

**SURFAID INTERNATIONAL (NZ)
INCORPORATED**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

SURFAID INTERNATIONAL (NZ) INCORPORATED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

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SURFAID INTERNATIONAL (NZ) INCORPORATED

DIRECTORY

FOR THE YEAR ENDED 31 MARCH 2014

DATE OF INCORPORATION:	26 January 2000
INCORPORATION NUMBER:	AK / 1012284
OFFICE HOLDERS:	Philip Dreifuss (Chairperson) Dr Steve Hathaway (Secretary) Alan Rogerson (Treasurer)
COMMITTEE MEMBERS:	Dan Russell Harry Hill Jacqueline Parisi Merinda-Lee Hassell Brenda Finn Ross Corbett
INTERNATIONAL MANAGEMENT:	Andrew Judge (Chief Executive Officer)
SOLICITOR:	Philip Dreifuss Rishworth, Wall & Mathieson P O Box 55 GISBORNE
BANK:	ANZ Bank Newmarket, Auckland

SURFAID INTERNATIONAL (NZ) INCORPORATED

MANAGEMENT DECLARATION

FOR THE YEAR ENDED 31 MARCH 2014

The management of the Incorporated Society state to their opinion:

- 1) The Financial Statements as set out in the following pages:
 - a) Comply with Accounting Standards and the Incorporated Societies Act
 - b) Give a true and fair view of the financial position of the Incorporated Society as at 31 March 2014 and of the performance or the year ended on that date
 - c) Are inclusive of any mortgages, charges and acuities of any description affecting any of the property of the Incorporated Society at the close of 31 March 2014.
- 2) There are reasonable grounds to believe that the incorporated society will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the committee

On behalf of the Management



Andrew Judge
Chief Executive Officer

**INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 MARCH 2014**

To the Shareholders of SurfAid International (NZ) Incorporated

Report on the Financial Statements

We have audited the financial statements of SurfAid International (NZ) Incorporated on pages 6 to 12, which comprise the Statement of Financial Position as at 31 March 2014, Statement of Financial Performance and Statement of Movements in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

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.

When carrying out the audit we followed the independence requirements of the New Zealand Institute of Chartered Accountants. An employee of Coates Associates Ltd is involved in the payment of SurfAid (NZ) International's accounts only on the direction of the entity's Officers. This employee has not been involved in the audit. Coates Associates Ltd has no other relationship or interest in SurfAid International (NZ) Inc.

Opinion

In our opinion, the financial statements on pages 6 to 12 give a true and fair view of the financial position of SurfAid International (NZ) Incorporated as at 31 March 2014 and its financial performance for the year then ended, in accordance with generally accepted accounting practice in New Zealand.

Coates Associates Ltd

**17 September 2014
Coates Associates Ltd
300 Childers Road
Gisborne**

SURFAID INTERNATIONAL (NZ) INCORPORATED

STATEMENT OF FINANCIAL PERFORMANCE

For the Year Ended 31 March 2014

	Note	<u>2014</u>	<u>2013</u>
Revenue	6-9	1,278,767	1,194,892
Direct costs from operations	10	(15,157)	(8,395)
Program services		-	-
Schools program		(8,962)	(3,679)
Global education		-	-
Payments to affiliates		(103,416)	5,842
Indonesian project costs		(1,070,157)	(1,277,932)
(Deficit) / Surplus before income tax		<u>81,075</u>	<u>(89,272)</u>
Income tax expense		-	-
Net (Deficit) / Surplus		<u><u>81,075</u></u>	<u><u>(89,272)</u></u>

SURFAID INTERNATIONAL (NZ) INCORPORATED

STATEMENT OF FINANCIAL POSITION

For the Year Ended 31 March 2014

	Note	<u>2014</u>	<u>2013</u>
ASSETS			
Current Assets			
Cash and cash equivalents		311,691	648,015
Trade and other receivables	11	2,145	3,897
Funds held by SurfAid Indonesia	15	291,340	604,953
Total Current Assets		<u>605,176</u>	<u>1,256,865</u>
Non-Current Assets			
Plant & equipment, Merchandise	12	-	-
Merchandise	13	1,720	1,720
Total non-current assets		<u>1,720</u>	<u>1,720</u>
TOTAL ASSETS		<u>606,896</u>	<u>1,258,585</u>
LIABILITIES			
Current liabilities			
Trade & other payables	14	32,311	5,467
Unexpended grant income	17	507,243	1,266,850
Total current liabilities		<u>539,554</u>	<u>1,272,318</u>
TOTAL LIABILITIES		<u>539,554</u>	<u>1,272,318</u>
NET ASSETS		<u>67,342</u>	<u>(13,732)</u>
EQUITY			
Acumulated surplus		<u>67,342</u>	<u>(13,732)</u>
TOTAL EQUITY		<u>67,342</u>	<u>(13,732)</u>

SURFAID INTERNATIONAL (NZ) INCORPORATED

STATEMENT OF MOVEMENTS IN EQUITY

For the Year Ended 31 March 2014

STATEMENT OF MOVEMENTS IN EQUITY

	<u>2014</u>	<u>2013</u>
Opening balance	(13,733)	75,539
Surplus (Deficit) for the year	81,075	(89,272)
Balance at 31 March 2014	<u>67,342</u>	<u>(13,733)</u>

SURFAID INTERNATIONAL (NZ) INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 March 2014

1. STATEMENT OF ACCOUNTING POLICIES

SurfAid International (NZ) Inc. is an Incorporated Society under the Incorporated Society Act 1908. These financial statements are prepared in accordance with this Act and generally accepted accounting practice ('NZ GAAP').

