

# Annual Report

Franchise Association of New Zealand Inc  
For the year ended 31 March 2021

Prepared by Inspired Accountants Ltd

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# Compilation Report

## Franchise Association of New Zealand Inc For the year ended 31 March 2021

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 2021.

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: 27 April 2021

# Statement of Financial Performance

Franchise Association of New Zealand Inc  
For the year ended 31 March 2021

	NOTES	2021	2020
<b>Revenue</b>			
Awards	3	-	616
Conference	4	29,869	111,765
Functions	5	2,676	10,729
New Members	6	100	(900)
Publications	7	105	274
Subscriptions - all members		277,336	273,121
Interest Income		119	171
Franchise Survey Sponsorship		-	10,000
General Sponsorship		40,699	38,102
<b>Total Revenue</b>		<b>350,904</b>	<b>443,878</b>
<b>Gross Profit</b>		<b>350,904</b>	<b>443,878</b>
<b>Other Income</b>			
Wages & Salaries Subsidy Income		46,363	-
<b>Total Other Income</b>		<b>46,363</b>	<b>-</b>
<b>Expenses</b>			
ACC Levies		701	569
Accounting & Audit	11	6,980	10,528
APFC/WFC Membership Costs		1,394	775
Bank Fees & Credit card fees		3,115	2,544
Board Meeting Costs		112	-
CEO Meeting & Conference		126	483
Computer Maintenance & Support		1,190	463
Conference Cancellation Costs		5,580	-
Depreciation Expense	8	7,784	8,519
Discounts Allowed		1,037	1,354
Strategy Planning & Advice		-	3,438
Employment Recruitment		8,119	-
Other Expenses		2,953	3,657
Insurance		6,975	6,310
Loss on Disposal		1,525	-
Office Relocation Costs		1,720	-
Office Stationery		737	856
Online Course Maintenance Fee		665	475
Photocopier		1,917	2,481
Political Advocacy		-	1,601
Postage & Couriers		406	977
PR & Advertising		412	1,057
Rent & Rates Outgoings	12	16,283	14,300
Scrutineer Compliance Checks		11,350	11,050

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	2021	2020
Storage		191	1,565
Survey Costs - Massey & Giffith		-	12,000
Telecommunications		1,227	2,969
Travel and Accommodation		1,429	14,989
Wages & Salaries		283,581	291,541
Internet Software and Licensing		13,596	8,728
Website Maintenance	10	8,344	-
<b>Total Expenses</b>		<b>389,451</b>	<b>403,228</b>
<b>Net Profit (Loss) Before Taxation</b>		<b>7,816</b>	<b>40,650</b>
<b>Net Profit (Loss) After Taxation</b>		<b>7,816</b>	<b>40,650</b>

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 2021

	2021	2020
<b>Equity</b>		
Opening Balance	149,395	108,746
<b>Increases</b>		
Profit or Loss for the Year	7,816	40,650
<b>Total Increases</b>	<b>7,816</b>	<b>40,650</b>
<b>Total Equity</b>	<b>157,211</b>	<b>149,395</b>

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

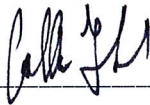
As at 31 March 2021

	NOTES	31 MAR 2021	31 MAR 2020
<b>Assets</b>			
<b>Current Assets</b>			
<b>Cash and Bank</b>			
Petty Cash		155	157
Westpac - Call Account		11,063	11,056
Westpac - Cheque Account		259,047	266,539
<b>Total Cash and Bank</b>		<b>270,265</b>	<b>277,753</b>
<b>Trade and Other Receivables</b>			
Accounts Receivable		89,348	123,890
Awards Costs Prepaid		22,105	14,875
Conference Costs Prepaid		33,064	14,236
Bond for Lease		1,408	-
<b>Total Trade and Other Receivables</b>		<b>145,926</b>	<b>153,001</b>
Inventory		2,984	3,396
GST Receivable		-	7,396
Income Tax Receivable	9	36	51
<b>Total Current Assets</b>		<b>419,211</b>	<b>441,597</b>
<b>Non-Current Assets</b>			
<b>Property, Plant and Equipment</b>			
<b>Computer, Software &amp; Website</b>			
Computer and Website		71,670	80,116
Computer and Website Accum Depn		(60,760)	(64,150)
Furniture & Equipment		7,006	13,682
Furniture & Equipmt Accum Depn		(4,355)	(9,505)
<b>Total Computer, Software &amp; Website</b>		<b>13,562</b>	<b>20,143</b>
<b>Total Property, Plant and Equipment</b>		<b>13,562</b>	<b>20,143</b>
<b>Total Non-Current Assets</b>		<b>13,562</b>	<b>20,143</b>
<b>Total Assets</b>		<b>432,773</b>	<b>461,740</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
<b>Trade and Other Payables</b>			
Accounts Payable		7,451	14,511
<b>Total Trade and Other Payables</b>		<b>7,451</b>	<b>14,511</b>
Accrued Liabilities		-	3,450
GST Payable		27,432	-
<b>Income in Advance</b>			
Pre paid income		4,750	5,500

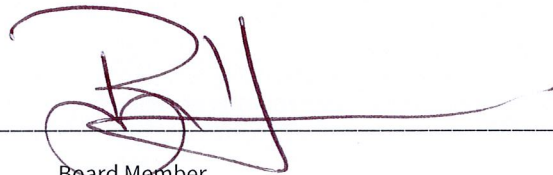
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	NOTES	31 MAR 2021	31 MAR 2020
Membership Fees for next year		226,087	255,703
<b>Total Income in Advance</b>		<b>230,837</b>	<b>261,203</b>
Employee Entitlements		9,841	7,892
COVID-19 Government Funding		-	25,289
<b>Total Current Liabilities</b>		<b>275,561</b>	<b>312,344</b>
<b>Total Liabilities</b>		<b>275,561</b>	<b>312,344</b>
<b>Net Assets</b>		<b>157,211</b>	<b>149,395</b>
<b>Equity</b>			
Retained Earnings		157,211	149,395
<b>Total Equity</b>		<b>157,211</b>	<b>149,395</b>

For and on behalf of the Board



Chairperson



Board Member

Date..... 19.05.2021 .....

