



New Zealand Ayrshire
Association (Inc)

ANNUAL REPORT

31 March 2018





Official Publication
of the
NEW ZEALAND
AYRSHIRE
ASSOCIATION (INC)

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Board of Directors

President	Donald Green	Leeston
Directors	Brian Hutchings	Dargaville
	Roger Hancock	Ohinewai
	Vince Steiner	Tokoroa
	Gordon Glentworth	Kaponga
	Graeme Emslie	Norsewood
	Stewart Riley	Collingwood
	Peter Allison	Outram

The Ayrshire VISION

Vision

Ayrshire New Zealand will develop, promote and maintain the Ayrshire breed as a credible option for New Zealand dairy farmers.

Purpose

To be the number one dairy population, among all breeds, under the NZ payment system

Core Values

- Genetic gain of the Ayrshire population
- Always look for the opportunity
- Maintain a financially sustainable business
- Foster camaraderie among Ayrshire members
- Always maintain a professional image

Goals

- Ayrshire NZ will have united, vibrant members who are proud to belong.
- Ayrshire NZ members will be proactive and engaged in striving to achieve Association goals.
- Ayrshire NZ and its members are progressive and are perceived to be innovative.
- Ayrshire (A14+) will make up >1% of the national herd
- Ayrshire BW/GW and PW will increase annually
- Ayrshire cows will be financially rewarding for those who farm them.
- Ayrshire cows will be included in national statistics and trials.

Key Performance Indicators (KPI)

1. Membership: The Association membership will be 30% of farmers who have a proportion of Ayrshire in their herds.
2. Registration: 40% of available animals will be registered.
3. Semen Sales: The Semayr / LIC partnership will have 50% of Ayrshire calves registered annually sired by Semayr bulls.

Notice of Annual Meeting

NOTICE OF 109th ANNUAL GENERAL MEETING 2018
and
ANNUAL REPORT, STATEMENT OF FINANCIAL PERFORMANCE
and STATEMENT OF FINANCIAL POSITION
for the year ended 31 March 2018



To be presented to the Annual General Meeting of the Association
to be held at
DISTINCTION HOTEL & CONFERENCE CENTRE
WHANGAREI
on
WEDNESDAY 13 JUNE 2018, at 9.00 am.

BUSINESS

1. Notice of Meeting.
2. Apologies.
3. Minutes of the 2017 Annual General Meeting (see Bulletin No. 168).
4. Matters arising from the previous minutes.
5. To Receive and Adopt the President's Report.
(a) Obituaries
6. To Receive and Confirm the Statements of Financial Performance and Position.
7. Appointment of Auditor.
8. Results of Elections - Wards 1, 4 & 9
9. Notices of Motion.
10. Remits.
11. Reports from Committee Convenors.
12. General Business.

595 Ruakura Rd, R D 6
HAMILTON
22 May 2018

By order of the Board
P M Goodin
Board Secretary

Notice of Special Meeting to be held on conclusion of the AGM. Confirmation of Notices of Motion

P M Goodin
Board Secretary

Annual Meeting Programme

- Mon 11 June: Opening Dinner and Awards Presentation
- Tues 12 June: Tour West herd visit, lunch, Show, Livestock sale/Youth auction and Dinner
- Wed 13 June: Annual General Meeting
Dine and Dance - "Wear a Scarf"
- Thur 14 June: Tour North herd visit, Kiwi listening and overnight in Kerikeri



Donald Green
President

It is with pleasure that I present my Presidents Report for the year ending 31st March 2018.

As the season draws to a close for some of our farming members, this can't come quick enough. Extreme weather conditions in many of our dairying regions has put added pressure on dairy farming and production is likely to be down on what was projected targets on the majority of dairy farming businesses throughout the country.

The New Zealand dairy industry was informed of an outbreak of the cattle disease *Mycoplasma Bovis* back in the spring. A number of farms in the lower half of the South Island were affected and as a result complete herds have been slaughtered in an effort by MPI to eradicate this disease. To the best of my knowledge I don't believe that any of our members have lost stock to this disease. What has happened is that many of the A&P autumn shows in the south cancelled their dairy sections including the South Island Championships that were to be held in Gore. South Island entries to the NZ Dairy Event were also excluded.

As for our Association, in some respects, the year has gone a little smoother than the previous years. The ACE stock that were owned by the Association have all been sold and the proceeds have gone to debt reduction.

Following the successful Notice of Motion at the last AGM, in regards to the Constitution of the Board and Director elections, we now have a full Board of nine Directors. I welcome Graeme Leech as Director for Central North Island.

I don't need to remind members that the financial situation of our Association continues to be a concern and again we have recorded a loss for the year. As a Board, we have taken steps to increase some of our fees and I refer to Members Subscriptions and Registrations along with others services. We believe that as Breed Society we can still offer value for money and urge all members to continue to use the services that we can offer.

As a breed we struggle to achieve national recognition of the advantages that our breed can offer the N Z dairy industry and we are not alone as we see more and more Kiwi Cross animals being born every year. It is pleasing to see that a number of bulls in the Semayr Proven Team can match other breeds in the production BVs but we need now to convince the Rural Professionals and sales reps to advise their clients to invest in Ayrshires.

I was pleased with the promotion that our breed has had throughout the year from national dairy publications and I thank those members who allowed their family stories and farming businesses to be told. Promotion and information from our Association continues to be important with two Bulletins and a number of Ayrwaves being produced throughout the year along with added information appearing on our breed's website. A big thanks to Angela Makara for her work particularly with the Bulletins, I think that you would all agree that these are excellent publications for our breed.

Because of the numbers of Ayrshire cattle in NZ, DairyNZ group us with Cross breeds for animal evaluation purposes. We as a Board believe that our breed is disadvantaged and we have asked DairyNZ to work with us. A number of herds throughout the country which have Ayrshires and mixed breeds to weigh a selected group and re-evaluate how the breeds compare within that herd. Costs are yet to be proportioned for this project and that may well be the determining factor if we proceed next season.

Our administration continues to be contracted out to Jersey NZ. General Manager, Pam Goodin and her staff administer the affairs of our Association. This arrangement works well for us as we work with Jersey NZ to improve cost efficiencies for both breeds. My thanks to Pam and her team for the work that they do in a very pleasant manner.

My thanks to the Board of Directors for their support throughout the year. They give freely of their time and claim very little of their costs and expenses. Members successfully voted on a change to Governance and member representation at the last AGM and now we have another Notice of Motion to rotate the sitting Directors by the length of time that they have been on the Board.

I would like to acknowledge the retirement of Brian Hutchings from the Board, Brian has been the Director of Ward 1 for 14 years. He was President from 2011—15 and convenor of many committees during his time on the Board. I am sure that you will all join me on behalf of Ayrshire NZ in thanking Brian and his wife Carolyn for their services to our breed. Long may it continue.

Continued over ...

Obituaries: To the members who have suffered bereavements during the past year, I offer the sympathy of the Association. The following obituaries of past and present members have been noted; Mrs A Price, J clouston, Mrs C Walters, Mrs M Hutchings & Mrs W Livingstone.

The death of Marilyn Hutchings was a huge shock for us all. She will be very sadly missed by all of us who knew her. She was very supportive of her husband Malcolm during his time as Director and President and was recognised for her involvement by receiving various awards of our Association. Most of all I will miss her friendliness and hospitality especially this June with our AGM in Northland.

