

New Zealand Philatelic Federation Inc

Minutes of the 70th Annual General Meeting

MoreFM Arena, Portsmouth Drive, Dunedin
Saturday, 10 November 2018 starting 3:00 pm



Present:

President Stephen Chivers
Secretary Bob Gibson
Treasurer Leigh Gravestock

Regional delegates Tim Beach, Leigh Gravestock, Paul McTaggart, Josh Black.

Officially appointed member society delegates:

Air Mail Society of New Zealand	Alan Tunnicliffe
Assn of NZ Philatelic Judges	David Loe
Assn of Northern Philatelic Societies	Tim Beach
Auckland Philatelic Society	Monica Comrie
CANPEX	Karen Jeffrey
Christchurch Philatelic Society	Karen Jeffrey
Hawkes Bay Philatelic Society	John Paston
Horowhenua Philatelic Society	Paul McTaggart
Hutt Valley Philatelic Society	Richard Smolnicki
Kapiti Philatelic Society	Norman Banfield
Manawatu Philatelic Society	Paul McTaggart
Marlborough Stamp Collectors Club	Josh Black
NZ Postcard Society	Jeff Long
North Shore Philatelic Society	Tim Beach
Royal philatelic Society of NZ	Steven Ferguson
South Auckland Philatelic Society	Josh Black
Southland Philatelic Society	George Stewart
Taranaki Philatelic Society	Len Jury
Tauranga & Districts Stamp Club	Pat Capill
Thematic Association of NZ	Bob Gibson
Waikato Philatelic Society	Robert Livingston
Wanganui Philatelic Society	Stephen Gray
Wellington Philatelic Society	Bob Watson
Whangarei Philatelic Society	Monica Comrie

Observers

Sue Vernall, David Fortune, Murray Acker and, from the Australian Philatelic Federation, David Figg, John Moore and Gary Brown.

1. Welcome and Apologies

Federation President Stephen Chivers welcomed all present to the meeting.

Apologies were received and accepted from Barry Scott and Erica Genge.

2. Appointment of scrutineers

It was suggested and approved that John Moore and Gary Brown be appointed as scrutineers.

3. Minutes of the 2017 Annual General Meeting

The minutes had been circulated previously to members.

It was moved Tim Beach, seconded Robert Livingston and resolved that the minutes of the 2017 annual general meeting of the New Zealand Philatelic Federation on 25 November 2017 in Hamilton be approved as a true and correct record.

4. Report of the President

The President spoke briefly to the written report provided to the meeting and copied below.

2018 has been a very busy year not only for me. There has been a lot philatelically that has gone on during the year - both nationally and internationally.

I would like to thank all of you that have supported your clubs; helping with the organisation and running of events; supporting club circuit books and auctions; and, supporting exhibitions by entering and volunteering. Congratulations to those of you who, during 2018, entered and received awards at the various club and inter-club competitions or at national or overseas exhibitions.

I keep getting good reports of regional and club shows throughout the country with good attendances and with an increasing number of exhibits and material on show compared with previous years, though this year I only managed to get to the Manawatu Convention and the annual postcard show in Christchurch due to other commitments.

The Federation executive decided to hold the 2017 NZPF AGM in Hamilton during Royalpex and we were impressed with the number of society delegates and attendees - the most for a decade or two. Consequently, we decided to have this year's AGM during the Armistice stamp show.

From an exhibition point of view, the NZPF year started off with Royalpex 2017, the half national show held in conjunction with the 2017 Australian half national at Adelaide. This was first combined exhibition held between the two countries and judged a success. The Hamilton venue for Royalpex was ideal with the venue and accommodation under the one roof; the organisers received a lot of support from Australia; and, with also having a Royal challenge it enabled us to see material from overseas that we hadn't seen before.

