

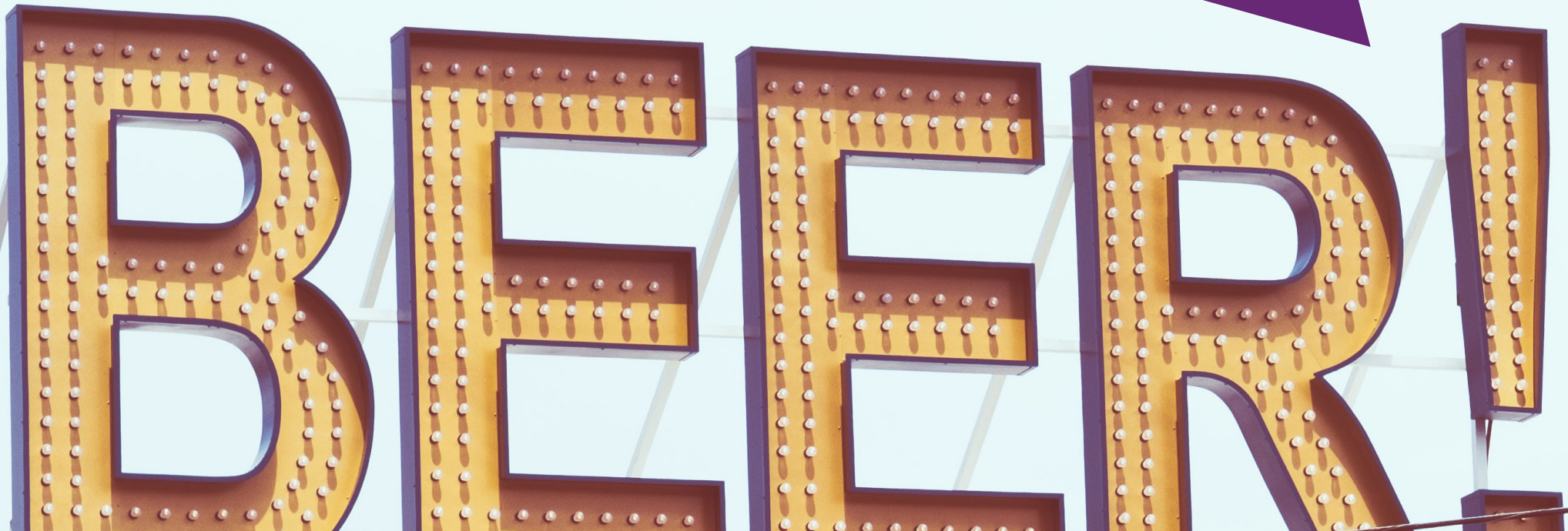
Brewers Guild of New Zealand

Annual Report

2020 - 2021



**BREWERS
GUILD**
OF NEW ZEALAND



Thank you!



Thank you!

The Brewers Guild of New Zealand would like to thank our sponsors and supporters.



Life Members

Simon Taylor
Martin Bennett
Ted and Frances Verrity

Honour Roll

Honorary Fellow

Honorary Member

Dave Logsdon
Richard Emerson
David Cryer
Tracy Banner
Ralph Bungard

Craig Bowen
John Harrington
Dr Tim Cooper
Luke Nicholas
Brian Watson
Jonathan Alve

Chairman

Joseph Wood, Liberty Brewing

Board of Directors

Dave Nicholls, DNA Brewing
Keith Riley, Lion
Sebastian Burke, Burkes Brewing Co
Paul Finney, Emporium Brewing
Brian Watson, Good George
Jason Bathgate, McLeod's Brewing
Eddie Gapper, Altitude Brewing

Executive Director

Melanie Kees

Guild Staff

Kelly Ockwell

Awards Advisory
Committee

Tracy Banner, Sprig & Fern
Brian Watson, Good George
David Nicholls, DNA Brewing
Tina Panoutsos, Carlton & United Breweries

