

Members Annual Report

Hire Industry Association of New Zealand Incorporated
For the year ended 31 March 2021

Prepared by PR Accounting Limited

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Draft

Directory

Hire Industry Association of New Zealand Incorporated For the year ended 31 March 2021

Nature of Business

Trade Association

Established

20 June 1978

Company Number

220703

Registered Office

101 Arawa Street
Matamata

IRD Number

045-878-821

Chief Executive Officer

Rodney Grant

Bankers

Westpac

Chartered Accountant

PR Accounting Limited

Reviewer

PR Accounting Limited

Solicitors

Geoff Hardy, Madison Hardy
Auckland

Draft

Reviewers' Report

Hire Industry Association of New Zealand Incorporated For the year ended 31 March 2021

To the association of Hire Industry Association of New Zealand Incorporated

We have reviewed the financial statements for the period ended 2021. The financial statements provide information about the past financial performance of the Association, and their financial position as at 2021. This information is stated in accordance with the accounting policies set out.

Association Responsibilities

Reviewer's Responsibilities

It is our responsibility to express an independent opinion on the financial statements presented by the association and to report our opinion to you.

Basis of Opinion

A review includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

- The significant estimates and judgments made by the association in the preparation of the financial statements; and
- Whether the accounting policies are appropriate to the circumstances of the association, consistently applied, and adequately disclosed.

We conducted our review in accordance with generally accepted reviewing standards in New Zealand.

In addition to our capacity as reviewer, our accountancy division assisted with the finalisation of the association financial statements. Other than this we have no relationship with, or interest in the association.

Unqualified Opinion

PR Accounting Limited

Dated: 23 July 2021

Statement of Profit or Loss

Hire Industry Association of New Zealand Incorporated For the year ended 31 March 2021

	2021	2020
Trading Income		
Subscriptions		
Full Membership Subscriptions	62,981	111,190
Associate/Supplier Membership	22,218	41,513
Total Subscriptions	85,198	152,703
Advertising & Promotions		
Advertising Income	27,196	29,100
Principle Sponsorship Income	25,435	-
Total Advertising & Promotions	52,630	29,100
Conferences		
Conference 2019	-	297,406
Total Conferences	-	297,406
Webstore Freight/Courier Fees Charged	4,145	3,531
Meetings		
Members Events	3,413	383
Total Meetings	3,413	383
Stationary		
EWP Logbooks Sales	15,456	17,913
EWP Logbook Pouches Sales	7,634	13,200
EWP Summary Card Sales	1,324	1,408
Stationery - Other	3,900	3,788
Ready to Hire Tag Sales	13,145	12,055
All Stickers Income	2,298	1,088
Using EWPs Safely Book	1,482	6,167
Total Stationary	45,240	55,619
Training		
Training - Party & Events	-	9,190
Training - Other	-	11,425
Training - Silvercard	415,353	441,243
Total Training	415,353	461,858
Reimbursements		
Shared Resource - EWPA	26,916	13,458
Shared Resource - NZFIA	7,008	3,504
Revenue charge to the EWPA	4,851	8,167
Revenue charged to the NZFIA	7,032	3,201
Total Reimbursements	45,807	28,330
Total Trading Income	651,786	1,028,929

These financial statements have been prepared without conducting an audit or review engagement, and should be read in conjunction with the attached Compilation Report.

	2021	2020
Cost of Goods Sold		
Opening Stock	23,898	42,390
Cost of Sales	67,511	56,998
Closing Stock	(14,554)	(23,898)
Total Cost of Goods Sold	76,855	75,489
Gross Profit	574,931	953,440
Gross Profit %	88	93
Other Income		
Interest Income	1,885	2,367
Portfolio Income	18,499	1,827
Total Other Income	20,384	4,195
Total Income	595,315	957,635
Expenses		
Administration and Other		
Foreign Currency Gains and Losses	106	-
ACC Levies	61	-
Accountancy	4,235	4,194
Advertising & Marketing		
Advertising	21,917	36,591
Marketing	3,080	5,769
Total Advertising & Marketing	24,997	42,360
Bad Debt	-	745
Bank Fees	651	530
Computer & Software Expenses	9,574	21,109
Conference		
Conference 2019	-	296,297
Conference 2020	17,587	-
Total Conference	17,587	296,297
Copier Lease	-	2,521
Eftpos Expenses	450	-
Entertainment 50% deductible	185	-
Employment Expenses		
Home Office Reimbursements	3,478	38,589
Wages & Salaries	191,643	14,253
Wage Subsidy	(13,467)	(593)
Total Employment Expenses	181,655	52,250
Expenses on Behalf		
EWPA	4,953	10,070
NZFIA	7,096	3,323
Total Expenses on Behalf	12,049	13,392

