

Annual Report

Franchise Association of New Zealand Inc
For the year ended 31 March 2022

Prepared by Inspired Accountants Ltd

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Compilation Report

Franchise Association of New Zealand Inc For the year ended 31 March 2022

Compilation Report to the Board of Franchise Association of New Zealand Inc

Scope

On the basis of information provided and in accordance with Service Engagement Standard 2 Compilation of Financial Information, we have compiled the financial statements of Franchise Association of New Zealand Inc for the year ended 31 March 2022.

These statements have been prepared in accordance with the accounting policies described in the Notes to these financial statements.

Responsibilities

The Board is solely responsible for the information contained in the financial statements and have determined that the Special Purpose Reporting Framework used is appropriate to meet your needs and for the purpose that the financial statements were prepared.

The financial statements were prepared exclusively for your benefit. We do not accept responsibility to any other person for the contents of the financial statements.

No Audit or Review Engagement Undertaken

Our procedures use accounting expertise to undertake the compilation of the financial statements from information you provided. Our procedures do not include verification or validation procedures. No audit or review engagement has been performed and accordingly no assurance is expressed.

Independence

We are not independent of Franchise Association of New Zealand Inc, because our firm Inspired Accountants Limited is a member of the Association.



Inspired Accountants Limited

Chartered Accountants

AUCKLAND

Dated: 20 May 2022

Statement of Financial Performance

Franchise Association of New Zealand Inc For the year ended 31 March 2022

	NOTES	2022	2021
Revenue			
Awards	3	16,499	-
Conference	4	107,522	29,869
Functions	5	1,598	2,676
New Members	6	150	100
Publications	7	100	105
Subscriptions - all members		291,953	277,336
Interest Income		190	119
Franchise Survey Sponsorship		20,000	-
General Sponsorship		43,654	40,699
Total Revenue		481,665	350,904
Gross Profit			
		481,665	350,904
Other Income			
Resurgence Support Payment		26,522	-
Wages & Salaries Subsidy Income		47,026	46,363
Total Other Income		73,548	46,363
Expenses			
ACC Levies		614	701
Accounting & Audit	10	5,826	6,980
APFC/WFC Membership Costs		649	1,394
Bad Debt - Write Off		796	-
Bank Fees & Credit card fees		6,562	3,115
Board Meeting Costs		1,500	112
CEO Meeting & Conference		69	126
Computer Maintenance & Support		1,065	1,190
Conference Cancellation Costs		-	5,580
Depreciation Expense	8	6,344	7,784
Discounts Allowed		874	1,037
Employment Recruitment		290	8,119
Events Development		11,875	-
General Expenses		7,052	2,953
Insurance		6,702	6,975
Internet Software and Licensing		15,098	13,596
Loss on Disposal		-	1,525
Office Relocation Costs		-	1,720
Office Stationery		486	737
Online Course Maintenance Fee		1,045	665
Photocopier		2,156	1,917
Postage & Couriers		182	406
PR & Advertising		2,498	412

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

	NOTES	2022	2021
Rent & Rates Outgoings	11	16,900	16,283
Scrutineer Compliance Checks		7,825	11,350
Storage		-	191
Survey Costs - Massey & Giffith		22,316	-
Telecommunications		848	1,227
Travel and Accommodation		917	1,429
Wages & Salaries		348,152	283,581
Website Maintenance		3,821	8,344
Total Expenses		472,462	389,451
Net Profit (Loss) Before Taxation		82,751	7,816
Net Profit (Loss) After Taxation		82,751	7,816

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

Statement of Changes in Equity

Franchise Association of New Zealand Inc
For the year ended 31 March 2022

	2022	2021
Equity		
Opening Balance	157,211	149,395
Increases		
Profit or Loss for the Year	82,751	7,816
Total Increases	82,751	7,816
Total Equity	239,962	157,211

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

Statement of Financial Position

Franchise Association of New Zealand Inc As at 31 March 2022

	NOTES	31 MAR 2022	31 MAR 2021
Assets			
Current Assets			
Cash and Bank			
Westpac - Eftpos Account		129	155
Westpac - Online Saver Account		11,069	11,063
Westpac - Operating Account		386,985	259,047
Total Cash and Bank		398,183	270,265
Trade and Other Receivables			
Accounts Receivable		81,125	89,348
Awards Costs Prepaid		15,647	22,105
Bond for Lease		1,408	1,408
Conference Costs Prepaid		5,552	33,064
Online Webinar Prepaid		6,600	-
Total Trade and Other Receivables		110,333	145,926
Inventory		960	2,984
Income Tax Receivable	9	57	36
Total Current Assets		509,532	419,211
Non-Current Assets			
Property, Plant and Equipment	8	9,406	13,562
Total Non-Current Assets		9,406	13,562
Total Assets		518,939	432,773
Liabilities			
Current Liabilities			
Trade and Other Payables		16,156	7,451
GST Payable		18,843	27,432
Income in Advance			
Pre paid income		-	4,750
Membership Fees for next year		229,117	226,087
Total Income in Advance		229,117	230,837
Employee Entitlements		14,861	9,841
Total Current Liabilities		278,977	275,561
Total Liabilities		278,977	275,561
Net Assets		239,962	157,211
Equity			
Retained Earnings		239,962	157,211
Total Equity		239,962	157,211

For and on behalf of the Board

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

Chairperson

Board Member

Date.....

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Notes to the Financial Statements

Franchise Association of New Zealand Inc For the year ended 31 March 2022

1. Reporting Entity

Franchise Association of New Zealand Inc is an incorporated society under the Incorporated Societies Act 1908.