Accountants

My Two Cents



Governance

Brewers Guild of New Zealand

Ordinary Brewery Members

Small Brewery

Beer Baroness
Brave Brewing
Brewaucracy
Brew Moon Brewing Co
Burkes Brewing Co
Cargo Brewery
Chinchiller Brew Co
Choice Bros
Dark Horse Brew Werkz
Emporium Brewing
Ferris Rd Brewery
Forgotten 43 Brewing
Fork Brew Co
Ground Up Brewing
Hey Day Beer Co
Hot Water Brewing
Isthmus Brewing
Martinborough Brewery
Mike's Beer
Roots Brewing
Shining Peak Brewery
Southpaw Brewing

Medium Brewery

Altitude Brewing
Behemoth Brewing
Boneface Brewing
Cassels Brewery
Good George Brewing
Hallertau Brewery
Hawkes Bay Brewing
Hop Federation Brewery
Kereru Brewing Co
Liberty Brewing
McLeod's Brewery
North End Brewery
ParrotDog Brewing
Renaissance Brewery
Sawmill Brewing
Sprig & Fern Brewery
Sunshine Brewery
Three Boys Brewery
Tuatara Brewing

Large Brewery

Bstudio Ltd
DB Breweries
Garage Project
Lion
McCashin's Brewery
Moa Brewing
Panhead Custom Ales

Corporate Members

Brewbus NZ
Cryer Malt
Define Instruments
ENPAC
Fermentis by Lesaffre
Foodstuffs New Zealand
Invita NZ Ltd
Kegstar

Konvoy Kegs
Label & Litho
Otago Polytechnic
NZ Hops
O-I New Zealand
Philstic Labels Ltd
Rapid Labels
Viniquip International Ltd
ICIB



Members

Brewers Guild of New Zealand

Much has changed in the brewing industry over the last couple of years!

We saw huge growth on-prem in the craft sector in 2019 with around 20% of the tap beer being craft... and I suppose nothing has really changed since then - other than the sheer volume dropping off significantly.

It's not that people have lost interest in beer I just reckon that this damned pandemic has pulled the handbrake up on a flourishing hospitality industry. I really do feel for our colleagues, and I sincerely hope that many come out of this thing with their heads above water.

Off-prem has changed for many of us too: massive innovation has been required to get our amazing products to the public. Brands that you'd not normally see on shelves are gaining momentum. Web sales are way up for many of us; 3rd party suppliers are helping out all over the country. It has been great to see that as a collective, we have been able to traverse these uncertain times.

As for our industry awards, these too have changed. We had to scrap the 2020 judging and awards, which for me personally wasn't so bad: as technically it saw Liberty Brewing as the first brewery to hold on to the trophy for two years in a row!

In 2021, after much isolation we all got together and for the first time we were able to pull together an online celebration for our industry awards. I was truly impressed with the effort that went into that and wish to congratulate all the winners. This year, we will be moving the date for the awards to a time that better suits our seasonal production levels. This date change not only allows us to tie in the AGM and other administration tasks more fluidly, we also hope that the new awards format will make ceremony attendance more convenient for our members.

Finally, we have seen our first Executive Director come and go. I personally wish Sabrina all the best for her future endeavours. She has been amazing to work with over the past few years. I am also very excited to welcome Melanie into the role. She really has hit the ground running.

Here's to a more stable 2022!

Joseph Wood
Chairman
Brewers Guild Of New Zealand



From the Chairman

Brewers Guild of New Zealand





Our Strategy

Brewers Guild of New Zealand

Our Vision

The quality and creativity of New Zealand beer is celebrated at home and around the world.

Our Mission

The Brewers Guild of New Zealand is the leader and voice for our diverse brewing industry. We provide thoughtful leadership and a strategic focus that fosters innovation, promotes social responsibility and facilitates the commercial success of New Zealand's brewing.

Our Goals

- The Guild is recognised by the industry and stakeholders as the voice & 'go-to' source for the New Zealand brewing industry.
- The Guild celebrates the best of our industry in everything we do.
- The Guild facilitates the improved quality of New Zealand Beer.
- The Guild facilitates opportunities for the people in our industry to be healthy, skilled, and develop long careers.