New Zealand also participated in the Praga 2018 international exhibition early on in the year and recently the Asian International exhibition in Macau (Macao 2018) as well as the two Australian half nationals (Canberra and Newcastle) and EPAEX 2018 (UAE). Thanks very much to those exhibitors and judges supporting these exhibitions. For our population we do extremely well on the world stage, and we get noticed. I am sure the support NZ has given these and other exhibitions will get reciprocated with overseas exhibitors keen on exhibiting at NZ2020. I am sure we will get a lot of visitors to the show from overseas.

During the year we had the Wellington Regional Stamp Show (April); the New Zealand Inter-club one-frame Competition in Blenheim (September); stamp shows in Auckland (June), North Shore (October) and the Ambury Shield in Hamilton (October); the Postcard Seminar in conjunction with the annual postcard show in Christchurch (September). In addition we have, as well, the different club shows and stamp fairs throughout the country. So, there was plenty of stamp activities to take part in over the year.

This year's philatelic youth camp once again proved to be very successful.

From an organisational point of view 2018 was a challenging year for the Federation executive.

We are nearing completion of the process getting 640 display frames refurbished (all of the frames used at Armistice are refurbished). The refurbishment had to happen as some were showing their age (nearly 30years) and some were stored in less than ideal situations. There will be no more brown foxing or yellowed adhesive tape staining or other faults detracting from the exhibits. I use to feel embarrassed seeing valuable material in frames that didn't do the material justice. It's amazing how different the refurbished ones look.

We need to refocus now on what came out of the strategic plan, especially in the areas of education and club membership. We don't want to lose members who are forced to disband due to the drop in their club membership or the people needed to run the club or society. There are so many other things on the go at the moment - maybe retirement will bring more time!

Federation executive members have been doing their best to get to meetings of member clubs around the country. We are getting to about two thirds of members each year but there are still a few who have yet to be visited. When planning your programme for next year keep in mind executive members could visit to provide information about Federation activities; seek feedback on this and other aspects of our hobby; and, if asked, be speaker for the meeting.

We are in regular contact with our colleagues the Australian Philatelic Federation and try to meet informally at exhibitions, here and in Australia. We discuss our different activities and find issues affecting collectors and societies are often the same in both countries. Our next informal meeting will take place at Armistice.

Over the last months, members of the executive have been making presentations of NZPF Awards to recipients. All of us are grateful for the work many people do to keep our societies

and clubs alive and active and the awards give Federation a chance to formally thank some of these people for the great work they do.

I would like to thank my executive for the contributions they have made during the year. A lot of work goes on behind the scenes but I feel we could be doing more.

Thank you for all of your support. I am looking forward to another productive and eventful year.

It was moved Stephen Chivers, seconded Tim Beach and resolved that the President's report for 2017/18 be received.

5. Statement of Accounts for the 2017/2018 fiscal year

The treasurer, Leigh Gravestock, spoke briefly to her report which was circulated at the meeting and is detailed below.

Federation has undertaken a frame refurbishment project following the successful pilot of 40 frames for Royalpex 2017. This led to a significant investment paid from both their reserves and a \$13,3000 grant from the NZ National Philatelic Trust. At the Armistice Stamp Show 2018 you can see the results as all of the frames in use are refurbished. After the show these frames will move to their permanent home in Christchurch for use future South Island based national exhibitions (and for NZ2020). Capitalisation value of the value is currently \$49,901.60, an increase from the nominal \$1 value and this will increase further when the project is completed. Depreciation will commence in 2018/19 (at a rate of 10-15% per annum) and this will see the value start reducing.

Excluding the frame project the normal operations of Federation would have shown a loss of \$1,856.66 in 2017/18 and increase over the \$1,035.09 loss of 2016/17.

Income

Membership consisting of 38 members – 33 clubs/societies and 5 associations/trusts – saw \$6,950 received in subscriptions. Clubs/societies have reported a decline in membership from 2565 in 2016/17 to 2421 in 2017/18 a reduction of 144 members (or 5.6%). A new association, NZ2020 Stamp Exhibition Inc., joined at the start of the financial year.

Interest rates have improved slightly and interest received is \$287 above budget. It is anticipated interest rates will remain within similar levels for the next twelve months.

Exhibition income primarily arises from Royalpex 2017.

