

New Zealand Ayrshire
Association (Inc)

ANNUAL REPORT
31 March 2017





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

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 108th ANNUAL GENERAL MEETING 2017
and
ANNUAL REPORT, STATEMENT OF FINANCIAL PERFORMANCE
and STATEMENT OF FINANCIAL POSITION
for the year ended 31 March 2017



To be presented to the Annual General Meeting of the Association
to be held at
CHATEAU ON THE PARK
CHRISTCHURCH
on
TUESDAY 8 JUNE 2017, at 9.00 am.

BUSINESS

1. Notice of Meeting.
2. Apologies.
3. Minutes of the 2016 Annual General Meeting (see Bulletin No. 166).
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 2, 3 & 6
9. Notices of Motion.
10. Remits.
11. Reports from Committee Convenors.
12. General Business.

595 Ruakura Rd, R D 6
HAMILTON
22 May 2017

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

- Tues 6 June: Opening Dinner and Awards Presentation sponsored by Agrisea
- Wed 7 June: Bus trip including herd visits, lunch, Crusader Country sale and Youth auction
- Thurs 8 June: Annual General Meeting
Dine and Dance



Donald Green
President

It is with pleasure that I present my Presidents Report for the year ending 31st March 2017.

As I look back over my comments in various Association publications over the past twelve months, I have often found that by the time that it goes to print, my comment is well and truly out of date. I think that for example, I should stop talking about the weather for we all know how it can change over a period of a few days. My thoughts go out to those members who were affected by the extreme weather conditions that many parts of the country experienced throughout the year.

One pleasing aspect to dairy farming has been a lift in the milk price to a level that in most cases is at least sustainable for our dairy farming businesses. With this increase in milk price, goes a lift in confidence in the New Zealand dairy industry.

As your President, I have had a very memorable year. The highlight was attending the World Ayrshire Conference back in September/October in the USA. This was held over three weeks finishing up at World Dairy Expo. It was a marvellous opportunity for Anne and I to visit the USA, meet the local breeders to view their stock and understand their different farming systems, and again to catch up with our Ayrshire friends that we had met on previous trips. The Conference sessions were well attended by member Countries with interesting speakers and informative country presentations. The next World Ayrshire Conference will be held in Australia January 2020.

As for our Association, you don't need me to tell you that we are experiencing cash flow problems and again this year the Association has made an operating loss for the year ending 31st March. Our Finance Convenor and Semayr Board Chairman will outline some of difficulties that we as a Board have had to deal with throughout the year.

At our February Board meeting the decision was made to sell the ACE Herd. This was not easy given the history with this herd. Twelve months ago we were confident of securing a sharemilking position for the 2017/18 season. This didn't eventuate and the decision was made to offer the animals to those farmers currently leasing the cows at current market prices and pay off the debt that we owed in this area of our business.

We finally settled our previous sharemilking agreement, eighteen months after we had left the property. Both parties finally agreed to go to arbitration and had a mediator decide on the outcome. As I have previously mentioned, this did not go in our favour and has cost our Association dearly in lost income and legal fees.

Administration continues to be a main cost to our Association and I often get advice as to how we should best operate this area of Ayrshire NZ. Jersey NZ administer the affairs of our Association thanks to the help of General Manager, Pam Goodin and her team: I realise there are issues from time to time when members don't get satisfaction but in a recent review of our subscriptions and services we have found when compared to other Breed Societies our members get very good value for money.

Not a good year for Semayr, with semen sales down due mainly to three of our proven bulls not producing for various reasons. This year's team looks very promising with the catalogue out early with additional bulls available. I urge members to take a close look at what bulls are available when you are making your breeding decisions.

I would once again like to thank the Board of Directors for their support throughout the year. They, of all people realise that we need the best people possible making the decisions that affect our breed not only at present but into the future. You will see a Notice of Motion from the Board in regards to governance and member representation to be voted on at this AGM.

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; Des Millen, Bill Lawson, Lynda Kite, Debbie Selman, Peter Van der Geest, Don Ferguson, David Walker & Alastair Thomson.

The death of Alastair Thomson was a sad occasion not only for the Thomson family but for the Ayrshire breed. Alastair was an Honorary Life Member, former Director and Past President of our breed and will be sadly missed. I was honoured to speak at his funeral.

Continued over ...

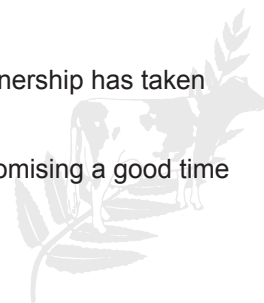
To my wife, Anne and family, thanks for your support and help as it has not been easy when our partnership has taken on another dairy farm. I appreciate the leave of absence given to attend to Association matters.

I am looking forward to this year's AGM and Conference in Christchurch. The Canterbury Club is promising a good time for all. I would like to thank them for agreeing to host this Conference with less than a year to plan.

Looking at the Remits and Notice of Motions it looks like we are in for some interesting debate.

Donald Green

President



Remits

1. The following remit is proposed by the Bay of Plenty Ayrshire Club:

Proposer Graeme Leech / Seconder Sheridan Steiner

SEMAYR BOARD

Along with the Directors appointed by the Board there be a minimum of three non Directors, nominated and voted on by the financial members of Ayrshire New Zealand. These non Directors will be there for a minimum of two years.

The primary purpose and focus of Semayr must be to provide for the genetic requirements of the majority of the members of Ayrshire New Zealand as the shareholders of Semayr and custodians of the Ayrshire breed in this country.

2. The following remit is proposed by Ken Eade and seconded by Ross Morton:

For the development of the breed and for members participation we envisage Board members vacate their seat after three terms and stand down. They will be eligible for re-election after a stand down period of one term.



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

That Rule 3(l) be deleted, and the subsequent rules 3 (m) and (n) be re-named in sequence.

That the existing Rule 16 be revoked and replaced with the following:

CONSTITUTION OF THE BOARD

16. The members of the Board shall be elected as follows, from Senior, Associate and Honorary Life Members of the Association, who actively own, breed and register annually (*where applicable) Ayrshire Cattle. For the purpose of this rule members of the Association shall include the accredited representative of an institution owning and breeding Ayrshire cattle, a member of a partnership owning and breeding Ayrshire cattle, and in the case of a limited liability company owning and breeding Ayrshire cattle, a shareholder in that company holding shares in that company to the equivalent of at least \$200 of nominal value.

*Ayrshire animals eligible for registration.

Northland region- Ward 1	One (1) Director
Central North Island region- Wards 2, 3 & 4	Three (3) Directors. Members in Ward 1 are also eligible to be nominated for Wards 2, 3 & 4 elections.
Lower North Island region- Wards 5 & 6	Two (2) Directors
South Island region - Wards 7, 8 and 9	Three (3) Directors

The Ward Boundaries are:

Ward 1: North of Auckland Harbour Bridge including Waitakere Ranges wards of Auckland Council.