2. MEASUREMENT BASE

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on an historical cost basis are followed by SurfAid International (NZ) Inc.

3. CHANGES IN ACCOUNTING POLICIES

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

4. SPECIFIC ACCOUNTING POLICIES

The following particular accounting policies which affect the measurement of profit and the financial position have been applied:

(a) Differential Reporting

The entity qualifies for differential reporting which is because SurfAid International (NZ) Inc. is not publicly accountable and not large as defined by the Framework for Differential Reporting. SurfAid International (NZ) has taken advantage of all reporting exemptions.

(b) Fixed Assets

Fixed assets are initially recorded at cost with depreciation being deducted in accordance with rates set out in the Income Tax Act 2007, from 1 April 2009.

(c) Goods and 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, with the exception of account receivables and payables.

(d) Taxation

SurfAid International New Zealand Inc. is a registered charity pursuant to the Charities Act 2005 and is not subject to income tax.

(e) Grants

Grants received from government organisations are recognised as income as they are expended on the program to which they relate. Unexpended grants are recognised as liabilities to reflect the obligation to repay any unspent portion of grants at completion of the program.

SURFAID INTERNATIONAL (NZ) INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS (cont)

For the Year Ended 31 March 2014

5. AUDIT

These financial statements have been subject to audit. Please refer to the Auditor's Report.

6. GRANTS

	2014	2013
NZ Gov	1,092,754	1,201,159
NZ Gov -administration	103,222	-
NZ Gov -emergency relief fund	-	-
Total GRANTS	<u>1,195,976</u>	<u>1,201,159</u>

7. CORP CONTRIBUTIONS (Designated)

Nil Nil

8. INDIV CONTRIBUTIONS (Designated)

Nil Nil

9. OTHER INCOME

	2014	2013
Sponsorship & Program Funding		-
Interest Income	175	20,752
Schools	10,512	1,752
Other income (incl contributions & donations)	12,755	1,266
SurfAid Australia Reimbursement	-	6,320
Foreign Exchange Gain / (Loss)	59,349	(36,357)
Total Other Income	<u>82,791</u>	<u>(6,267)</u>

10. AUDITOR'S REMUNERATION

	2014	2013
Auditing fee	3,604	3,485
	<u>3,604</u>	<u>3,485</u>

SURFAID INTERNATIONAL (NZ) INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS (cont)

For the Year Ended 31 March 2014

11. TRADE & OTHER RECEIVABLES		
	2014	2013
Other	-	-
Amounts Receivables from related parties	-	-
SurfAid Australia	<u>2,145</u>	<u>3,897</u>
Total Receivables	<u><u>2,145</u></u>	<u><u>3,897</u></u>
12. PLANT & EQUIPMENT		
	2014	2013
Equipment & cost opening balance	2,200	2,200
Less W / O	-	-
Less Accumulated Depreciation	<u>(2,200)</u>	<u>(2,200)</u>
Closing Balance	<u><u>-</u></u>	<u><u>-</u></u>
13. MERCHANDISE		
	2014	2013
Merchandise & cost opening balance		
Hoodies & T-shirts	<u>1,720</u>	<u>1,720</u>
Closing Balance	<u><u>1,720</u></u>	<u><u>1,720</u></u>
14. TRADE & OTHER PAYABLES		
	2014	2013
Accruals	25,726	-
GST Payable	2,918	5,467
Amounts Payable to Related Parties	-	-
SurfAid Australia	3,667	-
SurfAid USA	-	-
Total Trade & Other Payables	<u><u>32,311</u></u>	<u><u>5,467</u></u>

SURFAID INTERNATIONAL (NZ) INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS (cont)

For the Year Ended 31 March 2014

16. FUNDS HELD IN INDONESIA

SurfAid International Indonesia is holding funds totalling NZD \$291,340 which represent New Zealand Government grant funding that has not been expended. If these funds are not expended as per the grant funding agreement, these funds will be paid back to the New Zealand Government from SurfAid Indonesia International.

17. UNEXPENDED GRANT INCOME

In addition to funds held in Indonesia (above), SurfAid International (NZ) Inc. has received further New Zealand Government grant income which is yet to be expended. All grant income that is yet to be expended is presented as such in the statement of financial position.

18. RELATED PARTY TRANSACTIONS

SurfAid New Zealand is part of affiliate network which involves SurfAid Australia, SurfAid USA and SurfAid Indonesia. SurfAid Indonesia is where all the programmes are managed and operated. USA and Australia are fundraising entities and provide management and executive support. SurfAid New Zealand, in addition to fundraising responsibilities management and executive support has responsibility for program design, monitoring and evaluation. Where there are transactions between related parties, they are on normal commercial terms and conditions no more favourable than those available to other parties.

19. INTEREST PAYABLE

There was no interest paid or payable during the financial Year

20. CONTINGENT LIABILITIES

At balance date there are no known contingent liabilities (2013; Nil)

21. POST BALANCE DATE EVENTS

No events have occurred after balance date that is likely to significantly affect the information contained in these reports.