

**NEW ZEALAND WOOL  
CLASSERS ASSOCIATION INC.**

**2020 Financial Statements**



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

**Contents of Financial Statements**

**For the Year Ended 31 December 2020**

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

**For the Year Ended 31 December 2020**

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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 2020 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.

*Baker Tilly Staples Rodway*

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**Baker Tilly Staples Rodway Christchurch Limited**

**Chartered Accountants**

**CHRISTCHURCH**

**16 March 2021**

Directory

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As at 31 December 2020

<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>	Baker Tilly 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 2020

Note	2020 \$	2019 \$
<b>Operating Revenue</b>		
Grants & Sponsorship Received	15,500	12,250
Interest Received	2,356	3,142
WRONZ Scholarships	5,000	5,000
Subscriptions Received	27,208	23,769
Sundry Income	1,507	1,559
<b>Total Operating Revenue</b>	<b>51,572</b>	<b>45,720</b>
<b>Less Expenses</b>		
<b>Administration Expenses</b>		
Accountancy Fees	1,595	1,590
Advertising	300	-
AGM Expenses	64	480
Bank Fees & Charges	155	160
Board Fees & Honorariums	1,000	1,000
Board Meeting Expenses	1,121	362
Classer Refresher Days	3,860	4,256
Executive Officer Expenses	1,291	26
Executive Officer Fees	12,000	10,800
General Expenses	226	383
Meeting Expenses	1,513	3,475
Merit Award Expenses	1,230	1,103
NWCA Branded Clothing	167	267
Printing, Postage & Stationery	840	1,339
Publicity Officers Fee	3,600	3,600
Scholarships	3,924	5,250
Secretarial Expenses	9,300	8,000
Subscriptions & Licences	1,826	-
Telephone & Internet	1,551	1,365
Website Expenses	7,444	984
Xero Software Fees	540	540
	<b>53,548</b>	<b>44,979</b>
<b>Non Cash Expenses</b>		
Depreciation	178	295
<b>Total Expenses</b>	<b>53,726</b>	<b>45,274</b>
<b>(Loss) Profit before Income Tax</b>	<b>(2,154)</b>	<b>446</b>
Income Tax Expense	2 1,623	264
<b>Net (Loss) Profit</b>	<b>(3,777)</b>	<b>182</b>

## Statement of Financial Position

As at 31 December 2020

	Note	2020 \$	2019 \$
<b>Current Assets</b>			
BNZ Bus First Oncall Account		4,604	5,048
BNZ MyMoney for Business Account		455	125
BNZ On Call Account (WRONZ)		750	-
Accounts Receivable		206	125
Accrued Interest Receivable		606	5,046
Income Tax Receivable	3	280	280
<b>Total Current Assets</b>		<b>6,901</b>	<b>10,625</b>
<b>Current Liabilities</b>			
GST Payable		476	601
<b>Working Capital</b>		<b>6,425</b>	<b>10,024</b>
<b>Non-Current Assets</b>			
Property, Plant & Equipment		360	538
BNZ Term Deposit - 0005		50,000	50,000
BNZ Term Deposit - 0006		31,000	31,000
<b>Total Non-Current Assets</b>		<b>81,360</b>	<b>81,538</b>
<b>Net Assets</b>		<b>87,785</b>	<b>91,562</b>
<b>Accumulated Funds</b>			
Opening Balance		91,562	91,380
Net Profit (Loss)		(3,777)	182
<b>Total Accumulated Funds</b>		<b>87,785</b>	<b>91,562</b>

## Depreciation Schedule

### For the Year Ended 31 December 2020

	% 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	176	-	-	-		50.00D	88	2,322	88
		<b>2,410</b>	<b>176</b>	<b>-</b>	<b>-</b>	<b>-</b>			<b>88</b>	<b>2,322</b>	<b>88</b>
<b>Office Equipment</b>											
Epsom EB 5140 Projector		579	362	-	-	-		25.00D	90	307	272
		<b>579</b>	<b>362</b>	<b>-</b>	<b>-</b>	<b>-</b>			<b>90</b>	<b>307</b>	<b>272</b>
<b>TOTAL</b>		<b>2,989</b>	<b>538</b>	<b>-</b>	<b>-</b>	<b>-</b>			<b>178</b>	<b>2,629</b>	<b>360</b>
<b>Fixed Asset Summary</b>											
Opening Value		538									
Depreciation		(178)									
<b>Closing Value</b>		<b>360</b>									

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**For the Year Ended 31 December 2020**

## **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.

#### **(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.



For the Year Ended 31 December 2020

(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) 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) Profit 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**

	2020	2019
	\$	\$
(Loss) Profit before Income Tax	(2,154)	446
Prima Facie Tax Expense at 28%	(603)	125
<b>Tax Effect of Permanent Differences</b>		
Net Members Transactions not Taxable	1,263	755
IRD Income Exemptions	(280)	(280)
Accrued Interest Adjustment	1,243	(336)
<b>Total Tax Effect of Permanent Differences</b>	<b>2,226</b>	<b>139</b>
<b>Tax Expense</b>	<b>1,623</b>	<b>264</b>

**3 Income Tax**

**Opening Balance**

**Plus:**

Provision for Taxation for the Year

Tax Refunds

**Less:**

RWT Paid

**Income Tax (Receivable)**

	2020	2019
	\$	\$
<b>Opening Balance</b>	(280)	(176)
<b>Plus:</b>		
Provision for Taxation for the Year	1,623	264
Tax Refunds	280	176
	<b>1,903</b>	<b>440</b>
<b>Less:</b>		
RWT Paid	1,903	544
<b>Income Tax (Receivable)</b>	<b>(280)</b>	<b>(280)</b>

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**For the Year Ended 31 December 2020****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	500.00
CP Wool Limited	500.00
Federation of Wool Merchants	2,000.00
Hawkes Bay Woolsourers Limited	3,500.00
NZ Council of Wool Exporters Inc.	2,000.00
NZ Merino Company Limited	500.00
NZ Shearing Contractors Association	2,000.00
NZ Wool Testing Authority Limited	500.00
Peter Lyon Shearing Limited	500.00
PGG Wrightsons Limited	500.00
Wool Research Organisation of NZ	3,000.00
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Total Grants Received	\$15,500.00
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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 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 the defined criteria.

**6 Audit**

These financial statements have not been audited.