



## Parkers Business Solutions Ltd

SUSHEEL DUTT MBA (AU), CA, CAPP (Fiji)  
ACCOUNTANTS - BUSINESS ADVISORS - AUDITORS

### INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF OLIVES NEW ZEALAND

We have audited the Performance Report of the Olives New Zealand on pages 1 to 16, which comprise the entity information, the statement of service performance, the statement of financial performance, statement of cash flows and the statement of financial position as at 31 December 2019, and the income statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion:

- i. The reported outcomes and outputs, and qualification of the outputs to the extent practicable, in the statement of service performance are suitable;
- ii. The accompanying performance report fairly, in all material respects:
  - The entity information for the year ended 31 December 2019;
  - The service performance for the year then ended; and
  - The financial position of the Society as at 31 December 2019, and its financial performance and cash flows for the year then ended

In accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not for Profit) issued by the New Zealand Accounting Standards Board.

#### The Responsibility of the Members for the Performance Report

The Members are responsible for:

- i. Identifying outcomes and outputs, and quantifying the outputs to the extent practicable, that are relevant, reliable, comparable and understandable, to report in the statement of service performance;
- ii. The preparation and fair presentation of the performance report on behalf of the Society which comprises:
  - The entity information;
  - The statement of service performance; and
  - The statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report.

in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not For Profit) issued by the New Zealand Accounting Standards Board; and

- iii. Such internal control as the Members determine is necessary to enable the preparation of the performance report is free from material misstatement, whether due to fraud or error.

#### Basis for Opinion

Our responsibility is to express an opinion on these Performance Report based on our audit. We conducted our audit of the statement of financial performance, Statement of financial position, statement of cashflow, statement of accounting policies and notes to the performance report in accordance with International Standards on Auditing (New



Zealand) ("ISAs (NZ)'), and the audit of the entity information and statement of service performance in accordance with the International Standard on Assurance Engagements (New Zealand) ISEA(NZ) 3000 (Revised) *Assurance Engagements other than Audits or Reviews of Historical Financial Information ("ISAE (NZ) 3000 (Revised)")*. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Performance Report* section of our report. We are independent of the Society in accordance with Professional & Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriated to provide a basis for our opinion.

Other than in our capacity as auditors we have no relationship with, or interests in, the Society.

### **Auditor's Responsibilities for the Audit of the Performance Report**

Our objectives are to obtain reasonable assurance about whether the performance report is free from misstatement, whether due to fraud or error, and to issue as auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that as audit conduct in accordance with ISAs (NZ) and ISAE (NZ) 3000 (Revised) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of uses taken on the basis of this performance report.

As part of an audit accordance with ISAs (NZ) and ISAEs (NZ) 3000 (Revised), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the performance report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the Members and, based on the use of the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the performance report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.





- Evaluate the overall presentation, structure and content of the performance report, including the disclosures, and whether the performance report represents the underlying transactions and events in a manner that achieves fair presentation.
- Perform procedures to obtain evidence about and evaluate whether the reported outcomes and outputs, and quantification of the outputs to the extent practicable, are relevant, reliable, comparable and understandable.

We communicate with the Members regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Who we Report to

This report is made solely to Olives New Zealand's members, as a body. Our audit work has been undertaken so that we might state those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Society and the Society's members, as a body, for our audit work, for this report or opinions we have formed.



*Parkers*

PARKERS BUSINESS SOLUTIONS LIMITED

SUSHEEL DUTT (MBA) CA CAPP (F.I.J.)

CHARTERED ACCOUNTANT

BLLENHEIM

NEW ZEALAND

10 March 2020



# Performance Report

Olives New Zealand  
For the year ended 31 December 2019



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# Entity Information

## Olives New Zealand

For the year ended 31 December 2019

'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, John Dunlop, Andrew Priddle, Geoff Crawford
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.



