

# *Annual Report*

2012/2013



**NZDEFA**  
Your Voice Our Future



## NOTICE OF MEETING

### **New Zealand Deer Farmers' Association: 38th Annual General Meeting**

New Zealand Deer Farmers' Association: 38th Annual  
General Meeting

Notice is hereby given that the 38th Annual General  
Meeting of the New Zealand Deer Farmers' Association  
(Inc) will be held in the Amora Hotel, 170 Wakefield  
Street, Wellington on Saturday 25 May 2013,  
commencing at 10.00am.

The Chairman and Executive Committee of the NZDFA  
invite all NZDFA members and industry interested  
parties to attend.

#### **Cover photo:**

Richard Hilson, Hawke's Bay.

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## AGENDA

38th NZDFA AGM, Saturday, 25 May 2013,  
commencing 11.00am

1. Apologies
2. Appointment of scrutineers
3. Obituaries
4. Notification of further items of general business
5. Confirmation of agenda
6. Confirmation of the minutes of the 37th AGM of the NZDFA (Inc)
7. Matters arising from the minutes
8. Executive Committee Chairman's Report
9. Financial report
  - a. Approval of the 2012/13 financial statements
  - b. 2013/14 Budget. (Motion of approval sought)
  - c. Motion of confirmation for Executive Committee honoraria
  - d. Motion of Appointment of Auditors
10. Constitutional amendments
11. Executive Committee remits (if any)
12. NZDFA Branch Remits (if any)
13. DINZ Board Producer Appointment. Candidate addresses to the AGM
14. General business
  - a. Notification of NZDFA election results
  - b. Confirmation of NZDFA Executive Committee and SAP appointments
  - c. Any other business

# MINUTES OF THE NEW ZEALAND DEER FARMERS' ASSOCIATION

37TH ANNUAL GENERAL MEETING, HELD AT THE LAKE WANAKA CENTRE, WANAKA, TUESDAY, 15 MAY 2012, AT 11:00AM

The NZDFA Chairman Edmund Noonan called the 37th AGM to order at 11:00am and welcomed approximately 120 members and interested friends of the industry and called for apologies. The Returning Officer advised that the meeting was also represented through four proxies from members.

## 1. APOLOGIES

### Branch Chairmen

Ken Ferguson, Malcolm Gilbert, Dean Orsler, Rex Cowley

### Life members

John and Jan Burrowes, Don Gregson, Tom and Gaye Williams

### Members

John and Mary Cusdin, Ron Schroeder

Four members represented by proxies

*"That the apologies as notified be accepted"*

**Moved:** Richard Broughton, **Seconded:** Steve Borland **Carried**

## 2. SCRUTINEERS

*That Phil Stewart, Amy Wills and Pam MacLeman be appointed as Scrutineers for the 37th AGM of the NZDFA, 15th May, 2012*

**Moved:** Bill Taylor, **Seconded:** David Stevens **Carried**

## 3. OBITUARIES AND REMEMBRANCE

Obituaries were recognised

Walter Somerville

John Carter

David Burgess

The meeting recognised the passing of these NZDFA members and industry participants with a minute of silence.

## 4. CALL FOR FURTHER ITEMS OF GENERAL BUSINESS

There were no further items of general business notified.

## 5. ACCEPTANCE OF MEETING AGENDA

No further items of general business were notified. It was moved that the agenda be accepted as presented:

**Moved:** John Somerville, **Seconded:** Kris Orange **Carried**

## 6. CONFIRMATION OF MINUTES OF THE 36TH AGM

Confirmation of the Minutes of the 36th Annual General meeting of the NZDFA, held at SBS Events Centre, Timaru on 17 May 2011, at 11.00am circulated in the 2011/12 Annual Report, printed in *Deer Industry News* 53 April 2012, pages 3–6.

**Moved:** Edmund Noonan, **Seconded:** Kris Orange **Carried**

There was no discussion and no amendments to the minutes notified by the meeting.

*"That the Minutes of the 36th Annual General meeting of the NZDFA, held at SBS Events Centre, Aorangi Park, Timaru, Tuesday 17 May 2011, be accepted as a true and accurate record."*

**Moved:** Murray Coutts, **Seconded:** Andrew Jarden **Carried**

## 7. MATTERS ARISING FROM MINUTES

There were no matters arising from the minutes.

## 8. CHAIRMAN'S REPORT

Circulated in the Annual Report 2011/12, Printed in *Deer Industry News* 53 April 2012 (pages 7–8 of the Annual Report)

*"That the Chairman's report of 2012 be adopted"*

**Moved:** Edmund Noonan, **Seconded:** Clive Jermy **Carried**

In commenting on the Chairman's report, former NZDFA chairman, Clive Jermy in the traditional role of the seconder's commentary, observed that the report highlighted the importance of productivity and the pivotal role of the Focus Farm programme in underpinning industry confidence.

He encouraged the NZDFA to assert itself more openly as a separate entity promoting the industry's interests and reflecting the passion of its members. The Focus Farms showed how positive changes could be made and the NZDFA should be the vehicle to disseminate the knowledge and confidence that the programme provided. Clive Jermy also encouraged the NZDFA to more openly promote the benefits of membership, reminding delegates of the gains made on their behalf by the NZDFA, including practical amendments to NAIT and wins for most farmers over DOC fencing standards and deregulation by way of example.

He wished the incoming Executive Committee well and thanked Edmund Noonan on behalf of members for his commitment and time as an EC member and recent NZDFA chairman.

The adoption of the Report was **carried** without further discussion.

## 9. FINANCIAL REPORT

Prepared Sandra Windley, Accountant and NZDFA Accounts Manager. Presented by Producer Manager Tony Pearse and DFA finance portfolio convenor, Earle Wells.

Circulated in the Annual Report 2011/12, Printed in *Deer Industry News* 53 April 2012, (pages 8–14) as an audited review of the accounts and financial statements for the year ending 31 March 2012.

Statement of Financial Performance for the Year Ending 31 March 2012.

### Main Factors

#### Income

Decrease in subscription levels of 9%

#### Expenses

- Contributions to Sustainable Farming Fund projects out of income, not reserves: projects were the Focus Farms Project (\$3,000) and Landcare Manual Project (\$2,500).
- Savings in expenditure, particularly travel and accommodation (13% lower than budget).
- A taxation liability at ~30% of the earned interest on investments now exists as previous taxation credits have now been used.
- Current assets were ~\$125 000.

## Proposed Budget 2012/13

### Income

Membership budget was raised to 1,530 members, a small increase over the 1,510 (2012 year) membership as part of confidence in the membership drive.

### Expenses

- Honoraria recommended to remain at the same levels as 2011/12 year (\$9,000 for Chairman, \$6,000 for Members)
- Deloitte be commissioned as Auditors

These require motions from the floor following the discussion.

