

Travel Agents Association of New Zealand Incorporated

Performance Report

For the year ended
31 May 2020

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Independent Auditor's Report

Grant Thornton New Zealand Audit Partnership
L15, Grant Thornton House
215 Lambton Quay
P O Box 10712
Wellington 6143
T +64 4 474 8500
F +64 4 474 8509
www.grantthornton.co.nz

To the Members of Travel Agents Association of New Zealand Incorporated

Report on the Performance Report

Opinion

We have audited the performance report of Travel Agents Association of New Zealand Incorporated (the "Society") on pages 5 to 19 which comprise the entity information, the statement of service performance, the statement of financial performance and the statement of cash flows for the year ended 31 May 2020, the statement of financial position as at 31 May 2020 and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion:

- a) The reported outcomes and outputs, quantification of the outputs to the extent practicable, in the statement of service performance are suitable;
- b) The accompanying performance report presents fairly, in all material respects:
 - The entity information for the year then ended;
 - The service performance for the year then ended; and
 - The financial position of the Society as at 31 May 2020 and of its financial performance, and cash flows for the year then ended

in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) issued in New Zealand by the New Zealand Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Performance report* section of our report. We are independent of the Society 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 Society.

Emphasis of Matter

We draw attention to Note 18 of the financial statements, which describes the effects of COVID-19 pandemic on the Society. Although the full impact of COVID-19 cannot be estimated with certainty, it is expected to negatively impact the Society's revenues going forward. The Society's assessment is that it can continue to meet its current obligations and is solvent. Our opinion is not modified in respect of this matter.

Responsibilities of the Board Members for the Performance report

The Board Members are responsible for:

- a) Identifying outcomes and outputs, quantifying the outputs to the extent practicable, that are relevant, reliable, comparable and understandable, to report in the statement of service performance;
- b) The preparation and fair presentation of the performance report on behalf of the entity which comprises:
 - The entity information;
 - The statement of service performance; and
 - The statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report

in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) issued on New Zealand by the New Zealand Accounting Standards Board, and

- c) For such internal control as the Board Members determine is necessary to enable the preparation of the performance report that is free from material misstatement, whether due to fraud or error.

In preparing the performance report, those charged with governance on behalf of the entity are responsible for assessing the Society'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 the Board Members either intend to liquidate the Society or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the Audit of the Performance Report

Our objectives are to obtain reasonable assurance about whether the performance report 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 economic decisions of users taken on the basis of these performance report.

As part of an audit in accordance with ISAs (NZ) and NZ AS 1, the auditor exercises professional judgement and maintains professional scepticism throughout the audit. We also:

- Identifies and assesses the risks of material misstatement of the entity information, financial statements and service performance information, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence that is sufficient and appropriate to provide a basis for the auditor's 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.
- Obtains 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 Society's internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Obtains an understanding of the process applied by the Society to select what and how to report its service performance.
- Evaluates whether the service performance criteria are suitable so as to result in service performance information that is in accordance with the applicable financial reporting framework.
- Concludes 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 Society's ability to continue as a going concern. If the auditor concludes that a material uncertainty exists, the auditor is required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. The auditor's conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluates the overall presentation, structure and content of the entity information, financial statements and service performance information, including the disclosures, and whether the entity information, financial statements and service performance information represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtains sufficient appropriate audit evidence regarding the information of the entities or business activities within the Society to express an opinion on the financial statements and service performance information. The auditor is responsible for the direction, supervision and performance of the audit. The auditor remains solely responsible for the audit opinion.

We communicate with the Board Members regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that the auditor identifies during the audit.

Restriction on use of our report

This report is made solely to the Society's members, as a body. Our audit work has been undertaken so that we might state to the Society's members, as a body, those matters which 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 opinion we have formed.