## Entity Information

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**

91 Belvedere Avenue, Waikanae, 5036

### **Postal Address**

91 Belvedere Avenue, Waikanae, 5036

### **Phone**

06 877 1447, Mob 021057 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-14324224236599991>





# Statement of Service Performance

## Olives New Zealand

For the year ended 31 December 2019

'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 2019	BUDGET 2019	ACTUAL 2018
<b>Description and Quantification of the Entity's Outputs</b>			
Membership	202	200	210
Certification Programme - samples submitted	179	120	185
NZ EVOO Awards - entries received	125	110	115
Conference attendees	-	-	71
Processing Practices Course attendees	-	-	29

### 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 2019 in having a new project approved by the Ministry of Primary Industries under the Sustainable Food and Fibres Future. This project is the "Meeting the increasing demand for New Zealand extra virgin olive oil" and will run for three years from October 2019. The total project cost is funded as follows:

MPI	\$43,520
Olives NZ (members)	\$43,980
Focus Groves(in Kind)	\$21,300

### 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 75 template have been sold, including 13 in this financial year.



# Approval of Financial Report

Olives New Zealand

For the year ended 31 December 2019

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 2019.

APPROVED



Chairperson CAIRIE LEAF-WRIGHT

Date 9-3-2020



Treasurer CHARLES CHINAIYAN

Date 09/03/2020



# Statement of Financial Performance

Olives New Zealand

For the year ended 31 December 2019

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

	NOTES	2019	2018
<b>Revenue</b>			
Revenue from providing goods or services	1	150,669.45	186,271.50
Interest, dividends and other investment revenue	1	1,066.13	82.83
<b>Total Revenue</b>		<b>151,735.58</b>	<b>186,354.33</b>
<b>Expenses</b>			
Costs related to providing goods or service	2	82,249.21	106,132.69
Other expenses	2	61,216.37	61,620.07
<b>Total Expenses</b>		<b>143,465.58</b>	<b>167,752.76</b>
<b>Surplus/(Deficit) for the Year</b>		<b>8,270.00</b>	<b>18,601.57</b>

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 2019

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

	NOTES	31 DEC 2019	31 DEC 2018
<b>Assets</b>			
<b>Current Assets</b>			
Bank accounts and cash	3	34,238.99	68,296.33
Debtors and prepayments	3	385.35	2,053.46
Inventory	3	3,009.88	2,546.96
<b>Total Current Assets</b>		<b>37,634.22</b>	<b>72,896.75</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	5	230.48	309.44
Investments	3	40,000.00	-
Other non-current assets	3	4,889.00	4,889.00
<b>Total Non-Current Assets</b>		<b>45,119.48</b>	<b>5,198.44</b>
<b>Total Assets</b>		<b>82,753.70</b>	<b>78,095.19</b>
<b>Liabilities</b>			
Current Liabilities	4	3,816.79	5,108.14
Non-Current Liabilities	4	3,705.83	6,025.97
<b>Total Liabilities</b>		<b>7,522.62</b>	<b>11,134.11</b>
<b>Total Assets less Total Liabilities (Net Assets)</b>		<b>75,231.08</b>	<b>66,961.08</b>
<b>Accumulated Funds</b>			
Accumulated surpluses or (deficits)	6	75,231.08	66,961.08
<b>Total Accumulated Funds</b>		<b>75,231.08</b>	<b>66,961.08</b>

