

**Institute of Finance
Professionals New
Zealand Incorporated**

Annual report
for the year ended 31 March 2011

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Approval of annual report

The Director is pleased to present the annual report, including the financial statements of Institute of Finance Professionals New Zealand Incorporated, for the year ended 31 March 2011.

Director

Dated:

Company directory

as at 31 March 2011

Nature of business	Industry Body
Registered office	Shop 3 3 Kitchener Street Martinborough 5711
Location of business	Shop 3 3 Kitchener Street Martinborough 5711
Incorporation number	1210409
IRD number	82-320-482
Accountants	Michael Coleman KPMG 10 Customhouse Quay Wellington 6011
Auditors	Grant Thornton Level 13 AXA Centre 80 The Terrace
Bankers	Bank of New Zealand 1 Willis Street Wellington 6011
Solicitors	Chapman Tripp 10 Customhouse Quay Wellington 6011

Statement of financial performance

for the year ended 31 March 2011

	Note	2011 \$	2010 \$
Revenue	1	608,371	550,642
Expenses			
Operating	2	329,996	292,470
Administration	3	222,746	209,601
Finance	4	117	-
Non cash items	5	5,175	1,751
		558,034	503,822
Operating surplus before tax		50,337	46,820
Tax expense	6	826	4,306
Net surplus		49,511	42,514

These statements are to be read in conjunction with the notes to the financial statements

Statement of movements in equity

for the year ended 31 March 2011

	Note	2011 \$	2010 \$
Net surplus for the year		49,511	42,514
Equity at beginning of year		237,983	195,469
Equity at end of year	7	287,494	237,983

These statements are to be read in conjunction with the notes to the financial statements

Balance sheet

as at 31 March 2011

	Note	2011 \$	2010 \$
Equity	7	287,494	237,983
Current assets			
Cash and bank balances	8	275,448	204,708
Accounts receivable	9	59,152	26,079
Prepayments		75,465	61,451
Income tax refund		2,188	-
Short term advances	10	144,747	139,322
		557,000	431,560
Non current assets			
Property, plant and equipment	11	10,770	5,773
Total assets		567,770	437,333
Current liabilities			
Accounts payable	12	83,972	62,161
GST payable		18,229	10,461
Income tax payable	6	-	3,924
Income in advance		178,075	122,804
Total liabilities		280,276	199,350
Net assets		287,494	237,983

These statements are to be read in conjunction with the notes to the financial statements

Statement of accounting policies

for the year ended 31 March 2011

Basis of preparation

The financial statements presented are those of the Institute of Finance Professionals New Zealand Incorporated. The financial statements have been prepared in accordance with the requirements of the Incorporated Societies Act 1908 and have been prepared on the basis of historical cost.

Differential reporting

In terms of the framework for differential reporting an entity is exempt from certain requirements of financial reporting standards if it satisfies the criteria laid down in the framework; such an entity is called a qualifying entity.

The Institute of Finance Professionals New Zealand Incorporated is a qualifying entity because it has no public accountability and is not large (as defined in the framework).

All differential reporting exemptions have been adopted except for:

NZ IAS 12: Income Taxes

Additional details with regard to revenue and expenses have been disclosed.

Property, plant and equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Where an item of property, plant or equipment is disposed of, the gain or loss recognised in the statement of financial performance is calculated as the difference between the sale price and the carrying amount of the asset.

Depreciation

Depreciation is charged to the statement of financial performance at the same rate as allowed by the Income Tax Act 2007. The following rates have been used:

Office equipment 39.6% - 62.6% diminishing value

Furniture & fittings 11.4% - 48.0% diminishing value

Accounts receivable

Accounts receivable is stated at estimated realisable value after providing against debts where collection is doubtful. Bad debts are written off during the period in which they are identified.

Taxation

The income tax expense recognised in the statement of financial performance is the estimated income tax payable in the current year, adjusted for any differences between the estimated and actual income tax payable in prior years.

Goods and services tax

All amounts are shown exclusive of Goods & Services Tax (GST), except for receivables and payables which are shown inclusive of GST.

Changes in accounting policies

The accounting policies adopted are consistent with those of the previous year.

Notes to the financial statements

1 Revenue

	2011	2010
	\$	\$
Member Income		
Event Income	103,424	60,219
Membership subscriptions	132,165	129,495
Gross surplus	235,589	189,714

	2011	2010
	\$	\$
Non Member Income		
Event Income	116,678	122,319
Sponsorship	200,000	179,611
Publications	43,787	40,875
Interest received	12,317	8,627
Gross surplus	372,782	351,432

	2011	2010
	\$	\$
Total Revenue		
Event Income - Member	103,424	60,219
Membership subscriptions - Member	132,165	129,496
Event Income - Non Member	116,678	122,320
Sponsorship - Non Member	200,000	179,611
Publications - Non Member	43,787	40,875
Interest received - Non Member	12,317	8,627
Gifts received	-	9,495
Total operating revenue	608,371	550,642