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	2021	2020
General Expenses & Maintenance	-	1,649
Hire Excellence Awards	-	3,863
Legal expenses	528	1,482
Low Value Assets	623	250
Industry Standards and Practices Development	880	50,363
Industry Subscriptions	1,226	917
Meetings		
Board Meetings	8,248	7,013
Regional & Supplier Meetings Expenses	5,599	5,545
Total Meetings	13,847	12,558
Member Services & Initiatives	64,003	34,020
Membership Website & Database Maintenance	5,991	4,908
Printing & Stationery	1,180	6,509
Secretarial Expenses	-	120,250
Stripe Fees	-	44
Telephone	3,906	4,216
Training		
Electrical	-	10,521
EWP NZQA	161,493	161,656
EWP Silvercard	-	906
Party & Events	-	6,168
Training Expenses Silvercard	15,923	21,191
Total Training	177,416	200,442
Travel and Accommodation		
Vehicle Costs	3,393	7,150
Travel Exps - Domestic Air & Ground	6,121	7,856
Travel Exps - International	-	11,253
Total Travel and Accommodation	9,514	26,260
Total Administration and Other	530,664	901,128
Standing & Financial Charges		
Insurance	3,252	2,250
IRD - UOMI	45	-
Rent	3,934	5,248
Total Standing & Financial Charges	7,231	7,498
Total Expenses	537,895	908,626
Net Operating Surplus (Deficit)	57,420	49,009
Depreciation and Amortisation		
Depreciation	12,879	5,736
Total Depreciation and Amortisation	12,879	5,736
Net Profit (Loss) Before Tax	44,541	43,273

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	2021	2020
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Taxation and Adjustments

Non Deductible Expenses		
Entertainment - Non Deductible	213	-
IRD - Late Payment Penalties	395	-
Total Non Deductible Expenses	608	-
Income Tax Expense	-	683
Total Taxation and Adjustments	608	683
Net Profit (Loss) For The Year	43,933	42,590

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Balance Sheet

Hire Industry Association of New Zealand Incorporated As at 31 March 2021

	NOTES	31 MAR 2021	31 MAR 2020
Assets			
Current Assets			
Cash and Bank			
Online sales Account		-	2,789
General Account		136,732	122,172
PayPal Account		1,710	-
Total Cash and Bank		138,442	124,961
Debtors		75,349	45,220
GST Receivable		-	2,997
Inventories		14,554	23,898
Income Tax Receivable		587	-
Prepayments		40,830	41,846
Total Current Assets		269,763	238,921
Non-Current Assets			
Term deposits		104,034	102,206
Managed Funds Investment Portfolio		471,573	412,087
Property, Plant and Equipment		45,454	58,334
Total Non-Current Assets		621,061	572,626
Total Assets		890,824	811,548
Liabilities			
Current Liabilities			
Business Mastercard		3,899	-
Creditors		35,664	71,677
PAYE		5,760	5,224
Deposits for future services 		31,121	-
Government Wage Subsidy		-	13,467
GST Payable		13,778	-
Income Tax Payable		-	6,048
Employee Entitlements		49	-
Total Current Liabilities		90,272	96,416
Total Liabilities		90,272	96,416

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	NOTES	31 MAR 2021	31 MAR 2020
Net Assets		800,552	715,132
Equity			
Retained Earnings		754,979	711,133
Revaluation reserves		45,573	3,999
Total Equity		800,552	715,132

 Rodney Grant (CEO)

 Date

Draft

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Statement of Movements in Accumulated Funds

Hire Industry Association of New Zealand Incorporated For the year ended 31 March 2021

