOGNISED REVENUES AND EXPENSES FOR THE YEAR</u>	<u>(180,619)</u>	<u>(233,181)</u>
	<hr/>	<hr/>
<u>CLOSING – RETAINED EARNINGS</u>	<u>104,047</u>	<u>284,666</u>

These Financial Statements are to be read in conjunction with the notes  
on page 5 – 12 and independent Reviewer's Report on page 13

**IMPORTED MOTOR VEHICLE INDUSTRY ASSOCIATION INC**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

**AS AT 31 MARCH 2020**

	NOTE	2020 \$	2019 \$
<u>EQUITY AT YEAR END</u>		104,047	284,666
Represented By:			
<u>NON CURRENT ASSETS</u>			
Fixed Assets	5	10,337	13,559
<u>TOTAL NON CURRENT ASSETS</u>		10,337	13,559
<u>CURRENT ASSETS</u>			
Cash and Cash Equivalents	6	116,093	297,754
Short Term Deposits	6	23,780	23,045
Accounts Receivable	4	14,121	21,160
Inventory	7	9,859	11,138
Tax Refund Due	8	25	25
GST Refund Due		-	-
<u>TOTAL CURRENT ASSETS</u>		163,878	353,122
<u>CURRENT LIABILITIES</u>			
Accounts Payable and Accruals		17,257	18,788
Holiday Pay Accrual		32,278	27,701
Subscriptions Received in Advance	13	19,707	34,583
GST Payable		926	943
<u>TOTAL CURRENT LIABILITIES</u>		70,168	82,015
<u>WORKING CAPITAL</u>		93,710	271,107
<u>NET ASSETS</u>		104,047	284,666

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 – 12 and independent Reviewer's Report on page 13

# IMPORTED MOTOR VEHICLE INDUSTRY ASSOCIATION INC

## CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2020

	2020	2019
	\$	\$
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
<i>Cash was provided from/(applied to):</i>		
Receipts from Customers	459,201	606,314
GST	(17)	2,178
Dividends and Interest Received	1,273	1,505
Other Income	10,285	8,696
Payments to suppliers / employees	(648,668)	(855,832)
Income Tax Paid	0	7
<u>Net cash flows from/ (used in) operating activities</u>	<u>(177,926)</u>	<u>(237,132)</u>
 <u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
<i>Cash was provided from/(applied to):</i>		
Fixed Asset purchases / disposals	(3,000)	(4,855)
Investment in Short Term Deposits	(735)	494,881
<u>Net cash flows from/ (used in) investing activities</u>	<u>(3,735)</u>	<u>490,026</u>
 <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>	<u>-</u>	<u>-</u>
 Net increase/(decrease) in cash held	 (181,661)	 252,894
Add opening cash brought forward	297,754	44,860
 <u>ENDING CASH CARRIED FORWARD</u>	 <u>116,093</u>	 <u>297,754</u>
 <i>Represented by:</i>		
Westpac 03 a/c	39,778	51,475
Westpac 90 a/c	68	68
Westpac 04 a/c	49	49
Westpac 00 a/c	76,198	246,062
Petty Cash	0	100
<u>ENDING CASH CARRIED FORWARD</u>	<u>116,093</u>	<u>297,754</u>

These Financial Statements are to be read in conjunction with the notes  
on page 5 – 12 and independent Reviewer's Report on page 13

# IMPORTED MOTOR VEHICLE INDUSTRY ASSOCIATION INC

## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

### 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 2020, and has not recorded any transactions as at 31 March 2020, 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 2020  
(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.

	2020	2019
	\$	\$
2. <u>MEMBERSHIP ACTIVITIES</u>		
Membership & Sponsorship Contributions	399,255	403,855
<u>LESS</u> Overhead Expenses - Apportioned (Note 10)	508,486	465,056
<u>SURPLUS / (DEFICIT) FOR MEMBERSHIP ACTIVITIES</u>	<u>(109,231)</u>	<u>(61,201)</u>

