



Parkers Business Solutions Ltd

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Audit Report

To the Members of the Olives New Zealand Inc.

We have audited the performance report of Olives New Zealand Inc. on pages 1 to 14, which comprise the balance sheet as at December 31, 2018, 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 Performance Report

The Members are responsible for the preparation of these performance report 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 performance report that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibilities

Our responsibility is to express an opinion on these performance report 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 performance report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the performance report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the performance report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of performance report 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 performance report.

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 performance report 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 performance report of Olives New Zealand Inc. on pages 1 to 14 for the year ended December 31, 2018 are prepared, in all material respects, in accordance with Public Benefit Entity Simple Format Report – Accrual (Not for Profit Entity) (PBE SFR-A (NFP)) published by the New Zealand Institute of Chartered Accountants.

Parkers

Auditor
Date: 7/3/19
Parkers Chartered Accountants
Blenheim



Performance Report

Olives New Zealand

For the year ended 31 December 2018



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Entity Information

Olives New Zealand

For the year ended 31 December 2018

'Who are we?', 'Why do we exist?'

Legal Name of Entity

Olives New Zealand

Entity Type and Legal Basis

Registered Incorporated Society

Registration Number

803630

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 organisation 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.

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

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

Main Sources of 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 Entity to Raise Funds

Membership fees are set annually by the Executive.

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

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Statement of Service Performance

Olives New Zealand

For the year ended 31 December 2018

'What did we do?', 'When did we do it?'

Description of 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.

	ACTUAL 2018	BUDGET 2018	ACTUAL 2017
Description and Quantification of the Entity's Outputs			
Membership	210	200	197
Certification Programme - samples submitted	185	120	125
NZ EVOO Awards - entries received	115	110	102
Conference attendees	71	70	-
Processing Practices Course attendees	29	25	-

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 gaining a one year extension to Sustainable Farming Fund Project for another 12 months, now finishing on 1 October 2019. the additional funding is \$14,800 matched by contributions by members.

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 implementation of the new Food Safety Act has required all olive growers to register a National Programme. Olives New Zealand successfully worked to gain an exemption for National Programme Three for growers who package their own EVOO (subject to set criteria) which means that the majority of members register under National Programme One with a one off verification visit unless any issues arrive.

Olives NZ had three National Programme templates developed for sale to members, which simplifies the process and have been well received by Councils & MPI. These are National Programme One for growers, National Programme One for growers with the packaging exemption and National Programme. Three for processors and other who do not meet National Programme One Requirements. More than 60 template have been sold.



Approval of Financial Report

Olives New Zealand

For the year ended 31 December 2018

The Committee members are pleased to present the approved financial report including the historical financial statements of Olives New Zealand for year ended 31 December 2018.

APPROVED


Chairperson Craig Leach Wright
Date 07/03/19


Treasurer CHARLES CHINNAIYAH
Date 07/03/2019



Statement of Financial Performance

Olives New Zealand

For the year ended 31 December 2018

'How was it funded?' and 'What did it cost?'

	NOTES	2018	2017
Revenue			
Revenue from providing goods or services	1	186,271.50	130,120.26
Interest, dividends and other investment revenue	1	82.83	80.91
Other revenue	1	-	8.70
Total Revenue		186,354.33	130,209.87
Expenses			
Costs related to providing goods or service	2	106,132.69	68,245.14
Other expenses	2	61,620.07	62,126.70
Total Expenses		167,752.76	130,371.84
Surplus/(Deficit) for the Year		18,601.57	(161.97)

This statement has been audited, and should be read in conjunction with the attached Audit Report.



Statement of Financial Position

Olives New Zealand

As at 31 December 2018

'What the entity owns?' and 'What the entity owes?'

