

**The Management Agency Biosecurity
(National American Foulbrood Pest
Management Strategy) Order 1998
Financial Statements
For the Year Ended 31 May 2015**

The Management Agency Biosecurity
(National American Foulbrood Pest
Management Strategy) Order 1998
Special Purpose Financial Statements
For the Year Ended 31 May 2015

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INDEPENDENT AUDITOR'S REPORT To the Minister of Agriculture

Report on the Special Purpose Financial Statements

We have audited the special purpose financial statements of The Management Agency Biosecurity (National American Foulbrood Pest Management Strategy) Order 1998 on pages 3 to 8, which comprise the special purpose statement of financial position as at 31 May 2015, and the special purpose statement of financial performance and special purpose statement of movement in equity for the year then ended, and a summary of significant accounting policies and other explanatory information. The special purpose financial statements have been prepared based on provisions and rules within the Management Agency Biosecurity (National American Foulbrood Pest Management Strategy) Order 1998.

This report is made solely to the Ministry of Agriculture as a body, in accordance with the rules and provisions within the Management Agency Biosecurity (National American Foulbrood Pest Management Strategy) Order 1998. Our audit has been undertaken so that we might state to the Ministry of Agriculture those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Ministry of Agriculture, for our audit work, for this report, or for the opinions we have formed.

Executive Committee Responsibility for the Financial Statements

The Executive Committee is responsible for the preparation of these special purpose financial statements in accordance with the provisions of the rules of the Management Agency Biosecurity (National American Foulbrood Pest Management Strategy) Order 1998 and for such internal control as the members of the committee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the executive committee, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, the Management Agency Biosecurity (National American Foulbrood Pest Management Strategy) Order 1998.

PARTNERS: Fraser Lellman CA Paul Hodson CA Kenneth Brown CA Janine Hellyer CA Jenny Lee CA
Paul Manning CA **CONSULTANT:** Jeff Roberts

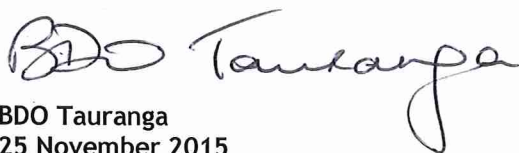
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Opinion

In our opinion, the special purpose financial statements of the Management Agency Biosecurity (National American Foulbrood Pest Management Strategy) Order 1998 for the year ended 31 May 2015 are prepared, in all material respects, in accordance with rules and provisions within the Management Agency Biosecurity (National American Foulbrood Pest Management Strategy) Order 1998.

Basis of Accounting and Restriction of Distribution

Without modifying our opinion, we draw attention to Note 1 to the special purpose financial statements, which describe the basis of accounting. The special purpose financial statements are prepared to comply with the financial reporting provisions and rules within the Management Agency Biosecurity (National American Foulbrood Pest Management Strategy) Order 1998. As a result, the special purpose financial statements may not be suitable for another purpose. Our report is intended solely for the Management Agency Biosecurity (National American Foulbrood Pest Management Strategy) Order 1998 and the Ministry of Agriculture and should not be distributed to parties other than the Management Agency Biosecurity (National American Foulbrood Pest Management Strategy) Order 1998.

A handwritten signature in black ink that reads "BDO Tauranga". The signature is stylized, with the "BDO" part being more compact and the "Tauranga" part written in a cursive, flowing script.

BDO Tauranga
25 November 2015
Tauranga
New Zealand

The Management Agency Biosecurity
(National American Foulbrood Pest
Management Strategy) Order 1998
Statement of Financial Performance
For the Year Ended 31 May 2015

	Note	2015 \$	2014 \$
INCOME			
Penalty on Levy		25,690	7,528
PMS Bio Security Levy		482,911	429,486
Bad Debts Recovered		645	362
Interest Received		8,873	10,031
Grants Received		0	10,870
		<u>518,119</u>	<u>458,276</u>
Levies- Charged Next Year to 31 May	1(b)	584,267	500,260
Less Income in Advance		(584,267)	(500,260)
Total Income		<u>518,119</u>	<u>458,276</u>
LESS EXPENSES			
Accounting & Reporting		9,320	6,651
Aerial Surveillance		3,286	6,189
ADR Admin		8,025	14,374
ADR (AsureQuality)		54,584	43,162
AFB Recognition Courses		14,145	12,564
AFB Counselling (AsureQuality)		9,342	5,223
AFB Counselling & Audit Admin		5,275	5,120
AFB Videos (DVD)		25,040	6,250
AFB Audit Inspec (AsureQuality)		61,993	27,151
AFB Auditor/Industry Inspec's		101,618	121,470
AFB Auditor Recruit/Training		24,306	4,648
Apiary database upgrade		0	686
Audit Fees		4,803	5,840
Bad Debts written off		14,132	6,321
Bank Fees		105	44
Beekeeper Communication		0	205
Beekeeper Education		500	210
Biosecurity NZ		1,707	2,438
Chargeable Surveillance		0	483
COI Admin		2,720	5,456
COI (AsureQuality)		18,974	20,885
Apiary Levy (AsureQuality)		4,749	4,064
COI Default Inspections		3,395	5,993
Conference Attendance		742	357
Debt Collection Expenses		20,788	15,027
DECA (AsureQuality)		19,743	13,234
DECA Scheme Admin		1,788	3,270
Deprecation		3,755	0
Honoraria		6,400	14,941
Plant & Food Research		16,277	14,918
Health & Safety Compliance		1,806	0

NOTE: This statement is to be read in conjunction with the Notes to the Financial Statements



The Management Agency Biosecurity
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Statement of Financial Performance
For the Year Ended 31 May 2015

