



CONTENTS

President & CEO's Report	2
Our Year Eight Timeline	4
Financial Statements	
Statement of Financial Performance	9
Statement of Movements in Equity	10
Statement of Financial Position	11
Statement of Accounting Policies	12
Notes to the Accounts	13
Audit Report	16
Directors' Disclosures	17



INTRODUCTION

Working for Growers, Industry wide, for Industry Good

Our Organisation

Horticulture New Zealand is now in its eighth year. The industry association represents New Zealand's 5500 commercial fruit and vegetable growers.

HortNZ is funded by a commodity levy on the sale of all domestically grown fruit and vegetables. The organisation is governed by a board of eight elected grower directors.

The organisation is based in Wellington to be close to the politicians, government agencies and officials who make decisions every day that could impact on horticulture and a grower's ability to build their business.

Our challenge is to harness the strength, power and influence of the wider industry on a diverse range of issues including biosecurity, environmental issues, labour needs, industry training and the cost of doing business.

Our Industry

New Zealand horticulture is a \$5 billion industry, exporting 60% of total production to about 110 countries.

Major exports are kiwifruit, apples, avocados, onions, buttercup squash, processed vegetables and potatoes.

The industry has a reputation for innovation, quality, early adoption of new technology and responsiveness to market demand.

New Zealand's horticultural production area uses almost 100,000 hectares, less than 1% of the country's total land area.

There are 21 'product groups' affiliated to HortNZ.

The Horticulture New Zealand Board, 2012-2013:

Andrew Fenton (president), kiwifruit and avocado, Bay of Plenty

Brian Gargiulo (vice president), tomatoes, Canterbury/Nelson

John Allen, kiwifruit, Bay of Plenty

Debbie Hewitt, asparagus, Hawke's Bay

Tony Ivicevich, tomatoes, Auckland

David Kelly, kiwifruit, Northland

Terry Olsen, potatoes, Manawatu

Julian Raine, pipfruit, Nelson



The Horticulture New Zealand board 2012/13 in HortNZ's boardroom in Wellington, from left, Tony Ivicevich, Debbie Hewitt, John Allen, Julian Raine, Brian Gargiulo (vice president), Terry Olsen, Andrew Fenton (president) and Dave Kelly. Photo by Ivor Earp-Jones.

PRESIDENT & CEO'S REPORT 2012/13



July 2013

New Zealand's commercial fruit and vegetable industry is worth over \$5 billion.

Last year horticulture became the country's fourth largest export industry, generating export income of more than \$2.6 billion. We create over 50,000 jobs and generate income for communities' right across the country, from Northland to Southland.



It is a diverse and often challenging industry. Like all farming it is highly susceptible to the vagaries of the weather, not to mention the exchange rate and the whims of local government regulation makers.

Horticulture New Zealand harnesses the power and strength of the entire fruit and vegetable industry to work on critical industry wide issues in Wellington and further afield. We work for all 5,500 commercial fruit and vegetable growers and are charged with the responsibility of protecting and supporting the development of the industry as a whole, to raise awareness of it and pursue good outcomes for growers, no matter what.

In the past year HortNZ was successful in re-establishing its Commodity Levy Order with a levy of 15 cents for every \$100 of sales of fruit and vegetables grown in New Zealand. We thank those growers who participated in the referendum and gave their overwhelming support for the levy. It is a very strong indication of the value that growers see in the work we do in the key areas of biosecurity, labour and skills availability, resource management advocacy, food safety compliance and above all, communicating the value of all horticulture to the rest of the country.

HortNZ has had a very busy year and our key activities and achievements are listed in the "Our Year Eight" section of this report. We continue to work in a strategic and proactive way to represent the best interests of growers and to work towards achieving our goal of a \$10 billion industry by 2020.

HortNZ's financial results for the year are satisfactory and the Board and staff are continuing to make adjustments to ensure that we focus our efforts on activities that deliver the best value for growers.

We would like to acknowledge the hard work and dedication of the Board and staff and the strong support we have received from growers, product groups and growers associations during a challenging and productive year.

HortNZ is directed by growers for growers. This means that growers have a right of access to board members and the chief executive to offer comment, criticism (hopefully constructive), advice and to share their concerns. We encourage growers to make full use of this organisation as it belongs to you and the more you use it the more growers will benefit from establishing it.

Thank you.