	NOTES	31 DEC 2018	31 DEC 2017
Assets			
Current Assets			
Bank accounts and cash	3	68,296.33	46,420.58
Debtors and prepayments	3	2,053.46	1,155.67
Inventory	3	2,546.96	3,304.47
Total Current Assets		72,896.75	50,880.72
Non-Current Assets			
Property, Plant and Equipment	5	309.44	432.74
Other non-current assets	3	4,889.00	4,889.00
Total Non-Current Assets		5,198.44	5,321.74
Total Assets		78,095.19	56,202.46
Liabilities			
Current Liabilities	4	3,999.43	92.14
Non-Current Liabilities	4	7,134.68	7,750.81
Total Liabilities		11,134.11	7,842.95
Total Assets less Total Liabilities (Net Assets)		66,961.08	48,359.51
Accumulated Funds			
Accumulated surpluses or (deficits)	6	66,961.08	48,359.51
Total Accumulated Funds		66,961.08	48,359.51

This statement has been audited, and should be read in conjunction with the attached Audit Report.



Statement of Cash Flows

Olives New Zealand

For the year ended 31 December 2018

	2018	2017
Operating Activities		
Receipts from customers	214,261.95	146,982.10
Payments to suppliers and employees	(185,221.87)	(145,731.76)
Interest received	82.83	80.91
GST	(6,417.90)	(3,158.03)
Cash payments from other operating activities	-	(197.00)
Net Cash Flows from Operating Activities	22,705.01	(2,023.78)
Investing Activities		
Proceeds from sales of property, plant and equipment	-	14,991.74
Payment for property, plant and equipment	-	(14,794.74)
Other cash items from investing activities	1,220.51	(1,115.55)
Net Cash Flows from Investing Activities	1,220.51	(918.55)
Financing Activities		
Other cash items	(2,049.77)	2,653.88
Net Cash Flows from Financing Activities	(2,049.77)	2,653.88
Net Cash Flows	21,875.75	(288.45)
Cash and Cash Equivalents		
Cash and cash equivalents at beginning of period	46,420.58	46,709.03
Cash and cash equivalents at end of period	68,296.33	46,420.58
Net change in cash for period	21,875.75	(288.45)



Statement of Accounting Policies

Olives New Zealand

For the year ended 31 December 2018

'How did we do our accounting?'

Basis of Preparation

The entity has elected to apply PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) on the basis that it does not have public accountability and has total annual expenses equal to or less than \$2,000,000. All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the entity will continue to operate in the foreseeable future.

Goods and Services Tax (GST)

The entity is registered for GST. All amounts are stated exclusive of goods and services tax (GST) except for accounts payable and accounts receivable which are stated inclusive of GST.

Income Tax

Olives New Zealand is wholly exempt from New Zealand income tax having fully complied with all statutory conditions for these exemptions.

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].

Bank Accounts and Cash

Bank accounts and cash in the Statement of Cash Flows comprise cash balances and bank balances (including short term deposits) with original maturities of 90 days or less.

Changes in Accounting Policies

There have been no changes in accounting policies. Policies have been applied on a consistent basis with those of the previous reporting period.



Notes to the Performance Report

Olives New Zealand

For the year ended 31 December 2018

2018

2017

1. Analysis of Revenue

	2018	2017
Revenue from providing goods or services		
Advertising Fees	200.00	100.00
Awards Income	39,108.23	33,676.93
Certification Fees	38,206.39	27,173.80
Conference Fees	12,597.71	-
Contributions from Members	100.00	-
Field Day Income	2,332.65	-
Food Safety Template Sales	10,395.54	1,086.95
Licence Fees	4,300.00	3,300.00
Membership Fees	50,806.20	51,475.84
Olive Marks	8,460.88	4,116.33
OliveMark Promotion	1,347.35	1,955.64
Processor Course Income	10,886.95	-
Sponsorship	7,467.39	7,217.39
Stripe Fees Reimbursement	62.21	17.38
Total Revenue from providing goods or services	186,271.50	130,120.26
Interest, dividends and other investment revenue		
Interest Income	82.83	80.91
Total Interest, dividends and other investment revenue	82.83	80.91
Other revenue		
Other Revenue	-	8.70
Total Other revenue	-	8.70