Grant Thornton New Zealand Audit Partnership



Brent Kennerley

Partner

Wellington

6th August 2020

Travel Agents Association of New Zealand Incorporated

Entity Information

For the year ended
31 May 2020

Legal Name of Entity:	Travel Agents Association of New Zealand Incorporated (TAANZ)
Type of Entity and Legal Basis (if any):	TAANZ Inc. is an Incorporated Society registered under the Incorporated Societies Act 1908.
Registration Number:	220230

Entity's Purpose or Mission:

Formed in 1962, TAANZ is the trade association representing the vast majority of travel agents and their travel brokers operating in New Zealand. It's vision is to promote the use of a TAANZ Travel Agent to consumers and to act with purpose and clarity, sustaining a deregulated market place in which TAANZ members may conduct their business.

There is no government licensing for travel agents in New Zealand so TAANZ is a self-regulating organisation promoting quality standards, a Code of Ethics and Practice and to consumers, the use of a TAANZ travel agent. TAANZ members must meet strict membership and financial criteria and be subject to an annual financial review by an independent Bonding Authority. All TAANZ members participate in the TAANZ Bonding Scheme for the protection of the consumer. TAANZ works with training organisations and providers to ensure travel consultant industry training has the right content to enable them to service their customers, to understand new technology, the law and the travel industry at large. TAANZ interacts with supply partners and government agencies lobbying issues on its members' behalf. TAANZ is a signatory to the TAANZ IATA agreement's protection arrangements for airlines and the Association hosted the National Travel Industry Awards celebrating excellence in the multiple channels of agency and supplier distribution in 2019.

Entity Structure:

The management of the Association is vested in a Board of six elected directors, one of whom is the Board elected President, another the Vice-President. Board members hold office for 2 years but are eligible for re-election at the AGM. The elected Board has the power to co-opt up to three persons.

Currently the Association employs a Chief Executive. The Association contracts the TAANZ Bonding Authority services.

Main Sources of the Entity's Cash and Resources:

51% of income is generated from membership subscriptions, entrance fees and bonding levies, 12% is from interest, dividends and investment activities and 3% from office recoveries and other income. The Association hosted a National Travel Industry Awards event which comprises 33% of income.

Contact details

Physical Address:	Level 2, 125 Featherston St, Wellington
Postal Address:	P O Box 1888, Wellington
Phone/Fax:	04 496 4884
Email/Website:	www.taanz.org.nz



Travel Agents Association of New Zealand Incorporated

Statement of Service Performance

For the year ended

31 May 2020

Description of the Entity's Outcomes

Key strategic objectives and outcomes TAANZ Inc. aims to achieve, influence and deliver include:

Qualification accreditation and compliance. Our aim is to elevate the professional standards of all TAANZ members. Qualifications and training are one of the instruments by which to do this. TAANZ is aware that its members benefit from staff obtaining qualifications in a number of facets; cost of error to business reduces and levels of engagement with employer and customer improves. TAANZ annually measures the percentage of members who achieved the accreditation criteria set by TAANZ. Covid 19 will have some bearing on the commencement and completion of qualifications and changes in staffing since business downturned for members.

	Actual This Year	Budget Equal to or better than last year	Actual Last Year
Outcomes and measures of quality and objectives in respect to delivery			
Qualifications accreditation compliance	86%		90.42%

Reduced instances of agent default. TAANZ continues to influence the compliance of its members' financial requirements setting a zero default level. TAANZ has maintained an additional layer of review for members with < 10M annual turnover to now present management accounts on a 6 monthly basis as well as the annual review. No agent defaults were recorded in the last financial year. This result accords with the Board's objective to preserve and protect TAANZ accumulated funds.

	Actual This Year	Budget Equal to or better than last year	Actual Last Year
Outcomes and measures of quality and objectives in respect to delivery			
Number of agency defaults	0		0

Nil exposure of TAANZ funds. In conjunction with zero agency defaults, TAANZ objective is to limit the exposure of funds paid in the instance of defaults to consumers and airlines to zero dollars. In the event of a default, TAANZ seeks full recovery of funds. TAANZ achieved its objectives in the last financial year requiring no payment to airline or consumer.