To my wife, Anne and my family, thanks once again for your support help and understanding especially as our own family and farming business continues to grow. I appreciate the leave of absence given to attend to Association matters.

With our AGM and Conference being held in Northland this year, I would just like to thank the organising clubs for hosting this event and wish them every success.

Donald Green
President

Notices of Motion

Notice is given of the following proposed rule changes by the Ayrshire New Zealand Board

That the existing Rule 19 be revoked and replaced with the following:

ELECTION OF BOARD

Rule 19. Election of Board

The mode of election of members of the Board shall be as follows:-

The Secretary shall, at least three calendar months before each Annual Meeting, send by post to each financial member of the Association resident in the region in which an election is to be held, notice of the intended election.

Any financial member of the Association shall be entitled to nominate any other eligible financial member to represent the region in which both the proposing and nominated members reside as a Member of the Board.

Such nomination shall be in writing, signed by the proposing member and the member nominated, and received by the Secretary not later than two calendar months before the date of the Annual Meeting at which the election is to be held.

For the purposes of Board nomination forms only 'post' may also refer to post electronically. Completed nomination forms may also be received electronically by the dates previously mentioned.

The Secretary shall, after the closing of such nominations, prepare a printed voting paper for each region in which an election is necessary in such a form as shall be approved by the Board, and shall post one of such voting papers to each member entitled to vote in respect to that particular voting paper.

Such voting paper shall be completed and returned to the Secretary by a date to be fixed by the Board.

Each financial member of the Association shall have one vote only, and may only vote for a member to represent the region in which such voting member resides. Any vote, which is not cast in accordance with this provision, shall be invalid.

The Board shall appoint two Scrutineers to inspect and count the votes, and then report in writing to the Annual Meeting with the results of their scrutineering and the name of the member having the highest number of votes.

Such members shall then be declared elected by the Chairman of the Annual Meeting, and voting papers shall not be destroyed until a period of six months has elapsed. In the case of equality of votes the member to be declared elected shall be decided by lot by the Chairman of the Annual Meeting.

To add Rule 19(a)

Ineligibility

A person seeking appointment, election, or to remain in office as a Board Member, shall be eligible to do so whether or not they are a Member of the New Zealand Ayrshire Association (Inc) as outlined in Rule 16, but the following persons shall not be eligible for appointment, election, or to remain in office as a Board Member:

- (i) *A person who is an undischarged bankrupt or is subject to a condition not yet fulfilled or any order under the Insolvency Act 1967, or any equivalent provisions under any previous or replacement legislation.*
- (ii) *A person who has been convicted of any offence punishable by a term of imprisonment of two (2) or more years (whether or not a term of imprisonment is imposed) unless that person has obtained a pardon.*
- (iii) *A person who is prohibited from being a director or promoter of or being concerned or taking part in the management of a company under the Companies Act 1993 or the Charities Act 2005.*
- (iv) *A person who is subject to a property order made that the person is lacking in competence to manage their own affairs under the Protection of Personal and Property Rights Act 1988.*

If any of the circumstances listed in Rule 19(a) occur to a Board Member, that the Board Member shall be deemed to have vacated their office upon the relevant authority making an order or finding against the Board Member of any of those circumstances. If a Board Member becomes or holds any position in Rules 14, 15 and 16 then upon appointment to such a position, that Board Member shall be deemed to have vacated their office as a Board Member.

From the Southland / Otago Ayrshire Club - Mover Ken Eade / Seconder Craig Stevenson

To add Rule 17(a)

For the development of the breed and for members participation, Board members vacate their seat after three, three year terms (nine years) and stand down. The above said members will be eligible for re-election after a stand down period of one three year term. The President shall be exempt from this rule while in the Chair.

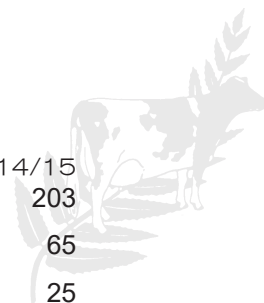
For the transition period, the three year term count will commence from the Ayrshire New Zealand AGM 2019.



No remits

Membership Numbers

	2018/19	2017/18	2016/17	2015/16	2014/15
Senior Members	173	179	195	200	203
Associate Members	64	66	67	73	65
Retired Members	25	24	24	24	25
Junior Members	22	27	23	20	27
Paid Life Members	33	35	35	37	38
Honorary Life Members	9	9	9	9	10
Ordinary Members	7	8	8	6	6
Dual	2				
TOTALS	335	348	361	369	374



Registrations by Herd Book

	2016/17	2015/16	2014/15	2013/14	2012/13
Female - Main	1469	2682	3,099	3,233	3,411
- Supplementary	1858	2074	2,585	2,863	2,816
Male	112	170	208	204	201
TOTALS	4439	4926	5,892	6,300	6,428

Trust Fund Donors

DM Thomson, D & Mrs. NE Hutchings, CEC Webb, AF & Mrs. G Hutchings, AAC Weir, FS Hutchings, JF Burgess, DJ Ireland, Parlane Rose Bowl Fund, A & M Scott Shield donors, BC & Mrs. N Patrick, DW Wallace, Thistledown Farm.



Mayfield Trophy: Top Herd for NZ, 50 or more pedigree cows, Fat and Protein -
G & J Glentworth - 218 cows av. 7461 litres milk, 324 kg fat, 283 kg protein, 286 DIM

Smith Family Trophy: Top Pedigree Cow for NZ, Fat and Protein -
S D Carrington - Luckville Ris Debe, V7-8, 7 yrs, 11601 litres milk,
474 kg fat, 405 kg protein, 305 DIM

Snowline Trophy: Top Cow, 10 yrs and over, Fat and Protein -
G & J Glentworth - Sanrosa Royal 05-12, V7-8, 11 yrs, 8759 litres milk,
357 kg fat, 313 kg protein, 253 DIM

C.E.C. Webb Memorial Trophy: Breeder of Highest "Breeding Worth" Bull, NZ bred, 2017/18 Season
AT & HJ Jane - Southwind Inkkari

Carmelglen Trophy: Highest Cow on High Production Worth list, with current lactation
Lodore Farm Ltd - R M & J E Hutchings - Karnea Phils Nickey, V7-9

Certificates: Total Milk Solids (Fat & Protein) for Top Herds four sizes -

- 50-100 cows - Goldwyn Enterprises Ltd - BT & LJ Hayward, 68 cows av. 7090 litres milk,
291 kg fat, 246 kg protein (537 MS), 288 DIM
- 101-200 cows - W R & Z Kite, 188 cows av. 6386 litres milk,
267 kg fat, 229 kg protein, (496 MS), 283 DIM
- 201-300 cows - G & J Glentworth - 218 cows av. 7461 litres milk,
324 kg fat, 283 kg protein, (607 MS), 286 DIM
- 301 plus cows - Glenmore Farm - DH & AF Green, C & T Green - 497 cows av. 5441 litres milk,
235 kg fat, 202 kg protein, (437 MS), 280 DIM

