



## Parkers Business Solutions Ltd

SUSHEEL DUTT C.A., M.B.A • Susheel@parker-ca.co.nz



### Audit Report

#### To the Members of the Olives New Zealand Inc.

We have audited the financial statements of Olives New Zealand Inc. on pages 1 to 9, which comprise the balance sheet as at December 31, 2017, and the income statement, statement of changes in equity for the year ended, and a summary of significant accounting policies and other explanatory information.

#### The Responsibility of the Members for the Financial Statements

The Members are responsible for the preparation of these financial statements in accordance with Olives New Zealand Inc. and for such internal control as Olives New Zealand Inc. determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditors' Responsibilities

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view of the matters to which they relate 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion. Other than in our capacity as auditor we have no relationship with, or interests in, Olives New Zealand Inc. We have prepared the presentation financial statements for the Annual General Meeting on Accountants Office, from prime records prepared by Executive Officer from Olives New Zealand Inc. Xero accounting system.

#### **Opinion**

In our opinion, the financial statements of Olives New Zealand Inc. on pages 1 to 9 for the year ended December 31, 2017 are prepared, in all material respects, 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.

Auditor  
Date: 9<sup>th</sup> March 2018

Parkers Chartered Accountants  
Blenheim



**Olives New Zealand Incorporated**  
**Performance Report**  
**for the Year Ended 31 December 2017**

---

<u>Contents</u>	<i>Page</i>
Entity Information .....	1
Statement of Service Performance .....	3
Statement of Financial Performance .....	5
Statement of Movements in Equity .....	6
Statement of Financial Position .....	7
Statement of Cashflow .....	8
Schedule of Fixed Assets and Depreciation .....	9



# Olives New Zealand Incorporated

## Entity Information For the Year ended 31st December 2017

---

### 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 - Craig Leaf - Wright
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 2017

---

### 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](mailto:admin@olivesnz.org.nz)  
Website - [www.olivesnz.org.nz](http://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 2017**

**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**

	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
<b>Description and Quantification of the Entity's Outputs</b>	<b>2017</b>	<b>2017</b>	<b>2016</b>
Membership	197	198	198
Certification Programme - samples submitted	125	120	220
NZ EVOO Awards - entries received	102	110	138
Conference attendees	0	0	77
Processing Practices Course attendees	0	0	30
Organoleptic Seminar attendees	0	20	26

**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.

During the year Olives New Zealand contracted the development of a template for the new Food Safety Act for National Programme 1, which is now available for sale to members.

There were no Conference and Processing Practices Course run in 2017 and the planned Organoleptic Seminar was cancelled due to low registrations.

The 2017 harvest year was an "off year" with some 40% of olive groves reporting no harvest. Fortunately that did not impact on numbers and income for Certification and only to a minor extent on Awards entries and income.



# Olives New Zealand Incorporated

## Notes to Financial Performance For the year ended 31 December 2017

---

### **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 lesser 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 have been no changes in Accounting Policies during the year covered by these Financial Statements. All policies have been applied on bases consistent with those used in previous years.

### **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 Financial Performance**  
**For the year ended 31 December 2017**

2016		2017	
\$		\$	\$
	<b><u>INCOME</u></b>		
52,122	Subscriptions		51,476
12,113	Conference Income		-
10,870	Processor Course Income		-
612	Interest Received		81
-	Food Safety Template Sales		1,087
5,750	Sponsorship		7,217
5,217	Field Day Income		-
200	Newsletter Advertising		100
41,761	Awards Income Stickers/Fees		33,677
52,785	Certification Income - Olive Marks/Fees/Licenses		34,590
4,806	Merchandise		1,956
2,000	Other Income		26
188,236	Total Income		130,210
	<b><u>COST OF SALES</u></b>		
2,042	Opening Stock	2,652	
(2,652)	Closing Stock	(3,304)	
(610)	Cost of Sales		(652)
188,846	<b>Gross Profit</b>		130,862
	<b><u>EXPENDITURE</u></b>		
37,492	Awards	33,648	
9,636	Processors Course Costs	-	
4,305	Olive Mark Promotion	3,052	
396	Accountancy Fees	462	
1,650	Audit Fees	1,925	
802	Bank Charges	369	
1,961	Field Day Costs	-	
1,932	Office Expenses	1,417	
2,037	Travel & Meeting Costs	1,389	
7,571	Conference Costs	-	
60,000	Executive Directors Fees	60,000	
220	Sundry Fees	1,373	
884	Legal Expenses	-	
1,938	Internet Site Costs	1,930	
540	Telephone and Tolls	528	
29,635	Certification	22,599	
1,035	Insurances	2,135	
2	Interest - Bank	-	
318	Depreciation on Fixed Assets	197	
162,354	Total Expenditure		131,024
26,492	<b>Surplus (Deficit) of Income Over Expenditure</b>		(162)



