

**New Zealand Grasslands Association (Inc)**

**Financial Report**

**For the Period Ended  
31 July 2007**

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Directors: Martin J. Keogh, Peter R. McCormack, Kenneth J. Rewcastle  
Associates: Jim Reay, Grant Roydhouse, Tony Haslam

Clarke Crow & Partners  
AUDIT

New Zealand Grasslands Association (Inc)

Financial Report  
For the Period Ended 31 July 2007

**C O N T E N T S**

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## AUDITORS REPORT

### NEW ZEALAND GRASSLAND ASSOCIATION INC. FOR THE YEAR ENDED 31 JULY 2007

To the Readers of the financial report of New Zealand Grassland Association Inc.

We have audited the financial report on pages 5 to 11. The financial report provides information about the past financial performance of New Zealand Grassland Association Inc. and its financial position as at 31 July 2007. This information is stated in accordance with the accounting policies set out on page 9

#### Executive Committee's Responsibilities

The Executive Committee is responsible for the preparation of a financial report which fairly reflects the financial position of New Zealand Grassland Association Inc. as at 31 July 2007 and of the results of operations for the period ended on that date.

#### Auditors' Responsibilities

It is our responsibility to express an independent opinion on the financial report presented by the Committee and report our opinion to you.

#### Basis of Opinion

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

- the significant estimates and judgements made by the Executive Committee in the preparation of the financial report, and
- whether the accounting policies are appropriate to the Association's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with the generally accepted auditing standards in New Zealand. 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 give reasonable assurance that the 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 financial statements.

Other than in our capacity as auditors we have no relationship with or interests in New Zealand Grassland Association Inc

### **Unqualified Opinion**

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

In our opinion,

- proper accounting records have been kept by the Executive Committee as far as appears from our examination of those records; and
- the financial report on pages 5-11:
  - complies with generally accepted accounting practices and;
  - gives a true and fair view of the financial position of the Association as at 31 July 2007 and the results of its operations for the period ended on that date.

Our audit was completed on 13 October 2008 and our unqualified opinion is expressed at that date.

**CLAIRE CRAW & PARTNERS**

Clarke, Crow & Partners

Dunedin.

**New Zealand Grasslands Association (Inc)****Society Directory  
as at 31 July 2007**

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Nature of Business: To facilitate the transfer of pastoral technology  
from the lab to the farm

Business Location: Dunedin

IRD Number: 11-791-875

Date of Incorporation: 14 February 1951

Registered Office: 14 Blacks Road, North East Valley  
Dunedin

President: Dr John Caradus

Vice President: Mr Pat Garden

Executive Secretary: Mr Ross White

Bankers: Bank of New Zealand

Accountants: Grant Thornton Otago Limited  
Level 7, Radio Otago House  
248 Cumberland Street  
Dunedin

Auditors: Clarke Crow & Partners  
2 Clarke Street  
Dunedin

## New Zealand Grasslands Association (Inc)

Publication Trading Account  
For the Period Ended 31 July 2007

	\$	This Year \$	Last Year \$
<b>Income</b>			
Sales		15,306	10,301
<b>Less: Cost of Goods Sold</b>			
Opening Stock	34,204		36,623
NZ Grasslands Share of Revenue	-		5,000
CD Production	-		55
Publications	9,795		4,255
	<u>43,999</u>		<u>45,933</u>
Closing Stock	28,104		34,204
Cost of Goods Sold		<u>15,895</u>	<u>11,729</u>
		<u>(589)</u>	<u>(1,428)</u>

## New Zealand Grasslands Association (Inc)

Statement of Financial Performance  
For the Period Ended 31 July 2007

	Note	This Year	Last Year
		\$	\$
<b>Operating Income</b>			
Gross Profit/(Loss) From Publications		(589)	(1,428)
Sponsorship - AgResearch		10,000	10,000
Sponsorship - Conference		74,879	24,000
Conference Income		511,088	67,245
Subscriptions		68,791	52,914
Sundry Income		364	1,468
Total Gross Income		664,533	154,199
<b>Less Expenses</b>			
Accountancy Fees		3,491	2,710
Audit Fees		2,000	2,000
Bank Charges		6,738	5,304
Conference Expenses		483,410	50,280
Conference Share of Profit		25,953	-
Executive Expenses		4,651	3,846
Executive Secretary		66,500	48,667
Insurance		1,588	1,588
Interest Expenses		134	47
Legal Fees		525	-
Newsletters		11,425	10,052
Printing, Stationery & Communications		12,470	9,602
Proceedings		17,678	13,703
Promotional Expenses		2,817	-
Subscriptions - Royal Society of NZ		595	617
Travelling Expenses		10,653	7,883
Wages		1,600	1,600
Total Cash Expenses		652,228	157,899
Depreciation		4,255	1,089
Total Expenses		656,483	158,988
Operating Surplus/(Deficit)		8,050	(4,789)
<b>Other Income</b>			
Interest Received		12,783	9,599
		12,783	9,599
Net Surplus/(Deficit) Before Tax		20,833	4,810
Less Estimated Tax for Year	4	4,603	1,958
Provision For Income Tax, Prior Year Adjustment	4	(330)	-
Net Surplus/(Deficit) After Tax		16,560	2,852

