

**The Management Agency Biosecurity
(National American Foulbrood Pest
Management Plan) Order 1998
Financial Statements
For the Year Ended 31 May 2017**

The Management Agency Biosecurity
(National American Foulbrood Pest
Management Plan) Order 1998
Special Purpose Financial Statements
For the Year Ended 31 May 2017

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The Management Agency Biosecurity
(National American Foulbrood Pest
Management Plan) Order 1998
Statement of Financial Performance
For the Year Ended 31 May 2017

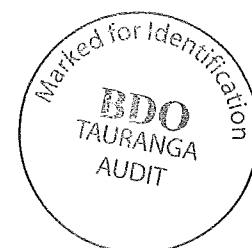


	Note	2017 \$	2016 \$
INCOME			
PMS Bio Security Levy		694,661	575,548
Course Fees Received		113,522	52,662
Penalty on Levy		13,949	13,084
Bad Debts Recovered		0	22,764
Interest Received		6,707	10,157
		<u>828,839</u>	<u>674,216</u>
Levies- Charged Next Year to 31 May	1(b)	899,544	706,515
Less Income in Advance		(899,544)	(706,515)
Total Income		<u>828,839</u>	<u>674,216</u>
LESS EXPENSES			
Accounting & Reporting		26,622	18,098
Aerial Surveillance		1,719	13,578
ADR Admin		3,829	5,525
ADR (AsureQuality)		104,082	67,282
Train the Trainers & Sub Comm		1,988	42,711
AFB Counselling (AsureQuality)		16,051	9,805
AFB Counselling & Audit Admin		1,059	3,053
AFB Videos (DVD)		1,100	180
AFB Audit Inspec (AsureQuality)		83,457	68,169
AFB Auditor/Industry Inspector's		153,271	139,087
AFB Auditor Recruit/Training		36,884	27,455
AFB Recognition Course Costs		70,818	34,333
Apiary database upgrade		1,460	2,207
Audit Fees		5,178	4,793
Bad Debts written off		808	10,270
Bank Fees		612	134
Beekeeper Communication		3,780	1,382
Beekeeper Education		730	380
Beekeeper Mediation		19,394	0
Biosecurity NZ		11,633	3,389
COI Admin		2,289	3,040
COI (AsureQuality)		33,165	20,585
Apiary Levy (AsureQuality)		3,740	2,684
COI Default Inspections		3,010	2,145
Conference Attendance		12,731	3,958
Debt Collection Expenses		16,032	19,581
DECA (AsureQuality)		25,217	16,276
DECA Scheme Admin		2,350	2,889
Deprecation & Amortisation		12,285	6,491
Honoraria		33,075	21,205
Plant & Food Research		27,362	23,296
Health & Safety Compliance		7,852	13,859
Insurance		2,975	793
Legal Expenses		14,622	25,390
Magazine Expenditure		13,334	9,504

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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Management Plan) Order 1998
Statement of Financial Performance
For the Year Ended 31 May 2017

	Note	2017 \$	2016 \$
Management Agency Appointments		15,042	290
Manager Regional Visits		6,002	7,826
Official Info Act Requests		5,605	3,590
Operations Manual/Policy Dvpt		4,907	1,465
Management Agency Meeting Exps		21,205	13,541
Postage Printing & Stationery		18,684	21,648
Reporting Government		1,947	1,190
Telephone		4,879	4,642
Travel & Accommodation		6,323	4,579
Website Costs		3,338	9,450
Total Expenses		842,447	691,746
(NET DEFICIT)		(13,608)	(17,529)



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The Management Agency Biosecurity
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Statement of Movements in Equity
For the Year Ended 31 May 2017

	Note	2017 \$	2016 \$
EQUITY AT START OF PERIOD		75,225	92,754
SURPLUS & REVALUATIONS			
Surplus/(Deficit)		(13,608)	(17,529)
Total Recognised Revenues & Expenses		(13,608)	(17,529)
OTHER MOVEMENTS		-	-
EQUITY AT END OF PERIOD		<u>61,616</u>	<u>75,225</u>



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

(National American Foulbrood Pest
Management Plan) Order 1998
Statement of Financial Position
As at 31 May 2017

	Note	2017 \$	2016 \$
Current Assets			
Cash at Bank		526,305	565,678
Term Deposits		310,000	160,000
Interest Accrued		3,709	2,463
Accounts Receivable	1(b)	240,171	187,719
Total Current Assets		1,080,185	915,860
Non Current Assets			
Fixed Assets	2	7,637	12,416
Deferred Expenditure Strategic Plan	2	30,025	0
Total Non Current Assets		37,662	12,416
TOTAL ASSETS		1,117,847	928,277
Current Liabilities			
GST Payable	1(c)	81,835	62,638
Accounts Payable		74,851	83,899
Income in Advance		899,544	706,515
Total Current Liabilities		1,056,231	853,052
TOTAL LIABILITIES		1,056,231	853,052
NET ASSETS		61,616	75,225
Represented by:			
EQUITY			
Funds Settled		(52,064)	(52,064)
Retained Earnings		113,681	127,289
TOTAL EQUITY		61,616	75,225