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 2019

	2019	2018
<b>Operating Activities</b>		
Receipts from customers	174,222.21	214,261.95
Payments to suppliers and employees	(159,908.79)	(185,221.87)
Interest received	1,066.13	82.83
GST	(7,271.18)	(6,417.90)
Cash receipts from other operating activities	(120.00)	-
<b>Net Cash Flows from Operating Activities</b>	<b>7,988.37</b>	<b>22,705.01</b>
<b>Investing Activities</b>		
Other cash items from investing activities	(462.92)	1,220.51
<b>Net Cash Flows from Investing Activities</b>	<b>(462.92)</b>	<b>1,220.51</b>
<b>Financing Activities</b>		
Repayment of long-term loans	(1,000.00)	-
Other cash items	(582.79)	(2,049.77)
<b>Net Cash Flows from Financing Activities</b>	<b>(1,582.79)</b>	<b>(2,049.77)</b>
<b>Net Cash Flows</b>	<b>5,942.66</b>	<b>21,875.75</b>
<b>Cash and Cash Equivalents</b>		
Cash and cash equivalents at beginning of period	68,296.33	46,420.58
Cash and cash equivalents at end of period	74,238.99	68,296.33
<b>Net change in cash for period</b>	<b>5,942.66</b>	<b>21,875.75</b>



# Statement of Accounting Policies

## Olives New Zealand For the year ended 31 December 2019

'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.

### Revenue

Revenue is accounted for as follows:

#### i) Fundraising and Grants

Fundraising and grant income is accounted for depending on whether or not it has a "use or Return" condition attached. Where no use or return conditions are attached, the revenue is recorded as income when the cash is received. Where income includes a use or return condition, it is initially recorded as a liability on receipt. The income is then subsequently recognized within the Statement on Financial Performance as the performance conditions are met.

#### ii) Donations

Donations, Tithes and Offering are accounted for depending on whether they have been provided with a "use or return" condition attached or not. Where no use or return conditions are attached to the donation, revenue is recorded as income when the cash is received. Where donations include a use or return condition, the donation is initially recorded as a liability on receipt. The donation is subsequently recognized within the Statement of Financial Performance as the performance conditions are met. Donated goods or services (other than donated assets) are not recognized.

#### iii) Interest Income

Interest income is recognized on an accrual basis.

#### iv) Other Income



All other income is accounted for on an accruals basis and accounted for in accordance with the substance of the transaction.

## Property Plant and Equipment

### 1. Plant and Equipment

#### i. Recognition and measurement

Items of plant and equipment are initially measured at cost, except those acquired through non-exchange transactions which are instead measured at fair value as their deemed cost at initial recognition.

When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized in surplus or deficit.

#### ii. Subsequent expenditure

Subsequent expenditure is capitalized only when it is probable that the future economic benefits associated with the expenditure will flow to the Trust. Ongoing repairs and maintenance are expensed as incurred.

#### iii. Depreciation

For plant and equipment, depreciation is calculated using the diminishing value method, on the cost of an asset less its residual value. Significant components of individual assets that have a useful life that is different from the remainder of those assets, those components are depreciated separately. Assets under construction are not subject to depreciation.

Depreciation methods, useful lives, and residual values are reviewed at reporting date and adjusted if appropriate.

The diminishing value percentages used for each class of plant and equipment are:

Plant & equipment - 10% to 40%

## 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 2019

2019 2018

### 1. Analysis of Revenue

#### Revenue from providing goods or services

AGM Functions	(239.97)	-
Advertising Fees	100.00	200.00
Awards Income	41,823.15	39,108.23
Certification Fees	37,201.19	38,206.39
Conference Fees	-	12,597.71
Contributions from Members	-	100.00
Field Day Income	-	2,332.65
Food Safety Template Sales	2,739.11	10,395.54
Licence Fees	3,750.00	4,300.00
Membership Fees	51,490.23	50,806.20
Olive Marks	4,298.79	8,460.88
OliveMark Promotion	464.64	1,347.35
Processor Course Income	-	10,886.95
Sponsorship	8,905.22	7,467.39
Stripe Fees Reimbursement	137.09	62.21
<b>Total Revenue from providing goods or services</b>	<b>150,669.45</b>	<b>186,271.50</b>

#### Interest, dividends and other investment revenue

Interest Income	1,066.13	82.83
<b>Total Interest, dividends and other investment revenue</b>	<b>1,066.13</b>	<b>82.83</b>

