



MINISTRY OF AGRICULTURE

ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2015

MINISTRY OF AGRICULTURE

ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2015

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MINISTRY OF AGRICULTURE

DIRECTORY

Minister

Honourable Kiriau Turepu
Minister of Agriculture

Head of Ministry / Title

Dr Teariki Matairangi Porea
Secretary

Postal Address

P O Box 96
Avarua
Rarotonga

Office Address:

Arorangi
Phone : 28-711
Email: support@agriculture.gov.ck
Website: www.agriculture.gov.ck

Auditor

Cook Islands Audit Office

Banker

Westpac Banking Corporation
Avarua
Rarotonga

Solicitor

Crown Law Office

MINISTRY OF AGRICULTURE

STATEMENT OF RESPONSIBILITY

In terms of Section 30 of the Ministry of Finance and Economic Management Act 1995-96, I am responsible for the preparation of the Ministry of Agriculture's financial statements and the judgements made in the process of producing those statements.

I have the responsibility of establishing and maintaining internal controls. I have established and maintained a system of internal control procedures that provide reasonable assurance as to the integrity and reliability of financial reporting.

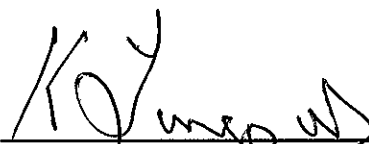
In my opinion, these financial statements fairly reflect the financial position and operations of the Ministry of Agriculture for the year ended 30 June 2015.



Dr Teariki Matairangi Porea
Secretary

17 August 2016

Date



Honourable Kiriau Turepu
Minister of Agriculture

17 August 2016

Date



AGREED UPON PROCEDURES REPORT

TO THE READERS OF THE FINANCIAL STATEMENTS OF THE MINISTRY OF AGRICULTURE FOR THE YEAR ENDED 30 JUNE 2015.

Pursuant to our arrangements letter dated 18 July 2016, we undertook the procedures agreed with you. Our engagement was undertaken in accordance with the standards for Agreed-upon Procedure Engagements as promulgated by the New Zealand Institute for Chartered Accountants [APS-1]. This report presents our findings pursuant to the results of the agreed upon procedures performed.

The agreed upon procedures we performed are summarized as follows:

- 1) Crown appropriation revenue
 - a. We compared the Crown appropriation recorded as revenue by the Ministry for the period to the Ministry Appropriation recorded by Ministry of Finance and Economic Management (MFEM).
- 2) Personnel expenses
 - a. We compared personnel expenditure, including bonus payments and movements in payroll accruals, annual leave accruals and long service bonus accruals recorded by the Ministry for the period to the amounts recorded in MFEM's Solomon Payroll Report.
- 3) Capital expenditure
 - a. We compared the movements in Property, plant and equipment and capital expenditures recorded by the Ministry for the period to MFEM's approved capital appropriations budget for the Ministry
- 4) Crown receivables
 - a. We compared the movements in the Crown receivables balance of the Ministry for the period and the balance of Crown receivables at period end to the MFEM statement for the Ministry
- 5) Crown payables
 - a. We compared the movements in the Crown payables balance of the Ministry for the period and the balance of Crown payables at period end, including depreciation repayable and surplus repayable, to the MFEM statement for the Ministry

We report our findings below:


- a) With respect to item 1, Crown appropriation revenue of \$811,794 agrees to the Ministry Appropriation recorded by MFEM;
- b) With respect to item 2, Personnel expenditure, including bonus payments and movements in payroll accruals, annual leave accruals and long service bonus accruals, of \$804,450 agrees to MFEM's Solomon Payroll Report;

- c) With respect to item 3, the movements in Property, plant and equipment of (\$864) was confirmed. Capital expenditure recorded by the Ministry for the period of nil agrees to MFEM's approved capital appropriations budget for the Ministry;
- d) With respect to item 4, the movements in the Crown receivables balance of the Ministry for the period of nil and the balance of Crown receivables at period end of \$109,982 agrees to the MFEM statement for the Ministry; and
- e) With respect to item 5, the movements in the Crown payables balance of the Ministry for the period of \$6,553 and the balance of Crown payables at period end of \$271,105 agrees to the MFEM statement for the Ministry.