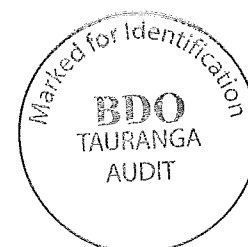
Board Member

Chairperson

Date

15/1/18

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 2017

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 2018 have been charged prior to 31 May 2017. The amounts unpaid at 31 May 2017 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 and amortisation. Depreciation and amortisation have 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 and amortisation used are as follows:

	<u>Rate</u>	<u>Method</u>
Signage	30%	Diminishing Value
Software & Computers	40%	Diminishing Value
Intangible Assets	20%	Straight Line

- e. Strategic planning expenditure incurred during the year has been capitalised and is to be amortised on a straight line basis over a period of five years. This policy reflects the enduring nature of this expenditure in terms of lasting benefit to the entity in the medium term. Any remaining unamortised cost is to be written off immediately if the strategic plan is no longer in use.



The Management Agency Biosecurity
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Notes to the Financial Statements
For the Year Ended 31 May 2017

2 FIXED ASSETS

a. Fixed Assets

	<u>Cost</u>	<u>Depreciation</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Signage	\$ 3156	\$ 563	\$ 1841	\$1314
Software	\$16409	\$3150	\$11683	\$4726
Computers	<u>\$ 3098</u>	<u>\$1065</u>	<u>\$ 1500</u>	<u>\$1597</u>
Total	\$22663	\$4779	\$15024	\$7637

b. Deferred Expenditure- Strategic Plan

	<u>Cost</u>	<u>Amortisation</u>	<u>Accumulated Amortisation</u>	<u>Net Book Value</u>
Strategic Plan	\$ 37531	\$7506	\$ 7506	\$30025

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.

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: Kim Poynter, Russell Marsh, and Jason Ward.

The following members of the Board are related to businesses who are engaged to provide services to the Management Agency: John Hartnell and Gabriel Torres. These services are provided on the same commercial terms as provided to any other unrelated customer.

7 REVENUE RECOGNITION

Invoiced levies are recognised as income in the year to which they relate. Levies received for future years are treated as Income in Advance in the year received. 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.

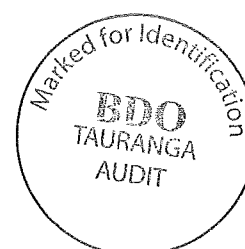
9 TERM DEPOSITS

Term Deposits comprises all funds held at ANZ Bank under a term deposit arrangement, regardless of the original time to maturity.



Asset Register
For the Year Ended 31 May 2017

Plant & Equipment	Purch Date	Opening Cost	Opening BV	Add'ns at Cost	Depreciation		Closing Cost	Closing BV	Accum Dep
					Rate %	Amount			
AFB Auditor Magnetic Signage	Dec-14	3156	1878		30.0%	563	3156	1314	1841
Iphone App Development	Dec-14	16409	7876		40.0%	3150	16409	4726	11683
Desktop PC & Software	Oct-15	1423	1044		40.0%	418	1423	626	797
Desktop Computer System	May-16	1675	1619		40.0%	647	1675	971	703
		22662	12416	0		4779	22662	7638	15025
Strategic Plan	Purch Date	Opening Cost	Opening BV	Add'ns at Cost	Amortisation		Closing Cost	Closing BV	Accum Amort
					Rate %	Amount			
Five Year Plan development	Oct-16			37531	20.0%	7506	37531	30024	7506
		0	0	37531		7506	37531	30024	7506
TOTAL		22662	12416	37531		12285	60193	37662	22531





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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**

Opinion

We have audited the financial statements of The Management Agency Biosecurity (National American Foulbrood Pest Management Plan) Order 1998 ("the entity"), which comprise the statement of financial position as at 31 May 2017, the statement of financial performance for the year then ended 31 May 2017 and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the entity for the year ended 31 May 2017 are prepared, in all material respects, in accordance with the accounting policies specified in Note 1 to the financial statements.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ("ISAs (NZ)"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the entity in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, the abbreviation.

Emphasis of Matter - Basis of Accounting and Restriction on Distribution and Use

We draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial statements are prepared solely for the Ministry of Agriculture, as a body. 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. Our opinion is not modified in respect of this matter.

Executive Committee's Responsibilities for the Financial Statements

The executive committee is responsible for the preparation of the financial statements in accordance with the accounting policies specified in Note 1 to the financial statements and for such internal control as 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.

In preparing the financial statements, the executive committee is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the executive committee either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

PARTNERS: Fraser Lellman CA Kenneth Brown CA Janine Hellyer CA Jenny Lee CA
Donna Kemp CA Paul Manning CA

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (NZ), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the executive committee.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the executive committee and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

We communicate with the executive committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Who we Report to

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.



BDO Tauranga
Tauranga
New Zealand
16 January 2018