

Special Purpose Financial Statements

New Zealand Kiwifruit Growers Incorporated
For the year ended 31 December 2016

Prepared by Sutcliffe Graham & Co

Contents

3	Entity Information
4	Approval of Financial Report
5	Statement of Financial Performance
6	Statement of Changes in Equity
7	Statement of Financial Position
8	Notes to the Financial Statements
13	Depreciation Schedule
14	Audit Report

Entity Information

New Zealand Kiwifruit Growers Incorporated For the year ended 31 December 2016

Legal Name

New Zealand Kiwifruit Growers Incorporated

Entity Type

Incorporated Society

Incorporated Societies Number

61750

Entity Purpose of Mission

To act as Kiwifruit Growers Representative Body

Main Sources of Entity's Cash

Revenue generated from levies.

Incorporation Date

16 August 1994

President

Doug Brown

Vice President

Mark Mayston

Executive

Simon Cook

Andre Hickson

Tony Leicester

Mike Smith

Auditors

Staples Rodway Audit Limited, Tauranga

Physical Address

25 Miro Street, Mount Maunganui

Postal Address

PO Box 4246, Mount Maunganui South 3149

The accompanying notes form part of these financial statements.

These financial statements must be read in conjunction with the accompanying Notes to the Accounts and Audit Report.

Approval of Financial Report

New Zealand Kiwifruit Growers Incorporated For the year ended 31 December 2016

The Executive Committee are pleased to present the approved financial report including the historical financial statements of New Zealand Kiwifruit Growers Incorporated for year ended 31 December 2016.

APPROVED



NZKGI President

Date 30 June 2017



NZKGI Vice-President

Date 30 June 2017

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Statement of Financial Performance

New Zealand Kiwifruit Growers Incorporated For the year ended 31 December 2016

	NOTES	2016	2015
Revenue			
Revenue from Provision of Services			
Commodity Levy		1,243,083	1,077,546
Kiwifruit Employment Co-ordinator Funding		141,228	42,882
Board Secretary Fees		-	20,962
Employee Training Funding		-	38,256
Miscellaneous Income		-	6,906
Total Revenue from Provision of Services		1,384,310	1,186,552
Interest and Investment Revenue			
Interest Received		2,882	8,896
Total Interest and Investment Revenue		2,882	8,896
Total Revenue		1,387,193	1,195,448
Total Revenue		1,387,193	1,195,448
Expenses			
Executive Committee & Forum Members	7	299,025	277,915
Operations	8	101,901	109,465
Staff Costs	9	426,549	365,083
Industry Good	10	90,352	86,776
Employment Co-ordinator Costs		123,771	87,694
Employee Training		-	36,508
Overheads	11	121,596	116,652
Total Expenses		1,163,194	1,080,092
Net Operating Profit / (Loss) Before Tax		223,999	115,356
Provision for Tax			
Provision for Tax	16	527	2,211
Total Provision for Tax		527	2,211
Net Profit / (Loss)		223,472	113,145

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity

New Zealand Kiwifruit Growers Incorporated For the year ended 31 December 2016

	2016	2015
Equity		
Opening Balance	726,677	613,532
Increases		
Net Surplus for the Period	223,472	113,145
Total Increases	223,472	113,145
Total Equity	950,149	726,677

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Statement of Financial Position

New Zealand Kiwifruit Growers Incorporated As at 31 December 2016

	NOTES	31 DEC 2016	31 DEC 2015
Assets			
Current Assets			
Bank accounts and cash	3	604,034	344,051
Debtors		183,973	93,459
Accrued Income	4	301,295	401,352
Total Current Assets		1,089,302	838,862
Non-Current Assets			
Property, Plant and Equipment		15,424	7,573
Intangibles		4,455	-
Total Non-Current Assets		19,879	7,573
Total Assets		1,109,181	846,436
Liabilities			
Current Liabilities			
Credit Cards	3	2,094	1,324
Creditors		43,844	42,221
Accruals and Provisions	5	77,372	54,268
Accrued Holiday Pay		9,490	381
Accrued Payroll		13,621	-
Income in Advance	6	-	16,803
GST Payable		11,340	3,482
Tax Provision	16	676	1,280
Loans		595	-
Total Current Liabilities		159,032	119,758
Total Liabilities		159,032	119,758
Net Assets		950,149	726,677
Equity			
Retained Earnings		950,149	726,677
Total Equity		950,149	726,677

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Notes to the Financial Statements

New Zealand Kiwifruit Growers Incorporated For the year ended 31 December 2016

1. Reporting Entity

New Zealand Kiwifruit Growers Incorporated is a society registered in New Zealand under the Incorporated Societies Act 1908.

2. Statement of Accounting Policies

Basis of Preparation

These financial statements are special purpose reports prepared for the purpose of reporting to members.

The Accounting Policies that have been applied in respect to the preparation of these special purpose financial statements are set out below.

Changes in Accounting Policies

The Society transitioned on 1 January 2015 from preparation under Chartered Accountant New Zealand's Differential Reporting Framework to special purpose financial reporting, there have been no other changes in accounting policies.