Certificates: Top Cows - Milk, Fat, Protein, Dollar Earning -

- Fat kg: G & J Glentworth, Sanrosa Snowie 11-260 ET, V6-7,
5 yrs, 510 kg fat, 297 DIM
- Protein kg: S D Carrington, Luckville Ris Deb, V7-8, 7 yrs,
405 kg protein, 305 DIM
- Milk Litres: S D Carrington, Luckville Ris Deb, V7-8, 7 yrs, 11601 litres, 305 DIM

Certificates: Top Herd 50 or more Pedigree Cows Each Ward for Total Solids

Ward	Owner	Cows	Milk L	Fat kg	Prot kg	Solids	Days
1.	Lodore Farm Ltd - R M & J E Hutchings	535	4548	203	168	371	264
2.	Valendale Ayrshires Ltd - T L & J I Johansen	192	5872	241	201	442	274
3.	W R & Z Kite	188	6386	267	229	496	283
4.	Goldwyn Enterprises Ltd - B T & LJ Hayward	68	7090	291	246	537	288
5.	G & J Glentworth	218	7461	324	283	607	286
6.	Rangeview Farming Ltd - G & T Emslie	137	5607	255	201	456	269
7.	Riverlea Farm Ltd - S G & M Z Riley	318	4775	219	176	395	256
8.	Trinity Holdings (2001) Ltd - L J & W P Main	237	5965	260	219	479	257
9.	Trinity Farm Holdings Ltd - R & A, C & R Stevenson	300	5966	290	231	521	281

Certificate: Supplementary One Award - S1A Production Award for Total Solids

	Age	Litres	Fat	Prot	Solids	Days	Owner
Roma Phillip Mermaid S1A, V7-8	8	9295	477	367	844	299	Roma Farm Ltd



National Progeny Competition: Agri Feeds Don Hutchings Memorial Trophy - 5 daughters

1. G & J Glentworth	Sammatin Valpas	1157.66 pts
2. G & J Glentworth	Asmo Omatunto	1151.56
3. Goldwyn Enterprises Ltd - B T & LJ Hayward	Sanrosa Royal Phillip	1139.93

Dalemere Farms Trophy - 10 daughters

1. G & J Glentworth	Salt Spray Bonny George	1184.24 pts
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Dairycare Somatic Cell Count Competition:

Overall Winner:	Western Heights Partnership - L Megaw	
Ward Winners:		Cell Count
1. No entries received		
2. Tahuna Pastoral Co Ltd - P & A McFall, M Chatfield		110
3. No entries received		
4. Goldwyn Enterprises Ltd - BT & LJ Hayward		46
5. Western Heights Partnership - L Megaw		36
6. No entries received		
7. No entries received		
8. Emunna Partnership Ltd - CJ & PM Prattley		53
9. CNRAYR Ltd - M T Livingstone		67

Semayr Top BW Herd Award - Top BW, 50 or more Ayrshire cows

Overall Winner	Pineview Dairy Farm Ltd - A T & S A Thomas	
Ward Winners:		BW
1. Lodore Farm Ltd - R M & J E Hutchings		1
2. Slack No 2 Herd - R & C J Slack		-12
3. Ngarangi Ayrshires - D & G Macky		-14
4. Longtrack Farms Ltd - H G Van der Hulst		-18
5. Hard Case Family Trust - D Gordon		-8
6. LR & C Burnell		-1
7. Riverlea Farm Ltd - S G & M Z Riley		-16
8. Pineview Dairy Farm Ltd - A T & S A Thomas		33
9. Trinity Farm Holdings Ltd - R & A, C & R Stevenson		15

Ayrshire Youth Achiever Competition

Age Group 5 - 12		Age Group 13-17		Age Group 18-25	
1. Gregory Capper-Conijn	320	1. Robyn Gordon	650	1. Courtney Davies	930
2. Quinn Steiner	250	2. Gabrielle Steiner	570	2. Imogen Steiner	500
3. Ella Bashford	240				

Overall winner: **To be announced at the Awards Night.**

Alltech All New Zealand Photo Competition

Results to be announced at the Awards Night.



Ingleddale Trophy/Assn Photos:

North Island Champion Cow – Lodore Farm Ltd – Lodore Vals Nella, E8-9
South Island Champion Cow – **Not awarded**

Association Photographs:

Res Nth Island Champion Cow – B A & C A Hutchings – Kauri T Kasio, E8-9
Res Sth Island Champion Cow – **Not awarded**

Scott Memorial Shield: Sire Progeny – (**Bay of Islands 2017**) - BA & CA Hutchings

Ardgowan Trophy: Royal Champion Cow – Larkspur Ayrshires - R Baker, Larkspur AA Liqueur, V8-8

Wrightson Medal Trophy: Best Female Royal Show – Larkspur Ayrshires - R Baker, Larkspur AA Liqueur, V8-8

Autumn Show Points Shield:

Most Points nom. Autumn Show 17/18 (**Gore**) - **Not awarded**

Sir Charles Fergusson Trophy: Most Points Royal Show - **Sunshine Ayrshires - R & N Lawson**

Fredrickson Trophy: Young Handlers Award (Senior) - North Island - **Courtney Davies**
Young Handlers Award (Senior) - South Island - **Not awarded**

Greenlane Trophy: Young Handlers Award (Junior) - North Island - **Odyssey Travers**
Young Handlers Award (Junior) - South Island - **Not awarded**

Arran Trophy: Ayrshire Young Judge Competition - **Courtney Davies**



Kiteroa Trophy	<p>For the person or persons who contributed the most effort in promoting the progress within the Ayrshire breed in the last 12 months both club wise and breed wise.</p> <p>To be announced at the Awards Night.</p>
Bell Booth Achiever Awards	<p>For persons who have made some notable achievement in the Ayrshire Breed.</p> <p>To be announced at the Awards Night.</p>
Distinguished Member Awards	<p>For members who promote Ayrshires either nationally or locally by always portraying a positive attitude for the breed, the NZ Ayrshire Association and it's aims, directions and objectives.</p> <p>No nominations received</p>
Graeme Knight Memorial Trophy	<p>For the member who provides the best written article promoting the Ayrshire breed for either the Ayrshire Bulletin or any other farming publication.</p> <p>No nominations received</p>
Rob McIntosh Memorial Trophy	<p>To encourage an exhibitor to go further and/or continue showing animals at local calf club days and A&P Shows.</p> <p>No nominations received</p>
Glengordon Trophy	<p>For the person or persons under 26 years of age as at April annually, who contributed the most effort in promoting the progress within the Ayrshire breed in the past 12 months both club wise and breed wise.</p> <p>No nominations received</p>

INDEPENDENT AUDITOR'S REPORT**To the Members of NZ Ayrshire Association Incorporated****Opinion**

We have audited the special purpose financial statements of NZ Ayrshire Association Incorporated ("the Association") on pages 6 to 14, which comprise the statement of financial position as at 31 March 2018 and the statements of trading and of financial performance and statement of movements in equity for the year ended, and noted to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying special purpose financial statements of the Association for the year ended 31 March 2018 are prepared, in all material respects, in accordance with the statement of accounting policies set out in Note 1 of the special purpose financial statements.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements* section of our report. We are independent of the in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Emphasis of Matter – Basis of Accounting and Restriction on Distribution

We draw attention to Note 1 to the special purpose financial statements, which describes the basis of accounting. The special purpose financial statements are prepared to assist the Association to meet the requirements of the Rules of the Association. As a result, the special purpose financial statements may not be suitable for another purpose.

