

# Special Purpose Financial Statements

Window & Glass Association New Zealand Incorporated  
For the year ended 31 December 2018

Prepared by Management Accountants 2016 Limited

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# Independent Auditor's Report

To the members of Window and Glass Association New Zealand Incorporated

## Report on the special purpose financial statements

### Opinion

In our opinion, the accompanying special purpose financial statements of Window and Glass Association New Zealand Incorporated (the incorporated society) on pages 7 to 15:

- i. present, in all material respects the incorporated society's financial position as at 31 December 2018 and its financial performance and cash flows for the year ended on that date in compliance with the Tax Administration (Financial Statements) Order 2014.

We have audited the accompanying special purpose financial statements which comprise:

- the balance sheet as at 31 December 2018;
- the statements of profit and loss and changes in equity for the year then ended; and
- notes, including a summary of significant accounting policies and other explanatory information.



### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ('ISAs (NZ)'). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the incorporated society in accordance with Professional and Ethical Standard 1 (Revised) Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our responsibilities under ISAs (NZ) are further described in the auditor's responsibilities for the audit of the special purpose financial statements section of our report.

Our firm has also provided other services to the incorporated society in relation to general accounting advice. Subject to certain restrictions, partners and employees of our firm may also deal with the incorporated society on normal terms within the ordinary course of trading activities of the business of the incorporated society. These matters have not impaired our independence as auditor of the incorporated society. The firm has no other relationship with, or interest in, the incorporated society.



### Emphasis of matter – Basis of Accounting

Without modifying our opinion, we draw attention to page 10 of the special purpose financial statements, which describes the basis of accounting. The special purpose financial statements are prepared in accordance with Tax Administration (Financial Statements) Order 2014. As a result, the special purpose financial statements may not be suitable for another purpose.



### Other information

The Management Committee, on behalf of the incorporated society, are responsible for the other information included in the entity's Annual Report. Our opinion on the special purpose financial statements does not cover any other information and we do not express any form of assurance conclusion thereon.



In connection with our audit of the special purpose financial statements our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the special purpose financial statements or our knowledge obtained in the audit or otherwise appears materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



## Use of this independent auditor's report

This independent auditor's report is made solely to the members as a body. Our audit work has been undertaken so that we might state to the members those matters we are required to state to them in the independent auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the members as a body for our audit work, this independent auditor's report, or any of the opinions we have formed.



## Responsibilities of the Management Committee for the special purpose financial statements

The Management Committee, on behalf of the incorporated society, are responsible for:

- the preparation of the special purpose financial statements in accordance with the Tax Administration (Financial Statements) Order 2014;
- implementing necessary internal control to enable the preparation of a special purpose set of financial statements that is free from material misstatement, whether due to fraud or error; and
- assessing the ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations, or have no realistic alternative but to do so.



## Auditor's responsibilities for the audit of the special purpose financial statements

Our objective is:

- to obtain reasonable assurance about whether the special purpose financial statements as a whole are free from material misstatement, whether due to fraud or error; and
- to issue an independent auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs NZ will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these special purpose financial statements.

A further description of our responsibilities for the audit of these special purpose financial statements is located at the External Reporting Board (XRB) website at:

<http://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-8/>

This description forms part of our independent auditor's report.

KPMG  
Auckland

4 April 2019

# Approval of Special Purpose Financial Statements

## Window & Glass Association New Zealand Incorporated

For the year ended 31 December 2018

The Director is pleased to present the special purpose financial report, including the financial statements of Window & Glass Association of New Zealand Incorporated, for the year ended 31 December 2018



