

NEW ZEALAND HOT ROD ASSOCIATION INC

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2013

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NEW ZEALAND HOT ROD ASSOCIATION INC
DIRECTORY
FOR THE YEAR ENDED 30 JUNE, 2013

Nature of Business	To encourage and enhance member participation and enjoyment of safe Hot Rodding and its related activities, to foster the development, achievement, and success gained through involvement with unique and individual automobiles and, in doing so, positively promoting the sport of Hot Rodding to those outside the organisation.
Executive Committee	Warren Pattinson (Acting President & Zone 1 Director) Ian McNeill (Zone 2 Director) (North Island VP) Errol Uttinger (Zone 3 Director) Chris Sinkinson (Zone 4 Director) Mike Clyma (Zone 5 Director) Paul Jensen (Zone 6 Director) Robert Ferns (Zone 7 Director) Ash Oldham (Zone 8 Directors) Marty Cocks (Zone 9 Director) Brian Ward (Zone 10 Director) Pete Watson (Zone 11 Director & South Island VP)
Auditor	Ingham Mora Tauranga
Bankers	Bank of New Zealand Manakau City Centre Store
Solicitors	Holland Beckett Tauranga



NEW ZEALAND HOT ROD ASSOCIATION INC
STATEMENT OF FINANCIAL PERFORMANCE
 FOR THE YEAR ENDED 30 JUNE, 2013

	Parent & Group	
	2013	2012
	\$	\$
Income		
50th Anniversary - Dinner Tickets	-	5,978
50th Anniversary - Naming Sponsor	-	5,000
Affiliations	88,513	85,635
Affiliations (Day)	243	461
Club Registrations	7,166	6,961
Gain on sale of fixed assets	1,529	-
Fender Exemptions	6,517	6,857
HCTM Freight	1,166	1,213
HCTM Sales	26,747	25,591
HCTM Update	835	2,045
HR Lottery - Ticket Sales	-	118,661
Interest Received	5,098	7,768
Merchandise Income	11,490	6,377
Other Income	1,245	167
Royalties Received	2,634	2,819
Sanction Levies	3,478	3,826
Sponsorship	5,797	5,833
SRN Corporate Sponsorship	8,696	8,696
Total Income	171,155	293,887
Less Expenses (page 3)	251,328	311,530
Net Surplus/(Deficit) for the year (page 4)	(80,172)	(17,643)

The accompanying notes form part of these financial statements.

NEW ZEALAND HOT ROD ASSOCIATION INC
SCHEDULE OF EXPENSES
 FOR THE YEAR ENDED 30 JUNE, 2013

	Parent & Group	
	2013	2012
	\$	\$
Expenses		
50th Anniversary - Consultancy fee	-	1,360
50th Anniversary - Venue	-	32,459
50th Anniversary - Other Items	-	3,044
50th Anniversary - Travel	-	10,697
50th Anniversary - Guests	-	12,987
50th Anniversary - Gift Bag Items	-	6,137
ACC Levies	986	622
Accommodation - Executive Other	135	6,863
Accountancy	2,201	2,205
Advertising	2,998	6,614
Affiliation Cards	2,215	-
Audit Fee	4,121	2,408
Bad Debts Written Off	-	861
Bank Fees & Charges	1,377	1,433
Computer Expenses	627	393
Cleaning	260	210
Electricity and Gas	653	546
Employment Costs	6,990	-
Freight & Courier	1,610	2,397
General Expenses	251	593
Gifts & Flowers	210	149
HCTM - Advertising	701	2,304
HCTM - Freight	2,633	2,389
HCTM - LVVTA Royalty	3,738	3,800
HCTM - LVVTA Royalty Updates	98	283
HCTM - Printing	11,287	5,586
Hot Rod Show - Venue	25,000	-
HR Lottery - Advertising	-	325
HR Lottery - Club Rebates	-	18,651
HR Lottery - Interest on Loan	-	2,893
HR Lottery - Motor Vehicle Expenses	-	6,800
HR Lottery - Prizes	-	36,957
HR Lottery - Ticket Printing	-	1,965
Insurance	8,685	8,636
Interest - Bank Overdraft	119	-
Low Value Asset Purchases	78	-
LVVTA Insurance	425	529
Merchandise	4,257	6,674
National Show - Travel	8,172	-
National Show - Accomodation & Meals	10,678	-
NZHRA - Juniors	475	686
Photocopying Costs	4,869	4,845
Plaques & Trophies	1,091	1,216
Postage	3,848	3,515
Printing & Stationery	5,174	6,800
Promotion of NZHRA	802	-
Rent	13,200	13,200
Repairs and Maintenance	30	-
Sponsorship	16,500	-
SRN - Sponsorship Expenses	4,348	8,696
Storage Facility	1,169	1,137
Street Rod Nationals	400	-
Telephone & Tolls	1,723	1,705
Travel - In Zone	2,646	1,524
Travel & Accomodation - Meetings	12,659	9,584
Travel - Office	-	901
Travel - President	-	1,390
Travel Fund - Street Rod Nationals	3,900	-
Travel & Accomodation - LVVTA Meetings	831	757
Wages & Salaries	75,160	62,597
Website Expenses	399	535
Total Cash Expenses	249,733	308,856
Depreciation	1,595	2,673
Total Expenses (page 2)	251,328	311,530