The budget for the year to March 2013 has been maintained at the same levels as for the year ending 31 March 2012 and is budgeted to break even. The Executive Committee honoraria are budgeted to remain at the current year's rates (subject to passage of the motion approving this) and general expenditure is budgeted at a similar level to the 2011/12 year across all line items.

### Budget features

1. Subscriptions level at same level as 2011/12 year
2. 1,530 members
3. Proposed expenditure maintained at 2010/11 levels
4. Branch capitation fees remain at \$25.00
5. Further communications to members and non members in membership drive.

There was no further discussion or questions.

## FORMAL FINANCIAL MOTIONS

### Motion 1: Accounts 2011/12

*"That the Audited NZDFA financial statements and accounts for the year ending 31 March 2012 be received and approved."*

**Moved:** Clive Jermy, **Seconded:** Earle Wells **Carried**

### Motion 2: Honoraria

*"That the Executive Committee honoraria for the 2012/13 financial year be fixed at \$9,000 for the elected Chairman and \$6,000 for each other Executive Committee member."*

**Moved:** Clive Jermy, **Seconded:** Andy Jarden **Carried**

### Motion 3: Appointment of Auditors

*"That Deloitte be appointed as NZDFA auditors for the year ended 31 March 2013."*

**Moved:** Earle Wells, **Seconded:** Kris Orange **Carried**

### Motion 4: NZDFA budget

*"That the NZDFA budget for the 2011–2012 year ending 31 March 2012 be approved"*

**Moved:** Edmund Noonan, **Seconded:** Richard Burdon **Carried**

## 10. CONSTITUTIONAL MATTERS

### National Constitution NZDFA Amendments 2012

#### Constitutional Amendment Motion: Proposed by the Executive Committee following a recommendation from the Branch Chairs' meeting, October 2011

*"That the following clauses that describe the election and qualifying criteria of nominees for the NZDFA Executive Committee and NZDFA Selection and Appointment Panel be AMENDED to read:"*

### 12.1 Executive Committee:

*The affairs of the Association shall be administered by the Executive Committee. The membership of the Executive Committee shall consist of four members being:*

- (a) *ONE member duly elected to represent the South Island; and*
- (b) *ONE member duly elected to represent the North Island; and*
- (c) *Two members duly elected to represent all members (to be known as Executive Committee members at large).*

### 12.2 Nominations for Executive Committee:

- (a) *For the geographical representatives each nomination shall specify the Island which the nominee seeks to represent, shall be nominated and seconded by two other Full, Elected or Life Members resident in that Island, and shall be signed by the nominee; and*

### ADD:

- (b) *For the members at large each nomination shall be nominated and seconded by two other Full, Elected or Life Members and shall be signed by the nominee; and*
- (c) *Note as to process:*

*The order of Rotation of Island members shall be decided by lot on the approval of this amendment and thereafter rotate alternately between the Islands on an annual basis so that in any one year there be one island-based vacancy and one at-large vacancy for election (in year 1 the longest-serving elected incumbent island vacancy shall be declared to be the initial member at large (and be the at large vacancy in the following year)*

### 18.1 Executive Committee Members:

*At the Annual General Meeting in each year two Executive Committee members, for the time being,*

### ADD:

*one elected to represent an Island (initially selected by lot) and one elected at large shall retire from office. (See clause 12.2c for initial process)*

### 37.2 Selection Panel:

*Selection of the Association's DINZ representatives shall be made by the Selection and Appointment Panel. The Selection and Appointment Panel shall have eight members and shall consist of four members of the Executive Committee; and*

*CHANGE: from Two to One*

*one non-Executive Committee member from each of the North and South Islands.*

### ADD:

*and two non Executive Committee Members at large*

*Term of Office: At the Annual General Meeting in each year, two of the non-Executive Committee members of the Selection and Appointment Panel shall retire from office.*

### DELETE:

*for the time being, one elected to represent the North Island and one elected to represent the South Island)*

**Moved:** Steve Borland, **Seconded:** Andy Jarden

In moving the motion, Steve Borland suggested that the need for equality in between Island representation was becoming archaic with the shift in deer farm numbers from north to south. The

representation had been in effect balanced with the DFA servicing as part of the producer management portfolio with DINZ, and this amendment would allow best people for the DFA job to be elected. He noted that retaining a North and South island position and two at large would always ensure there was some geographic alignment, but urged the meeting to support this sensible suggestion.

The motion was put by the Chairman, Edmund Noonan and carried without further discussion.

### **NZDFA Branch Remits 2012**

No remits were received for discussion.

### **General business**

William McCook advised that the business of NAIT and AHB would be merged by July 2013 and had been approved by the two boards. Process and details were being worked on and would continue for some months. AHB would benefit from better stock movement information, but there would be no loss of focus on the new NPMS and Tb control and eradication programmes. There are now only 55 Tb-infected herds, of which only five were deer, down from 1,700 at the commencement of the programme. The next 15 years will see Tb eradication in vector wildlife as the key activity.

National Tb operations manager **Stu Hutchings** spoke on the recent DFA-initiated closed herd policy new testing relief programme. While only 20 applications had been received (March 2012 start) he expected more as the season developed. The rules are available on the website and there is a closed herd minimum slaughter requirement to qualify. Once deer joined NAIT the accountability would be much easier and more herds may find this option appealing.

Chair of the AHB Representatives committee, **Ponty von Dadelszen**, advised the meeting of the likely merger process with NAIT/AHB and a reviewed stakeholder representation platform, and of work in determining a more equitable funding formula across the sectors. He would remain on the Representatives committee as the merger progressed and sought to protect as far as possible deer industry interests in any new structure model.

## 11. GENERAL BUSINESS

### **1. Candidate Address for the DINZ Board**

The Chairman welcomed **Jerry Bell** as the nominated candidate for the DINZ Board vacancy 2012 to address the meeting as invited by the constitution.

In a 5-minute address Jerry Bell, current vice chair of the Board, noted that there had been an almost complete turnover of board members in the past three years but some positive new directions were unfolding, especially around productivity and bench marking.

He believed the recent CINTA survey of farmer attitudes to practice change was important as was a recent board stock take on research initiatives and directions.

In an overview on the potential in China he observed that this was a tough nut to crack but the potential was huge. Free market access as a principle was a valuable aspiration but proving difficult to progress.

Jerry Bell also urged farmers to think and act collectively where possible rather than as individuals when it came to velvet and in China to be a strong seller. He remained positive about the prospects for deer and for the future work of a very strong board, and was committed to work in for the next three years and

offered to have farmers call him at any time to discuss concerns or initiatives.

### **2. Notification of Executive Committee Selection and Appointment Panel Appointments**

There was a single position put to the vote this year. Edmund Noonan reported that 212 voting papers were received, with three late and six declared invalid. The Chairman thanked all candidates for their participation and activity in campaigning.

Voting results were as follows:

#### **North Island Executive Committee:**

Malcom Gilbert 70

John Somerville 153

**John Somerville** was declared elected to the Executive Committee.

There was a single nomination received for the North Island Executive Committee, that of **Grant Charteris**, Hawke's Bay. He was declared appointed unopposed.