Brett Francis

Dated: \_\_\_\_\_

4/4/19

# Society Directory

## Window & Glass Association New Zealand Incorporated For the year ended 31 December 2018

### Registered Office

Unit A, Building 1  
100 Bush Rd, Rosedale,  
Auckland 0632

### Incorporation Number

866747

### IRD Number

043-881-477

### Director

Brett Francis

### Chartered Accountants

Management Accountants 2016 Limited  
Auckland

### Auditors

KPMG  
PO Box 1584  
Auckland 1140

### Bankers

ANZ Bank Limited  
60-64 Courtenay Place  
Wellington 6011

ASB Bank Limited  
Shop 143 Queensgate  
Lower Hutt 5010

Rabobank Limited  
157 Lambton Quay  
Lower Hutt 6011

# Statement of Profit or Loss

## Window & Glass Association New Zealand Incorporated For the year ended 31 December 2018

	NOTES	2018	2017
<b>Revenue</b>			
Revenue	1	305,793	335,021
Interest Received		18,541	34,139
<b>Gross Profit</b>		<b>324,334</b>	<b>369,160</b>
<b>Total Income</b>		<b>324,334</b>	<b>369,160</b>
<b>Expenses</b>			
Administration	2	300,137	175,266
Amortisation		23,749	15,901
Depreciation - property, plant & equipment		10,653	2,735
Loss on disposal of fixed assets		-	13,095
Operating	3	411,428	267,906
<b>Total Expenses</b>		<b>745,967</b>	<b>474,902</b>
<b>Profit (Loss) Before Taxation</b>		<b>(421,633)</b>	<b>(105,742)</b>
<b>Taxation and Adjustments</b>			
<b>Non-Deductible Expenses</b>			
Income tax expense	4	4,304	8,648
<b>Total Non-Deductible Expenses</b>		<b>4,304</b>	<b>8,648</b>
<b>Total Taxation and Adjustments</b>		<b>4,304</b>	<b>8,648</b>
<b>Net Income (Deficit) for the Year</b>		<b>(425,937)</b>	<b>(114,390)</b>



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

# Statement of Changes in Equity

## Window & Glass Association New Zealand Incorporated For the year ended 31 December 2018

	NOTES	2018	2017
<b>Equity</b>			
Equity at Beginning of Year		972,708	1,087,098
Net Deficit for the Year		(425,937)	(114,390)
<b>Equity at End of Year</b>		<b>546,771</b>	<b>972,708</b>



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

# Balance Sheet

## Window & Glass Association New Zealand Incorporated As at 31 December 2018

	NOTES	31 DEC 2018	31 DEC 2017
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Bank	6	74,172	15,587
Interest receivable		2,752	4,122
Accounts Receivable		666,355	-
Prepayments		-	52,457
GST Receivable		-	17,277
Income Tax Receivable	5	3,622	13,411
Investments	7	455,875	844,313
<b>Total Current Assets</b>		<b>1,202,776</b>	<b>947,167</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	8	22,799	31,952
Intangibles	9	60,692	16,901
<b>Total Non-Current Assets</b>		<b>83,491</b>	<b>48,853</b>
<b>Total Assets</b>		<b>1,286,268</b>	<b>996,020</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts Payable		14,273	23,312
GST Payable		70,887	-
Income Received in Advance		610,825	-
Holiday Pay Liability		13,569	-
PAYE Liability		11,191	-
Wages Liability		18,751	-
<b>Total Current Liabilities</b>		<b>739,496</b>	<b>23,312</b>
<b>Total Liabilities</b>		<b>739,496</b>	<b>23,312</b>
<b>Net Assets</b>		<b>546,771</b>	<b>972,708</b>
<b>Equity</b>			
Retained Earnings		546,771	972,708
<b>Total Equity</b>		<b>546,771</b>	<b>972,708</b>



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

# Statement of Accounting Policies

## Window & Glass Association New Zealand Incorporated For the year ended 31 December 2018

### Basis of Preparation

The Window & Glass Association of New Zealand Incorporated is the reporting entity. The financial statements have been prepared in accordance with the requirements of the Incorporated Societies Act 1908 and the Tax Administration (Financial Statements) Order 2014.

