

Agrecovery Foundation
Statement of Financial Performance
for the year ending 30 June 2015

	Note	2015 \$	2014 \$
Operating revenue	2	1,626,988	1,585,586
Operating expenses	3	1,435,585	1,323,901
Net Surplus/(deficit) for the year		<u>\$ 191,403</u>	<u>\$ 261,685</u>

Agrecovery Foundation
Statement of Movements in Equity
for the year ending 30 June 2015

	2015 \$	2014 \$
Equity at beginning of year	751,801	490,427
Net Surplus/(deficit) for the year	191,403	261,685
Adjustment	-	(311)
Equity at the end of the year	<u>\$ 943,204</u>	<u>\$ 751,801</u>

Agrecovery Foundation
Statement of Financial Position
as at 30 June 2015

	Note	2015 \$	2014 \$
Current Assets			
Cash & cash equivalents	4	946,304	762,026
Trade and other receivables	5	185,797	167,282
Total Current Assets		1,132,101	929,308
Less Current Liabilities			
Trade creditors		178,993	138,150
GST payable		9,903	39,357
Total Current Liabilities		188,896	177,507
Net Assets		\$ 943,204	\$ 751,801
 <u>Represented by</u>			
Total Equity		\$ 943,204	\$ 751,801



 Chairwoman



 Trustee

2/11/2015

 Date

These financial statements should be read in conjunction with the notes to the financial statements



Agrecovery Foundation
Notes to and forming part of the Financial Statements
for the year ending 30 June 2015

1) Statement Of Accounting Policies

a) Reporting Entity

Agrecovery Foundation is a not for profit entity incorporated on May 2006 under the Charitable Trusts Act 1957 and since re-registered under the Charities Act 2005.

The Foundation has been developed by a coalition of major grower groups, industry parties and local and central government to provide a solution to the problem of waste agrichemical containers, chemicals and wraps.

b) Basis of Preparation

Statement of Compliance

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP). The accrual basis of accounting has been used unless otherwise stated and the financial statements are prepared on a going concern basis.

Change in Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year.

c) Significant Accounting Policies

The significant accounting policies used in the preparation of these financial statements are set out below; they have been applied consistently to all years presented in these financial statements.

Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, deposits held on call with banks, and other short term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Financial Instruments

Financial instruments are comprised of trade debtors and other receivables, cash and cash equivalents and other financial instruments, trade creditors and other payments, borrowings and other financial liabilities.

Financial assets and liabilities are recognized initially at fair value plus transaction costs, except for those carried at fair value through the profit and loss, which are measured at fair value.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. The Foundation's cash and cash equivalent, trade and other receivables fall into this category of financial instruments.

Agrecovery Foundation
Notes to and forming part of the Financial Statements
for the year ending 30 June 2015

1) Statement Of Accounting Policies Continued

c) Significant Accounting Policies Continued

Revenue

Revenue is recognized to the extent that it is probable that the economic benefit will flow to the council and revenue can be reliably measured. Revenue is measured at the fair value of consideration received.

The following specific recognition criteria must be met before revenue is recognized.

Levies Income

Income is recognised when the customer determines the level of levy to be paid to the Foundation. Generally levies are paid every quarter in arrears and are recorded when known.

Interest Income

Interest income is recognized as it accrues using the effective interest method.

Donations and Grants

Donations and grant income is recognized as revenue when received and all associated obligations have been met. Where grants have been given for a specific purpose, or with conditions attached, income is not recognized until agreed upon services and conditions have been satisfied.

Goods and Services Tax

These financial statements have been prepared on a GST exclusive basis. Accounts Receivable and Accounts Payable are reported on a GST inclusive basis.

Income Tax

Agrecovery Foundation has full charitable status under sections CW 41 and CW 42 of the Income Tax Act 2007 and accordingly is not liable for Income tax.

Differential Reporting

Agrecovery Foundation qualifies for differential reporting on the basis of size and public accountability. Agrecovery Foundation has applied all differential reporting exemptions.

Agrecovery Foundation
Notes to the Financial Statements
for the year ended 30 June 2015

	2015	2014
	\$	\$
2) Operating Revenue		
Levies	1,506,579	1,481,565
Sale of Plastic	74,625	90,670
Sale of Labels	368	102
Interest	25,615	13,249
Drum Programme	19,801	-
	1,626,988	1,585,586

	2015	2014
	\$	\$
3) Operating Expenses		
Audit Fee	2,750	2,750
Annual Report	-	3,300
FFNZ Management fees	80,000	80,000
Legal	-	9,800
Travel Expenses	15,061	9,325
Agrecovery Programme Costs 3r Expenses	1,307,513	1,217,144
Other Operating Expenses	30,261	1,582
	1,435,585	1,323,901

	2015	2014
	\$	\$
4) Cash and Cash Equivalents		
BNZ – Cheque Account	24,537	33,480
BNZ – Call Account	609,559	572,683
BNZ- Term Deposits	312,208	155,863
	946,304	762,026

	2015	2014
	\$	\$
5) Trade and Other Receivables		
Accounts receivable	183,137	165,056
Accrued interest	2,660	356
Prepaid Expenditure	-	1,870
	185,797	167,282

	2015	2014
	\$	\$
6) Fee Paid to Auditors		
Silks Audit		
- For audit services	2,750	2,750
	2,750	2,750

Agrecovery Foundation
Notes to the Financial Statements
for the year ended 30 June 2015

7) Impact of adopting Not-for-Profit Public Benefit Entities (NFP PBE) Standards

The new Accounting Standards Framework is currently being developed and implemented in stages by the External Reporting Board (XRB).