	Actual This Year	Budget Equal to or better than last year	Actual Last Year
Outcomes and measures of quality and objectives in respect to delivery			
Paid to airlines arising from agency defaults	\$0	\$0	\$0
Paid to consumers arising from agency defaults	\$0	\$0	\$0
TAANZ funds not recovered	\$0	\$0	\$0

Professional standards – the code of ethics. TAANZ members abide by a code of ethics. In the event TAANZ receives a complaint from a customer of a TAANZ member the code is used to assess the conduct of the agent. The onset of Covid 19 induced supplier cancellations resulted in a dramatic increase in formal complaints. No agents were found to have breached the rules or code of ethics and no disciplinary committees were formed. TAANZ was not required to assist any members in the disputes tribunal in the last financial year.

	Actual This Year	Budget This Year	Actual Last Year
Outcomes and measures of quality and objectives in respect to delivery			
Complaints received	32	the same or less than prior year	5
Complaints resolved	32	the same or less than prior year	5
Number of complaints investigated by Committee	0	0	0
Number of complaints successfully resolved at Tribunal	0	Any presented to Tribunal	0



Bonding compliance. TAANZ members act according to a strict membership and bonding criteria. In the last financial year fewer members were fined for non-compliance and one agent was terminated for non-compliance.

Outcomes and measures of quality and objectives in respect to delivery	Actual	Budget	Actual
	This Year	This Year	Last Year
Agents fined for late Bonding returns	7	the same or less than prior year	10
Non-compliant agents reported end May	11	the same or less than prior year	3
Agents terminated for not meeting the Bonding Authority criteria	1	the same or less than prior year	2

Approvals. TAANZ total approvals declined year on year. Following a period of growth particularly in the broker approvals, membership approvals declined and stalled as the effects of Covid impacted the sector.

Outcomes and measures of quality and objectives in respect to delivery	Actual	Budget	Actual
	This Year	This Year	Last Year
All membership approvals	34	the same or better than prior year	113
All membership relinquishments	42	the same or less than prior year	84

The National Travel Industry Awards. Ticket sales included 20 tickets for TAANZ itself meaning budget was met.

Outcomes and measures of quality and objectives in respect to delivery	Actual	Budget	Actual
	This Year	This Year	Last Year
NTIA tickets sold	672	680	683

Debtor Management. TAANZ is successfully working with its members to improve aged debt and cash at hand. Cash at hand is important to TAANZ ability to derive investment income to supplement subscription income. Bills paid in a timely manner is also an indication of acceptance of value by the large majority of members. Unfortunately a small number of larger debtors' ageing deflated the cash position.

Outcomes and measures of quality and objectives in respect to delivery	Actual	Budget	Actual
	This Year	This Year	Last Year
Debtor ageing cumulative days reduction	31.0	The same or better than prior year	29.9



Travel Agents Association of New Zealand Incorporated

Statement of Financial Performance

For the year ended

31 May 2020

	Note	Actual This Year \$	Actual Last Year \$
Revenue			
Fees, subscriptions and other revenue from members	1	404,050	427,818
Revenue from providing goods or services	1	259,835	248,270
Interest, dividends and other investment revenue	1	94,870	103,215
Other revenue	1	53,386	172,786
Total Revenue		812,141	952,089
Expenses			
Volunteer and employee related costs	2	233,837	255,434
Costs related to providing goods or services	2	492,110	584,105
Other expenses	2	52,862	54,301
Total Expenses		778,809	893,840
Surplus for the Year before tax		33,333	58,249
Taxation expense	17	4,987	-
Net Surplus for the Year after tax		28,346	58,249



Travel Agents Association of New Zealand Incorporated
Statement of Financial Position