Emphasis of Matter - Material Uncertainty Related to Going Concern

Without modifying our opinion, we draw attention to Note 12 to the financial statements, which discloses the Association had incurred a deficit of \$70,050 from operations for the year ended 31 March 2018 (31 March 2017: deficit \$41,298) and as at 31 March 2018 the Association's current liabilities are greater than its current assets in amount of \$105,119. In addition, the Westpac -91 Loan of \$366,604 matures on 31/03/2019 and at the date of signing these financial statements there has not been any renewal or renegotiation of repayment terms with Westpac relating to this loan.

These financial statements have been prepared upon the basis the Association is a going concern. Management have forecast a surplus of \$14,395 for the ensuing 31 March 2019 financial year, and are expecting this increase in the surplus to be derived as a result of a change in the semen collection model relating to from breeding services operations, and also a reduction in costs due to the change in the semen collection model.

Should the Association be unable to renegotiate loan repayment terms with Westpac, and achieve a surplus, then the Association may no longer be able to continue as a going concern, and adjustments would need to be made to the Association's financial statements to provide for any loss on realisation of the Association's assets. In addition, the Association would likely be required to provide for further liabilities and to reclassify certain non-current assets and non-current liabilities as current assets and current liabilities.

Responsibilities of the Board Members for the Special Purpose Financial Statements

Board Members are responsible on behalf of the Association for the preparation of the special purpose financial statements in accordance with the accounting policies as disclosed in Note 1 to the special purpose financial statements and for such internal control as the Board Members determine is necessary to enable the preparation of special purpose financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial statements, the Board Members are responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board Members either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these special purpose financial statements.

As part of an audit in accordance with ISAs (NZ), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the special purpose financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the Board Members and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the special purpose financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

We communicate with the Board Members regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Crowe Horwath New Zealand Audit Partnership
CHARTERED ACCOUNTANTS

Dated at Hamilton this 22nd day of May 2018

NZ AYRSHIRE ASSOCIATION (INCORPORATED)
ACE AYRSHIRE HERD
STATEMENT OF LIVESTOCK TRADING
FOR THE YEAR ENDED 31 MARCH 2018

	2018 \$	2017 \$
<u>Ace Cows & Heifers</u>		
Sales	466,472	208,456
	<hr/> 466,472	<hr/> 208,456
Less - <u>Cost of Sales</u>		
Opening Stock	486,600	577,900
Purchases	-	-
Closing Stock	<hr/> -	<hr/> (486,600)
Total Cost of Sales	486,600	91,300
GROSS PROFIT (DEFICIT) ON LIVESTOCK TRADING FOR THE YEAR	<hr/> (20,128)	<hr/> 117,156

<u>RECONCILIATION OF STOCK NUMBERS</u>		2018 \$	2017 \$
Opening Stock	Ace Herd	355	488
Less Sales	Ace Herd	355	167
Less Deaths	Ace Herd	0	0
Plus Purchases	Ace Herd	0	0
Plus Natural Increase	Ace Herd	0	34
Closing Stock	Ace Herd	<hr/> 0	<hr/> 355



These special purpose financial statements should be read in conjunction with the accompanying notes and independent auditor's report

NZ AYRSHIRE ASSOCIATION (INCORPORATED)
SEMAYR LIVESTOCK AND BREEDING SERVICES
STATEMENT OF TRADING
FOR THE YEAR ENDED 31 MARCH 2018

		2018	2017
<u>Bulls</u>		\$	\$
Sales		30,812	32,365
		30,812	32,365
Less - <u>Cost of Sales</u>			
Opening Stock		96,250	96,250
Purchases		13,700	21,250
		13,700	21,250
Closing Stock		(91,200)	(96,250)
Total Cost of Sales		18,750	21,250
GROSS PROFIT (DEFICIT) ON		12,062	11,115
LIVESTOCK TRADING FOR THE YEAR			
		2018	2017
		\$	\$
<u>Breeding Services</u>			
Sales		181,780	109,532
Opening Semen Stock		52,651	34,793
Closing Semen Stock		76,821	52,651
GROSS PROFIT ON TRADING OPERATIONS		205,950	127,390
FOR THE YEAR			
		2018	2017
<u>RECONCILIATION OF STOCK NUMBERS</u>			
Opening Stock Numbers	Bulls	77	77
Plus Purchases	Bulls	14	17
Less Sales	Bulls	16	17
Closing Stock Numbers	Bulls	75	77



These special purpose financial statements should be read in conjunction with the accompanying notes and independent auditor's report

NZ AYRSHIRE ASSOCIATION (INCORPORATED)
SPECIAL PURPOSE STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 MARCH 2018

	Notes	2018 \$	2017 \$
ACE AYRSHIRE HERD			
Gross Profit on Livestock Trading for the Year		(20,128)	117,156
Dividend Income		281	-
Total Income on Ace Ayrshire Herd		(19,847)	117,156
Less - Aceayr Expenses	5	(23,834)	(75,365)
Net Surplus (Deficit)		(43,681)	41,791
SEMAYR BREEDING SERVICES			
Gross Profit on Livestock Trading for the Year		12,062	11,115
Gross Profit from Breeding Services		205,950	127,390
Total Income on Breeding Services		218,012	138,505
Less - Breeding Services Expenses	6	(209,510)	(154,725)
Net Surplus (Deficit)		8,502	(16,220)
INCOME (EXPENSES) FROM OTHER SOURCES			
Registration		12,346	16,806
Subscription		27,406	27,349
Other Income		51,685	36,880
Total Income from Other Operation		91,437	81,035
Less - Administration Expenses	7	(126,308)	(147,904)
Net Surplus (Deficit)		(34,871)	(66,869)
TOTAL NET SURPLUS/(DEFICIT) TO ACCUMULATED FUNDS		(70,050)	(41,298)



These special purpose financial statements should be read in conjunction with the accompanying notes and independent auditor's report

NZ AYRSHIRE ASSOCIATION (INCORPORATED)
SPECIAL PURPOSE STATEMENT OF MOVEMENT IN EQUITY
FOR THE YEAR ENDED TO 31 MARCH 2018

	2018	2017
Equity at start of Period	802,897	842,980
Net Surplus (Deficit) for the period	<u>(70,050)</u>	<u>(41,298)</u>
Total recognised Revenues and Expenses for the Period	(70,050)	(41,298)
Increase (Decrease) in Investment Funds	<u>1,139</u>	<u>1,215</u>
Equity at End of the Period	<u><u>733,986</u></u>	<u><u>802,897</u></u>



These special purpose financial statements should be read in conjunction with the accompanying notes and independent auditor's report