Ward 2: South of the Auckland Harbour Bridge and Auckland Council wards including and south of Whau, Thames Coromandel, Hauraki, Matamata/Piako (North of the Hamilton/Morrinsville railway line, north of State Highway 26 from Morrinsville to Te Aroha and due east to Ward 4 Boundary), Waikato Districts (East of the Waikato River & North of the Hamilton/Morrinsville Railway line).

Ward 3: Hamilton City, Waikato (West of the Waikato River & South of the Hamilton/Morrinsville Railway line), Franklin (South & West of the Waikato River), Matamata/Piako (South of Hamilton/Morrinsville Railway line, south of State Highway 26 from Morrinsville to Te Aroha & due East to the Ward 4 Boundary), Waipa, Otorohanga, Waitomo Districts.

Ward 4: Western Bay of Plenty, Tauranga, South Waikato, Rotorua, Taupo, Whakatane, Kawerau, Opotiki, Gisborne & Wairoa Districts – One Director.

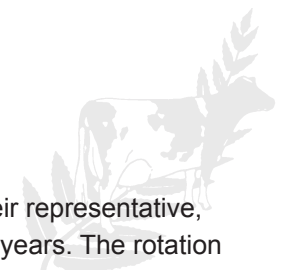
Ward 5: New Plymouth, Stratford, South Taranaki and Ruapehu Districts.

Ward 6: Wanganui, Rangitikei, Manawatu, Horowhenua, Kapiti Coast, Upper Hutt, Wellington, Hastings, Central Hawkes Bay, Tararua, Masterton, Carterton and South Wairarapa Districts.

Ward 7: West of the main divide to include West Coast region, Tasman and Nelson regions.

Ward 8: East of main divide from Marlborough to and including MacKenzie and Timaru Districts.

Ward 9: Waimate, Waitaki, Queenstown, Central Otago, Dunedin City, Clutha, Gore, Southland, Invercargill Districts.



That the existing Rule 17 be revoked and replaced with the following:

17. The Members of the Board shall retire prior to the time required for each region to elect their representative, but may offer themselves for re-election. Each Board member shall serve a term of three years. The rotation order for retirement of Directors shall be as follows: One (1) Director per annum in the Central North Island and South Island regions; one (1) Director per annum except in year one (1) of the rotation in the Lower North Island; and one (1) Director every three years in the Northland region.

For the transition to this regional representation system, in the first full rotation only the length of term for Ward 3 (vacant) within the current rotation will reduce to one (1) year; the length of term for Ward 1 will reduce to two (2) years and; the incumbent Directors in Wards 8 and 9 will draw by lot for position of retirement.

2018: One (1) Director Northland , one (1) Director Central North Island, one (1) Director South Island (existing wards 1, 4 and 8/9)

2019: One (1) Director Central North Island, one (1) Director Lower North Island, one (1) Director South Island (existing wards 3, 5 & 7)

2020: One (1) Director Central North Island, one (1) Director Lower North Island, one (1) Director South Island (existing wards 2, 6 and 8/9)

And each subsequent three year period.

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

ELECTION OF BOARD

19. 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.

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.



BOARD COMMENT TO SUPPORT NOTICE OF MOTION FOR RULE 16, 17 & 19

Again, we as members are being asked to look seriously at the governance of the Board of Ayrshire New Zealand and how we as members are represented on the Board. This Notice of Motion is presented with the full support of your Board.

Our Association is in need of the best qualified Directors available to contribute to the decision making that is required to take our breed forward. Currently the ward system has its limitations especially when two Directors from the same area could make a contribution to the Board. By combining the Wards as outlined, we as a Board believe that members will still be well represented from their area.

The Board asks that you, as members, give this Notice of Motion your support.

That Rule 51 be added as follows:

DISPUTES OR COMPLAINTS

51. Where the Board has received a notice in writing in relation to one of the following matters, the Board will investigate and as soon as practicable resolve or otherwise decide on that matter:
- (a) The Board has been notified of a dispute between two members;
 - (b) The Board has been notified of a dispute between a member or members, and the Board;
 - (c) The Board receives a written complaint about the actions of any Board member; or
 - (d) The Board receives a complaint about any member or any Board member from a non-member, where the complainant is able to be contacted (provide a verifiable name, postal address and telephone number) and participated in the process (not anonymous).

That Rule 52 be added as follows:

CONSIDERATION OF A DISPUTE OR COMPLAINT BY THE BOARD

52. The Board may at its discretion:
- (a) Hold the making of a decision, or referral to the Disputes Panel where there is either a criminal or civil court, or Tribunal decision pending until the outcome of that is made available to the Board; and/or
 - (b) Decline to investigate the matter, if in the opinion of the Board the dispute or complaint is considered petty, frivolous or inconsequential.
 - (c) Decline to investigate or consider the dispute or complaint if during enquiries being made on behalf of the Board, it becomes apparent to the Board that it is not appropriate to further investigate the dispute or complaint.
 - (d) Refer the matter to a Disputes Panel as provided in Rule 53.
- 52.2 Any Board member who in the opinion of the Disputes Panel may be considered to have a conflict of interest shall not take part in any decision-making discussion.



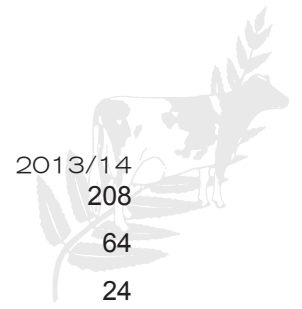
That Rule 53 be added as follows:

INVESTIGATION OF DISPUTES AND COMPLAINTS

53. The Board will select a Disputes Panel to investigate and report to the Board on the matter and make recommendations to the Board. The Disputes Panel will be selected by the Board at the next Board meeting following the receipt of a Notice pursuant to Rule 51.
- 53.2 The Disputes Panel may request that a member or the members making the dispute or complaint lodge with the Society such sum as the Disputes Panel thinks fit to reimburse the Society wholly or partly for the costs of those making the enquiries or considering the complaint and/or the Society's professional advisor's fees before further investigating or considering the dispute or complaint.
- 53.3 At all times the Disputes Panel will act within the rules of natural justice. The Disputes Panel may contact any necessary person or persons for obtaining information in respect of the matter to assist with the investigation. Any member will provide any information requested by the Disputes Panel as soon as practicable following receipt of any such request. Any members unwilling to give information must write to the Disputes Panel with that member's explanation. The Disputes Panel may take any refusal to provide any information reasonably requested into account when considering the Disputes Panel's recommendation to the Board.
- 53.4 The Board will receive recommendations from the Disputes Panel and after consideration the Board will make a determination as to how the dispute or complaint is then to proceed in accordance with the Rules of the Society.

