

NEW ZEALAND WOOL CLASSERS ASSOCIATION INC.

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2014



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Staples Rodway. Chartered Accountants. An Independent Member of Baker Tilly International.

TABLE OF CONTENTS

	Page
Directory	1
Statement of Financial Performance	2
Statement of Financial Position	3
Statement of Movements in Accumulated Funds	4
Notes to the Financial Statements	5

COMPILATION REPORT TO THE BOARD OF THE NEW ZEALAND WOOL CLASSERS ASSOCIATION INC.

Scope

On the basis of information you provided we have compiled, in accordance with Service Engagement Standard No. 2 Compilation of Financial Information, the financial statements of NEW ZEALAND WOOL CLASSERS ASSOCIATION INC. for the year ended 31 December, 2014. These have been prepared in accordance with financial reporting framework/basis of accounting described in Note 1 to the financial statements.

Responsibilities

You are solely responsible for the information contained in the financial statements and have determined that the financial reporting framework/basis of accounting used is appropriate to meet your needs and for the purpose that the financial statements were prepared. The financial statements were prepared exclusively for your benefit. We do not accept responsibility to any other person for the contents of the financial statements.

No Audit or Review Engagement Undertaken

Our procedures use accounting expertise to undertake the compilation of the financial statements from information you provided. Our procedures do not include verification or validation procedures. No audit or review engagement has been performed and accordingly no assurance is expressed.

Disclaimer of Liability

As mentioned earlier in our report, We have compiled the financial information based on information provided to us which has not been subject to an audit or review engagement. Accordingly, neither Staples Rodway Christchurch Limited nor any of our employees accept any responsibility for the reliability, accuracy or completeness of the compiled financial information nor do we accept any liability of any kind whatsoever, including liability by reason of negligence, to any person for losses incurred as a result of placing reliance on the compiled financial information.

Staples Rodway

**STAPLES RODWAY CHRISTCHURCH LIMITED
 CHARTERED ACCOUNTANTS
 CHRISTCHURCH**

DATE: 18 February 2015

DIRECTORY

AS AT 31 DECEMBER 2014

Nature of Business	To promote, develop, serve and represent non-parochially, the collective interests, prosperity and general advancement of the Members, the wool classing industry and the New Zealand wool industry generally.
Chairman	Bill Dowle
Vice Chairman	Allan Frazer
Postal Details	C/- Bill Dowle PO Box 16231 Hornby CHRISTCHURCH
Registered Office	314 Riccarton Road CHRISTCHURCH
Accountants	Staples Rodway Christchurch Limited 314 Riccarton Road CHRISTCHURCH
Solicitors	Richard Smith Duncan Cotterill 148 Victoria Street Christchurch Central CHRISTCHURCH
Bankers	Bank of New Zealand Sydenham Branch CHRISTCHURCH

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 31 DECEMBER, 2014

	2014	2013
	\$	\$
<u>INCOME</u>		
Interest Received - IRD Use of Money	1.13	0.52
Interest Received	5,271.40	5,539.73
Grants & Sponsorship Received	1,000.00	3,000.00
Subscriptions Received	20,417.29	16,427.91
	<hr/>	<hr/>
<u>TOTAL INCOME</u>	26,689.82	24,968.16
<u>LESS EXPENDITURE</u>		
SELLING EXPENSES		
Newsletters & Publications	180.00	180.00
	<hr/>	<hr/>
TOTAL SELLING EXPENSES	180.00	180.00
ADMINISTRATION EXPENSES		
Accountancy Fees	1,420.00	1,454.78
AGM Expenses	1,240.78	1,647.06
Bank Charges	241.00	211.30
Board Fees & Honorariums	2,200.00	2,200.00
Board Meeting Expenses	2,380.18	1,610.76
Classer Refresher Days	982.04	-
Scholarships	1,000.00	1,000.00
Management Fees	17,500.08	17,500.06
Meeting Expenses	-	151.26
Merit Award Expenses	919.69	763.30
Printing, Postage & Stationery	147.83	-
Telephone, Tolls, Internet etc.	99.80	268.70
	<hr/>	<hr/>
TOTAL ADMINISTRATION EXPENSES	28,131.40	26,807.22
	<hr/>	<hr/>
<u>TOTAL EXPENSES</u>	28,311.40	26,987.22
	<hr/>	<hr/>
<u>TOTAL DEFICIT FOR YEAR</u>	(1,621.58)	(2,019.06)
OTHER ITEMS		
Prior Period Tax Adjustments	596.23	-
	<hr/>	<hr/>
TOTAL OTHER ITEMS	596.23	-
	<hr/>	<hr/>
<u>TOTAL DEFICIT BEFORE TAX</u>	(1,025.35)	(2,019.06)
Less Provision for Taxation	1,216.32	953.96
	<hr/>	<hr/>
<u>TOTAL DEFICIT AFTER TAX</u>	(\$2,241.67)	(\$2,973.02)
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These Financial Statements are to be read in conjunction with the accompanying Notes and the Compilation Report. These statements have been compiled without undertaking an audit or review engagement.

