

Financial Statements

Horticulture New Zealand Incorporated

31st March 2025

Entity Information

Horticulture New Zealand Incorporated
For the year ended 31 March 2025

Legal Name of Entity

Horticulture New Zealand Incorporated

Incorporated Societies Number

1692422

Entity Type and Legal Basis

Incorporated Society

Entity's Purpose

Creating an enduring environment where growers thrive.

Entity Structure

Incorporated Society

Main Sources of Entity's Cash and Resources

Revenue generated from levies.

Main Methods Used by Entity to Raise Funds

Funded through a commodity levy on the sale of fruit and vegetables.

Physical Address

Level 4, Kiwi Wealth House, 20 Ballance St, Wellington 6011

Postal Address

PO Box 10232, Wellington 6140

Horticulture New Zealand (HortNZ) is an Incorporated Society. HortNZ is funded by a levy under the Commodity Levies (Vegetables and Fruit) Order 2024. In 2024, HortNZ held a referendum asking growers to vote on a new compulsory levy affecting all fruit and vegetables. Growers voted yes to the levy, which came into effect in December 2024. The Levy Order Act requires the Levy Funds to be spend on the following: research and development; market and trade research, development, and promotion; industry promotion; development and implementation of quality assurance; education and training, including attracting people to the industry, and developing and retaining them; information and communication, including advocating for and representing growers; protection and improvement of the health of plants, including biosecurity activities; day-to-day administration of HortNZ, including central grower registration systems.

Our Aspiration	Goals	Priority Areas	Strategic Priority	Objective	Measure	2024/25 Outcome	2023/24 Outcome
Healthy food for all, forever.	Growing is rewarding	Shaping Sector Strategy	We delivered on shaping sector strategy to ensure there is a collective long-term vision for horticulture and an effective structure to deliver on strategic initiatives by:	Influencing wider food and fibre sector initiatives. Participating in pan-sector working groups allows HortNZ to advance horticultural interests at the table with other primary sector groups. Invitation to participate in these groups shows that the HortNZ voice is valued. HortNZ is often the only representative for the horticulture industry in these groups and makes clear what differentiates our needs from other industries.	The number of pan-sector working groups or governance groups that HortNZ participated in	HortNZ participated in 18 pan-sector working groups or governance groups	HortNZ participated in 15 pan-sector working groups or governance groups
<i>Oranga kai, oranga tangata, haere ake nei</i>		Proactively Influencing Policy	We delivered on proactively influencing policy to seek the best operating conditions for horticulture in the areas of environment, biosecurity, food safety, crop protection and labour by:	Responding to government and local council consultations	The number of submissions lodged by HortNZ	HortNZ lodged 49 submissions	HortNZ lodged 61 submissions
Our Vision	All growers are responsible growers	Telling the Horticulture Story	We delivered on telling the horticulture story to elevate support for growing by:	Conveying what the opportunities are and what it takes to grow good food	Number of HortNZ media releases published and the number of media requests for comment	Hort NZ published 72 media releases/stories on their website. Issued a weekly newsletter via email. Issued a total of 16 Magazines. During the year NZ Grower and Orchardist Magazines were combined into a singular magazine.	HortNZ published 66 media releases/stories on the website. There were 11 issues each of the NZ Grower and The Orchardist magazines and we also issued a week email newsletter
To create and enduring environment where growers thrive		Translating Sector Wide Change	We delivered on translating sector wide change to ensure growers and rural professionals are aware of newly implemented policy, regulations, and requirements by:	Providing growers up to date, relevant and reliable information in an integrated way.	The number of industry information sharing and upskilling events, e.g., training sessions/workshops held by HortNZ	HortNZ hosted 3 Horticulture Industry Forum Events presenting on a range of topics of interest for the sector, 5 Growing Change workshops	HortNZ hosted 3 Horticulture Industry Forum Events presenting on a range of topics of interest for the sector
	Growers can keep growing	Facilitations Grower Connections	We delivered on facilitating grower connections to enable sector wide information sharing, celebrating success, networking and attracting and developing talent be:	Hosting events for growers	Number of events held by HortNZ	HortNZ held the Horticulture and RSE conferences	HorNZ held a week long Horticultue and RSE conference in conjunction with NZ Apples and Pears
Purpose						HortNZ supported six Young Grower competitions and hosted the national final	HortNZ hosted 6 Young Grower competitions plus the final event
Leadership, advocacy and influence for grower success	Strength through trust and cooperation			Attract and develop talent	Number of people engaging with HortNZ development opportunities	HortNZ awarded 63 scholarships	HortNZ awarded 24 scholarships
						HortNZ Leadership Programme was piloted with 18 participants.	There was no leadership course in 2023/24 as we sought to refresh the format and relaunch in 2024/25.