# Notes to the Financial Statements

## Franchise Association of New Zealand Inc For the year ended 31 March 2021

### 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 - 16% to 30%

#### 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% (2020: 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.

	2021	2020
<b>3. Awards</b>		
Awards Sales Revenue	-	53,045
Awards Sponsorship	-	61,365
Awards Expenses	-	(113,795)
Net Income (Loss)	-	616
	2021	2020

## 4. Conference

Conference Sales Revenue	52,675	302,589
Conference Sponsorship	35,000	56,368
Conference Expenses	(57,806)	(247,192)
Total Conference	29,869	111,765

The Conference held in November 2020 was the One Day Summit

	2021	2020
<b>5. Functions</b>		
Functions Income	3,781	23,522
Functions Expenses	(1,105)	(12,793)
Net Income (Loss)	2,676	10,729
	2021	2020

## 6. New Members

New Members Income	3,400	2,200
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New Members Expenses	(3,300)	(3,100)
Net Income (Loss)	100	(900)
	2021	2020

### 7. Publications

Publicational Income	105	274
Net Income (Loss)	105	274
	2021	2020

### 8. Property, Plant and Equipment

<b>Computer, Software &amp; Website</b>		
Computer, Software & Website	71,670	80,116
Accumulated depreciation - Computer, Software & Website	(60,760)	(64,150)
<b>Total Computer, Software &amp; Website</b>	<b>10,911</b>	<b>15,966</b>
<b>Office Furniture &amp; Equipment</b>		
Office Furniture & Equipment	7,006	13,682
Accumulated depreciation - Office Furniture & Equipment	(4,355)	(9,505)
<b>Total Office Furniture &amp; Equipment</b>	<b>2,651</b>	<b>4,176</b>
<b>Total Property, Plant and Equipment</b>	<b>13,562</b>	<b>20,143</b>
	2021	2020

### Depreciation

Computer, Software & Website	7,070	7,196
Office Furniture & Equipment	714	1,323
Leasehold Additions	-	-
<b>Total Depreciation</b>	<b>7,784</b>	<b>8,519</b>
	2021	2020

### 9. Income Tax Expense

<b>Interest, Dividend &amp; Sublease and WFC Income</b>		
Interest Income	119	171
<b>Total Interest, Dividend &amp; Sublease and WFC Income</b>	<b>119</b>	<b>171</b>
<b>Deductions from Taxable Profit</b>		
Allocation of Related Expenses	-	-
Loss carried forward	-	-
Non-Profit Body Exemption	119	171
<b>Total Deductions from Taxable Profit</b>	<b>119</b>	<b>171</b>
Taxable Profit (Loss)	-	-
Tax Payable at 28%	-	-
<b>Deductions from Tax Payable</b>		
Tax Opening Balance	51	63

	2021	2020
Dividend Imputation Credits	-	-
Resident Withholding Tax Paid	36	51
Provisional Tax Paid	-	-
Tax Refund Received	(51)	(63)
Rounding Adjustments	-	-
<b>Total Deductions from Tax Payable</b>	<b>36</b>	<b>51</b>
Income Tax Payable (Refund Due)	(36)	(51)

## 10. Website Maintenance

The costs associated with website developments have been expensed in full, in previous years these costs were capitalised and depreciated.

## 11. Accounting & Audit

This cost is made up of \$1,160 for audit services, \$5,100 for accounting consultancy services, \$720 for Xero.

## 12. Rent & Outgoings

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

## 13. Total Turnover

The Franchise Association of New Zealand Inc total turnover for the year is \$413,115 (2020: \$820,758).

## 14. Commitments

### Capital Commitments

There are no capital commitments contracted for at balance date.

## 15. Contingent Liabilities

No contingent liabilities are known to exist at balance date. (2020 Nil)

## 16. 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.

## 17. Going Concern

COVID-19 was declared a global health emergency on 31 January 2020 by the World Health Organisation and the subsequent announcement by the NZ Government was made that all non-essential businesses were to close effective 25 March 2020.

As at the date of these financial statements, COVID -19 continues to be a global health emergency.

The emergency has had a negative effect on the Association's activities, and that may continue in the forthcoming year.

This may therefore change significantly the Association's forecast financial performance which supports the going concern assumption under which these financial statements have been prepared.

Under normal circumstances the Board would state that the Association is a going concern and able to meet its obligations as they fall due. Because of the expected continuing implications of COVID-19 on members, the Board have taken a conservative view that the Association will sustain a loss in the coming year. Fortunately, the Association has an adequate level of reserves to

be able to withstand the projected loss over the next 12 months. For these reasons, the Board continue to adopt the going concern assumption in preparing the financial statements for the year ended 31 March 2021.