Membership Numbers

	2017/18	2016/17	2015/16	2014/15	2013/14
Senior Members	179	195	200	203	208
Associate Members	66	67	73	65	64
Retired Members	24	24	24	25	24
Junior Members	27	23	20	27	23
Paid Life Members	35	35	37	38	40
Honorary Life Members	9	9	9	10	12
Ordinary Members	8	8	6	6	6
TOTALS	348	361	369	374	377

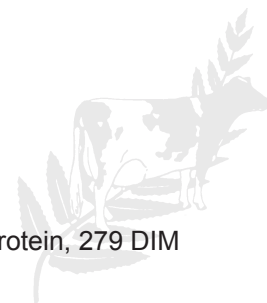


Registrations by Herd Book

	2015/16	2014/15	2013/14	2012/13	2011/12
Female - Main	2682	3,099	3,233	3,411	3,027
- Supplementary	2074	2,585	2,863	2,816	2,634
Male	170	208	204	201	208
TOTALS	4926	5,892	6,300	6,428	5,869

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 & S A Glentworth - 231 cows av. 7082 litres milk, 315 kg fat, 264 kg protein, 279 DIM

Smith Family Trophy: Top Pedigree Cow for NZ, Fat and Protein -
G & S A Glentworth - Sanrosa Royal 0714, V6-8, 8 yrs, 11288 litres milk,
470 kg fat, 414 kg protein, 295 DIM

Snowline Trophy: Top Cow, 10 yrs and over, Fat and Protein -
WR & Z Kite - Kiteroa Julene S2A, VHC, 10 yrs, 8372 litres milk,
414 kg fat, 318 kg protein, 305 DIM

C.E.C. Webb Memorial Trophy: Breeder of Highest "Breeding Worth" Bull, NZ bred, 2015/16 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 - B T & L Hayward, 80 cows av. 7249 litres milk,
308 kg fat, 254 kg protein (562 MS), 289 DIM
101-200 cows - W R & Z Kite, 192 cows av. 6299 litres milk,
263 kg fat, 226 kg protein, (489 MS), 280 DIM
201-300 cows - G & S A Glentworth - 231 cows av. 7082 litres milk,
315 kg fat, 264 kg protein, (579 MS), 279 DIM
301 plus cows - Glenmore Farm - DH & AF Green, C & T Green - 514 cows av. 5383 litres milk,
237 kg fat, 200 kg protein, (437 MS), 281 DIM

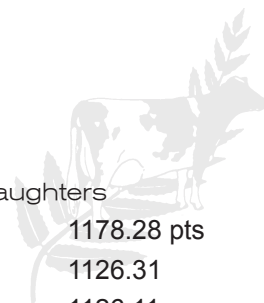
Certificates: Top Cows - Milk, Fat, Protein, Dollar Earning -
Fat kg: Goldwyn Enterprises Ltd - B T & L Hayward, Southwind Qantas Omo, V7-8,
9 yrs, 472 kg fat, 305 DIM
Protein kg: S D Carrington, Luckville Enigma Deb, V7-7, 5 yrs,
419 kg protein, 296 DIM
Milk Litres: S D Carrington, Luckville Enigma Deb, V7-7, 5 yrs, 11901 litres, 296 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	562	4500	196	164	360	249
2.	Valendale Ayrshires Ltd - T L & J I Johansen	280	6099	258	219	477	289
3.	Roma Farm Ltd No 2 - R M & M J Morris	69	6178	281	224	505	274
4.	Goldwyn Enterprises Ltd - B T & L Hayward	80	7249	308	254	562	289
5.	G & S A Glentworth	231	7082	315	264	579	279
6.	M R & S J Booth	181	5586	260	202	462	271
7.	Riverlea Farm Ltd - S G & M Z Riley	296	4817	208	174	382	252
8.	Trinity Holdings (2001) Ltd - L J & W P Main	255	5699	252	214	466	266
9.	Fairleigh Dairy Farm Ltd - K A & A E Eade	98	6365	253	231	484	278

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

	Age	Litres	Fat	Prot	Solids	Days	Owner
Goldwyn Brooke S1A	9	12970	479	408	887	305	Goldwyn Enterprises Ltd - B T & L Hayward



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

1. G & S A Glentworth	Ojaniityn Rumba	1178.28 pts
2. Goldwyn Enterprises Ltd - B T & L Hayward	Sanrosa Royal Phillip	1126.31
3. G & S A Glentworth	Sorby	1126.11

Dalemere Farms Trophy - 10 daughters

1. G & S A Glentworth	Asmo Tosikko	1169.07 pts
2. G & S A Glentworth	Sanrosa Royal Phillip	1072.12
3. Glenmore Farm - D G & A H Green, C & T Green	Asmo Omatunto	982.24

DairyCare Somatic Cell Count Competition:

Overall Winner:	Goldwyn Enterprises Ltd - B T & L Hayward	
Ward Winners:	Cell Count	
1.		
2. Tahuna Pastoral Co Ltd - P & A McFall, M Chatfield	78	
3. Pen oak Farms Ltd - D Mitchell & S Bourke	71	
4. Goldwyn Enterprises Ltd - B & L Hayward	39	
5. Freeview Ayrshires - P & L Megaw	84	
6.		
7.		
8. Willmor Pastures Ltd - M & L Williams	65	
9. CNRAYR Ltd - M T Livingstone	79	

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	-2	
2=. Slack No2 Herd - R & C J Slack	-22	
2=. Estate L Chatfield No 1 Herd	-22	
3. Roma Farm Ltd - R M & M J Morris	2	
4. D A & C M Beuth	-6	
5. D E & A M Jacobson	-12	
6. Te Repo Farms Ltd - D G & T F Thompson	-8	
7. Riverlea Farm Ltd - S G & M Z Riley	-15	
8. Pineview Dairy Farm Ltd - A T & S A Thomas	28	
9. Trinity Farm Holdings Ltd - R & A, C & R Stevenson	17	

Ayrshire Youth Achiever Competition

Age Group 5 - 12	Age Group 13-17	Age Group 18-25
No results, required number of entries not received	1. Hannah Lawson 870 2. Robyn Gordon 530 3. Gabrielle Steiner 460	No results, required number of entries not received
Overall winner: Hannah Lawson		

Alltech All New Zealand Photo Competition

Results to be announced at the Awards Night.



Ingledeale Trophy/Assn Photos:

North Island Champion Cow – V K & S L Steiner - Brookview Napes Huron, E8-9

South Island Champion Cow – K A & A E Eade - Fairleigh Bur Peach, V9-8

Association Photographs:

Res Nth Island Champion Cow – W R & Z Kite - Kiteroa Kia Orana

Res Sth Island Champion Cow – K A & A E Eade - Fairleigh W Amelia, E8-8

Scott Memorial Shield: Sire Progeny – (South Otago 2016) - T S & K J Button

Ardgowan Trophy: Royal Champion Cow – Larkspur Ayrshires - R Baker, Larkspur Modern Nells, V7-8

Wrightson Medal Trophy: Best Female Royal Show – Larkspur Ayrshires - R Baker, Larkspur Modern Nells, V7-8

Autumn Show Points Shield:

Most Points nom. Autumn Show 16/17 - (Kaitaia 2017) - Lodore Farm Ltd - M S & R M Hutchings

Sir Charles Fergusson Trophy: Most Points Royal Show - Larkspur Ayrshires - R Baker

Fredrickson Trophy: Young Handlers Award (Senior) - North Island - Robyn Gordon

Young Handlers Award (Senior) - South Island - Lorna Button

Greenlane Trophy: Young Handlers Award (Junior) - North Island - Alexis McClennan

Young Handlers Award (Junior) - South Island - Fynn Allison

Arran Trophy: Ayrshire Young Judge Competition - Courtney Davies

Special Awards

Kiteroa Trophy

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.