The special purpose financial statements comprise of a statement of profit and loss, balance sheet, statement of movements in equity, statement of accounting policies and the notes to the special purpose financial statements.

The special purpose financial statements have been prepared applying the accounting principles of accrual accounting and the double entry method of recording financial transactions. They comply with the New Zealand Tax Administration (Financial Statements) Order 2014.

The Window and Glass Association NZ Inc has a wholly owned subsidiary - Glass and Glazing Institute of NZ Limited. The subsidiary is not being consolidated as part of these financial statements.

The special purpose financial statements have been prepared on the basis of historical cost.

### Principal Business Activity

The association is engaged in the business of providing information to members in the window and glass industry.

### Property, plant and equipment

Fixed assets are stated at cost less accumulated depreciation.

### Depreciation

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

Motor vehicles	30.00%	Diminishing value
Office equipment	40.00% - 60.00%	Diminishing value

Fixed life intangible property is depreciated over their legal life as follows:

Software	50.00%	Diminishing value
Trademarks	10.00%	Straight line
Website	50%	Straight line

### Receivables

Receivables are 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 recognised in the profit and loss account 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.

As the operating surplus is not available to be distributed amongst members, the association is exempt from taxation of net subscription income.



**Goods and services tax**

All amounts are shown exclusive of Goods and 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

## Window & Glass Association New Zealand Incorporated For the year ended 31 December 2018

	2018	2017
<b>1. Revenue</b>		
Associates	460	-
Component suppliers	28,201	33,823
Door Industry	3,840	13,693
Glass industry	79,545	83,737
Ian Hale award	-	3,913
Proprietary system fabricators	102,044	176,443
Proprietary system suppliers	71,475	2,608
Sales	-	52
Surface finishers	15,867	16,084
Window services	4,362	4,668
<b>Total Revenue</b>	<b>305,793</b>	<b>335,021</b>
	2018	2017
<b>2. Administration Expenses</b>		
Advertising & Marketing	63,730	-
Accident Compensation Levy	802	485
Accounting fees	22,742	11,016
Audit fees	8,025	7,087
AGM/Conference/Awards dinner	36,941	1,087
Bad debts	-	2,080
Bank charges and interest	313	315
Computer Expenses	8,052	-
Conference expenses	12,687	13,983
Door industry expenses	625	428
Entertainment - deductible	943	2,666
Entertainment - non deductible	1,085	3,014
Fringe Benefit Tax	(1,838)	2,676
GANZ expenses	9,271	33,080
Transfer to Glass and Glazing Institute of NZ Limited	73,287	-
General expenses	1,481	3,094
IRD Interest	81	-
Insurance	2,468	5,522
Legal Expenses	-	18,468
Meeting Expenses - Committee	4,796	-
Meeting expenses - Other	1,018	7,637
Member services	17,759	-
Office rental	10,329	20,800
Printing, Stationery & Postage	8,962	3,428
Professional fees	5,257	-
Publications and subscriptions	2,893	378

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



Recruitment fees	-	32,419
Technical committee expenses	-	1,027
Telephone, Tolls & Internet	4,633	4,281
Training expenses	3,796	294
<b>Total Administration Expenses</b>	<b>300,137</b>	<b>175,266</b>

2018                      2017

### 3. Operating Expenses

Electricity	229	840
Repairs and maintenance	-	183
Salaries	349,225	-
Secretarial fees	23,380	244,248
Travel - International	11,708	5,650
Travel - Domestic	24,525	16,986
Travel - Reimbursements	2,360	-
<b>Total Operating Expenses</b>	<b>411,428</b>	<b>267,906</b>

2018                      2017

### 4. Income Tax Expense

Net Profit (Loss) per Financial Statements	(421,633)	(105,742)
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#### Additions to Taxable Profit

##### Permanent Difference

Net subscription loss/(revenue)	431,991	146,862
<b>Total Permanent Difference</b>	<b>431,991</b>	<b>146,862</b>