As at
31 May 2020

	Note	Actual This Year \$	Actual Last Year \$
Assets			
Current Assets			
Bank accounts and cash	3	320,366	512,085
Debtors and prepayments	3	397	142,678
Other current assets	3, 10	6,924,303	7,195,023
Total Current Assets		7,245,066	7,849,786
Non-Current Assets			
Property, plant and equipment	4	3,978	-
Intangible Assets	5	-	-
Investments	3	150,438	150,438
Total Non-Current Assets		154,416	150,438
Total Assets		7,399,482	8,000,224
Liabilities			
Current Liabilities			
Creditors and accrued expenses	3	34,174	45,350
Employee costs payable	3	16,509	22,036
Other current liabilities	3, 10	3,974,775	4,587,161
Total Current Liabilities		4,025,459	4,654,547
Total Liabilities		4,025,459	4,654,547
Total Assets less Total Liabilities (Net Assets)		3,374,023	3,345,677
Accumulated Funds			
Accumulated surpluses	6	774,023	745,677
Bank Guarantee and Consumer Fund	6	2,600,000	2,600,000
Total Accumulated Funds		3,374,023	3,345,677



Chief Executive

7.8.20

Dated

This consolidated statement of financial position is to be read in conjunction with the accompanying notes from pages 11-19



Travel Agents Association of New Zealand Incorporated

Statement of Cash Flows

For the year ended
31 May 2020

	Actual This Year \$	Actual Last Year \$
Cash Flows from Operating Activities		
Cash was received from:		
Fees, subscriptions and other receipts from members	404,050	427,818
Receipts from providing goods or services	442,713	341,411
Interest, dividends and other investment receipts	90,645	103,215
Cash was applied to:		
Payments to suppliers	(506,521)	(653,446)
Payments to employees	(238,940)	(249,486)
Net Cash Flows from Operating Activities	191,947	(30,488)
Cash flows from Investing and Financing Activities		
Cash was received from:		
Receipts from the sale of investments	204,656	2,253,607
Cash was applied to:		
Payments to acquire property, plant and equipment	(4,422)	-
Payments to purchase investments	(583,900)	(2,663,621)
Net Cash Flows from Investing and Financing Activities	(383,666)	(410,014)
Net Increase / (Decrease) in Cash	(191,719)	(440,502)
Opening Cash	512,085	952,586
Closing Cash	320,366	512,085
This is represented by:		
Bank Accounts and Cash	320,366	512,085



Travel Agents Association of New Zealand Incorporated

Statement of Accounting Policies

For the year ended
31 May 2020

Basis of Preparation

Travel Agents Association of New Zealand Incorporated (the "Society") has elected to apply PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) on the basis that it does not have public accountability and has total annual expenses of equal to or less than \$2,000,000. All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is for the Society, which also includes the operations of the Travel Agents Association Bonding Scheme which operates as a division of the Society. The Performance Report is prepared under the assumption that the Society will continue to operate in the foreseeable future.

The financial statements are presented in New Zealand dollars (\$), which is the Society's functional currency. All numbers presented here have been rounded to the nearest dollar unless otherwise stated.

Goods and Services Tax (GST)

The Society is registered for GST. All amounts are recorded exclusive of GST, except for debtors and creditors which are stated inclusive of GST.

Taxation

Taxation has been provided on the income earned by the Society on transactions outside of its membership. The Society is not liable for the tax on its dealings with members.

Bank Accounts and Cash

Bank accounts and cash in the Statement of Cash Flows comprise cash balances and bank balances (including short term deposits) with original maturities of 90 days or less.

Revenue

Fees, subscriptions and other revenue from members: Subscriptions are recognised evenly over the period in which it relates. Fees and other revenue from members is recognised when invoiced.

Event Income: Event income is recognised when the event takes place.

Interest Income: Interest income is recognised on an accrual basis.

Other revenue: Airline contribution income is recognised when invoiced. Gains and losses on sale of investments are recognised when investments are sold.

Wage Subsidy Policy

The Society received the Wage Subsidy for the initial 12 weeks for one employee based on a minimum of 30% decline in revenue due to Covid-19. The employee has been paid at least 80% of usual wages during that time.

