

Special Purpose Financial Statements

New Zealand Kiwifruit Growers Incorporated
For the year ended 31 December 2020

Prepared by Sutcliffe Graham + Co

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Entity Information

New Zealand Kiwifruit Growers Incorporated For the year ended 31 December 2020

Legal Name

New Zealand Kiwifruit Growers Incorporated

Entity Type

Incorporated Society

Incorporated Societies Number

610750

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

Chairman

Mark Mayston

Vice-Chairman

Whetu Rolleston

Executive

Robert Humphries
Sally Gardiner
Sean Carnachan
Tammy Hill

Auditors

Baker Tilly 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 2020

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 2020.

APPROVED

NZKGI Chairman

Date

NZKGI Vice-Chairman

Date

Statement of Financial Performance

New Zealand Kiwifruit Growers Incorporated For the year ended 31 December 2020

	NOTES	2020	2019
Revenue			
Revenue from Provision of Services			
Commodity Levy		1,568,775	1,457,893
Kiwifruit Co-ordinator Funding		131,107	83,935
Pioneer Book Funding		-	17,566
Pioneers Book Sales		1,306	10,517
Anniversary Ticket Sales		-	25,210
Ministry for Primary Industries Funding		86,555	-
Total Revenue from Provision of Services		1,787,743	1,595,120
Interest and Investment Revenue			
Interest Received		4,018	11,064
Total Interest and Investment Revenue		4,018	11,064
Total Revenue		1,791,761	1,606,184
Total Revenue		1,791,761	1,606,184
Expenses			
Executive Committee & Forum Members	7	242,531	254,464
Staff Costs / Benefits	8	889,306	738,740
Communications		48,149	70,995
External Relations		45,999	49,586
Industry Stability		1,043	393
Labour / Education		209,119	187,099
Organisational Management		23,336	29,579
Performance and Supply		32,307	36,418
Pioneer Book Expenses		2,690	28,004
Overheads	9	160,431	158,738
Total Expenses		1,654,911	1,554,016
Net Operating Profit / (Loss) Before Tax		136,850	52,168
Provision for Tax			
Provision for Tax	14	845	2,818
Total Provision for Tax		845	2,818
Net Profit / (Loss)		136,005	49,350

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.

Statement of Changes in Equity

New Zealand Kiwifruit Growers Incorporated For the year ended 31 December 2020

	2020	2019
Equity		
Opening Balance	1,255,321	1,205,971
Increases		
Net Surplus for the Period	136,005	49,350
Total Increases	136,005	49,350
Total Equity	1,391,326	1,255,321

The accompanying notes form part of these financial statements.

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Statement of Financial Position

New Zealand Kiwifruit Growers Incorporated As at 31 December 2020

	NOTES	31 DEC 2020	31 DEC 2019
Assets			
Current Assets			
Accrued Income	3	18,775	-
Bank Accounts and Cash	4	1,325,067	1,371,949
Debtors		251,101	90,248
Stock on Hand		3,013	5,570
Total Current Assets		1,597,956	1,467,766
Non-Current Assets			
Fixed Assets		15,545	24,055
Intangibles		4,455	4,455
Total Non-Current Assets		20,000	28,510
Total Assets		1,617,956	1,496,277
Liabilities			
Current Liabilities			
Accruals and Provisions	5	44,168	38,959
Accrued Holiday Pay		44,998	27,772
Credit Cards		2,989	3,560
Creditors		34,413	82,408
GST Payable		25,673	13,351
Income in Advance	6	74,248	72,748
Loans		-	479
Tax Provision	14	141	1,681
Total Current Liabilities		226,630	240,956
Total Liabilities		226,630	240,956
Net Assets		1,391,326	1,255,321
Equity			
Retained Earnings		1,391,326	1,255,321
Total Equity		1,391,326	1,255,321

The accompanying notes form part of these financial statements.

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Notes to the Financial Statements

New Zealand Kiwifruit Growers Incorporated For the year ended 31 December 2020

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

There have been no changes in Accounting Policies. The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

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 2017. Revenue from the industry levy is recognised in the statement of financial performance when the levy becomes receivable.

For levy receipting purposes an assessment of the annual levy revenue is based on Zespri's regular production forecasts. The levy is invoiced monthly from April to November and then a final invoice is raised upon availability of the December/January quantities for the prior season.