A Zeapex Trust donation of \$5,000 was received in March 2018 without any conditions attached to it. Federation is grateful for the donation which helps us support philately in New Zealand and assists with our international obligations.

Expenditure

Six hundred frames are being refurbished in the project which is still underway. To enable the work to proceed, additional expenses were incurred due to the hire of an additional storage unit to provide the necessary space to allow the work to be undertaken. On completion of the project this third unit, costing \$30 per week, will be relinquished. To 30 September 2018 this additional unit has cost \$810.

(In the area of administration and meeting costs, societies and hobby support federation has kept expenses below the 2016/17 levels by encouraging delegates to take advantage of flight deals when they become available. General expenses are higher due to a one-off cost to have a trolley made to carry frames between the storage units or exhibition venue and the truck used to transport them.

In terms of overseas payments both FIAP and FIP are at similar level to 2016/17 due the exchange rates which applied. Expenses within this area are within expectation.

Outlook

As outlined last year, Federation plans to continue its expansion into grass roots philately in New Zealand. Federation will be using a combination of reserves built up over the years as well as seeking funding from other sources.

With the next exhibition to be NZ2020 and no other national exhibition approved until 2022 the medium outlook will be difficult with an expected reduction in NZ-based exhibition income.

Clarification was sought, and given, on the impact of the frames project on the financial reports.

In response to queries about international costs Leigh advised the major issue will be the rates of exchange although if NZ exhibitors are particularly successful the step-wise FIP fees could see a 50% increase in levies for that body.

Leigh explained, in reply to a query, that Federation plans to address further strategic issues, particularly educational resources and their delivery, over the coming year.

It was moved Leigh Gravestock, seconded Paul McTaggart and resolved that the treasurer's report and statement of accounts be adopted.

6. Reviewer's report

The reviewer's report indicating the accounts fairly represented the financial position of the NZ Philatelic Federation was appended to the financial statements.

7. Motion

The secretary advised the motion presented by the executive and detailed in the notice of the meeting was open to the floor for discussion. He reiterated the impact on most affiliated societies/club was an increase in subscription of 50c per individual member while for those societies with less than 15 members would see small reductions.

Some general discussion ensued including why not increase the subscriptions even more. The executive had agreed it was important that subscription increases would be best approached incrementally rather than awaiting a fully budgeted programme of activity before seeking an increase in subscriptions which could be substantial.

As explained by the treasurer, future projects such as education resources and delivery, would be largely funded from reserves (and in this case money held in the Fletcher-Cole Memorial Trust) However, it would be prudent if on-going maintenance of the activities arising be covered by income. The executive will be looking at funding options but inevitably some of the costs will fall to income from subscriptions.

As there had been no sign of any dissenting votes the secretary proposed a show of hands in favour of the motion. If the outcome was unclear, this could be followed by a formal ballot. This process was agreed and the motion was put to a vote by show of hands.

Apart from one abstention all present signified agreement with the motion. The president therefore declared the motion carried.

[The president indicated it was very pleasing that so many (55%) of our member societies/clubs were represented at the meeting and these represented over 65% of the votes available. Thus the majority of clubs gave their formal approval to the motion. This approval gives the executive considerable support on their way forward.]

8. Election and appointment of officers for 2018/2019

President: Nominations were received for Stephen Chivers as president. As no other nominations were received within the prescribed time period the meeting confirmed Stephen Chivers as President.

Secretary: Nominations were received for Bob Gibson as secretary. As no other nominations were received within the prescribed time period the meeting confirmed Bob Gibson as Secretary.

9. Appointment of a financial reviewer

Leigh proposed Mark Raisin, an active financial reviewer and past CFO, be the reviewer for the coming year. Brian Patchett, our current reviewer has done a very good job over many years, but he is now more difficult to have verbal discussions with and is becoming less *au fait* with current accounting practices.

It was moved Leigh Gravestock, seconded Jeff Long and approved that Mark Raisin be appointed financial reviewer for 2018/19.

10. General business

(a) Federation Awards

The following awards were presented in 2018.

