

The Management Agency - Biosecurity (National American Foulbrood Pest Management Strategy) Order 1998 Special Purpose Financial Statements Year Ended 31 May 2007

AUDIT REPORT

To the Minister of Agriculture:

We have audited the special purpose financial statements of The Management Agency Biosecurity (National American Foulbrood Pest Management Strategy) Order 1998 on pages 2 to 5. The special purpose financial statements provide information about the past financial performance of The Management Agency Biosecurity (National Foulbrood Pest Management Strategy) Order 1998 as at 31st May 2007. This information is stated in accordance with the accounting policies set out on page 5.

Executive Committee Responsibilities

The Committee is responsible for the preparation of the special purpose financial statements which fairly reflects the financial position of The Management Agency Biosecurity (National American Foulbrood Pest Management Strategy) Order 1998 as at 31st May 2007 and of the results of their operations for the year ended 31st May 2007.

Auditor's Responsibilities

It is our responsibility to express an independent opinion on the special purpose financial statements presented by the Committee.

Basis of Opinion

An audit includes examining, on a test basis evidence relevant to the amounts and disclosures in the special purpose financial statements. It also includes assessing:

- the significant estimates and judgments made by the Committee in the preparation of the special purpose financial statements; and
- whether the accounting policies are appropriate to The Management Agency Biosecurity (National American Foulbrood Pest Management Strategy) Order 1998 circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with New Zealand Auditing Standards. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to obtain reasonable assurance that the special purpose financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the special purpose financial statements.

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

Unqualified opinion

We have obtained all the information and explanations we have required.

In our opinion:

- proper accounting records have been kept by The Management Agency Biosecurity (National American Foulbrood Pest Management Strategy) Order 1998 as far as appears from our examination of those records; and
- the financial report on pages 2 to 5 complies with generally accepted accounting practice in New Zealand and fairly reflects the financial position of The Management Agency Biosecurity (National American Foulbrood Pest Management Strategy) Order 1998 and the results of its operations for the year ended 31st May 2007.

Breach of Law - Failure to Meet Statutory Reporting Deadline

The Management Agency Biosecurity (National American Foulbrood Pest Management Strategy) Order 1998 has failed to comply with The Biosecurity Act 1993 Section 95(2) in that they did not ensure the financial statements were available for audit completion by 31st October 2007, the date fixed by The Biosecurity Act 1993.

Our audit was completed on the 18th of February 2008 and our unqualified opinion was expressed as at that date.



Auditors: Rodewald Hart Brown Limited
Address: 127 Durham Street, Tauranga

**The Management Agency Biosecurity
(National American Foulbrood Pest
Management Strategy) Order 1998
Statement of Financial Performance
For the Year Ended 31st May 2007**

	Note	2007 \$	2006 \$
AFB - NPMS		600	655
Levies - Current Year to 31 May		202,269	199,045
Levy Penalties Received		15,277	5,360
Interest Received		6,071	5,722
Default Inspections Recovery Cost		7,951	4,851
VAI Apiary Database Access		15,000	5,000
		<u>247,167</u>	<u>220,632</u>
Levies - Charged Next Year to 31 May	1(c)	221,882	203,463
Less Income in Advance		<u>(221,882)</u>	<u>(202,269)</u>
Total Income		<u>247,167</u>	<u>221,827</u>
Less Expenses			
Manager Branch Visits		2,893	-
Accounting		4,396	3,222
Audit Fees		2,870	708
Waste Disposal		44	-
Bio Security Meetings		483	-
Chargeable Surveillance		2,279	-
AP2 Training		3,930	-
Doubtful Debts		4,937	-
Bank Charges		131	38
Collection Costs		4,202	10,088
Contractor Supervision		-	170
VAI Levy Refunds		-	56
Administration - Sundry		3,190	11,547
Web Site Expenses		1,202	-
Beekeeper Education		-	5,477
DECA Agriquality		9,829	12,779
DECA Scheme MA Administration		1,902	1,636
Certificate of Inspection		12,671	7,271
Annual Disease Return		60,376	49,645
American Foulbrood		33,201	25,816
Audit Insp. BIG Group/NBA/Agriquality		-	57,289
Beekeeper Costs		13,615	3,238
Operations Committee Running Expenses		-	2,262
National Beekeepers Association		24,309	5,961
Levy Financial Systems MYOB Accounting		1,943	-
Pest Management Strategy		1,334	604
Default Inspections		12,818	7,181
Retail Honey Expenses		3,850	-
Legal Expenses		998	316
Review Committee		-	318
Printing, Stamps & Stationery		9,418	14,000
Staff - new Appointment Costs		-	13,528
Magazine Expenditure		20,758	20,010
Travel & Accommodation		4,192	6,546
Telephone		6,894	5,583
Prior Year Adjustments		-	(717)
GST Adjustment		637	-
Total Expenses		<u>249,303</u>	<u>264,574</u>
NET SURPLUS/(DEFICIT)		<u>(\$2,135)</u>	<u>(\$42,747)</u>

