

**NEW ZEALAND WOOL CLASSERS
ASSOCIATION INC.**

2023 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 2023

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NEW ZEALAND WOOL CLASSERS ASSOCIATION INC.
Report on the Engagement to Compile Financial Statements
For the Year Ended 31 December 2023

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 2023 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 whatsoever, including liability in negligence, to any other person.

Baker Tilly Staples Rodway

Baker Tilly Staples Rodway Christchurch Limited
Chartered Accountants
CHRISTCHURCH
9 May 2024

Directory

As at 31 December 2023

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 67 Jacks Drive WEST MELTON
Chairman	Bill Dowle
Vice Chairman	Tracey Paterson
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 2023

Note	2023	2022
	\$	\$
Operating Revenue		
Grants & Sponsorship Received	14,500	14,500
Interest Received	618	79
WRONZ Scholarships	5,000	5,000
Subscriptions Received	29,305	28,849
Net Portfolio Investment Entity (PIE) Non Assessable Income	-	(86)
Sundry Income	1,028	579
Total Operating Revenue	50,452	48,921
Less Expenses		
Administration Expenses		
Accountancy Fees	2,945	2,601
Advertising	305	-
AGM Expenses	361	1,165
Bank Fees & Charges	122	146
Board Fees & Honorariums	318	1,000
Board Meeting Expenses	-	952
Classer Professional Development Days	4,119	3,121
Executive Officer Expenses	210	668
Executive Officer Fees	15,600	14,400
Freight & Cartage	32	-
General Expenses	160	238
Portfolio Management Fees	-	0
Meeting Expenses	973	431
Merit Award Expenses	1,529	1,261
NWCA Branded Clothing	-	513
Printing, Postage & Stationery	386	165
Scholarships - WRONZ	1,000	2,500
Secretarial Expenses	11,400	11,000
Subscriptions & Licences	1,762	1,911
Telephone & Internet	375	204
Website Expenses	2,485	3,246
Xero Software Fees	602	613
	44,683	46,134
Non Cash Expenses		
Depreciation	284	543
Total Expenses	44,967	46,677
Profit before Other Items	5,485	2,244
Unrealised Gain/(Loss) on Revaluation of Investments	8,825	(13,092)
Donation from Incorporated Society on Wind Up	-	54,000
Net Profit	14,310	43,152

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 2023

	Note	2023	2022
		\$	\$
Current Assets			
BNZ Bus First Oncall Account		5,863	7,873
BNZ MyMoney for Business Account		65	145
BNZ On Call Account (WRONZ)		4,750	6,270
Accounts Receivable		3,590	130
Accounts Receivable - WRONZ		5,750	-
Income Tax Receivable	3	161	264
Total Current Assets		20,178	14,682
Current Liabilities			
Accounts Payable		61	287
GST Payable		200	122
Total Current Liabilities		261	409
Working Capital		19,917	14,273
Non-Current Assets			
Property, Plant & Equipment		361	645
Canterbury Financial Services Investment Portfolio		131,523	122,573
Total Non-Current Assets		131,883	123,217
Net Assets		151,800	137,490
Accumulated Funds			
Opening Balance		137,490	94,338
Net Profit		14,310	43,152
Total Accumulated Funds		151,800	137,490

Depreciation Schedule

For the Year Ended 31 December 2023

	% 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	22	-	-	-		50.00D	11	2,399	11
		2,410	22	-	-	-			11	2,399	11
Office Equipment											
Epsom EB 5140 Projector		579	153	-	-	-		25.00D	38	464	115
Probook 360		1,733	470	-	-	-		50.00D	235	1,498	235
		2,312	623	-	-	-			273	1,962	350
Total Assets		4,722	645	-	-	-			284	4,361	361
Fixed Asset Summary											
Opening Value		645									
Depreciation										(284)	
Closing Value		361									

For the Year Ended 31 December 2023

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 2023

(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

	2023	2022
	\$	\$
Profit and Other Items before Income Tax	14,310	43,152
Prima Facie Tax Expense at 28%	4,007	12,083
Tax Effect of Permanent Differences		
Net Portfolio Investment Entity (PIE) Non Assessable Income	-	24
Net Members Transactions not Taxable	(1,363)	(630)
IRD Income Exemptions	(173)	(22)
Net Unrealised (Gain)/Loss on Revaluation of Investments	(2,471)	3,666
Donation from Incorporated Society on Wind Up	-	(15,120)
Total Tax Effect of Permanent Differences	(4,007)	(12,083)
Tax Expense / (Tax Effect of Loss to Carry Forward)	-	-

3 Income Tax

	2023	2022
	\$	\$
Opening Balance	(264)	(242)
Plus:		
Tax Refunds	242	-
Less:		
RWT Paid	138	23
Income Tax (Receivable)	(161)	(264)

For the Year Ended 31 December 2023

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 Professional Development 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 Incorporated Society Donation

A one off donation from Mid Micron Inc due to the entity's disbandment.

The members of the society voted to give its closing funds to a group that is involved with wool and would use these funds for the betterment of the wool industry.

7 Audit

These financial statements have not been audited.