**IMPORTED MOTOR VEHICLE INDUSTRY ASSOCIATION INC**

**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2020  
(CONTINUED)**

	<b>2020</b>	<b>2019</b>
	\$	\$
<b>3. <u>TAXABLE ACTIVITIES</u></b>		
<b><u>REVENUE</u></b>		
Technical Services	53,663	167,244
Stationery Sales	5,798	7,288
Vin Kit Sales	8,322	11,423
	<hr/>	<hr/>
<b><u>TOTAL REVENUE</u></b>	<b>67,783</b>	<b>185,955</b>
<b><u>LESS DIRECT EXPENSES</u></b>		
Technical Services	51,976	148,761
Stationery	1,279	4,213
Vin Kits	575	3,562
	<hr/>	<hr/>
<b><u>TOTAL DIRECT EXPENSES</u></b>	<b>53,830</b>	<b>156,536</b>
	<hr/>	<hr/>
<b>GROSS PROFIT</b>	<b>13,953</b>	<b>29,419</b>
	<hr/>	<hr/>
<b><u>OTHER REVENUE</u></b>		
Interest Received	872	1,130
Dividends Received	401	375
Events & Functions	10,000	8,696
Other	285	-
	<hr/>	<hr/>
<b><u>TOTAL OTHER REVENUE</u></b>	<b>11,558</b>	<b>10,201</b>
	<hr/>	<hr/>
<b><u>OTHER EXPENDITURE</u></b>		
Overhead Expenses - Apportioned (Note 10)	97,399	217,100
Doubtful Debts	(500)	(5,500)
	<hr/>	<hr/>
<b><u>TOTAL OTHER EXPENDITURE</u></b>	<b>96,899</b>	<b>211,600</b>
	<hr/>	<hr/>
<b><u>SURPLUS / (DEFICIT) FOR TAXABLE ACTIVITIES</u></b>	<b>(71,388)</b>	<b>(171,980)</b>
	<hr/>	<hr/>
	<b>2020</b>	<b>2019</b>
	\$	\$
<b>4. <u>ACCOUNTS RECEIVABLE</u></b>		
Trade Debtors	14,121	21,660
LESS Provision for Doubtful Debts	-	(500)
	<hr/>	<hr/>
<b><u>TOTAL ACCOUNTS RECEIVABLE</u></b>	<b>14,121</b>	<b>21,160</b>
	<hr/>	<hr/>



**IMPORTED MOTOR VEHICLE INDUSTRY ASSOCIATION INC**

**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2020  
(CONTINUED)

			2020 \$	2019 \$
5.	<u>FIXED ASSETS</u>			
	Office Furniture and Equipment (at cost)		44,658	47,290
	Accumulated Depreciation		(35,878)	(35,955)
	Net Book Value		<hr/> 8,780	<hr/> 11,335
	Motor Vehicles (at cost)		9,500	9,500
	Accumulated Depreciation		(7,943)	(7,276)
	Net Book Value		<hr/> 1,557	<hr/> 2,224
	<u>TOTAL FIXED ASSETS</u>		<hr/> <hr/> 10,337	<hr/> <hr/> 13,559
6.	<u>CASH AND TERM DEPOSITS</u>			
		<b>MATURITY</b>	<b>RATE</b>	
			<b>%</b>	
	<b>Current</b>		<b>2020</b>	<b>2019</b>
			<b>\$</b>	<b>\$</b>
	<u>Cash and Cash Equivalents</u>			
	Westpac Banking Corporation			
	Cheque Account -03	At Call	Nil	39,778
	Ready Access - 90	At Call	0.05	68
	Cheque Account -04	At Call	0.05	49
	Cheque Account -00	At Call	0.05	76,198
	Petty Cash		-	100
			<hr/>	<hr/>
			116,093	297,754
	<u>Short Term Deposits</u>			
	ANZ Term Deposit	19/10/20	2.75	23,780
			<hr/>	<hr/>
	<u>TOTAL CASH AND TERM DEPOSITS</u>		<hr/> <hr/> 139,873	<hr/> <hr/> 320,799
			<b>2020</b>	<b>2019</b>
			<b>\$</b>	<b>\$</b>
7.	<u>INVENTORIES</u>			
	Stationery		9,859	11,138
	<u>TOTAL INVENTORIES</u>		<hr/> 9,859	<hr/> 11,138

