Commentary to FY 2025 Financial Report

Financial Year 2025 is the first full year of operations for AMA.

In this past year, we have adopted a new Constitution, held our first AGM and director elections, and amongst many other activities, held New Zealands very first Minister for Manufacturing Awards.

Our activities this year have been primarily funded by MBIE, with for the first time some contributions from industry via a number of sponsorships. Together, these funding streams have enabled AMA to succeed in pursuing its objectives that may be summarised as enhancing the effectiveness of NZs manufacturing sector.

Crucially, MBIE funding continues to support AMAs activities. This is a dual win, as this facilitates AMAs ability to support manufacturers, whilst also enabling MBIE and central government more broadly to develop and implement policies and actions that stimulate a critical sector of our economy.

The AMA Board is cognisant that the sector cannot rely on government funding alone, but must also strive to support itself to address needs and stimulate growth. Over the next year the Board will be considering how we can diversify our revenue streams.

MBIE funding is tied to specific work streams. Any funding unused at balance date (including any Accounts Receivable) are held in Restricted Reserves in the Balance Sheet, and transferred as income to the P&L the following year as work programmes utilise those funds.

With limited funds available, the Board endeavours to minimise overheads. As an example, the Board resolved to not take directors fees, and most board meetings are held virtually to minimise directors travel costs.

Whilst AMA is a not for profit organisation, it falls through the cracks of tax law, and does not qualify for an IRD income tax exemption. Consequently, any surplus (essentially deriving from sponsorships or commercial activities) is subject to income tax. We will be paying income tax in the form of provisional and terminal payments over the next 12 months.

At balance date we held a net bank balance of $195,125, with receivables exceeding liabilities. However, you will note Restricted Reserves totalled $187,885; these funds will be fully expended in the 2026 financial year.

Due to the limited ability of AMA to accumulate reserves, we anticipate cash-flow management will always be a crucial matter for the organisation.

Glenn Hansen