Group Financial Instruments

The Society uses non-derivative financial instruments as part of its normal operations. These financial instruments include bank accounts, term deposits and debtors. The Society does not use derivative financial instruments. All financial instruments are recognised in the Statement of Financial Position at their fair value.



Travel Agents Association of New Zealand Incorporated

Statement of Accounting Policies

For the year ended
31 May 2020

Investments

Investments in shares and bonds are valued at cost and reviewed for impairment at every board meeting.

Depreciation

Depreciation is calculated on straight line basis at rates that will write off the cost of assets over their estimated useful life, which are as follows:

- Furniture and fixtures - 5 years
- Office Equipment - 3 years
- Computer Software - 3 years
- Leasehold Improvements - 6 years

Accounts Receivable

Receivables are stated at estimated realisable value after providing against debt where collection is doubtful. Bad debts are written off during the period in which they are identified.

Member Deposits

Deposits are held for members in term deposits which are recognised in the Statement of Financial Position at their fair value.

Changes in Accounting Policies

There have been no changes in accounting policies during the financial year (last year - nil).



Travel Agents Association of New Zealand Incorporated

Notes to the Performance Report

For the year ended
31 May 2020

Note 1 : Analysis of Revenue

Revenue Item	Analysis	This Year \$	Last Year \$
Fees, subscriptions and other revenue from members	Subscriptions and Entrance Fees	302,545	320,537
	Levies	101,505	107,280
	Total	404,050	427,818
Revenue Item	Analysis	This Year \$	Last Year \$
Revenue from providing goods or services	Revenue from National Awards Event	259,835	248,270
	Total	259,835	248,270
Revenue Item	Analysis	This Year \$	Last Year \$
Interest, dividends and other investment revenue	Interest & Dividends	94,870	103,215
	Total	94,870	103,215
Revenue Item	Analysis	This Year \$	Last Year \$
Other revenue	Airline Contributions	-	128,772
	Claims recovery	1,419	1,395
	Realised gain on investments	-	4,838
	Other Income	51,967	37,781
	Total	53,386	172,786



Travel Agents Association of New Zealand Incorporated

Notes to the Performance Report

For the year ended

31 May 2020

Note 2 : Analysis of Expenses

Expense Item	Analysis	This Year \$	Last Year \$
Volunteer and employee related costs	Salaries and Wages	233,414	254,967
	ACC levies	423	467
	Total	233,837	255,434

Expense Item	Analysis	This Year \$	Last Year \$
Costs related to providing goods or services	Bonding Authority Administration Expenses	100,275	149,229
	Directory and Information Guide	1,500	6,000
	General expenses	3,413	6,064
	Internet and website expenses	850	4,106
	Marketing	-	20,607
	Meeting and board expenses	6,137	4,445
	Members workshops and seminars	24,046	17,103
	NZITT expenses	665	460
	Expenses from National Awards event	196,344	216,015
	President and director fees	46,572	37,139
	Postage	3,312	4,310
	Printing and stationery	4,120	2,060
	Subscriptions and publications	-	193
	Office Administration	65,576	68,247
	Telephones	3,185	4,632
	Travel expenses	7,911	12,988
	WTAAA meetings*	28,203	30,506
Total		492,110	584,105

* World Travel Agents Associations Alliance

Expense Item	Analysis	This Year \$	Last Year \$
Other expenses	Audit Fees	12,500	12,000
	Annual report/AGM	984	1,797
	Amortisation	-	8,317
	Depreciation	444	7,467
	Insurance	3,310	3,108
	Kindred Association Meetings	2,192	2,317
	Legal and professional fees	8,432	4,871
	Other organisations subscriptions	-	1,495
	Brokerage Fees	-	369
	Bank Guarantee Fee	25,000	12,560
Total		52,862	54,301