No changes were made to comparatives as a result of the transition.

Revenue

Revenue is recognised when the amount of revenue can be measured reliably and it is probable that economic benefits will flow to the Society, and measured at the fair value of the consideration received or receivable.

Industry Levy

The Society has the power to raise a levy from kiwifruit growers on kiwifruit grown in New Zealand that is exported to any place other than Australia under the Commodity Levies (Kiwifruit) Order 2012. Revenue from the industry levy is recognised in the statement of financial performance when the levy becomes receivable.

Historical Cost

These financial statements have been prepared on a historical cost basis. The financial statements are presented in New Zealand dollars (NZ\$) and all values are rounded to the nearest NZ\$, except when otherwise indicated.

Bank Accounts and Cash

Bank accounts and cash comprise cash balances and bank balances with original maturities of 90 days or less.

Investments

Investments are stated at cost.

Debtors and Accrued Income

Accounts Receivable are stated at estimated realisable value. Bad debts are written off during the year as they are identified with appropriate adjustment being made as at balance date for any doubtful debts that may exist.

Levies are accounted for on an accrual basis.



Creditors and Accrued Expenditure

Creditors and accrued expenditure includes amounts owing to suppliers and employees. Expenditure is accrued at the amount invoiced.

Income Tax

Income tax is accounted for using the taxes payable method. Levy income received from members is not assessable for income tax, and expenses relating to providing benefits to members are not deductible. Tax is payable on interest revenue.

Goods and Services Tax

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

Property, Plant and Equipment and Investment Property

Property, plant and equipment are stated at historical cost less any accumulated depreciation and impairment losses. Historical cost includes expenditure directly attributable to the acquisition of assets.

Depreciation

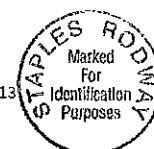
Account	Method	Rate
Office Equipment	Diminishing Value (100%)	10% - 67%

Depreciation has been calculated using the rates provided for taxation purposes in the Income Tax Act.

	2016	2015
3. Cash and Bank		
ANZ - Savings Account	583,420	308,436
ANZ - Cheque Account	20,615	35,615
ANZ - Credit Cards	(2,094)	(1,324)
Total Cash and Bank	601,941	342,727
	2016	2015
4. Accrued Income		
Debtor Accrual	650	-
Commodity Levy Accrual	300,645	401,352
Total Accrued Income	301,295	401,352
	2016	2015
5. Accruals and Provisions		
Creditor Accruals	71,502	54,268
G14 Fund	5,870	-
Total Accruals and Provisions	77,372	54,268

6. Income in Advance

Income in advance in the prior year includes amounts received for Kiwifruit Employment Development projects, funded by the Ministry of Social Development.



	2016	2015
7. Executive Committee & Forum Members		
Members Fees	67,845	65,695
President & Vice-President Honorarium	81,000	81,833
Other Meeting Fees	26,248	21,156
IAC/ISG Fees	27,970	27,800
Communications with Constituates	9,019	-
Local Travel & Accommodation	66,408	78,067
Overseas Travel & Accommodation	12,151	3,226
Per Diem for Overseas Travel	6,975	-
Telecommunications	210	138
Training	1,200	-
Total Executive Committee & Forum Members	299,025	277,915

	2016	2015
8. Operations		
Collateral	-	6,791
Consultancy & Legal Fees	15,181	17,506
Donations	5,000	43
Elections	22,012	38,767
Events	4,872	5,239
General	5,697	5,743
IKO Conference	22,346	10,116
Insurance	4,678	3,734
Lease Vehicle	3,311	-
Meeting Costs	16,019	17,887
Subscriptions	2,786	3,638
Total Operations	101,901	109,465

	2016	2015
9. Staff Costs		
Administration Support	30,000	30,000
Health Insurance	783	3,279
International Travel	12,928	-
Local Travel & Accommodation	27,349	24,897
Salaries	328,971	299,197
Contractors	25,200	-
Training	1,319	7,710
Total Staff Costs	426,549	365,083

	2016	2015
10. Industry Good		
5 + A Day	5,000	5,000
Agrichemical	877	1,292
Education & Resources	33,008	23,252
Future Leaders	8,120	-



KISP	5,400	4,638
Supply Entity Member Training	30,892	14,358
Margin Review	1,200	-
One off Special Projects	5,855	38,235
Total Industry Good	90,352	86,776
	2016	2015

11. Overheads

ACC Levies	672	766
Accountancy	23,457	21,120
Audit	3,650	3,085
Bank Fees	1,030	832
Consultancy	13,935	23,671
Depreciation	6,048	4,445
Fringe Benefit Tax	559	2,643
Information Systems	20,002	11,108
Interest	9	-
Other	-	935
Payroll	580	585
Postage & Courier	1,926	2,878
Printing & Stationary	3,785	8,820
Rent	36,254	27,429
Telephone & Tolls	9,688	8,335
Total Overheads	121,596	116,652

12. Capital Expenditure Commitments

There were no commitments for capital expenditure as at balance date (2015: NIL).

