

Financial Statements

Fruit Wine & Cider Makers Association of NZ Inc
For the year ended 31 August 2021

Prepared by SBC (Nelson)

Contents

- 3** **Compilation Report**
- 4** **Approval of Financial Report**
- 5** **Statement of Profit or Loss**
- 6** **Statement of Changes in Equity**
- 7** **Balance Sheet**
- 8** **Notes to the Financial Statements**
- 9** **Independent Auditor's Report**

Compilation Report

Fruit Wine & Cider Makers Association of NZ Inc For the year ended 31 August 2021

Compilation Report to the Partners of Fruit Wine & Cider Makers Association of NZ Inc.

Scope

On the basis of information provided and in accordance with Service Engagement Standard 2 Compilation of Financial Information, we have compiled the financial statements of Fruit Wine & Cider Makers Association of NZ Inc for the year ended 31 August 2021.

These statements have been prepared in accordance with the accounting policies described in the Notes to these financial statements.

Responsibilities

You are solely responsible for the information contained in these financial statements and have determined that the accounting policies used are appropriate to meet your needs and for the purpose that the financial statements were prepared.

The financial statements were prepared exclusively for your benefit and we do not accept responsibility to any other person for the contents of the financial statements.



Allison Blanchett

Smart Business Centre (Nelson) Ltd
9 Strawbridge Square
Stoke
Nelson 7011

Dated: 9 September 2021

Approval of Financial Report

Fruit Wine & Cider Makers Association of NZ Inc For the year ended 31 August 2021

The Committee is pleased to present the approved financial report including the historical financial statements of Fruit Wine & Cider Makers Association of NZ Inc for the year ended 31 August 2021.

APPROVED

For and on behalf of the Committee,



Jody Scott

Chairperson

Date 12 November 2021



Carman Gray

Secretary

Date 12 November 2021



Statement of Profit or Loss

Fruit Wine & Cider Makers Association of NZ Inc For the year ended 31 August 2021

	NOTES	2021	2020
Income			
Interest Received		376	626
Levies		8,751	6,307
Total Income		9,126	6,933
Competitions			
Competition Entry Fees		5,330	4,800
Competition Sponsorship Received		7,000	7,000
Competition Expenses		(12,638)	(12,436)
Total Competitions		(307)	(636)
Total Income		8,819	6,297
Expenses			
Audit & Accounting Fees		1,955	4,020
Bad Debts		600	2,204
Committee Meeting & AGM Costs		39	-
Fees & Interest		40	-
Postage & Stationery		219	38
Secretarial Fees		3,500	2,500
Website Expenses		3,373	455
Total Expenses		9,727	9,217
Net Profit (Loss) Before Taxation		(908)	(2,920)
Net Profit (Loss) for the Year		(908)	(2,920)

The accompanying notes form part of these financial statements. These financial statements have been audited and must be read in conjunction with the Independent Auditors Report.



smart business centre
Not Your Ordinary Accountants

Statement of Changes in Equity

Fruit Wine & Cider Makers Association of NZ Inc For the year ended 31 August 2021

	2021	2020
Equity		
Opening Balance	32,371	35,291
Increases		
Net Profit/(Loss) for the Period	(908)	(2,920)
Total Increases	(908)	(2,920)
Total Equity	31,464	32,371

The accompanying notes form part of these financial statements. These financial statements have been audited and must be read in conjunction with the Independent Auditors Report.