The two vacancies at SAP had single nominations for each position, **Mark Hawkins** (South Island SAP) and **Andy Jarden** (North Island SAP). Edmund Noonan declared both as elected.

*"That the Ballot papers be destroyed"*

**Moved:** Richard Burdon, **Seconded:** Earle Wells **Carried**

#### **Notification of NZDFA office bearers**

Confirmation of Officers of the NZDFA Executive Committee and Selection and Appointments Panel:

1. Selection and Appointments Panel 2011/12
  - David Stevens (Southland) Appointed unopposed (2011)
  - Mark Hawkins (SCNO) Appointed unopposed (2012)
  - Ponty von Dadelszen (Hawke's Bay) Appointed unopposed (2011)
  - Andy Jarden (Central Regions) Appointed unopposed (2012)

#### **NZDFA Executive Structure 2012/13**

Executive Committee

- NI Executive Committee Grant Charteris (Hawke's Bay) Appointed unopposed 2012
- NI Executive Committee – Wilton Turner (Central Regions) Elected 2011
- SI Executive Committee – Kris Orange (South Canterbury) Elected 2011
- SI Executive Committee – John Somerville (Southland) Elected 2012

The close of the meeting was marked with a presentation to both retiring Executive Committee members, Earle Wells and Edmund Noonan with a short valedictory address given by colleagues Kris Orange and Wilton Turner. Each retiring member was presented with a traditional bronze statue of a red stag at the roar. The members on the Floor marked this with an ovation.

## 12. CONCLUSION

There being no further items of General Business, the meeting was closed at 12:10pm.

To be signed as a true and accurate record



**Kris Orange, Chairman** 25 May 2013

# NZDFA FORMAL FINANCIAL MOTIONS: 2013

## **MOTION 1: Financial accounts and statements for the year ending 2012/2013.**

*"That the Audited NZDFA financial statements and NZDFA Financial Report for the year ending 31 March 2013 be received and approved."*

**Moved:** Kris Orange, **Seconded:**

## **MOTION 2: Honoraria**

*"That the Executive Committee honoraria for the 2013/14 financial year be fixed at \$9,000 for the elected Chairman, and \$6,000 for each other Executive Committee member."*

**Moved:** **Seconded:**

## **MOTION 3: Auditors\* ( see also Executive Committee Motion)**

*"That Deloitte be appointed as NZDFA auditors for the ensuing year, 2013/2014."*

**Moved:** **Seconded:**

## **MOTION 4: Budget to year ending 31 MARCH 2014**

*"That the NZDFA budget of expenditure for the year ending 31 March 2014 be approved."*

**Moved:** Kris Orange **Seconded:**

## EXECUTIVE COMMITTEE MOTION

### **National Constitution**

The Executive Committee has proposed a change to the requirement for auditors in 2015 and beyond. Audit costs and complexity continue to rise, being close to \$4,000 last year and similar this year, even though we have been able to remove the additional complication around having to add the DEEResearch books into the mix. For discussion (and having sought advice from ex-NZDFA treasurer, accountant and PWC partner Don Gregson), we suggest the constitutional change to move to an accountancy review instead of an auditor or at least scale back the intensity and cost of the scrutiny (given that we have robust system via the Beef + Lamb NZ financial services contract).

The Constitution empowers the AGM "to appoint an Auditor who shall be a member of the NZ Society of Chartered Accountants (now NZICA) for the ensuing year."

If the Branch Chairmen agree, there is no reason why this year's resolution appointing an Auditor cannot be changed to read:

*"That the Executive Committee be authorised to make the appointment of a Chartered Accountant as Auditor, to carry out an Audit Review of the Financial Statements for the ensuing year."*

The Executive Committee suggest for the comfort of members that at each AGM following, should this suggestion be agreed, they would put a motion that an audit could be requested by members by simple majority at the AGM if there were any concerns following the release of the annual Audit review report.

## BRANCH REMITS 2013

**Remit discussion is available on [www.deernz.org](http://www.deernz.org)**

### **Canterbury**

a. **REMIT:** Passed at AGM 23 April 2013

*"In order to minimise deer farming's environmental impacts (through nutrient and sediment discharge) into the wider community environment, the NZDFA supports the principle of the use of individual Land and Environment Farm Plans*

*(LEP) based on land capability assessment, incorporated into best deer farming practices.*

*The NZDFA requests that DINZ adopts the LEP approach to environmental responsibility as part of the Industry Agreed Standards initiative."*

- b. **Southland** has particular concern re the NAIT tag loss at slaughter or in transit and/or the deafness of a small proportion of NAIT tags at slaughter. There seems to be no leeway or discussion re the imposition of the \$13 Impractical to tag charge imposed on NAITs behalf by the processors. Especially when farmers are adamant that all stock were tag compliant as they left the property. The remit may seek some relief or establishment of the reality of the missing tag at slaughter.

### **DRAFT REMIT:**

*"That the NZDFA and DINZ negotiate with NAIT to institute a 'NAIT Impractical To Tag levy (ITT levy)' dispensation for a small percentage of animals who have lost their tags between farm and slaughter, and further to ensure that tags that are non-readable at slaughter are not included in the ITT charges imposed by the processor on behalf of NAIT."*

- c. SCNO has for some time been promoting that the industry develops its own version of the Beef + Lamb NZ "Glammys" – not just a copy but an annual venison production systems champion from throughout the industry that combines the best of profitability factors, productivity, on-farm management recording and record evaluation and use, timed production, carcass weights and quality, environmental management, farming systems, fit-for-purpose genetics, and potentially prime venison carcass yields, taste, tenderness etc. There have been some localised attempts in other branches to try this in the past, and this remit in development will seek to formalise this on a national basis, make it a whole-of-industry initiative and establish a budget and some basis to attract sponsorship.

### **DRAFT REMIT**

*"That the NZDFA, together with support from DINZ, over the next 12 months develop a template for a national competition for deer farmers based around quality deer farming systems\* and venison production parameters\*\*, to showcase the deer industry's commitment to excellence and its vision and pride in sustainable productivity and profitable land use.*

*\*including excellence in profitability, productivity, environmental management and responsibility, quality assurance programmes*

*\*\*including growth rates, carcass conformation and yields, market fit and consumer appeal and eating quality."*

# EXECUTIVE COMMITTEE CHAIRMAN'S REPORT

Welcome ladies and gentlemen to the 38th AGM of the New Zealand Deer Farmers' Association. This past year saw two new faces on the Executive Committee when John Somerville and Grant Charteris joined Wilton Turner and me. It has been a busy year for us, particularly with such a widespread drought to contend with and a clear encouragement to continue in branch and membership invigoration and attract the next generation as DFA members. Industry shrinkage and gradual membership loss concerns us greatly.

Since the great conference and AGM in Wanaka last year we launched straight into a strategic planning strategy to review and revitalise the function and directions of the NZDFA.

