

RISKNZ (INC)

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

To be presented at the RISKNZ Annual General Meeting.

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RISKNZ (INC)
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2017

	Note	2017 \$	2016 \$
CURRENT ASSETS			
Cash & Cash Equivalents	5(a)		
ANZ Current Account		3,217	22,450
ANZ Term Deposit		30,647	30,000
		<u>33,864</u>	<u>52,450</u>
Trade & Other Receivables	5(a)		
Accounts Receivable		3,347	956
Prepayments		10,766	1,100
GST Refundable		3,096	5,213
Sundry Receivable		3,319	-
Income Tax Refundable	8	-	9
		<u>20,528</u>	<u>7,278</u>
TOTAL CURRENT ASSETS		<u>54,392</u>	<u>59,728</u>
CURRENT LIABILITIES			
Trade & Other Payables	5(a)	16,116	14,046
Income Received In advance		5,181	-
		<u>21,297</u>	<u>14,046</u>
WORKING CAPITAL		<u>33,095</u>	<u>45,682</u>
NON CURRENT ASSETS			
Office & Computer Equipment	5(e)/9	1,820	3,740
		<u>1,820</u>	<u>3,740</u>
NET ASSETS		<u>34,915</u>	<u>49,421</u>
EQUITY		<u>34,915</u>	<u>49,421</u>

For and behalf of the Board, which authorised the issue of the financial report on 19 May 2017.

Gary Taylor
Treasurer
Date: 19 May 2017

Nigel Toms
Chair
Date: 19 May 2017

The accompanying notes form an integral part of these financial statements. These financial statements have been audited, please refer to the attached audit report.

RISKNZ (INC)
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2017

	Note	ACTUAL 2017		BUDGET 2017		ACTUAL 2016	
		\$	\$	\$	\$	\$	\$
Subscriptions							
Individual Members	5(g)	27,870		30,000		29,943	
Corporate Members	5(g)	31,645	59,515	31,640	61,640	31,657	61,600
Income Received							
Lunchtime Seminars	5(g)	3,457		4,524		2,232	
Sponsorship	5(g)	14,252		24,000		14,527	
Advertising Income	5(g)	1,192		3,000		2,880	
Consultant Register	5(g)	540		660		660	
Development Day 2016	5(g)	22,565	42,006	24,000	56,184	0	20,299
Total Revenue		101,522		117,824		81,901	
Interest Income	5(g)		787		1,200		1,574
TOTAL INCOME		102,309		119,024		83,475	
Strategic Initiatives:							
<i>Promote the principles and theory of best practice in risk management</i>							
Society representation on Standards Australia / Standards NZ Risk Management Committees		-		3,000		2,693	
RISKNZ Awards of Excellence		4,043	4,043	-	3,000	5,071	7,764
Communication & Promotion							
Design work		1,407		2,600		-	
Media Releases		650		-		1,300	
Website Maintenance		1,492	3,549	1,580	4,180	1,692	2,992
Training & Education							
Development Day 2016		26,318		21,925		343	
Lunchtime Seminars		205	26,523	2,660	24,585	886	1,229
Total Strategic Initiatives		34,115		31,765		11,986	
Business Operations & Management							
Executive Officer		35,465		35,000		27,775	
Administration Officer		21,720		30,500		30,416	
Board Expenses		5,010		6,460		5,718	
Travel		6,251		2,010		1,946	
Audit Fee		2,130		-		2,100	
Legal		1,537		-		-	
Bad Debts		120		-		-	
AGM		681		1,000		1,259	
Insurance		1,950		1,995		1,950	
Printing, Postage & Stationery		349		180		133	
Bank Charges		1,598		1,620		1,677	
General Expenses		3,676		5,880		5,120	
Depreciation	5(e)	1,917	82,404	1,500	86,145	3,730	81,823
TOTAL EXPENDITURE		116,519		117,910		93,807	
Total Operating (Deficit)/Surplus Before Income Tax		(14,210)		1,114		(10,333)	
Less: Income Tax	8		296		-		410
Total Operating (Deficit)/Surplus After Income Tax		(14,506)		1,114		(10,743)	
Other Comprehensive Income			-		-		-
Total Comprehensive Income		(14,506)		1,114		(10,743)	