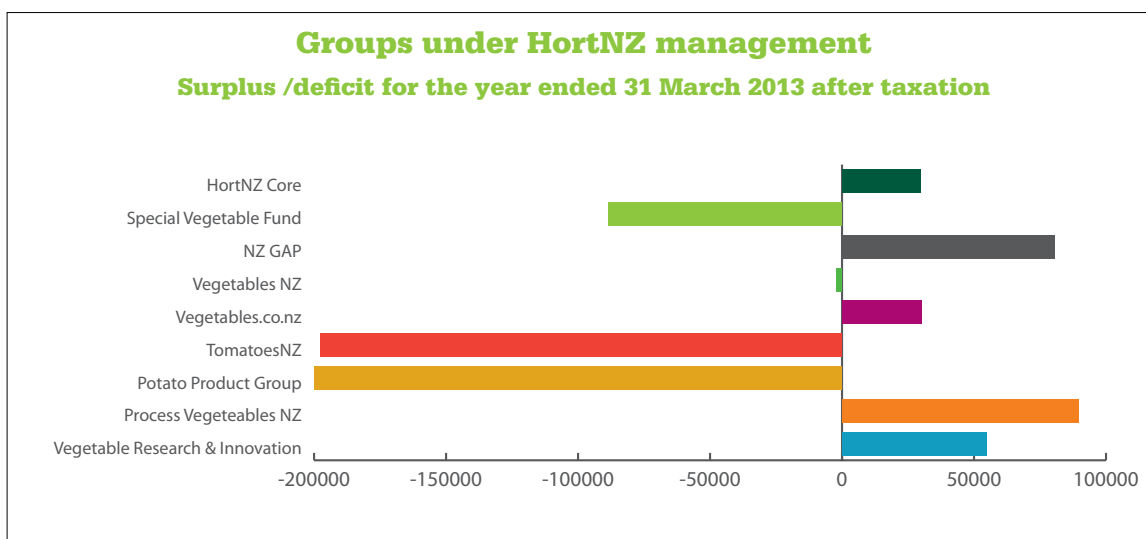
Andrew Fenton, President

Peter Silcock, Chief Executive

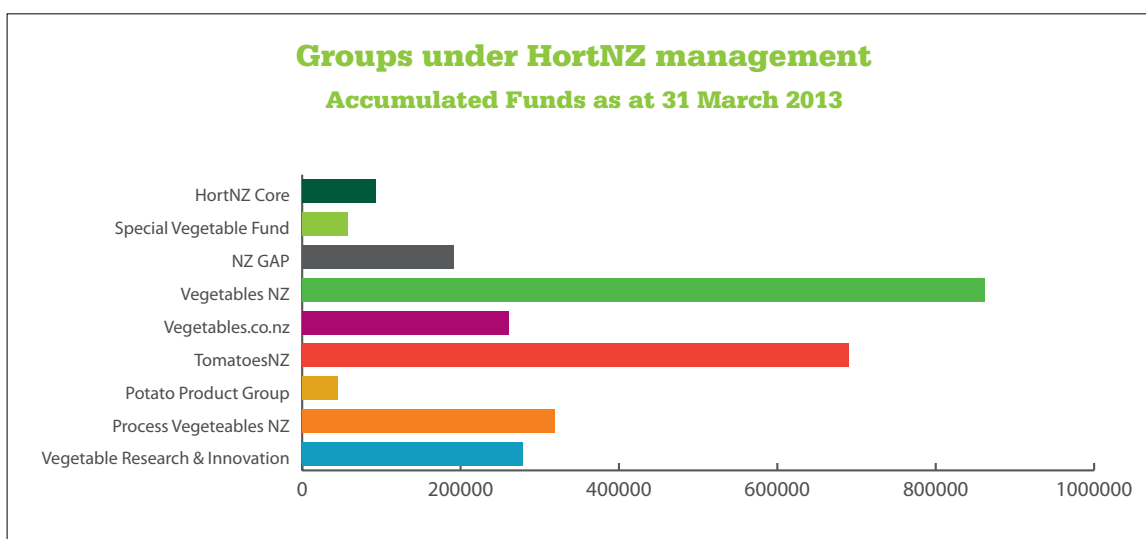
Financial Report for the year ended 31 March 2013

The overall financial performance of HortNZ has been satisfactory and the organisation remains in a reasonably strong position financially:

- The loss of \$203,682 for the year ended 31 March 2013 is largely the result of the transfer of Potato Product Group activities to Potatoes New Zealand Inc and the planned reduction in accumulated funds by TomatoesNZ.
- HortNZ core activity achieved a surplus for the year ended 31 March 2013 of \$29,865 (\$229,263 in 2012). This reduction in the year end surplus was due to losses in the operation of the Orchardist, NZGrower and the HortNZ conference. The largest single factor being the loss of the Fruitgrowers' Charitable Trust funding for the Orchardist magazine. Adjustments have been made to reduce the costs to achieve a better result in these areas in the future.