## New Zealand Grasslands Association (Inc)

Statement of Movements in Equity  
For the Period Ended 31 July 2007

	\$	This Year \$	Last Year \$
Equity at Start of the Year		95,238	92,386
Net surplus/(deficit) for the year	16,560		2,852
Total recognised revenues and expenses for the year		16,560	2,852
Equity at End of the Year		111,798	95,238

## New Zealand Grasslands Association (Inc)

Statement of Financial Position  
as at 31 July 2007

	Note	\$	This Year \$	Last Year \$
<b>Equity</b>				
Equity at End of the Year			111,798	95,238
<b>Equity is represented by:</b>				
<b>Current Assets</b>				
BNZ - Cheque Account		58,241		17,974
BNZ - Conference Account		2,246		2,016
BNZ - APBC Account		-		72,725
Accounts Receivable		45,855		1,817
Accrued Interest		-		2,915
Stock on Hand		28,104		34,204
Prepayments		-		57,112
GST Receivable		4,731		
Total Current Assets		139,177		188,763
<b>Non Current Assets</b>				
Investments	3	101,801		294,725
Fixed Assets as per Schedule	2	1,768		3,266
Total Non Current Assets		103,569		297,991
Total Assets			242,746	486,754
<b>Current Liabilities</b>				
Accounts Payable		70,980		15,282
GST Payable				8,507
Taxation Payable	4	4,603		2,081
Australian Plant Breeders Advance		-		25,876
Conference Proceeds in Advance		-		333,100
Subscriptions Received in Advance		55,365		6,670
Total Current Liabilities		130,948		391,516
Total Liabilities			130,948	391,516
Net Assets/(Liabilities)			111,798	95,238

Dr John Caradus

\_\_\_\_\_  
President\_\_\_\_\_  
Date

**New Zealand Grasslands Association (Inc)****Notes to the Financial Statements  
For the Period Ended 31 July 2007****Note 1****Statement of Accounting Policies****Reporting Entity**

The financial statements presented here are for the reporting entity New Zealand Grasslands Association (Inc). The financial statements have been prepared in accordance with the Incorporated Societies Act 1908 and generally accepted accounting practice.

**Measurement Base**

Unless otherwise stated the accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on a historical cost basis have been followed.

**Audit**

These financial statements have been subject to Audit. A copy of the Auditors Report is included at page 3.

**Specific Accounting Policies**

The following specific accounting policies which materially affect the measurement of financial performance and financial position have been applied:

*Accounts Receivable* are stated at their estimated realisable value. Debts considered uncollectible are written off. There is no other provision for doubtful debts.

*Stock on Hand* has been valued at the lower of cost or market selling value. Cost is determined using the permitted cost valuation method per the IRD, being either cost, replacement value, or discounted selling price.

The market selling value of stock calculated under tax rules, does not materially differ from net realisable value, calculated under GAAP (FRS4).

*Fixed Assets* are stated at cost less accumulated depreciation. Depreciation has been calculated using the maximum rates permitted by the Income Tax Act 2004. The depreciation rates used are shown in the Fixed Asset Schedule.

*Taxation expense* charged against the profit for the year is the estimated total tax for the year in accordance with the taxation return to the Inland Revenue Department.

*Investments* are valued at cost.

*Goods and Services Tax:* The Statement of Performance has been prepared so that all components are stated exclusive of GST. All items in the Statement of Financial Position are stated net of GST, with the exception of accounts receivables and payables.

*Subscriptions:* Member subscriptions are accounted for upon receipt, together with an accrual for subscriptions related to the current year expected to be collected.

**New Zealand Grasslands Association (Inc)****Notes to the Financial Statements  
For the Period Ended 31 July 2007**

*Differential Reporting:* The entity qualifies for differential reporting as it is not publicly accountable and the entity does not qualify as a large entity.

The entity has therefore taken advantage of all applicable differential reporting exemptions.

**Changes in Accounting Policies**

Membership subscriptions have previously been accounted for in the year of membership. Subscriptions allowed for in previous years, but not now expected to be collected have previously been written of as Bad Debts. They are now written back against Subscription Income. The comparatives have been adjusted to comply with the new policy.