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2014

	2014	2013
	\$	\$
<u>CURRENT ASSETS</u>		
Accrued Interest Receivable	2,146.41	2,218.47
Accounts Receivable	5,948.90	2,064.10
BNZ First Transact Account	1,184.38	1,959.54
BNZ Bus First Oncall Account	3,273.09	10,893.15
RaboDirect Savings Account	1,763.08	-
Taxation Refund	229.06	509.36
TOTAL CURRENT ASSETS	14,544.92	17,644.62
<u>LESS</u>		
<u>CURRENT LIABILITIES</u>		
Accounts Payable	57.38	-
GST Payable	3,007.17	2,021.04
TOTAL CURRENT LIABILITIES	3,064.55	2,021.04
WORKING CAPITAL SURPLUS	11,480.37	15,623.58
<u>NON-CURRENT ASSETS</u>		
<u>INVESTMENTS</u>		
Kiwibank Term Deposit - 03	11,608.43	11,210.73
RaboDirect Term Deposit - A0016	50,000.00	50,000.00
RaboDirect Term Deposit - A000N	15,803.14	15,231.57
RaboDirect Term Deposit - A0191	31,044.29	30,112.02
TOTAL INVESTMENTS	108,455.86	106,554.32
TOTAL NON-CURRENT ASSETS	108,455.86	106,554.32
<u>NET ASSETS</u>	\$119,936.23	\$122,177.90

These Financial Statements are to be read in conjunction with the accompanying Notes and the Compilation Report. These statements have been compiled without undertaking an audit or review engagement.

STATEMENT OF MOVEMENTS IN ACCUMULATED FUNDS

FOR THE YEAR ENDED 31 DECEMBER, 2014

	2014	2013
	\$	\$
Opening Balance	122,177.90	<u>125,150.92</u>
Less:		
Deficit for the Year	<u>2,241.67</u>	<u>2,973.02</u>
	<u>2,241.67</u>	<u>2,973.02</u>
TOTAL ACCUMULATED FUNDS	<u>\$119,936.23</u>	<u>\$122,177.90</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2014

1. Statement of Accounting Policies

Reporting Entity

New Zealand Wool Classers Association Incorporated is a society incorporated under the Incorporated Societies Act 1908. These financial statements have been prepared in accordance with the New Zealand Institute of Chartered Accountants Financial Reporting Standards and Statements of Accounting Policies.

The society is a qualifying entity for the purposes of differential reporting because it is not publicly accountable and not large as defined by the following tests:

- Total assets less than \$10 million
- Turnover less than \$20 million
- Total full time equivalent employees are 50 or less

The society has taken advantage of all the differential reporting exemptions.

Measurement Base

Unless otherwise stated, the measurement base adopted is historical cost.

Specific Accounting Policies

The following specific accounting policies which affect the measurement of financial performance and financial position have been applied.

(a) Accounts Receivable

Accounts receivable are stated at their estimated net realisable value.

(b) Accrued Interest Receivable

Accrued interest receivable is stated at the estimated net realisable value.

(c) Investments

Investments are stated at cost.

(d) Goods and Services Tax (GST)

The financial statements have been prepared on a GST exclusive basis whereby all items in the Statement of Financial Performance, together with stock on hand and fixed assets, have been recorded exclusive of GST. Accounts receivable and accounts payable are recorded in the Statement of Financial Position inclusive of GST. GST owing to or by the entity at balance date, as recorded in the Statement of Financial Position, has been determined on an accruals basis.

(e) Income Tax

The society complies with the Inland Revenue Department's policy for Non-profit Organisations, and as such is only required to pay tax on non member transactions, namely interest, and is entitled to a \$1,000.00 income tax deduction. The charge for income tax is stated as the estimated tax payable after allowing for this deduction and non taxable movements in accrued interest receivable. Movements in accrued interest receivable are non taxable as the society is a Cash Basis entity under the financial arrangement rules and hence is only required to pay tax on interest when it is physically received.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2014

(f) Changes in Accounting Policies

There have been no changes in accounting policies that would have a significant effect on the determination of profit for the year.

All policies have been applied on bases consistent with those used in previous years.

2. Grants & Sponsorship

On behalf of the Board and Members of the New Zealand Wool Classers Association Incorporated we would like to thank the following organisations for their generous contributions and continued support of our society:

Canterbury Woolscourers Limited	250.00
Elders Limited	250.00
NZ Merino Company Limited	250.00
PGG Wrightsons Limited	250.00
Total Grants Received	<u>\$1,000.00</u>

3. Classer Refresher Days

The Society has an obligation to provide professional development training to its members with the requirement that members attend an approved training programme at least once every four years but preferably once every two years. Courses are run in various locations convenient for classer attendance and the number of courses varies from year to year. Providers are required to gain the Society's approval for programmes that meet defined criteria.

4. Accounts Receivable

Accounts Receivable at balance date were:

Subscriptions Received	5,948.90
Total Accounts Receivable	<u>\$5,948.90</u>

5. Accounts Payable

Accounts Payable at balance date were:

Hotcode Designer	57.38
Total Accounts Payable	<u>\$57.38</u>

6. Audit

These financial statements have not been audited.