

CHAIRMAN'S REPORT 2013

It is my pleasure to report on the main activities for the Auckland Chamber of Commerce in the year to 31 December 2013.

The consolidated result for the Chamber, including the investment in its building on 100 Mayoral Drive is as follows - \$73,184 surplus.

The result represented a busy year for the Chamber team but one that the Board was more than satisfied with and on their behalf I would extend our congratulations and appreciation.

The Chamber fulfils an important role of advocacy, not only for businesses in Auckland, but across New Zealand. Sometimes this is done quietly behind the scenes and at other times, very publicly – and we make a difference.

The announcements made early in the year by the Prime Minister on accelerating Auckland projects, including housing, the AMETI East West connection, inner city rail, Sky City and the third Harbour crossing were testament to this.

These are just some of the issues we pursued in 2013 but they are representative of the work the Chamber does to deliver a good platform off which business can succeed in Auckland.

The appointment in December by the Auckland Mayor for our Chief Executive to head an Auckland business leaders' group to assist in Auckland's future growth was also a positive reflection on the Chamber and its leadership.

Internationally, we represented New Zealand at the World Chambers Conference in Doha where our CadetMax program was a finalist in the Chamber competition. Our work with the International Court of Arbitration continued and when issues arose in the Infant Milk Formula sector in New Zealand, we represented members locally and in China as the sector attempted to normalise trade with China following a product quality alert.

We invested some time in the Pacific and, in particular, with the Samoa Chamber and will continue to build on this work in 2014 in an attempt to lift the Pacific trade relationship with Auckland.

Operationally, we continued our close partnership with MSD and Work and Income and, through the programs we deliver for them and others, placed over 800 people into employment. Given the issue of youth employment and employability in Auckland, this is work we are proud of.

Like most of our members, the Chamber is constantly reviewing the work we do and the technology we use. It often feels that investment in websites and CRM systems is a never ending spend but when we look at the services and information we provide electronically to members, the investment is worth it.

Independent Auditor's Report

To the Members of Auckland Regional Chamber of Commerce & Industry Incorporated

Report on the Financial Statements

We have audited the financial statements of Auckland Regional Chamber of Commerce & Industry Incorporated on pages 5 to 17, which comprise the statement of financial position of the society and group as at 31 December 2013, and a statement of financial performance, statement of movements in equity and statement of cash flows for the year then ended of the society and group, and a summary of significant accounting policies and other explanatory information.

This report is made solely to the society's members, as a body, in accordance with Constitution of Auckland Regional Chamber of Commerce & Industry Incorporated. Our audit has been undertaken so that we might state to the society's members those matters we are required to state to them in an 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 society and the society's members as a body, for our audit work, for this report, or for the opinions we have formed.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements, in accordance with generally accepted accounting practice in New Zealand, and for such internal control as the directors determine 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 the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). These auditing standards require that we comply with relevant 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 our 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, we have considered the internal control relevant to the society'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 society'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 we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Ernst & Young provides taxation advice to the society. We have no other relationship with, or interest in the society.

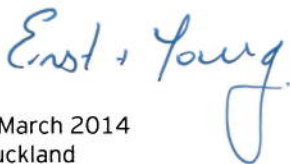
Partners and employees of our firm may deal with the society on normal terms within the ordinary course of trading activities of the business of the society.

Opinion

In our opinion, the financial statements on pages 5 to 17:

- ▶ comply with generally accepted accounting practice in New Zealand; and
- ▶ present fairly, in all material respects, the financial position of the Auckland Regional Chamber of Commerce & Industry Incorporated and the group as at 31 December 2013 and their financial performance and cash flows for the year then ended.

7 March 2014
Auckland



Auckland Regional Chamber of Commerce & Industry Incorporated

Consolidated Statement of Financial Performance

For the Year Ended 31 December 2013

	Note	2013 \$	2012 \$
Operating Revenue			
Membership		995,110	1,092,959
Services		4,311,309	4,796,703
Interest Revenue		12,476	12,377
Rental income		356,032	345,078
Total Operating Revenue		<u>5,674,927</u>	<u>6,247,117</u>
Expenditure			
Membership		542,215	675,273
Services		4,453,128	4,777,683
Depreciation		315,633	282,773
Interest		0	3,596
Premises		290,767	285,972
Total Expenditure		<u>5,601,743</u>	<u>6,025,297</u>
Operating surplus (deficit) before tax	2	73,184	221,820
Taxation expense	10	0	0
Net surplus (deficit) after tax		<u>73,184</u>	<u>221,820</u>

Consolidated Statement of Movements in Equity

For the Year Ended 31 December 2013

	2013 \$	2012 \$
Equity at start of year	<u>6,226,741</u>	<u>6,004,921</u>
Net surplus (deficit) for year	<u>73,184</u>	<u>221,820</u>
Total recognised revenues and expenses for year	<u>73,184</u>	<u>221,820</u>
Equity at end of year	<u>6,299,925</u>	<u>6,226,741</u>

(The above should be read in conjunction with the accompanying notes)

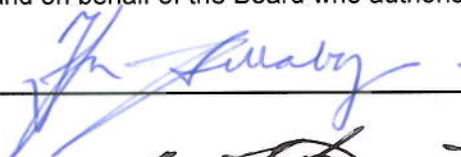
Auckland Regional Chamber of Commerce & Industry Incorporated


Consolidated Statement of Financial Position

As at 31 December 2013

	Note	2013 \$	2012 \$
Accumulated Funds	3	<u>6,299,925</u>	<u>6,226,741</u>
Represented by:			
Current Assets			
Bank and cash		666,307	361,884
Trade receivables		768,069	906,281
Prepayments		<u>56,285</u>	<u>118,455</u>
		<u>1,490,661</u>	<u>1,386,620</u>
Non Current Assets			
Intangibles - Computer Software	8	245,821	223,252
Property, plant and equipment	7	<u>5,735,341</u>	<u>5,966,020</u>
		<u>5,981,162</u>	<u>6,189,272</u>
Total assets		<u>7,471,823</u>	<u>7,575,892</u>
Current Liabilities			
Trade creditors		586,027	688,139
Employee entitlements	6	133,053	135,825
Membership in advance		<u>452,818</u>	<u>525,187</u>
		<u>1,171,898</u>	<u>1,349,151</u>
Total liabilities		<u>1,171,898</u>	<u>1,349,151</u>
Net Assets		<u>6,299,925</u>	<u>6,226,741</u>

For and on behalf of the Board who authorised these financial statements for issue


 _____ Director 7/3/14 Date


 _____ Director 7/3/14 Date

(The above should be read in conjunction with the accompanying notes)