

NEW ZEALAND WOOL CLASSERS ASSOCIATION INC.

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2011



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COMPILATION REPORT TO THE BOARD OF DIRECTORS 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, 2011. 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

DATED : 14 May 2012

DIRECTORY

AS AT 31 DECEMBER 2011

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	Martin Paterson
Executive Officer/ Registrar	David Melville Carr
Postal Details	C/- D M Carr PO Box 7327 Sydenham CHRISTCHURCH
Registered Office	Level 2, AMI House 116 Riccarton Road CHRISTCHURCH
Accountants	Staples Rodway Christchurch Limited Level 2, AMI House 116 Riccarton Road CHRISTCHURCH
Solicitors	Richard Smith Duncan Cotterill 1 Sir William Pickering Drive Burnside CHRISTCHURCH
Bankers	Bank of New Zealand Sydenham Branch CHRISTCHURCH

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 31 DECEMBER, 2011

		2011	2010
	\$	\$	\$
<u>INCOME</u>			
Interest Received - IRD Use of Money		-	2.70
Interest Received		4,265.29	3,092.41
Grants & Sponsorship Received		35,500.00	32,000.00
Subscriptions Received		16,707.81	16,033.74
		56,473.10	51,128.85
<u>LESS EXPENDITURE</u>			
<u>SELLING EXPENSES</u>			
Advertising	-		1,796.80
Newsletters & Publications	916.66		372.30
TOTAL SELLING EXPENSES		916.66	2,169.10
<u>ADMINISTRATION EXPENSES</u>			
Accountancy Fees	2,214.78		1,152.17
AGM Expenses	569.06		3,353.09
Bank Charges	178.87		181.51
Board Fees & Honorariums	2,000.00		1,288.89
Board Meeting Expenses	1,154.07		1,383.78
Classer Refresher Days	3,916.44		182.22
Legal Expenses	-		550.00
Scholarships	-		2,000.00
Management Fees	13,125.03		17,404.94
Meeting Expenses	941.41		369.92
Merit Award Expenses	495.65		515.56
Telephone, Tolls, Faxes etc.	899.54		25.90
TOTAL ADMINISTRATION EXPENSES		25,494.85	28,407.98
<u>TOTAL EXPENSES</u>			30,577.08
<u>TAXABLE SURPLUS FOR YEAR</u>			20,551.77
<u>OTHER ITEMS</u>			
Prior Period Tax Adjustments		-	327.83
TOTAL OTHER ITEMS			327.83
<u>SURPLUS FOR YEAR BEFORE TAX</u>			20,879.60
Less Provision for Taxation			733.80
<u>TOTAL SURPLUS AFTER TAX</u>			\$20,145.80
		\$29,222.15	

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 2011

		2011		2010
	\$	\$	\$	\$
<u>CURRENT ASSETS</u>				
Accrued Interest Receivable		456.46		190.26
Accounts Receivable		2,300.00		-
BNZ First Transact Account		35,649.70		6,933.14
BNZ Bus First Oncall Account		43,146.37		55,092.17
Kiwibank Business Online Call Account		4,173.70		4,079.31
Taxation Refund		360.28		401.46
TOTAL CURRENT ASSETS			86,086.51	66,696.34
<u>LESS</u>				
<u>CURRENT LIABILITIES</u>				
Accounts Payable		7,037.63		12,062.52
GST Payable		5,923.25		6,079.56
Grants & Sponsorship Received in Advance		32,000.00		35,000.00
TOTAL CURRENT LIABILITIES			44,960.88	53,142.08
WORKING CAPITAL SURPLUS			41,125.63	13,554.26
<u>NON-CURRENT ASSETS</u>				
<u>INVESTMENTS</u>				
BNZ Term Deposit	27,603.50			27,169.38
Kiwibank Term Deposit - 01	21,150.11			20,276.49
Kiwibank Term Deposit - 03	10,495.87			10,152.83
TOTAL INVESTMENTS		59,249.48		57,598.70
TOTAL NON-CURRENT ASSETS			59,249.48	57,598.70
<u>NET ASSETS</u>			\$100,375.11	\$71,152.96

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, 2011

		2011	2010
	\$	\$	\$
Opening Accumulated Funds		71,152.96	51,007.16
Surplus for the Year	29,222.15		20,145.80
		29,222.15	20,145.80
CLOSING ACCUMULATED FUNDS		\$100,375.11	\$71,152.96

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2011

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) Accrued Interest Receivable

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

(b) Investments

Investments are stated at cost.

(c) 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.

(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 \$1,000.00 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.

(e) 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2011

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:

Beef & Lamb New Zealand Limited	35,000.00
Federated Wool Merchants Limited	2,000.00
NZ Wool Testing Limited	500.00
Total Grants Received	<u>\$37,500.00</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:

Federated Wool Merchants	2,300.00
Total Accounts Receivable	<u>\$2,300.00</u>

5. Accounts Payable

Accounts payable at balance date were:

Board Meeting Expenses	506.37
Tectra Limited - Quarterly Management Fee Accruals	5,031.26
Scholarships	1,500.00
Total Accounts Payable	<u>\$7,037.63</u>

6. Audit

These financial statements have not been audited.