

**NEW ZEALAND WOOL CLASSERS ASSOCIATION INC.**

**FINANCIAL STATEMENTS**  
*FOR THE YEAR ENDED 31 DECEMBER, 2015*



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**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, 2015. 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: 25 February 2016

**DIRECTORY**

AS AT 31 DECEMBER 2015

<b>Nature of Business</b>	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.
<b>Chairman</b>	Bill Dowle
<b>Vice Chairman</b>	Allan Frazer
<b>Postal Details</b>	C/- Bill Dowle PO Box 16231 Hornby CHRISTCHURCH
<b>Registered Office</b>	329 Durham Street Christchurch Central CHRISTCHURCH
<b>Accountants</b>	Staples Rodway Christchurch Limited 329 Durham Street Christchurch Central CHRISTCHURCH
<b>Solicitors</b>	Richard Smith Duncan Cotterill 148 Victoria Street Christchurch Central CHRISTCHURCH
<b>Bankers</b>	Bank of New Zealand Sydenham Branch CHRISTCHURCH

**STATEMENT OF FINANCIAL PERFORMANCE**

FOR THE YEAR ENDED 31 DECEMBER, 2015

	2015	2014
	\$	\$
<b><u>INCOME</u></b>		
Interest Received - IRD Use of Money	0.46	1.13
Interest Received	4,886.87	5,271.40
Grants & Sponsorship Received	4,089.13	1,000.00
Subscriptions Received	13,060.09	20,417.29
<b><u>TOTAL INCOME</u></b>	<b><u>22,036.55</u></b>	<b><u>26,689.82</u></b>
<b><u>LESS EXPENDITURE</u></b>		
<b>SELLING EXPENSES</b>		
Newsletters & Publications	1,882.48	180.00
<b><u>TOTAL SELLING EXPENSES</u></b>	<b><u>1,882.48</u></b>	<b><u>180.00</u></b>
<b>ADMINISTRATION EXPENSES</b>		
Accountancy Fees	2,005.00	1,420.00
AGM Expenses	1,530.15	1,240.78
Bank Charges	342.95	241.00
Board Fees & Honorariums	2,200.00	2,200.00
Board Meeting Expenses	2,022.09	2,380.18
Classer Refresher Days	843.06	982.04
Executive Officer Expenses	1,455.36	-
Executive Officer Fee	10,470.00	-
Management Fees	-	17,500.08
Meeting Expenses	519.04	-
Merit Award Expenses	-	919.69
Printing, Postage & Stationery	1,864.17	147.83
Scholarships	-	1,000.00
Secretarial Expenses	7,200.00	-
Telephone, Tolls, Internet etc.	-	99.80
Website Expenses	339.40	-
WIEG Meeting Expenses	1,703.74	-
Xero Software Fees	412.50	-
<b><u>TOTAL ADMINISTRATION EXPENSES</u></b>	<b><u>32,907.46</u></b>	<b><u>28,131.40</u></b>
<b><u>TOTAL EXPENSES</u></b>	<b><u>34,789.94</u></b>	<b><u>28,311.40</u></b>
<b><u>TOTAL DEFICIT BEFORE TAX</u></b>	<b><u>(12,753.39)</u></b>	<b><u>(1,025.35)</u></b>
Plus Prior Period Tax Adjustments	-	596.23
Less Provision for Taxation	1,354.36	1,216.32
<b><u>TOTAL DEFICIT AFTER TAX</u></b>	<b><u>(\$14,107.75)</u></b>	<b><u>(\$2,241.67)</u></b>

*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 2015

	2015	2014
	\$	\$
<b><u>CURRENT ASSETS</u></b>		
Accrued Interest Receivable	1,196.01	2,146.41
Accounts Receivable	50.00	5,948.90
BNZ First Transact Account	1,089.60	1,184.38
BNZ Bus First Oncall Account	15,152.95	3,273.09
RaboDirect Savings Account	-	1,763.08
Taxation Refund	225.23	229.06
<b>TOTAL CURRENT ASSETS</b>	<b>17,713.79</b>	<b>14,544.92</b>
<b><u>LESS</u></b>		
<b><u>CURRENT LIABILITIES</u></b>		
Accounts Payable	-	57.38
GST Payable	2,282.49	3,007.17
<b>TOTAL CURRENT LIABILITIES</b>	<b>2,282.49</b>	<b>3,064.55</b>
<b>WORKING CAPITAL SURPLUS</b>	<b>15,431.30</b>	<b>11,480.37</b>
<b><u>NON-CURRENT ASSETS</u></b>		
<b>INVESTMENTS</b>		
Kiwibank Term Deposit - 03	-	11,608.43
RaboDirect Term Deposit - A0016	58,356.95	50,000.00
RaboDirect Term Deposit - A000N	-	15,803.14
RaboDirect Term Deposit - A0191	32,040.23	31,044.29
<b>TOTAL INVESTMENTS</b>	<b>90,397.18</b>	<b>108,455.86</b>
<b>TOTAL NON-CURRENT ASSETS</b>	<b>90,397.18</b>	<b>108,455.86</b>
<b><u>NET ASSETS</u></b>	<b>\$105,828.48</b>	<b>\$119,936.23</b>

**STATEMENT OF MOVEMENTS IN ACCUMULATED FUNDS**

FOR THE YEAR ENDED 31 DECEMBER, 2015

	2015	2014
	\$	\$
<b>Opening Balance</b>	119,936.23	<u>122,177.90</u>
<b>Less:</b>		
Deficit for the Year	<u>14,107.75</u>	<u>2,241.67</u>
	14,107.75	2,241.67
<b>TOTAL ACCUMULATED FUNDS</b>	<b><u>\$105,828.48</u></b>	<b><u>\$119,936.23</u></b>

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER, 2015

**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) Revenue Recognition**

Revenue is measured at the fair value of the consideration received or receivable to the extent it is possible that the economic benefits will flow to the entity and revenue can be reliably measured.

Interest received is recognised on receipt, gross of refundable tax credits, being Resident Withholding Tax (RWT).

**(b) Accounts Receivable**

Accounts receivable are stated at their estimated net realisable value.

**(c) Accrued Interest Receivable**

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

**(d) Investments**

Investments are stated at cost.

**(e) 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.

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER, 2014

**(f) 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.

**(g) 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	1,000.00
Elders Limited	250.00
Lyon Shearing Limited	339.13
NZ Merino Company Limited	250.00
NZ Wool Merchants Association	2,000.00
PGG Wrightsons Limited	250.00
<b>Total Grants Received</b>	<b><u>\$4,089.13</u></b>

**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	50.00
<b>Total Accounts Receivable</b>	<b><u>\$50.00</u></b>

**5. Audit**

These financial statements have not been audited.