Balance Sheet

Fruit Wine & Cider Makers Association of NZ Inc As at 31 August 2021

	NOTES	31 AUG 2021	31 AUG 2020
Assets			
Current Assets			
BNZ Cheque Account		9,005	12,580
BNZ Savings Account		101	101
GST Receivable		1,049	545
Other Current Assets			
Current assets			
Sundry Debtors		-	1,678
Total Current assets		-	1,678
Total Other Current Assets		-	1,678
Total Current Assets		10,155	14,904
Non-Current Assets			
Term Deposits			
Term deposits		21,308	20,940
Total Term Deposits		21,308	20,940
Total Non-Current Assets		21,308	20,940
Total Assets		31,464	35,844
Liabilities			
Current Liabilities			
Trade and Other Payables		-	3,473
Total Current Liabilities		-	3,473
Total Liabilities		-	3,473
Net Assets		31,464	32,371
Equity			
Retained Earnings		31,464	32,371
Total Equity		31,464	32,371

The accompanying notes form part of these financial statements. These financial statements have been audited and must be read in conjunction with the Independent Auditors Report.

Notes to the Financial Statements

Fruit Wine & Cider Makers Association of NZ Inc **For the year ended 31 August 2021**

1. Special Purpose Report

These are special-purpose financial reports prepared for the Fruit Wine & Cider Makers Association of New Zealand Inc.

2. Reporting Entity

Fruit Wine & Cider Makers Association of NZ Inc is a society incorporated under the Incorporated Societies Act 1908

3. Purposes of Reports

These reports have been prepared for the members of the Association and reporting to the Ministry of Primary Industries, who administers the Wine (non-Grape Wine Levy) Order. They may not be suitable for any other purpose.

4. Changes in Accounting Policies

There have been no changes in Accounting Policies. All policies have been applied on bases consistent with those used in previous years.

5. Specific Accounting Policies

The accounting principles recognised as appropriate for the measurement and reporting of financial performance on a historical cost basis has been used, namely accrual accounting has been used to match revenues and expenses and double-entry method of recording of financial transactions have been followed by Fruit Wine & Cider Makers Association of New Zealand Inc. The following specific accounting policies which materially affect the measurement of financial performance and financial position have been applied:

a. 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.

b. Income Tax

The entity has income tax-exempt status.

6. Contingent Liabilities

There are no contingent liabilities at the balance date (Last Year: \$0).

7. Capital Expenditure Commitments

There are no capital commitments at the balance date.

8. Going Concern

The entity is a going concern and will continue to operate for the foreseeable future.

9. Audit

These financial statements have been subject to audit. Please refer to the Independent Auditor's Report.

INDEPENDENT AUDITOR'S REPORT

To the Members of The Fruit & Ciders Makers Association of New Zealand Incorporated

Opinion

We have audited the Financial Statements of The Fruit & Ciders Makers Association of New Zealand Incorporated on pages 5 to 8 which comprise the Balance Sheet as at 31 August 2021, and Statement of Profit and Loss, Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, accompanying financial statements present fairly the financial performance of The Fruit & Ciders Makers Association of New Zealand Incorporated for the year ended 31 August 2021 in accordance with the policies adopted.

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 below in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company

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 we have fulfilled our other ethical responsibilities in accordance with these requirements.

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 The Fruit & Ciders Makers Association of New Zealand Incorporated.

Emphasis of Matter

We draw attention to notes 1,3 and 5 to the financial statements, which describe the basis of accounting. As a result the financial statements may not be suitable for other purposes.

Restriction on responsibility

This report is made solely to the members, as a body, in accordance with the constitution of The Fruit & Ciders Makers Association of New Zealand Incorporated. Our audit work has been undertaken so that we might state to the members 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

The Committee's Responsibility for the Financial Statements

The Committee is responsible for determining that the accounting policies adopted are acceptable to the entity's circumstances, for the preparation of financial statements in accordance with those components, and for such internal control as the Committee determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Committee is responsible 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 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.

As part of an audit in accordance with ISAs (NZ), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, 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.

We communicate with the Committee 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.

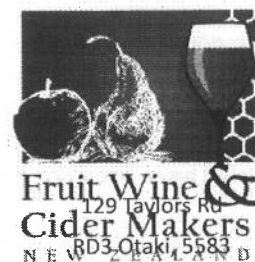


John Patrick Murphy
Chartered Accountant
Motueka, New Zealand

Date 12th November 2021

12 November 2021

John Murphy
Smart Assurance Services Limited
P.O. Box 241
Motueka 7143



Dear Sir/Madam,

Representation Letter

This representation letter is provided in connection with your audit of the Special Purpose Report of The Fruit & Ciders Makers Association of New Zealand Incorporated for the year ended 31 August 2021.