- HortNZ ended the year with accumulated funds of \$2,854,504 (last year \$3,058,245).
- All groups operating under HortNZ management had positive accumulated funds.
- HortNZ core activity has very modest accumulated funds of \$92,492 as at 31 March 2013 (\$62,627 at 31 March 2012).



OUR YEAR EIGHT TIMELINE

2012

APRIL

- The consultation process is underway for the HortNZ commodity levy referendum, as HortNZ directors and staff attend meetings across the country to explain what HortNZ does for growers with the \$2.5 million in levy funding it collects.
- HortNZ farewells long-serving staff member Jeanette Sullivan, who retired after 30 years working for HortNZ and VegFed.



Last HortNZ Board Meeting at Huddart Parker



Detection of a Queensland Fruit Fly in New Lynn, Auckland

JUNE

- The Recognised Seasonal Employer conference, organised and hosted by HortNZ, is held in Wellington for about 120 fruit and vegetable growers who use RSE workers from the Pacific.
- HortNZ moves out of the grand old Huddart Parker Building (owned by the Fruitgrowers Charitable Trust) as it is being earthquake strengthened and into a building on Ballance Street in Wellington, closer to Parliament and the Ministry for Primary Industries.
- HortNZ exhibits at the Eastern Horticultural Field Days in Hastings for the first time to talk to growers about the levy referendum.

MAY

- The detection of a Queensland Fruit Fly in New Lynn, Auckland, puts the entire horticulture industry on high alert. HortNZ plays a major role in co-ordinating communication and liaison between the industry and the Ministry for Primary Industries' incursion response team. HortNZ chief executive Peter Silcock is invited to join the incursion's Response Strategic Liaison team as an observer, the first time an industry representative has been given this access. HortNZ was informed of the fruit fly detection on May 10 at 2.45pm. The response ended on May 26.
- Vietnamese group of agriculture officials visit HortNZ with the World Bank.
- HortNZ awards scholarships to 21 students and industry trainees.
- The new edition of Fresh Facts shows horticulture exports are worth \$3.3 billion.
- HortNZ makes submissions on agricultural vehicle regulation and industry training.



JULY

- HortNZ holds its conference with a record 487 delegates in attendance at Ellerslie in Auckland. Comments made at the conference by then Minister for Primary Industries David Carter show he is clearly not happy with the industry's stance on biosecurity.
- Central Otago fruit grower Con Van der Voort is presented with the Bledisloe Cup for 2012, horticulture's premier lifetime achievement award.
- The Young Grower of the Year award is presented to 29 year-old Canterbury vegetable grower Andrew Scott.

AUGUST

- More discussions are held by the HortNZ Board and staff, visiting growers and talking to industry supporters about the levy referendum.
- HortNZ works with Pipfruit NZ, Hawkes Bay Winegrowers, Heinz-Wattie and the Hawke's Bay Fruit and Vegetable Grower Associations to develop shared views on freshwater management in Hawke's Bay.

Visiting growers and talking to industry supporters about the levy referendum.

HortNZ uses online voting for the first time.

SEPTEMBER

- Voting for the HortNZ commodity levy referendum runs for four weeks and closes on September 28. HortNZ uses online voting for the first time.
- HortNZ chief executive Peter Silcock and communications manager Leigh Catley host a visit to the HortNZ offices from the Ministry for Primary Industries communications team, to help their newer team members understand more about horticulture, and in particular, our concerns around biosecurity.
- HortNZ co-ordinates the New Zealand Stand at AsiaFruit Logistica in Hong Kong.
- HortNZ makes submission on the Climate Change Response (Emissions Trading Scheme) Amendment Bill 2012.

OUR YEAR EIGHT TIMELINE

OCTOBER

- HortNZ announces a positive result from its commodity levy referendum, showing 85% support for the organisation from growers.
- HortNZ decides it must challenge the Environment Court's findings on the Horizons Regional Council's 'One Plan'. The HortNZ board decides we have no choice but to appeal the decision to the High Court.
- Tim Fulton of the Farmers' Weekly wins the HortNZ sponsored best horticulture journalism award at the Agricultural Journalists Guild dinner in Wellington.
- HortNZ disapproves of KiwRail's decision to close the Gisborne-Napier railway line.
- HortNZ makes a submission on the Lobbying Disclosure Bill.
- The CoOLNZ website gets an upgrade www.cool.org.nz

Report shows every fruit and vegetable grower in New Zealand pays an average of \$44,000 in tariffs to other countries.