2020/2021 Year in Review

Brewers Guild of New Zealand

2020/2021 was a tumultuous year globally. While the focus of the year was initially to continue our good work under our new operating model, the arrival of Covid in New Zealand had the Guild pivoting to find a way to operate that would also be supportive of our members. Discounted membership fees, reducing our costs and continued support from our partners was invaluable, and we want to take this opportunity to say thank you to our members, partners and supporters for helping us collectively get through these unprecedented times.

“Tough times are inevitable in life and in business. But how you compose yourself during those times defines your spirit and will define your future”.

Richard Branson





2020/ 2021 Year in Review

(Continued)

*“The Whole is Greater than
the sum of its parts”.*

Aristotle

With the year being in turmoil both within New Zealand and globally our strategic focus was diverted to survival mode as opposed to outwardly focussing on achieving our strategic goals. That said, there were still a number of activities that the Guild undertook while on reduced output these are summarised below.

Government & Regulatory

In the area of Government & Regulatory the Guild continued to attend meetings (via Zoom) and represent our members interests in several areas:

The Guild spent many hours and attended many meetings on behalf of our members to ensure that the implementation of the new Pregnancy Warning Labelling requirements was a smooth process. Facilitating conversations and submissions around the key issues and clear representation of our members meant a change to the required language of the warnings.

The new Pregnancy Warning Labelling requirements were ultimately signed off in July 2020. A fantastic achievement after significant work undertaken by the Guild and our members.

During this time we also joined the Energy Labelling consultation process. This will no doubt be a long road of meetings, consultation and representation for our members. Energy Labelling consultation will continue into 2021 and 22 and is an area that all our members need to take an interest in as it will again change the industry's labelling requirements.

We continue to be involved in the Container Return Scheme (CRS) discussions. This will be a long process of consultation and scheme design. The outcome of the scheme will have a significant impact on the industry and remains an area that members should provide input into as the opportunity arises.

Tourism and Awareness

Like many other industries Tourism saw the largest downturn in New Zealand's modern history with the onset of Covid. With the border closures, New Zealand experienced a 94.2% drop in visitor numbers between February 2020 and February 2021 (Stats NZ 2021). The NZ Ale Trail work was in place, but sensibly was mostly placed on hold. While we were unable to proceed with our plans to promote Beer Tourism in New Zealand the predicted increase in domestic tourism means we still intend for this to be an area of growth for our members and industry.

Workforce Strategy

This continues to be a key area for the Guild. In 2020/2021 the Guild advertised 155 jobs – that was up from 78 in the previous financial year. We continue to work with education providers to ensure that our industry is well represented to help grow a long-term skilled workforce. The newly developed programme delivered by Otago Polytechnic had a total of 12 graduates by the end of 2020, which is a small step to helping provide the workforce with skilled labour.



Finance

Brewers Guild of New Zealand

Financial Report

The financial statements presented in this report follow the same reporting format as was implemented in 2019. We have continued to operate with a cost-centred approach in our day-to-day bookkeeping, which offers greater transparency to our board and members.

The accounts represent what was a difficult year however our prudent steps to reduce costs for the Guild and support our members meant we have responded well to the challenges presented.

Financial Statements

Brewers Guild of New Zealand Incorporated.
For the year ended 31 March 2021

Prepared by My Two Cents Limited



Performance Report

Brewers Guild of New Zealand
Incorporated
For the year ended
31 March 2021

Prepared by My Two Cents
Limited 2021



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Compilation Report

Brewers Guild of New Zealand
Incorporated
For the year ended 31 March 2021

Compilation Report to the Directors of
Brewers Guild of New Zealand
Incorporated.

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 Brewers Guild of New Zealand Incorporated for the year ended 31 March 2021.

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

Responsibilities

The Trustees are solely responsible for the information contained in this financial report 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. We do not accept responsibility to any other person for the contents of the financial statements.

