

ANNUAL REPORT

For the year ending 30 September 2012



To promote the highest standards of energy management skills and competence to foster and facilitate the integration of sound energy management practices into all sectors of the New Zealand economy.

To provide a forum for the discussion of energy management issues, skills and techniques to develop practical energy management policy proposals and represent these where appropriate.

The Energy Management Association of New Zealand

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Chair's Message

This financial year proved a very busy and challenging year for EMANZ. While there was an increase in income for the Association, EMANZ invested in projects to diversify its sources of income, and that investment ultimately led to a loss in 2012 of around \$12,000. This loss was covered from reserves. As always, Ewan and the team at EMANZ continue to explore every avenue for growing the effectiveness of the organisation and supporting members while keeping a close eye on finances.

Achievements in 2012 were many and varied, including a fantastic conference in Christchurch, successful commercial lighting seminars held in over eight locations around the country, and securing the contract to adapt the building energy rating scheme NABERS from Australia to New Zealand. EMANZ also reviewed its branding, and launched EnergyMasters – a brand to encapsulate energy efficiency expertise in different technological areas.

During 2012 the Governance Committee reviewed progress towards the objectives in the three-year strategic plan developed for the Association in 2011. Good progress has been made in all areas, although the goals of the Association with respect to the Christchurch rebuild have not been achieved as successfully as we all would have hoped.

EMANZ has looked to strengthen the engine room. Late in 2012 EMANZ initiated a process to employ a Commercial Manager to oversee the management and development of commercial activities of the Association.

In terms of increasing our influence, I think you will all have noticed that EMANZ continues to secure an increasing number of media opportunities. EMANZ training has continued despite the significant financial challenges involved in providing these services through difficult economic times. EnergyMasters Accreditation has been established to improve the credibility of our sector in the years ahead, and membership numbers continue upward.

The challenges of EMANZ and other Associations like us who rely on the goodwill of members and partners to flourish and succeed in achieving our goals will always be there, but the decisions made in 2012 continue to improve the security of our Association for the long term.

Once again I would like to thank my fellow Board members for their valuable contributions over the last year. The opportunities to grow and the risks that go with the territory are an ongoing challenge that need all the experience and knowledge we can muster to take our sector forward, and I look forward to EMANZ continued success for the upcoming year.



Priyani de Silva-Currie
Chairperson



Priyani de Silva-Currie

From the Executive Officer

I have it on reliable authority that 2012 was hard going for the New Zealand not for profit sector, and EMANZ can attest to that.

The rapid growth experienced in the previous three years has been a difficult trend to follow, and with the type of business EMANZ is, there is always a risk that at some point EMANZ was going to spend more than it made.

This is what happened in 2012, with the end result a loss of around \$12,000. Fortunately the reserves built from previous years placed us in reasonable stead to weather this small downturn, but it does mean we need to adjust our appetite for risk and proceed with a bit more caution.

It is also important to communicate that a significant proportion of EMANZ expenditure in 2012 was for one-off projects, one of the most clearly visible being the upgrade of the EMANZ website, our “face” to the world. This project in particular provided a series of challenges in the management of one-off projects.

While we did not manage to achieve Private Training Establishment status, official recognition by the NZ Qualifications Authority, we are well positioned to achieve this status in 2013. This is a key step toward our ultimate objective of delivering qualification level industry training programmes.

The events we ran in 2012 continued to inform our understanding of the evolving information needs of our members, and other parties interested in making sound energy savings investments. EMANZ is well aware of the potential opportunities to grow the scope of activities, but equally aware that we need to ensure operation within the limitations of our resources. A number of possible training courses, and sector level programmes have been examined, but no decision to invest was made by EMANZ in this financial year.

Finally, on the staff front, I would like to record my sincere thank you to Jenny Walton for the work she performed up until her departure from EMANZ at the end of 2012. I would also like to thank Sally Betts, who started with us in March 2012. Sally did a fantastic job of assisting and standing in for Jenny during her cancer treatment in 2012.



Ewan Gebbie



Ewan Gebbie Executive Officer

EMANZ Activities

MEMBERSHIP

Membership continued to grow, and stood at 303 individual members (276 in 2011) and 39 corporate members (28 in 2011) as at 30 September 2012.

There were no significant changes in membership class, although we did make a small change to one class in 2012, changing it from “Ordinary” membership to “EnergyMasters” membership, to reflect the launch of that brand.

As in previous years, may I welcome all new members that make us who we are and of course thank all members for their ongoing support and confidence.