The Executive along with David Morgan, Bill Taylor, Steve Borland and Mike Wilkins met over two days to thrash out where we want to be in 2020 and beyond. We looked at where we had come from, where we are today and where we want to be in the future. There was strong feeling amongst the group of preservation of deer farming for future generations and recognition of the need to encourage the next generation of deer farmers, skilled farm staff and potential equity opportunities, as the industry, after 40 years of development, innovation and growth, enters a mature and stable phase. Passion, passion and passion came out time and time again along with the recognition of the many achievements from an industry that is still relatively young.

We now have a vision and a mission.

## VISION

**Your Voice, Our Future**

## MISSION STATEMENT 2012

**NZDFA Mission: A strong visionary Association that inspires profitable growth for a sustainable future for all deer farmers, through effective leadership, representation and communication.**

We now have a clearer focus for what we stand for in today's deer farming world and relationships within the industry and our linkage to the other livestock sectors. We believe that these are important connections, especially as 70 percent of our industry has deer as a significant part of their other livestock enterprises. As a farming sector we combine in the areas of water and environmental management, regional council rules, animal welfare and NAIT and evolution within the AHB.

In October we had an excellent two days in Wellington with the branch chairmen.

Much of the meeting revolved around the Productivity Improvement Programme's (PIP's) development, finishing with an outstanding address by Ben Allomes, a previous Young Farmers Chairman, showing us what could be done to bolster the Association by way of partners and new thinking.

At the branch chairmen's meeting we also had six or seven new faces attend, all of whom had plenty to contribute. This is a DINZ initiative and I feel branches need to take advantage of the opportunity again this year. It is great to see so many of them registered for conference in Wellington.

## ENVIRONMENTAL ISSUES

Land and water forums have been on-going this year. However there remains an ever increasing pressure on farmers and scrutiny of the impact of modern farming systems on the environment. A large part of this has been handled by Catharine Sayer from DINZ, with on-going voluntary commitment from past NZDFA chair, Edmund Noonan, both of whom I would like to thank.

Environmental sustainability has become an expectation from our overseas customers, but equally from the rest of New Zealand. The deer industry is and needs to continue playing its part in demonstrating industry best practice that gives positive environmental outcomes. This includes working with regional and local councils to help set guidelines that will show little or no environmental impact from deer farming. This year, increased pressure from some regional councils has seen nutrient leaching added into requirements, raising the bar higher yet again. Like it or not, this is something we all have to farm towards. The NZDFA will be helping farmers with environmental plans, templates, and ensuring that the requirements of the regulators are as far as possible able to be incorporated into best industry practice and practicality at least cost, balancing community needs with profitable and responsible farming. I also acknowledge the support and contribution from Beef + Lamb New Zealand, who have offered their risk based environmental template, the Land and Environmental Planning (LEP) toolkit to the deer industry. I also strongly support the recent initiative by DINZ to form the Water Quality Committee made from the DINZ executive, DINZ Board and DFA (John Somerville) to keep a focus and awareness of water quality issues and prioritise industry activity and responses, so important given regional diversity and high national profile of this issue.



## PRODUCTIVITY IMPROVEMENT PROGRAMME

The PIP has been a big focus this year with the NZDFA helping steer this positively to help all deer farmers to have the ability to be more profitable.

I'd like to thank all NZDFA members who have been involved in this and I thank you for the extra time and effort to carry on the momentum. With pressure coming from other land use options, we can ill afford to rest on our laurels. Like it or not, deer farming is evolving. The question is: At what speed can we evolve and continue to show deer farming as a sound option. And the other question is: "What's in it for me?" The answer is simple: if you are happy with your production and income, do nothing. That said I would almost guarantee that there is room for improvement in most people's farming businesses.

Deer farmers have been given an opportunity; the NZDFA needs to take hold of it with both hands and take action. Given that deer have successfully been farmed for just 40 years in this country, the potential to make further gains is huge and, from what I have seen, far greater than in any other livestock species. NZDFA will be looking to set up five or six pilot commitment groups of about 5 – 10 farmers in each group to demonstrate how the PIP will target and achieve profit gains across the productivity themes of growth and nutrition, genetic improvement and animal health. This is an opportunity for active branches to take a lead role. These groups will potentially lead to more commitment groups forming with knowledge passed on accordingly adding to deer farmers' profits. It is critically important for the future of the deer industry that farmers apply some thinking to this area; it is the key sector that determines your income and therefore profitability.

## JOHNE'S RESEARCH

NZDFA has been partly instrumental in preserving Johne's Disease research work by Frank Griffin as the early work in the resistance/susceptibility model moves into developing a physiological test

that will identify the most susceptible and super shedder animals, and will in time allow the genetically resistant to be selected for. We are hopeful that branches see fit to help out financially to keep this important research going.

At regional meetings I have asked all active branches to help us with funding. This type of research is ground breaking and if a single test can be found to determine susceptibility to Johnes' in deer, it will further add earnings to farmers' pockets. I would also like to thank Noel Beatson for his tireless work as the NZDFA appointed farmer representative on the DEEResearch Board.

## FINANCES

Financially NZDFA runs a pretty lean budget with approximately \$100,000 of income.

We aim to run a breakeven budget and constantly look to reduce operational costs without impacting on service. This year we have trialled a paperless annual report and encourage greater use of the NZDFA sections on the industry's website. We also seek your support to change our past rigid and expensive audit process to an accountancy audit review process. Of course there is any number of projects we would like to support, and while we do as much as we can, often in association with DINZ, there are other worthwhile events we can leverage additional funding for outside the budget round, hence the need for help from branches at times.

With a declining membership and little appetite for an increase we have maintained the subscription at ~ \$ 99.67 GST inclusive, of which \$25 per head of capitation goes back to each branch.

## MEMBER BENEFITS

We have started looking at ways to offer more value to our members, starting with a discount on NAIT-compliant tags from Leader Tags exclusively for NZDFA members. Among other options to follow I hope to include a fuel card and insurance tailored to deer farmers' needs. It is essential that the value received by members far exceeds the \$100 membership fee.

Your Executive Committee has agreed that where we can negotiate a discount or NZDFA deal, the added value should be passed directly to members, rather than clipping the ticket for the Association. In that way, we can show tangible membership advantages, beyond the many industry-good activities that NZDFA and DINZ achieve together for all deer farmers. We hope that will encourage branches to continue their recruitment and support efforts.

## NAIT AND AHB

NAIT came into force for deer this year. There were teething problems, of which we are all aware, including lost tags and farmers being billed for not having NAIT tags as they have been ripped out in trucks or in slaughter plant yards or simply don't read on the slaughter line.

From our experience we can offer two pieces of advice:

1. Scan deer off farm where possible and advise the company of the stock numbers and their formal NAIT ID in advance.
2. For older animals, cut old tags out and retag in same hole especially if this is being done shortly before transport. It seems to reduce the incentives for tag biting and any stress.