Timing Difference	6,014	(8,565)
<b>Total Additions to Taxable Profit</b>	<b>438,005</b>	<b>138,297</b>

#### Deductions from Taxable Profit

Allowable Society Deduction	1,000	1,000
Losses brought forward	-	671
<b>Total Deductions from Taxable Profit</b>	<b>1,000</b>	<b>1,671</b>

Taxable Profit (Loss)	15,372	30,884
Tax Payable at 28%	4,304	8,647

#### Deductions from Tax Payable

Resident Withholding Tax Paid	5,980	10,592
<b>Total Deductions from Tax Payable</b>	<b>5,980</b>	<b>10,592</b>

Income Tax Payable (Refund Due) as per Tax Return	(1,676)	(1,945)
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2018                      2017

### 5. Income Tax Payable (Receivable) at end of Year

Opening Balance	(13,411)	(25,546)
Plus: Tax Payable for Current Year	4,304	8,647
Less: Tax Paid in Current Year	(5,980)	(10,592)
Plus: Tax (Paid) Refunded for Prior Years	11,465	14,080
<b>Total Income Tax Payable (Receivable) at end of Year</b>	<b>(3,622)</b>	<b>(13,411)</b>

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

	2018	2017
<b>6. Cash and Bank Balances</b>		
<b>Cash and Bank</b>		
ANZ Current Account	18,538	5,585
ANZ 25 Call Account	55,202	124
ANZ 02 Account	432	9,878
<b>Total Cash and Bank</b>	<b>74,172</b>	<b>15,587</b>
<b>Total Cash and Bank Balances Classified as follows:</b>		
Current Assets	74,172	15,587

	2018	2017
<b>7. Investments</b>		
ANZ Term Deposit - 1020	111,847	109,257
ANZ Term Deposit - 1021	109,904	107,892
ANZ Term Deposit - 1023	83,297	81,298
ANZ Term Deposit - 1024	-	72,407
ANZ Term Deposit - 1025	68,948	67,485
ANZ Term Deposit - 1026	81,880	80,000
ASB term deposit	-	217,440
BNZ term deposit - 0001	-	108,533
<b>Total Investments</b>	<b>455,875</b>	<b>844,313</b>

	2018	2017
<b>8. Property, Plant and Equipment</b>		
Motor Vehicles	19,187	27,410
Office Equipment	3,613	4,543
<b>Total Property, Plant and Equipment</b>	<b>22,799</b>	<b>31,952</b>

Further information is provided in the Depreciation Schedule included at the back of this report.

	2018	2017
<b>9. Intangible Assets</b>		
Trademarks	6,104	1,325
Computer Software	137	274
Software	7,651	15,302
Website	46,800	-
<b>Total Intangible Assets</b>	<b>60,692</b>	<b>16,901</b>

	2018	2017
<b>10. Equity</b>		
Retained Earnings	546,771	972,708
Equity	546,771	972,708
<b>Movements in Retained Earnings</b>		
Balance at Beginning of Year	972,708	1,087,098
Net Deficit	(425,937)	(114,390)

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

	2018	2017
Balance at End of Year	546,771	972,708

Further information is provided in the Depreciation Schedule included at the back of this report.

	2018	2017
<b>11. Related Parties</b>		
Stewart Knowles	-	26,629
Glass and Glazing Institute of NZ Ltd	73,287	-
<b>Total Related Parties</b>	<b>73,287</b>	<b>26,629</b>

Stewart Knowles has been succeeded by Brett Francis as The Executive Director of Window & Glass Association of New Zealand.

Glass and Glazing Institute of NZ Limited (GGI) is a wholly owned subsidiary of Window & Glass Association of New Zealand had previously received a distribution for purposes of training from JITO Glass and Glazing Training. On maturity of Term Deposit 1024 on the 23 October 2018, the funds held by Window & Glass Association of New Zealand were transferred to GGI on 1 November 2018, less expenses paid on behalf of GGI by Window & Glass Association of New Zealand, for the purposes of training.