NZ AYRSHIRE ASSOCIATION (INCORPORATED)
SPECIAL PURPOSE STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2018

	Note	2018 \$	2017 \$
<u>ACCUMULATED FUNDS</u>			
Opening Balance		304,319	345,617
Surplus (Deficit) for Year		(70,050)	(41,298)
Closing Balance		234,269	304,319
Capital Reserve		57,305	57,305
Property Revaluation Reserve	9	403,294	403,294
LIC Share Adjustment		1,807	1,807
Ravensdown Bonus Share Offer		1,498	1,496
Youth Fund		15,813	14,675
Special Projects Fund		20,000	20,000
		499,717	498,577
<u>TOTAL MEMBERS & TRUST FUNDS</u>		733,986	802,896
<u>Represented by:</u>			
<u>CURRENT ASSETS</u>			
Debtors		88,851	166,938
Westpac - Ayrshire		83,936	-
Westpac - World Conference		4	4
Stock - Ayrshire		2,804	3,026
Biological Assets - Ace Herd		-	486,600
Biological Assets - Semayr	- Livestock	91,200	96,250
	- Semen	76,821	52,651
Total Current Assets		343,616	805,469
<u>CURRENT LIABILITIES</u>			
Creditors		50,306	66,111
Westpac - Ayrshire		-	29,948
GST Holding		31,825	9,115
Westpac Banking Corporation		366,604	366,604
Total Current Liabilities		448,735	471,778
<u>WORKING CAPITAL</u>		(105,119)	333,691
<u>INVESTMENT IN SHARES - NON CURRENT</u>			
LIC Shares	- Ordinary	-	-
	- Investment (4372)	9,653	9,652
CRT Shares		-	640
Ravensdown	- Bonus	1,329	1,329
	- Investment	1,353	1,353
		12,335	12,974
<u>FIXED ASSETS</u>	2	976,751	986,212
<u>LIABILITIES - NON CURRENT</u>			
Westpac Banking Corporation	8	149,981	529,981
		149,981	529,981
<u>NET ASSETS</u>		733,986	802,896

President
Donald Green



Date: 21 May 2018

Finance Convenor
Graeme Emslie



Date: 21 May 2018



These special purpose financial statements should be read in conjunction with the accompanying notes and independent auditor's report

N Z AYRSHIRE ASSOCIATION (INCORPORATED)
NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

1. Statement of Accounting Policies

Reporting Entity

NZ Ayrshire Association (Inc) is a non-profit organisation registered under the Incorporated Societies Act 1908. These Financial Statements are a special purpose report that has been prepared in accordance with the accounting policies below and the Rules of the Association.

Measurement Base

The accounting principles recognised as appropriate for the measurement and reporting of financial performance and financial position have been applied on an historical cost basis except for the revaluation of the leasehold (Bull Farm) property. Accrual accounting is used to recognise revenues and expenses when they occur and reliance is placed on the fact that the Association is a going concern. The information is presented in New Zealand dollars.

Specific Accounting Policies

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

A. Fixed Assets and Depreciation

1. Fixed Assets are recorded at cost less Accumulated depreciation with the exception of the leasehold (Bull Farm) property.
2. The leasehold property at Kaweora Rd is re-rated every three years to its Rating Valuation as performed by Quotable Value Limited.
3. Depreciation has been charged at 2% diminishing value on office premises, 0% on the Bull Farm and 4.8% -14% diminishing value on Bull Farm Fences/Yards/Equipment. These method and rates are considered appropriate to the circumstances of the Association.

B. Revenue

Revenue is recognised when the goods are supplied (as in sale of goods), in the accounting period in which the service is provided (in the rendering of services) and the period in which the interest is accrued (Interest Income). Accrued Sales and Royalties are only recognised as income where there are definitive contracts or agreements in place.

C. Accounts Payable

Accounts payable and accruals are stated at cost and recorded inclusive of GST.

D. Accounting for G.S.T.

The financial statements have been prepared on a G.S.T. exclusive basis, with the exception of debtors and creditors which are stated inclusive of G.S.T.

E. Biological Assets

Stocks of semen and goods held for re-sale have been valued at the lower of historical cost or net realisable value on a FIFO basis. Semayr Breeding Services bulls have been valued at the higher of historical cost or assessed standard value of \$1,000.00.

F. Investments

Investments in shares are valued at cost.

G. Income Tax

The Association is not liable for the payment of Income Tax by reason of its exemption under Section CW51 of the Income Tax Act 2007.

H. Accounts Receivable

Accounts Receivable are stated at their expected realisable value.

I. Changes in Accounting Policies

There have been no material changes in accounting policies since the preparation of the last financial accounts.



NZ AYRSHIRE ASSOCIATION (INCORPORATED)
NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

2. Fixed Assets

	<u>Cost</u>	<u>Revaluation</u>	<u>Accumulated Depreciation</u>	<u>Closing Value 31/03/18</u>
2018:				
Office Premises	40,375		17,306	23,069
Bull Farm (leasehold property)	505,000	404,000		909,000
Bull Farm – Fences/Yards/Equip	<u>123,930</u>		<u>79,248</u>	<u>44,682</u>
	<u>\$669,305</u>	<u>\$404,000</u>	<u>\$96,554</u>	<u>\$976,751</u>
2017:				
Office Premises	40,375		16,835	23,540
Farm Machinery	17,122		12,282	4,840
Bull Farm (leasehold property)	505,000	404,000		909,000
Bull Farm – Fences/Yards	<u>123,929</u>		<u>75,097</u>	<u>48,832</u>
	<u>\$686,426</u>	<u>\$404,000</u>	<u>\$104,214</u>	<u>\$986,212</u>

Deed of License

The New Zealand Ayrshire Assn (Inc) holds an equitable interest in premises owned by Livestock Improvement Corporation situated on the corner of Morrinsville Road and Ruakura Road, Hamilton. The interest is subject to a Deed of License signed and operative 8 October 1993. The value of this interest is held at cost less allowable depreciation, based on the occupied floor area of 47.5 m² as contained in Schedule C to the License. The license has an indefinite term.

Bull Farm \$909,000

The Bull Farm, situated on Kaweora Road, Opunake, is a 59.074 ha leasehold property (Section 10 Blk X Opunake Survey District) for which the Association holds a leasehold interest registered under Schedule 1 of the Maori Reserved Land Amendment Act 1977. The lease is perpetually renewable under and subject to the provision of the Maori Reserved Land Act 1955, and was varied in 2010, extending the term to 31 December 2031. The \$909,000 reflects the value of the Associations' (Lessees) interest in the property – refer to Note 9. The annual lease payments are \$13,000 (excl GST).

3. Related Party Transactions

There were no related party transactions during the year ended 31 March 2018 other than between the Association and its members in the normal course of business. (2017: Nil).

4. Capital Commitments

The Association has no capital commitments as at 31 March 2018. (2017: Nil).

5. Aceayr Expenses

Aceayr expenses includes the following significant expenses;	2018	2017
Grazing	2,962	17,917
Mortgage Interest	17,777	31,450

6. Semayr Breeding Expenses

Semayr Breeding expenses includes the following significant expenses;	2018	2017
Processing & Distribution	105,614	67,984
Mortgage Interest	19,586	18,927
Bull Farm Management Fee	12,000	12,000
Royalties	25,565	14,270

7. Administrative Expenses

Administration expenses includes the following significant expenses;	2018	2017
Administration Fee to Jersey NZ	66,000	65,355
Audit Fee	6,143	6,580
Depreciation	471	480
Travel & Meeting	10,993	10,781



NZ AYRSHIRE ASSOCIATION (INCORPORATED)
NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

8.	<u>Term Loan</u>	<u>Current</u>	<u>Term</u>	<u>Due</u>	<u>Interest</u>
	<u>2018:</u>	<u>Amount</u>	<u>Amount</u>	<u>Date</u>	<u>Rate</u>
	<u>Westpac Banking Corporation</u>				
	Term Loan 91	\$366,604	-	31/03/2019	5.65%
	Term Loan 95	-	\$149,981	30/05/2019	5.65%
	TOTAL	\$366,604	\$149,981		
	<u>2017:</u>				
	<u>Westpac Banking Corporation</u>				
	Term Loan 91	\$366,604		31/03/2018	5.15%
	Term Loan 95	-	\$529,981	30/05/2018	5.85%
	TOTAL	\$366,604	\$529,981		

The loans are secured by way of a General Security Agreement over the Association's assets and undertakings, Specific Security Agreement dated 10 July 2001 over livestock owned by New Zealand Ayrshire Association (inc) and Registered First Mortgage over the rural property situated at Kaweora Rd, Opunake as legally described in Certificate of Title 49363.

