

**The Management Agency Biosecurity  
(National American Foulbrood Pest  
Management Plan) Order 1998  
Financial Statements  
For the Year Ended 31 May 2016**

The Management Agency Biosecurity  
(National American Foulbrood Pest  
Management Plan) Order 1998  
Special Purpose Financial Statements  
For the Year Ended 31 May 2016

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## **INDEPENDENT AUDITOR'S REPORT**

**To the Executive Committee of The Management Agency Biosecurity (National American Foulbrood Pest Management Plan) Order 1998**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of The Management Agency Biosecurity (National American Foulbrood Pest Management Plan) Order 1998 on pages 4 to 9, which comprise the statement of financial position as at 31 May 2016, and the statement of financial performance and statement of movements in equity for the period then ended, and a summary of significant accounting policies and other explanatory information. The financial statements have been prepared based on provisions and rules within the Management Agency Biosecurity (National American Foulbrood Pest Management Plan) Order 1998.

This report is made solely to the Ministry of Agriculture, as a body, in accordance with the provisions and rules within the Management Agency Biosecurity (National American Foulbrood Pest Management Plan) 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, as a body, for our audit work, for this report, or for the opinions we have formed.

### **Responsibility for the Financial Statements**

The Executive Committee is responsible for the preparation of these financial statements in accordance with the provisions and rules within the Management Agency Biosecurity (National American Foulbrood Pest Management Plan) Order 1998, for determining that the basis of accounting is acceptable for the purpose of reporting to the Ministry of Agriculture and for such internal control as the members of the Executive Committee determines 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 Plan) Order 1998.

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

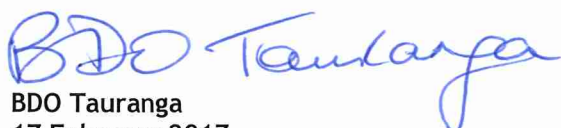
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### **Opinion**

In our opinion, the financial statements of The Management Agency Biosecurity (National American Foulbrood Pest Management Plan) Order 1998 for the period ended 31 May 2016 are prepared, in all material respects, in accordance with the provisions and rules within the Management Agency Biosecurity (National American Foulbrood Pest Management Plan) Order 1998.

### **Basis of Accounting and Restriction of Distribution**

Without modifying our opinion, we draw attention to Note 1 to the 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 Plan) 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 Plan) Order 1998 and the Ministry of Agriculture and should not be distributed to other parties.



**BDO Tauranga**  
**17 February 2017**  
**Tauranga**  
**New Zealand**



The Management Agency Biosecurity  
(National American Foulbrood Pest  
Management Plan) Order 1998  
Statement of Financial Performance  
For the Year Ended 31 May 2016



	Note	2016 \$	2015 \$
<b>INCOME</b>			
Penalty on Levy		13,084	25,690
PMS Bio Security Levy		575,548	482,911
Bad Debts Recovered		22,764	645
Course Fees Received		52,663	0
Interest Received		10,157	8,873
		<u>674,216</u>	<u>518,118</u>
Levies- Charged Next Year to 31 May	1(b)	706,515	584,267
Less Income in Advance		(706,515)	(584,267)
<b>Total Income</b>		<b><u>674,216</u></b>	<b><u>518,118</u></b>
<b>LESS EXPENSES</b>			
Accounting & Reporting		18,098	9,320
Aerial Surveillance		13,578	3,286
ADR Admin		5,525	8,025
ADR (AsureQuality)		67,282	54,584
AFB Recognition Courses		42,711	14,145
AFB Counselling (AsureQuality)		9,805	9,342
AFB Counselling & Audit Admin		3,053	5,275
AFB Videos (DVD)		180	25,040
AFB Audit Inspec (AsureQuality)		68,169	61,993
AFB Auditor/Industry Inspec's		139,087	101,618
AFB Auditor Recruit/Training		27,455	24,306
AFB Recognition Course Costs		34,333	0
Apiary database upgrade		2,207	0
Audit Fees		4,793	4,803
Bad Debts written off		10,270	14,132
Bank Fees		134	105
Beekeeper Communication		1,382	0
Beekeeper Education		380	500
Biosecurity NZ		3,389	1,707
COI Admin		3,040	2,720
COI (AsureQuality)		20,585	18,974
Apiary Levy (AsureQuality)		2,684	4,749
COI Default Inspections		2,145	3,395
Conference Attendance		3,958	742
Debt Collection Expenses		19,581	20,788
DECA (AsureQuality)		16,276	19,743
DECA Scheme Admin		2,889	1,788
Deprecation		6,491	3,755
Honoraria		21,205	6,400
Plant & Food Research		23,296	16,277
Health & Safety Compliance		13,859	1,806
Insurance		793	829
Legal Expenses		25,390	9,977
Magazine Expenditure		9,504	8,407
Management Agency Appointments		290	0

The accompanying notes form part of these financial statements and should be read in conjunction with the audit report.