Travel Agents Association of New Zealand Incorporated

Notes to the Performance Report

For the year ended
31 May 2020

Note 3 : Analysis of Assets and Liabilities

Asset Item	Analysis	This Year \$	Last Year \$
Bank accounts and cash	ANZ Current Account 00	142,672	40,497
	ANZ Current Account 26	31,618	251,738
	ANZ Call Account 25	29,849	129,833
	ANZ Call Account 27	26,430	70,819
	BNZ Current Account	89,697	19,099
	Petty Cash	100	100
	Total		320,366
Asset Item	Analysis	This Year \$	Last Year \$
Debtors and prepayments	Accounts receivable	-	85,857
	Prepaid NTIA event/travel costs	397	56,821
	Total	397	142,678
Asset Item	Analysis	This Year \$	Last Year \$
Other current assets	Short term deposits	2,901,964	2,802,395
	Member Deposits at BNZ	3,936,068	4,264,552
	GST receivable/(payable)	8,435	2,586
	Tax refund/(payable)	22,119	21,148
	Accrued income	60,704	104,342
	Total		6,929,290
Asset Item	Analysis	This Year \$	Last Year \$
Investments	Air New Zealand Shares	438	438
	BNZ Capital Notes	150,000	150,000
	Total	150,438	150,438
Liability Item	Analysis	This Year \$	Last Year \$
Creditors and accrued expenses	Trade and other payables	18,644	29,253
	Accrued operating expenses	15,530	16,097
	Total	34,174	45,350
Liability Item	Analysis	This Year \$	Last Year \$
Employee costs payable	Holiday pay accrual	13,527	17,261
	Salaries earned but not yet paid	2,982	4,775
	Total	16,509	22,036
Liability Item	Analysis	This Year \$	Last Year \$
Other current liabilities	Member deposits and interest held at BNZ	3,972,432	4,319,161
	Bonds held or claims	-	73,000
	Income in advance (from sponsorship, ticket sales of NTIA event and Govt wage subsidy)	2,343	195,000
	Total	3,974,775	4,587,161



Travel Agents Association of New Zealand Incorporated

Notes to the Performance Report

For the year ended
31 May 2020

Note 4 : Property, Plant and Equipment

This Year					
Asset Class	Opening Carrying Amount	Purchases	Sales/Disposals	Current Year Depreciation and Impairment	Closing Carrying Amount
Buildings	-	-	-	-	-
Furniture and fixtures	-	-	-	-	-
Computers & Office Equipment	-	4,422	-	444	3,978
Total	-	4,422	-	444	3,978

Last Year					
Asset Class	Opening Carrying Amount	Purchases	Sales/Disposals	Current Year Depreciation and Impairment	Closing Carrying Amount
Buildings	3,528	-	-	3,528	-
Furniture and fixtures	-	-	-	-	-
Computers & Office Equipment	3,939	-	-	3,939	-
Total	7,467	-	-	7,467	-

Note 5 : Intangible Assets

This Year					
Asset Class	Opening Carrying Amount	Purchases	Sales/Disposals	Current Year Amortisation	Closing Carrying Amount
Intangible Assets (Website)	-	-	-	-	-
Total	-	-	-	-	-

Last Year					
Asset Class	Opening Carrying Amount	Purchases	Sales/Disposals	Current Year Depreciation and Impairment	Closing Carrying Amount
Intangible Assets (Website)	8,317	-	-	8,317	-
Total	8,317	-	-	8,317	-



Travel Agents Association of New Zealand Incorporated

Notes to the Performance Report

For the year ended
31 May 2020

Note 6: Accumulated Funds

This Year				
Description	Accumulated Surpluses or Deficits	Consumer Fund	Bank Guarantee	Total
Opening Balance	745,677	100,000	2,500,000	3,345,677
Surplus/(Deficit)	28,346	-		28,346
Funds received for claims				-
Funds paid in or out for claims				-
Transfer to/from Bank Guarantee				-
Closing Balance	774,023	100,000	2,500,000	3,374,023