The accompanying notes form an integral part of these financial statements. These financial statements have been audited. Please refer to the attached audit report.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2017**

	ACTUAL 2017 \$	BUDGET 2017 \$	ACTUAL 2016 \$
Balance at beginning of year	49,421	49,421	60,163
Total Comprehensive Income	(14,506)	1,114	(10,743)
Balance at end of year	<u>34,915</u>	<u>50,535</u>	<u>49,421</u>

The accompanying notes form an integral part of these financial statements. These financial statements have been audited. Please refer to the attached audit report.

NOTES TO THE FINANCIAL STATEMENTS

1 REPORTING ENTITY

RiskNZ Inc ('RiskNZ') is an incorporated Society registered under the Incorporated Societies Act 1908 and domiciled in New Zealand. RiskNZ's purpose is to improve the knowledge and practice of risk management in New Zealand.

2 STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

RiskNZ is not a reporting entity under the Financial Reporting Act 1993. RiskNZ is required by its constitution to prepare and have audited general purpose financial statements.

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP).

NZ GAAP requires entities to be classified as either a public benefit entity, or as a profit-oriented entity. A public benefit entity is one whose primary objective is to provide goods and services for community or social benefit. The Board considers that RiskNZ does not meet the criteria to be a public benefit entity and accordingly it is classified as a profit-orientated entity.

The financial statements comply with New Zealand equivalents to IFRSs (NZ IFRSs) and other applicable Financial Reporting Standards, as appropriate for incorporated societies that qualify for, and apply, differential reporting concessions.

3 DIFFERENTIAL REPORTING

RiskNZ is a qualifying entity for differential reporting by virtue of its size and that it has no public accountability. All available differential reporting exemptions allowed under the Framework for Differential Reporting for Entities Applying New Zealand Equivalents to IFRSs Reporting Regime have been applied, except for:

- NZ IAS 18.NZ6.1: RiskNZ's financial statements are prepared on a GST exclusive basis; and
- NZ IAS 18.35(b): RiskNZ has disclosed each significant category of revenue

4 MEASUREMENT BASE

The financial statements are prepared on the historical cost basis and are presented in New Zealand dollars.

5 SPECIFIC ACCOUNTING POLICIES

a. Financial Instruments

Financial instruments comprise financial assets (trade and other receivables and cash and cash equivalents) and financial liabilities (trade and other payables).

Financial instruments are initially recognised at fair value plus transaction costs. Subsequent measurement of financial instruments is dependent on the classification of the instruments.

All normal purchases and sales of financial assets are recognised on the trade date. The trade date is the date that RiskNZ commits to purchase the asset. Normal purchases of financial assets under contracts, require delivery of the assets within the period. Financial assets are derecognised when the right to receive cash flows from the assets has expired or been transferred.

Financial assets are classified into the following specified categories: financial assets “at fair value through profit or loss”, and “loans and receivables”. The classification depends on the nature and purpose of the financial asset and is determined at the time of initial recognition.

Receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost, using the effective interest rate method less any impairment.

Trade and Other Receivables are initially recognised at fair value which approximates the original invoice amount. Given the small amounts involved and the short term nature, the carry value of receivables is considered to be a reasonable approximation of their fair values.

All financial liabilities are initially measured at fair value, net of transaction costs and then at amortised cost using the effective interest rate method.

Trade and Other Payables are usually settled in 30 days. Given their short term nature, the carrying values of trade and other payables are considered a reasonable approximation of their fair values.

b. Accrual Accounting

Accrual accounting is used to recognise expenses and revenues when they occur.

c. Goods & Services Tax

The Statement of Comprehensive Income has been prepared so that all components are stated exclusive of GST. All items in the statement of financial position are stated net of GST.

d. Trade and Other Payables

Trade and Other Payables are non-interest bearing.

e. Office & Computer Equipment

All office & computer equipment is stated at cost, less accumulated depreciation and impairment losses. The cost of office & computer equipment is the purchase cost, together with any incidental costs of acquisition.