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

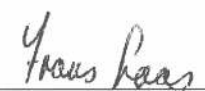
The Management Agency Biosecurity (National American Foulbrood Pest Management Strategy) Order 1998 Statement of Movements in Equity For the Year Ended 31st May 2007

	Note	2007 \$	2006 \$
EQUITY AT START OF PERIOD		67,378	110,126
SURPLUS & REVALUATIONS			
Net Surplus After Tax		(2,135)	(42,747)
Total recognised revenues & expenses		(2,135)	(42,747)
OTHER MOVEMENTS			
Term Deposit repaid to NBA	1(b)	(52,064)	-
EQUITY AT END OF PERIOD		<u>\$13,179</u>	<u>\$67,378</u>

The Management Agency Biosecurity (National American Foulbrood Pest Management Strategy) Order 1998 Statement of Financial Position As at 31st May 2007

	Note	2007 \$	2006 \$
CURRENT ASSETS			
National Bank of New Zealand		102,392	109,558
National Bank Term Deposit	1(b)	40,000	102,061
Accounts Receivable	1(c)	159,884	155,106
Total Current Assets		<u>302,276</u>	<u>366,725</u>
TOTAL ASSETS		<u>302,276</u>	<u>366,725</u>
CURRENT LIABILITIES			
GST Payable (NBA)	1(d)	16,309	9,962
National Beekeepers Association		-	8,195
Accounts Payable		50,906	78,921
Income in Advance		221,882	202,269
Total Current Liabilities		<u>289,097</u>	<u>299,346</u>
TOTAL LIABILITIES		<u>289,097</u>	<u>299,346</u>
NET ASSETS		<u>\$13,179</u>	<u>\$67,378</u>
Represented by;			
EQUITY			
Retained Earnings		13,179	67,378
TOTAL EQUITY		<u>\$13,179</u>	<u>\$67,378</u>

The accompanying notes form part of these Financial Statements and should be read in conjunction with the reports contained herein.

Treasurer  Chairperson 
Date _____

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 31st May 2007

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.

(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) **Term deposit**

During the year a repayment of \$52,064.46 was made to the National Beekeepers Association as the Funds had been deposited with the NBA the previous year in error.

(c) **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 31 May 2008 have been charged prior to 31 May 2007 the amounts not paid are included in the receivables balance. An adjustment for levies charged in advance is shown in the Statement of Financial Performance.

(d) **Goods & Services Tax**

These financial statements have been prepared on a GST exclusive basis.

2. **AUDIT**

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

3. **CONTINGENT LIABILITIES**

At balance date there are no known contingent liabilities (2006:\$0). The Management Agency Biosecurity (National American Foulbrood Pest Management Strategy) Order 1998 has not granted any securities in respect of liabilities payable by any other party whatsoever.

4. **SECURITIES AND GUARANTEES**

There was no overdraft as at balance date nor was any facility arranged.