

**NEW ZEALAND WOOL CLASSERS
ASSOCIATION INC.**

2022 Financial Statements



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

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NEW ZEALAND WOOL CLASSERS ASSOCIATION INC.
Report on the Engagement to Compile Financial Statements
For the Year Ended 31 December 2022

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 2022 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

Baker Tilly Staples Rodway Christchurch Limited
Chartered Accountants
CHRISTCHURCH
13 April 2023

Directory

As at 31 December 2022

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.
Address	C/- Bill Dowle PO Box 16231 Hornby CHRISTCHURCH
Chairman	Bill Dowle
Vice Chairman	Sonya Johansen
Registered Office	329 Durham Street Christchurch Central CHRISTCHURCH
Accountants	Baker Tilly Staples Rodway Christchurch Limited Chartered Accountants 329 Durham Street Christchurch Central CHRISTCHURCH
Bankers	Bank of New Zealand Sydenham Branch CHRISTCHURCH
Solicitors	Richard Smith Duncan Cotterill 148 Victoria Street Christchurch Central CHRISTCHURCH

Statement of Financial Performance

For the Year Ended 31 December 2022

	Note	2022	2021
		\$	\$
Operating Revenue			
Grants & Sponsorship Received		14,500	16,500
Interest Received		79	326
WRONZ Scholarships		5,000	-
Subscriptions Received		28,849	30,631
Net Portfolio Investment Entity (PIE) Non Assessable Income		(86)	-
Sundry Income		579	472
Total Operating Revenue		48,921	47,929
Less Expenses			
Administration Expenses			
Accountancy Fees		2,601	1,670
AGM Expenses		1,165	715
Bank Fees & Charges		146	142
Board Fees & Honorariums		1,000	1,000
Board Meeting Expenses		952	948
Classer Refresher Days		3,121	1,989
Education Officer Fee		-	3,700
Executive Officer Expenses		668	503
Executive Officer Fees		14,400	12,000
General Expenses		238	113
Meeting Expenses		431	1,385
Merit Award Expenses		1,261	1,556
NWCA Branded Clothing		513	-
Printing, Postage & Stationery		165	416
Scholarships		2,500	-
Secretarial Expenses		11,000	10,200
Subscriptions & Licences		1,911	1,650
Telephone & Internet		204	618
Website Expenses		3,246	3,126
Xero Software Fees		613	497
		46,134	42,229
Non Cash Expenses			
Depreciation		543	905
Total Expenses		46,677	43,134
Profit before Other Items		2,244	4,795
Unrealised Gain/(Loss) on Revaluation of Investments		(13,092)	744
Donation from Incorporated Society on Wind Up		54,000	-
Net Profit		43,152	5,539

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 2022

	Note	2022 \$	2021 \$
Current Assets			
BNZ Bus First Oncall Account		7,873	4,704
BNZ MyMoney for Business Account		145	125
BNZ On Call Account (WRONZ)		6,270	3,000
Accounts Receivable		130	-
Income Tax Receivable	3	264	242
Total Current Assets		14,682	8,071
Current Liabilities			
Accounts Payable		287	2
GST Payable		122	664
Total Current Liabilities		409	666
Working Capital		14,273	7,405
Non-Current Assets			
Property, Plant & Equipment		645	1,188
Canterbury Financial Services Investment Portfolio		122,573	85,745
Total Non-Current Assets		123,217	86,932
Net Assets		137,490	94,338
Accumulated Funds			
Opening Balance		94,338	88,799
Net Profit		43,152	5,539
Total Accumulated Funds		137,490	94,338

Depreciation Schedule

For the Year Ended 31 December 2022

	% PVT USE	Cost on HAND	OPENING WDV	ADJ & ADD	SALE PRICE	PROFIT (LOSS)	DISPOSAL DATE	RATE & TYPE	DEPN	ACC DEPN	CLOSING WDV
Plant & Equipment											
Website		2,410	44	-	-	-		50.00D	22	2,388	22
		2,410	44	-	-	-			22	2,388	22
Office Equipment											
Epsom EB 5140 Projector		579	204	-	-	-		25.00D	51	426	153
Probook 360		1,733	940	-	-	-		50.00D	470	1,263	470
		2,312	1,144	-	-	-			521	1,689	623
TOTAL		4,722	1,188	-	-	-			543	4,077	645
Fixed Asset Summary											
Opening Value		1,188									
Depreciation		(543)									
Closing Value		645									

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.

For the Year Ended 31 December 2022

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 2022

(e) Investments

Investments are stated at market value.

(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

	2022	2021
	\$	\$
Profit and Other Items before Income Tax	43,152	5,539
Prima Facie Tax Expense at 28%	12,083	1,551
Tax Effect of Permanent Differences		
Net Portfolio Investment Entity (PIE) Non Assessable Income	24	-
Net Members Transactions not Taxable	(630)	(1,251)
IRD Income Exemptions	(22)	(261)
Accrued Interest Adjustment	-	170
Net Unrealised (Gain)/Loss on Revaluation of Investments	3,666	(208)
Donation from Incorporated Society on Wind Up	(15,120)	-
Total Tax Effect of Permanent Differences	(12,083)	(1,551)
Tax Effect of Loss to Carry Forward	-	-

3 Income Tax

	2022	2021
	\$	\$
Opening Balance	(242)	(1,294)
Plus:		
Tax Refunds	-	1,294
Less:		
RWT Paid	23	242
Income Tax (Receivable)	(264)	(242)

For the Year Ended 31 December 2022

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
Federation of Wool Merchants	2,000.00
NZ Council of Wool Exporters Inc.	2,000.00
NZ Merino Company Limited	1,500.00
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
Wools of New Zealand Limited	500.00
WoolWorks NZ Limited	3,500.00

Total Grants Received	\$14,500.00
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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.