DECEMBER

- We put the finishing touches to the 200+ page Commodity Levy Order application for HortNZ, and submit it to the Minister for Primary Industries on the last working day of the year.
- The Thames Coromandel District Council is the first council to follow HortNZ on Twitter.
- HortNZ congratulates the 43 new border security staff who start work on front line border security around the country this month.
- HortNZ finishes the year with 43 active projects underway with local and regional councils.



HortNZ communications manager Leigh Catley with Tim Fulton, Farmer's Weekly, the winner of the Horticulture Journalism Award for 2012.

NOVEMBER

- November is 5 + A Day Fruit and Vegetable Month!
- Horticulture's biennial 'Barriers to Our Export Trade' report released. This report is produced by the Horticulture Export Authority with support from HortNZ and it shows every fruit and vegetable grower in New Zealand pays an average of \$44,000 in tariffs to other countries.
- HortNZ's Peter Silcock and Kiwifruit Growers Inc's Mike Chapman represent horticulture on the joint industry/MPI Working Group for government industry agreements on biosecurity.
- HortNZ makes a submission to Food Standards Australia New Zealand on the application to irradiate imported Australian tomatoes and capsicums.
- Sydney University horticulture students visit HortNZ.
- HortNZ welcomes the release of the third and last Land & Water Forum report and urges government to consider its recommendations.
- HortNZ begins its 'Future Focus' review of the organisation.

2013

HortNZ challenges comments made by Australian growers

JANUARY

- HortNZ challenges comments made by Australian grower groups insisting that imported New Zealand products are lower quality than their own.
- HortNZ congratulates New Year's Honours recipients, kiwifruit grower and past president of Kiwifruit Growers Inc Peter Ombler who became a member of the New Zealand Order of Merit in recognition of his services to the kiwifruit industry; and George Sue, a former grower and secretary of the Taranaki Growers Association who received a Queens Service Medal for his services to the community.
- HortNZ nominee Northland fruit grower Lindsay Wells is appointed to the Horticulture Export Authority and fellow HortNZ nominee Hugh Moore of Bay of Plenty is reappointed for another three year term.
- HortNZ and the Pukekohe Vegetable Growers Association host a group of officials and elected members, including Minister for Primary Industries David Carter, on a tour of Pukekohe and Pukekawa grower operations.

FEBRUARY

- HortNZ and Potatoes New Zealand farewell Ron Gall, long time HortNZ/VegFed conference organiser and Potatoes New Zealand manager.
- HortNZ submits on the government's Resource Management Act Reform Bill.



HortNZ farewellled long-serving staff member Ron Gall.

The most severe drought on record.

MARCH

- HortNZ represents horticulture at several National Adverse Events Committee meetings held by the Ministry for Primary Industries during the most severe drought on record.
- HortNZ makes a submission opposing a proposal to reduce postal delivery services to rural New Zealand.
- HortNZ hosts a delegation from Nepal.

FINANCIALS CONTENTS

Statement of Financial Performance	9
Statement of Movements in Equity	10
Statement of Financial Position	11
Statement of Accounting Policies	12
Notes to the Accounts	13
Audit Report	16
Directors' Disclosures	17