## 12. Commitments and Contingencies

The association is not aware of any commitments or contingent liabilities at balance date. (2017: Nil)

## 13. Subsequent Events

There have been no events subsequent to balance date which would materially affect the financial statements.

# Depreciation Schedule

## Window & Glass Association New Zealand Incorporated

### For the year ended 31 December 2018

NAME	PURCHASED	RATE	METHOD	COST	OPENING ACCUM DEP	OPENING VALUE	PURCHASES	DISPOSALS	DEPRECIATION	CLOSING ACCUM DEP	CLOSING VALUE	
<b>Intangibles - Computer Software</b>												
Computer software	11 Apr 2016	50.00%	DV	859	585	274	-	-	137	722	137	
Total Intangibles - Computer Software				859	585	274	-	-	137	722	137	
<b>Intangibles - Software - WERS</b>												
Software - WERS	1 Jan 2016	50.00%	DV	126,397	111,095	15,302	-	-	7,651	118,746	7,651	
Total Intangibles - Software - WERS				126,397	111,095	15,302	-	-	7,651	118,746	7,651	
<b>Intangibles - Trademarks</b>												
Trademark Addition	30 Nov 2018	10.00%	SL	5,140	-	-	5,140	-	86	86	5,054	
Trademark addition	1 Jan 2015	10.00%	SL	1,750	525	1,225	-	-	175	700	1,050	
Trademark	1 Aug 2008	10.00%	SL	1,500	1,400	100	-	-	100	1,500	-	
Total Intangibles - Trademarks				8,390	1,925	1,325	5,140	-	361	2,286	6,104	
<b>Intangibles - Website</b>												
New Website Build & Design	24 Jul 2018	50.00%	DV	62,400	-	-	62,400	-	15,600	15,600	46,800	
Total Intangibles - Website				62,400	-	-	62,400	-	15,600	15,600	46,800	
<b>Motor vehicles</b>												
2017 Subaru Xv 2.0i Sport Auto LBB254	28 Nov 2017	30.00%	DV	28,857	1,447	27,410	-	-	8,223	9,670	19,187	
Total Motor vehicles				28,857	1,447	27,410	-	-	8,223	9,670	19,187	
<b>Office equipment</b>												
HP 15.6" Pavilion Intel i7 Laptop	13 Aug 2018	40.00%	SL	1,500	-	-	1,500	-	250	250	1,250	
Apple Macbook pro	10 Dec 2017	50.00%	DV	2,817	120	2,697	-	-	1,348	1,468	1,348	
Brother Inkjet printer	7 Dec 2017	40.00%	DV	614	21	593	-	-	237	258	356	

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

Depreciation Schedule

NAME	PURCHASED	RATE	METHOD	COST	OPENING ACCUM DEP	OPENING VALUE	PURCHASES	DISPOSALS	DEPRECIATION	CLOSING ACCUM DEP	CLOSING VALUE
Lenovo computer	26 Mar 2016	50.00%	DV	3,210	2,276	934	-	-	467	2,743	467
GANZ Coated glass tester	27 Mar 2013	40.00%	DV	3,707	3,388	319	-	-	128	3,516	191
Dell Dimension Desktop computer	2 Nov 2006	60.00%	DV	2,605	2,605	-	-	-	-	2,605	-
<b>Total Office equipment</b>				<b>14,453</b>	<b>8,410</b>	<b>4,543</b>	<b>1,500</b>	<b>-</b>	<b>2,430</b>	<b>10,940</b>	<b>3,613</b>
<b>Total</b>				<b>241,355</b>	<b>123,462</b>	<b>48,853</b>	<b>69,040</b>	<b>-</b>	<b>34,402</b>	<b>157,864</b>	<b>83,491</b>

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