

**The Management Agency Biosecurity
(National American Foulbrood Pest
Management Plan) Order 1998
Financial Statements
For the Year Ended 31 May 2022**

The Management Agency Biosecurity
(National American Foulbrood Pest
Management Plan) Order 1998
Special Purpose Financial Statements
For the Year Ended 31 May 2022

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The Management Agency Biosecurity
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Statement of Financial Performance
For the Year Ended 31 May 2022

	Note	2022 \$	2021 \$
INCOME			
Levy Income			
PMS Bio Security Levy		1,747,627	1,555,345
Penalty on Levy		26,596	6,158
Bad Debts Recovered		313	814
Total Levy Income		1,774,536	1,562,317
Training			
Course Fees Received		70,840	127,785
Total Training		70,840	127,785
Cost Recovery			
S122 Notice Default		-	6,550
Default COI Inspections		52,062	9,085
Total Cost Recovery		52,062	15,635
Apiary Data Licence			
Data Processing		1,278	-
Total Apiary Data Licence		1,278	-
Levies- Charged Next Year to 31 May	1(b)	1,647,424	1,817,189
Less Income in Advance		(1,647,424)	(1,817,189)
Total Income		1,898,716	1,705,737
LESS EXPENSES			
Training			
Trainer Recruitment & Training		2,182	12,687
AFB Recognition Course Costs		59,862	47,475
Salaries & Remuneration- Training		25,559	25,282
Total Training		87,602	85,444
Extension, Research & Communications			
Suspect AFB Tests		2,948	4,108
Website		242	75
Conference Expenses		6,680	2,647
Magazine Expenditure		21,088	27,984
Beekeeper Communication		3,296	2,394
Total Extension, Research & Communications		34,254	37,208
Monitoring & Audit			
Honey Surveillance		49,323	-
Apiary Inspections		242,787	166,047
AFB Auditor Recruit/Training		50,795	39,709
Salaries & Rem- Monitoring & Audit		86,035	79,982
Total Monitoring & Audit		428,939	285,738
Apiary Register			
NBHS Operating Expenses		62,665	55,884
Salaries & Remuneration- NBHS		158,820	141,833
AsureQuality Contract Charges		-	79,600
Total Apiary Register		221,485	277,317
Compliance & Enforcement			
Unregistered Apiary Inspections		-	2,636
S122 Notice Default		3,573	10,639
COI Default Inspections		22,770	74,961
Salaries & Rem-Compliance & Enforcement		86,035	79,982
Total Compliance & Enforcement		112,379	168,219



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 2022

	Note	2022 \$	2021 \$
Overheads			
Accounting General		12,222	9,588
Audit Fees		5,335	5,202
Bad Debts written off		49,695	22,897
Bank Fees		382	294
Board Meeting Exps & Honoraria		31,145	46,471
Computer & IT Expenses		21,878	21,530
Debt Collection Expenses		1,412	6,450
Deprecation & Amortisation		151,211	50,922
Five Yr Dvpt/Levy Consultation		165,542	10,974
Insurance		4,080	3,795
Legal Expenses		32,690	13,955
Loss on Disposal of Assets		-	221
Post Print Stationery & Misc Office		49,029	59,182
Premises		47,776	50,055
Salaries & Remuneration-Administration		206,407	200,152
Telephone		4,968	13,214
Travel & Accommodation		9,849	18,178
Total Overheads		793,622	533,080
Total Expenses		1,678,282	1,387,006
Operating Surplus		220,434	318,732
Other Income			
Interest Received		9,995	7,774
Grants Received		-	-
Total Other Income		9,995	7,774
Net Surplus		230,429	326,506



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The Management Agency Biosecurity
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Management Plan) Order 1998
Statement of Movements in Equity
For the Year Ended 31 May 2022

	Note	2022 \$	2021 \$
EQUITY AT START OF PERIOD		690,172	363,666
SURPLUS & REVALUATIONS			
Surplus/(Deficit)		230,429	326,506
Total Recognised Revenues & Expenses		230,429	326,506
OTHER MOVEMENTS		-	-
EQUITY AT END OF PERIOD		<u>920,600</u>	<u>690,172</u>



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The Management Agency Biosecurity
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Statement of Financial Position
As at 31 May 2022