Sue Claridge, Christchurch Philatelic Society – Award of Honour

Alan Tunnicliffe, Air Mail Society of New Zealand – Award of Merit

John Paston, Hawkes Bay Philatelic Society – Award of Merit.

Lindsay Chitty, Waikato Philatelic Society – Award of Merit

Paul Wales, Christchurch Philatelic Society – Award of Merit

Tony Thackery, Manawatu Philatelic Society – Award of Merit
Colin Dyer, Manawatu Philatelic Society – Award for service
Grant Clifford, Marlborough Stamp Collectors Club – Award for Service
Louise Brownie, Marlborough Stamp Collectors Club – Award for Service
Amy Rosenfeldt, City of Sails – Youth Philatelist of the Year

The President congratulated all of the recipients and thanked them for their contributions. He was pleased that the presentations to each individual were made on behalf of Federation at a meeting attended by the recipient and among their local colleagues.

(b) New Zealand National Philatelic Trust

Sue Vernall, secretary/treasurer of the NZ National Philatelic Trust (NZNPT), provided a verbal report to the meeting.

Due the early NZPF AGM meeting time Sue advised a reviewed set of accounts for the NZNPT were not available. However, for the financial year ending 30 October 2018 she was able to advise that NZ Post had sponsored two exhibitions – Royalpex and Armistice - with a payment of \$32,000 and with bank interest of approximately \$4,600 income for the year was approximately \$39,600.

Payments had been made to Manawatu Philatelic Society, Christchurch Youth Camp, Whangarei Philatelic Society. Contributions were made, in accordance with established policy, to Commissioner/Judges to assist with their travel insurance and a one-off payment was made to a NZ judge undertaking an FIP apprenticeship. (In future such a payment will be shared equally with NZPF.) In addition payments of the NZ Post sponsorship to Royalpex and Armistice (\$32,000), a grant of \$12,000 to the NZPF for the frame refurbishment project and a suspensory loan to the NZ2020 Stamp Exhibition organising committee meant expenditure amounted to approximately \$56,000.

Excess of payments over receipts led to an operating deficit of approximately \$16,400.

Sue advised a full financial statement will be presented to the NZPF meeting on 24 November. As with past practice it was believed the statement should be presented with the minutes of the NZPF AGM minutes and are shown at Attachment 2.

(c) Any other business

Jeff Long believed the appointment of an Assistant Secretary for Federation was justified given the upcoming commitments of the Secretary to both Federation business and that of the NZ2020 International Stamp Exhibition. He indicated an assistant secretary (who would not need philatelic knowledge but should be a professional or experienced secretary) would be able to handle the many routine tasks and free the secretary to apply his time where his knowledge is needed. He further added that there are funding agencies which support voluntary organisations such as Federation with the provision of administrative support and believed a figure of around \$5,000 should be sought.

These comments raised a wide-ranging discussion. Included were comments about the need for a fixed term contract (c.f. employment) and a job description. Concerns expressed about whether the delegates were empowered by their societies to vote on the issue were answered by the view the meeting was merely asking the executive to do something that was already within their purview.

It was moved Jeff Long, seconded Tim Beach and approved that the executive committee budget for the appointment of an assistant secretary at their forthcoming meeting taking into account the terms, conditions and other aspects discussed by delegates at this meeting.

11. Venue and date for the 2019 annual general meeting

The possible venue for the 2019 AGM is still to be determined. Given the good turn-out at this AGM the concept of holding the AGM at a National Exhibition appears worthwhile but no such exhibition has been planned for 2019.

It was suggested that consideration be given to the possibility of the AGM being held during the Ambury Shield competition, scheduled for November 2, in Hamilton.

As there was no further business the President thanked those present for their attendance and formally closed the meeting at 3:45pm.

