

**NEW ZEALAND WOOL CLASSERS  
ASSOCIATION INC.**

**2018 Financial Statements**



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

**Contents of Financial Statements**

**For the Year Ended 31 December 2018**

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**NEW ZEALAND WOOL CLASSERS ASSOCIATION INC.**

**Report on the Engagement to Compile Financial Statements**

**For the Year Ended 31 December 2018**

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**COMPILATION REPORT TO NEW ZEALAND WOOL CLASSERS ASSOCIATION INC.**

**Reporting Scope**

On the basis of information that you provided we have compiled, in accordance with "Service Engagement Standard Number 2: Compilation of Financial Information", the Financial Statements of NEW ZEALAND WOOL CLASSERS ASSOCIATION INC. for the year ended 31 December 2018 as set out on the following pages.

These statements have been prepared in accordance with the principles contained in current income tax legislation as described in Note 1 to the Financial Statements.

These are special purpose financial statements and as such are intended for internal use only and should not be relied upon for any other purpose.

**Responsibilities**

You are solely responsible for the information contained in the financial statements and have determined that the financial reporting basis stated above 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 that 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**

A compilation is limited primarily to the collection, classification and summarisation of financial information supplied by the client. A compilation does not involve the verification of that information. We have not performed an audit or review engagement on the financial statements and therefore neither we nor any of our employees accept any responsibility for the accuracy of the material from which the financial statements have been prepared. Further, the financial statements have been prepared at the request of, and for the purposes of, our client only and neither we nor any of our employees accept any responsibility on any ground whatever, including liability in negligence, to any other person.

*Staples Rodway*

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**Staples Rodway Christchurch Limited**

**Chartered Accountants**

**CHRISTCHURCH**

**22 February 2019**

Directory

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As at 31 December 2018

<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>Address</b>	C/- Bill Dowle PO Box 16231 Hornby CHRISTCHURCH
<b>Chairman</b>	Bill Dowle
<b>Vice Chairman</b>	Struan Hulme
<b>Registered Office</b>	329 Durham Street Christchurch Central CHRISTCHURCH
<b>Accountants</b>	Staples Rodway Christchurch Limited Chartered Accountants 329 Durham Street Christchurch Central CHRISTCHURCH
<b>Bankers</b>	Bank of New Zealand Sydenham Branch CHRISTCHURCH
<b>Solicitors</b>	Richard Smith Duncan Cotterill 148 Victoria Street Christchurch Central CHRISTCHURCH

## Statement of Financial Performance

For the Year Ended 31 December 2018

Note	2018	2017
	\$	\$
<b>Operating Revenue</b>		
Grants & Sponsorship Received	8,250	5,435
Interest Received	3,194	3,076
Subscriptions Received	22,128	22,797
Sundry Income	661	-
<b>Total Operating Revenue</b>	<b>34,233</b>	<b>31,308</b>
<b>Less Expenses</b>		
<b>Administration Expenses</b>		
Accountancy Fees	1,580	1,495
AGM Expenses	531	459
Bank Fees & Charges	152	167
Board Fees & Honorariums	800	-
Board Meeting Expenses	860	527
Classer Refresher Days	4,321	2,583
Executive Officer Expenses	361	94
Executive Officer Fees	12,000	12,000
Meeting Expenses	2,191	1,280
Merit Award Expenses	1,503	879
NWCA Branded Clothing	285	179
Printing, Postage & Stationery	1,196	1,831
Secretarial Expenses	7,200	7,200
Telephone & Internet	1,795	2,158
Website Expenses	2,784	448
Xero Software Fees	504	495
	<b>38,066</b>	<b>31,795</b>
<b>Non Cash Expenses</b>		
Depreciation	448	701
<b>Total Expenses</b>	<b>38,514</b>	<b>32,496</b>
<b>Loss before Income Tax</b>	<b>(4,281)</b>	<b>(1,188)</b>
Income Tax Expense	-	617
<b>Net Loss</b>	<b>(4,281)</b>	<b>(1,805)</b>

## Statement of Financial Position

As at 31 December 2018

	Note	2018	2017
		\$	\$
<b>Current Assets</b>			
BNZ Bus First Oncall Account		3,130	9,879
BNZ MyMoney for Business Account		-	278
Accounts Receivable		135	305
Accrued Interest Receivable		3,847	1,455
Income Tax Receivable	3	176	280
GST Receivable		259	-
<b>Total Current Assets</b>		<b>7,547</b>	<b>12,197</b>
<b>Current Liabilities</b>			
Accounts Payable		-	142
GST Payable		-	185
<b>Total Current Liabilities</b>		<b>-</b>	<b>328</b>
<b>Working Capital</b>		<b>7,547</b>	<b>11,870</b>
<b>Non-Current Assets</b>			
Property, Plant & Equipment		833	702
BNZ Term Deposit - 0004		-	33,089
BNZ Term Deposit - 0005		50,000	50,000
BNZ Term Deposit - 0006		33,000	-
<b>Total Non-Current Assets</b>		<b>83,833</b>	<b>83,791</b>
<b>Net Assets</b>		<b>91,380</b>	<b>95,660</b>
<b>Accumulated Funds</b>			
Opening Balance		95,660	97,466
Net Loss		(4,281)	(1,805)
<b>Total Accumulated Funds</b>		<b>91,380</b>	<b>95,660</b>