NAIT and AHB will formally merge to become OSPRI NZ on 1 July 2013 with synergies expected to reduce overall costs to farmers. This merger is something the NZDFA suggested back at the Napier Deer Conference in 2010, following a remit from the South Canterbury/North Otago Branch. This, along with an agreement on coloured tags, ear choice for NAIT tags and exemptions for fallow and trophy stags is a great example of the NZDFA

pushing back and getting some sensibility and practicality from officialdom.

I would like to thank Ponty von Dadelzen for his efforts as the DFA appointment on the current AHB Representatives Committee. Ponty, as Chair of that group along with Mark O'Connor has made a major contribution to make a difference for deer farmers over costs allocated to deer farmers for levies from AHB. They have advocated strongly for the industry and its continued effective representation in the new OSPRI NZ organisation that has a different governance model without direct representation on the new Board.

The number of Tb-infected deer herds remain low, with only one known in New Zealand at the time of writing, down from the previous low of four from last year. Within this success I acknowledge the commitment and investment that the last deer properties with Tb have made in testing, retesting, and their own vector control programmes in association with AHB efforts. With the increasing number of dairy animals and ever-increasing stock movements, all farmers must remain vigilant to curb any spread of the disease from breakdowns either vector or stock movement related. The current serious breakdowns in Northland and Taranaki show just how important it is to protect the effort and investment to date.

I also acknowledge the outstanding contribution many deer farmers have made to their regional Tb free committees. These representatives are nominated by the relevant branches and many have been regional Tb free committee chairmen. They have campaigned tirelessly for deer and cattle farmers' rights and practicalities within the Tb free committee regional framework, often at considerable personal cost and time out of their business. People like Malcolm Gilbert, Paddy Boyd, Earle Wells, Leith Chick, Kevin Gilmour, to name just a few, have made a difference at individual farmer and regional level. I appreciate that there is some concern from these important committees that the OSPRI NZ model may not incorporate the value of the current structure and urge the new structure to continue to support these activities and the local knowledge behind them in full.

## YOUNG DEER FARMERS

Nationally the NZDFA is intending on having a young (and young at heart) deer farmers' workshop in about August this year. This will focus on under 35 year olds interested in deer farming. These are the future movers in our industry and we are hopeful of getting some industry sponsors. A "Contiki" deer farming workshop with plenty of information from technology transfer to animal health and genetics will promise a good attendance. This follows on from the leadership strategy put in place last year to support and encourage younger members in to leadership roles within the industry.

Creating a closer link with the Young Farmers' Clubs Association is also on the drawing board. There are mutual benefits to being closely aligned; however work on this is in its infancy at this point.

## BRANCH ACTIVITIES

It is excellent to see the number of well-run velvet and hard antler competitions still being a key activity in many branches. They get better every year, as does the quality of the antler – a testament to those passionate breeders out there. Most competitions are run by single branches, often with outside help. However it should be noted that non-paid up NZDFA members should not be eligible to enter such competitions. Southland Branch continues to do an outstanding job of the Nationals and this year Waipa Branch had an excellent exhibition of heads for the now highly successful Rising Stars competition. It is great to see the Rising Stars being passed around the NZDFA branches again. It will be hosted by South Canterbury/North Otago Branch next year, building on the format and standards established by Joe Crowley and team and

promoted so successfully by the Waipa Branch over the past two years.

## ACKNOWLEDGEMENTS

It's a pleasurable duty to conclude this report with thanks to the many people who have assisted the Executive Committee and the NZDFA branches to remain focused and effective this year. My thanks to Tony Pearce and Amy Wills with whom we share so much day-to-day contact and I also acknowledge DINZ's people and financial support to the NZDFA. At most meetings of the Executive Committee we have the opportunity to hear directly from the DINZ executive members on their roles in marketing, QA, science and policy. Where issues and tensions are developing, that contact allows NZDFA to also express its views and concerns directly. The contact is a strong part of a wider NZDFA perspective and appreciated. The DINZ Board now has a formal calendar date for the branch chairs' meeting in October to attend, not as a panel session of the past, but as a key part of the communication and contact with the branches and Executive Committee. That's a unique opportunity within the farming sector and it is highly valued.

Amy has done an outstanding job revitalising the website and, with Catharine Sayer and her working group, the Deer Information Hub, which was long overdue, along with keeping branch chairs on their toes. This year will see Amy take a big role in the forming of Profit Commitment Groups. Tony Pearce's workload never gets any smaller and he must be congratulated on making the time to assist at Focus Farm field days and other branch activities. A huge thank you to Tony from me: his experience and knowledge have been very helpful to me as Chairman.

As I said earlier we have two new Executive Committee members and I feel we have really got some traction. I would like to thank the Executive Committee for all their efforts, the late night phone calls, meetings and discussions. Thanks to Wilton Turner for his efforts with membership, John Somerville for work pertaining to Environment and ETS and also to Grant Charteris for his work with Tb, NAIT and velvet competitions jointly with Wilton Turner.

While I am delighted that all vacancies for the NZDFA Executive, and SAP were filled quickly, without the need for election and

that expense, we do encourage competition and the turnover of new skills for these roles as a sign of a healthy Association. Having said that, I am very aware of the time and commitment that this Executive Committee and our branch chairs and committees give to the industry, and appreciate that for many this is unseen and unthanked work, compounded by drought and challenging returns. Thank you all at all levels of service, particularly members of the Selection and Appointments Panel, branch chairs and committees.

Thanks must also go to the breed societies and to individuals involved with Cervena Trust, National Velvet Standards Body, John's Management Limited and Focus Farm farmers, committees and facilitators.

Finally I would like to say a big thank you to Mark O'Connor for everything he has done within the deer industry. NZDFA and DINZ have had an excellent relationship and I'm sure this will continue. A great deal of that success comes down to Mark and his positive attitude towards the two organisations and structural changes that have been in place for much of Mark's tenure as CEO.

It is something we shouldn't take for granted and is the envy of other industry-good organisations. The NZDFA wishes you well for the future and extends a welcome to keep in touch as the planning and activity around ensuring that there will be a next generation of passionate, successful, motivated and skilled deer farmers comes to fruition. That will be a fitting legacy for you, those before you, and the large group of deer farmers who have enjoyed your roles and industry leadership.

I move the adoption of this report for the 2012/13 year and invite a seconder.



**Kris Orange**

Chairman New Zealand Deer Farmers' Association

25 April 2013

# NZDFA FINANCIAL REPORT

## REVIEW OF FINANCIAL RESULTS FOR THE YEAR TO 31 MARCH 2013

This financial year resulted in a deficit of expenditure over income before loss on investment in associates of \$2,061, against a break-even budget. This result is largely due to significantly higher expenditure on leadership development than originally budgeted, reduced by savings in expenditure in a number of areas, particularly election costs and telecommunications. There was also an additional contribution to the national Sustainable Farming Fund Landcare project (\$1,000), which was not initially budgeted as expenditure. NZDFA is committed to and supports a further contribution of \$3,000 in the coming year to the *After the Field Day* Focus Farms project.