HortNZ has used measures and outcomes that are materially within their control and for activity associated with and funded by the Levy. HortNZ has not included measures that are more broadly aligned to the sector's performance as there are factors not influenced by HortNZ's activity that can affect this performance.

Approval of Financial Report

Horticulture New Zealand Incorporated

For the year ended 31 March 2025

The Directors are pleased to present the approved financial report including the historical financial statements of Horticulture New Zealand Incorporated for year ended 31 March 2025

APPROVED



Bernadine Guilleux

HortNZ President
25 June 2025



Kathryn de Bruin

HortNZ Chair of Audit & Risk Committee
25 June 2025

Statement of Comprehensive Revenue and Expense

Horticulture New Zealand Incorporated
For the year ended 31 March 2025

Account	Notes	2025	2024
Revenue			
Horticulture NZ - Core Activity		11,076,519	11,221,359
New Zealand GAP		1,491,360	1,490,432
Vegetable Research & Innovation Board		372,313	138,302
Vegetables.co.nz		3,498	12,303
Process Vegetables NZ		549,428	830,173
SFFF - A Lighter Touch		4,971,007	4,654,260
Total Revenue	22	18,464,126	18,346,830
Expenses			
Horticulture NZ - Core Activity		9,844,282	10,528,268
New Zealand GAP		1,476,925	1,495,320
Vegetable Research & Innovation Board		280,097	317,831
Vegetables.co.nz		215,627	423,267
Process Vegetables NZ		439,681	612,196
SFFF - A Lighter Touch		4,848,012	4,473,094
Total Expenses	22	17,104,624	17,849,977
Surplus/(Deficit) for the Year		1,359,501	496,853
Tax Expense	9	127,649	75,031
Surplus/(Deficit) for the Year after Tax		1,231,852	421,822

This statement is to be read in conjunction with the Notes to the Financial Statement.

Statement of Changes in Net Assets

Horticulture New Zealand Incorporated

For the year ended 31 March 2025

Accumulated Funds 2025	Notes	Opening Balance	Surplus/ (Deficit)	Movements in Reserves	Closing Balance
Horticulture NZ		5,141,445	1,104,588	(262,095)	5,983,938
New Zealand GAP		536,793	14,435	195,852	747,079
Vegetable Research & Innovation Board		136,722	92,217	(39,344)	189,595
Vegetables.co.nz		217,129	(212,129)	(5,000)	0
Process Vegetables NZ		809,678	109,747	(224,259)	695,166
SFFF - A Lighter Touch		1,504,707	122,994	334,846	1,962,546
Total Accumulated Funds		8,346,472	1,231,852	-	9,578,325

Accumulated Funds 2024	Notes	Opening Balance	Surplus/ (Deficit)	Movements in Reserves	Closing Balance
Horticulture NZ		4,559,033	618,060	(35,648)	5,141,445
New Zealand GAP		565,173	(4,888)	(23,492)	536,793
Vegetable Research & Innovation Board		340,884	(179,530)	(24,632)	136,722
Vegetables.co.nz		640,952	(410,963)	(12,860)	217,129
Process Vegetables NZ		617,529	217,976	(25,827)	809,678
SFFF - A Lighter Touch		1,201,083	181,166	122,458	1,504,707
Total Accumulated Funds		7,924,653	421,821	-	8,346,474

This statement is to be read in conjunction with the Notes to the Financial Statement.