Income Received in Advance

Income received in advance is recorded when there are unfulfilled obligations for the Society to provide services in the future. The income is recorded as the obligations are fulfilled and the income earned.

The Society holds sufficient funds to enable the refund of unearned income should the Society be unable to provide the services to which the income relates.

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.

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

Property, plant and equipment is 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%
Office Equipment	Full Depreciation at Purchase (100%)	100%
Building Fit-out	Diminishing Value (100%)	10%

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

	2020	2019
3. Accrued Income		
Commodity Levy Accrual	18,775	-
Total Accrued Income	18,775	-
	2020	2019

4. Cash and Bank

ANZ - Cheque Account	184,118	300,256
ANZ - Savings Account	9,122	79,115
ANZ - Retained Earnings	1,131,826	992,578
Total Cash and Bank	1,325,067	1,371,949

	2020	2019
5. Accruals and Provisions		
Creditor Accruals	44,168	38,959
Total Accruals and Provisions	44,168	38,959
	2020	2019
6. Income in Advance		
Educator Coordinator Funding in Advance	71,173	69,673
Labour Coordinator Income in Advance	3,075	3,075
Total Income in Advance	74,248	72,748
	2020	2019
7. Executive Committee & Forum Members		
Chairman & Vice-Chairman Honorarium	92,500	94,500
Domestic Travel & Accommodation	38,690	42,245
International Travel & Accommodation	-	14,658
Members Fees	99,325	86,164
Other Meeting Costs	12,016	16,897
Total Executive Committee & Forum Members	242,531	254,464
	2020	2019
8. Staff Costs / Benefits		
Administration Support	24,906	25,000
Benefits	696	443
International Travel	-	15,000
Salaries	856,899	689,768
Training	6,805	8,530
Total Staff Costs / Benefits	889,306	738,740
	2020	2019
9. Overheads		
ACC Levies	1,602	1,154
Accountancy	19,891	17,706
Audit	6,250	5,750
Bank Fees	545	680
Depreciation	14,369	11,729
Events	1,670	7,217
Fringe Benefit Tax	432	301
Loss on Disposal of Fixed Assets	818	6,034
General	10,351	9,782
Information Systems	12,978	13,161
Insurance	5,487	6,103

	2020	2019
Interest	11	-
Lease Vehicle	8,019	7,983
Legal Fees	2,774	10,074
Payroll	1,029	881
Petrol	1,874	2,569
Postage & Courier	1,569	1,050
Printing & Stationary	4,158	6,898
Rent	54,378	36,414
Subscriptions/Publications	2,424	1,701
Tax Penalties	40	-
Telephone & Tolls	9,762	11,551
Total Overheads	160,431	158,738

10. Capital Expenditure Commitments

There were no commitments for capital expenditure as at balance date (2019: NIL).

11. Contingent Liabilities

There were no known contingent liabilities outstanding as at balance date (2019: NIL).

12. Lease Obligations

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

	2020	2019
Operating Leases		
Less than one year	47,790	47,790
Later than one year	509,640	557,430
Lease payments recognised as an expense	62,298	44,397

13. Related Parties

Payments were received during the year for NZKGI Foodbank Drive from Companies associated with Executive Committee Members. This includes:

Bruntwood Farms (Mark Mayston is Director) - \$435

Western Orchards (Sean Carnachan is Director) - \$435

Apata (Mark Mayston is Director) - \$435

Riverlock Packhouse (Doug Brown is Director and Chairman of NZKGI up to September 2020) - \$435

Payment of \$1,102 was made to DMS Progrowers (Tony Leicester is Director and was Executive Committee Member of the Society up to September 2020) towards winter pruning training time.

	2020	2019
14. Income Tax Expense		
Net Operating Profit / (Loss) Before Tax		
Current Year Surplus	136,850	52,168
Total Net Operating Profit / (Loss) Before Tax	136,850	52,168
Adjustments		
Non Taxable Income	(1,787,743)	(1,595,120)
Non Deductible Expenses	1,654,911	1,554,016
Deduction for Non-Profit Organisations	(1,000)	(1,000)
Total Adjustments	(133,832)	(42,104)
Taxable Profit (Loss)	3,018	10,064
Tax Payable at 28%	845	2,818
Tax Liability		
Opening Tax Balance	1,681	799
RWT	(703)	(1,936)
Tax Paid	(1,682)	-
Total Tax Liability	(704)	(1,137)
Total Tax to Pay	141	1,681