Statement of Financial Performance

FOR THE YEAR ENDING 31 MARCH 2013

		\$	\$
	Note	2013	2012
Income			
Horticulture NZ – Core Activity	2,7,8	3,164,503	2,917,513
Orchardist Magazine		299,244	431,961
Conference		293,345	283,291
Special Vegetable Fund	15	296,928	288,921
NZGrower Magazine		323,694	276,589
New Zealand GAP		525,223	494,797
Vegetables NZ		1,069,237	1,036,762
Vegetables.co.nz		84,820	8,555
Tomatoes NZ		311,490	307,915
Potatoes New Zealand		851,331	1,617,288
Process Vegetables NZ		293,303	249,764
Vegetable Research & Innovation Board		588,731	606,147
Total Income		8,101,849	8,519,503
Expenditure			
Horticulture NZ – Core Activity	2,7,8	3,994,832	3,816,108
Orchardist Magazine		299,094	288,301
Conference		314,634	240,241
Special Vegetable Fund	15	115,360	47,677
NZGrower Magazine		337,781	292,564
New Zealand GAP		342,492	327,281
Vegetables NZ		537,755	377,274
Vegetables.co.nz		323,017	367,181
Tomatoes NZ		329,540	226,221
Potatoes New Zealand		1,051,331	1,310,243
Process Vegetables NZ		103,660	117,867
Vegetable Research & Innovation Board		556,035	646,436
Total Expenditure		8,305,531	8,057,394
Surplus / (Deficit) for year before taxation		(203,682)	462,109
Provision for Taxation	4	-	-
Surplus / (Deficit) for year after taxation		(203,682)	462,109
Transfer to the Accumulated funds of:			
Horticulture New Zealand	7	29,865	229,263
Special Vegetable Fund		(88,432)	(15,381)
Vegetables NZ		(2,072)	160,456
Vegetables.co.nz		30,120	(18,923)
Potatoes New Zealand		(200,000)	49,042
Vegetable Research & Innovation Board		54,673	24,949
Process Vegetables NZ		89,469	45,312
Tomatoes NZ		(197,704)	(90,691)
New Zealand GAP		80,399	78,082
		(203,682)	462,109

Statement of Movements in Equity

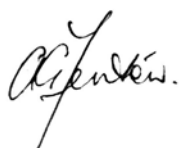
FOR THE YEAR ENDING 31 MARCH 2013

		\$	\$
	Note	2013	2012
Opening Balance		3,058,245	2,537,154
Funds Tranferred from:			
Horticulture New Zealand	7	29,865	229,263
Special Vegetable Fund		(88,432)	(15,381)
Vegetables NZ		(2,072)	160,456
Vegetables.co.nz		30,120	(18,923)
Potatoes New Zealand		(200,000)	49,042
Vegetable Research & Innovation Board		54,673	24,949
Process Vegetables NZ		89,469	45,312
Tomatoes NZ		(197,704)	(90,691)
New Zealand GAP		80,399	78,082
		(203,682)	462,109
Funds Introduced:			
New Zealand Vegetable and Potato Growers Federation	16	(59)	58,982
Closing Balance		2,854,504	3,058,245

Statement of Financial Position

AS AT 31 MARCH 2013

		\$	\$
	Note	2013	2012
Current Assets			
BNZ Current Account		106,438	177,039
BNZ Autocall Account		645,327	1,111,279
Sundry Debtors		1,297,803	1,286,854
Provision for Taxation	4	26,803	27,650
Investments		1,600,000	1,600,000
Current Accounts		6,212	2,016
Prepayments		38,257	66,830
Total Current Assets		3,720,840	4,271,668
Current Liabilities			
GST Payable		149,271	134,601
Income in Advance	5	93,506	300,422
Fit out Incentive		29,480	-
Creditors and Accrued Expenditure	3	773,742	877,549
Total Current Liabilities		1,045,999	1,312,572
Working Capital		2,674,841	2,959,096
Non Current Assets			
Fixed Assets	9	302,496	96,395
Fixed Assets – Work in Progress		-	2,754
Total Fixed Assets		302,496	99,149
Non Current Liabilities			
Fit out Incentive		122,833	-
Total Non Current Liabilities		122,833	-
Total Net Assets		2,854,504	3,058,245
Accumulated Funds		2,854,504	3,058,245
Represented by			
Horticulture New Zealand Inc		92,492	62,627
Special Vegetable Fund		57,667	146,099
Vegfed History	16	58,923	58,982
Vegetables NZ		861,963	864,035
Vegetables.co.nz		260,347	230,227
Potatoes New Zealand		44,840	244,840
Process Vegetables NZ		318,565	229,096
Tomatoes NZ		689,807	887,511
New Zealand GAP		191,711	111,312
Vegetable Research & Innovation Board		278,189	223,516



Andrew Fenton, Director
19 June 2013



Brian Gargiulo, Director
19 June 2013

Statement of Accounting Policies

FOR THE YEAR ENDING 31 MARCH 2013

Reporting Entity

Horticulture New Zealand (Inc) is registered under the Incorporated Societies Act 1908.

Statutory Base

The financial statements have been prepared in accordance with the requirements of the Incorporated Societies Act 1908 and New Zealand Financial Reporting Standards.

Measurement Basis

The financial statements have been prepared on the historical cost basis.

