

WINE VICTORIA INCORPORATED
ABN 25 484 327 174

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020



Victorian Wine Industry Association Inc

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For the Year Ended 30 June 2020

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Victorian Wine Industry Association Inc

**Committee's Report
For the Year Ended 30 June 2020**

The committee members submit the financial report of the Association for the financial year ended 30 June 2020.

Committee members

The names of committee members throughout the year and at the date of this report are:

Angie Bradbury
Ross Wilson
Nikki Palun
Damien Sheehan
Ashley Spencer
Matt Fowles
Eliza Brown Appointed July 2019
Kim Chalmers Appointed May 2020
Rob Cairns Appointed November 2019
Jon Evans Resigned August 2019
Gerry Ryan Resigned November 2019
Tom Carson Resigned November 2019
Alex King Resigned November 2019

Principal activities

The principal activities of the Association during the financial year were:

Representing the Victorian wine industry with the main aim to advocate to the Victorian government, responding to the issues that impact our members.

Significant changes

No significant change in the nature of these activities occurred during the year.

Operating result

The deficit of the Association for the financial year after providing for income tax amounted to \$ (32,625)

and a surplus in (2019: \$ 46,120).

Signed in accordance with a resolution of the Members of the Committee:

Committee member: 
Angie Bradbury

Committee member: 
Ross Wilson

Dated this 26th day of November 2020

Victorian Wine Industry Association Inc

Statement of Profit or Loss

For the Year Ended 30 June 2020

		2020	2019
	Note	\$	\$
Income			
Member subscriptions		190,583	236,097
Finance income	4	-	317
Government grants		1,786,184	534,123
Total Revenue		1,976,767	770,537
Expenditure			
Finance expenses	4	430	551
Other expenses		26,205	37,383
Professional services fees		18,632	11,248
Executive support		213,547	156,670
Trade support and programs		537,677	107,415
Brand development and marketing expenses		300,964	200,775
Project and creative management		570,489	171,896
Consultants		333,854	33,555
Conferences and meeting expenses		7,594	4,924
Total expenses		2,009,392	724,417
Surplus (deficit) before income taxes		(32,625)	46,120
Income tax expense		-	-
Surplus (deficit) after income tax		(32,625)	46,120
Accumulated surplus at the beginning of the financial year		103,057	56,937
Accumulated surplus at the end of the financial year		70,432	103,057

The accompanying notes form part of these financial statements.

Victorian Wine Industry Association Inc

Statement of Financial Position

As At 30 June 2020

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	738,101	1,514,821
Trade and other receivables	6	213,748	385,637
TOTAL CURRENT ASSETS		<u>951,849</u>	<u>1,900,458</u>
NON-CURRENT ASSETS			
TOTAL ASSETS		<u>951,849</u>	<u>1,900,458</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		125,183	198,746
Other accruals		14,990	-
Other liabilities	7	741,244	1,598,655
TOTAL CURRENT LIABILITIES		<u>881,417</u>	<u>1,797,401</u>
NON-CURRENT LIABILITIES			
TOTAL LIABILITIES		<u>881,417</u>	<u>1,797,401</u>
NET ASSETS		<u>70,432</u>	<u>103,057</u>
MEMBERS' FUNDS			
Accumulated surplus		<u>70,432</u>	<u>103,057</u>
TOTAL MEMBERS' FUNDS		<u>70,432</u>	<u>103,057</u>

The accompanying notes form part of these financial statements.

Victorian Wine Industry Association Inc

Statement of Changes in Equity
For the Year Ended 30 June 2020

2020

	Accumulated Surplus	Total
Note	\$	\$
Balance at 1 July 2019	103,057	103,057
Deficit for the year	(32,625)	(32,625)
Balance at 30 June 2020	<u>70,432</u>	<u>70,432</u>

2019

	Accumulated Surplus	Total
Note	\$	\$
Balance at 1 July 2018	56,937	56,937
Surplus for the year	46,120	46,120
Balance at 30 June 2019	<u>103,057</u>	<u>103,057</u>

The accompanying notes form part of these financial statements.

Victorian Wine Industry Association Inc

Statement of Cash Flows
For the Year Ended 30 June 2020

	2020	2019
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from members and government	2,328,721	2,001,878
Payments to suppliers and employees	(3,105,441)	(531,056)
Interest received	-	317
Net cash provided by/(used in) operating activities	<u>(776,720)</u>	<u>1,471,139</u>
Net increase/(decrease) in cash and cash equivalents held	(776,720)	1,471,139
Cash and cash equivalents at beginning of year	<u>1,514,821</u>	<u>43,682</u>
Cash and cash equivalents at end of financial year	5 <u><u>738,101</u></u>	<u><u>1,514,821</u></u>

The accompanying notes form part of these financial statements.

Victorian Wine Industry Association Inc

Notes to the Financial Statements

For the Year Ended 30 June 2020

The financial statements cover Victorian Wine Industry Association Inc as an individual entity. Victorian Wine Industry Association Inc is a not-for-profit Association incorporated in Victoria under the *Associations Incorporation Reform Act 2012* ('the Act').

The financial statements have been prepared on an accruals basis and on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

The functional and presentation currency of Victorian Wine Industry Association Inc is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

In the opinion of the Committee of Management, the Association is not a reporting entity since there are unlikely to exist users of the financial statements who are not able to command the preparation of reports tailored so as to satisfy specifically all of their information needs. These special purpose financial statements have been prepared to meet the reporting requirements of the Act.