Franchise Association of New Zealand Inc is not required to prepare financial statements that comply with generally accepted accounting practice and as a result the Franchise Association of New Zealand Inc has elected to prepare special purpose financial statements. The special purpose financial statements have been prepared to assist the Franchise Association of New Zealand Inc prepare a set of financial statements for management purposes and to report to its members. As a result the special purpose financial statements may not be suitable for other purpose.

2. Statement of Accounting Policies

Measurement Base

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.

Specific Accounting Policies

The following specific accounting policies, which materially affect the measurement of financial performance and financial position of the incorporated society, have been applied.

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.

Property, Plant and Equipment

Property, plant and equipment are valued at cost less accumulated depreciation.

Depreciation

Depreciation of the assets has been calculated at the maximum rates permitted for Income Tax purposes.

Computer, Software and Website - 25% to 50%

Office Furniture and Equipment - 15.6% to 40%

Income Tax

Income tax is accounted for using the taxes payable method. Income derived from members, for member activities, is exempt from income tax. Other non-member income, above the exemption of \$1,000, is taxable at 28% (2021: 28%).

Inventory

Inventories are stated at the lower of cost or net realisable value.

Accounts Receivable

Accounts Receivable are stated at their estimated realisable value. Bad debts are written off in the year they are identified.

Investments

Investments are valued at cost.

Revenue

Revenue is recognised on an accrual basis. Revenue is deferred until the associated obligations have been complied with.

Trade and other payables

Trade and other payables are recorded when it is probable that future sacrifice of service potential or future economic benefits will be required and the amount of the liability can be measured reliably.

Employee entitlements

Employee entitlements for salaries and wages, annual leave, long service leave and other benefits are generally recognised when they accrue to employees.

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.

	2022	2021
3. Awards		
Awards Sales Revenue	15,875	-
Awards Sponsorship	48,140	-
Awards Expenses	(47,516)	-
Net Income (Loss)	16,499	-
	2022	2021

4. Conference		
Conference Sales Revenue	185,183	52,675
Conference Sponsorship	66,437	35,000
Conference Expenses	(144,099)	(57,806)
Total Conference	107,522	29,869

The Conference held in November 2020 was the One Day Summit

	2022	2021
5. Functions		
Functions Income	2,000	2,000
Functions Expenses	(402)	676
Net Income (Loss)	1,598	2,676
	2022	2021

6. New Members		
New Members Income	1,800	3,400

New Members Expenses	(1,650)	(3,300)
Net Income (Loss)	150	100
	2022	2021

7. Publications

Publicational Income	100	105
Net Income (Loss)	100	105
	2022	2021

8. Property, Plant and Equipment

Computer, Software & Website		
Computer, Software & Website	73,858	71,670
Accumulated depreciation - Computer, Software & Website	(66,420)	(60,760)
Total Computer, Software & Website	7,439	10,911
Office Furniture & Equipment		
Office Furniture & Equipment	7,006	7,006
Accumulated depreciation - Office Furniture & Equipment	(5,038)	(4,355)
Total Office Furniture & Equipment	1,968	2,651
Total Property, Plant and Equipment	9,406	13,562
	2022	2021

Depreciation

Computer, Software & Website	5,660	7,070
Office Furniture & Equipment	684	714
Leasehold Additions	-	-
Total Depreciation	6,344	7,784
	2022	2021

9. Income Tax Expense

Interest, Dividend & Sublease and WFC Income		
Interest Income	190	119
Total Interest, Dividend & Sublease and WFC Income	190	119
Deductions from Taxable Profit		
Allocation of Related Expenses	-	-
Loss carried forward	-	-
Non-Profit Body Exemption	190	119
Total Deductions from Taxable Profit	190	119
Taxable Profit (Loss)	-	-
Tax Payable at 28%	-	-
Deductions from Tax Payable		
Tax Opening Balance	36	51

	2022	2021
Dividend Imputation Credits	-	-
Resident Withholding Tax Paid	57	36
Provisional Tax Paid	-	-
Tax Refund Received	(36)	(51)
Rounding Adjustments	-	-
Total Deductions from Tax Payable	57	36
Income Tax Payable (Refund Due)	(57)	(36)

10. Accounting & Audit

This cost is made up of \$5,100 for accounting consultancy services, \$726 for Xero.

11. Rent & Outgoings

The Franchise Association of New Zealand Inc leases an office space at 4 Whetu Place, Rosedale, Auckland.

12. Total Turnover

The Franchise Association of New Zealand Inc total turnover for the year is \$675,332 (2021: \$413,115).

13. Commitments

Capital Commitments

There are no capital commitments contracted for at balance date.

14. Contingent Liabilities

No contingent liabilities are known to exist at balance date. (2021 Nil)

15. Related Party Transactions

The Association has transacted during the year with members for the supply of services. All transactions have been executed at normal commercial rates or less.

16. Going Concern

COVID 19 was declared a pandemic by the World Health Organisation on 11 March 2020. Since this date, New Zealand has been in various alert levels which has affected movement in and out of the country and at times preventing large gatherings from taking place. In November 2021 the New Zealand Government confirmed a transition from a national strategy of elimination of the COVID 19 virus to a national strategy of suppression of the virus, facilitated by the use of COVID 19 vaccine certificates and the COVID 19 traffic lights protection framework. The framework came to affect on the 3rd December 2021 for New Zealand. Currently the whole of New Zealand is in the orange traffic light setting which means that the virus is circulating in the community, and most businesses have returned back to work and restrictions have eased.

At the date of signing off the financial statements the Association has been able to absorb the financial impact of COVID 19. The Association continues to receive revenue through membership subscriptions, planned sponsorship and conferences. It is hoped, the Association will not be significantly impacted should COVID 19 restrictions return. As a result, the Board believes the Association has sufficient resources to continue to operate for the foreseeable future.