

Olives New Zealand Inc

Treasurers Report for year ended 31 July, 2009

The "Statement of Income and Expenditure" for the year under review reveals a considerable deficit of \$36,375 compared to a small surplus of \$2,216 for the previous year. Reduced total revenues of \$170,279 down from \$172,991 for 2008 and increased Total Expenditure of \$206,654, up from the \$170,775 for the comparable period in 2008.

The major variations have been caused by the following:

INCOME:

Subscriptions for 2009 are down \$15,753 showing a drop off of about 73 members

Conference Income Increased some \$5,243 which I feel was a direct reflection of the Field Trip held on the Friday afternoon. This however was countered by a drop off of \$6,109 in Conference Sponsorship.

Award Income and Medal Sales increased substantially by \$9,815 as did Certification Income by \$8,409 showing support for the quality initiatives of the organisation.

Processor Course income was down slightly on the previous year. Net decrease of \$849.

Food Safety Template sales of \$500 were down \$1,500 on the previous year but now the audit has been completed uptake of the programme should hopefully take place.

There were no sales of Tasting Glasses in 2009 compared to the recovery of \$2,370 in 2008 nor were there any costs associated in 2009.

Interest received on deposits increased by \$1,252 in spite of reduced Interest rates prevailing.

EXPENDITURE:

The major variations in this area (increase of \$35,879) have seen increases in:

Finalisation of the Food Safety Programme added an additional \$3,215 over last years \$690.

Processor Meeting Costs - additional costs of \$3,334 were incurred due to having to fund the major presenters costs. However the surplus from the previous years' courses fully covered this shortfall.

Expenditure on Items with the future in mind were \$5,313 for work on the Commodity Levy Introduction. This should be recovered in the next financial year when the requirements for the

completion of a grant application to Agmardt are completed. Establishment of the Strategic Plan incurred \$2,674 for Research into various items

Travel and Meeting costs of \$7,829 compared with \$4,789 the previous year were incurred primarily with increased meetings with members by the President and Executive Officer. Net increase of \$3,040.

Communication costs comprising Printing and Stationery increased substantially by \$4,091, Internet Costs by \$1,526 and Telephone and Tolls by \$4,076.

The change over period for the Executive Officer as expected incurred and additional \$6,259.

The cost of running the 2008 Conference increased by \$22,708 to \$36,411 which when matched to the income generated by this event including sponsorship (\$29046) gave an overall net loss of \$7365. In future we will have to seriously weigh up the benefits of having an Annual Conference with the costs of doing so. Bear in mind the holding of the AGM is part of this cost scenario.

A similar contribution (\$20,000) to that of the previous year (\$22,222) to the Sustainable Farming Fund Project occurred and a similar amount is schedule for next year to complete the project.

The Awards costs increased slightly by \$885 and Testing Expenses by \$2591 and Linolenic Testing with a saving of \$1,681 however this could be due to incorrect coding of that expense. Legal Expenses - Whilst no account has yet been received for any cost involved it has been considered prudent to provide the sum of \$5,000 including GST for legal assistance in assessing whether or not there was case to answer on the challenge to the awards methodology used in 2008.

Capitation payments increased by \$1,275

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

Marketing of \$8,141 mainly due to the desire to conserve our depleting funds.

Changing over from the Orchardist to the Australian & NZ Olive Grower and Processor has made a small saving but has certainly increased knowledge of the industry in this part of the world.

Cost of Certification has decreased by \$12,192 mainly due to late charging by Plant and Food. It is expected that additional costs are still to come in this area. 2008s' costs were inflated by amounts not charged early enough in 2007 and it is suspected that the same has happened in 2009.

Honorarium – Mr Syme declined to accept any payment for his services in the past year.

The proposed 2010 International competition has not proceeded any further at this stage so no expenditure was made in this area.

STATEMENT OF FINANCIAL POSITION

As pointed out last year the contribution to the SFF (\$22,500) has seriously eaten into our cash reserves as has also the late rendering of Subscription notices resulting in only \$14,423 being paid for 2009/10 compared to last years figure of \$28,930 a net reduction of \$14,507. These two items combined amount to some \$37,000 of the reduction in the cash reserve of \$41,632 compare to the position that faced us last year. Our net Reduction in worth is \$36,375. Our Accumulated Funds now only amount to \$32,602.

The large amount shown as Accounts Receivable of \$72,444 (excluding GST) is the amount currently awaited from MAF (SFF) – This amount is accrued in The Accounts Payable area and offsets the amount of \$72,444 (excl GST) owed to Plant and Food for their part of the research Project.

I just hope that we have a well patronised Conference. A major loss here would be a disaster.

For the organisation to survive we need to pull together and ensure that the proposed Commodity Levy is introduced without delay.

Graham Keen

Treasurer

2 October, 2009