TRAINING

EMANZ training programme was steady in 2012. We had enough interest to run the Facilities Managers course four times, with a total of 49 attendees, and the CBES course four times, with a total of 32 attendees.

Our continued focus on ensuring the quality of training saw a revision of the lighting modules in the CBES course. These changes reflect the rapid technological advances made in the LED and control systems module on the ISO 50001 Standard. We also added to the Facilities Managers course to increase its value.

During this year EMANZ applied to become a Private Training Establishment, and that application work continues into 2013. EMANZ also continued to look for new opportunities to establish new training courses.



ACCREDITATION

Accreditation is a key means by which EMANZ supports the energy services sector. As the sector’s competency standard-bearer EMANZ reviewed it’s market presence in performing this role and established EnergyMasters – a brand that recognizes and reflects competence in a range of specialised technical areas.

The review also brought in a new, more stringent set of Accreditation rules, and a small number of Accredited individuals chose not to renew their Accreditation. As at 30 September 2012, EMANZ had the following Accredited individuals:

- 28 EnergyMasters Auditors
- 6 EnergyMasters Compressed Air Systems
- 3 EnergyMasters Commercial Building Specialists
- At the same time last year (2011) there were 34 Accredited individuals.

As at September 2012 EMANZ was also looking to establish the category of EnergyMasters Pumps and Fans.



EVENTS

In 2012, EMANZ continued to expand its repertoire. As well as holding its marquee event, the EMANZ conference, a number of commercial lighting seminars were held up and down the country in conjunction with EECA. These seminars proved to be a great success, with over 200 attendees from eight different locations.

The 2012 EMANZ conference “Smart Cities” was held in Christchurch. That decision proved highly successful for delegates, who were treated to a bevy of international speakers keen to provide their support and insights into the Christchurch rebuild. It was always expected that EMANZ would not get as many attendees to a conference in the South Island, and this proved correct, but the full value of holding an event such as this in Christchurch cannot be underestimated.

A number of opportunities were taken by the Executive Officer, Ewan Gebbie to participate in other organisation’s events. These included Ewan speaking at a series of Meridian Energy customer breakfast seminars, presenting to the NZ Institute of Health Engineers annual conference, and also to an energy efficiency conference organized by Venture Southland.

INDUSTRY STANDARDS

EMANZ continued to invest its time and energy into supporting the update of the Australia New Zealand energy audit standard. EMANZ Governance Committee Member Ivan Fraser provided technical support to Standards Australia in their work to implement the recommendations made by the Avoit Review Steering Group in 2011 (participated on by Ewan Gebbie).

With much discussion and debate in the preamble, EECA chose to introduce NABERS to New Zealand, and EMANZ was fortunate to win the contract to adapt it to the New Zealand context. This work was a highlight for EMANZ in 2012 because the potential to make the market more receptive to energy efficiency initiatives in commercial buildings.

EMANZ also continued to work with EECA on the establishment of industrial audit guidelines, with EMANZ members providing some useful input to the Process Heat audit guidelines, and overseeing the use of these guidelines in the work performed by our Accredited members.



EMANZ Governance Committee:
Scott Noyes, Peter Doidge,
Ivan Fraser, Frans Plugge,
Priyani de Silva-Currie,
Ewan Gebbie, Pamela Storey,
Noel Mason, Erin Roughton,
Jonathan Pooch.



Independent auditor's report

To the members of Energy Management Association Incorporated

We have audited the accompanying special purpose financial statements of Energy Management Association Incorporated ("the incorporated society") on pages 2 to 5. The special purpose financial statements comprise the balance sheet as at 30 September 2012, the profit and loss statement for the year ended 30 September 2012, and a summary of significant accounting policies and other explanatory information. The special purpose financial statements have been prepared in accordance with the accounting policies of the incorporated society set out on pages 2 to 5.

Governance Committee's responsibility for the special purpose financial statements

The Governance Committee is responsible for the preparation of these special purpose financial statements, in accordance with the accounting policies of the incorporated society, and for such internal control as the Governance Committee determines is necessary to enable the preparation of special purpose 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 special purpose 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 special purpose financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the special purpose financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the special purpose financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the incorporated society's preparation of the special purpose 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 incorporated 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 presentation of the special purpose financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, the incorporated society.

Opinion

In our opinion the special purpose financial statements of Energy Management Association Incorporated on pages 2 to 5 for the year ended 30 September 2012 are prepared, in all material respects, in accordance with the accounting policies of the society set out on pages 2 to 5.

