

National Beekeepers Association of New Zealand Inc.
Notes to the Financial Statements

1. Statement of Accounting Policies

a) Reporting Entity

The National Beekeepers Association of New Zealand Inc. is incorporated under the *Incorporated Societies Act 1908*. The Financial Statements are prepared in accordance with generally accepted accounting practice, as defined in the *Financial Reporting Act 1993*.

b) General Accounting Policies

The general accounting policies recognised as appropriate for the measurement and reporting of results, cashflows and financial position, under the historical cost method is followed in the preparation of the financial statements.

c) Particular Accounting Policies

The following particular accounting policies, which significantly affect the measurement of profit and financial position, are applied:

Library

Prior to the year ended 31 December 1982 this asset was written down to a nominal value of \$500. The asset is now being depreciated on the straight line basis at a rate of 20% per annum which is estimated to write off the cost of the asset over its natural life.

Taxation

The association is assessed for taxation in line with Inland Revenue Department policy for other similar associations and, as a consequence, an accrual is made in these Financial Statements. The Association, is an incorporated society, is liable for taxation on income from dealings with non members, and interest earned, which is calculated at 33c in the dollar after deduction of certain allowable expenses.

Accounts Receivable

Accounts receivable are stated at estimated realisable value, which includes a provision for doubtful debts to make allowance for amounts which are not considered recoverable.

National Beekeepers Association of New Zealand Inc.
Notes to the Financial Statements

Commodity Levy

Commodity levies are based on apiary sites. The rate of levy is \$54.00 plus GST for the first apiary site then \$26.00 plus GST for each subsequent site. These levies are split between marketing (24%), disease control (31%) and administration (45%), after allowing \$28 per member towards the magazine.

Goods and Services Tax (GST)

All revenue and expense transactions are recorded net of GST. Where applicable, all assets and liabilities are stated net of GST with the exception of receivables and payables which are stated inclusive of GST.

Statement of Cash Flow

The following are definitions of the terms used in the Statement of Cash Flows:

- i. Cash is considered to be cash on hand, current accounts in banks, and other highly liquid investments in which the association invests as part of its day to day cash management.
- ii. Investing activities are those activities relating to the acquisition, holding and disposal of fixed assets and investments. Investments can include securities not falling within the definition of cash.
- iii. Operating activities include all transaction that are not financing or investing activities.

d) Changes in Accounting Policies

There have been no material changes in the accounting policies applied, compared with those applied during the previous year.