Depreciation Schedule

New Zealand Kiwifruit Growers Incorporated For the year ended 31 December 2020

NAME	RATE	METHOD	PURCHASED	COST	OPENING VALUE	PURCHASES	DISPOSALS	DEPRECIATION	CLOSING ACCUM DEP	CLOSING VALUE	LOSS
Office Equipment											
Conference Phone	39.60%	DV	1 Sep 2005	330	-	-	-	-	330	-	-
Electronic Whiteboard	39.60%	DV	1 Sep 2005	693	1	-	-	-	693	-	-
HP Elite Laptop (TV)	50.00%	DV	1 Apr 2014	2,650	52	-	-	26	2,624	26	-
Server	50.00%	DV	1 Sep 2015	2,984	155	-	-	78	2,907	78	-
Website Design & Build	50.00%	DV	18 Nov 2016	10,700	1,226	-	-	613	10,087	613	-
Toshiba Portege Z30T Notebook (GS)	50.00%	DV	31 Jan 2017	3,545	443	-	443	-	-	-	443
Toshiba Portege Z30T Notebook (MC)	50.00%	DV	13 Mar 2017	3,729	544	-	-	272	3,457	272	-
Samsung S7 Edge (NJ)	67.00%	DV	24 Aug 2017	1,043	82	-	82	-	-	-	82
Microsoft Surface Laptop 13.5" i5-7200 (DH)	50.00%	DV	22 Jan 2018	3,126	781	-	-	391	2,735	391	-
Samsung Galaxy S8 (SC)	67.00%	DV	3 Nov 2018	999	293	-	293	-	-	-	293
Samsung Galaxy Note 9 (MM)	67.00%	DV	25 Jan 2019	990	327	-	-	219	883	108	-
Samsung S9 (GS)	67.00%	DV	25 Jan 2019	1,150	379	-	-	254	1,024	125	-
Laptop HP Elite (GS)	50.00%	DV	30 Jan 2019	3,144	1,572	-	-	786	2,358	786	-
Laptop HP Elite (MM)	50.00%	DV	30 Jan 2019	3,160	1,580	-	-	790	2,370	790	-
Laptop HP Elite (NJ)	50.00%	DV	30 Jan 2019	3,160	1,580	-	-	790	2,370	790	-
Screen Monitors	50.00%	DV	30 Jan 2019	394	197	-	-	99	296	99	-
Office Chairs	16.00%	DV	29 Mar 2019	2,792	2,420	-	-	387	759	2,033	-
Monitors & Connectors	50.00%	DV	9 Apr 2019	274	171	-	-	86	189	86	-
Office Furniture	18.00%	DV	19 Jul 2019	2,175	1,979	-	-	356	552	1,623	-
Booth Seat	10.00%	DV	8 Aug 2019	3,126	2,996	-	-	300	430	2,696	-

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Depreciation Schedule

NAME	RATE	METHOD	PURCHASED	COST	OPENING VALUE	PURCHASES	DISPOSALS	DEPRECIATION	CLOSING ACCUM DEP	CLOSING VALUE	LOSS
HP Elitebook, Docking Station & Monitors (SC)	50.00%	DV	25 Oct 2019	3,472	3,038	-	-	1,519	1,953	1,519	-
Cellphone (DH)	67.00%	DV	29 Oct 2019	564	470	-	-	315	409	155	-
Coffee Table	16.00%	DV	31 Oct 2019	844	811	-	-	130	163	681	-
Office Furniture (Chairs)	16.00%	DV	16 Dec 2019	2,998	2,958	-	-	473	513	2,485	-
Phone (SC)	67.00%	DV	10 Jan 2020	577	-	577	-	387	387	191	-
Samsung S20 (NJ)		Full	23 Mar 2020	1,303	-	1,303	-	1,303	1,303	-	-
HP Elitebook X360 & Docking Station (RVDJ)		Full	29 Sep 2020	3,461	-	3,461	-	3,461	3,461	-	-
Barco IT System (Half Share)		Full	30 Nov 2020	1,335	-	1,335	-	1,335	1,335	-	-
Total Office Equipment				64,720	24,055	6,677	818	14,369	43,588	15,545	818
Total				64,720	24,055	6,677	818	14,369	43,588	15,545	818

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Audit Report

New Zealand Kiwifruit Growers Incorporated
For the year ended 31 December 2020