Because the above procedures do not constitute either an audit or a review made in accordance with New Zealand Generally Accepted Auditing Standards, we do not express any assurance on the financial statements of Ministry of Agriculture.

This report relates only to the accounts and items specified above and do not extend to any financial statements of the Ministry of Agriculture, taken as a whole. Had we performed additional procedures or had we performed an audit or review of the financial statements in accordance with New Zealand Generally Accepted Auditing Standards, other matters might have come to our attention that would have been reported to you.

Our procedures were completed on 17 August 2016 and our findings are expressed as at that date.


Allen Parker
Director of Audit
Cook Islands Audit Office
Rarotonga, Cook Islands



MINISTRY OF AGRICULTURE


**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2015**

In New Zealand Dollars	Notes	2015	2014
Revenue			
Crown Appropriation		811,794	744,796
Trading Revenue		85,020	80,321
Other Revenue		2,100	-
Total Revenue		<u>898,914</u>	<u>825,117</u>
Expenditure			
Personnel expenses	2.	804,450	787,986
Depreciation / Amortisation	10	4,608	5,770
Other Expenses	3	73,940	64,796
Total Expenditure		<u>882,998</u>	<u>858,552</u>
Operating Surplus / (Deficit)		<u>15,916</u>	<u>(33,435)</u>
Aid Revenue	8	-	13,173
Aid Expenses	8	-	9,674
Aid Surplus / (Deficit)		<u>-</u>	<u>3,499</u>
Net Surplus / (Deficit)		<u>15,916</u>	<u>(29,936)</u>

The accompanying notes should be read in conjunction with these Financial Statements

MINISTRY OF AGRICULTURE
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2015

In New Zealand Dollars	Notes	2015	2014
Taxpayer's Funds			
Accumulated surplus /(deficits)		(300,874)	(311,755)
Owner Contributions		272,089	272,089
TOTAL TAXPAYER'S FUNDS		<u>(28,785)</u>	<u>(39,666)</u>
Represented by:			
Current Assets			
Cash and Equivalents	4	(217)	-
Debtors and Other Receivables	5	288,670	269,303
		<u>288,453</u>	<u>269,303</u>
Non-Current Assets			
Property, Plant, and Equipment	10 a,b	7,714	8,578
		<u>7,714</u>	<u>8,578</u>
TOTAL ASSETS		<u>296,167</u>	<u>277,881</u>
Current Liabilities			
Creditors and Other Payables	6	313,022	301,467
Aid Liabilities		283	283
Employee Entitlements	7	11,647	15,797
		<u>324,952</u>	<u>317,547</u>
TOTAL LIABILITIES		<u>324,952</u>	<u>317,547</u>
NET ASSETS		<u>(28,785)</u>	<u>(39,666)</u>



Dr Teariki Matairangi Purea
Secretary

17 August 2016
Date

The accompanying accounts should be read in conjunction with these Financial Statements

MINISTRY OF AGRICULTURE

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015

In New Zealand Dollars	Accumulated Surplus / (Deficit)	Contributions from Crown	Total Equity
Balance as at 30 June 2014 brought forward	(311,755)	272,089	(39,666)
Changes in equity for the year:			
Net surplus / (deficit) for the year	15,916	-	15,916
Depreciation to be repaid to the Crown	(5,035)	-	(5,035)
BALANCE AS AT 30 JUNE 2015	<u>(300,874)</u>	<u>272,089</u>	<u>(28,785)</u>

MINISTRY OF AGRICULTURE

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2014

In New Zealand Dollars	Accumulated Surplus / (Deficit)	Contributions from Crown	Total Equity
Balance as at 30 June 2013 brought forward	(276,050)	272,089	(3,960)
Changes in equity for the year:			
Net surplus / (deficit) for the year	(29,936)	-	(29,936)
Depreciation to be repaid to the Crown	(5,769)	-	(5,769)
BALANCE AS AT 30 JUNE 2014	<u>(311,755)</u>	<u>272,089</u>	<u>(39,666)</u>