No Audit or Review Engagement Undertaken

Our procedures use accounting expertise to undertake the compilation of the financial statements from information you provided. Our procedures do not include verification or validation procedures. No audit or review engagement has been performed and accordingly no assurance is expressed.

Independence

We have no involvement with Brewers Guild of New Zealand Incorporated other than for the preparation of financial statements and management reports and offering advice based on the financial information provided.

Disclaimer

We have compiled these financial statements based on information provided which has not been subject to an audit or review engagement. Accordingly, we do not accept any responsibility for the reliability, accuracy or completeness of the compiled financial information contained in the financial statements. Nor do we accept any liability of any kind whatsoever, including liability by reason of negligence, to any person for losses incurred as a result of placing reliance on this financial report.

My Two Cents Limited
Mangawhai
Dated: 30 June 2021



Entity Report

Brewers Guild of New Zealand
Incorporated
For the year ended 31 March 2021

Legal Name of Entity:
Brewers Guild of New Zealand
Incorporated

Entity Type and Legal Basis:
Incorporated Society

Registration Number:
NZBN 9429043144235

Entity's Purpose or Mission

The Brewers Guild of New Zealand is the leader and voice for our diverse brewing industry. We provide thoughtful leadership and a strategic focus that fosters innovation, promotes social responsibility, and facilitates the commercial success of New Zealand's brewing industry. Our vision is that the quality and creativity of New Zealand beer is celebrated at home and around the world.

Entity Structure

General Meeting. Only individuals from ordinary brewery members (breweries) are entitled to vote at the Annual General Meeting and to serve on the board.

In 2018, the Guild moved to be explicit about trying to attract a diverse board with the stated composition being representatives from:

- 3 x Small Breweries
- 3 x Medium Breweries
- 3 x Large Breweries

The brewery membership tiers are not prescribed in the Guild Rules and are reviewed every few years by the Board to ensure they continue to best reflect our industry. The Guild Rules set out the specific dates and timings for various prescribed steps for the Annual General Meeting. The Guild Board appoints an Executive Director to manage and lead the organisation's day to day activities.

Main Sources of Entity's Cash and Resources

The Guild's core activities are primarily funded through annual membership fees. Our annual BREWNZ and AWARDSNZ events are primarily funded through sponsorship contributions.

Main Methods Used by Entity to Raise Funds

The Guild raises funds through annual membership invoicing in around April each year. The Guild engages with allied industry bodies, and potential partners and sponsors every year between April and September to secure funding for BREWNZ and AWARDSNZ events.

Entity's Reliance on Volunteers and Donated

The Guild relies on volunteer time and expertise as members of the Guild Board. In addition, the Guild may rely on volunteers to assist in the delivery of BREWNZ and AWARDSNZ events. Members may contribute voluntary assistance throughout the year by providing expertise, knowledge or staff time to assist with a range of activities. Beer leftover from judging AWARDSNZ are used at the various BREWNZ events. Members may provide beer to support Guild functions or activities throughout the year.

Physical Address

PO Box 1023, Christchurch, Christchurch, New Zealand, 8140



Statement of Service & Financial Performance

Brewers Guild of New Zealand
Incorporated
For the year ended 31 March 2021

Description of Entity's Outcomes

The key outcomes/ goals the Guild is seeking to achieve are that:

- The Guild is recognised by the industry and stakeholders as the voice and 'go-to' source for the New Zealand brewing industry.
- The best of our industry is celebrated in everything we do.
- The Guild facilitates the improved quality of New Zealand Beer.
- The Guild facilitates opportunities for the people in our industry to be healthy, skilled, and develop long careers.
- Our core areas of strategic focus are Tourism, Workforce, Quality, and BREWNZ Excellence.