The financial statements have been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards and Accounting Interpretations, and the disclosure requirements of AASB 101 *Presentation of Financial Statements*, AASB 107 *Statement of Cash Flows*, AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* and AASB 1054 *Australian Additional Disclosures*.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Association and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Government Grant income

Government grant income is recognised over the period upon which the project is delivered. Revenue is recognised for the same amount as the expenses incurred for each project for the same period. Any surplus or deficit at the end of the project is recognised at the end of each project. Any unspent government funding is classified as amounts received in advance as a liability until such time as the funds are spent.

This accounting policy is not consistent with the requirements of Australian Accounting Standards AASB 15 – Revenue from Contracts with Customers or AASB 1058 – Income of Not-for-Profit Entities. The Directors believe that the accounting policy adopted, whilst not compliant with Australian Accounting Standards, does better reflect the economic substance of government grant projects implemented by the Association.

Notes to the Financial Statements

For the Year Ended 30 June 2020

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Membership income

Membership income is recognised on an accruals basis over the period of membership. Should the Association receive membership income related to a period after the reporting date, that portion of membership income is classified as amounts received in advance as a liability until such time as the membership services have been provided.

Other income

Other income is recognised on an accruals basis when the Association is entitled to it.

(b) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(c) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

3 Revenue and Other Income

	2020	2019
	\$	\$
- Member subscriptions	190,583	236,097
- Government grants	1,786,184	534,123
- Interest received	-	317
Total Revenue	1,976,767	770,537

4 Finance Expenses

	2020	2019
	\$	\$
Bank charges	430	551

Notes to the Financial Statements

For the Year Ended 30 June 2020

5 Cash and Cash Equivalents

	2020	2019
	\$	\$
Cash at bank	738,101	1,514,821
	<u>738,101</u>	<u>1,514,821</u>

6 Trade and other receivables

	2020	2019
	\$	\$
CURRENT		
Trade receivables	213,748	385,637
Provision for impairment	-	-
Total current trade and other receivables	<u>213,748</u>	<u>385,637</u>

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

7 Other Liabilities

	2020	2019
	\$	\$
CURRENT		
Amounts received in advance	741,244	1,598,655

8 Contingencies

In the opinion of the Committee of Management, the Association did not have any contingencies at 30 June 2020 (30 June 2019:None).

9 Events after the end of the Reporting Period

The financial report was authorised for issue on 25 November 2020 by the Committee of Management.

Committee members believe that the rapid escalation of COVID-19 and stage 4 government restrictions may adversely affect the operations of the business. At this stage specific details of the impact of the escalation and government restrictions have not yet been determined.

Except for the above, no matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Association, the results of those operations or the state of affairs of the Association in future financial years.

Victorian Wine Industry Association Inc

Statement by Members of the Committee

The committee has determined that the Association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 2 to the financial statements.

1. Presents fairly the financial position of Victorian Wine Industry Association Inc as at 30 June 2020 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that Victorian Wine Industry Association Inc will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the committee and is signed for and on behalf of the committee by:

President

Angie Bradbury

Treasurer

Ross Wilson

Dated 26 November 2020

Victorian Wine Industry Association Inc

Independent Audit Report to the members of Victorian Wine Industry Association Inc

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report, being a special purpose financial report of Victorian Wine Industry Association Inc (the Association), which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the statement by members of the committee.

In our opinion, the accompanying financial report of the Association for the year ended 30 June 2020 is prepared, in all material respects, in accordance with the Associations Incorporation Reform Act 2012.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Association in accordance with the auditor independence requirements of the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 of the financial report, which describes the basis of accounting. The financial report is prepared to assist the Association in meeting the requirements of the Associations Incorporation Reform Act 2012. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the Association and should not be distributed to or used by parties other than the Association. Our opinion is not modified in respect of this matter.

Emphasis of Matter

We wish to draw to your attention that the Association has adopted an alternate accounting policy in relation to the timing of recognition of revenue to that required by the Australian Accounting Standards. This policy effects the timing of revenue recognition and therefore could impact the result of the Association. Please refer to note 2(a) of the financial report for further details of this policy.

Responsibilities of Management and Those Charged with Governance

Management is responsible for the preparation and fair presentation of the financial report in accordance with the Associations Incorporation Reform Act 2012, and for such internal control as management determines is necessary to enable the preparation of the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Association'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 management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

Victorian Wine Industry Association Inc

Independent Audit Report to the members of Victorian Wine Industry Association Inc

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is 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 the Australian Auditing Standards 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 this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association'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 financial reporter, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the management 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.

Victorian Wine Industry Association Inc

Independent Audit Report to the members of Victorian Wine Industry Association Inc

We also provide the management with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



Ryan H. Dummett
Director

Ashfords Audit and Assurance Pty Ltd
Chartered Accountant

Suite 5, 14 Garden Boulevard, Dingley VIC 3172

Dated this 26th day of November 2020

Victorian Wine Industry Association Inc

Certificate by Members of Committee

Annual statements give true and fair view of financial performance and position of incorporated association

We, Angie Bradbury and Ross Wilson, being members of the Committee of the Victorian Wine Industry Association Inc, certify that -

The statements attached to this certificate give a true and fair view of the financial performance and position of Victorian Wine Industry Association Inc during and at the end of the financial year of the association ending on 30 June 2020.

Dated 26 November 2020



.....
Angie Bradbury (Committee Member)



.....
Ross Wilson (Committee Member)