To be announced at the Awards Night.

Bell Booth Achiever Awards

For persons who have made some notable achievement in the Ayrshire Breed.

To be announced at the Awards Night.

Distinguished Member Awards

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.

To be announced at the Awards Night.

Graeme Knight Memorial Trophy

For the member who provides the best written article promoting the Ayrshire breed for either the Ayrshire Bulletin or any other farming publication.

To be announced at the Awards Night.

Rob McIntosh Memorial Trophy

To encourage an exhibitor to go further and/or continue showing animals at local calf club days and A&P Shows.

To be announced at the Awards Night.

New Zealand Ayrshire Association Incorporation

Independent Auditor's Report to the Members of New Zealand Ayrshire Association Incorporated

Opinion

We have audited the special purpose financial statements of New Zealand Ayrshire Association Incorporated on pages 6 to 14, which comprise the statement of financial position as at 31 March 2017 and the statement of financial performance and statements of movements in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Society for the year ended 31 March 2017 are prepared, in all material respects, in accordance with 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 Financial Statements* section of our report. We are independent of the Society 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 Society.

Emphasis of Matter – Basis of Accounting and Restriction on Distribution

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

Material Uncertainty Related to Going Concern

Without modifying our opinion, we draw attention to Note 13 to the financial statements, which discloses that the Society incurred a net loss of \$41,298 during the year ended 31 March 2017.

The financial statements have been prepared assuming that the Society is a going concern. In order for the Society to continue to operate as a going concern the Society plans to sell the Ace herd and intends to repay the Westpac Ace herd loan with the proceeds. In addition it is expected that there will be an increase in Semayr Revenue in the 2018 financial year. Should these events not occur then the Society may longer be able to continue as a going concern, and adjustments would need to be made to the Society's financial statements to reflect the situation that assets may need to be realised other than amounts at which they are currently recorded in the statement of financial position. In addition, the Society may have to provide for further liabilities that may arise and to reclassify non current assets and non current liabilities as current assets and current liabilities.

Responsibilities of Those Charged with Governance for the Financial Statements

Those charged with governance are responsible on behalf of the Society for the preparation of the 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 those charged with governance determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, those charged with governance are responsible for assessing the Society'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 those charged with governance either intend to liquidate the Society or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 those charged with governance 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 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 those charged with governance 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 19 day of May 2017

NZ AYRSHIRE ASSOCIATION (INCORPORATED)
ACE AYRSHIRE HERD
STATEMENT OF LIVESTOCK TRADING
FOR THE YEAR ENDED 31 MARCH 2017

	2017 \$	2016 \$
<u>Ace Cows & Heifers</u>		
Sales	208,456	108,009
	<u>208,456</u>	<u>108,009</u>
Less - <u>Cost of Sales</u>		
Opening Stock	577,900	859,300
Purchases	-	-
Closing Stock	<u>(486,600)</u>	<u>(577,900)</u>
Total Cost of Sales	91,300	281,400
GROSS PROFIT (DEFICIT) ON LIVESTOCK TRADING FOR THE YEAR	<u>117,156</u>	<u>(173,391)</u>

RECONCILIATION OF STOCK NUMBERS

		2017 \$	2016 \$
Opening Stock	Ace Herd	488	623
Less Sales	Ace Herd	167	164
Less Deaths	Ace Herd	0	18
Plus Purchases	Ace Herd	0	0
Plus Natural Increase	Ace Herd	34	47
Closing Stock	Ace Herd	<u>355</u>	<u>488</u>



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

NZ AYRSHIRE ASSOCIATION (INCORPORATED)
SEMAYR LIVESTOCK AND BREEDING SERVICES
STATEMENT OF TRADING
FOR THE YEAR ENDED 31 MARCH 2017

<u>Bulls</u>	2017	2016
	\$	\$
Sales	32,365	48,795
	<hr/>	<hr/>
	32,365	48,795
Less - <u>Cost of Sales</u>		
Opening Stock	96,250	103,500
Purchases	21,250	21,250
	<hr/>	<hr/>
	21,250	21,250
Closing Stock	(96,250)	(96,250)
Total Cost of Sales	21,250	28,500
GROSS PROFIT (DEFICIT) ON LIVESTOCK TRADING FOR THE YEAR	<hr/> <hr/>	<hr/> <hr/>
	11,115	20,295
	<hr/> <hr/>	<hr/> <hr/>
	2017	2016
	\$	\$
<u>Breeding Services</u>		
Sales	109,532	87,710
Opening Semen Stock	34,793	28,347
Closing Semen Stock	<hr/>	<hr/>
	52,651	34,793
GROSS PROFIT ON TRADING OPERATIONS FOR THE YEAR	<hr/> <hr/>	<hr/> <hr/>
	127,390	94,156
	<hr/> <hr/>	<hr/> <hr/>
	2017	2016
<u>RECONCILIATION OF STOCK NUMBERS</u>		
Opening Stock Numbers	Bulls	77
		83
Plus Purchases	Bulls	17
		17
Less Sales	Bulls	17
		23
Closing Stock Numbers	Bulls	<hr/>
		77
		<hr/>



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

NZ AYRSHIRE ASSOCIATION (INCORPORATED)
SPECIAL PURPOSE STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 MARCH 2017

	Notes	2017 \$	2016 \$
ACE AYRSHIRE HERD			
Gross Profit on Livestock Trading for the Year		117,156	(173,391)
Milk Solids		-	21,265
Dividend Income		-	2,368
Total Income on Ace Ayrshire Herd		<u>117,156</u>	<u>(149,758)</u>
Less - Aceayr Expenses	5	<u>(75,365)</u>	<u>(117,871)</u>
Net Surplus (Deficit)		41,791	(267,629)
SEMAYR BREEDING SERVICES			
Gross Profit on Livestock Trading for the Year		11,115	20,295
Gross Profit from Breeding Services		<u>127,390</u>	<u>94,156</u>
Total Income on Breeding Services		138,505	114,451
Less - Breeding Services Expenses	6	<u>(154,725)</u>	<u>(120,457)</u>
Net Surplus (Deficit)		(16,220)	(6,006)
INCOME (EXPENSES) FROM OTHER SOURCES			
Registration		16,806	18,122
Subscription		27,349	28,725
Other Income		<u>36,880</u>	<u>47,351</u>
Total Income from Other Operation		81,035	94,198
Less - Administration Expenses	7	<u>(147,904)</u>	<u>(95,703)</u>
Net Surplus (Deficit)		(66,869)	(1,505)
TOTAL NET SURPLUS/(DEFICIT) TO ACCUMULATED FUNDS		<u><u>(41,298)</u></u>	<u><u>(275,140)</u></u>