Differential Accounting

Horticulture New Zealand is a qualifying entity within the New Zealand Institute of Chartered Accountants' Differential Reporting Framework. Horticulture New Zealand qualifies for differential reporting on the basis that it is not publically accountable and it is not large. The organisation has taken full advantage of all differential reporting concessions available to it.

Accounting Policies

The financial statements are prepared in accordance with New Zealand generally accepted accounting practice. Horticulture New Zealand Inc is not required to and has not adopted New Zealand equivalents to International Financial Reporting Standards (NZIFRS). The accounting policies that materially affect the measurement of financial performance and financial position are set out below.

Investments:	Investments are stated at cost.
Accounts Receivable:	Accounts Receivable are stated at estimated realisable value after providing against debts where collection is doubtful.
Income Tax:	Income Tax is accounted for by the tax payable method.
Goods and Services Tax:	The statement of financial performance has been prepared so that all components are stated exclusive of GST. All items in the statement of financial position are stated net of GST, with the exception of receivables and payables, which include GST invoiced.
Revenue:	Revenue is recognised to the extent that it is probable that the economic benefit will flow to Horticulture New Zealand and the revenue can be easily measured. Revenue is measured at fair value of consideration received.

Levies

Levies is accounted for on an accrual basis when the growers' declaration is received.

Grant Income and Project Funding

Grant and Project funding income is recognised as revenue when associated obligations have been met.

Orchardist Subscriptions

Subscription income is recognised as earned by reference to actual subscription period, membership subscription received in relation to the following financial year is carried as a liability (income in advance).

Interest Income

Interest income is recognised using the effective interest rate method.

Fixed Assets

The cost of purchased property, plant and equipment is the value of the consideration given to acquire the assets and to get them to the location and condition necessary for their intended service.

Depreciation

Depreciation is calculated on a straight line basis so as to expense the cost of the assets to their residual values over their useful lives with a depreciation range of: Office Equipment and Furniture 10.5% - 67%, Leasehold Improvements 30%

Leased Assets

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Operating leases are recognised as an expense in the periods the amounts are payable.

Creditors and accrued expenditure

Creditors and accrued expenditure includes amounts owing to suppliers and employees. Expenditure is accrued at the amount invoiced.

Financial Instruments

Financial Instruments carried on the statement of financial position include cash and bank balances, receivables and payables. There are no off balance sheet financial instruments. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

Changes in accounting policies

There has been a change in NZ GAP income recognition policies during the year. Due to the lack of reliability in measuring the income that fairly matches the underlying expenditure, fees received from the approved suppliers are now recognised as revenue on receipt. Revenue upon receipt is non refundable to the suppliers and meets financial reporting criteria for revenue recognition. As a result of the change in accounting policy, income in advance has decreased by \$135,459 and revenue has increased by \$135,459 for the year ended 31 March 2013.

There have been no other changes in accounting policies. All other policies are consistent with prior years and have been applied on a consistent basis.

Notes to the Accounts

FOR THE YEAR ENDING 31 MARCH 2013

1 Allocation of Interest

Interest income, less the associated provision for taxation is allocated to each sector within Horticulture New Zealand Inc, based on their average proprietorship over the year to 31 March 2013.

2 Transactions between Groups

The amounts reflected in the statement of financial performance are net of any transactions occurring between the different groups within Horticulture New Zealand. See note 7.

3 Creditors and Accrued Expenditure

	\$	\$
	2013	2012
Trade Creditors	604,023	689,085
Accrued Expenditure	33,943	25,875
Employee Entitlement	135,776	162,590
	773,742	877,550

4 Income Tax

Net surplus / deficit	(203,682)	462,109
Tax at 28%	(57,031)	129,391
Tax effect of:		
Non Taxable Income	(1,821,667)	(1,799,326)
Non Deductable Expenditure	1,886,060	1,696,779
Prior period adjustment	20,974	(2,068)
Use of losses brought forward	(28,336)	(24,776)
Taxable Income / (Loss) to carry forward	-	-
Tax (credit) / expense in Statement of Financial Performance	-	-
Tax Payable	-	-
Less Tax Paid		
Resident Withholding Tax	(26,803)	(27,650)
Provisional tax paid	-	-
Tax Payable / (Refund)	(26,803)	(27,650)

5 Income in Advance

This is comprised of amounts received for *The Orchardist* subscription and annual fees received for New Zealand GAP and Asia Fruit Logistica.