2 Operating expenses

	2011	2010
	\$	\$
Credit Card Commission	3,024	4,861
Institute Events	250,412	214,494
Publication expenses	45,468	44,191
Postage and Courier	1,918	1,160
Printing and Stationery	5,689	2,012
Prizes and Sponsorships	1,000	1,000
Telecommunications	6,680	5,975
Travelling	15,805	18,776
	329,996	292,470

Notes to the financial statements

3	Administration expenses	2011	2010
		\$	\$
	Accident compensation	703	689
	Accounting	7,799	8,813
	Advocacy	13,602	-
	Affiliation subscriptions	667	3,476
	Audit fees	4,300	3,826
	Bank charges	2,158	336
	Board expenses	659	970
	Computer expenses	5,014	4,988
	Doubtful debts	-	595
	Entertainment - deductible	468	655
	Entertainment - non-deductible	652	728
	General expenses	1,408	2,969
	Insurance	3,633	4,037
	Legal - deductible	-	3,146
	Legal - non-deductible	-	350
	Rent and Electricity	10,238	11,194
	Salaries	170,151	149,583
	Staff expenses	258	7,538
	Staff recruitment	-	1,471
	Subscriptions	648	2,124
	Training and course fees	388	2,114
		222,746	209,601
4	Finance	2011	2010
		\$	\$
	Interest	117	-
		117	-

Notes to the financial statements

5	Non-cash items	2011 \$	2010 \$
	Depreciation - Office equipment	4,805	1,309
	Depreciation - Furniture and fittings	370	434
		5,175	1,743
	Loss on disposal of fixed assets	-	8
		5,175	1,751
6	Tax	2011 \$	2010 \$
	Operating surplus before tax	50,337	46,820
	Adjustments for differences		
	Timing differences		
	Holiday pay accrued but not taken within 63 days	1,366	4,985
	Change in accounting fees accrual	358	120
	Change in doubtful debts provision	(595)	210
		1,129	5,315
	Permanent differences		
	Entertainment - non-deductible	314	256
	Legal - non-deductible	-	123
	Income derived from members	(235,588)	(189,714)
	Expenses related to members	187,563	162,047
	Gift received	-	(9,495)
		(47,711)	(36,782)
	Allowable society deduction	(1,000)	(1,000)
	Taxable income	2,755	14,353
	Tax expense	826	4,306
	Provisional tax paid	(3,014)	(2,102)
	Prior year tax payment/(refund) outstanding	-	1,720
	Income tax payable/(refund)	(2,188)	3,924
	Prior year tax paid after balance date	-	(1,720)
	Provisional tax paid after balance date	(1,507)	(1,050)
	Income tax payable/(refund) per tax return	(3,695)	1,154

Notes to the financial statements

7	Equity	2011 \$	2010 \$
	Retained earnings	287,494	237,983
	Equity	287,494	237,983
	Movements in retained earnings		
	Balance at beginning of year	237,983	195,469
	Net surplus	49,511	42,514
	Balance at end of year	287,494	237,983
8	Cash and bank balances	2011 \$	2010 \$
	Cash on hand	100	10
	BNZ - Current Account	141,526	21,193
	BNZ - Savings Account	133,822	183,505
		275,448	204,708
	Total cash and bank balances classified as follows:		
	Current assets	275,448	204,708
		275,448	204,708
9	Accounts receivable	2011 \$	2010 \$
	Accounts receivable	59,152	26,674
	Provision for doubtful debts	-	(595)
		59,152	26,079

Notes to the financial statements

10 Short term advances	2011 \$	2010 \$
BNZ Term Deposit - 00006	66,333	64,322
BNZ Term Deposit - 00007	78,415	75,000
	144,747	139,322

The BNZ Term Deposit - 00006 earns interest at 5.20% and is due to mature on 29 April 2011.

The BNZ Term Deposit - 00007 earns interest at 5.20% and is due to mature on 14 June 2011.

11 Property, plant and equipment

	Cost \$	Depn charge \$	Acc depn \$	Carrying value \$
Office equipment	37,525	4,806	29,044	8,481
Furniture and fittings	8,120	370	5,832	2,289
Balance as at 31 March 2011	45,645	5,175	34,876	10,770

	Cost \$	Depn charge \$	Acc depn \$	Carrying value \$
Office equipment	27,352	1,309	24,238	3,114
Furniture and fittings	8,120	434	5,462	2,658
Balance as at 31 March 2010	35,473	1,743	29,700	5,773

Further information can be found in the supplementary summary Statement of property, plant and equipment included at the back of this financial report.

Notes to the financial statements

12	Accounts payable	2011	2010
		\$	\$
	Trade creditors	58,624	40,293
	Accruals	14,121	10,700
	Employee entitlements	11,227	11,168
		83,972	62,161

13 Operating Lease Commitment

INFINZ lease shop 3 Petit Hotel Martinborough. The lease renewal date is 1 September 2012

	2011	2010
	\$	\$
Within 1 year	9,833	4,013
Within 2 - 5 years	4,097	-
	13,930	4,013

Per lease agreement committed to only 5 months rent in 2-5 years.

14 Commitments and contingent liabilities

There are no known commitments or contingent liabilities at balance date. (2010 : Nil)

15 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. INFINZ is an incorporated society with a number of members throughout the country. Accordingly, INFINZ will be related to any transactions with these members.