- (i) At 31 March 2018 the Association has an overdraft facility of \$40,000 with Westpac Bank (2017: \$40,000)
- (ii) The Association holds a Business MasterCard Facility with Westpac Bank with a limit of \$7,000.

9. Property Revaluation Reserve

	<u>2018</u>	<u>2017</u>
Opening Balance	403,294	403,294
Additions in the year	-	-
Closing Balance	403,294	403,294

The leasehold property at Kaweora Road, Opunake was revalued by Quotable Value Limited as at 1 September 2015. The valuation increase for the year ended 31 March 2018 of nil (2017: nil) is recognised directly in equity in the Property Revaluation Reserve, as shown in the Statement of Movements in Equity and the Statement of Financial Position.

10. Contingent Liability

The Association has collected "SNiP tax" from LIC from the sale of semen for the express purpose of DNA sampling animals for genomic selection in the amounts of \$13,005 in 2010, \$10,511 in 2011, \$11,292 in 2012, \$9,230 in 2013, \$9,113 in 2014, \$5,547 in 2015 and \$5,648 in 2016 which has been recorded as revenue in the respective years' financial accounts. Some DNA sampling has taken place and the Association is likely to incur an additional cost of up to the gross amount collected in the event that widespread testing of the Ayrshire cow population is undertaken.

11. Subsequent Events

At the date of signing the audit report, other than those disclosed in note 2 below, there are no matters or events that have arisen, subsequent to balance date that would require adjustment, or disclosure in, these financial statements (2017 : No matters or event arisen or disclosed).

12. Going Concern

These financial statements have been prepared upon the basis the Association is a going concern. The Association had incurred a deficit of \$70,050 from operations for the year ended 31 March 2018 (31 March 2017: deficit \$41,298) and as at 31 March 2018 the Association's current liabilities are greater than it's current assets in amount of \$105,119.

In addition, the Westpac -91 Loan of \$366,604 matures on 31/03/2019 and at the date of signing these financial statements there has not been any renewal or renegotiation of repayment terms with Westpac relating to this loan.

These conditions cast doubt as to whether the Association will be able to continue as a going concern.



NZ AYRSHIRE ASSOCIATION (INCORPORATED)
NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

12. Going Concern (continued)

Management have forecast a surplus of \$14,395 for the ensuing 31 March 2019 financial year, and are expecting this increase in the surplus to be derived as a result of a change in the semen collection model relating to from breeding services operations, and also a reduction in costs due to the change in the semen collection model.

Should the Association be unable to renegotiate loan repayment terms with Westpac, and achieve a surplus, then the Association may no longer be able to continue as a going concern, and adjustments would need to be made to the Association's financial statements to provide for any loss on realisation of the Association's assets. In addition, the Association would likely be required to provide for further liabilities and to reclassify certain non current assets and non current liabilities as current assets and current liabilities.





Pam Goodin
General Manager

Over the last 12 months good progress has been made in updating Ayrshire New Zealand activities in a number of areas. Improvements continue to be made to our bulk e-mail and newsletter production with updated graphics and the ability to now include photos and graphics in these resources to members. The use of the Facebook social media platform has increased, and we expect to also enhance this over the coming months with the use of targeted and boosted posts.

Changes to the timing of the Ayrshire Bulletin have been well received by members, and advertising income continues to increase. With the help of member Sian Emslie, we also plan to upgrade the website this year to a more modern looking and user friendly site.

In April 2017 we upgraded to the Xero accounting package, which was then integrated to synchronise with our joint customer relationship management programme Outreach. This was a large milestone, and while the implementation of Xero has been a success there are still small issues cropping up with synchronisation between the two programmes. We will continue to manage this over the next couple of months, please just contact us if you have any issues.

An office refit in late 2017 saw new Ayrshire New Zealand artwork installed in the exterior corridor leading to the office – a much more modern and inviting welcome. This year, we plan to install Ayrshire New Zealand vision artwork in the meeting room and in the main office we will feature historical material in a modern way.

There have been a couple of changes to the team following a period where we were not at full strength in the latter part of 2017. Samantha Thornborough moved on in August 2017, and in January 2018 Stacey Allen joined us as full time Business Administrator. Stacey is responsible for the day to day accounts management in Xero along with Judges/shows, competitions and youth administration. Through the summer period a student worked part time to transfer all membership and organisation records into electronic format. More recently contractor Josh Herbes has joined us for one day a week specialising in graphic design, website and social media. We hope to utilise Josh more for Ayrshire New Zealand as he extends his hours shortly.

DIGAD (Dairy Industry Good Animal Database) continues to drag on, with no final solution yet decided for Breed Societies. If unresolved, this has the potential to cause market failure for our organisation, but the Breed Societies continue to work alongside DairyNZ on a solution that will potentially be led by Holstein-Friesian NZ. Crunch time is fast approaching, we will keep members abreast of any developments.

Thank you to Donald as President, and all Directors and members for their continued support. More and more members are directly contacting the appropriate staff member for their query, and this results in better relationships. To that end also from 2019, team members will now rotate attendance at the Annual Conference.

Finally, I would like to acknowledge the support and dedication of your Ayrshire New Zealand team – Angela Makara, Melissa Goodman and Stacey Allen. It is not always easy to juggle the rules, policies and affairs of three organisations but your team complete this with great grace and humour.

Pam Goodin
General Manager



Graeme Emslie
Convenor

Draft accounts for the financial year ended 31 March 2018 are to hand and show a further deficit of \$70,500.

Ace Herd shows a book loss on sales of assets some \$20,000 plus a further trading loss of \$24,000 giving a total loss of \$44,000.

Semayr shows a small trading surplus of \$8,500 when adding \$10,000 administration and \$4000 depreciation, plus additional proven Ayrshire semen stocks of some 9000 straws at cost value approx. \$17,000 to be purchased by LIC. Overall not a bad result. Fertiliser cost of \$18,000 moved into next year.

Ayrshire office shows income from core business of some \$69,000 and operating expenses of approx. \$104,000 leaving a deficit or shortfall of \$35,000.

Like I had said in last year's AGM Finance Report Semayr needs to operate at a surplus of \$40 - \$50,000 per year to meet the shortfall from the Ayrshire office and/or we need to create other income streams and streamline operating expenses. That is without debt reduction. Currently Semayr term lending is \$437,000.

We need the support of our members. Like all breed societies, we rely on income from our core services to financially survive. Therefore, we need subscriptions paid, animals registered and TOP inspected and advertising in our fantastically presented Ayrshire Bulletin.