The accompanying notes form part of these financial statements.



NEW ZEALAND HOT ROD ASSOCIATION INC
STATEMENT OF MOVEMENTS IN EQUITY
 FOR THE YEAR ENDED 30 JUNE, 2013

	Parent & Group	
	2013	2012
	\$	\$
Net Surplus/(Deficit) for the year (page 2)	(80,172)	(17,643)
Total Recognised Revenue and Expenses for the year	(80,172)	(17,643)
Equity at the beginning of year	179,598	197,239
<u>Equity at the end of year</u>	<u>99,429</u>	<u>179,598</u>

The accompanying notes form part of these financial statements.



NEW ZEALAND HOT ROD ASSOCIATION INC
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE, 2013

		Parent & Group	
	Note	2013	2012
		\$	\$
CURRENT ASSETS			
Bank of New Zealand Cheque Account		17,184	9,301
Bank of New Zealand Savings Account		257	583
Bank of New Zealand Business Saver		641	623
Undeposited Funds		2,663	0
GST Receivable		0	0
Accounts Receivable	5	420	895
Accrued Income	3	1,916	1,603
Prepayments	2	6,360	29,303
Inventory on Hand		12,898	12,537
Term Deposits		90,000	132,800
Lottery Prize - Car	6	36,000	0
Total Current Assets		168,339	187,644
NON-CURRENT ASSETS			
Fixed Assets	8	5,393	8,437
Shares - NZHRA Promotional Limited		100	100
Total Non-Current Assets		5,493	8,537
Total Assets		173,832	196,181
CURRENT LIABILITIES			
Accounts Payable		17,186	5,792
Income In Advance	4	11,494	7,183
Bank of New Zealand Visa		85	0
GST Payable		76	97
Bank of New Zealand Loan - Raffle prize	7	36,000	0
Accrued Liabilities		4,900	3,413
Accrued Wages		1,061	0
Accrued Holiday Pay		3,501	0
Loan - NZHRA Promotional Ltd		100	100
Total Current Liabilities		74,403	16,585
Net Assets		99,429	179,598
Total Accumulated Funds		99,429	179,598

For and on behalf of the Association:



President

2-11-13

Date



Treasurer

2-11-13

Date

The accompanying notes form part of these financial statements.



NEW ZEALAND HOT ROD ASSOCIATION INC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2013

1. Statement of Accounting Policies

Reporting Entity

The New Zealand Hot Rod Association Inc. is incorporated under the Incorporated Societies Act 1908.

The association and its subsidiary comprise the New Zealand Hot Rod Association Inc. Group.

The financial statements of the association and the Group have been prepared as required by the Incorporated Societies Act 1908 and generally accepted accounting practice.

Measurement Base

The accounting principles recognised as appropriate for the measurement of financial performance and financial position on a historical cost basis are followed by the New Zealand Hot Rod Association Inc. Group.

Specific Accounting Policies

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

(a) Basis of Consolidation - Purchase Method

The consolidated financial statements include the parent association and its subsidiary accounted for using the purchase method. All significant inter-entity transactions are eliminated on consolidation. In the Association's financial statements, investment in the subsidiary is recognised at cost.

(b) Accounts Receivable

Accounts Receivable are stated at their expected realisable values.

(c) Inventories

Inventories are stated at the lower of cost or net realisable value on a first in first out basis.

(d) Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation.

(e) Depreciation

Depreciation has been written off fixed assets using a diminishing value basis:
Office Equipment 14% - 80%

(f) Liabilities

Liabilities are stated at estimated amounts payable.

(g) Goods and Service Tax

The financial statements have been prepared on a GST exclusive basis, so that all items are recorded at their cost net of GST except accounts receivable and accounts payable which are GST inclusive.

(h) Income Tax

The association and its subsidiary are exempt from income tax in accordance with section CW46 of the Income Tax Act 2007.



NEW ZEALAND HOT ROD ASSOCIATION INC
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE, 2013

1. Statement of Accounting Policies continued

(i) Differential Reporting

The association and group qualifies for differential reporting as they are not publicly accountable and are not large. The association and group have taken advantage of all differential reporting exemptions.