President – Stephen Chivers

Secretary – Bob Gibson

NEW ZEALAND PHILATELIC FEDERATION INC**Statement of Financial Performance
For the Period Ended 30 September 2018**

	\$ <u>2017/2018</u>	\$ <u>2016/2017</u>	Budget <u>2018</u>
INCOME			
General			
Society Subscriptions	6,950.00	6,276.00	6,600.00
Interest Received	4,787.00	4,366.65	4,500.00
Donations [Note 5]	5,750.00	5,750.00	5,750.00
Grants [Note 6]	13,300.00	0.00	0.00
Sales	0.00	0.00	0.00
NZ Based Exhibition Levy	2,624.00	3,566.00	2,400.00
Overseas Exhibition Levy	1,332.00	1,176.00	960.00
Overseas Exhibition Custom Fees [Note 7b]	1,928.00	1,808.00	1,440.00
TOTAL INCOME	<u>36,671.00</u>	<u>22,942.65</u>	<u>21,650.00</u>
LESS EXPENDITURE			
Administration & Meeting Costs			
Financial Review	200.00	200.00	200.00
General Expenses	355.00	202.30	220.00
Meeting Expenses	862.50	1,150.00	1,150.00
NZPF Traveling Expenses	2,683.95	2,715.30	2,700.00
Postage Stationery & Telephone	220.30	265.27	300.00
Secretarial Expenses	1,500.00	1,500.00	1,500.00
	<u>5,821.75</u>	<u>6,032.87</u>	<u>6,070.00</u>
Societies & Hobby Support			
Internet/Website Expenses	45.94	45.94	50.00
News Release Costs	166.42	111.20	200.00
Engraving National Trophies	40.00	101.80	110.00
Publicity & Promotion	0.00	0.00	200.00
	<u>252.36</u>	<u>258.94</u>	<u>560.00</u>
NZPF Frames			
Frame Storage	3,670.00	2,860.00	2,860.00
Frame Movement	0.00	0.00	0.00
Frame Restoration	0.00	1,879.72	3,000.00
	<u>3,670.00</u>	<u>4,739.72</u>	<u>5,860.00</u>
Overseas Involvement			
Overseas Commissioners & FIAP travel	7,953.03	8,420.07	8,250.00
<i>Paid by Specified Overseas Travel Funds</i>	<i>0.00</i>	<i>-2,450.49</i>	
Net Overseas Commissioners & FIAP Travel	7,953.03	5,969.58	8,250.00
Customs Broker [Note 7b]	1,927.98	1,067.09	1,115.00
Overseas Exhibition Special Prizes	472.50	280.20	300.00
Maximaphily Commission	0.00	554.24	522.00
Subscriptions: FIP & FIAP	3,926.98	3,954.76	4,500.00
	<u>14,280.49</u>	<u>11,825.87</u>	<u>14,687.00</u>
Provisions			
Provision for Taxation	1,203.06	1,120.34	1,200.00
	<u>1,203.06</u>	<u>1,120.34</u>	<u>1,200.00</u>
TOTAL EXPENDITURE	<u>25,227.66</u>	<u>23,977.74</u>	<u>28,377.00</u>
SURPLUS (DEFICIENCY)	<u>11,443.34</u>	<u>-1,035.09</u>	<u>-6,727.00</u>