In addition, please if you do not use any Semayr semen try some. 20-30 straws is better than none. This would be the best-proven team we have presented on production and type.

Graeme Emslie

Convenor - Finance Committee



Gordon Glentworth
Convenor

It is with pleasure that I present the 2018 Semayr Report on behalf of the Semayr Board of Directors. This past financial year shows a modest profit of \$8500.

Our semen processing costs were up by \$40,000 and while this is significant, it reflects the different structure we were working with and that being that we are paying for all semen collection costs. All semen with the exception of Jacks Qunitin has been collected at Animal Breeding Services.

Our sales income was up by just under \$80,000 and our semen straws in storage has also dramatically increased to the extent that it appears at present that only two proven bulls will need to be collected for this season. Our sales have continued to be done by the LIC. We had some delays with getting semen dispatched from ABS to the LIC, which made getting the semen out to the purchasers difficult on occasions. With reduced numbers of sire proving bulls being taken in by the LIC, this has left space for our young bulls to be collected there and this is what will happen this season.

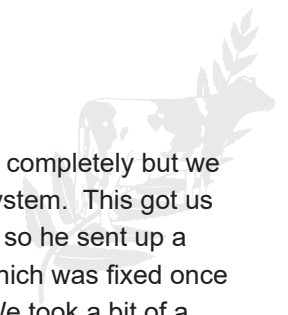
Latest statistics for our Ayrshire breed shows that the 2018 tested Ayrshire cows have an average breeding value for fat of -8kgs and for protein -1.63kgs and with only +90 litres of milk. These figures are derived from direct comparisons across herd mates within age, etc. What it tells us is that there is plenty of room for improvement comparing to the average dairy cow in NZ so keep reading so you can see where improvements are possible.

Our proven bull team, it has never been better. Check this out - all proven bulls being offered by us as main-stream bulls are positive for udder overall score, with all those sires also being positive for adaptability to milking, shed temperament and overall farmer opinion, (this one has a big effect on longevity within the herd). Another important trait, capacity and again all bulls being positive as also is udder support. Now, let's look at the production side, bulls to +37 kg fat and another at just over +30 fat, protein to +29 kgs and a second one at +24.5. The production figures of those Ayrshire sires put them amongst the better proven bulls of all breeds in NZ. From a breed perspective, these sires are not only breed improvers, but can also improve one's financial income through increased production. With further use of these sires, we can lift our breed averages into the positives and be financially rewarded for doing so. A++ situation, helping the breed and ourselves.

All of Semayrs proven mainstream bulls are better than breed average for protein and fat, and as for udder overall scores, up to +.73 and another +.61. Our young bull team, with only 10 new intakes this season offers some variety in genetics. A decision was made not to take in any new A1A1 bulls. In making this decision it threw out two young sires. One of those two already has two ET full brothers in the team, while the other was amongst our lower BV bulls. Nationally the Ayrshire breed appears to be around 15% A1A1 animals, so this decision should not slow any improvement in the breed. Now that Fonterra has shown some interest in A2A2 milk we as a breed don't want to be left behind should anything come of it. On the female side of the young bull pedigrees we aim for a 7-7 dam or higher, however we do sometimes take a young sire in from a 6 udder dam if there is appeal from within the overall pedigree. At time of writing this report the young sires are just about to leave the bull farm for the LIC. The condition of those bulls is very good and due to climatic conditions they were run on a private property until sufficient feed and water was available to have them moved to the bull farm which was done just after Easter.

The bull farm has continued to run all our lay off bulls with currently 73 bulls being farmed there. It has been a bit of a mission this year due to climatic conditions – the late winter and spring months with so much rain and then the sudden change to no rain for over 3 months. Older people in the district stated that never before had they seen these sorts of conditions. The farm went brown and grass growth virtually stopped. While this had minimal effect on the older bulls, we made the decision not to put the young bulls there, as we wanted good weight gain on those.

Continued over ...



The water on the property is from a small creek and powered by a solar pump. The creek dried up completely but we were fortunate enough to couple onto the end of the line from the neighbour's gravity feed water system. This got us through. At one point the neighbour believed there was too much water going through the system, so he sent up a drone to check the troughs on the bull farm, where it was found that the bulls had broken a line, which was fixed once we had been contacted about it. The weeds have been sprayed and fertiliser has been applied. We took a bit of a hammering in the storms that went through with trees being blown down across fences and races, but the bulls were well behaved and didn't get out. The clean-up and fence repairs are underway. I'm hoping that the next 12 months will be more settled than the past year.

Interbull results currently show that within the top 10 bulls evaluated and converted to the NZ evaluation criteria, nine of those top 10 bulls are Semayr Bulls. While we may question how accurate the evaluation is between countries we can certainly take some pride in the fact that 20 or so years ago we had one bull in the top 100, let alone nine of the top 10.

On a final note on behalf of the Semayr Board, thank you to all members that have either purchased semen from our genetic breed improvers and/or have offered us bulls for our progeny test scheme and/or have supported Semayr in any way. Thank you to the Bull Farm helpers and thank you to the members of the Semayr Board for their time and dedication to the improvement of our Ayrshire Breed. Lastly thank you to the office for their help throughout the year.

My final words for this report are when you are considering your semen requirements; please consider the breed's improvement, your own financial gains and the future of the Ayrshire Breed. Semayr can deliver positives in all those areas. The breed's improvement and its future is up to all of us.

Gordon Glentworth

Chairman Semayr Breeding Services



Peter Allison
Convenor

A very tough season in many regions, from floods to very hot days, winds and droughts. In the latter half of last year we had some very good articles on members farming Ayrshire cattle in Rural Publications. 23 members were covered in these articles covering the whole country well done to the people. The 23 was a very high percentage breed wise. We could try and spend huge amounts on promotion and see very little results if any, but articles like these are I think very cost effective and will get the same results. A big thank you to those people, well done.

Also the January 2018 cow on the LIC calendar that gets into many a shed and house was an Ayrshire cow, not bad for 1% of the national herd. A benefit being involved with LIC who has 80% of the AI business in New Zealand. Putting the Ayrshire cow out there in front of the public is what our Ayrshire cattle are doing at the shows that have been held around the country, they have held their own and better against other breeds.

To the breeders that show their cattle I thank you for the professional image that you maintain putting your cows out in the public arena. The North Island Championships at the 175th Bay of Islands show (the oldest A & P Show in NZ) were very well attended. Congratulations to Lodore for North Island Champion and Supreme animal of the show. The NZ Dairy Event saw some great Ayrshire entries with Donalds taking the Supreme Ayrshire award. In the South Island the mycoplasma bovis outbreak put a stop to the summer/autumn shows for cattle in the south. So it was a big blow to the southern breeders to have the South Island Champs at Gore cancelled early February, let's hope 2018/19 season will go ahead. Also to Junior Members, showing and exhibiting their cattle at the shows you may not make a lot of money but comradery, friendships and the skills last forever.

It was very sad that Marilyn Hutchings passed away in late December, a lady that played a huge part in promoting Ayrshires in the Northland area and beyond, not just a matriarch in her family but to the Ayrshire family as well.