Subscription income generated was \$90,470, based on 1,467 voluntary membership payments received against a budget of 1,530. There was no increase from the 2011/12 subscription level of \$61.67 (exclusive of the Branch capitation fee of \$25 per member). The further decline in membership from 1,510 members in 2011/12 resulted in subscriptions being 3% lower than in the previous year and 4% lower than the budget. This decline was slightly less than the overall deer farmer annual attrition rate.

DINZ's industry good funding for producer support for specific activities (through the Producer Manager budget), was applied supporting activity including *Stagline Online*, NZDFA communications and the annual Wellington based October branch chairmen's meetings and Executive Committee meetings during the period. These activities are included in the role that the Producer Coordinator (Amy Wills) portfolio plays. These producer-directed services remain a vital part of the NZDFA, extending into the regions to support NZDFA national and branch-assisted funding of the Focus Farms *Making the DIFFerence* project funded by DINZ as part of the productivity strategy activities.

Expenses were kept to a minimum of necessity and in most cases were below budget, with many general office expenses being covered by DINZ through the contract for administrative services and only specific items of expense being charged to the NZDFA. These included the cost of running the 2012 postal-based election for Executive Committee positions, publication of the Annual Report in *Deer Industry News* and the printing and postage of subscriptions and voting packs as major line items. Legal fees were minimal with the previous year's costs being due to an evaluation undertaken of the 2011 SAP Code of Operation.

Audit fees show an unbudgeted rise based on the need to audit the equity accounted results of the NZDFA share in DEEResearch in the previous year with extra fees associated with this paid for in the current year.

This will not be necessary in the 2012/13 year with the transfer of NZDFA's 25% holding in DEEResearch to Deer Industry New Zealand. In consideration Deer Industry New Zealand paid \$1 and granted NZDFA the right to continue appointing a director to the DEEResearch Board to represent NZDFA's interest in DEEResearch activities.

Travel and accommodation costs for the Executive Committee were again reduced and in the current year were 12% lower than budget. The impact of this travel reduction was lessened by an increase in costs in relation to the branch chairmen's meeting in October. Additional meetings with the DINZ Board were reduced to one, held in association with the DINZ Board and Productivity Improvement Group meeting in February with the Southland Branch NZDFA. Teleconferencing continues to play a greater role in governance.

The 2012 conference in Wanaka was extended in scope with a new look event – the NZDFA AGM and DINZ FGM and two evenings,

venison showcasing, an awards dinner and a specialist facilitated branch field day hosted by the Otago Branch. Sponsorship for the event was the strongest yet seen, ensuring that the fixed costs of the AGM and NZDFA's share of conference costs were to be kept to a minimum and registration fees maintained at previous levels. NZDFA's costs of \$3,054 were made up of registration and accommodation for NZDFA executive, SAP and Life members and guests as well as a share of the Monday evening event.

A total of \$9,374 was paid from the general funds for leadership development in the 2012/13 year. This was a part of a strategy initiated by the incoming Executive Committee and consisted of two facilitated meetings (initially with six outside Executive Committee deer farmers as well), to develop a mission statement, vision and identity for the NZDFA to target the next generation and new leadership needs and opportunities.

It has been 12 years since the DINZ–NZDFA merger and was considered a timely investment to support branches and National Executive, all of whom are experiencing big changes in succession, and a changing industry where profitability of deer as part of an integrated mix of enterprises is now a key driving factor on farm, and in the NZDFA. The leadership programme will be on-going, but expressed now in branch activities and some key involvement in the productivity drive.

Honoraria of the Executive Committee remained at the previous level for the past five years, with \$9,000 being paid annually to the Chairman and \$6,000 each for the other three committee members. The DEEResearch directors' fees remain at \$4,000. This is recommended to stay at these levels for the ensuing year.

A further \$3,000 contribution was made to support the SFF *After the Field Day* programme. This was approved by the Executive Committee at its June 2011 meeting, along with a commitment to make the same contribution for three years. This is part of the user contributions to this project that leverages \$90,000 from the SFF over three years, aimed to improve the form and quality of information developed at the Focus Farms

A further one-off contribution of \$1,000 was made to the SFF Landcare Manual project on top of the \$2,500 paid in the 2011/12 financial year. This was due to an overrun in the Landcare Manual budget as the manual increased in scope by ~30%. DINZ paid 60% of the overrun.

With the cessation of available losses to be carried forward for tax purposes, NZDFA is now in a tax paying position. Taxation is based solely on the interest income received with an exemption of \$1,000.

Closing reserves to be carried forward to the 2014 financial year are \$112,000, meeting the informal directive from NZDFA branch chairs to maintain reserves where possible at \$100,000.

## BUDGET FOR THE YEAR TO 31 MARCH 2014

The budget for the year to 31 March 2014 has been reduced in both expenditure and expected subscription levels as the industry continues to shrink. But with the NZDFA's commitment to fund the DRL John's disease test development for resistant and susceptible genotypes project to the value of \$20,000 (\$10,000 of which will come from the research auction fund), it is budgeted to end with a loss of \$8,400 which will be funded from reserves. It is planned however to minimise this with a funding appeal at the branch level.

Audit fees have been reduced for the coming year with the transfer of the NZDFA's shareholding in DEEResearch to Deer Industry New Zealand. This means that NZDFA now no longer has to account for its share in DEEResearch and by association the Research Consortia, as was the case in the previous two years.

Subscriptions are reduced to 1,460 paid memberships. While this is moderately ambitious the Executive Committee has committed to drive membership recruitment at the branch level and have not increased subscription levels. The membership rates will be monitored monthly and discretionary expenditure adjusted as required.

Further members-only deals such as the Leader NAIT tag and equipment DFA rate at ~10% less than retail will be extended into other areas this year and should also prove to be a membership attraction. The aim is to return any discounts negotiated for DFA members to the members (and attract subscriptions in this manner). Farm fuel and stud stock deer and deer farm insurance have been targeted and negotiations begun.

The Executive Committee honoraria are budgeted to remain at the current year's rates and general expenditure is budgeted at a similar level to the 2012/13 year across all line items, with travel and accommodation, printing and stationery, and general expenses reduced to levels in line with the 2012/13 actual results. In the 2013/14 year there is a budget of \$3,000 to cover the NZDFA's third and final contribution to the SFF Focus Farms project as well as the contribution to the DRL JD Project.

This overall budget will enable reserves to be maintained in excess of \$100,000.

