

NEW ZEALAND PRINCIPALS' FEDERATION (INC)

FINANCIAL REPORT

For the Year Ended 31st December 2008

CONTENTS

| | |
|-----|------------------------------------|
| 1 | Auditors Report |
| 2 | Trading Account |
| 3 | Statement of Financial Performance |
| 4 | Statement of Movement in Equity |
| 5 | Statement of Financial Position |
| 6-7 | Notes to the Financial Statements |

NEW ZEALAND PRINCIPALS' FEDERATION (INC)

TRADING ACCOUNT
For The Year Ended 31st December 2008

| | 2008 \$ | 2007 \$ |
|---------------------------|-----------------|-----------------|
| Sales | 43,275 | 44,402 |
| Less: COST OF GOODS SOLD | | |
| Opening Stock | 20,894 | 16,006 |
| Cost of Printing | 4,758 | 20,894 |
| Stock Write Down | - | - |
| | <u>25,652</u> | <u>36,900</u> |
| Closing Stock | <u>(11,479)</u> | <u>(20,894)</u> |
| TOTAL COST OF SALES | <u>14,173</u> | <u>16,006</u> |
| GROSS PROFIT FROM TRADING | <u>\$29,102</u> | <u>\$28,396</u> |

The notes form part of and are to be read in conjunction with these financial statements.

2



NEW ZEALAND PRINCIPALS' FEDERATION (INC)
STATEMENT OF FINANCIAL PERFORMANCE
For The Year Ended 31st December 2008

| | Note | 2008 \$ | 2007 \$ |
|--|------|-----------------------|-----------------------|
| GROSS PROFIT FROM TRADING | | 29,102 | 28,396 |
| OTHER INCOME | | | |
| Boardroom Rental | | - | 667 |
| Interest Received | | 41,192 | 23,818 |
| Legal Benefits | | 3,186 | 2,757 |
| MOE Contract | | - | 82,963 |
| National Conference | | 116,324 | 18,597 |
| National Conference Seeding Grant | | 15,000 | - |
| Speakers Tours | | - | 21,323 |
| Sponsorship | | 308,000 | 233,000 |
| Subscriptions | | 500,289 | 506,644 |
| ICP Conference Income | | 10,000 | 69,356 |
| Income on cessation of NZPLC Partnership | | 55,524 | - |
| Sundry Income | | 10,640 | 36,914 |
| TOTAL INCOME | | <u>1,089,256</u> | <u>1,024,435</u> |
| Less: EXPENSES | | | |
| ACC Levy | | 490 | 413 |
| Accounting Fees | | 2,303 | 2,898 |
| Audit Fee | | 4,608 | 4,200 |
| Awards | | 29,000 | 27,055 |
| Bank Charges | | 849 | 773 |
| Depreciation | | 19,700 | 22,089 |
| Executive Expenses | | 9,223 | 10,052 |
| Head Office Expenses | | 182,721 | 162,445 |
| Honoraria | | 37,500 | 37,500 |
| ICP Conference | | - | 82,963 |
| Insurance | | 2,877 | 3,517 |
| Interest | | - | - |
| International Relationships | | 21,136 | 16,939 |
| Legal Expenses | | 684 | 666 |
| Loss on Sale or Disposal | | - | 1,785 |
| Meeting Expenses | | 59,658 | 38,557 |
| Membership Support | | 33,789 | 37,477 |
| Miscellaneous | | 1,639 | 1,370 |
| Moot | | 8,115 | 6,781 |
| National Conference | | 94,274 | 20,114 |
| National Conference Seeding Grant | | 20,000 | 10,000 |
| Overseas Conferences | | 17,320 | 15,115 |
| Professional Development | | 390 | 6,200 |
| Presidential Support | | 144,206 | 133,177 |
| Principals Learning Centre | | 3,471 | 10,000 |
| Provision for Doubtful Debts | | 10,000 | - |
| Relief Reimbursement | | 30,615 | 20,234 |
| Research | | - | 10,000 |
| Speakers | | - | 18,251 |
| Special Projects | | 32,815 | 2,870 |
| Stationery, Stamps, Telephone & Tolls | | 21,988 | 19,660 |
| Travel & Reimbursements | | 135,063 | 131,009 |
| TOTAL EXPENDITURE | | <u>924,434</u> | <u>854,110</u> |
| NET SURPLUS/(DEFICIT) BEFORE TAX | | <u>164,822</u> | <u>170,325</u> |
| Less Tax Expense | 5 | <u>9,689</u> | <u>7,926</u> |
| NET SURPLUS/(DEFICIT) AFTER TAX | | <u><u>155,133</u></u> | <u><u>162,399</u></u> |

The notes form part of and are to be read in conjunction with these financial statements.