NEW ZEALAND PHILATELIC FEDERATION INC

Statement of Financial Position as at 30 September 2018

	\$ 2017/2018	\$ 2016/2017
SOCIETY FUNDS		
Balance at 1 October	135,528.55	136,563.64
PLUS Excess/Deficiency for Year	11,443.34	-1,035.09
	<u>146,971.89</u>	<u>135,528.55</u>
REPRESENTED BY:		
CURRENT ASSETS		
Bank of New Zealand - Cheque Account	38,583.11	7,984.70
Sundry Debtors	0.00	0.00
	<u>38,583.11</u>	<u>7,984.70</u>
Investments (includes Trust Funds)		
Bank of New Zealand - Term Deposits	94,019.53	164,607.06
	<u>94,019.53</u>	<u>164,607.06</u>
Fixed Assets		
Exhibition Frames [Note 3e]	49,901.60	1.00
Medal Dies	1.00	1.00
Exhibit Case	1.00	1.00
	<u>49,903.60</u>	<u>3.00</u>
TOTAL ASSETS	<u>182,506.24</u>	<u>172,594.76</u>
LESS LIABILITIES		
Sundry Creditors	1,999.32	3,906.92
Provision for Taxation	1,823.69	2,032.46
	<u>3,823.01</u>	<u>5,939.38</u>
Funds Administered By NZPF		
Specified Overseas Travel Funds [Note 7a]	0.00	0.00
Customs Reserve [Note 7b]	660.68	660.68
Fletcher-Cole Memorial Trust [Note 7c]	31,050.66	30,466.15
	<u>31,711.34</u>	<u>31,126.83</u>
TOTAL LIABILITIES	<u>35,534.35</u>	<u>37,066.21</u>
NET ASSETS	<u>146,971.89</u>	<u>135,528.55</u>

For and behalf of the Executive Committee

President: S J Chivers
Date: 10 November 2018

Treasurer: L S Gravestock

NEW ZEALAND PHILATELIC FEDERATION INC

FLETCHER-COLE MEMORIAL CHARITABLE TRUST

Statement of Financial Performance For the Year Ended 30 September 2018

	<u>2017/2018</u>	<u>2016/2017</u>
<u>Fletcher-Cole Trust</u>		
Interest Received: Trust	669.17	636.62
Grants made (Note 2)	<u>420.00</u>	<u>289.00</u>
Net Income	<u><u>249.17</u></u>	<u><u>347.62</u></u>
<u>Education Fund (Note 3)</u>		
Gifts received	0.00	0.00
Interest allowed on balance	<u>335.34</u>	<u>319.03</u>
	335.34	319.03
Education Expenditure		
Surplus	<u><u>335.34</u></u>	<u><u>319.03</u></u>

Statement of Financial Position as at 30 September 2018

	<u>2017/2018</u>	<u>2016/2017</u>
<u>Trust</u>		
Reserve Capital	17,666.16	17,666.16
Addition to Reserve Capital (Note 1)	<u>0.00</u>	<u>0.00</u>
	17,666.16	17,666.16
Distributable Funds	2,573.92	2,226.30
PLUS Excess/Deficiency for Year	<u>249.17</u>	<u>347.62</u>
	2,823.09	2,573.92
	<u><u>\$ 20,489.25</u></u>	<u><u>20,240.08</u></u>
<u>Education Fund</u>		
Donated Funds	10,226.07	9,907.04
Surplus	<u>335.34</u>	<u>319.03</u>
	10,561.41	10,226.07
TOTAL FUNDS	<u><u>31,050.66</u></u>	<u><u>30,466.15</u></u>
REPRESENTED BY:		
Trust Funds Administered By NZPF	<u><u>31,050.66</u></u>	<u><u>30,466.15</u></u>

Notes:

1. In November 2010, the trustees decided to inflation-proof the Reserve capital. This began with the 2 years since the base capital was established as at 1 Oct 2008. In November 2016, the Trustees decided to not continue the practice while inflation is at historical low levels.
2. One grant paid to Royalpex 2017 for Hamilton 2017 runner-up prize. There was no income other than interest.
3. Education Fund. There was no income other than interest.

.....
S J Chivers, Trustee

.....
R A Gibson, Trustee

.....
L S Gravestock, Trustee

NEW ZEALAND PHILATELIC FEDERATION INC

Notes to the Financial Statements For the year ended 30 September 2018

1. REPORTING ENTITY

The New Zealand Philatelic Federation (NZPF) is incorporated under the Incorporated Societies Act. The main objective of the NZPF is to represent member societies and clubs and advance the interests of philatelists, facilitate the exchange of ideas and issues relating to philately among member societies and clubs, create, stimulate and maintain national interest in philately and stamp collecting, encourage projects which will advance the interests of philately and promote cooperation amongst philatelic societies and clubs. The financial statements comply with General Accepted Accounting Practice (GAAP) as a Not-for-Profit Public Benefit Entity.