	Note	2022 \$	2021 \$
Current Assets			
Cash at Bank		517,336	841,942
Term Deposits		1,250,000	730,000
Interest Accrued		5,639	415
Accounts Receivable	1(b)	666,573	621,274
Total Current Assets		2,439,548	2,193,631
Non Current Assets			
Fixed Assets	2	15,180	14,866
Intangible Assets	2	538,875	682,575
Total Non Current Assets		554,055	697,441
TOTAL ASSETS		2,993,603	2,891,072
Current Liabilities			
GST Payable	1(c)	222,762	238,908
Accounts Payable		202,817	144,803
Income in Advance		1,647,424	1,817,189
Total Current Liabilities		2,073,003	2,200,900
TOTAL LIABILITIES		2,073,003	2,200,900
NET ASSETS		920,600	690,172
Represented by:			
EQUITY			
Retained Earnings		920,600	690,172
TOTAL EQUITY		920,600	690,172

Board Member



Chairperson



Date 1/12/2022

1/12/2022



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 2022

1 REPORTING BASIS AND NATURE OF BUSINESS

Apiculture 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 Apiculture 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 2022 have been invoiced prior to 31 May 2021. The amounts unpaid at 31 May 2021 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. Gains and losses on disposal of fixed assets are taken into account in determining the operating result for the year. Low value assets (under \$1000) are expensed in the year of purchase. The following rates of depreciation and amortisation have been used:

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

e. Intangible Assets Policy

Measurement: Costs that are directly associated with the development of software for internal use are recognised as an intangible asset. Direct costs include the cost of materials and services, employee costs and any directly attributable overheads. Costs of software updates or upgrades are capitalised only when they increase the usefulness or value of the asset. All other costs are expensed when incurred.



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

Notes to the Financial Statements For the Year Ended 31 May 2022

Amortisation: The carrying value of an intangible asset is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases when the asset is derecognised. The amortisation charge for each financial year is recognised in the surplus or deficit. The amortisation rate for intangible assets is listed in Note 1 d above.

- f. Strategic planning expenditure incurred during 2017 has been capitalised and 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. This expenditure is now fully written off.

2 NON CURRENT ASSETS

a. Fixed Assets

	<u>Cost</u>	<u>Depreciation</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Signage	\$3155	\$94	\$2935	\$221
Software	\$13500	\$1490	\$11264	\$2236
Office Equpt	\$5565	\$773	\$2474	\$3091
Computers	<u>\$22619</u>	<u>\$5154</u>	<u>\$12987</u>	<u>\$9632</u>
Total	\$44839	\$7511	\$29660	\$15180

b. Intangible Assets

	<u>Cost</u>	<u>Amortisation</u>	<u>Accumulated Amortisation</u>	<u>Net Book Value</u>
Database	\$718500	\$143700	\$179625	\$538875

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: Russell Marsh, Gabriel Torres, Val Graham, Jason Ward, Mark Dingle, Murray Lewis and Denis Crowley. The following member of the Board is related to businesses who are engaged to provide services to the Management Agency: 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 invoiced. 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.



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

Notes to the Financial Statements For the Year Ended 31 May 2022

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.

10 LEASE COMMITMENTS

The Management Agency has a lease on office premises in Rolleston, expiring in March 2023. The cost is \$1917 plus GST per month.

11 OTHER COMMITMENTS

The Management Agency has a contract until July 2025 with Smartapps to maintain and support the Hivehub database. The cost of this maintenance and support is \$2833 plus GST per month.



**INDEPENDENT AUDITOR'S REPORT
TO THE BOARD MEMBERS 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 2022, the statement of financial performance for the year then ended 31 May 2022 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 2022 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 entity.

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 Minister of Biosecurity. 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 Minister for Biosecurity and should not be distributed to other parties. Our opinion is not modified in respect of this matter.

Board Members Responsibilities for the Financial Statements

The Board Members are 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 board 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 board members 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 board either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

PARTNERS: Fraser Lellman CA
Donna Taylor CA

Janine Hellyer CA
Paul Manning CA

Jenny Lee CA

ASSOCIATE: Michael Lim 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 board members.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the board members 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 management 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 Minister of Biosecurity, 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 Minister of Biosecurity 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 Minister of Biosecurity, for our audit work, for this report, or for the opinions we have formed.



BDO Tauranga
Tauranga
New Zealand
2 December 2022