The Trust is eligible to continue to apply 'Old GAAP' as it does not have public accountability and it is not large as defined in XRB A1 Application of Accounting Standards.

Under the new Accounting Standards Framework, the Trust will have to transition to the new Not-for-Profit Public Benefit Entities (NFP PBE) Standards, that will be based on International Public Sector Accounting Standards (IPSAS). The effective date for the new NFP PBE Standards is expected to be for reporting periods beginning on or after 1 April 2015. Therefore, the Trust will have to prepare its financial statements in accordance with the new NFP PBE Standards for the first time for the annual period ending 30 June 2016.

The Trust has not been able to determine the impact of this transition as the new NFP PBE Standards are currently being developed by the XRB .

8) Related Party

During the year to 30 June 2015, the Trust paid administration fees to Federated Farmers of New Zealand Incorporated for the use of their premises and fixed assets and for administration services. The Trust paid a management fee of \$80,000 for administration services.

9) Commitments and contingencies

There were no commitments or contingencies as at balance date (2014: Nil).

10) Events Occurring After Balance Date

There are no subsequent events requiring disclosure in or adjustment to the financial statements for the year ended 30 June 2015.

Agrecovery Foundation
Supplementary Schedule to the Financial Statements
for the year ended 30 June 2015

Appendix 1

	2015	2014
	\$	\$
Operating Revenue		
Levies	1,506,579	1,481,565
Sale of Plastic	74,625	90,670
Sale of Labels	368	102
Interest	25,615	13,249
Drum Programme	19,801	-
Total Revenue	1,626,988	1,585,586

	2015	2014
	\$	\$
Operating Expenses		
Programme Managers Costs		
Professional Fee	219,684	219,683
Provision for Performance Fee	30,000	30,000
2013 Performance Fee	-	10,000
Logistics and Coordination Management	154,443	214,497
Chemical Management and Coordination	95,927	71,892
Travel and Accommodation - Chemical	2,803	2,800
Network Infrastructure Maintenance and Coordination	73,668	80,374
One Point of Contact	99,586	89,197
Marketing	106,414	125,657
Advertising	16,999	24,410
Media, PR, Monitoring and Subscriptions	4,020	4,814
Design and Photography	4,701	5,780
Printing and Reproduction	5,199	4,100
Collection Site Support and promotion	41,188	38,545
Events and Support	35,629	27,512
Total Programme Managers Costs	890,261	949,261

Container Collection Costs		
Agrecovery Truck Driver and Processor	116,365	87,118
Truck Costs	115,087	87,802
Repairs and Maintenance	35,600	26,799
Total Container Collection Costs	267,052	201,719

Chemical Collection Costs		
Collection, Aggregation and Disposal Costs	133,000	66,164
Total Chemical Collection Costs	133,000	66,164

Drum Collection Costs		
One Point of Contact	9,666	-
Collection of Drums	7,534	-
Total Drum Collection Costs	17,199	-

Foundation Administration

Audit Fee	2,750	2,750
Annual Report	-	3,300
Bad Debts	-	12
General Expenses	1,187	696
FFNZ Management fees	80,000	80,000
Insurance	1,870	-
Legal	-	9,800
Bank Fees	65	113
Meetings	946	761
Travel Expenses	15,061	9,325
Projects	26,193	-
Total Foundation Administration	128,072	106,757
Total Expenditure	1,435,585	1,323,901

These financial statements should be read in conjunction with the notes to the financial statements



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INDEPENDENT AUDITORS REPORT

To the Members of Agrecovery Foundation.

Report on the Financial Statements

We have audited the financial statements of Agrecovery Foundation on pages 1 to 8 which comprise the statement of financial position as at 30 June 2015 and the statement of financial performance, statement of movements in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Trust's Responsibility for the Financial Statements

The Trust is responsible for the preparation and fair presentation of these financial statements in accordance with generally accepted accounting practice in New Zealand and for such internal control as the Trust determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

Opinion

In our opinion the financial statements present fairly, in all material respects, the financial position of Agrecovery Foundation as at 30 June 2015, and its financial performance for the year then ended in accordance with generally accepted accounting practice in New Zealand.

Silks Audit
Chartered Accountants
Wanganui, New Zealand

Date: 2 November 2015