The financial statements have been prepared taking the exemption from the application of New Zealand equivalents to International Financial Reporting Standards permitted by the External Reporting Board.

(j) Changes in Accounting Policies

There have been no changes in accounting policies. All policies have been applied on bases consistent with those used in previous years.

	<u>Parent & Group</u>	
	2013	2012
	\$	\$
2. Prepayments		
Prepaid expenses	6,360	29,303
3. Accrued Income		
Interest Receivable	1,916	1,603
4. Income in Advance		
Income for the 2013/2014 year	11,494	7,183
5 Accounts Receivable		
Total Accounts Receivable	420	895

6. Lottery Prize - Car

This is the acquisition cost of the motor vehicle, being the prize for the lottery to be run by the Association. The lottery will be drawn in the financial year ending 30 June 2014.

7. 2011 NZHRA Car Lottery Loan

A loan of \$36,000 was drawn down from the Bank of New Zealand by the Association. This is being used to finance the purchase of the car prize for a lottery to be drawn by the Association in the financial year ending 30 June 2014. The associated interest has been recognised in the Statement of Financial Performance. The Bank of New Zealand Loan was secured by the Association's term deposits. The loan is due to be repaid in the 2014 financial year.



NEW ZEALAND HOT ROD ASSOCIATION INC
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE, 2013

8. Fixed Assets	Parent & Group
2013	<u>Office</u>
	<u>Equipment</u>
Opening Cost	21,698
Additions	0
Disposals	1,574
Closing Cost	<u>20,124</u>
Opening Accumulated Depreciation	13,261
Depreciation on Disposals	125
Depreciation Charge for Year	1,595
Closing Accumulated Depreciation	<u>14,731</u>
Closing Book Value	<u>5,393</u>
2012	Parent & Group
	<u>Office</u>
	<u>Equipment</u>
Opening Cost	15,369
Additions	7,902
Disposals	0
Closing Cost	<u>23,271</u>
Opening Accumulated Depreciation	12,161
Depreciation on Disposals	0
Depreciation Charge for Year	2,673
Closing Accumulated Depreciation	<u>14,834</u>
Closing Book Value	<u>8,437</u>

9. Related Party Transactions

The Board of Directors of NZHRA Promotional Limited (the Company) is represented by 2 of the members of the Board of the New Zealand Hot Rod Association Incorporated (the Association).

There were no transactions between the Association and the Company during the year.

As at 30 June 2013, there is a balance of \$100 owing to the Company from the Association, (2012:\$100). The balance owing is on demand, interest free and unsecured.

10. Contingent Liabilities

There were no contingent liabilities at balance date. (2012 : nil)



NEW ZEALAND HOT ROD ASSOCIATION INC
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE, 2013

11. Commitments

There were no capital commitments at balance date. (2012 : nil)

Photocopier lease commitment under non-cancellable operating lease:

	<u>Parent & Group</u>	
	2013	2012
Current	2,308	2,066
Non-current	9,228	1,205
	<hr/>	<hr/>
Total operating lease commitments	<u>11,536</u>	<u>3,271</u>

12. Investment in Subsidiary

	<u>Percentage Held</u>		<u>Balance Date</u>
	2013	2012	
NZHRA Promotional Limited	100%	100%	30 June

The company is non trading. It has no assets or liabilities but is being retained for possible future use.



INDEPENDENT AUDITOR'S REPORT

To the Committee of New Zealand Hot Rod Association Inc. and Group

Report on the Financial Statements

We have audited the financial statements of New Zealand Hot Rod Association Inc. (the Society) and Group on pages 2 to 9, which comprises of the statement of financial position of the Society and Group as at 30 June 2013, the statement of financial performance and statement of movement in equity for the year then ended, and a summary of significant accounting policies and other explanatory information. The Group comprises the Society and the entities it controlled at 30 June 2013 or from time to time during the financial year.

Committee's Responsibility for the Financial Statements

The committee is responsible for the preparation and fair presentation of these financial statements in accordance with generally accepted accounting practice in New Zealand and for such internal control as the committee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand).

Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

We have prepared the financial statements in reporting format from the association and group general ledger. This matter has not impaired our independence as auditors of the association and group. We have no other relationship with or interests in the society or group.

Opinion

In our opinion, the financial statements on pages 2 to 9 present fairly, in all material respects, the financial position of New Zealand Hot Rod Association Inc. and Group as at 30 June 2013, and its financial performance for the year then ended in accordance with generally accepted accounting practice in New Zealand.



INGHAM MORA
Tauranga
14 November 2013