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

NZ AYRSHIRE ASSOCIATION (INCORPORATED)
SPECIAL PURPOSE STATEMENT OF MOVEMENT IN EQUITY
FOR THE YEAR ENDED TO 31 MARCH 2017

	2017	2016
Equity at start of Period	842,979	987,215
Net Surplus (Deficit) for the period	<u>(41,298)</u>	<u>(275,140)</u>
Total recognised Revenues and Expenses for the Period	(41,298)	(275,140)
Increase (Decrease) in Investment Funds	1,215	1,904
Increase (Decrease) in Property Revaluation Reserve	-	129,000
	<hr/>	<hr/>
Equity at End of the Period	<u>802,896</u>	<u>842,979</u>



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

NZ AYRSHIRE ASSOCIATION (INCORPORATED)
SPECIAL PURPOSE STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2017

	Note	2017 \$	2016 \$
<u>ACCUMULATED FUNDS</u>			
Opening Balance		345,617	620,757
Surplus (Deficit) for Year		<u>(41,298)</u>	<u>(275,140)</u>
Closing Balance		304,319	345,617
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		1,496	1,496
Youth Fund		14,675	13,460
Special Projects Fund		<u>20,000</u>	<u>20,000</u>
		498,577	497,362
<u>TOTAL MEMBERS & TRUST FUNDS</u>		<u>802,896</u>	<u>842,979</u>
<u>Represented by:</u>			
<u>CURRENT ASSETS</u>			
Debtors		166,938	40,009
Westpac - Ayrshire		-	50,829
Westpac - World Conference		4	4
Stock - Ayrshire		3,026	3,391
Stock - Ace Herd		486,600	577,900
Stock - Semayr	- Livestock - Semen	96,250	96,250
		<u>52,651</u>	<u>34,792</u>
Total Current Assets		805,469	803,175
<u>CURRENT LIABILITIES</u>			
Creditors		66,111	29,975
Westpac - Ayrshire		29,948	-
GST Holding		9,115	(535)
Westpac Banking Corporation	8	<u>366,604</u>	372,604
Total Current Liabilities		471,778	402,044
<u>WORKING CAPITAL</u>		333,691	401,131
<u>SHARES</u>			
LIC Shares	- Ordinary - Investment (4372)	-	663
		9,652	9,652
CRT Shares		640	640
Ravensdown	- Bonus - Investment	1,329	1,329
		<u>1,353</u>	<u>1,353</u>
		12,974	13,637
<u>FIXED ASSETS (REFER SCHEDULE)</u>	2	986,212	988,792
<u>TERM LIABILITIES</u>			
Westpac Banking Corporation	8	<u>529,981</u>	560,581
		529,981	560,581
<u>NET ASSETS</u>		<u>802,896</u>	<u>842,979</u>

President
Donald Green
Date: 19 May 2017



Finance Convenor
Graeme Emslie
Date: 19 May 2017



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

N Z AYRSHIRE ASSOCIATION (INCORPORATED)
NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

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, 10% diminishing value on office furniture, 33% on office equipment and 14% diminishing value on farm machinery. This method and rates are considered appropriate to the circumstances of the Association.

B. 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.

C. 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. The ACE Ayrshire herd have been assessed at market value using the expected sales values of the herd, sold in March and April 2017. Semayr Breeding Services bulls have been valued at the higher of historical cost or assessed standard value of \$1,000.00.

D. Investments

Investments in shares are valued at cost.

E. Income Tax

The Association is not liable for the payment of Income Tax by reason of its exemption under Section CW44(a) of the Income Tax Act 2007.

F. Accounts Receivable

Accounts Receivable are stated at their expected realisable value.

G. 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 2017

2. Fixed Assets

	<u>Cost</u>	<u>Revaluation</u>	<u>Accumulated Depreciation</u>	<u>Closing Value 31/03/17</u>
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 \$9,440 (excl GST)

3. Related Party Transactions

There were no related party transactions during the year ended 31 March 2017 other than between the Association and its members in the normal course of business. (2016: Nil)

4. Capital Commitments

The Association has no capital commitments as at 31 March 2017. (2016: Nil)

5. Aceayr Expenses

Following significant expenses includes;	<u>2017</u>	<u>2016</u>
Grazing	17,917	49,510
Mortgage Interest	31,450	33,329

6. Semayr Breeding Expenses

Following significant expenses includes;	<u>2017</u>	<u>2016</u>
Processing & Distribution	67,984	35,696
Mortgage Interest	18,927	24,895
AE/Animal Registrations	7,608	8,550

7. Administrative Expenses

Administration expenses includes;	<u>2017</u>	<u>2016</u>
Administration Fee to Jersey NZ	65,355	59,588
Audit Fee	6,580	5,700
Depreciation	480	722
Travel & Meeting	10,781	13,318



NZ AYRSHIRE ASSOCIATION (INCORPORATED)
NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

8.	<u>Term Loan</u>	<u>Current Amount</u>	<u>Term Amount</u>	<u>Due Date</u>	<u>Interest Rate</u>
	<u>Westpac Banking Corporation</u>				
	<u>Current Liability</u>				
	Term Loan 91	-	\$366,604	31/03/2018	5.15%
	<u>Term Liability</u>				
	Term Loan 95	-	<u>\$529,981</u>	30/05/2018	5.85%
	TOTAL		<u>\$895,585</u>		

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 2017 the Association has an overdraft facility of \$40,000 with Westpac Bank (2016: Nil)
(ii) The Association holds a Business MasterCard Facility with Westpac Bank with a limit of \$7,000.

9. Property Revaluation Reserve

	<u>2017</u>	<u>2016</u>
Opening Balance	403,294	274,294
Additions in the year	-	<u>129,000</u>
Closing Balance	403,294	403,294

The lease hold 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 2017 of nil (2016: \$129,000) 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. The Property is revalued every three years when the property rateable values are issued.

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. The DNA sampling is now taking place progressively and the Association is likely to incur an additional cost of up to the gross amount collected.

11. Subsequent Events

At the date of signing the audit report, other than those disclosed in note 12 below, there are no matters or events that have arisen, subsequent to balance date that would require adjustment, or disclosure in, these financial statements (2016: No matters or event arisen or disclosed).

12. Changes in Operations – ACE Ayrshire Herd

The sharemilking operation was discontinued on 31 May 2015, and the Association entered into agreement with 6 parties to lease the ACE herd at no charge in exchange for maintenance of the ACE herd for the year. The leases were renewed on 1 June 2016 for a further year with three of the current lessees. Some animals have since been sold to the current lessees in the 2016/17 year, and all remaining animals will be sold by the end of the 2016/17 milking season.