MINISTRY OF AGRICULTURE

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015

In New Zealand Dollars	2015	2014
Cash Flows From Operating Activities		
<i>Cash was provided from:</i>		
Crown Appropriation	813,312	744,796
Receipt from Clients	89,220	80,321
VAT Refunds	900	588
Aid Revenue	-	13,455
	<u>903,432</u>	<u>839,160</u>
<i>Cash was applied to:</i>		
Payments to Employees	802,984	770,792
Aid Expenses	-	9,674
Payments to Suppliers	77,553	71,228
	<u>880,537</u>	<u>851,694</u>
Net Cash Flows from Operating Activities	<u>22,895</u>	<u>(12,533)</u>
Cash Flows from Investing Activities		
<i>Cash was provided from:</i>		
<i>Cash was applied to:</i>		
Purchase of Fixed Assets	3,745	5,111
	<u>3,745</u>	<u>5,111</u>
Net Cash Flows from Investing Activities	<u>(3,745)</u>	<u>(5,111)</u>
Cash Flows From Financing Activities		
<i>Cash was provided from:</i>		
Over appropriation from Crown	-	25,996
	<u>-</u>	<u>25,996</u>
<i>Cash was applied to:</i>		
Cash Recall	19,367	156,910
	<u>19,367</u>	<u>156,910</u>
Net Cash Flows from Financing Activities	<u>(19,367)</u>	<u>(130,914)</u>
Net Increase/(Decrease) in Cash Held	(217)	(148,558)
Opening Cash Balances	-	148,558
Closing Cash Balance	<u>(217)</u>	<u>-</u>

The accompanying accounts should be read in conjunction with these Financial Statements

MINISTRY OF AGRICULTURE

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015

In New Zealand Dollars	2015	2014
Reconciliation of Net Surplus to Cash Flows from Operating Activities		
Reported Surplus	15,916	(29,936)
<i>Add / (less): Non-cash items</i>		
Depreciation	4,608	5,770
Change in employee entitlements	(4,150)	3,633
Provision for Doubtful Debts	(2,100)	-
	<u>14,274</u>	<u>(20,533)</u>
<i>Add / (less): Movements in working capital items</i>		
(Increase) / decrease in Accounts Receivable	2,100	-
(Increase) / decrease in Crown Receivables	1,518	-
Increase / (decrease) in Accounts Payable	220	(4,199)
Increase / (decrease) in Aid Liabilities	1	283
Increase / (decrease) in VAT Payable	900	588
Increase / (decrease) in Payroll Accruals	5,616	13,561
Increase / (decrease) in Sundry Creditors	(1,734)	(2,233)
	<u>8,621</u>	<u>8,000</u>
Net Cash Flows from Operating Activities	<u><u>22,895</u></u>	<u><u>(12,533)</u></u>

The accompanying accounts should be read in conjunction with these Financial Statements

MINISTRY OF AGRICULTURE

**STATEMENT OF APPROPRIATIONS
FOR THE YEAR ENDED 30 JUNE 2015**

In New Zealand Dollars

Year Ended 30 June 2015		Appropriation Voted	Revenue/ Expenditure Actual	Surplus / (Deficit)
Output 1:	Crop Reseach & Development	329,175	322,123	7,052
Output 2:	Biosecurity Management	307,429	300,843	6,586
Output 3:	Livestock Management	62,200	60,867	1,333
Output 4:	Project and Policy Development	91,556	89,595	1,961
Output 5:	Adminstration & Finance	<u>111,969</u>	<u>109,570</u>	<u>2,399</u>
		<u>902,329</u>	<u>882,998</u>	<u>19,331</u>
Included in the Appropriation Vote:				
	Trading Revenue	90,535	85,020	(5,515)
	Other Revenue		2,100	2,100
	Net Surplus/(Deficit)			<u><u>15,916</u></u>
Year Ended 30 June 2014				
Output 1:	Adminstration & Finance	331,601	321,571	10,030
Output 2:	Crop Reseach & Development	320,889	311,183	9,706
Output 3:	Biosecurity Management	59,993	58,178	1,815
Output 4:	Project and Policy Development	70,877	68,733	2,144
Output 5:	Livestock Management	<u>101,971</u>	<u>98,887</u>	<u>3,084</u>
		<u>885,331</u>	<u>858,552</u>	<u>26,777</u>
Included in the Appropriation Vote:				
	Trading Revenue	140,535	80,321	(60,214)
	Net Aid Revenue		3,499	3,499
	Net Surplus/(Deficit)			<u><u>(29,936)</u></u>

The accompanying accounts should be read in conjunction with these Financial Statements

MINISTRY OF AGRICULTURE

**SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED 30 JUNE 2015**

Statement of Unappropriated Expenditure

Unappropriated expenditure incurred during the year was nil (2014: nil)

Statement of Commitments

There were no financial commitments at balance date (2014: nil).