The audit is for the purpose of expressing an opinion as to whether the Special Purpose Report presents fairly, in all material respects, the financial position as at 31 August 2021, and the financial performance for the year then ended.

Our responsibility is for the preparation of a Special Purpose Report that presents fairly, in all material respects, the matters to which they relate, and for such internal control as we determine is necessary to enable the preparation of a Special Purpose Report that is free from material misstatement, whether due to fraud or error as set out in our engagement letter.

Representations:

We confirm, to the best of our knowledge and belief the following representations:

- 1) We acknowledge our responsibility for the preparation of the Special Purpose Report, including the appropriate disclosure of all information required by the accounting policies adopted and the rules of The Fruit & Ciders Makers Association of New Zealand Incorporated.
- 2) We have disclosed to you any irregularities involving management or employees that could have a material effect on the Special Purpose Report.
- 3) We have disclosed to you any allegations or suspicions of fraud that could have a material effect of the Special Purpose Report.
- 4) We have made available to you all relevant information and access including all minutes of meetings of the committee.
- 5) All relevant transactions have been recorded and are reflected in the Special Purpose Report.
- 6) The Special Purpose Report is free of material errors and omissions.
- 7) We have complied with all contractual obligations and requirements of regulatory authorities where these have a material affect on the Special Purpose Report.
- 8) We have no plans or intentions that may materially affect the value or classification of assets and liabilities reflected in the Special Purpose Report.
- 9) We acknowledge responsibility for establishing and maintaining systems of internal control to provide assurance as to the accuracy of financial reporting, security of assets, compliance with laws and regulations and the prevention and detection of fraud and error.
- 10) We consider that all significant assumptions used in making accounting estimates are reasonable.
- 11) We have disclosed to you any events that have occurred and facts discovered since 31 August 2021 that would

make the Special Purpose Report materially inaccurate or misleading

- 12) We confirm the completeness of information provided regarding the identification of related parties. We have recorded or disclosed in the Special Purpose Report any guarantees that we have given to third parties.
- 13) We have disclosed to you all known actual or possible noncompliance with laws and regulations, the effect of which have been considered by management when preparing a Special Purpose Report.
- 14) All known actual or possible litigation and claims whose effects should be considered when preparing the Special Purpose Report have been disclosed to you and accounted for and disclosed in accordance with the applicable financial reporting framework.
- 15) The considered view of the committee of The Fruit & Ciders Makers Association of New Zealand Incorporated that, after making due enquiries, The Fruit & Ciders Makers Association of New Zealand Incorporated has adequate resources to continue operations for the foreseeable future. For this reason the Committee of The Fruit & Ciders Makers Association of New Zealand Incorporated continue to adopt the going concern assumption in preparing the Special Purpose Report for the accounting period ended 31 August 2021.

Yours faithfully,
The Fruit & Ciders Makers Association of New Zealand Incorporated



Jody Scott
Chairperson



Carmen Gray
Secretary

Date 12 November 2021

FRUIT WINE & CIDER

MAKERS ASSOCIATION

Chairman's Annual Report – November 2021

I would like to thank the committee and secretary of the Fruit Wine and Cider Makers Association (FWCMA) for their work and commitment over the past 12 months. Despite a turbulent and uncertain couple of years for all industries, the members have continued to give their time and energy away from their usual roles to assist the association.

A special mention is required for our secretary, Carmen Gray who has been heavily involved at a strenuous time, covering all aspects which the association covers.

2020/2021 has continued to present challenges. Domestically, supply chains and restrictions on trading for outlets will have impacted members viability differently depending on where they can sell and how they can produce.