There have been no issues with non-compliance or poor health under the agreements, and where animals have been culled, the society has received the proceeds.



NZ AYRSHIRE ASSOCIATION (INCORPORATED)
NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

13. Going Concern

The Association had incurred a deficit of \$41,298 from operations for the year ended 31 March 2017 and a deficit of \$275,140 in the year ended 31 March 2016. Management have also forecast a cash surplus of \$41,234 for the year ended 31 March 2018. As noted in note 12 above, management plans to sell the remainder of the Ace herd, and intends to repay the Westpac Ace Herd loan with the proceeds of the sales. In addition it is expected that there will be an increase in SEMAYR Sales for the 2018 Year.

These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Association's ability to continue as a going concern and therefore the Association may be unable to realise its assets and discharge its liabilities in the normal course of business.





Pam Goodin
General Manager

During the course of the last 12 months, further efficiencies have been made throughout office procedures. These have mainly affected the way that we contact members. More use is being made of the ability to bulk e-mail members, and the Ayrwaves newsletter is also now supplied electronically to members. There are further improvements planned for the Ayrwaves which will enable us to enhance the content with more graphics. The ability to provide information to members electronically has advantages for both members and the Association. As members, you can now receive information in a more timely way (especially given delays often experienced with NZ Post), and from an Association viewpoint there will be considerable savings in mailout costs.

More recently we have updated our accounting package and are now using the Xero package. This also means that we are able to send invoices electronically. There will be some time savings in the office with the implementation of this programme, along with enhanced reporting available to the Board. In all instances, members are always able to choose how they receive their information, so if you are not receiving notices, newsletters or invoices in your preferred format, please contact the office and we will update your records.

For the first time the Autumn Bulletin was mailed directly from the printer using a flow wrap, bulk mail system. The ability to use bulk mail facilities will also reduce the costs involved to the Association in getting this publication to members. I acknowledge the delays in getting this issue of the Bulletin to members. While the magazine was issued two weeks late in mid-April, Easter and postage delays impacted the delay further. This was the first time since autumn 2015 that both the Ayrshire and Jersey magazines were completed within the office, and it highlighted the issues with having such close issue dates and the flow on effects of delays beyond our control with the first magazine. The IT issues that caused the delays have been resolved, and the two Boards have agreed to change some publication dates to lessen any impact in the future. As a result the Ayrshire Bulletin will now be issued on 1 April and 1 October annually.

On the staffing front, Samantha Thornborough was employed as Member Services Administrator in May 2016, and is a welcome addition to the team. Samantha has since had a role change to Administration Assistant and from an Ayrshire perspective is taking responsibility for judging, youth programmes, Semayr administration and most competitions. Melissa Goodman commenced employment in January 2017 as the new Member Services Administrator; her primary responsibilities are registrations and TOP. She is already heavily involved in promoting the new registration programme to members. Whilst it has been a year of significant change to staffing, I am confident that we now have a great team and hope that members will continue to support our new staff members as they grow into their roles.

There is some movement on the DIGAD front (Dairy Industry Good Animal Database). While I am not yet in a position yet to report on this, the Breed Society solution cannot come too soon. More and more we realise that the state of the art e-registration system implemented over 15 years ago needs significant reconstruction to meet both our needs as providers, and your needs as members. This is a natural progression as the technology improves, and we look forward to being able to provide better registration services to members and be able to take more control of how we report breed data.

I would like to thank the Board and members of Ayrshire New Zealand for their continued support. I would also like to thank our staff, all of whom are active in Ayrshire activities on a regular basis. It has been an extremely busy year, with some major projects undertaken. Throughout the year they have met almost all deadlines and taken any process changes in their stride.

Pam Goodin
General Manager



Graeme Emslie
Convenor

Financial accounts for the financial year ended 31st March 2017 are to hand and show an overall Deficit for the year of \$41,298. This broken down as follows:

The deficit made up as follows:

ACE HERD - Surplus \$41,800

A direct resulting from part sale of Ace herd less expenses.

SEMAYR - Deficit \$16,220

This should have been a healthy profit, all that could go wrong fairly much did. Top two ranking bulls did not produce and a third bull was culled by ABS for temperament before semen could be collected. Semen Processing and Distribution was up from \$35K to \$68K. We now have a different payment structure with ABS then what we had with LIC, all semen is paid for as it is collected to ABS then we don't get paid by LIC until December. So this first year is an adjustment year and affects cash flow in a big way. But on a positive note semen stocks are up some \$18000 to \$52600. (Semen stocks are valued at cost not sales value).

AYRSHIRE deficit \$66,869

Income down some \$8000 mainly due to Bulletin losses and reduced Classification income. Expenses were up some \$26000 mainly due to Bad Debts written off \$13000, World Federation expenses \$6500 and a General expense credit of \$7000 in the previous financial year which effectively lowers your comparison year.

BUDGET FORECASTS

The budget for the year ended 31st March 2018 has been revised and shows a forecasted Surplus of \$41,234 made up as follows;

ACE

Sale of Ace herd in total less full repayment Ace herd loan leaves surplus of some \$75000 after some closing expenses.

SEMAYR....Surplus \$16,000.

AYRSHIRE..Deficit \$50,000.

I have completed a forecast for Semayr a further 12 months out for March 2019 and estimate a surplus in the vicinity of \$31,000. Ayrshire as it stands with the forecast for this year Semayr would need to generate a surplus around the \$50,000 mark or better to keep the ledger on the right side unless some other income streams can be found.

Graeme Emslie

Convenor - Finance Committee



Gordon Glentworth
Convenor

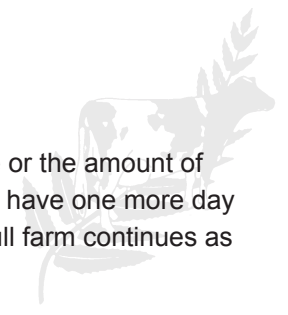
It gives me pleasure to present the 2017 Semayr Report on behalf of the Semayr Board of Directors. This past season has been trying for us when for various reasons our proven bull team did not all produce semen, putting us in the position of having to find other semen from sometimes older proven bulls from our reserves. I am pleased to announce that this year all our main proven bulls are producing semen. We have started collecting them earlier this year. Last year with the change of agreement we were working under, we collected them later so the time frame from collection to receiving our royalty payments was less. While this made good financial sense, it would not have been a problem if the bulls had all produced quality semen. We did not expect any problems but they arose anyway.