The Management Agency Biosecurity  
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Statement of Financial Performance  
For the Year Ended 31 May 2016

	Note	2016 \$	2015 \$
Manager Regional Visits		7,826	7,806
Official Info Act Requests		3,590	4,880
Operations Manual/Policy Dvpt		1,465	2,502
Management Agency Meeting Exps		13,541	14,469
Postage Printing & Stationery		21,648	24,298
Reporting Government		1,190	621
Telephone		4,642	5,646
Travel & Accommodation		4,579	5,044
Website Costs		9,450	6,574
<b>Total Expenses</b>		691,746	530,369
<b>(NET DEFICIT) SURPLUS</b>		<u>(17,529)</u>	<u>(12,250)</u>



*The accompanying notes form part of these financial statements and should be read in conjunction with the audit report.*

The Management Agency Biosecurity  
(National American Foulbrood Pest  
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Statement of Movements in Equity  
For the Year Ended 31 May 2016

	Note	2016 \$	2015 \$
EQUITY AT START OF PERIOD		92,754	105,004
SURPLUS & REVALUATIONS			
Surplus/(Deficit)		(17,529)	(12,250)
Total Recognised Revenues & Expenses		(17,529)	(12,250)
OTHER MOVEMENTS		-	-
EQUITY AT END OF PERIOD		<u>75,225</u>	<u>92,754</u>



*The accompanying notes form part of these financial statements and should be read in conjunction with the audit report.*



The Management Agency Biosecurity  
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Statement of Financial Position  
As at 31 May 2016

	Note	2016 \$	2015 \$
<b>Current Assets</b>			
Cash at Bank		565,678	481,641
Term Deposits		160,000	110,000
Interest Accrued		2,463	1,296
Accounts Receivable	1(b)	187,719	171,632
<b>Total Current Assets</b>		<b>915,860</b>	<b>764,569</b>
<b>Non Current Assets</b>			
Fixed Assets	2	12,416	15,809
<b>TOTAL ASSETS</b>		<b>928,277</b>	<b>780,378</b>
<b>Current Liabilities</b>			
GST Payable	1(c)	62,638	46,426
Accounts Payable		83,899	56,932
Income in Advance		706,515	584,267
<b>Total Current Liabilities</b>		<b>853,052</b>	<b>687,624</b>
<b>TOTAL LIABILITIES</b>		<b>853,052</b>	<b>687,624</b>
<b>NET ASSETS</b>		<b>75,225</b>	<b>92,754</b>
<b>Represented by:</b>			
<b>EQUITY</b>			
Funds Settled		(52,064)	(52,064)
Retained Earnings		127,289	144,818
<b>TOTAL EQUITY</b>		<b>75,225</b>	<b>92,754</b>

Treasurer

Chairperson

Date

17.02.2017

17.02.2017

The accompanying notes form part of these financial statements and should be read in conjunction with the audit report.



# The Management Agency Biosecurity (National American Foulbrood Pest Management Plan) Order 1998

## Notes to the Financial Statements For the Year Ended 31 May 2016

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### 1 REPORTING BASIS AND NATURE OF BUSINESS

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

Further to this the National Beekeepers Association of New Zealand Incorporated has been appointed as the Management Agency for the American Foulbrood National Pest Management Strategy (AFB NPMS). The duties relating to this appointment are set out in the Biosecurity (National American Foulbrood Pest Management Plan) 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 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 Agency Biosecurity (National Foulbrood Pest Management Plan) 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 after making appropriate provision for any doubtful debts. Bad debts are written off in the year in which they are identified.

Member levies for the year ended 31 May 2017 have been charged prior to 31 May 2016. The amounts unpaid at 31 May 2016 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 stated at 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%	Diminishing Value
Software & Computers	40%	Diminishing Value



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Notes to the Financial Statements  
For the Year Ended 31 May 2016

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**2 FIXED ASSETS**

	<u>Cost</u>	<u>Depreciation</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Signage	\$ 3156	\$ 805	\$1278	\$1878
Software	\$16409	\$ 5251	\$8532	\$7876
<u>Computers</u>	<u>\$ 3098</u>	<u>\$ 436</u>	<u>\$ 436</u>	<u>\$2663</u>
Total	\$22662	\$ 6491	\$10246	\$12416

**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**

No events after balance date. Subsequent to the previous year end, the Management Agency was pursuing a claim against a beekeeper for \$11656 plus interest and costs, relating to an unpaid debt. A settlement was reached during the current year and the matter is now resolved.

**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 Plan) 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.

**7 REVENUE RECOGNITION**

Levies and penalties are recognised as income when invoiced. Interest income from deposit accounts and term deposits is recognised on an accruals basis in the period in which it was earned. Course fees are recognised when received.

**8 INCOME TAX**

The Management Agency; Biosecurity (National American Foulbrood Management Plan) Order 1998 is exempt from income tax under Section CW49 of the Income Tax Act 2007.