6 Commitments

The following amounts have been committed by Horticulture New Zealand Inc but not recognised in the financial statements.

	\$	\$
	2013	2012
Operating Leases		
Non-cancellable operating lease commitments		
Within one year	192,960	160,800
Later than one, but not more than 5	804,000	192,960
	996,960	353,760

7 Horticulture New Zealand Core Activity

Income and expenditure incurred by the Horticulture New Zealand Core Activity during the year prior to the removal of product group transactions is as follows:

	\$	\$
	2013	2012
Income		
Administration Recoveries	1,235,414	1,159,331
Project Income Special Vegetable Fund	270,000	214,000
Fruitgrowers Charitable Trust Grants	250,000	256,000
Interest	31,610	31,391
Levies	2,189,500	2,069,583
Other Income	190,860	216,313
Seasonal Labour	44,939	64,561
Total Income	4,212,323	4,011,179

Notes to the Accounts

	\$	\$
	2013	2012
Less Expenditure		
Board Costs	283,526	306,835
Border Security	18,296	6,591
Communications	231,102	248,876
Depreciation	75,004	26,888
Food Safety	6,955	2,314
Horticulture Industry Strategy	1,000	26,871
Levy Collection	5,981	5,164
Levy Referendum	56,506	29,386
International	83,893	123,073
Other	78,512	76,524
People in Horticulture	228,337	233,714
Premises	121,527	95,618
Professional Fees	86,016	55,992
Natural Resources and Environment	499,392	462,879
Seasonal Labour	136,730	126,942
Staff	2,082,055	1,988,441
Total Expenditure	3,994,832	3,816,108
Surplus for year prior to Taxation	217,491	195,071
Provision for Taxation	-	-
Surplus for year after Taxation	217,491	195,071
<i>Orchardist Magazine - Net surplus / (loss)</i>	<i>(127,925)</i>	<i>26,847</i>
<i>NZGrower Magazine - Net surplus / (loss)</i>	<i>(15,567)</i>	<i>4,441</i>
<i>Conference - Net surplus / (loss)</i>	<i>(44,134)</i>	<i>2,904</i>
Transfer of Horticulture New Zealand Core Activity to Accumulated Funds	29,865	229,263

8	Reconciliation of Horticulture New Zealand Product Group Income and Expenditure	\$	\$
		2013	2012
	Horticulture New Zealand Income as per note 7 above	4,212,323	4,011,179
	Removal of Funding received from Special Vegetable Fund	(270,000)	(256,625)
	Removal of Administration Recoveries received from other product groups within Horticulture New Zealand	(777,820)	(837,041)
	Horticulture New Zealand Income Per Statement of Financial Performance	3,164,503	2,917,513
	Horticulture New Zealand Expenditure as per note 7 above	3,994,832	3,816,108
	Horticulture New Zealand Expenditure Per Statement of Financial Performance	3,994,832	3,816,108

9 Fixed Assets

2013	Cost (\$)	Accumulated Depreciation (\$)	Depreciation Expense (\$)	Book Value (\$)
Office Equipment and Furniture	284,783	203,619	43,385	81,164
Leasehold Improvements	252,951	31,619	31,619	221,332
Total Fixed Assets	537,734	235,238	75,004	302,496
2012	Cost (\$)	Accumulated Depreciation (\$)	Depreciation Expense (\$)	Book Value (\$)
Office Equipment and Furniture	266,575	170,180	26,888	96,395
Total Fixed Assets	266,575	170,180	26,888	96,395

FOR THE YEAR ENDING 31 MARCH 2013

10	Professional Services	\$	\$
		2013	2012
	Payments made to the auditors were:		
	Audit Fee	17,500	17,500
		17,500	17,500

11 Capital Commitments

There are no capital commitments as at 31 March 2013. (2012: \$35,000)

12 Contingent Liabilities

There are no contingent liabilities as at 31 March 2013. (2012: nil)

13 Financial Instruments

Fair Value:

The estimated fair value of Horticulture New Zealand Inc's financial instruments is equivalent to their carrying amounts in the financial statements.

Credit Risk:

Financial instruments which subject the Group to credit risk principally consist of bank balances and accounts receivable. Credit risk in respect of Bank and Short Term Deposits is reduced by placing deposits with major trading banks. Receivables are unsecured, but are subject to credit control. No collateral is held.

Interest Rate Risk:

Cash held on term deposits totals \$1,600,000 (2012:\$1,600,000) and is repayable on demand. There are no other interest bearing assets or liabilities.