This year we started collecting semen from the proven bulls a lot earlier and collection has been going well. Not only has the collection been going well but this year's proven bull team is of a very high standard. We have bulls that are very high in udder conformation plus very high in production and with this, some of the bulls have virtually no blood or no blood of our bulls previously sold, so they are an outcross. At the request of some members we have also included another proven bull with different genetics again. We were fortunate to be able to have this bull that met production and type standards. It is fine to be asked to include these bulls but if they are not considerably better than average in type and production then the breeds' progress is compromised, an area that we try to stay away from. We also looked at marketing bulls from North America, the UK and Scandinavia. We have been to date unsuccessful at obtaining genetics from North America. While we could have marketed genetics from the UK, the genetics that we would have considered were already being marketed here, so not wishing to take any other AB marketing companies' opportunity away we have not ventured there. From Scandinavia there is one proven sire that is very high in type and well above average for production that we are negotiating on, a flyer will be put out if and when we are successful.

The young sire team again contains some genetics in it that are different to what the majority of the breeders are using. There are also some sons of progeny test bulls that are yet to be proven and the balance being by proven sires. Within the dam lines they are up to E8-9 or E9-8 on classification. Some of the studs that these young sires are obtained from are from higher stocked farms and with limited or no outside feed at all. It should be noted that provided the genetics within these pedigrees have widespread proofs that is along sire pathways, then those genetics are very likely to work over the majority of herds regardless of feeding levels. Within our selection we do not select young bulls from dams that do not calve for their second lactation at three years. This year we also looked for young sires with a little different breeding away from the bloodlines or sire lines that we have selected in the past. Looking was the easy part but finding was the harder part. What I mean from that is that young sires that been kept by breeders around the country, we did find some but when looking at the pedigrees there seemed to be a tendency of the second lactation taking place at four years instead of three years and the consequently the bulls from those animals were not selected. Our selected young bulls are all (except one) on the bull farm and within the next two weeks (at the time of writing) will be sent up to ABS. Our proven bulls of tomorrow come from these young sires so we ask you, the members, to help support the breed further by using some straws from these bulls as to help ensure a positive direction for our breed in the years to come.

The bull farm continues as our place to hold our bulls awaiting their evaluation from daughter production and classification. The past two years we have also take the young bulls at weaning and have managed them until going to the AB centre for collection. Fertiliser is due to go on this year as we now only fertilise the property bi-annually. A solar powered water pump was installed before Christmas and this has been a major improvement as in the past our gravity feed water supply only was normally at night over the summer period, provided that the farm below us had no major leaks at which point we did not get any water at night. The benefit from the solar pump has been no water shortages at all and in turn this has meant no break outs by the bulls looking for water. The outcome of this is maintenance costs for fencing is greatly reduced and no bull deaths. Up until last year our weed maintenance was carried out by a retired member and that had worked well with us supplying the tractor etc., and he his time.

Continued over ...



The cost of this was minimal. Last year we used a contractor but I was not happy with the job done or the amount of gates left open. This year weed control has been carried out by ourselves and at time of writing we have one more day to go to finish the farm. This will work out cheaper than last year and with a better job done. The bull farm continues as an asset to the breed.

Animal evaluation has altered a lot over the years. At one point production made up approx. 82% of the BW system, now it is down to less than 50%. It is not as easy now to look at production and line it up with BW in one's herd. Every new trait that is added into AE is at the expense of production. It is not so much they system that we are not happy with but the across breeds part of the evaluation. Ayrshires are now less than 00.07% of the national dairy herd population and as such we fall under the margin of error. We believe that there is error in the across breeds evaluation, with the outcome of penalizing our breed. Examples have been given to the AE unit, but no response has been received. The board of Ayrshire NZ has formally requested that the Ayrshire breed be removed from the across breeds evaluation. This would allow farms to try Ayrshires for themselves and make up their own mind as to the worth of the breed in their own herd(s) as well as in the NZ dairy industry. Currently the across breed evaluation has us at a level that most dairy farmers would not consider us to be a viable option. Within the evaluation system are BV's which for the production BV's, are direct comparisons against herd mates, same age etc. These figures are still very relevant so no change in that area. There is a report available called the Traits Evaluation Report which contains a lot of information on each animal including Breeding Values and Production Values.

Lastly I on behalf of the Semayr Board would like to thank all members that either purchased semen from the genetics offered by Semayr and/or offered us bulls for our progeny test scheme and/or generally supported Semayr and its principals of improving the Ayrshire Breed. Special thanks to all members that have helped on the bull farm when required, particularly with the TB test in January. Final thanks to the members of the Semayr Board and the office for their help and support throughout the year.

Gordon Glentworth

Chairman Semayr Breeding Services



Brian Hutchings
Convenor

The Ace Herd committee is made up of myself, Gordon Glentworth, Graeme Emslie, Roger Hancock and Stewart Riley.

In the last two years the Ace Cows have been leased out, and are well looked after on the farms where they were homed.

After looking at different opportunities, unfortunately we found that there was nothing that would enable the herd to be bought back together on the one property.

The decision was made at our February board meeting to sell the herd. The animals were offered to the people who were leasing them, and they were given the first right of purchase. All of the Ace Herd Cows were sold to the lessees and the income generated will cover the mortgage on the herd.

This transaction will leave the association in a much better cash fund position. This will enable the board to look at other ventures should they arise, to help insure the future of the breed and Association.

Many members had donated stock or funds to assist in the establishment of the Ace Herd over the years. These members were offered incentives and benefits as a way of thanking them for their support. Many thanks to those members who did support the Ace Herd initiative.

Brian Hutchings

Convenor - Ace Herd Committee



Roger Hancock
Convenor

It is a pleasure to present this report in the light of a much better milk payment price this season, it certainly has been a much speedier and more appreciated recovery than anticipated.

The productivity of our Ayrshire cow is highlighted by the individual cow and herd average award winners maintaining and, in some cases, exceeding previous season's figures under the cost cutting programmes that most members have had to carry out given the very low returns received at the time. Of particular note is the Sanrosa Stud of G. Glentworth, winning the Mayfield Trophy for the 3rd consecutive season and the 19th time in the last 29 years. To all those members who topped their ward and the individual cow production award winners, congratulations on a great effort. You give the other members of the Association a goal to aim for.

We believe the ability of our Ayrshire cow and her value to the dairy industry is being undervalued and hope that this is accurately reflected in the index system sooner rather than later. On the showing front it is great to see Ayrshires positively and professionally exhibited. The numbers shown far exceed the numbers relative to the others breeds, as do the results.

Numbers at most A & P shows this year held their own which is a great achievement by the exhibitors given it is a labour of love, with no direct financial gain (more often a loss) to be had. As a Committee and a breed we are indebted to those members who show Ayrshires as this is now probably the best opportunity to promote our Ayrshires to the public. Of particular note was the Fairleigh Stud - winning three of the four major awards at the South Island Championship. A great effort by the Eade family!

At the time of writing this report Annual Sales of Ayrshires have just concluded with prices overall very positive. While numbers offered overall are reducing, we believe it is still important for us as breeders to offer good quality Ayrshires to all farmers. We would like to thank all members for their continued positive portrayal of our Ayrshire cattle, as you are the most important promoters of our breed today.