Description and Quantification of the Entity's Outputs

Performance Indicators	2020 Actual	2021 Target	2021 Actual	Target Achieved?
Guild Performance: The percentage increase in total revenue from previous financial year	\$585,309	No targeted set due to COVID-19	\$97,035.00	N/A
Guild Performance: The Guild has a surplus.	\$40,672	No targeted set due to COVID-19	-\$44,674.24	N/A
Guild Performance: The number of Ordinary Brewing Members of the Guild.	66 Ordinary Members	No targeted set due to COVID-19	48 Ordinary Members	N/A
Industry Quality: The percentage of beers submitted to the Guild that have a significant fault.		No targeted set due to COVID-19	No Competition in 2021 due to Covid.	N/A

Impacts of Covid-19

The Brewers Guild begins its annual budget setting and invoicing process on 1 April 2021. By that time, COVID19 impacts were in full effect. The Board and Management made a number of decisions regarding the functioning of the Guild in 2021 with the goal of reducing financial liabilities and uncertainty to ensure that the Society survived as an entity for future years. These included:

- Offering all members a 40% discount on our standard membership fee to reflect the challenging circumstances likely to be faced in that year - but to increase the possibility of any members being able to stay engaged in the organisation.

- Immediately canceling BREWNZ and AWARDS'20. This removed uncertainty around the financial implications as these events rely on sponsorship and ticket sales. Not running these events also enabled human resources to be scaled back.

- Not backfilling the role of Executive Officer.

- Requiring the Executive Director to reduce her monthly time spent on the Guild by at least 30% for April, May, and June 2020.



Statement of Financial Position

Brewers Guild of New Zealand Incorporated
As at 31 March 2021

	NOTES	31 MAR 2021	31 MAR 2020
Assets			
Current Assets			
Bank accounts and cash	3	158,971	154,417
Debtors and prepayments	3	1,426	10,129
Total Current Assets		160,397	164,546
Non-Current Assets			
Property, Plant and Equipment	5	10,636	10,892
Total Non-Current Assets		10,636	10,892
Total Assets		171,033	175,438
Liabilities			
Current Liabilities			
Creditors and accrued expenses	4	11,855	(27,024)
Other current liabilities	4	(414)	(1,805)
Total Current Liabilities		11,441	(28,829)
Total Liabilities		11,441	(28,829)
Total Assets less Total Liabilities (Net Assets)		159,592	204,267
Accumulated Funds			
Accumulated surpluses or (deficits)	6	146,088	190,763
Reserves	6	13,504	13,504
Total Accumulated Funds		159,592	204,267



Statement of Cash Flows

Brewers Guild of New Zealand Incorporated
For the year ended 31 March 2021

	2021	2020
Cash Flows from Operating Activities		
Receipts from providing goods or services	-	16,975
Interest, dividends and other investment receipts	1,477	3,016
Cash receipts from other operating activities	119,641	639,600
GST	36,443	(24,418)
Payments to suppliers and employees	(154,049)	(618,958)
Total Cash Flows from Operating Activities	3,511	16,215
Cash Flows from Investing and Financing Activities		
Payments to acquire property, plant and equipment	(1,000)	(1,000)
Cash flows from other investing and financing activities	2,043	(849)
Total Cash Flows from Investing and Financing Activities	1,043	(1,849)
Net Increase/(Decrease) in Cash	4,553	14,366
Bank Accounts and Cash		
Opening cash	154,417	140,052
Net change in cash for period	4,553	14,366
Closing cash	158,971	154,417



Depreciation Schedule

Brewers Guild of New Zealand Incorporated
For the year ended 31 March 2021

NAME	COST	OPENING VALUE	PURCHASES	DISPOSALS	DEPRECIATION	CLOSING VALUE
Computer Equipment						
HP Laptop & Docking Station	1,890	512	-	-	256	256
Total Computer Equipment	1,890	512	-	-	256	256
Software						
Creator Named User for ArcGIS Online	1,000	-	1,000	-	1,000	-
Web Site Development	10,380	10,380	-	-	-	10,380
Total Software	11,380	10,380	1,000	-	1,000	10,380
Total	13,270	10,892	1,000	-	1,256	10,636