	2021	2020
Equity		
Opening Balance	715,132	678,499
Increases		
Profit for the Period	43,933	42,590
Revaluation reserves	41,574	(5,957)
Total Increases	85,507	36,633
Decreases		
Prior Period Adjustments	87	-
Total Decreases	87	-
Total Equity	800,552	715,132

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Notes to the Financial Statements

Hire Industry Association of New Zealand Incorporated For the year ended 31 March 2021

1. Reporting Entity

Hire Industry Association of New Zealand Incorporated is an Incorporated Society registered under the Incorporated Societies Act 1908 and is engaged in the business of Trade Association

This special purpose financial report was authorised for issue in accordance with a resolution of directors dated 12 July 2021.

2. Statement of Accounting Policies

Basis of Preparation

These financial statements have been prepared in accordance with the Special Purpose Framework for use by For-Profit Entities (SPFR for FPEs) published by Chartered Accountants Australia and New Zealand.

The financial statements have been prepared for the Association members and the Inland Revenue Department.

Historical Cost

These financial statements have been prepared on a historical cost basis. The financial statements are presented in New Zealand dollars (NZ\$) and all values are rounded to the nearest NZ\$, except when otherwise indicated.

Changes in Accounting Policies

There have been no changes in accounting policies. Policies have been applied on a consistent basis with those of the previous reporting period.

Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable for the sale of goods and services, excluding goods and services tax rebates and discounts, to the extent it is probable that the economic benefits will flow to the entity and revenue can be reliably measured.

Sales of services are recognised in the period by reference to the stage of completion of the transaction at the end of the reporting period.

Lease income is recognised on a straight line basis over the life of the lease.

Interest received is recognised as interest accrues, gross of refundable tax credits received.

Dividends received are recognised on receipt, net of non-refundable tax credits.

Inventories

Inventory is stated at the lower of cost, determined on a historical average cost basis and net realisable value.

The cost of work in progress and finished goods includes the cost of direct materials, direct labour and a proportion of the manufacturing overhead, based on the normal capacity of the facilities, expended in putting the inventories in their present location and condition.

Property, Plant and Equipment and Investment Property

Property, plant and equipment and investment property are stated at historical cost less any accumulated depreciation and impairment losses. Historical cost includes expenditure directly attributable to the acquisition of assets, and includes the cost of replacements that are eligible for capitalisation when these are incurred.

An item of property, plant and equipment or investment property is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

Upon derecognition, the asset revaluation reserve relating to the asset disposed shall be transferred to retained earnings.

Depreciation

Account	Method	Rate
Plant & Equipment	Diminishing Value (100%)	13% - 80.4%
Motor Vehicles	Diminishing Value (100%)	13%
Computer Software & Equipment	Diminishing Value (100%)	40% - 60%

Income Tax

The Association has been granted "non-profit" status by the IRD. This entitles the Association to a \$1,000 deduction from its net taxable income. In addition to this all net income within the circle of membership is "non assessable" for tax purposes. Profits earned in relation to dealings with third parties, outside the circle of membership, are taxable at the company tax rate of 28%. The taxation expense recorded in these financial statements is calculated on this basis.

Goods and Services Tax

All amounts are stated exclusive of goods and services tax (GST) except for accounts payable and accounts receivable which are stated inclusive of GST.

	2021	2020
3. Income Tax Expense		
Net Profit (Loss) Before Tax	43,933	43,273
Additions to Taxable Profit		
Entertainment - Non Deductible	213	-
IRD - Late Payment Penalties	395	-
Unrealised Currency Gains	-	-
Total Additions to Taxable Profit	608	-
Deductions from Taxable Profit		
Adjustment for Members Income	-	39,884
Losses Carried Forward	309	-
Non-Assessable Income	-	-
Tax Exempt Income	-	1,000
Total Deductions from Taxable Profit	309	40,884
Taxable Profit (Loss)	44,231	2,389
Tax Payable at 28%	12,385	669
Deductions from Tax Payable		
Opening Balance	(6,048)	(20,445)
Prior period tax paid (refunded)	(21,466)	683