**Olives New Zealand Incorporated**  
**Statement of Movements in Equity**  
**For the year ended 31 December 2017**

2016		2017
\$		\$
	<u>OWNERS EQUITY</u>	
22,027	Balance Brought Forward	48,519
	<u>Total Recognised Revenues and Expenses</u>	
26,492	Net Surplus ( Deficit) for the year	(162)
<u>48,519</u>	Owners Equity at year end	<u>48,357</u>





**Olives New Zealand Incorporated**  
**Statement of Financial Position**  
**As at 31 December 2017**

2016		2017
\$		\$
	<b><u>CURRENT ASSETS</u></b>	
266	ASB General Business A/C - 00	397
37,871	ASB Business Saver A/C - 51	36,069
8,572	ASB OliveMark A/C - 52	9,955
8,039	Accounts Receivable	1,156
2,852	Stock on Hand	3,304
466	RWT Refund Due	-
57,866	Total Current Assets	50,881
	<b><u>FIXED ASSETS</u></b>	
629	Plant & Equipment	432
629	Total Fixed Assets	432
	<b><u>INTANGIBLE ASSETS</u></b>	
4,889	Trade Marks	4,889
63,384	Total Assets	56,202
	<b><u>Less</u></b>	
	<b><u>CURRENT LIABILITIES</u></b>	
1,000	Advance - ONZ Canterbury Region	1,000
10,623	Advance - Focus Grove Project Funding	5,987
906	Subscriptions In Advance	92
440	Overpayment & Refund	440
1,421	Export Projects	231
475	GST Account	95
14,865	Total Current Liabilities	7,845
48,519	Net Assets	48,357
	Represented By :-	
	<b><u>ACCUMULATED FUNDS</u></b>	
22,027	Balance Brought Forward	48,519
26,492	Surplus (deficit) for the year	(162)
48,519	Balance Carried Forward	48,357
48,519	Total Accumulated Funds	48,357

Signed on behalf of the committee:

Andrew Taylor Chairperson

[Signature] Treasurer



# Olives New Zealand Incorporated

## Cash Flow Statement For the Year Ended 31st December 2017

	2017 \$	2016 \$
<b>Cash Flows from Operating Activities</b>		
<u>Cash was received from:</u>		
Receipts from Customers/Donations	135,008	181,550
Net GST refunds received from IRD	(381)	4,385
Income Tax Refund Received	466	-
	<u>135,094</u>	<u>185,935</u>
<u>Cash was paid to:</u>		
Payments to suppliers and employees	<u>135,463</u>	<u>164,031</u>
	135,463	164,031
<b>Net Cash Inflow (Outflow) from Operating Activities</b>	<u>(369)</u>	<u>21,904</u>
<b>Cash Flows from Investing Activities</b>		
<u>Cash was received from:</u>		
Interest received	<u>81</u>	<u>612</u>
	81	612
<u>Cash was paid to:</u>		
Interest paid	<u>-</u>	<u>2</u>
	-	2
<b>Net Cash Inflow (Outflow) from Investing Activities</b>	<u>81</u>	<u>610</u>
<b>NET INCREASE (DECREASE) IN CASH HELD</b>	<u>(288)</u>	<u>22,514</u>
Cash Balance as at 1 January 2017	<u>46,709</u>	<u>24,195</u>
<b>Cash Balance as at 31 December 2017</b>	<u><u>46,420</u></u>	<u><u>46,709</u></u>



**Olives New Zealand Incorporated**  
**Fixed Assets And Depreciation Schedule**  
**For The Year Ended 31 December 2017**

Asset	Purchase Date	Cost Price	Book Value 01/01/2017	Additions Disposals	---- Depreciation ---- Mth Rate	\$	Accum Deprec 31/12/2017	Book Value 31/12/2017
<b>Plant &amp; Equipment</b>								
Shelving	Jan 2007	532	185		12 10.0% DV	19	366	166
Compaq Notebook Computer	Jul 2010	1,021	38		12 40.0% DV	15	998	23
HP Pavillion 15-P229TU Notebook	Sep 2015	782	407		12 40.0% DV	163	538	244
<b>Total Plant &amp; Equipment</b>		<b>2,335</b>	<b>630</b>			<b>197</b>	<b>1,902</b>	<b>433</b>