**IMPORTED MOTOR VEHICLE INDUSTRY ASSOCIATION INC**

**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2020  
(CONTINUED)**

	2020 \$	2019 \$
8. <u>TAXATION</u>		
Surplus / (Deficit) Before Taxation	(180,619)	(233,181)
<u>LESS</u> Membership Activities	(109,231)	(61,201)
	<hr/>	<hr/>
	(71,388)	(171,980)
Add Back Permanent Differences:		
Imputation Credit on net Dividend Received	145	142
Add Timing Differences:		
Holiday Pay	(3,705)	(4,953)
Accruals	(1,257)	(1,232)
Provision for Doubtful Debts	(163)	(2,746)
	<hr/>	<hr/>
<u>Assessable Income / (Taxable Loss)</u>	(76,368)	(180,769)
	<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	-	25
	<hr/>	<hr/>
<u>TAXATION REFUND DUE</u> (as per Statement of Financial Position)	25	25
	<hr/>	<hr/>
Total Income / (Tax Loss) – current year	(76,368)	(180,769)
<u>LESS</u> Prior year losses brought forward	847,283	666,514
	<hr/>	<hr/>
Tax loss to carry forward	923,651	847,283
	<hr/>	<hr/>
Imputation Credits – current year	145	142
Excess Imputation Credits brought forward	14,882	14,740
Imputation Credits applied	-	-
	<hr/>	<hr/>
Excess Imputation Credits to carry forward	15,057	14,882
	<hr/>	<hr/>

9. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

The Executive are not aware of any contingent liabilities as at 31 March 2020. There are no capital commitments at 31 March 2020.

**IMPORTED MOTOR VEHICLE INDUSTRY ASSOCIATION INC**

**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2020  
(CONTINUED)**

10. OVERHEAD EXPENSES

	2020	2019
	\$	\$
Promotion	13,685	21,375
AGM Expenses	5,705	2,669
Independent Review Fee	7,470	7,157
Bank Fees and Charges	1,915	2,631
Computer Expenses	10,542	9,971
Communications	10,610	44,940
Consultancy	-	2,185
Depreciation - Office Furn & Equip and Vehicles	6,160	7,225
Gift Presentation	592	243
General Expenses	2,891	
Insurance	10,114	9,248
Legal Expenses and Debt Collection	7,665	19,430
Statistics	1,542	2,470
Licences and Subscriptions	1,984	3,208
Loss on Sale	62	184
Motor Vehicle Expenses	1,562	661
Payroll Processing Costs	358	358
Postage, Printing and Stationery	1,960	1,747
Events & Functions	12,227	12,436
Accounting	18,500	18,750
Lease Equipment	3,908	4,198
Rates and Power	8,033	7,916
Rental Office	34,107	35,150
Repairs and Maintenance	3,559	8,515
Management Costs	150,050	150,000
Salaries	221,872	216,085
Secretarial Services	13,077	16,893
Staff Amenities	310	423
Website Charges	1,182	721
Telephone, Tolls and Fax	9,470	11,451
Travel, Accommodation, Meals	27,592	46,602
Executive Fees	17,181	17,315
	<hr/>	<hr/>
<u>TOTAL OVERHEAD EXPENSES</u>	605,885	682,156
	<hr/>	<hr/>
Apportioned:		
Membership Activities (Note 2)	508,486	465,056
Taxable Activities (Note 3)	97,399	217,100
	<hr/>	<hr/>
	605,885	682,156
	<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 2020  
(CONTINUED)

### 11. 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 2020 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 2020 are \$nil (\$nil 2019).

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

### 12. FORWARD COMMITMENTS

#### **Operating Leases**

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

	2020	2019
	\$	\$
OFFICE EQUIPMENT		
Current	-	3,330
Non current	-	-
	<hr/>	<hr/>
	-	3,330
	<hr/>	<hr/>

There are no operating leases at 31 March 2020.

### 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 2020 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 2020 the single issued share is uncalled.

**IMPORTED MOTOR VEHICLE INDUSTRY ASSOCIATION INC**

**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2020**

**(CONTINUED)**

15. GOING CONCERN

IMVIA has incurred deficits for three consecutive years, amounting to \$180,619 in 2020, \$264,258 in 2019 and \$233,181 in 2018.

The Executive is continuing its work to reverse the trend of on-going deficits by seeking new sources of revenue and considering further cost reduction initiatives. The Executive has adopted the use of the going concern assumption in the preparation of these financial statements.

The deficits incurred, together with the need to successfully implement revenue growth and/or significant cost reduction to a greater degree than achieved in the 2020 financial year creates a material uncertainty. This may cast significant doubt over the ability of the Association to continue as a going concern. Should the Association be unable to continue as a going concern it may be required to realise its assets and discharge its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements.