

Olives New Zealand Incorporated

FINANCIAL STATEMENTS

For the Year ended 31st December 2016

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Olives New Zealand Incorporated

Entity Information For the Year ended 31st December 2016

Legal Name

Olives New Zealand Incorporated

Type of Entity and Legal Basis

Registered Incorporated Society

Incorporated Societies Register Number

803630

Date of Formation

01 July 1996

Entity's Purpose or Mission

Olives New Zealand exists:

- to set and maintain quality standards for NZ produced olive products
- provide quality research & development to create and maintain a sustainable integrated olive industry
- implement an ongoing consumer awareness programme to promote the benefits, and create a preference for NZ olive products
- provide a focal organization which facilitates progressive direction for stakeholders in the olive industry.

Entity Structure

Executive Structure: Our Constitution specifies that there is an elected President, Vice President and Treasurer plus four Executive members from the pool of Branch Chairs. There is also potential to co-opt an Executive member. Currently the Executive comprises six people because the roles of Vice President and Treasurer are carried out by the same person.

Operational Structure: The administration of the organisation is managed by the Executive Officer, which is a contracted service.

1. President / Chairperson - Andrew Taylor
2. Vice President
3. Treasurer - Craig Leaf - Wright
4. Four (4) Committee members - Niall Holland, Bob Marshall, John Dunlop, Tricia Noble-Beasley
5. Executive Officer - Gayle Sheridan

Main Sources of the Entity's Cash and Resources

The main source of income is from membership fees. Other main income streams are the Certification Programme and the New Zealand Extra Virgin Olive Oil Awards however these are generally matched by expenditure.

Other special projects undertaken are funded separately by a combination of membership contribution, grants, etc.

Main Methods Used by the Entity to Raise Funds

Membership fees are set annually by the Executive.

Olives New Zealand Incorporated

Entity Information For the Year ended 31st December 2016

Entity's Reliance on Volunteers and Donated Goods or Services

Olives New Zealand has a branch structure which enables regions to provide direct support to members. These are operational in Hawke's Bay, Kapiti, Wairarapa, Nelson and Canterbury. Outside of these regions support is also provided to other regions such as Northland/Auckland and Central Otago.

Fund raising is undertaken for special projects by pledges from members. This may also include in-kind contributions such as donated goods.

Chartered Accountants & Auditors

Parkers Chartered Accountants
69 Scott Street
Blenheim 7201

Bankers

ASB Bank
Paraparaumu

Physical Address

22 Albany Lane
Havelock North

Postal Address

PO Box 28140
Havelock North 4157

Phone

06 877 1447
021 057 7635

Email/Website

Email - admin@olivesnz.org.nz
Website - www.olivesnz.org.nz
Facebook - <https://www.facebook.com/Olives-NZ-1432422423659991/>

Olives New Zealand Incorporated

Statement of Service Performance For the Year ended 31st December 2016

Description of the Entity's Outcomes

To create the environment for the New Zealand Olive industry to produce premium quality Extra Virgin Olive Oil and olive products, and to market them successfully nationally and internationally.

Quantification of Entity's Outcome

	Actual	Budget	Actual
Description and Quantification of the Entity's Outputs	2016	2016	2015
Membership	198	194	194
Certification Programme - samples submitted	220	140	120
NZ EVOO Awards - entries received	138	130	69
Conference attendees	77	80	0
Processing Practices Course attendees	30	25	0
Organoleptic Seminar attendees	26	20	19

Additional Output Measures

Olives New Zealand developed the Certification Programme and trademarked the OliveMark. To qualify for Olives New Zealand Certification, New Zealand olive oil must meet specific requirements. These include bottling and labelling standards as well as the mandatory chemical and sensory criteria that Olives New Zealand has based on the International Olive Council (IOC) standards for extra virgin olive oil. Products that meet the Certification requirements are able to use the red OliveMark to signify this. This is a huge differentiator for New Zealand producers and is recognised and acclaimed internationally.

Olives New Zealand was successful in receiving funding from the Sustainable Farming Fund for the "Increasing the market share for New Zealand Olive Oil Project". This funding of \$35,660 was met with co-funding by members of the same amount plus in-kind contributions of \$68,280. The project started in July 2016 and will conclude in October 2018.

Additional Information

Olives New Zealand provides a variety of resources to support members. This ranges from the development of the Best Practice Manual, the Food Safety Template to Fact Sheets. Also a variety of merchandise has been developed - health benefit cards, recipe pads, market bags, etc. These products are made available with minimal overhead to assist members in promotion and selling of their products.

