



Limestone Coast Grape and Wine Council

General Meeting 9th June 2020 4.30pm – 6pm

Via Zoom

Treasurers Report For 2019 - 20 FY To 1st June 2020

The LCGWC activity has progressed in accordance with the update provided at the 19th November 2019 AGM however with changes directly resultant of the restrictions due to COVID 19. Progression of the full implementation of MYOB has taken more effort than originally thought but we expect to have all financial aspects of the LCGWC and sub committees / reference groups reflected within our accounts in time for the AGM. Legacy and multi-year funding across projects continues to challenge our inputs into MYOB however we are very close to having those details fully accounted using best practice accounting methodologies. The MYOB accounting changes simply stated will provide greater financial clarity and transparency of the LCGWC activities and those of its sub-committees / groups. Timing issues with receipt of invoices and payment from Agencies for Projects continue to challenge managing and accounting the dollars strictly in Financial Year terms.

Whilst the LCGWC funds are managed holistically they are accounted against individual projects or activities giving visibility of all incomes and expenditures. This allows us to clearly see funds remaining in projects / activities (Wine Show Retained Earning, Wine Trails/Mixed Dozen, Regional Program activities and projects, Capital Allocations for LCGWC Projects, and Co-Contribution liabilities and Inkind). We have attempted to detail known future liabilities (eg: Wine Trails, Website Refresh, Spore Traps, Constitution Update).

As stated at the AGM, Murray Nankivell have undertaken the 2019 Annual Audit of the LCGWC Inc books finding'.... that the files were generally in good order and all supporting documentation was provided.' In addition Murray Nankivell were tasked to review the 2018 and 2017 accounts of the LCGWC following updates / changes / improvements associated with how grant / project funds were managed within the LCGWC's books. The auditor's report reads as above. Once we have completed our accounts for the 19/20 financial year with our accountant and BAS submitted, we will submit our 2019/2020 LCGWC Accounts for audit by Murray Nankivell.

As in the past the LCGWC core activities have been separated out to determine the years financial performance and this reported as operating profit or loss. To date we are showing a small operating loss of \$5561 for the full year. The LCGWC net position is reduced from the \$275,594 (as reported at the November AGM the result) to the current \$214,041. This reduction is primarily due to the \$30,000 LCGWC co-contribution to the Wine Trails project occurring in early 2020, the Wine Show 19 running at a small loss of \$3643 (due to higher than expected travel costs for our International Judge), cost of Spore Traps, and co-contributions and costs for the Regional Program \$20K+ no yet being fully accredited back in the Balance Sheet. I expect that the full year position nett position

when all journals are complete will be in the order of \$240K. That will reflect the LCGWC capital contribution to the Wine Trails Project and Spore Traps.

Looking Forward

Our revenue is expected to be in-line with 19/20 projections though for 20/21 interest earned will decrease by over half.

Wine Trail continues with total project funds of \$362K, of which \$17.5K are yet to be received as the final instalment for project completion. \$24K remains in the project with the principle outstanding activity being advertising which was stopped before completion due to COVID19. An extension to project completion is being worked through. Expenditure to date totals \$338K.

Our Regional Program was curtailed due to COVID19 and therefore we plan to roll over just over \$24K into 20/21 and have bid for a further \$50K for 20/21 RP activities.

Wineshow 19 made a small loss of \$3643 mainly due to a high travel cost for our international judge. Wineshow retained earnings sit at \$69186 with the \$5000 travel bursary yet to be taken due to international travel limitations of COVID19.

The current member levy \$2/Ha (ex GST) provides adequately for the running of the Council and deemed appropriate to remain the same for 2020/21. The Regions will be asked for member areas against the VineHealth Area data in late September in line with current practice. A financially strong LCGWC that delivers programs cost effectively, efficiently and with transparency, is fundamental to our vignerons and winemaking members. Whilst the project small profit will no doubt end up a small loss in FY 2019/20 is in keeping with keeping control of costs while ensuring levies are kept as low as reasonably possible.

Sub – Committees will report their finances with greater granularity separately while an overview is provided here in line with the revised accounting procedures. All funds are held within the LCGWC ANZ accounts, our fixed deposit was rolled over for a further 12 months. Near maturity of the rollover we intend to look to rollover again while attempting to obtain the best rate available, unless the COM of LCGWC deem otherwise.

The LCGWC COM F20 Charter & Activities outlines the office holders and primary activities.

To discuss the report, please contact me directly at brian@mountbensonstate.com or 0417996796

Yours Sincerely

Brian Nitschinsk

Treasurer

Limestone Coast Grape & Wine Council Inc