Statement of Contingent Liabilities

There were no contingent liabilities at balance date (2014: nil).

Statement of Trust Monies

The Ministry held no trust monies at balance date (2014: nil).

Statement of Specific Fiscal Risks

The Ministry is not exposed to specific fiscal risk.

Statement of Borrowings

The Ministry does not have any borrowings with third parties.

MINISTRY OF AGRICULTURE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

Note 1: Statement of Accounting Policies

Basis of Preparation

- (i) Reporting Entity
These financial statements are for the Ministry of Agriculture which is considered to be an agency of the Crown.
- (ii) Statement of Compliance
These financial statements have been prepared in accordance with the Ministry of Finance and Economic Management Act 1995-96 and with the International Public Sector Accounting Standards issued by the International Public Sector Accounting Standards Board (IPSASB).
- (iii) Measurement Base
The financial statements have been prepared on a going concern basis and the accounting policies have been applied consistently throughout the period.
These financial statements have been prepared using the historical cost method to report results, cashflows and the financial position of the Ministry of Agriculture. The financial statements have been prepared under the accrual basis of accounting and are presented in New Zealand dollars rounded to the nearest dollar.

Significant Accounting Policies

The following accounting policies, which significantly affect the measurement of financial performance, financial position and cash flows have been applied:

- (i) Revenue
The Ministry of Agriculture derives revenue from the Crown for the provision of services to the Crown in the form of the production of certain outputs disclosed in the Statement of Appropriations on page 12. Revenue is also provided from the provision of services to third parties. All such revenue is recognised when it is earned.
- (ii) Expenses
Expenses are recognised when incurred and are reported in the financial period to which they relate.
Realised gains or losses arising from sales of assets or the early settlement of a liability are recognised in the Statement of Financial Performance in the period in which the transaction is concluded.
- (iii) Foreign Aid
Aid monies received are recorded in the Statement of Financial Performance as they are utilised. Revenue is recognised at the same time the equivalent expense is incurred. Any unused aid money is held as an Aid Liability until such time as it is used and/or any applicable conditions attached to the funding are satisfied.
- (iv) Taxation
The Ministry of Agriculture, as an agency of the Crown, is exempt from the payment of income tax in terms of the Income Tax Act 1997. Accordingly, no charge for income tax has been provided for.

MINISTRY OF AGRICULTURE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

Significant Accounting Policies (continued)

(v) Plant, Property, and Equipment

Plant, property and equipment are recorded at cost less accumulated depreciation.

The cost of purchased plant, property, and equipment is the value of the consideration given to acquire the assets and the value of other directly attributable costs which have been incurred in bringing the assets to the location and condition necessary for their intended service.

When an item of plant, property and equipment is disposed, the gain or loss associated with that item will be recognised in the Statement of Financial Performance.

Work in Progress is recognised as cost less impairment and is not depreciated.

Depreciation of plant, property, and equipment is provided on a straight line basis so as to allocate the cost of assets to their estimated residual value over their estimated useful lives. Typically, the estimated useful lives are:

Computer Equipment	3 - 4 years
Motor Vehicles	5 years
Furniture and Fittings	4 - 10 years
Office Equipment	5 years
Buildings	10 years

(vi) Provision for Employee Entitlements

Annual leave, and time off in lieu of overtime worked are recognised as they accrue to employees.

(vii) Foreign Currencies

Foreign currency transactions are recorded at the exchange rates in effect at the date of the transaction. Monetary assets and liabilities arising from trading transactions or overseas borrowings are translated at closing rates. Gains and losses due to currency fluctuations on these items are included in the Statement of Financial Performance.

MINISTRY OF AGRICULTURE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

Significant Accounting Policies (continued)

(viii) Financial Instruments

Financial instruments primarily consist of bank balances, receivables and payables. Gains and losses in relation to all financial instruments are recognised in the Statement of Financial Performance.