Income tax paid	27,600	13,627
Resident withholding tax paid	588	769
Total Deductions from Tax Payable	674	(5,365)
Income Tax Payable (Refund Due)	11,711	6,034
	2021	2020

4. Equity

Retained Earnings		
Opening Balance	711,133	668,543
Current Year Earnings	43,933	42,590
Prior Period Adjustments	(87)	-
Total Retained Earnings	754,979	711,133
Reserves		
Opening Balance	3,999	9,956
Portfolio Revaluation	41,574	(5,957)
Total Reserves	45,573	3,999
Total Equity	800,552	715,132
	2021	2020

5. Property, Plant and Equipment

Plant and Equipment		
Plant and machinery owned	8,077	15,372
Total Plant and Equipment	8,077	15,372
Vehicles		
Vehicles owned	37,377	42,962
Total Vehicles	37,377	42,962
Total Property, Plant and Equipment	45,454	58,334
	2021	2020

6. Inventory

Inventory	14,554	23,898
Total Inventory	14,554	23,898

Depreciation Schedule

Hire Industry Association of New Zealand Incorporated For the year ended 31 March 2021

NAME	COST	OPENING VALUE	PURCHASES	DISPOSALS	RATE	METHOD	DEPRECIATION	CLOSING ACCUM DEP	CLOSING VALUE	PRIVATE USE AMOUNT
Computer Software & Equipment										
2020 Website Development	6,004	5,503	-	-	50.00%	DV	2,752	3,252	2,752	-
Dell Latitude 530 Laptop	3,214	-	-	-	60.00%	DV	-	3,214	-	-
EPW Cloud Software	3,102	549	-	-	50.00%	DV	275	2,827	275	-
HIANZ Training Website	6,916	2,738	-	-	50.00%	DV	1,369	5,547	1,369	-
HP Probook 450 - laptop for CEO	1,580	1,448	-	-	50.00%	DV	724	856	724	-
Laptop Computer	1,998	8	-	-	60.00%	DV	5	1,995	3	-
New Website	7,238	867	-	-	50.00%	DV	434	6,805	434	-
PB Tech - Brother MFC3770 Laser Printer	410	396	-	-	40.00%	DV	159	172	238	-
PB Tech - Dymo Labelwriter 450	122	117	-	-	50.00%	DV	58	64	58	-
PB Tech - Microsoft Surface Pro7 and cover	2,443	2,341	-	-	50.00%	DV	1,170	1,272	1,170	-
PB Tech - Philips 27" Monitor	249	239	-	-	50.00%	DV	119	130	119	-
Presentation Software	6,300	182	-	-	48.00%	DV	87	6,205	95	-
Software Office XP Professional	355	-	-	-	48.00%	DV	-	355	-	-
Website Development	5,055	-	-	-	48.00%	DV	-	5,055	-	-
Total Computer Software & Equipment	44,985	14,389	-	-			7,152	37,748	7,237	-
Motor Vehicles										
Toyota Hilux SR5 Cruiser 2.8DT 6AT 2WD	43,433	42,962	-	-	13.00%	DV	5,585	6,056	37,377	-
Total Motor Vehicles	43,433	42,962	-	-			5,585	6,056	37,377	-
Plant & Equipment										

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NAME	COST	OPENING VALUE	PURCHASES	DISPOSALS	RATE	METHOD	DEPRECIATION	CLOSING ACCUM DEP	CLOSING VALUE	PRIVATE USE AMOUNT
3 Drawer Filing Cabinet	802	121	-	-	15.60%	DV	19	700	102	-
Dymo Labelwriter	472	-	-	-	39.60%	DV	-	472	-	-
Mobile Phone	888	-	-	-	80.40%	DV	-	-	-	-
Office Cabinet	2,045	606	-	-	13.00%	DV	79	1,518	527	-
Olympus Phone Recorder	673	-	-	-	80.40%	DV	-	-	-	-
Spectrum 3 Chair	475	230	-	-	16.00%	DV	37	282	193	-
XGA Projector	1,564	26	-	-	30.00%	DV	8	1,546	18	-
Total Plant & Equipment	6,919	983	-	-			142	4,517	840	-
Total	95,337	58,334	-	-			12,879	48,321	45,454	-

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