14 Related Parties

Horticulture New Zealand Limited is a wholly owned subsidiary company of Horticulture New Zealand Inc. Ownership is by way of 100% shareholding of 200 shares in Horticulture New Zealand Limited. These shares have no nominal value.

The directors of Horticulture New Zealand Limited are also the President and Vice President of the Board of Horticulture New Zealand Inc.

The Chairperson of Horticulture New Zealand Inc is also the Chairperson for the Fruitgrowers Charitable Trust.

Horticulture New Zealand Limited was incorporated on 13 October 2004.

Management has not consolidated the subsidiary Horticulture New Zealand Limited, recognising the investment in this company as an investment at cost. The subsidiary company is not trading and has no significant assets or liabilities. Management believe any difference in treatment as a consolidation entity or as an investment at cost is not material.

15 Special Vegetable Fund

The Special Vegetable Fund was established by the Horticulture New Zealand Inc. Board following the decision of Fruitgrowers not to increase their levy from 0.11% to 0.15%. Since October 2010 0.04% of the 0.15% paid by Vegetable Growers is placed in the Special Vegetable Fund to maintain equity of contributions to Horticulture New Zealand Inc.

16 Vegfed History

On the wind up of NZ Vegetable and Potato Growers Federation \$58,982 was transferred to Horticulture New Zealand Inc. These funds are to be held in an imprest account to fund the production of a Vegfed History.

Audit Report

TO THE MEMBERS OF HORTICULTURE NEW ZEALAND INCORPORATED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Horticulture New Zealand Incorporated on pages 9 to 15, which comprise the statement of financial position as at 31 March 2013, and the statement of financial performance, statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

BOARD MEMBERS' RESPONSIBILITIES

The board members are responsible for the preparation of financial statements in accordance with generally accepted accounting practice in New Zealand and for such internal control as the board members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITIES

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that present fairly the matters to which they relate 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 entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the presentation of the financial statements.

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

Other than in our capacity as auditor we have no relationship with, or interests in Horticulture New Zealand Incorporated.

OPINION

In our opinion, the financial statements on pages 6 to 12 present fairly, in all material respects, the financial position of Horticulture New Zealand Incorporated as at 31 March 2013, and its financial performance, for the year then ended in accordance with generally accepted accounting practice in New Zealand.



GRANT THORNTON NEW ZEALAND AUDIT PARTNERSHIP
WELLINGTON, NEW ZEALAND
19 June 2013

Grant Thornton New Zealand Audit Partnership, L15 Grant Thornton House, 215 Lambton Quay, PO Box 10712, Wellington 6143
T: 64 4 474 8500 F: 64 4 474 8509 w: www.grantthornton.co.nz

Business Advisors & Chartered Accountants

Grant Thornton Wellington, an independent member firm of Grant Thornton New Zealand.

Other independent member firms in Auckland, Christchurch and Dunedin. Grant Thornton New Zealand is a member of Grant Thornton International Limited.

Directors' Disclosures

DIRECTORS' MEETING ATTENDANCES

	HortNZ Board Meetings	Audit & Risk Committee	Remuneration Committee	HortNZ Product Group Meetings
Andrew Fenton President/Chair of Board of Directors	9	2	1	2
Brian Gargiulo Vice-President/Vice-Chair	8	2	1	1
John Allen	9		1	2
Debbie Hewitt	8	2	1	2
Tony Ivceovich	8			2
Dave Kelly	7			2
Terry Olsen	8			2
Julian Raine	7	2		1

BOARD FEES FOR THE YEAR ENDED 31 MARCH

	2013	2012
Andrew Fenton (President)	\$70,000	\$70,000
Brian Gargiulo (Vice President)	\$22,000	\$22,000
John Allen	\$20,000	\$20,000
Ru Collin (resigned Dec 2011)	-	\$15,000
Debbie Hewitt	\$20,000	\$20,000
Tony Ivceovich	\$20,000	\$20,000
Dave Kelly	\$20,000	\$20,000
Terry Olsen (appointed Dec 2011)	\$20,000	-
Julian Raine	\$20,000	\$20,000

NOTE - The above fees cover approximately 20 scheduled meeting days and preparation for these meetings. This includes Board Meetings, Audit and Remuneration Committee meetings, HortNZ Product Group meetings, Regional visits made by the Board and the HortNZ Conference. Additional daily fees are paid to Board members undertaking additional roles at the request of the Board or Chair. No additional daily fees are paid to the Chair.