Finally thank you to Vince Steiner, Peter Allison and Pam Goodin for their input and support this year.

Roger Hancock

Convenor - Production Promotion Committee



Vince Steiner
Convenor

This committee is made up of: Gordon Glentworth, Brian Hutchings and Vince Steiner.

This year we ran three judging schools in the Waikato, Taranaki and Christchurch, which were well attended. From this we have gained three new Senior Judges as well as some new associates. A big thanks to Ivan Fredrickson and Ken Eade for their time and valuable tuition towards the Judging Schools and over a number of years. Many thanks to the people who hosted Judging Schools, Baxters, Fredricksons and Ackermanns.

The nominations for the following shows are as follows:

	BAY OF ISLANDS	INVERCARGILL	HASTINGS	NZDE ASSOCIATE
	North Island Championship	South Island Championship	Royal	
1	Derek Hayward	Kylee Perrett	Kelly Allison	Martin Williams
2	Bruce Eade	Sue Gibberd	Paul Symonds	David Ackermann
3	Gordon Glentworth	Vince Steiner	Bruce Eade	

The other change made this year is the Association photos for the North and South Island Championships. Members are able to provide their own professional photo of their animal for the Association's photos.

We had six people compete in the New Zealand Young Judges competition for the Arran Trophy. Congratulations to Courtney Davies for winning, also Courtney and Pete Smit who went on to perform well at the World Wide Sires All Breeds Young Judge Finals. Please support Associate Judges to get them moving through the system to Senior.

TOP Classification

HERDS	2016	2015	2014	2013
Heifers	1598	1481	1746	1779
SPS Heifers	320	457	360	196
Cows	831	675	965	1349
Milking Shorthorn	470	190	456	494
TOTALS	3219	2803	3527	5818

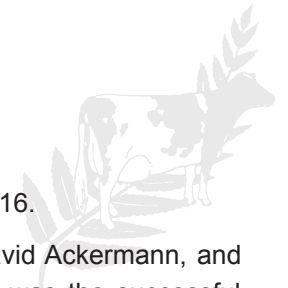
We did some combined herds in the Manuwatu area and the members involved were pleased to only sort cows for one day.

It is to be noted that we have put some fees for classification up for 2017 but we still have the cheapest fees of all breed societies. This has left a difficulty in doing the combined classifications.

We have had two new inspectors certified this year. Congratulations to Ross Morton & David Ackermann.

Vince Steiner

Convenor – TOP / Judging Committee



Donald Green
Convenor

It is with pleasure that I present the Youth Committee Report for 2016.

The Youth Committee consists of Pam Goodin, Vince Steiner, David Ackermann, and Courtney Davies, and myself. Courtney was co-opted and David was the successful nomination from the membership.

You may recall that at the 2015 AGM in Invercargill I announced that Imogen Steiner and Courtney Davies were selected to represent Ayrshire NZ Youth at the 2016 World Ayrshire Conference in the USA. This trip was partly funded by our youth fund. Unfortunately Courtney was unable to make the trip but Imogen did make the Conference tour and was an excellent ambassador for our country and made the most of the opportunities that came her way.

Our Youth Achiever Competition was held again this year and in an effort to attract more entries a calf was donated by Brookveiw to go to the overall winner. There was no result in the 5-12 years age group as the required number of entries was not received, Hannah Lawson won the 13-17 years category and no result in the 18-25 years age group as the required number of entries was also not received. The overall winner was Hannah Lawson.

Entries have been disappointing in this competition in recent years and I would encourage members and parents to get our young members involved as the rewards are well worth it.

Congratulations to Courtney Davies for an outstanding year around the show circuit. She won the Arron Trophy for the Ayrshire Judge Competition held at Dairy Event and was then placed third in the World Wide Sires All Breeds Judging Competition. At the same event she won the Shirley Crothers Memorial Trophy which includes a trip to the United Kingdom. At the Royal Show at Hastings she won the National RAS Dairy Paraders Competition.

The Young Handlers Competitions were held at the North Island Championships at Waikato and the South Island Championships at South Otago. The winners of the Fredrickson Trophy [Senior] were North Island, Robyn Gordon and South Island, Lorna Button. Winners of the Greenlane Trophy [Junior] were North Island, Alexis McClennan and South Island, Fynn Allison.

Unfortunately, our Youth Seminar had to be cancelled this year. It was to be held in the Bay of Plenty/South Waikato area. A very good programme had been organised by the local Clubs but with some bad weather in the area at the time and not a lot of interest it was decided to cancel for this year.

Thanks to all the Clubs and individuals who help and encourage our young members in various breed activities, remember that these young people are the breed's future.

Anne and I get a lot of enjoyment hosting young overseas visitors to our farm. These young people are involved in the Ayrshire breed in their own country and often we get a call to see if they can come and stay for a while. Our spare bed is more appealing than the back of a van which is often the norm these days for young travellers.

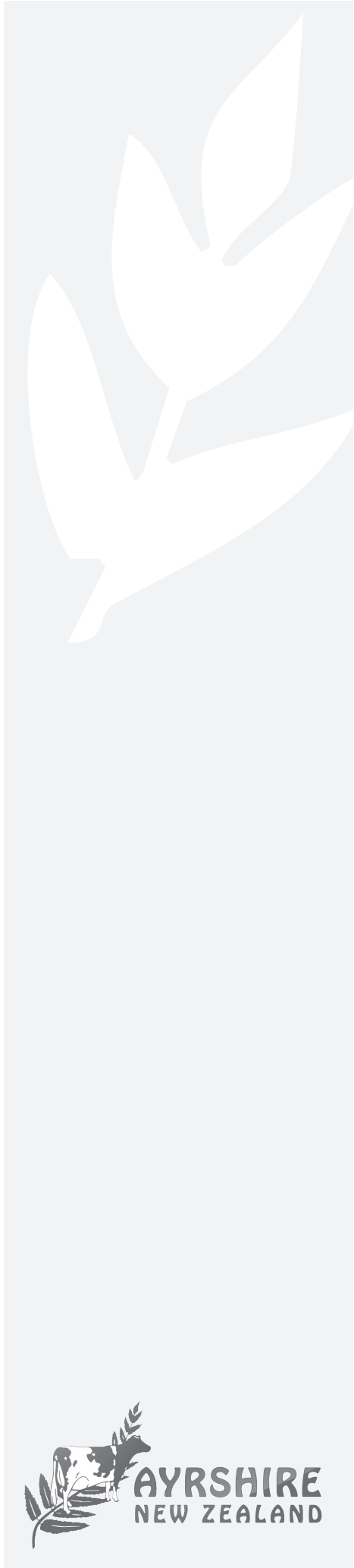
Being a Youth Member of Ayrshire NZ has a lot of advantages so if you think that someone you know would be interested sign them up and if you are feeling generous pay their first subscription.

Thanks again to Pam Goodin and her staff for all the administration and the reports on the various youth activities that happen throughout the year.

Donald Green

Convenor - Youth Committee





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