2. MEASUREMENT BASE

Unless otherwise stated the measurement base is that of historical cost.

3. SPECIFIC ACCOUNTING POLICIES

a) Basis of Preparation

The financial statements are prepared on a cash basis unless material item requires accrual accounting to record an asset or liability or to ensure the matching of income and expenses to provide a true and fair view.

b) Interest and Subscriptions

Interest, subscriptions and frame fees are treated as income only when received or credited except for any overdue subscriptions received before the accounts are finalised.

c) Goods and Services Tax

NZPF was registered for GST on 28 May 2018. The financial statements are prepared on a GST inclusive basis.

d) Investments

Investments are recorded in the accounts at cost price plus accumulated interest already credited.

e) Assets

In 2018 NZPF commenced the restoration project of 600 exhibition display frames and is capitalising the investment in the 2017/18 and 2018/19 financial years. Funds for the project have come out of NZPF reserves and grants from the New Zealand Philatelic Trust. The project will be completed in 2019. As at 30 September 2018, \$49,901.60 has been capitalised with the remaining restoration cost to be capitalised in 2019. Depreciation will commence in the 2018/19 financial year.

f) Depreciation

i) NZPF owns a supply of exhibition display frames, stored at various locations throughout New Zealand. The value of these frames had been written down to a nominal value of \$1. The charge was debited against the accumulated funds rather than being treated as an item of expenditure. A refurbishment project is underway with the investment to be capitalised. Depreciation will commence in 2019 on the refurbished frame asset.

ii) The medal dies taken over from the Philatelic Foundation Christchurch were brought into the accounts for 2002 at \$1.

iii) The exhibit case purchased in March 2006 was depreciated at a rate of 20% per annum (straight line) and is now listed at a nominal \$1.

g) Stock on hand

Stocks souvenirs, stamps and publications purchased for resale are considered to have no value until realised and are not included in the accounts.

4. SUNDRY CREDITORS

This consists of the secretary's allowance for the September quarter, the Customs Broker's fee and the Commissioner's travel expenses to Macao.

5. **DONATIONS**

Zeapex donation of \$5,000 was received in March 2018 without any conditions attached to it. NZPF is grateful for the donation to help NZPF to support philately in New Zealand and our international obligations.

6. **GRANTS**

New Zealand National Philatelic Trust provided two grants to the value of \$13,300. \$1,300 was received in October 2017 towards the frame refurbishment pilot. \$12,000 was received in August 2018 towards the frame restoration project. These were greatly received.

7. **TRUST FUNDS ADMINISTRED BY THE FEDERATION**

a) **Specified Overseas Travel Funds**

The Specific Overseas Travel Funds outlived its usefulness and was wound up in 2017.

b) **Customs**

At the end of 2014 it was recognised that it had become essential to use a customs broker to move exhibits entered in overseas exhibitions out of and back into New Zealand. All Exhibitors entering overseas exhibitions via NZPF appointed commissioners are charged \$8 per frame to reflect the fact that we are required to use a customs agent to arrange exit and entry. Until 2017, it was treated as a funded account in the Statement of Financial Position. To provide better clarity of the overseas involvement, the customs fee in 2017 was treated as a receipt, customs broker as an expense. The existing customs funded account at 30 September 2016 remains unchanged and its future status is yet to be resolved. NZPF continues to monitor the overall customs financial position.

The Customs position is as follows

	2017/2018	2016/2017
Customs fees received	1,928.00	1,808.00
Less Customs broker paid	<u>-1,927.98</u>	<u>-1,067.09</u>
Customs net surplus/(deficit)	<u>0.02</u>	<u>740.91</u>

c) **Fletcher-Cole Memorial Charitable Trust**

In terms of the original provisions, the income from this fund was to be used to provide awards at national philatelic exhibitions; currently it funds the Runner-up to the Grand Award.

The original capital of this fund was \$2,500. Since its inception, further donations were made to the fund by other exhibition organisations.