#### NEW ZEALAND DEER FARMERS' ASSOCIATION INCORPORATED

### INCOME AND EXPENDITURE

	Year to March 2013 ACTUAL \$	Year to March 2013 BUDGET \$	Year to March 2014 BUDGET \$
<b>Income</b>			
Subscriptions	90,470	94,355	90,000
Interest Income	6,785	6,000	6,000
	97,255	100,355	96,000
<b>Expenditure</b>			
Audit Fees	4,300	3,675	3,000
Conference	3,054	1,000	3,000
DEEResearch Directors Fees	4,000	4,000	4,000
Election Costs	2,632	6,000	4,000
General Office	420	300	300
Honoraria	27,000	27,000	27,000
Insurance	1,680	2,000	2,000
Leadership Development	9,374	2,500	3,000
Legal Fees	39	1,000	1,000
Nationally Funded Projects	4,000	3,000	13,000
Postage	1,481	3,500	2,500
PR Support	2,008	2,600	2,000
Printing & Stationery	2,588	3,500	2,500
Promotions/Awards	820	1,000	1,000
Publications	6,294	6,000	4,000
Returning Officer Fees (SAP Process)	0	250	100
Telecommunications	525	2,750	2,000
Travel and Accommodation	27,752	28,500	28,500
	97,967	98,575	102,900
<b>(Deficit)/ Surplus Before Tax and Investment in Associate</b>	(712)	1,780	(6,900)
<b>Taxation</b>	1,349	1,500	1,500
<b>(Deficit)/ Surplus After Tax and Before Investment in Associate</b>	(2,061)	280	(8,400)
<b>Loss on disposal of Investment in Associate</b>	(11,741)	-	-
<b>Net (Deficit)/Surplus</b>	(13,802)	280	(8,400)

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEW ZEALAND DEER FARMERS' ASSOCIATION INCORPORATED**

### **Report on the Financial Statements**

We have audited the financial statements of New Zealand Deer Farmers' Association Incorporated on pages 13 to 16, which comprise the statement of financial position as at 31 March 2013, and the statement of financial performance and statement of movements in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

This report is made solely to the Members, as a body. Our audit has been undertaken so that we might state to the Members 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 Members, as a body, for our audit work, for this report, or for the opinions we have formed.

### *Executive Committee's Responsibility for the Financial Statements*

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

### *Auditor's Responsibilities*

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 and 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 the accounting policies used and the reasonableness of accounting estimates, as well as 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 New Zealand Deer Farmers' Association Incorporated or its associate.

### *Opinion*

In our opinion, the financial statements on pages 13 to 16 present fairly, in all material respects, the financial position of New Zealand Deer Farmers' Association Incorporated as at 31 March 2013, and its financial performance for the year ended on that date in accordance with generally accepted accounting practice in New Zealand.



### **Chartered Accountants**

16 April 2013

Wellington, New Zealand

This audit report relates to the financial statements of New Zealand Deer Farmers' Association Incorporated ("NZDFA") for the year ended 31 March 2013 included on NZDFA's website. The Executive Committee is responsible for the maintenance and integrity of NZDFA's website. We have not been engaged to report on the integrity of NZDFA's website. We accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website. The audit report refers only to the financial statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and related audit report dated 16 April 2013 to confirm the information included in the audited financial statements presented on this website. Legislation in New Zealand governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**STATEMENT OF FINANCIAL PERFORMANCE**

For the year ended 31 March 2013

	<i>Note</i>	<b>2013</b> \$	<b>2012</b> \$
<b>Income</b>			
Subscriptions		90,470	92,761
Interest		6,785	6,190
		<u>97,255</u>	<u>98,951</u>
<b>Expenditure</b>			
Research	4	4,000	4,000
Audit Fees		4,300	3,625
Conference		3,054	374
Election Costs		2,632	6,442
General Office		420	992
Honoraria	4	27,000	27,000
Insurance		1,680	1,840
Leadership Development		9,374	-
Legal/Professional Fees		39	2,509
Nationally Funded Projects		4,000	5,500
Postage		1,481	3,315
PR Support		2,008	2,175
Printing & Stationery		2,588	2,117
Promotions & Awards		820	821
Publications		6,294	5,253
Telecommunications		525	1,398
Travel and Accommodation		27,752	30,048
		<u>97,967</u>	<u>97,409</u>
Operating (Deficit)/Surplus Before Tax and Investment in Associate		(712)	1,542
Movement in Equity Investment in Associate	8	-	(5,367)
Loss on disposal of Investment in Associate	8	(11,741)	-
Taxation	5	1,349	1,511
Net Deficit After Tax		<u>(13,802)</u>	<u>(5,336)</u>

**STATEMENT OF FINANCIAL POSITION**

As at 31 March 2013

	<i>Note</i>	<b>2013</b>	<b>2012</b>
		\$	\$
<b>Current Assets</b>			
Cash at Bank		8,734	35,992
Short Term Bank Deposits		105,012	92,126
Accounts Receivable		7,027	988
Resident Withholding Tax		997	835
Investment in Associate	8	-	11,742
		<u>121,770</u>	<u>141,683</u>
<b>Current Liabilities</b>			
Accounts Payable		10,243	6,354
SFF Funding in Advance		-	10,000
		<u>111,527</u>	<u>125,329</u>
<b>Net Current Assets</b>			
		<u>111,527</u>	<u>125,329</u>
<b>Equity comprises:</b>			
General Funds	7	<u>111,527</u>	<u>125,329</u>

These financial statements were approved for issue by:



Kris Orange, Chairman of Executive Committee, Date: 16 April 2013

**STATEMENT OF MOVEMENTS IN EQUITY**

For the year ended 31 March 2013

	<i>Note</i>	<b>2013</b>	<b>2012</b>
		\$	\$
<b>Opening Balance</b>			
		<b>125,329</b>	<b>130,665</b>
Net Deficit for the Year		(13,802)	(5,336)
Total Recognised Revenue and Expenditure		<u>(13,802)</u>	<u>(5,336)</u>
<b>Closing Balance</b>	7	<u>111,527</u>	<u>125,329</u>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH 2013

### 1. NATURE OF ACTIVITIES

The New Zealand Deer Farmers' Association Inc ("NZDFA") is an Incorporated Society registered under the Incorporated Societies Act 1908 and established to encourage, promote and advance New Zealand's deer farming industry.

### 2. BASIS FOR PREPARATION

The financial statements of the NZDFA have been prepared in accordance with the requirements of the Financial Reporting Act 1993. NZDFA qualifies for differential reporting exemptions as they are not publicly accountable and there is no separation between the owners and the Executive Committee. All available exemptions that apply to NZDFA have been taken advantage of.

### 3. STATEMENT OF ACCOUNTING POLICIES

#### GENERAL ACCOUNTING POLICIES

##### a. Measurement Base

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position are on a historical cost and going concern basis.

#### SPECIFIC ACCOUNTING POLICIES

##### a. Changes in Accounting Policies

There have been no changes in accounting policies during the year. All policies have been applied in a manner consistent with prior periods.

##### b. Subscription Income

Subscriptions are measured at the value of the consideration received or receivable from the NZDFA's members through membership fees.

##### c. Associate

The investment in the associate is accounted for in accordance with the equity method, whereby the investment is adjusted for changes in NZDFA's share of the net assets of the associate with NZDFA's share of the net surplus or deficit of the associate recognised in the statement of financial performance.

