

***NEW ZEALAND WOOL CLASSERS ASSOCIATION INC.***

***FINANCIAL STATEMENTS***  
***FOR THE YEAR ENDED 31 DECEMBER, 2012***



AMI House, Level 2, 116 Riccarton Road, Christchurch 8011

P O Box 8039 Christchurch 8440, New Zealand

Telephone: 64 3 343 0599 Facsimile: 64 3 348 0186

E-mail: [enquiries@srchch.co.nz](mailto:enquiries@srchch.co.nz) Website: [www.staplesrodway.com](http://www.staplesrodway.com)

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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, 2012. 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 : 10 April 2013



**DIRECTORY**

AS AT 31 DECEMBER 2012

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



**STATEMENT OF FINANCIAL PERFORMANCE**

FOR THE YEAR ENDED 31 DECEMBER, 2012

		2012	2011
	\$	\$	\$
<b><u>INCOME</u></b>			
Interest Received			
Grants & Sponsorship Received		5,297.35	4,265.29
Subscriptions Received		33,500.00	35,500.00
		16,193.48	16,707.81
<b><u>TOTAL INCOME</u></b>		54,990.83	56,473.10
<b><u>LESS EXPENDITURE</u></b>			
<b><u>SELLING EXPENSES</u></b>			
Newsletters & Publications	523.25		916.66
<b><u>TOTAL SELLING EXPENSES</u></b>		523.25	916.66
<b><u>ADMINISTRATION EXPENSES</u></b>			
Accountancy Fees	2,180.00		2,214.78
AGM Expenses	828.53		569.06
Bank Charges	262.95		178.87
Board Fees & Honorariums	2,200.00		2,000.00
Board Meeting Expenses	2,565.76		1,154.07
Classer Refresher Days	1,499.33		3,916.44
Management Fees	17,500.04		13,125.03
Meeting Expenses	833.86		941.41
Merit Award Expenses	631.57		495.65
Telephone, Tolls, Faxes etc.	162.97		899.54
<b><u>TOTAL ADMINISTRATION EXPENSES</u></b>		28,665.01	25,494.85
<b><u>TOTAL EXPENSES</u></b>			
		29,188.26	26,411.51
<b><u>TOTAL SURPLUS BEFORE TAX</u></b>		25,802.57	30,061.59
Less Provision for Taxation		1,026.76	839.44
<b><u>TOTAL SURPLUS AFTER TAX</u></b>		<b>\$24,775.81</b>	<b>\$29,222.15</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 2012

		2012		2011
	\$	\$	\$	\$
<b><u>CURRENT ASSETS</u></b>				
Accrued Interest Receivable				456.46
Accounts Receivable		1,085.97		2,300.00
BNZ First Transact Account		554.95		35,649.70
BNZ Bus First Oncall Account		5,503.62		43,146.37
Kiwibank Business Online Call Account		31,146.24		4,173.70
Taxation Refund		-		360.28
		280.25		
<b>TOTAL CURRENT ASSETS</b>			38,571.03	86,086.51
<b><u>LESS</u></b>				
<b><u>CURRENT LIABILITIES</u></b>				
Accounts Payable				7,037.63
GST Payable		2,200.00		5,923.25
Kiwibank Edge Account		2,029.34		-
Grants & Sponsorship Received in Advance		0.20		32,000.00
		-		
<b>TOTAL CURRENT LIABILITIES</b>			4,229.54	44,960.88
<b>WORKING CAPITAL SURPLUS</b>			34,341.49	41,125.63
<b><u>NON-CURRENT ASSETS</u></b>				
<b><u>INVESTMENTS</u></b>				
BNZ Term Deposit - 0002		-		27,603.50
BNZ Term Deposit - 0003		15,000.00		-
Kiwibank Term Deposit - 01		-		21,150.11
Kiwibank Term Deposit - 03		10,809.43		10,495.87
RaboDirect Term Deposit		65,000.00		-
<b>TOTAL INVESTMENTS</b>		90,809.43		59,249.48
<b>TOTAL NON-CURRENT ASSETS</b>			90,809.43	59,249.48
<b><u>NET ASSETS</u></b>			<b>\$125,150.92</b>	<b>\$100,375.11</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 MOVEMENT IN ACCUMULATED FUNDS**  
FOR THE YEAR ENDED 31 DECEMBER, 2012

		2012	2011
	\$	\$	\$
Opening Accumulated Funds		100,375.11	71,152.96
Surplus for the Year	24,775.81	29,222.15	29,222.15
		24,775.81	29,222.15
<b>TOTAL ACCUMULATED FUNDS</b>		<b>\$125,150.92</b>	<b>\$100,375.11</b>



**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER, 2012

**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, 2012

**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	30,000.00
Canterbury Woolscourers Limited	250.00
Elders Limited	250.00
Federated Wool Merchants Limited	2,500.00
NZ Merino Company Limited	250.00
PGG Wrightsons Limited	250.00
<b>Total Grants Received</b>	<b><u>\$33,500.00</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	554.95
<b>Total Accounts Receivable</b>	<b><u>\$554.95</u></b>

**5. Accounts Payable**

Accounts payable at balance date were:

Board Honorariums	2,200.00
<b>Total Accounts Payable</b>	<b><u>\$2,200.00</u></b>

**6. Audit**

These financial statements have not been audited.