On the production side congratulations to the Ayrshire top herds and individual cow awards in the wards. The Sanrosa herd of G & J Glentworth again won the Mayfield trophy for top herd in New Zealand, with a record equalling 607 kgs MS. The 4th consecutive season and the 20th time in the last 30 years. In the herds 300 and over the Stevenson's Glenkyllie herd averaged 521 kgs MS, lifting the bar to new levels and goals for others to aim for, well done. The Bulletin is a very good publication and promotion of our breed, if not the best of any breed in New Zealand. I congratulate the Directors for leading the way with eight out of nine putting in adverts in the last autumn issue.

The Semayr catalogue came out with the Bulletin right on time, this is the best catalogue that has come out from Semayr so I ask breeders to give it a good inspection.

President Donald along with wife Anne, Stewart Riley and Audrey Stevenson attended and had a stand at the two day Agfest Fielday on the West Coast. A great stand, 35 positive enquiries to follow up on. Thanks to the team involved.

On the social media front, Facebook seems to get a good following particularly with the younger breeders, over 2000 followers. We have a policy re social media and if used correctly is a very good means of communication and promotion. If there are stories out there please pass on to the office for inclusion on our Facebook page. The last one I have seen was Oliver Milne (Grandson of Shirley and Bayne Milne) with a school group on farm and friendly Ayrshire cow comes into the group for a look, all good stuff.

Sales of Ayrshires remain positive with some very good individual animals getting very good prices, to the studs that put cattle up for sale I thank you. Two long established herds have had dispersals this season with the Waerenga and Ngarangi herds being dispersed, I hope these cattle find new homes and maybe some new Ayrshire enthusiasts.

Finally thanks to Vince Steiner, Roger Hancock and Pam Goodin for their input and help throughout the year.

Peter Allison

Convenor - Production Promotion Committee



Vince Steiner
Convenor

This committee is made up of: Gordon Glentworth, Brian Hutchings and Vince Steiner. I would like to thank Brian Hutchings for his years of service to this committee.

TOP has seen a increase in numbers this year with a record number of excellent cows. This has come about with three herds that had not classified for a number of years (Lakeside and Ingleside – over 10 years each). We had two hand held's on each tour and while they were working made the job a lot faster. We believe we are getting newer machines this year which will hopefully help reduce breakdowns.

Anyone interested in becoming a TOP inspector please contact me and we can work through the process.

JUDGING/SHOWING

Thanks to the M bovis outbreak in the South Island there has been no South Island Championships this season and no southern animals were permitted at the NZ Dairy Event in Feilding.

Congratulations to people who exhibited animals at shows around the country and paraded Ayrshires for people to see. Special notice to;

ROYAL SHOW

Champion - Larkspur AA Liqueur – Ronnie Baker

Reserve Show Champion – Sunshine Dream Debbie – Sunshine Ayrshires

NZ DAIRY EVENT

Champion Ayrshire – Arran Nexus Hetty – Arran Stud & M & J Vaughan

Reserve Champion – Pukekaraka Dream Diamond – Robinson Family

North Island Championships

Champion Cow – Lodore Vals Nella – Lodore Farm

Reserve Champion cow – Kauri T Kasio – Kauri Ayrshires

We have run three judging schools this year, two in conjunction with Jersey NZ. All cows were led and the days were very successful. We have elevated two associate judges to Senior; Courtney Davies and Andrew Thomson. We have also have some new Associate judges on the list this year so please help to get these people through to senior judges.

Vince Steiner

Convenor – TOP / Judging Committee

2017 TOP & CLASSIFICATION NUMBERS

	TWO YEAR	OLDER	TOTAL	HERDS
Ayrshire	2056	1072	3128	58
Milking Shorthorn	242	58	300	8
TOTALS	2298	1130	3428	66

MAJOR SHOWS & NOMINATED JUDGES

	STRATFORD
	North Island Championship
1	Steve Eagles, Australia
2	Ross Morton
3	Evan Wright
	ELLESMERE
	South Island Championship
1	Kylee Perrett
2	Brian Hutchings
3	Rob Lawson
	HASTINGS
	Royal
1	Andrew Thompson
2	Sue Gibberd
3	Evan Wright

CLASSIFICATION OVER TIME

	2014	2015	2016	2017/18
Ayrshire	2516	2613	2749	3128
Milking Shorthorn	456	190	470	300
TOTALS	2972	2803	3219	3428



Donald Green
Convenor

It is with pleasure that I present the Youth Committee Report for 2017-18.

The Youth Committee consists of Pam Goodin, Vince Steiner, David Ackermann, Imogen Steiner and myself.

For a small Breed in numbers, I am proud of what we can offer our youth.

I am sometimes at a loss as to when our youth members become senior members, we have been criticised in the past for not doing enough for our younger members. I am of the view that we as an Association put the opportunities out there and it is up to our younger members to do something about it for themselves.

A good example of the above is our Youth Achiever Competition which we continue to hold every year although we don't receive a large number of entries. This competition requires our young members to do various assignments for themselves and get them acknowledged and ticked off by a senior person. This year we called for entries in the following categories 5-12yrs, 13 -17yrs and 18-25 yrs, with the overall winner receiving a calf. The calf is being donated by David Ackermann from the Musica Stud.

Congratulations once again go to Courtney Davies for winning the Arran Trophy for the Ayrshire Young Judge Competition and to Braydon Schroder who was second and Hannah Lawson third. Both Courtney and Braydon went on to represent Ayrshire in the World Wide Sires All Breeds Young Judge Competition where Courtney was placed third.

Due to the Ayrshire New Zealand South Island Championships being cancelled because of the outbreak of the cattle disease Mycoplasma Bovis in the south, we were only able to hold the Young Handlers Competition in the North Island this show season. These were held at the North Island Championships held at the Bay of Islands 175th Anniversary Event.

Results: Fredrickson Trophy (Senior) 1st Courtney Davis; 2nd Hannah Nichols; 3rd Jackson Nichols.

The Greenlane Trophy (Junior) 1st Odyssey Travers; 2nd Jasmine Murray; 3rd Alyssa Bishop.

The Young Breeders Seminar was held in the Canterbury area 20th-24th April. Fourteen young members from Northland to Southland attended.

David Ackermann and Wendy Drummond did an excellent job organising his Seminar which included a mixture of Agri business and breed topics. Some very interesting speakers gave their time to come along to speak and demonstrate to the group. For some, it was the first time to Canterbury so I am sure that they would have left with some marvellous memories. Thanks to the Canterbury Club Members for hosting this group on their farms and providing meals. I overheard some members already planning the next Seminar!

New Zealand is a popular destination for a lot of young international travellers and those willing to work. Over the last twelve months we have been fortunate to have young people with an interest in the Ayrshire Breed from Australia, Finland and Scotland stay and work on our farm. They were all keen to learn the New Zealand dairy farming systems. We have discussed as a committee the possibility of having reciprocal contacts with some of the World Ayrshire Federation Countries to make travel and possible job opportunities a little easier for our members to achieve. I would be very interested in getting other members thoughts on this idea.

Once again, I would like to thank the clubs and individuals who help and encourage our young members in whatever direction they are heading in life. Just remember that they are the future of our breed.

We are always looking for new members and I believe that we offer good value for money for the opportunities that are available.

Thanks to Pam and the office staff for all their help often they are the first point of contact for interested people.

Donald Green

Convenor - Youth Committee



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