The year 2016 was a boom harvest year for the industry and reflected in the over budget achieved for Certification and Awards entries.

During 2016 Olives New Zealand supported a Japan Export Pilot which was offered on a user pays basis to members. A consortium of five groves participated and this included attendance at the Kansai Olive Oil Expo held in Osaka in October.

Olives New Zealand Incorporated

Notes to the Financial Statements

For the year ended 31 December 2016

1. STATEMENT OF ACCOUNTING POLICIES :

Olives New Zealand Incorporated is Incorporated under the Incorporated Societies Act 1908. The financial statements have been prepared in accordance with Public Benefit and Special Purpose Framework for use by Not for Profit Entities (PBE SFR-A (NFP) published by the New Zealand Institute of Chartered Accountants. . The accounting principles recognised as appropriate for the measurement and reporting of financial performance and financial position on an historical cost basis are followed by the society, with the exception where specific accounting policies have been identified.

(a) Fixed Assets

Fixed Assets are recorded at original cost less depreciation. Depreciation has been calculated at maximum rates allowed for Income Tax deductions. Details are shown in the Fixed Assets and Depreciation Schedule.

(b) Goods & Services Tax

The Statement of Financial Position and Statement of Movements in Equity have been prepared so that all components are stated exclusive of GST. All items in the Statement of Financial Position are stated exclusive of GST, with the exception of accounts receivable and payable which are stated as GST inclusive.

(c) Income tax

As a non-profit organisation income sourced within membership is exempt income under the Income Tax Act 2007 sHF1. Externally sourced income such as interest is taxable. Incorporated societies are entitled to a deduction to the lessor of \$1000 or the amount of their net income prior to taking the deduction. ITA 2007,sDV8.

(d) Differential Reporting

This entity qualifies for differential reporting because it is not publicly accountable and is not large as defined under the Framework for Differential Reporting. Advantage has been taken of all differential reporting exemptions.

(e) Changes In Accounting Policies

There has been changes in Accounting Policies during the year covered by these Financial Statements. These financial statements have previously been prepared in accordance with Financial Reporting Act 1908 and the Financial Reporting Order 1994 and are now prepared in accordance with A Special Purpose Framework. These changes have not resulted in any changes to the financial data in the Financial statements, but have required some additional disclosures. This had no impact on the Financial Statements.

2. AUDIT

These financial statements have been subject to audit.

3. CONTINGENT LIABILITIES

At balance date there are no known contingent liabilities.

4. CAPITAL COMMITMENTS

There are no capital commitments expected in the coming year.

5. EVENTS SUBSEQUENT TO BALANCE DATE

No events or transactions have occurred since balance date which would have a material effect upon the financial statements or which are of such significance as to require mention in the notes to the accounting policies. There are also no plans or intentions that may materially affect the current value or classification of assets and liabilities.

Olives New Zealand Incorporated
Statement of Income and Expenditure
For the year ended 31 December 2016

2015		2016
\$		\$
	<u>INCOME</u>	
43,057	Subscriptions	52,122
-	Conference Income	12,113
-	Processor Course Income	10,870
1,353	Interest Received	612
4,545	Sponsorship	5,750
1,957	Field Day Income	5,217
-	Newsletter Advertising	200
24,475	Awards Income Stickers/Fees	41,761
27,339	Certification Income - Olive Marks/Fees/Licenses	52,785
2,974	Merchandise	4,806
-	Other Income	<u>2,000</u>
105,700	Total Income	188,236
	<u>COST OF SALES</u>	
4,103	Opening Stock	2,042
(2,042)	Closing Stock	<u>(2,652)</u>
<u>2,061</u>	Cost of Sales	<u>(610)</u>
103,639	Gross Profit	188,846
	<u>EXPENDITURE</u>	
28,301	Awards	37,492
-	Processors Course Costs	9,636
5,640	Olive Mark Promotion	4,305
396	Accountancy Fees	396
1,523	Audit Fees	1,650
933	Bank Charges	802
2,190	Field Day Costs	1,961
1,618	Office Expenses	1,932
4,813	Travel & Meeting Costs	2,037
388	Conference Costs	7,571
60,000	Executive Directors Fees	60,000
193	Sundry Fees	220
-	Legal Expenses	884
1,007	Internet Site Costs	1,938
623	Telephone and Tolls	540
20,341	Certification	29,635
1,035	Insurances	1,035
-	Interest - Bank	2
170	Depreciation on Fixed Assets	318
4	Depreciation Recovered	-
13	Loss on Asset Sale	<u>-</u>
129,188	Total Expenditure	162,354
<u>(25,549)</u>	Surplus (Deficit) of Income Over Expenditure	<u>26,492</u>