NEW ZEALAND PRINCIPALS' FEDERATION (INC)
STATEMENT OF MOVEMENTS IN EQUITY
For The Year Ended 31st December 2008

| | 2008 \$ | 2006 \$ |
|----------------------------------|--------------------|------------------|
| Net Surplus/(Deficit) for period | 155,133 | 162,399 |
| Accumulated Funds at 1 January | <u>900,801</u> | <u>738,402</u> |
| Accumulated Funds at 31 December | <u>\$1,055,934</u> | <u>\$900,801</u> |

The notes form part of and are to be read in conjunction with these financial statements.

4



NEW ZEALAND PRINCIPALS' FEDERATION (INC)
STATEMENT OF FINANCIAL POSITION
As at 31st December 2008

| | 2008 | 2007 |
|----------------------------------|---------------------------|-------------------------|
| | \$ | \$ |
| CURRENT ASSETS | | |
| Head Office Imprest Account | 200 | 200 |
| Accounts Receivable | 80,537 | 130,967 |
| Provision for Doubtful Debts | (11,250) | - |
| Westpac main account | 169,245 | 42,311 |
| Westpac Term Deposits | 480,000 | 380,000 |
| Accrued Income | 10,781 | 9,429 |
| Prepayments | 11,726 | 8,770 |
| Provision for Taxation | 5 1,698 | 2,143 |
| Stock on Hand | 11,479 | 20,894 |
| TOTAL CURRENT ASSETS | <u>754,416</u> | <u>594,714</u> |
| Less: CURRENT LIABILITIES | | |
| Accounts Payable | 24,160 | 29,367 |
| Gst Payable | 2,266 | 3,302 |
| TOTAL CURRENT LIABILITIES | <u>26,426</u> | <u>32,669</u> |
| WORKING CAPITAL | <u>727,990</u> | <u>562,045</u> |
| NON-CURRENT ASSETS | | |
| Fixed Assets (as per schedule) | 4 <u>327,944</u> | <u>338,756</u> |
| TOTAL NON-CURRENT ASSETS | <u>327,944</u> | <u>338,756</u> |
| NET ASSETS | <u><u>1,055,934</u></u> | <u><u>900,801</u></u> |
| | | |
| REPRESENTED BY: | | |
| | | |
| ACCUMULATED FUNDS | <u><u>\$1,055,934</u></u> | <u><u>\$900,801</u></u> |

Approved

.....
Chairperson

.....
Treasurer

The notes form part of and are to be read in conjunction with these financial statements.

5



NEW ZEALAND PRINCIPALS' FEDERATION (INC)
NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 31st December 2008

1) STATEMENT OF ACCOUNTING POLICIES

These are the financial statements of New Zealand Principals' Federation.
This is an incorporated society registered under the Incorporated Societies Act 1908.

1.1 Measurement System

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on a historical cost basis are followed by this entity.

1.2 Specific Accounting Policies

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

Fixed Assets and Depreciation

Fixed assets are stated at cost less aggregate depreciation.
Depreciation has been charged on a Diminishing Value basis over the useful life of the assets.

| Asset | Rate |
|--------------------|-------------|
| Apartment Building | 3% |
| Computer equipment | 25 - 48% |
| Office Equipment | 10-25% |
| Office Furniture | 10 - 25% |

Stock on Hand

Stock has been valued at the lower of cost, determined on a first-in first-out basis, and net realisable value, after making due allowance for obsolete or damaged stock. Stock has been valued on a basis consistent to last year.

Accounts Receivable

Accounts receivable is stated at estimated net realisable value.

Grants Received

Grants are matched by accruals basis to the period in which they were accrued.

Goods & Services Tax

New Zealand Principals' Federation is registered for GST and the accounts have been prepared on a GST exclusive basis, except for accounts receivable and accounts payable which are GST inclusive.

Differential Reporting

New Zealand Principals' Federation qualifies for differential reporting by virtue of its size and lack of public accountability.

New Zealand Principals' Federation has taken advantage of all available differential reporting exemptions.

NEW ZEALAND PRINCIPALS' FEDERATION (INC)
NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 31st December 2008

1.3 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.

2) CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

There are no capital commitments as at 31 December 2008 (2007: Nil).

There are no contingent liabilities as at 31 December 2008 (2007: Nil).