The Association has changed balance date from 31 March to 31 July to more accurately reflect trading patterns. As such these accounts are for a 16 Month period from 1 April 2006 to 31 July 2007.

All other accounting policies have been applied on bases consistent with those used in previous years.

**Note 2****Fixed Assets**

	<b>Cost</b>	<b>Accum Deprn.</b>	<b>This Year Book Value</b>	<b>Last Year Book Value</b>
	\$	\$	\$	\$
Plant & Equipment	502	126	376	-
Web Site	6,610	5,218	1,392	3,266
<b>Total Fixed Assets</b>	<b>7,112</b>	<b>5,344</b>	<b>1,768</b>	<b>3,266</b>

**Note 3****Investments**

	<b>This Year \$</b>	<b>Last Year \$</b>
BNZ - Term Investment 3005	-	47,759
BNZ - Term Investment 3012	45,731	41,394
BNZ - Term Investment 3013	56,070	50,000
BNZ - Term Investment 3015	-	50,572
BNZ - Term Investment 3016	-	105,000
<b>Total Investments</b>	<b>101,801</b>	<b>294,725</b>

## New Zealand Grasslands Association (Inc)

Notes to the Financial Statements  
For the Period Ended 31 July 2007

## Note 4

## Taxation

	This Year \$	Last Year \$
Net Surplus/(Deficit) for Year	20,833	4,810
Estimated Tax on Surplus	4,603	1,958
Balance to Pay/(Refund Due) Current Year	4,603	1,958

## Note 5

## Capital Reserves

There have been no movements in Capital Reserves this year.

## Note 6

## Revenue Reserves

The following movements in Revenue Reserves have occurred:

	This Year \$	Last Year \$
<b>Retained Earnings</b>		
Opening Balance	95,238	92,386
Net Income Earned This Year	16,560	2,852
Closing Balance	111,798	95,238

## Note 7

## Capital Commitments

There are no capital commitments at balance date. (2006:\$ Nil)

## Note 8

## Contingent Liabilities

There are no contingent liabilities at balance date. (2006:\$ Nil)

New Zealand Grasslands Association Inc.  
 Schedule of Fixed Assets and Depreciation  
 For The 16 Months Ended 31 July 2007

Description	Purchase Date	Cost	Opening Book Val.	Addition / (Disp.)	Profit / (Loss)	Depn Rate	Depn Mnths	CP=1 DV=2	Depn For Year	Depn To Date	Closing Book Val.
<b>Plant &amp; Equipment</b>											
Web Site	Nov-05	4,355	3,266			60.0%	17	2	2776	3,865	490
Web Site - Additional Functionality	Jul-06			2,255		60.0%	12	2	1353	1,353	902
Quickbooks Software	Mar-07			502		60.0%	5	2	126	126	376
		4,355	3,266	2,757					4,255	5,344	1,768
<b>Total Fixed Assets</b>		4,355	3,266	2,757					4,255	5,344	1,768

Clarke Craw & Partners  
P O Box 919  
DUNEDIN

Dear Sirs,

This representation letter is provided in connection with your audit of the financial report of New Zealand Grassland Association Inc. for the 16 months ended 31 July 2007 for the purpose of expressing an opinion on whether the financial report gives a true and fair view of the financial position of New Zealand Grassland Association Inc. as at 31 July 2007 and of the results of its operations for the 16 months then ended according to Generally Accepted Accounting Practices.

We acknowledge our responsibility for the fair presentation of the financial report in accordance with Generally Accepted Accounting Practices.

We confirm, to the best of our knowledge and belief, the following representations:

1 There have been no irregularities involving management or employees who have a significant role in the accounting and internal control systems, or that could have a material effect on the financial report.

2 We have made available to you all accounting records and supporting documentation, and all minutes of meetings of the Committee.

3 We confirm the completeness of the information provided regarding the identification of related parties.

4 The financial report is free of material misstatements, including omissions.

5 The Incorporation has complied with all aspects of contractual agreements that could have a material effect on the financial report in the event of non-compliance. There has been no non-compliance with requirements of regulatory authorities that could have a material effect on the financial report in the event of non-compliance.

6 We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial reports.

7 The Incorporation has satisfactory title to all assets and there are no liens or encumbrances on the entity's assets, except for those disclosed in the notes to the financial reports.

8 We have recorded or disclosed, as appropriate, all liabilities, both actual and contingent, and have disclosed in notes to the financial reports, all guarantees that we have given to third parties.

9 Other than as described in the notes to the financial reports, there have been no events subsequent to period end, which require adjustment of, or disclosure in, the financial reports or notes to them.

10 No claims in connection with litigation have been, or are expected to be, received.

11 We have complied with all relevant legislation and regulations that apply to our industry.

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Date .....