Olives New Zealand Incorporated
Statement of Movements in Equity
For the year ended 31 December 2016

2015		2016
\$		\$
	<u>OWNERS EQUITY</u>	
47,576	Balance Brought Forward	22,027
	<u>Total Recognised Revenues and Expenses</u>	
(25,549)	Net Surplus (Deficit) for the year	26,492
<u>22,027</u>	Owners Equity at year end	<u>48,519</u>

Olives New Zealand Incorporated

Statement of Financial Position

As at 31 December 2016

2015		2016
\$		\$
	<u>CURRENT ASSETS</u>	
864	ASB General Business A/C - 00	266
17,837	ASB Business Saver A/C - 51	37,871
5,494	ASB OliveMark A/C - 52	8,572
-	Accountnts Receivable	8,039
2,042	Stock on Hand	2,652
466	RWT Refund Due	466
3,910	GST Refund Due	-
30,613	Total Current Assets	57,866
	<u>FIXED ASSETS</u>	
947	Plant & Equipment	629
947	Total Fixed Assets	629
	<u>INTANGIBLE ASSETS</u>	
4,889	Trade Marks	4,889
36,449	Total Assets	63,384
	<u>Less</u>	
	<u>CURRENT LIABILITIES</u>	
1,000	Advance - ONZ Canterbury Region	1,000
12,620	Advance - Focus Grove Project Funding	10,623
345	Subscriptions In Advance	906
457	Overpayment & Refund	440
-	Export Projects	1,421
-	GST Account	475
14,422	Total Current Liabilities	14,865
22,027	Net Assets	48,519
	Represented By :-	
	<u>ACCUMULATED FUNDS</u>	
47,576	Balance Brought Forward	22,027
(25,549)	Surplus (deficit) for the year	26,492
22,027	Balance Carried Forward	48,519
22,027	Total Accumulated Funds	48,519

Signed on behalf of the committee:

_____ Chairperson

_____ Treasurer

Olives New Zealand Incorporated

Cash Flow Statement For the Year Ended 31st December 2016

	2016 \$	2015 \$
Cash Flows from Operating Activities		
<u>Cash was received from:</u>		
Receipts from Customers/Donations	180,989	104,465
Net GST refunds received from IRD	4,385	288
	<u>185,374</u>	<u>104,753</u>
<u>Cash was paid to:</u>		
Payments to suppliers and employees	163,470	117,809
	<u>163,470</u>	<u>117,809</u>
Net Cash Inflow (Outflow) from Operating Activities	<u>21,904</u>	<u>(13,056)</u>
Cash Flows from Investing Activities		
<u>Cash was received from:</u>		
Interest received	612	1,353
	<u>612</u>	<u>1,353</u>
<u>Cash was paid to:</u>		
Purchase of fixed assets	-	782
Interest paid	2	-
	<u>2</u>	<u>-</u>
Net Cash Inflow (Outflow) from Investing Activities	<u>610</u>	<u>571</u>
NET INCREASE (DECREASE) IN CASH HELD	<u>22,514</u>	<u>(12,485)</u>
Cash Balance as at 1 January 2016	<u>24,195</u>	<u>36,680</u>
Cash Balance as at 31 December 2016	<u><u>46,709</u></u>	<u><u>24,195</u></u>

Olives New Zealand Incorporated
Fixed Assets And Depreciation Schedule
For The Year Ended 31 December 2016

Asset	Purchase Date	Cost Price	Book Value 01/01/2016	Additions Disposals	--- Depreciation --- Mth Rate	\$	Accum Deprec 31/12/2016	Book Value 31/12/2016
Plant & Equipment								
Shelving	Jan 2007	532	206		12 10.0% DV	21	347	185
Compaq Notebook Computer	Jul 2010	1,021	64		12 40.0% DV	26	983	38
HP Pavillion 15-P229TU Notebook	Sep 2015	782	678		12 40.0% DV	271	375	407
Total Plant & Equipment		2,335	948			318	1,705	630