Internationally, the same challenges of disrupted supply chains and limited trading are faced. It is hoped that 2022 shall bring more certainty to producers and allow for longer term planning. The future should be brighter at that time.

Once again, the association continues to offer assistance where it can and invites feedback on ways it can provide clarity surrounding future impacts on COVID-19 related regulations or restrictions.

Despite the pressures, the FWCMA has had a busy and productive year. The committee continues to base its schedule around the following objectives:

1. Provide a legal voice and communication
2. Promote the industry
3. Provide education and information for the industry

The following are examples of our highlights:

- Organisation and execution for our referendum to remain a levied body for another six years, which was passed. As mentioned last year, I was a strong advocate to remain a levied bodied. This provides strength and weight with regulatory discussions and is a source of unity for our industries
- A small increase in members (compared to a net decrease in 2020)
- Covid resulted in the American Cider Association event, CiderCon 2021, being moved to a virtual conference. We were able to facilitate access to this great resource for our members. We hope to achieve a repeat of this access in 2022
- Redesigning the FWCMA association website. The draft of which shall be presented at the AGM. This shall prove to be a valuable resource for both consumers and producers

- Building of collaboration with Cider Australia. Cider Australia commissioned Export Market Guides for China, Japan, Singapore, USA, UK and Canada that we have access to. These shall be compiled in a manner which can be shared with members. If members want guidance on export to any of these markets, they can contact the association now and assistance will be provided
- We have kept across compliance discussions including MPI Regulatory Redesign and Energy labelling
- We have also sought clarification on areas of contention within the 2018 MPI guidance document on the manufacture of alcoholic beverages, which we are assured shall be done in the New Year
- The 2021 awards were held around lockdowns and the associated judge availability. Despite the challenges, the awards were very successful, and I was proud to contribute for the first time. We received record entries with new emerging cideries providing an exciting future
- The 2021 festival was unfortunately postponed. However, with regular consultation and forward planning, a contingency date was secured early to ensure the festival can go ahead. Nelson Venues and the FWCMA worked together to ensure its collaboration on the now dual venue event can still be held. There is a lot of excitement surrounding the first event in the Hawke's Bay

It needs to be acknowledged the venue move has been met with disappointment by some Nelson locals who have been supporting the festival for the past years. We continue to make assurances the plan for the 2022 festival is for it to return to Nelson. The goal remains to successfully share the festival between New Zealand's two great apple growing regions.

Following consultation with MPI regarding a query received over how alcoholic kombucha can be seen as grocery compliant, it was deemed that alcoholic kombucha is a vegetable wine on the basis that tea is the 'source vegetable'.

This results in a wider scope for our membership but also presents a contradiction to some of the guidance in the 2018 guidance document, mentioned above. The clarity regarding the use of herbs and vegetables continues to be unresolved and is a clear area to keep pushing for clarification.

A further area which has been explored is the complete redesign of the FSANZ standard which governs fruit wine and cider production. FSANZ has been very helpful in providing guidance and support should we wish to make an application for a change.

On reflection, it has been deemed too expensive and broad in scope for the FWCMA to tackle alone. The idea has not been completely abandoned and there is also appetite from Cider Australia to amend the standard so it better reflects modern and current cidermaking practices. It will be the role of the FWCMA to act in a supporting role to Cider Australia should this be progressed.

In the next year, it would be fantastic to see initiatives generated which the association can support. While not enough to fund a standard redesign as mentioned, we have some

resources available for allocation against ideas which contribute toward the achievement of our goals.

Education, collaboration, and training for emerging producers could be examples of great ways to raise our industry. We invite ideas.

Thank you to everyone for another successful year. While we can't all be together due to gathering and travel restrictions, I look forward to a successful awards announcement this evening.

We shall celebrate the winners the way they deserve in February when we gather ahead of the festival, and we will make it our greatest one yet. Have a great evening!

Jody Scott

Chairman