**Depreciation Schedule**

**For the Year Ended 31 December 2018**

	% PVT USE	Cost on HAND	OPENING WDV	ADJ & ADD	SALE PRICE	PROFIT (LOSS)	DISPOSAL DATE	RATE & TYPE	DEPN	ACC DEPN	CLOSING WDV
<b>Plant &amp; Equipment</b>											
Website		2,410	702	-	-	-		50.00D	351	2,059	351
		<b>2,410</b>	<b>702</b>	<b>-</b>	<b>-</b>	<b>-</b>			<b>351</b>	<b>2,059</b>	<b>351</b>
<b>Office Equipment</b>											
Epsom EB 5140 Projector		579	-	579	-	-		25.00D	97	97	482
		<b>579</b>	<b>-</b>	<b>579</b>	<b>-</b>	<b>-</b>			<b>97</b>	<b>97</b>	<b>482</b>
<b>TOTAL</b>		<b>2,989</b>	<b>702</b>	<b>579</b>	<b>-</b>	<b>-</b>			<b>448</b>	<b>2,156</b>	<b>833</b>
<b>Fixed Asset Summary</b>											
Opening Value			702								
Purchases				579							
Depreciation										(448)	
<b>Closing Value</b>											<b>833</b>

**NEW ZEALAND WOOL CLASSERS ASSOCIATION INC.**

**Notes to and forming part of the Financial Statements**

**For the Year Ended 31 December 2018**

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**1 Statement of Accounting Policies**

**Reporting Entity**

New Zealand Wool Classers Association Inc. is a society incorporated under the Incorporated Societies Act 1908.

**Statement of Compliance and Basis of Preparation**

The financial statements have been prepared in accordance with taxation principles contained in the Income Tax Act 2007 and disclosure requirements contained in the Tax Administration (Financial Statements) Order 2014.

The accounting principles recognised as appropriate for the measurement and reporting of the Statement of Financial Performance and Statement of Financial Position on a tax value basis are followed by NEW ZEALAND WOOL CLASSERS ASSOCIATION INC., unless otherwise stated in the Specific Accounting Policies.

The information is presented in New Zealand dollars. All values are rounded to the nearest \$.

**Specific Accounting Policies**

The following specific accounting policies which materially affect the measurement of the Statement of Financial Performance and Statement of Financial Position have been applied:

(a) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable for the sale of goods and services, to the extent it is probable that the economic benefits will flow to NEW ZEALAND WOOL CLASSERS ASSOCIATION INC. and revenue can be reliably measured.

Interest received is recognised as interest accrues, gross of refundable tax credits received.

(b) Trade Receivables

Trade Receivables are recognised at estimated realisable value.

(c) Property, Plant & Equipment

Property, plant and equipment is recognised at cost less aggregate depreciation. Historical cost includes expenditure directly attributable to the acquisition of assets, and includes the cost of replacements that are eligible for capitalisation when these are incurred.

All other repairs and maintenance are recognised as expenses in the Statement of Financial Performance in the financial period in which they are incurred.

Depreciation has been calculated using the maximum rates permitted by the Income Tax Act 2007.

Gains and losses on disposal of fixed assets are taken into account in determining the net result for the year.



**NEW ZEALAND WOOL CLASSERS ASSOCIATION INC.**

**Notes to and forming part of the Financial Statements (continued)**

**For the Year Ended 31 December 2018**

(d) 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 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.

(e) Investments

Investments are stated at cost.

(f) Goods and Services Taxation (GST)

All amounts are stated exclusive of goods and services tax (GST) except for accounts payable and accounts receivable, which are stated inclusive of GST.

(g) Investment Properties

Investment property is measured at cost and applies the cost method.

(h) Changes in Accounting Policies

There have been no changes in accounting policies. All policies have been applied on a basis consistent with those from previous financial statements.

**2 Tax Reconciliation**

Loss before Income Tax

Prima Facie Tax Expense at 28%

**Tax Effect of Permanent Differences**

Net Members Transactions not Taxable

IRD Income Exemptions

Accrued Interest Adjustment

**Total Tax Effect of Permanent Differences**

**Tax Expense**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Loss before Income Tax	(4,281)	(1,188)
Prima Facie Tax Expense at 28%	(1,199)	(333)
<b>Tax Effect of Permanent Differences</b>		
Net Members Transactions not Taxable	2,093	1,194
IRD Income Exemptions	(224)	(280)
Accrued Interest Adjustment	(670)	36
<b>Total Tax Effect of Permanent Differences</b>	<b>1,199</b>	<b>950</b>
<b>Tax Expense</b>	<b>-</b>	<b>617</b>

**3 Income Tax**

Opening Balance

Plus:

Provision for Taxation for the Year

Tax Refunds

Less:

RWT Paid

**Income Tax (Receivable)**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Opening Balance	(280)	(280)
Plus:		
Provision for Taxation for the Year	-	617
Tax Refunds	280	280
	<b>280</b>	<b>897</b>
Less:		
RWT Paid	176	897
<b>Income Tax (Receivable)</b>	<b>(176)</b>	<b>(280)</b>

**NEW ZEALAND WOOL CLASSERS ASSOCIATION INC.**

**Notes to and forming part of the Financial Statements (continued)**

**For the Year Ended 31 December 2018**

**4 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:

Brendan Mahoney Shearing Limited	250.00
Cavalier Woolscourers Limited	2,000.00
CP Wool Limited	500.00
Federation of Wool Merchants	2,000.00
NZ Merino Company Limited	500.00
NZ Shearing Contractors Association	2,000.00
Peter Lyon Shearing Limited	500.00
PGG Wrightsons Limited	500.00
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Total Grants Received	\$8,250.00
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**5 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 very 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 the defined criteria.

**6 Audit**

These financial statements have not been audited.