Income and Expenditure as at 30 September 2012

ENERGY MANAGEMENT ASSOCIATION OF NEW ZEALAND

Account	30 Sept 2012	30 Sept 2011
INCOME		
Accreditation Fees	18,637	3,250
Conference Income	28,034	24,704
Contract Income	512,286	372,395
Events (Forums, Workshops, etc)	927	18,751
Interest Received	1,293	-
Other Income	4,557	1,224
Training Course Fees	94,551	112,016
Membership Fees	88,185	61,524
Total Income	748,470	593,864
LESS COST OF SALES		
Audit & Accreditation Expenses	25,227	4,283
Catering	2,407	1,114
Conference Expenses	742	8,970
Contract Expenses	211,966	85,966
Direct Travel	10,453	11,430
Other Event Costs	1,525	5,718
Subcontractors	3,960	18,551
Training Expenses	96,011	99,377
Venue Hire	4,671	16,106
Total Cost of Sales	356,962	251,515
GROSS INCOME	391,508	342,349



Account	30 Sept 2012	30 Sept 2011
LESS OPERATING EXPENSES		
Administration Expenses	9,040	2,477
Advertising & Marketing	60,521	32,191
Advocacy	11,808	17,046
Bad debts	1,304	
EO & Board Travel - New Zealand	430	
General Expenses	3,633	
Meeting Expenses	4,201	160
Office Expenses	24,887	8,100
Travel - Overseas	2,679	484
Travel NZ	3,953	8,932
Utilities	2,934	2,007
Website Expenses	27,254	6,469
STAFF COSTS		
Executive Officer Expenses	212	-
Staff Training	590	59
Wages & Salaries	249,891	219,370
Total Operating Expenses	403,337	326,137
OPERATING INCOME	-11,829	17,818
NON-OPERATING EXPENSES		
Depreciation	795	418
NET INCOME	-12,624	17,399

Balance Sheet as at 30 September 2012

ENERGY MANAGEMENT ASSOCIATION OF NEW ZEALAND

	30 Sep 2012	30 Sep 2011
ASSETS		
Bank		
Cheque Account	3,431	41,195
GST Account	24,504	-
Interest Earner	15,098	80,560
Total Bank	43,033	121,755
Current Assets		
Accounts Receivable	107,454	-27
BNZ Term Deposits	81,572	-
Total Current Assets	189,026	-27
Fixed Assets		
Equipment -	-1,214	-418
Equipment - Purchases	1,989	1,989
Total Fixed Assets	775	1,571
Total Assets	232,834	123,299
LIABILITIES		
Current Liabilities		
Accounts Payable	139,836	16,375
Credit Card	1,767	3,335
GST	20,839	20,679
Membership Fees Received in Advance	8,040	9,478
Rounding	1,548	-
Total Current Liabilities	172,030	49,867
Total Liabilities	172,030	49,867
Net Assets	60,804	73,432
Equity		
Current Year Earnings	-12,626	17,399
Retained Earnings	73,429	56,030
Total Equity	60,803	73,429

Energy Management Association of New Zealand

2012 Financial Statements for the year ended 30 September 2012



Notes to the Financial Statements

for the year ended 30 September 2012

1. Statement of Accounting Policies

The financial statements presented here are for the entity; Energy Management Association of New Zealand, an incorporated society registered under the Incorporated Societies Act 1908. (Inc Soc No. 1120936)

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on an historical cost basis have been used, with the exception of certain items for which specific accounting policies have been identified.

2. 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.

3. Fixed Assets and Depreciation

All fixed assets are recorded at cost less accumulated depreciation. Depreciation of the assets has been calculated at the maximum rates permitted by the Income Tax Act 2007.

The entity has the following asset classes: Equipment - 40% Diminishing Value

4. Foreign Currency

Transactions denominated in foreign currencies are converted at the exchange rate current at the transaction date. Foreign currency receivables and payables are converted at exchange rates current at balance date. Foreign exchange gains or losses are included as income or expenses respectively in the Profit and Loss Statement.

5. Goods and Services Tax

These financial statements have been prepared on a GST exclusive basis with the exception of Accounts Receivable and Accounts Payable.

6. Accounts Receivable

Receivables are stated at their estimated realisable value. Bad debts are written off in the year in which they are identified.

7. Audit

These financial statements have been audited by KPMG.

8. Contingent Liabilities

At balance date the Association had no contingent liabilities or commitments. (2011: nil).

9. Fixed Assets

The entity has the following fixed assets recorded:

Equipment - Purchases	\$1,989
Equipment - accumulated depreciation	(\$1,194)
Total Fixed Assets	\$795



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