13. Contingent Liabilities

There were no known contingent liabilities outstanding as at balance date (2015: NIL).

14. Lease Obligations

Non-cancellable operating lease rentals relating to premises and a vehicle lease are payable as follows:

	2016	2015
Operating Leases		
Less than one year	43,274	36,254
Later than one year	43,065	68,279
Lease payments recognised as an expense	39,565	27,429

15. Related Parties

Simon Cook is a member of the Executive Committee of the Society and a Director of Kiwifruit Vine Health Board (KVH). Total expenditure with KVH for the year was \$39,210. Payable to KVH at year end is \$34,500. Total income from KVH for the year was \$4,579.



	2016	2015
16. Income Tax Expense		
Net Operating Profit / (Loss) Before Tax	223,999	115,356
Adjustments		
Non Taxable Income	(1,384,310)	(1,186,553)
Non Deductible Expenses	1,163,194	1,080,093
Deduction for Non-Profit Organisations	(1,000)	(1,000)
Total Adjustments	(222,116)	(107,460)
Taxable Profit (Loss)	1,883	7,896
Tax Payable at 28%	527	2,211
Tax Liability		
Opening Tax Balance	1,280	626
RWT	(504)	(1,557)
Tax Paid	(627)	-
Total Tax Liability	149	(931)
Total Tax to Pay	676	1,280



Depreciation Schedule

New Zealand Kiwifruit Growers Incorporated For the year ended 31 December 2016

NAME	COST	OPENING VALUE	PURCHASES	DISPOSALS	DEPRECIATION	CLOSING VALUE
Office Equipment						
2 Tilt Drawer Cabinets	276	40	-	-	7	33
Afico MPC3501 Photocopier	6,960	911	-	911	-	-
Banners & Stands	3,585	47	-	47	-	-
Black Cab & Bookcases	1,210	265	-	-	38	227
Board Table, 14 Chairs & Small Table	2,209	319	-	-	57	262
Building Signage	1,290	-	1,290	-	54	1,236
Conference Phone	330	3	-	-	1	2
Electronic Whiteboard	693	5	-	-	2	3
Eurotilt Filing Cabinet	599	142	-	-	20	122
HP 8530P Laptop (Ex-CEO)	4,892	83	-	83	-	-
HP 8560P Laptop (Admin)	2,138	279	-	279	-	-
HP Elite Laptop (NJ)	2,650	828	-	-	414	414
HP Laptop (RF)	2,403	197	-	-	95	102
Mobile Filing Cabinet	465	85	-	-	15	70
Office Furniture	1,179	162	-	-	29	133
Samsung Note 5 (KL)	1,129	-	1,129	-	757	373
Samsung S7 Edge (NJ)	-	-	-	-	-	-
Server	2,984	2,485	-	-	1,243	1,243
Server PC	7,010	40	-	40	-	-
Shadow Protect Server Software	697	65	-	-	31	34
Surface Pro 3 Computer (KL)	2,820	1,234	-	-	617	617
Varidesk	779	-	779	-	76	703
Wall & Door Signs	383	117	-	117	-	-
Website	6,000	183	-	183	-	-
Website Design & Build	10,700	-	10,700	-	892	9,808
Wireless Modem	693	83	-	-	40	43
Total Office Equipment	64,075	7,573	13,898	1,660	4,388	15,424
Total	64,075	7,573	13,898	1,660	4,388	15,424

The accompanying notes form part of these financial statements. These financial statements must be read in conjunction with the accompanying Notes to the Accounts and Audit Report.

INDEPENDENT AUDITOR'S REPORT

To the Members of New Zealand Kiwifruit Growers Incorporated

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of New Zealand Kiwifruit Growers Incorporated ('the Society') on pages 5 to 12, which comprise the statement of financial position as at 31 December 2016, and the statement of financial performance and statement of movements in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at 31 December 2016, and its financial performance for the year then ended in accordance with the policies stated.

This report is made solely to the Members of New Zealand Kiwifruit Growers Incorporated. Our audit work has been undertaken so that we might state those matters which 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 Members of New Zealand Kiwifruit Growers Incorporated, for our audit work, for this report or for the opinions we have formed.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ('ISAs (NZ)'). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Society in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, New Zealand Kiwifruit Growers Incorporated.

Emphasis of Matter

We draw attention to Note 2 of the financial statements, which describes the Basis of preparation, being that these financial statements have been prepared in accordance with Special Purpose. Our opinion is not modified in respect of this matter.

Responsibilities of the Executive Committee for the Financial Statements

The Executive Committee is responsible on behalf of the Society for the preparation and fair presentation of the financial statements in accordance with the policies stated or such internal control as the Executive Committee determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Executive Committee is responsible on behalf of the Society for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Executive Committee either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) 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 users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located at the External Reporting Board's websites at:

<https://xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-8/>

Staples Rodway Audit Limited

STAPLES RODWAY AUDIT LIMITED

Tauranga, New Zealand

30 June 2017