2019 2018

### 2. Analysis of Expenses

#### Costs related to providing goods or services

Travel and Meeting Costs	5,020.33	4,563.10
Awards Costs	39,625.08	34,205.71
Accountancy Fees	504.00	504.00
Audit Fees	2,470.50	1,562.00
Bank Fees	490.18	585.37
Certification Costs	27,908.53	30,818.16
Closing Stock	(3,009.88)	(2,546.96)
Conference Costs	-	11,141.25
Field Day Costs	-	2,209.60
Insurance	1,800.00	1,775.00
Legal Expenses	-	364.00
Office Expenses	1,290.81	1,934.42
Olive Mark Promotion	2,876.27	4,432.93
Opening Stock	2,546.96	3,304.47
Processor Course Costs	-	10,167.59





	2019	2018
Stripe Fees	166.43	74.75
Subscriptions	-	350.00
Telephone & Tolls	560.00	687.30
Total Costs related to providing goods or services	82,249.21	106,132.69
<b>Other expenses</b>		
Depreciation	78.96	123.30
Executive Director Fees	60,000.00	60,000.00
Internet & Website	1,137.41	1,496.77
Total Other expenses	61,216.37	61,620.07
	2019	2018

### 3. Analysis of Assets

#### Bank accounts and cash

Business Saver Account - 51	18,667.59	56,017.94
General Business Account - 00	1,601.52	207.78
OliveMark Account - 52	13,969.88	12,070.61
Total Bank accounts and cash	34,238.99	68,296.33

#### Debtors and prepayments

Accounts Receivable	385.35	2,053.46
Total Debtors and prepayments	385.35	2,053.46

#### Inventory

Stock on Hand	3,009.88	2,546.96
Total Inventory	3,009.88	2,546.96

#### Investments

Term Deposit	40,000.00	-
Total Investments	40,000.00	-

#### 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

2019                      2018

### 4. Analysis of Liabilities

#### Creditors and accrued expenses

Accounts Payable	51.75	318.35
GST	2,495.38	3,689.63
Rounding	(10.40)	(8.55)
Total Creditors and accrued expenses	2,536.73	3,999.43

#### Other current liabilities

Membership Fees Received in Advance	1,280.06	1,108.71
Total Other current liabilities	1,280.06	1,108.71

#### Other non-current liabilities



Advance - ONZ Canterbury Region	-	1,000.00
Customer Overpayment	-	440.00
Project Funding	3,705.83	4,585.97
Total Other non-current liabilities	3,705.83	6,025.97

2019                      2018

## 5. Property, Plant and Equipment

### Furniture and Fittings

Furniture and fittings owned	2,335.00	2,335.00
Accumulated depreciation - furniture and fittings owned	(2,104.52)	(2,025.56)
Total Furniture and Fittings	230.48	309.44
Total Property, Plant and Equipment	230.48	309.44

2019                      2018

## 6. Accumulated Funds

### Accumulated Funds

Opening Balance	66,961.08	48,359.51
Accumulated surpluses or (deficits)	8,270.00	18,601.57
Total Accumulated Funds	75,231.08	66,961.08
Total Accumulated Funds	75,231.08	66,961.08

## 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 2019

NAME	RATE	COST	OPENING VALUE	PURCHASES	DISPOSALS	DEPRECIATION	CLOSING VALUE
<b>Plant &amp; Equipment</b>							
Compaq Notebook Computer	40.00%	1,021.00	13.80	-	-	5.52	8.28
HP Pavilion Notebook Computer	40.00%	781.74	146.24	-	-	58.50	87.74
Shelving	10.00%	532.00	149.40	-	-	14.94	134.46
<b>Total Plant &amp; Equipment</b>		<b>2,334.74</b>	<b>309.44</b>	<b>-</b>	<b>-</b>	<b>78.96</b>	<b>230.48</b>
<b>Total</b>		<b>2,334.74</b>	<b>309.44</b>	<b>-</b>	<b>-</b>	<b>78.96</b>	<b>230.48</b>