Following acceptance of its trust deed by the Charities Commission, the fund was re-constituted as a separate charitable trust from 1 October 2009 with the balance at 30 September 2008, \$15,789.81 as the Reserve Capital and the President, Secretary and Treasurer of Federation as trustees ex officio. This means that earnings of the Trust do not attract tax and allows Federation to benefit fully from its own \$1,000 tax exemption. A separate set of accounts has been presented, but all administration is carried out through the Trust's ledger account with Federation.

Designated gifts for and expenses associated with the Federation's Education programme are now also handled through this Trust.

d) **Provision for Taxation**

Taxation is payable on interest received for the year ending 31 March (less interest allowed on funds held for the Fletcher-Cole Charitable Trust and exemption of \$1,000), whereas the Federation has a September balance date. Because of the timing of taxation payments, the provision should always reflect 18 months' taxation as at balance date.

The provision thus stands as follows

	2017/2018	2016/2017
Provision for 6 months to September 2017	905.39	904.98
Less prior year adjustment	(284.76)	0.00
Provision for 6 months to March 2018	520.34	222.09
Provision for 6 months to September 2018	<u>682.72</u>	<u>905.39</u>
	<u>1,823.69</u>	<u>2,032.45</u>

**TO: NZ PHILATELIC FEDERATION INCORPORATED AND
FLETCHER-COLE MEMORIAL CHARITABLE TRUST**

**Review Report to the Members & Trustees respectively
for the year ended 30 September 2018**

I have reviewed the financial statements as set out on the accompanying pages.

A review is limited primarily to enquiries of NZ Philatelic Federation personnel and analytical review procedures applied to the financial data presented to me. I have not performed an audit and, accordingly, I do not express an audit opinion.

Based on my review, nothing has come to my attention that causes me to believe that the financial statements do not present fairly the financial position of the NZ Philatelic Federation as at 30 September 2018 and its financial performance for the year ended on that date.

My review was completed on 7 November 2018 and my review opinion is expressed as at that date.



Brian Patchett, BBS (Acctg)
Upper Hutt

Attachment 2 [reference agenda item 10(b)]

N.Z. NATIONAL PHILATELIC TRUST

Financial Statements for Year ended 31 October 2018

Statement of Financial Performance

2018

2017

INCOME :

NZ Post: Royalpex 2017	16,000.00	
Armistice Stamp Show Dunedin 2018	16,000.00	
Loan returned : Royalpex 2017	3,000.00	
Bank Interest : Cheque & serious saver	124.33	
Term deposits	4564.80	4,449.15

TOTAL

39,689.13

22,814.90

EXPENDITURE :

Commissioners/Judges – Overseas expenses grants (5 @ \$150)	750.00	
Manawatu One Frame interclub	200.00	
NZ2020 Stamp Exhibition – LOAN	10,000.00	
Royalpex 2017 (ex NZ Post)	16,000.00	
Charities Commission Fees	51.11	51.11
PYC Christchurch Youth Camp	500.00	
Whangarei Philatelic Society	70.00	
Judge Apprentices – FIP – S. Chivers	500.00	
NZPF Frame Refurbishment	12,000.00	
Armistice Stamp Show (ex NZ Post)	<u>16,000.00</u>	<u>total expenditure</u>
<u>TOTAL</u>	56,071.11	27,804.27
Net Surplus/Deficit	- 16,381.98	-4,989.37

Movements in Equity

Operating equity at 1.11.2017	127,292.15	132,281.52
Net Surplus/Deficit	- 16,381.98	- 4,989.37
Operating Equity at 31.10.18	<u>110,910.17</u>	<u>127,292.15</u>

Statement of Financial Position as at 31 October 2018

Current Assets

ANZ Bank - 00 cheque account	1,097.35	2,455.64
01 Serious Saver account	23,435.37	62.77
Term Deposits (3) – ANZ Bank		5 term deposits
1014 51,377.45		
1015 15,000.00		
1017 20,000.00	86,377.45	124,773.74
	<u>110,910.17</u>	<u>127,292.15</u>

Sue Vernal

NZ National Philatelic Trust Secretary/Treasurer