THE NEW ZEALAND ELECTRONICS INSTITUTE

(Incorporated)
Charities Commission Registration Number 39965

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NOTES TO THE 2017 PERFORMANCE REPORT

Note 1: Statement of Accounting Polices

Reporting Entity
The New Zealand Electronics Institute (Incorporated) is a charitable organisation registered in New Zealand under the Charities Act 2005. The Institute's Charities Commission Registration Number 39965.

Entity's Purpose
The objectives of the New Zealand Electronics Institute are:

- To promote the science and practice of electronics and to encourage the increase and dissemination of knowledge of that science and its applications.
- To preserve, promote, foster, advance and protect generally the interests, integrity and status of both the Institute and its members.

Entity Structure
The New Zealand Electronics Institute has a regional structure comprising branches based in Auckland, Waikato/Bay of Plenty, Palmerston North, Wellington, Canterbury, Otago/Southland and Overseas.

The Institute is governed by the Council. Council comprises the National President, the Immediate Past National President, the National Secretary/Treasurer, the Branch Chairmen and Second Branch Councillors (elected by each Branch).

The Institute relies on gifts of volunteer time and experience to perform the essential roles of governance, administration, accounting and website maintenance.

Revenue Sources
The primary source of revenue is subscriptions paid by members of the New Zealand Electronics Institute. Interest is also received from investment of excess funds.

Outcomes
The primary outcomes the New Zealand Electronics Institute seeks are to:

- Foster the progress of tertiary students pursuing a career in electronics.
- Act as an aggregator and disseminator of information of value to the electronics community.

Outputs Delivered
$500 sponsorships were award to two first-year electronics/communications technology students for the improved academic achievement they displayed in 2016.

Revenue Recognition
Revenue from donations is recognised at the time it is received. All other revenue is accounted for on an accruals basis.

Cost Recognition
The Institute recognises costs at the time they are incurred.

Taxation
The Institute is not required to register for Goods and Services Tax (GST) as its turnover is under the threshold that requires registration for GST. Therefore amounts recorded in the financial statements are inclusive of GST (if any).

The Institute is wholly exempt from New Zealand income tax having fully complied with all the statutory conditions for the exemption.

Provision for Doubtful Debts
The Institute maintains a provision for estimated losses through members defaulting on payment of their annual subscription. All subscriptions unpaid after one year are treated a doubtful debts.

Plant and Equipment
New items of plant and equipment are recognised at cost. Depreciation is charged as a percentage of depreciated value. When the depreciated value falls below 10% of the original cost the outstanding balance is written-off.

Asset	Depreciation Rate
Electronic Equipment	30%
Office Tools	10%

Changes in Accounting Policy
There have been no changes in accounting policy in the year ending 31 December 2016 (last year – nil).

Note 2: Basis of Preparation

The Institute has elected to apply PBE SFR-A (NFP), Public Benefit Entity Simple Format Reporting Standard – Accrual (Not For Profit), on the basis it does not have public accountability and its total annual expenses are less than or equal to $2 000 000. All transactions within the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the Institute will continue to operate in the foreseeable future.

Note 3: Correction of Errors

A failure to record four subscription payments ($80.00), in 2016, lead to understatement of subscription income. The monies were however correctly presented in the cash flow and compensated for in the unpaid subscriptions.

A credit has been applied to the 2017 unpaid subscriptions to correct the omission,

Note 4: Commitments and Contingencies

There are no commitments or contingent liabilities or guarantees as at 31 December 2016 (last year – nil).

Under the Engineering Associates Act 1961, Section 28, the Institute may be called upon to contribute to the Engineering Associates Registration Board funds.

28 Associations to contribute to the Board's funds –

1) In the event of the Board not having sufficient funds (whether in its said bank account or on deposit as aforesaid or otherwise) for payment of its lawful expenditure at any time, the amount of the deficiency shall be met by the Associations in proportion to the numbers of their memberswho are registered under this Act. The amount to be so met by an Association shall be recoverable from it by the Board as a debt.
2) If any questions arise as to the amount to be paid under this section, it shall be determined by the Minister, whose decision shall be final.

Note 5: Related Party Disclosures

There are no transactions involving related parties as at 31 December 2017 (last year – nil).

Note 6: Events After Balance Date

There are no events that have occurred after 31 December 2017 that would have a material impact on the performance report (last year – nil).

Note 7: Schedule of Depreciation

New Zealand Electronics Institute (Inc)
SCHEDULE OF DEPRECIATION

Asset	Purchase Price	Purchase Date	Depreciation Rate	Depreciation for Year / Residual Value 2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Laptop Computer	$ 500.00	2005	40%	$ 120.00	$ 72.00										
				$ 180.00	$ 108.00										
Institute Seal	$ 253.00	2005	10%	$ 22.77	$ 20.49	$ 18.44	$ 16.60	$ 14.94	$ 13.45	$ 12.10	$ 10.89	$ 9.80	$ 8.82	$ 7.94	$ 7.15
				$ 204.93	$ 184.44	$ 165.99	$ 149.39	$ 134.45	$ 121.01	$ 108.91	$ 98.02	$ 88.22	$ 79.39	$ 71.45	$ 64.31
Laptop Computer	$1,059.00	2008	30%			$ 317.70	$ 222.39	$ 155.67	$ 108.97	$ 76.28	$ 53.40	$ 37.38			
						$ 741.30	$ 518.91	$ 363.24	$ 254.27	$ 177.99	$ 124.59	$ 87.21	W/Off		

Note 8: Interest

Interest on term deposits is accrued at the full-term rate. If the deposit is broken before full-term, a lesser rate of interest will be payable.

Normal practice of compounding any interest earned continued in 2017 .

Note 9: Unpaid Subscriptions

The age profile of unpaid subscription is:

Profile	Percentage of Membership	2016 Count	2017 Count
One-year in arrears	8%	24	7
Two-years in arrears	2%	7	2
Two plus years in arrears	19%	13	17
TOTAL	**29%**	**44**	**37**

The Council has granted the Secretary/Treasurer the right to waive subscription fees in cases of financial hardship. No waivers were made in the 2017 financial year (last year - nil).