A security of \$30,000 is held over the rental agreement

| | | |
|---------------------------------|------------------|------------------|
| 3) LEASEHOLD COMMITMENTS | 2008 | 2007 |
| Due < 1 year | 60,115 | 60,115 |
| Due 2-5 years | 105,202 | 165,317 |
| Due > 5 years | - | - |
| Total Lease Commitments | <u>\$165,317</u> | <u>\$225,432</u> |

4) FIXED ASSETS

| 31/12/2008 | Cost | Accumulated Depreciation | Book Value | Current Year Depreciation |
|------------------------|----------------|-----------------------------|----------------|------------------------------|
| Land and Buildings | 250,388 | 26,889 | 223,499 | 3,568 |
| Chattels | 1,317 | 365 | 952 | 106 |
| Furniture and Fittings | 34,017 | 12,794 | 21,223 | 2,365 |
| Office Equipment | 22,908 | 16,589 | 6,319 | 1,914 |
| Leasehold Improvements | 87,210 | 23,471 | 63,739 | 6,690 |
| Computer Hardware | 60,413 | 48,705 | 11,708 | 4,601 |
| Computer Software | 5,677 | 5,173 | 504 | 456 |
| Depreciation Recovered | | | | - |
| | <u>461,930</u> | <u>133,986</u> | <u>327,944</u> | <u>19,700</u> |

| 31/12/2007 | Cost | Accumulated Depreciation | Book Value | Current Year Depreciation |
|------------------------|----------------|-----------------------------|----------------|------------------------------|
| Land and Buildings | 250,388 | 23,321 | 227,067 | 3,702 |
| Chattels | 1,317 | 259 | 1,058 | 117 |
| Furniture and Fittings | 33,339 | 10,429 | 22,910 | 2,546 |
| Office Equipment | 22,908 | 14,675 | 8,233 | 2,013 |
| Leasehold Improvements | 87,210 | 16,781 | 70,429 | 7,266 |
| Computer Hardware | 52,204 | 44,104 | 8,100 | 4,639 |
| Computer Software | 5,677 | 4,717 | 960 | 872 |
| Depreciation Recovered | | | | 934 |
| | <u>453,043</u> | <u>114,286</u> | <u>338,757</u> | <u>22,089</u> |

5) TAXATION

| | | |
|---|---------------|---------------|
| | 2008 | 2007 |
| Assessable Income from Activities | 127 | 1,200 |
| Interest Received | 41,192 | 23,818 |
| Less Deduction for Non Profit Status | 1,000 | 1,000 |
| Taxable Income Before Non Profit Deduction | <u>40,319</u> | <u>24,017</u> |
| Taxation at 33% | (13,305) | (7,926) |
| Variance to Taxation Prior year | 3,617 | 0 |
| Opening Taxation Asset/(Liability) | 2,143 | 6,733 |
| Refund received/Taxation Paid | (5,760) | (6,669) |
| Provisional Tax paid | 0 | 2,826 |
| Resident Withholding Tax | 15,003 | 7,179 |
| Closing Taxation Asset | <u>1,698</u> | <u>2,143</u> |



Audit Report

Grant Thornton
PO Box 10712
Level 13
AXA Centre
80 The Terrace
Wellington 6143
New Zealand
T +64 (0)4 474 8500
F +64 (0)4 474 8509
E info@gtwn.co.nz
www.grantthornton.co.nz

To the Stakeholders of the New Zealand Principals' Federation

We have audited the attached financial report on pages 2 to 7. The financial report provides information about the past financial performance of the New Zealand Principals' Federation and its financial position as at 31 December 2008. This information is stated in accordance with the accounting policies on page 6.

Board's Responsibilities

The Board is responsible for the preparation of a financial report that fairly reflects the financial position of the New Zealand Principals' Federation as at 31 December 2008 and the results of operations for the year ended on that date.

Auditors' Responsibilities

It is our responsibility to express to you an independent opinion on the financial report presented by the Board.

Basis of Opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial report. It also includes assessing:

- the significant estimates and judgements made by the Board in the preparation of the financial report; and
- whether the accounting policies are appropriate to the New Zealand Principals' Federation circumstances, and are consistently applied and adequately disclosed.

We conducted our audit in accordance with New Zealand Auditing Standards. We planned and performed our audit so as to obtain all the information and explanations that we considered necessary in order to provide us with sufficient evidence to obtain reasonable assurance that the financial report is free from material misstatements, whether caused by fraud or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial report.

Other than in our capacity as auditors we have no relationship with, or interests in, the New Zealand Principals' Federation.

Unqualified Opinion

We have obtained all the information and explanations we have required.

In our opinion the financial report on pages 2 to 7 fairly reflects the financial position of the New Zealand Principals' Federation as at 31 December 2008 and the results of its operations for the year ended on that date.

Our audit was completed on 25 May 2009 and our unqualified opinion is expressed as at that date.



Grant Thornton
Wellington
29 May 2009