

**The Management Agency Biosecurity
(National American Foulbrood Pest
Management Plan) Order 1998
Financial Statements
For the Year Ended 31 May 2023**

The Management Agency Biosecurity
(National American Foulbrood Pest
Management Plan) Order 1998
Special Purpose Financial Statements
For the Year Ended 31 May 2023

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The Management Agency Biosecurity
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Statement of Financial Performance
For the Year Ended 31 May 2023

	Note	2023 \$	2022 \$
INCOME			
Levy Income			
PMS Bio Security Levy		1,640,183	1,747,627
Penalty on Levy		34,572	26,596
Bad Debts Recovered		3,818	313
Total Levy Income		1,678,573	1,774,536
Training			
Course Fees Received		74,349	70,840
Total Training		74,349	70,840
Cost Recovery			
Default COI Inspections		29,461	52,062
Total Cost Recovery		29,461	52,062
Apiary Data Licence			
Data Processing		691	1,278
MPI Revenue		50,250	-
Total Apiary Data Licence		50,941	1,278
Levies- Charged Next Year to 31 May	1(b)	1,418,594	1,647,424
Less Income in Advance		(1,418,594)	(1,647,424)
Total Income		1,833,324	1,898,715
LESS EXPENSES			
Training			
Trainer Recruitment & Training		21,969	2,182
AFB Recognition Course Costs		48,685	59,862
Salaries & Remuneration- Training		27,289	25,559
Total Training		97,943	87,602
Extension, Research & Communications			
Suspect AFB Tests		8,638	2,948
Website		0	242
Conference Expenses		6,898	6,680
Magazine Expenditure		31,854	21,088
Beekeeper Communication		15,311	3,296
Total Extension, Research & Communications		62,701	34,254
Monitoring & Audit			
Honey Surveillance		9,573	49,323
Apiary Inspections		371,668	242,787
AFB Auditor Recruit/Training		58,709	50,795
Salaries & Rem- Monitoring & Audit		90,567	86,035
Total Monitoring & Audit		530,517	428,939
Apiary Register			
NBHS Operating Expenses		62,845	62,665
Salaries & Remuneration- NBHS		161,896	158,820
Total Apiary Register		224,741	221,485
Compliance & Enforcement			
High Risk Beekeepers		13,497	-
S122 Notice Default		4,774	3,573
COI Default Inspections		21,106	22,770
Salaries & Rem-Compliance & Enforcement		90,567	86,035
Total Compliance & Enforcement		129,944	112,379



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 2023

	Note	2023 \$	2022 \$
Overheads			
Accounting General		9,490	12,222
Audit Fees		5,551	5,335
Bad Debts written off		7,184	49,695
Bank Fees		1,320	382
Board Meeting Exps & Honoraria		46,140	31,145
Computer & IT Expenses		45,721	21,878
Debt Collection Expenses		1,656	1,412
Deprecation & Amortisation		149,311	151,211
Plan Order Consultation		45,125	75,542
Salaries and Rem- Plan Order Consultation		86,440	90,000
Insurance		4,100	4,080
Legal Expenses		13,840	32,690
Loss on Disposal of Assets		194	-
Post Print Stationery & Misc Office		42,376	49,029
Premises		49,613	47,776
Salaries & Remuneration-Administration		218,091	206,407
Strategic Review		9,225	-
Telephone		5,591	4,968
Travel & Accommodation		9,624	9,849
Total Overheads		750,592	793,622
Total Expenses		1,796,438	1,678,282
Operating Surplus		36,886	220,434
Other Income			
Interest Received		33,781	9,995
Grants Received		1,704	-
Total Other Income		35,485	9,995
Net Surplus		<u>72,371</u>	<u>230,429</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
Management Plan) Order 1998
Statement of Movements in Equity
For the Year Ended 31 May 2023

	Note	2023 \$	2022 \$
EQUITY AT START OF PERIOD		920,600	690,172
SURPLUS & REVALUATIONS			
Surplus/(Deficit)		72,371	230,429
Total Recognised Revenues & Expenses		72,371	230,429
OTHER MOVEMENTS		-	-
EQUITY AT END OF PERIOD		<u>992,971</u>	<u>920,600</u>




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The Management Agency Biosecurity
(National American Foulbrood Pest
Management Plan) Order 1998
Statement of Financial Position
As at 31 May 2023

	Note	2023 \$	2022 \$
Current Assets			
Cash at Bank		687,582	517,336
Term Deposits	9	1,100,000	1,250,000
Interest Accrued		17,667	5,639
Accounts Receivable	1(b)	511,497	666,573
Total Current Assets		2,316,746	2,439,548
Non Current Assets			
Fixed Assets	2	10,382	15,180
Intangible Assets	2	395,175	538,875
Total Non Current Assets		405,557	554,055
TOTAL ASSETS		<u>2,722,303</u>	<u>2,993,603</u>
Current Liabilities			
GST Payable	1(c)	199,838	222,762
Accounts Payable		110,900	202,817
Income in Advance	7	1,418,594	1,647,424
Total Current Liabilities		<u>1,729,332</u>	<u>2,073,003</u>
TOTAL LIABILITIES		<u>1,729,332</u>	<u>2,073,003</u>
NET ASSETS		<u>992,971</u>	<u>920,600</u>
Represented by:			
EQUITY			
Retained Earnings		<u>992,971</u>	<u>920,600</u>
TOTAL EQUITY		<u>992,971</u>	<u>920,600</u>

Board Member 

Chairperson 

Date: 8 November 2023

Date: 8 November 2023



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 2023

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 2024 have been invoiced prior to 31 May 2023. The amounts unpaid at 31 May 2023 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 2023

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.

2 NON CURRENT ASSETS

a. Fixed Assets

	<u>Cost</u>	<u>Depreciation</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Signage	\$3155	\$67	\$3000	\$155
Software	\$13500	\$894	\$12159	\$1341
Office Equpt	\$5565	\$618	\$3092	\$2473
<u>Computers</u>	<u>\$20757</u>	<u>\$4032</u>	<u>\$14344</u>	<u>\$6413</u>
Total	\$42977	\$5611	\$32595	\$10382

b. Intangible Assets

	<u>Cost</u>	<u>Amortisation</u>	<u>Accumulated Amortisation</u>	<u>Net Book Value</u>
Database	\$718500	\$143700	\$323325	\$395175

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: Gabriel Torres, Val Graham, Jason Ward, Mark Dingle, Jane Rollin 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 invoiced 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. MPI revenue is recognised as income when invoiced.



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

Notes to the Financial Statements For the Year Ended 31 May 2023

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 2026. The cost is \$2021 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 2023, the statement of financial performance for the year then ended 31 May 2023 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 2023 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.

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
9 November 2023