(ix) Commitments

Future expenses and liabilities to be incurred on contracts that have been entered into at balance date are disclosed as commitments to the extent that there are equally unperformed obligations.

(x) Contingent Liabilities

Contingent liabilities are disclosed at the point at which the contingency is evident.

(xi) Cash and Equivalents

Cash and Equivalents include cash on hand, deposits on call with the bank, and investments with a maturity of less than 3 months.

(xii) Statement of Cash Flows

Cash is considered to be cash balances on hand and current accounts in banks, net of bank overdrafts.

Operating activities include cash received from all income sources of the Ministry of Agriculture and record the cash payments made for the supply of goods and services.

Investing activities are those activities relating to the acquisition, holding and disposal of fixed assets and investments.

Financing activities comprise capital injections by, or repayment of capital to, the Crown.

(xiii) Value Added Tax (VAT)

All statements of account are exclusive of VAT. The Statement of Financial Position is exclusive of VAT except for payables and receivables which are stated VAT inclusive as these represent the total amount to be paid or collected by the Ministry to or from third parties.

The amount of VAT owing to or from the Revenue Management Division at balance date, being the difference between Output VAT and Input VAT, is included in payables or receivables as appropriate.

MINISTRY OF AGRICULTURE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

Significant Accounting Policies (continued)

(xiv) Trade Receivables

Trade receivables are carried at the original invoice amount less any provision for doubtful debts. Provisions for doubtful debts are based on a review of outstanding amounts as at year-end. Bad debts are written off when identified.

(xv) Trade Creditors

Trade creditors are carried at the original invoice amount.

(xvi) Superannuation Schemes

The Ministry of Agriculture contributes to the National Superannuation Fund. This is classified as a Defined Contribution Scheme for the Ministry. As such, the only impact on these financial statements is in the Statement of Financial Performance where payments into the scheme are recognised as an expense in the period they are due.

Taxpayer's Funds

This represents the Crown's net investment in the Ministry of Agriculture.

Changes in Accounting Policies

There have been no changes in accounting policies since the date of the last audited Financial Statements

MINISTRY OF AGRICULTURE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

	2015	2014
Note 2: Personnel Expense Reconciliation		
Wages and Salaries	802,983	770,792
Increase / (Decrease) in Leave Provisions	5,616	3,633
Increase / (Decrease) in Payroll Accrual	<u>(4,149)</u>	<u>13,562</u>
Total Personnel Costs	<u>804,450</u>	<u>787,986</u>
Note 3: Other Expenses		
Communication	15,206	15,322
Expensed Assets	389	-
Freight and Postage	-	330
Repairs and Maintenance	8,432	7,677
Fuel and Oil	7,468	6,003
Office Supplies / Consumables	5,345	4,853
Electricity	10,669	8,107
Entertainment	1,529	802
Professional Services	1,566	300
Travel	-	879
Advertising, Marketing, and Promotion	963	6,424
Rent	8,075	7,202
Other	<u>14,298</u>	<u>6,897</u>
Total Other Expenses	<u>73,940</u>	<u>64,796</u>
Note 4: Cash and Equivalents		
WBC Bank	<u>(217)</u>	<u>-</u>
Total Cash and Equivalents	<u>(217)</u>	<u>-</u>

The accompanying accounts should be read in conjunction with these Financial Statements

MINISTRY OF AGRICULTURE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
Note 5: Debtors and Other Receivables		
Accounts Receivable	5,878	7,978
Provision for Doubtful Debts	(5,878)	(7,978)
Sundry Debtors and Receivables	2,411	2,411
Cash recall	176,277	156,910
	<u>178,688</u>	<u>159,321</u>
Prior Years Crown Receivable	109,982	109,982
	<u>109,982</u>	<u>109,982</u>
Total Debtors and Other Receivables	<u>288,670</u>	<u>269,303</u>
Note 6: Creditors and Other Payables		
Accounts Payable	3,220	3,000
Sundry Creditors and Accruals	-	1,733
VAT Payable	889	(11)
Accrued Payroll	37,808	32,192
	<u>41,917</u>	<u>36,915</u>
Inter-ministry payables included above to Crown Agencies	-	3,000
Prior Years Depreciation Payable	114,025	108,255
Prior Years Surplus Payable	124,532	124,532
Current Year Depreciation Payable	5,035	5,769
Excess Personnel Appropriation Payable	25,995	25,995
Excess Crown Appropriation	1,518	-
	<u>271,105</u>	<u>264,553</u>
Total Creditors and Other Payables	<u>313,022</u>	<u>301,467</u>