2018

2017

2. Analysis of Expenses

Costs related to providing goods or services		
Travel and Meeting Costs	4,563.10	1,388.62
Awards Costs	34,205.71	33,648.12
Accountancy Fees	504.00	462.00
Audit Fees	1,562.00	1,925.00
Bank Fees	585.37	369.88
Certification Costs	30,818.16	22,598.80
Closing Stock	(2,546.96)	(3,304.47)
Conference Costs	11,141.25	-
Field Day Costs	2,209.60	-
Insurance	1,775.00	2,135.00
Legal Expenses	364.00	-
Office Expenses	1,934.42	1,416.69
Olive Mark Promotion	4,432.93	3,052.14



Opening Stock	3,304.47	2,651.92
Processor Course Costs	10,167.59	-
Stripe Fees	74.75	23.31
Subscriptions	350.00	-
Sundry Expenses	-	1,350.00
Telephone & Tolls	687.30	528.13
Total Costs related to providing goods or services	106,132.69	68,245.14

Other expenses

Depreciation	123.30	197.00
Executive Director Fees	60,000.00	60,000.00
Internet & Website	1,496.77	1,929.70
Total Other expenses	61,620.07	62,126.70

2018 2017

3. Analysis of Assets**Bank accounts and cash**

Business Saver Account - 51	56,017.94	36,068.88
General Business Account - 00	207.78	396.92
OliveMark Account - 52	12,070.61	9,954.78
Total Bank accounts and cash	68,296.33	46,420.58

Debtors and prepayments

Accounts Receivable	2,053.46	692.67
Debtor Accrual	-	463.00
Total Debtors and prepayments	2,053.46	1,155.67

Inventory

Stock on Hand	2,546.96	3,304.47
Total Inventory	2,546.96	3,304.47

Other non-current assets**Intangibles**

Trade Marks	4,889.00	4,889.00
Total Intangibles	4,889.00	4,889.00
Total Other non-current assets	4,889.00	4,889.00

2018 2017

4. Analysis of Liabilities**Creditors and accrued expenses**

Accounts Payable	318.35	-
GST	3,689.63	95.25
Rounding	(8.55)	(3.05)
IRD Residents Withholding Tax (RWT)	-	(0.06)
Total Creditors and accrued expenses	3,999.43	92.14

Other non-current liabilities

Advance - ONZ Canterbury Region	1,000.00	1,000.00
Customer Overpayment	440.00	440.00

Export Projects	-	231.43
Membership Fees Received in Advance	1,108.71	92.39
Project Funding	4,585.97	5,986.99
Total Other non-current liabilities	7,134.68	7,750.81

2018 2017

5. Property, Plant and Equipment

Furniture and Fittings		
Furniture and fittings owned	2,335.00	2,335.00
Accumulated depreciation - furniture and fittings owned	(2,025.56)	(1,902.26)
Total Furniture and Fittings	309.44	432.74

Total Property, Plant and Equipment	309.44	432.74
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2018 2017

6. Accumulated Funds

Accumulated Funds		
Opening Balance	48,359.51	48,521.48
Accumulated surpluses or (deficits)	18,601.57	(161.97)
Total Accumulated Funds	66,961.08	48,359.51

Total Accumulated Funds	66,961.08	48,359.51
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7. Commitments

There are no commitments as at 31 December 2018 (Last year - nil).

8. Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at 31 December 2018 (Last year - nil).

9. Related Parties

There were no transactions involving related parties during the financial year.

10. Events After the Balance Date

There were no events that have occurred after the balance date that would have a material impact on the Performance Report (Last year - nil).

11. Ability to Continue Operating

The entity will continue to operate for the foreseeable future.

Depreciation Schedule

Olives New Zealand

For the year ended 31 December 2018

NAME	COST	OPENING VALUE	PURCHASES	DISPOSALS	DEPRECIATION	CLOSING VALUE
Plant & Equipment						
Compaq Notebook Computer	1,021.00	23.00	-	-	9.20	13.80
HP Pavilion Notebook Computer	781.74	243.74	-	-	97.50	146.24
Shelving	532.00	166.00	-	-	16.60	149.40
Total Plant & Equipment	2,334.74	432.74	-	-	123.30	309.44
Total	2,334.74	432.74	-	-	123.30	309.44