Last Year				
Description	Accumulated Surpluses or Deficits	Consumer Fund	Bank Guarantee	Total
Opening Balance	2,037,428	1,250,000		3,287,428
Surplus/(Deficit)	58,249	-		58,249
Funds received for claims				-
Funds paid in or out for claims				-
Transfer to/from Bank Guarantee	(1,350,000)	(1,150,000)	2,500,000	-
Closing Balance	745,677	100,000	2,500,000	3,345,677

Bank Guarantee: TAANZ and IATA have undertaken an agreement whereby airlines, through IATA are able to make claims on the TAANZ Bank Guarantee of 2.5M. No claim may exceed \$1.125m. The agreement commenced 1 January 2019 and will continue until 31 December 2021.

Consumer Fund: TAANZ also provides a Consumer Fund to the value of 100k. The fund is available to meet assessed and approved consumer claims of a TAANZ member's failure. 100k is available in each case where a TAANZ member fails.



Travel Agents Association of New Zealand Incorporated

Notes to the Performance Report

For the year ended
31 May 2020

Notes 7 - 13

Note 7: Net Claims and Expenses

Member	Net cost/(income)	
	2020	2019
Sinorama	-	(73,000)
Total	-	(73,000)

Note 8: TAANZ Airline and Consumer Funds

TAANZ and IATA have undertaken an agreement whereby airlines, through IATA are able to make claims on the TAANZ Bank Guarantee of 2.5M.

No claim may exceed \$1.125m. The agreement commenced 1 January 2019 and will continue until 31 December 2021. TAANZ also provides a Consumer Fund to the value of 100k. The fund is available to meet assessed and approved consumer claims of a TAANZ member's failure. 100k is available in each case where a TAANZ member fails.

The Bank of New Zealand holds a security over the Bank Guarantee Fund.

Note 9: Cash Bonds

The funds from members who have provided a cash bond are shown as investments totalling \$3,936,068 (2019: 4,264,522). The corresponding liability including interest owed at the reporting date to such members is \$3,972,432 (2019: \$4,319,161). This includes accrued interest of \$36,364 (2019: \$54,808)

Note 10: Lease Commitments

The Society has a commitment to lease a photocopier for \$270 per month until June 2021.

	2020	2019
Within one year	3,510	3,240
One to Five years	-	3,510
Total	<u>3,510</u>	<u>6,750</u>

Note 11: Auditor Remuneration

Total fees payable to Grant Thornton the auditor for the 2020 Financial Statements totalled \$12,500 (2019: \$12,000).

Note 12: Contingent Liabilities

There are no contingent liabilities at year end. (2019: None).

Note 13: Contingent Assets

There are no contingent assets at year end (2019 None).



Travel Agents Association of New Zealand Incorporated

Notes to the Performance Report

For the year ended
31 May 2020

Notes 14 - 18

Note 14: Related Party Transactions

Description of Related Party Relationship	Description of the Transaction (whether in cash or amount in kind)	This Year	Last Year	This Year	Last Year
		\$ Value of Transactions	\$ Value of Transactions	\$ Amount Outstanding	\$ Amount Outstanding
Rent to member APX Travel	\$2,000 per month cash	24,000	24,000	4,600	-

Note 15: Capital commitments

There are no capital commitments at reporting date (2019: None)

Note 16: Taxation

There are tax losses of \$NIL to carry forward (2019: \$3,136). An income tax refund of \$19,905 is due to the Association for the current year.

Note 17: Events After the Balance Date:

2020: None (2019: None.)

Note 18: Covid-19 Pandemic Impact:

TAANZ has been impacted by the Covid-19 pandemic significantly since March 2020 as we will be unable to get any membership revenue from travel agents in the coming year, resulting in a reduction in income of nearly 90%. For the coming year, the organisation will need to draw on cash reserves to continue operating.

As a result, our operating costs are planned to be 50% lower in 2020/21. We have received wage subsidies totalling \$11.7k for the one remaining employee. The organisation can continue to meet it's current obligations and is solvent with reliance placed on the going concern assumption for 2021/22.