The accompanying accounts should be read in conjunction with these Financial Statements

MINISTRY OF AGRICULTURE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

	2015	2014
Note 7: Employee Entitlements		
Provision for Annual Leave	11,647	15,797
	11,647	15,797
Note 8: Aid Revenue and Expenses		
Other Aid	-	13,173
Total Aid Revenue Received from Donors	-	13,173
Total Aid Revenue Received	-	13,173
Aid Expenses Incurred:		
Other Aid	-	9,674
Total Aid Expenses Incurred	-	9,674

Note 9: Related Parties

The Ministry of Agriculture is a wholly owned entity of the Crown, however, the Government protects it through its legislation from undue influence and significant control.

The Crown provides the Ministry with significant funding in the form of an annual appropriation to assist the Ministry in discharging its duties and obligations. The Ministry also enters into transactions with other Government ministries, Crown agencies and State Owned Enterprises in an arms-length basis. As such, these do not need to be disclosed. Any transactions between related parties which are not subject to arms-length consideration will be detailed below.

The key management personnel are members of the senior management group.

The aggregate remuneration of members of the senior management group and the number of individuals determined on a full time equivalent basis receiving remuneration within this category are:

Aggregate remuneration	203,769	198,885
Number of persons	6	6

The accompanying accounts should be read in conjunction with these Financial Statements

MINISTRY OF AGRICULTURE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

Note 10a: Plant, Property, and Equipment 2015

Category	Opening Cost	Additions	Disposals	Closing Cost	Opening Accum Depn	Depreciation	Accum Depn on Disposals	Closing Accum Depreciation	Net Book Value
Computer Equipment	3,987	3,745		7,732	2,464	1,319		3,783	3,949
Furniture & Fittings	1,959			1,959	1,959			1,959	-
Motor Vehicles	257,406		94,453	162,953	250,352	3,289	94,453	159,188	3,765
Plant & Equipment	5,271			5,271	5,271			5,271	-
Total Plant, Property, & Equipment	268,623	3,745	94,453	177,815	260,046	4,608	94,453	170,201	7,714

2015 Additions were funded through the following:

Operating funds	3,745
Total	3,745

Note 10b: Plant, Property, and Equipment 2014

Category	Opening Cost	Additions	Disposals	Closing Cost	Opening Accum Depn	Depreciation	Accum Depn on Disposals	Closing Accum Depreciation	Net Book Value
Computer Equipment	2,664	1,612	289	3,987	2,664	89	289	2,464	1,524
Furniture & Fittings	1,959			1,959	1,959			1,959	-
Motor Vehicles	253,907	3,439		257,406	234,671	5,681		250,352	7,054
Plant & Equipment	5,271			5,271	5,271			5,271	-
Total Plant, Property, & Equipment	263,801	5,111	289	268,623	254,565	5,770	289	260,046	6,578

2014 Additions were funded through the following:

Aid funded asset	\$ 3,499
Operating funds	\$ 1,612
Total	\$ 5,111

MINISTRY OF AGRICULTURE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

Note 11: Financial Instruments

Currency, Interest Rate and Credit Risks

i) Currency

The Ministry of Agriculture undertakes transactions denominated in foreign currencies from time to time and resulting from these activities, exposures in foreign currency arise.

ii) Interest Rate

There is no significant exposure to interest rate risk.

iii) Concentrations of Credit Risk

In the normal course of business, the Ministry of Agriculture incurs credit risk from trade debtors and transactions with financial institutions. The Ministry has a credit policy, which is used to manage this risk. As part of this policy, limits on exposure with counter parties had been set and are monitored on a regular basis.

The Ministry of Agriculture has no significant concentrations of credit risk. It does not require any collateral or security to support financial instruments due to the quality of financial institutions and trade debtors dealt with.

Fair Values

The estimated fair values of the Ministry of Agriculture's financial assets and liabilities are their carrying values.

Note 12: Subsequent Events

There have been no events subsequent to the financial period which would materially affect the financial statements (2014: nil).