##### d. Goods and Services Tax (GST)

These financial statements are prepared exclusive of GST except for accounts receivable and payable.

### 4. FEES

The following fees were paid by the NZDFA to Executive Committee members:

	2013	2012
	\$	\$
Honoraria Chairman	9,000	9,000
Executive Committee	18,000	18,000
	<b>27,000</b>	<b>27,000</b>

Dr Noel Beatson received \$4,000 in his capacity as director of DEERResearch Limited for the period 1 April 2012 to 31 March 2013. These fees make up the total research expense of \$4,000 (2012: \$4,000).

### 5. TAXATION

	2013	2012
	\$	\$
Taxable Income	6,179	6,035
Less deductible expenses	(1,000)	(1,000)
Net Taxable Income	5,179	5,035
Tax Expense 2013 @ 28% (2012: 28%)	1,450	1,511
Tax Expense 2012 amended	(101)	-
<b>Total Tax Expense</b>	<b>1,349</b>	<b>1,511</b>

### 6. RELATED PARTIES

During the years ended 31 March 2013 and 31 March 2012, \$4,000 was paid to the director of DEERResearch Limited mentioned in Note 4. Edmund Noonan (Chairman of NZDFA until 31 May 2012) was the primary liaison person for the Sustainable Farming Fund Landcare Manual Project, to which NZDFA provided funding. There were no other transactions with related parties.

### 7. TOTAL EQUITY

Total equity is held in general funds as follows:

	2013	2012
	\$	\$
<b>General Funds</b>		
Opening balance	125,329	130,665
Net Deficit for the Year	(13,802)	(5,336)
<b>Closing General Funds</b>	<b>111,527</b>	<b>125,329</b>

### 8. INVESTMENT IN ASSOCIATE

	2013	2012
	\$	\$
Opening Balance of Investment	11,742	17,109
Share of Associate Deficit for the Year	-	(5,367)
Proceeds from Share Transfer	(1)	-
Loss on Disposal	(11,741)	-
Investment in DEERResearch Ltd	-	<b>11,742</b>

As at 31 March 2012, NZDFA had a 25% shareholding in DEERResearch Limited, a joint venture with AgResearch Limited (50%) and Deer Industry New Zealand (25%). NZDFA's interest in DEERResearch Limited was recognised as an investment in an associate and accounted for using the equity method. The investment in DEERResearch Limited represented NZDFA's share of surplus funds held in the research consortium. These funds were not able to be distributed.

On the 1st April 2012, NZDFA transferred its 25% shareholding in DEERResearch Limited to Deer Industry New Zealand for \$1 consideration. This resulted in a loss on disposal of the investment in associate of \$11,741 being recognised in the Statement of Financial Performance for the year ended 31 March 2013.

NZDFA continues to have the right to appoint a director to the DEERResearch Limited Board to represent NZDFA's interests in DEERResearch Limited research activities. The DEERResearch Limited Shareholders' Agreement dated 24 April 2001 (the "Shareholders' Agreement") requires that the Quorum for each Board meeting shall be 3 Directors present at the commencement of the meeting

in person, of whom at least one must be an appointee of NZDFA. The Shareholders' Agreement also states that the Board will make no decision without the approval of at least one representative appointed by AgResearch Limited and both parties appointed to represent the Deer Industry, one of which is the appointee NZDFA. The approval of the annual budget and research programmes, adoption or modification of financing or accounting policies or practices, approval of annual financial statements and determination of allocations of net profit can only be made with the unanimous approval of the Directors present at the respective meeting. Therefore NZDFA continues to treat its interest in DEEResearch Limited as an associate for the purpose of FRS 38: Accounting for Investments in Associates due to the proportion of voting power held in DEEResearch Limited. However as NZDFA has a zero ownership interest in DEEResearch Limited the equity method is no longer applied.

## 9. COMMITMENTS

NZDFA has committed to contribute \$3,000 to the Sustainable Farming Fund project "After the Field Day" during the financial year ending 31 March 2014.

Until 26 March 2013, NZDFA acted as a collection agent for monies received in relation to the SFF Landcare Manual Project. These received monies were held in the NZDFA's bank account with a corresponding liability recorded in the Statement of Financial Performance.

## 10. CONTINGENT LIABILITIES

As at the 31 March 2013 there are no contingent liabilities (2012: nil).

## 11. SUBSEQUENT EVENTS

There are no subsequent events noted.

# PROXY FORM 2013



To: New Zealand Deer Farmers' Association  
P O Box 10702  
**WELLINGTON**  
Fax 04 472 5549

I/We, ..... (name in full)

of..... (address)

being a member/members of the New Zealand Deer Farmers' Association entitled to attend and vote at meetings of the NZDFA, hereby appoint (**Either**)

..... (name)

of ..... (address)

## OR

the Chairman of the ..... Branch (or Affiliated Society)  
of the New Zealand Deer Farmers' Association as at 25 May 2013

**OR failing him/her**, the Chairman of the Annual General Meeting,

as my/our proxy to vote for me/us at the Annual General Meeting of the Association to be held on Tuesday 25 May 2013 at the Amora Hotel, 170 Wakefield Street, Wellington and at any adjournment thereof (*rule 29.2*)

Signed this ..... day of ..... 2013

..... NZDFA member.

**Please provide a phone number and email contact if applicable, to assist in any Proxy Verification**

Farm trading name .....

Phone (.....)..... Email.....

**NOTE:** To be valid, proxy forms must be signed and either faxed/hand delivered or posted to be received by the NZDFA office by **4.00pm Friday 24th May 2013** (*rule 29.4 (b)*)

*PTO for any specific voting instructions request.*

NEW ZEALAND DEER FARMERS' ASSOCIATION  
LEVEL 5, WELLINGTON CHAMBERS, 154 FEATHERSTON STREET, PO BOX 10702, WELLINGTON  
PHONE 04 473 4500, FAX 04 472 5549

# PROXY FORM, PART 2: SPECIFIC INSTRUCTIONS TO PROXY

I/We, ..... (name in full)

of ..... (address)

being a member/members of the New Zealand Deer Farmers' Association, hereby appoint **(Either)**

..... (name)

of ..... (address)

**Or** the Chairman of the ..... Branch NZDFA,

(or Affiliated Breed Society) of the New Zealand Deer Farmers' Association as at 25 May 2013

**Or** failing them, the Chairman of the AGM

as my/our proxy to vote for me/us on my/our behalf at the Annual [or Extraordinary, as the case may be] General Meeting of the Association, to be held on the 25th day of May, 2013, or at any adjournment thereof.

Signed this ..... day of ..... 2013.

\*This form is to be used **\*in favour** or **\*against** the resolution(s) as described below.

*\* Strike out whichever is not desired.*

*\* Unless otherwise instructed, the proxy will vote as he/she thinks fit.*

Resolutions to which the instructions apply:

Resolution number	For	Against
	For	Against
	For	Against