

RISKNZ (INC)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

To be presented at the RISKNZ Annual General Meeting.



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FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020

Current Assets	Note	2020	2019
		\$	\$
Cash & Cash Equivalents			
RiskNZ Bank Account		64,054	47,093
Term Deposit		0	15,000
Total Bank		64,054	62,093
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Current Assets			
Accounts Receivable		4,270	2,127
Prepayments		0	1,083
GST Refundable		1,175	3,555
Total Current Assets		5,445	6,795
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Fixed Assets			
Total Fixed Assets	8	6,982	8,977
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Total Assets		\$76,481	\$77,835
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Liabilities			
Current Liabilities			
Trade & Other Payables		21,769	12,876
Income received in advance		3,104	2,876
Total Current Liabilities		24,873	15,752
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Total Liabilities		\$24,873	\$15,752
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Net Assets		\$51,608	\$62,083
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Equity			
Total Equity		\$51,608	\$62,083
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For and on behalf of the Board, which authorised the issue of the financial report on 15 June 2020.

Gary Taylor
Treasurer
Date: 15 June 2020

Stephen Hunt
Chair
Date: 15 June 2020

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



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STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2020

	Note	2020 \$	BUDGET \$	2019 \$
Income				
Subscriptions				
Corporate		34,615	37,800	34,570
Individual		27,441	30,000	24,765
Total Subscriptions		62,056	67,800	59,335
Plus Other Income				
Advertising Income		1,860	1,200	1,500
Conference registration income		27,290	30,000	14,650
Consultant Income		420	300	300
Interest Income		612	350	697
Sponsorship Conference		7,000	5,000	5,094
Sponsorship Income		28,023	30,600	21,000
Seminars		32,774	16,040	7,133
Total Other Income		97,979	83,490	50,375
Total Income		\$160,035	\$151,290	\$109,710
Less Operating Expenses				
Promote the principles and theory of best practice in risk management				
OB7 Committee Representation		1,758	3,000	1,958
RiskNZ Awards of Excellence		1,024	1,750	1,605
Total Strategic Initiatives		2,782	4,750	3,563
Training & Education				
Conference Expenses		19,002	24,000	8,878
Seminars		19,134	10,490	2,763
Total Training & Education		38,136	34,490	11,641
Communication & Promotion				
Design work and printing costs		3,054	4,600	2,295
Software License		717	700	683
Website maintenance		1,814	1,700	1,129
Total Communication & Promotion		5,585	7,000	4,107
Business Operations & Management				
Provision for Bad Debts		0	100	30
Depreciation		3,990	3,000	957
Legal Fees		9,665	9,000	3,889
Rentals & Subscriptions		1,888	1,833	1,372
Administration Officer		36,612	37,440	34,006
AGM		73	1,000	308
Audit Fee		2,300	2,400	2,350
Recruitment		0	0	1,070
Executive Officer		62,531	55,185	38,874



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Printing, Postage & Stationery	9	180	138
Bank Charges	2,276	1,876	1,859
General Expenses	540	780	1,123
Insurance	2,258	2,100	2,097
Management Committee Expenses	1,135	4,000	3,411
Travel	731	3,880	1,201
Total Business Operations & Management	124,207	122,774	94,604
Total Operating Expenses	170,510	169,014	113,915
Net surplus/deficit before tax	(\$10,475)	(\$17,724)	(\$4,205)
Tax	0	200	154
Net surplus/deficit after tax	(\$10,475)	(\$17,924)	(\$4,359)

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 2020**

	2020 \$	BUDGET \$	2019 \$
Balance at beginning of year	62,083	62,083	66,442
Net surplus/(deficit) after tax	(10,475)	(17,924)	(4,359)
Balance at end of year	<u>51,608</u>	<u>\$44,159</u>	<u>\$62,083</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. These special purpose financial statements have been prepared in accordance with the stated accounting policies.

All disclosures are consistent with the prior year and while these are not all required they are considered relevant and have therefore been included.

3 MEASUREMENT BASE

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

4 SPECIFIC ACCOUNTING POLICIES

1. Accrual Accounting

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

2. 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.

3. Trade and Other Payables

Trade and Other Payables are non-interest bearing.

4. Software

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

Depreciation

Depreciation is calculated so as to write off the cost of software, 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:

Software	Depreciation rates
Website	50%

The residual value of the assets is reassessed annually.

5. 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.



5 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.

6 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

At the date of this report there are no known contingent liabilities for which RiskNZ may be liable (2019 none) nor were there any contingent assets (2019 none).

7 INCOME TAX

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

8. SOFTWARE

	Cost Price	Current Year Depreciation	Accumulated Depreciation	Carrying Amount
	\$	\$	\$	\$
2020				
Website	10,972	3,990	3,990	6,982
	10,972	3,990	3,990	6,982
2019				
Website	9,141	957	9,141	-
New website – work in progress	8,977	-	-	8,977
	18,118	957	9,141	8,977

9. SIGNIFICANT EVENTS AFTER BALANCE DATE

There were no known subsequent events impacting on the financial statements reported for the year ended 31 March 2020 (2019 none).

10. RELATED PARTY TRANSACTIONS

There were no related party transactions. In the previous financial year the Board paid \$7,687 to Lawton Cross for executive officer and administration officer services. Lawton Cross is a consultancy firm owned and operated by Jim Hackett (who was the Board Secretary at the time). This was an interim arrangement agreed by the Board to provide executive and administration services before the new Executive and Administration Officers commenced. The rate was consistent with that applied by the previous and current external provider.

11. CAPITAL COMMITMENTS

There were no capital commitments as at 31 March 2020 (2019: Nil)



INDEPENDENT AUDITOR'S REPORT

to the Members of RISKNZ INCORPORATED

Report on Audit of the Special Purpose Financial Statements

Opinion

We have audited the Financial Statements of **RiskNZ Incorporated (“the Entity”)** on pages **1 to 8** which comprise the Statement of Financial Position as at **31 March 2020**, the Statement of Financial Performance, Statement of Movement in Equity for the year then ended **31 March 2020** and the Notes to the Financial Statements. Our opinion does not cover the budgeted figures.

In our opinion the accompanying financial statements of the Entity present fairly in all material respects, the financial position of the Entity as at **31 March 2020** and its financial performance for the year then ended in accordance with the stated accounting policies.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Entity 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 we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, the **Entity**.

Responsibilities of Those Charged with Governance of the Organisation

Those charged with governance are responsible on behalf of the Entity for the preparation and fair presentation of the financial statements in accordance with the stated accounting policies, and for ensuring that this is the most appropriate reporting framework to use and for such internal control as those charged with governance determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



In preparing the financial statements, those charged with governance are responsible on behalf of the Entity for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless those charged with governance either intend to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an 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 and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (NZ), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the use of the going concern basis of accounting by those charged with governance and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial



statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 2 to the financial statements, which describes the basis of accounting. The financial statements are special purpose financial statements which have been prepared in accordance with the accounting policies. As a result, the financial statements may not be suitable for another purpose.

Signature:

Yunus Musa

Yunus Musa (Jun 15, 2020 16:40 GMT+12)

T F S Chartered Accountants 214 Main Rd, Tawa, Wellington