	Note	2015 \$	2014 \$
Insurance		829	826
Legal Expenses		9,977	93
Magazine Expenditure		8,407	7,397
Manager Regional Visits		7,806	5,000
Official Info Act Requests		4,880	2,691
Operations Manual/Policy Dvpt		2,502	95
Management Agency Meeting Exps		14,469	8,601
Postage Printing & Stationery		24,298	21,491
Reporting Government		621	1,578
Telephone		5,646	3,363
Travel & Accommodation		5,044	3,775
Website Costs		6,574	14,711
Total Expenses		530,369	436,796
(NET DEFICIT) SURPLUS		(12,250)	21,481

NOTE: This statement is to be read in conjunction with the Notes to the Financial Statements



The Management Agency Biosecurity
(National American Foulbrood Pest
Management Strategy) Order 1998
Statement of Movements in Equity
For the Year Ended 31 May 2015

	Note	2015 \$	2014 \$
EQUITY AT START OF PERIOD		105,004	83,524
SURPLUS & REVALUATIONS			
Net Surplus(Deficit) After Tax		(12,250)	21,481
Total Recognised Revenues & Expenses		(12,250)	21,481
OTHER MOVEMENTS		-	-
EQUITY AT END OF PERIOD		<u>92,754</u>	<u>105,004</u>

NOTE: This statement is to be read in conjunction with the Notes to the Financial Statements



The Management Agency Biosecurity
(National American Foulbrood Pest
Management Strategy) Order 1998
Statement of Financial Position
As at 31 May 2015

	Note	2015 \$	2014 \$
Current Assets			
Cash at Bank		481,641	140,205
Term Deposits		110,000	335,000
Interest Accrued		1,296	1,860
Accounts Receivable	1(b)	171,632	187,728
Prepayments		0	67
Total Current Assets		764,569	664,860
Non Current Assets			
Fixed Assets	2	15,809	0
TOTAL ASSETS		780,378	664,860
Current Liabilities			
GST Payable	1(c)	46,426	40,736
Accounts Payable		56,932	18,859
Income in Advance		584,267	500,260
Total Current Liabilities		687,625	559,855
TOTAL LIABILITIES		687,625	559,855
NET ASSETS		92,754	105,004
Represented by:			
EQUITY			
Funds Settled		(52,064)	(52,064)
Retained Earnings		144,818	157,069
TOTAL EQUITY		92,754	105,004

Treasurer

Date

Chairperson

NOTE: This statement is to be read in conjunction with the Notes to the Financial Statements



The Management Agency Biosecurity (National American Foulbrood Pest Management Strategy) Order 1998 Notes to the Financial Statements For the Year Ended 31 May 2015

1 REPORTING BASIS AND NATURE OF BUSINESS

The National Beekeepers Association is a non-profit organisation that acts for and facilitates on industry matters for the benefit of its members.

Further to this it has been appointed as the Management Agency for the AFB NPMS. The duties relating to this appointment are set out in the Biosecurity (National American Foulbrood Pest Management Strategy) Order 1998. Levies used to pay for the running of the AFB NPMS are collected through the Biosecurity (American Foulbrood - Apiary & Beekeeper Levy) Order 2003. Pursuant to the Biosecurity Act 1993 the Management Agency must provide transparent financial records with respect to the management of the AFB NPMS Levy Order and this is what is reported in these statements.

The Management Agency; Biosecurity National American Foulbrood Management Strategy is a non-profit organisation.

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on an historical cost basis have been used, with the exception of certain items for which specific accounting policies have been identified. These are special purpose financial statements prepared for accounting to the Minister of Agriculture in terms of The Management Biosecurity (National Foulbrood Pest Management Strategy) Order 1998

a. Changes in Accounting Policies

There have been no changes in accounting policies. All policies have been applied on bases consistent with those used in previous years.

b. Receivables

Receivables are stated at their estimated realisable value. Bad debts are written off in the year in which they are identified.

Member levies for the year ended 31 May 2016 have been charged prior to 31 May 2015. The amounts unpaid at 31 May 2015 are included in the Accounts Receivable balance. An adjustment for levies charged in advance is shown in the Statement of Financial Performance.

c. Goods & Services Tax

These financial statements have been prepared on a GST exclusive basis with the exception of Accounts Receivable and Accounts Payable which are shown inclusive of GST.

d. Fixed Assets are recognised as cost less accumulated depreciation. Depreciation has been calculated using rates permitted by the Income Tax Act 2007. Gains and losses on disposal of fixed assets are taken into account in determining the operating result for the year. The rates of depreciation used are as follows:

	<u>Rate</u>	<u>Method</u>
Signage	30%	Straight Line
Software	40%	Straight Line

2 FIXED ASSETS

	<u>Cost</u>	<u>Depreciation</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Signage	\$3155	\$ 473	\$473	\$2682
Software	\$16409	\$ 3282	\$3282	\$13127
Total	\$19564	\$ 3755	\$3755	\$15809



3 AUDIT

These financial statements have been subject to audit; please refer to Independent Auditor's Report.

4 NON ADJUSTING EVENTS AFTER THE END OF THE REPORTING PERIOD

The Management Agency is pursuing a claim against a beekeeper for \$11656 plus interest and costs, relating to an unpaid debt. The beekeeper concerned has lodged a counter claim. Management do not believe that the action will result in any liability to the Management Agency. (2014:\$0).

5 SECURITIES AND GUARANTEES

There was no secured overdraft as at balance date nor was any facility arranged. The Management Agency Biosecurity (National American Foulbrood Pest Management Strategy) Order 1998 has not granted any securities or guarantees in respect of liabilities payable by any other party whatsoever.

6 RELATED PARTIES

The following members of the Board pay levies to the Management Agency, either directly or via associated entities: Frans Laas, Neil Mossop, Kim Poynter, Stephen Black.