Depreciation

Depreciation is calculated so as to write off the cost of office & computer equipment, less any assigned residual value, on a diminishing value basis. Depreciation has been calculated using the maximum rates permitted by the Inland Revenue Department and these are as follows:

Office & Computer Equipment	Depreciation rates
Website	48% - 60%
Software	48%

The residual value of the assets is reassessed annually.

f. Impairment

The carrying amounts of RiskNZ assets are reviewed at each balance date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount is estimated. If the estimated recoverable amount of the asset is less than its carrying amount, the asset is written down to its estimated recoverable amount and an impairment loss is recognised in the Statement of Comprehensive Income.

The estimated recoverable amount of receivables is calculated as the present value of estimated future cash flows, discounted at their original effective interest rate. Receivables with a short duration are not discounted.

The estimated recoverable amount of non – financial assets is the greater of their fair value less costs to sell and value in use. Value in use is calculated differently depending on whether an asset generates cash of not.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash – generating unit to which the asset belongs.

For cash generating assets, value in use is determined by estimating future cash flows from the use and ultimate disposal of the asset. These cash flows are then discounted to present value using a discount rate that reflects current market rates and the risks specific to the asset.

g. Revenue

i. Subscription Income

Membership subscriptions are recognised as income in the year to which they relate. Subscriptions are accounted for to the extent of actual and expected receipts.

ii. Revenue from providing services

Recognised at the time services are delivered to members or third parties.

iii. Interest income

Interest is recognised in the Statement of Comprehensive Income as it accrues.

iv. Sponsorship income

Sponsorship income is recognised as income when it becomes receivable.

6 CHANGES IN ACCOUNTING POLICIES

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

7 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

At the date of this report there are no known contingent liabilities for which RiskNZ may be liable (2016 none) nor were there any contingent assets (2015 none).

8 INCOME TAX

Income tax is payable on interest received and non-member income, such as seminar and conference attendance fees.

9 OFFICE & COMPUTER EQUIPMENT

	Cost Price	Current Year Depreciation	Accumulated Depreciation	Carrying Amount
	\$	\$	\$	\$
2017				
Website	9,141	1,818	7,337	1,804
I.A.S. Software	5,234	7	5,227	7
Contribute Software	1,300	1	1,300	-
MS Office Pro 2010 Software	621	7	613	8
Adobe XI Pro Software	703	84	703	-
	16,999	1,917	15,180	1,820
2016				
New Website	9,141	3,617	5,523	3,618
I.A.S. Software	5,234	13	5,220	14
Contribute Software	1,300	1	1,299	1
MS Office Pro 2010 Software	621	15	605	16
Adobe XI Pro Software	703	84	612	91
	16,999	3,730	13,259	3,740

10 SIGNIFICANT EVENTS AFTER BALANCE DATE

There were no known subsequent events impacting on the financial statements reported for the year ended 31 March 2017 (2016 None).

11 RELATED PARTY TRANSACTIONS

The Board is not aware of any related party transactions which occurred during the year that require disclosure (2016 None).

12 CAPITAL COMMITMENTS

There were no capital commitments as at 31 March 2017 (2016: Nil)

13 FINANCIAL INSTRUMENTS

	2017	2016
	\$	\$
Loans and Receivables		
Cash and Cash Equivalents	33,864	52,450
Trade and Other Receivables	20,528	7,278
	<u>54,392</u>	<u>59,728</u>
Financial Liabilities measured at amortised cost		
Trade and Other Payables	21,297	14,046
	<u>21,297</u>	<u>14,046</u>

The carrying value of financial instruments approximates to their fair value.

Credit Risk

Credit risk is the risk that a third party will default on its obligations to RiskNZ, causing RiskNZ to incur a loss. The financial instruments which potentially subject RiskNZ to credit risk consist primarily of cash and cash equivalents and trade and other receivables. The maximum exposure to credit risk at balance date is equal to the total amount of cash and cash equivalents and trade and other receivables disclosed in the note above. RiskNZ manages this risk primarily by holding deposits with New Zealand registered banking institutions.