

## **Olives New Zealand Inc**

### **Treasurers Report for year ended 31 July, 2008**

The “Statement of Financial Performance” for the year under review reveals a decreased surplus of \$2,216 compared to that of \$12,286 for the previous year. This is in spite of an additional \$15,000 in revenues which has been offset by a \$25,000 increase in expenses.

The major variations have been caused by the following:

#### **INCOME:**

It is pleasing to see an increase in the level of subscriptions of over \$3,800 in spite of comments from some quarters that members are leaving the organisation.

Whilst a drop in Conference Income (\$6,046) was experienced last year with lower attendance possibly due to the absence of a field trip the Conference Committee excelled themselves in obtaining some \$17,000 in Sponsorship an increase of over \$12,000 on the previous year.

Sales of Tasting Glasses of \$2,370 helped offset the costs for the same used by the Sensory Panel of \$2,685. No item for this revenue or expense was shown in the previous year.

Food Safety Template sales of \$2,000 commenced repaying a little of the costs spent prior in establishing these standards.

#### **EXPENDITURE:**

The major variations in this area (increase of \$25,000) have seen increases in:

Processor Meeting Costs - additional costs of \$2,700 were incurred due to having to fund the major presenters costs which were paid by a sponsor in the previous year. However the surplus from the previous years’ course fully covered this shortfall.

Marketing – Increased costs were experienced of approximately \$5,000. Of this \$2,300 was incurred in costs attending an International Exhibition to promote New Zealand Oils, with another \$4,635 spent producing an excellent generic brochure which has been made available to members. A Regional Marketing Grant of \$400 was made to the Wairarapa Region.

Expenditure on Items with the future in mind were \$2,743 for work on the Commodity Levy Introduction and \$2,000 for work on the proposed International Awards Competition proposed for 2010.

Travel and Meeting costs of \$4,700 compared with \$194 the previous year were incurred primarily with one major meeting of the executive along with Regional Chairs to establish the basis for the strategic Plan and the way forward.

By far the largest Increase in costs has been our contribution to the Sustainable Farming Fund – Harvest Maturity Project. An amount net of GST of \$22,222 is our contribution applicable to the financial year just ended. You will see in the notes to the accounts that a further \$22,500 (including GST) has to be contributed in the years ending 31 July, 2009 and 2010. Hopefully this project will have some very beneficial assistance for our industry. However it reinforces the thought that “you don’t get anything for nothing”.

The cost of the Lineolenic Acid Survey added an additional \$1,600 to our costs and as mentioned above \$2,685 was expended on Tasting Glasses.

However it is not all bad news:

Reductions in Expenditure in this last year as compared to the previous one have been achieved in:

Food Safety Programme Costs down from \$3,000 to \$690 . To achieve the introduction of this programme has been a magnificent effort.

In 2007 we made a grant to the Agrecovery Foundation of \$1,000. No such contribution was made in 2008.

Our contribution to “The Orchardist” reached \$9,000 in the last year compared to \$11,500 the previous year as a result of a timing issue. Still a saving of \$2,500.

As a result of having the major “face to face meeting” mentioned above, the use of the same venue for the Regional Chair meeting these costs were reduced by \$1450 compared to the previous year.

It is quite pleasing to see a reduction in Telecommunication costs (\$2,500) as these costs always seem to have an insidious creep in charges.

The largest reduction in costs (\$9,300) have been in Conference Expenses particularly in the area of guest speaker and entertainment costs compared to that of the previous year.

Costs of Certification have been held to \$883 less than in the previous year in spite of increased numbers of oils presented for testing.

#### CASH FLOW BUDGET for 2009

When comparing the Financials as discussed above you will notice a considerable and possibly confusing difference when you review the CASH FLOW BUDGET included with these papers.

The Financials are adjusted for amounts owing at both ends of the financial year and these timing adjustments as to when amounts are paid or received can sometimes be a little difficult to reconcile.

The Cash Receipts and Payments denote when the monies are actually received or paid out. You will note that the 2008 contribution to the Sustainable Farming Fund whilst accrued in the Financials was not paid during the financial year just past but will be paid when there is a requirement to do so. However we must place it in the correct year for Taxation requirements etc. The double contribution for the Sustainable farming Fund shown for 2009 will seriously eat into our cash reserves.

Graham Keen

Treasurer

1 October, 2008