Statement of Financial Position

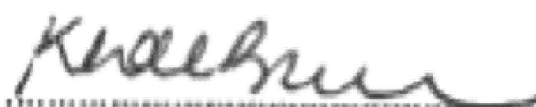
Horticulture New Zealand Incorporated

For the year ended 31 March 2025

Account	Notes	2025	2024
Assets			
Current Assets			
Bank accounts and cash	7	4,176,489	3,089,038
Prepayments		300,121	116,269
Sundry Debtors		3,313,580	2,514,117
Investments	8	5,459,264	4,595,230
Provision for Tax	9	-	21,460
Total Current Assets		13,249,453	10,336,114
Non-Current Assets			
Property, Plant and Equipment	10	370,988	437,743
Intangible Assets	11	65,987	72,240
Total Non-Current Assets		436,974	509,983
Total Assets		13,686,427	10,846,097
Liabilities			
Current Liabilities			
Creditors and accrued expenditure	12	2,197,300	1,938,154
Goods and Services Tax GST		158,783	152,795
Income in Advance	13	1,708,654	408,673
Provision for Tax	9	43,364	-
Total Current Liabilities		4,108,102	2,499,622
Total Liabilities		4,108,102	2,499,622
Total Assets less Total Liabilities (Net Assets)		9,578,325	8,346,474
Accumulated Funds			
Accumulated surpluses and deficits		9,578,325	8,346,474
Total Accumulated Funds		9,578,325	8,346,474



HortNZ President
25 June 2025



HortNZ Chair of Audit & Risk Committee
25 June 2025

This statement is to be read in conjunction with the Notes to the Financial Statement.

Statement of Cash Flows

Horticulture New Zealand Incorporated
for the year ended 31 March 2025

	Notes	2025	2024
Cash Flows From Operating Activities			
Cash was received from:			
Levies		7,660,372	6,690,735
Grants		6,303,338	7,039,016
Member fees/subscriptions		497,958	36,782
Goods & services		2,152,620	2,386,911
Interest income		386,427	290,822
		<u>17,000,715</u>	<u>16,444,267</u>
Cash was applied to:			
Payment to employees		5,727,453	5,389,553
Payments to suppliers for goods & services		9,135,157	10,520,107
Payments for taxes		(112,655)	(18,431)
Net Cash Flows from Operating Activities		2,250,760	553,038
Cash Flows From Investing Activities			
Cash was applied to:			
Fixed Asset Purchases		(272,536)	(416,543)
Intangible Purchases		(26,740)	(72,240)
Increase in Investments		(864,033)	(566,367)
Net Cash Flows from Investing Activities		(1,163,309)	(1,055,150)
Net (Decrease)/Increase in Cash		1,087,451	(502,113)
Opening Cash		3,089,038	3,591,151
Closing Cash		4,176,489	3,089,038
This is represented by:			
Bank & Cash	7	4,176,489	3,089,038

Notes to and Forming Part of the Financial Statements

Horticulture New Zealand Incorporated
For the year ended 31 March 2025

1. Reporting Entity

Horticulture New Zealand Inc ('the society') is a society registered in New Zealand under the Incorporated Societies Act 1908. The industry association represents New Zealand's 4500 commercial fruit and vegetable growers. The Society is funded by a commodity levy on the sale of commercially grown fruit and vegetables. The organisation is governed by a board of nine directors made up of two appointed independent directors and seven elected grower directors. Additionally there is one appointed non-voting future director. The financial statements are for the society and its wholly owned subsidiary Horticulture New Zealand Limited.

2. Basis of Preparation

(a) Statement of Compliance

These financial statements have been prepared in accordance with Generally Accepted Accounting Practice (NZ GAAP). They comply with the Public Benefit Entity International Public Sector Accounting applying the Reduced Disclosure Regime ("PBE IPSAS RDR"), as appropriate for Tier 2 not-for-profit public benefit entities. The board considers the basis to be appropriate for the users of the financial statements.

The Society has complied with the PBE IPSAS RDR in all material respects. The Accounting Policies that have been applied in respect to the preparation of financial statements are set out below.

The financial statements were authorised for issue in accordance with a resolution dated 5 July 2025.

(b) Measurement Basis

These financial statements have been prepared on a historical cost basis. The financial statements are presented in New Zealand dollars (NZ\$) and all values are rounded to the nearest NZ\$, except when otherwise indicated.

(c) Comparatives

The comparative financial period is 12 months. Comparatives have been reclassified from that reported in the 31 March 2024 financial statements where appropriate to ensure consistency with the presentation of the current years position and performance. The net asset position and net surplus or deficit in comparatives is consistent with previously authorised financial statements.

3. Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and have been applied consistently by the Society, except as explained in Note 4, which addresses changes in accounting policies.

(a) Presentation of Statement of Revenue and Expense and Statement of Changes in Net Assets

Both the statement of revenue and expenses and statement of changes in net assets are presented on a by function basis categorised by the product groups that exist within the Society. Transactions that occur between product groups are disclosed as transfers within the statement of changes in net assets.

(b) Revenue

Revenue is recognised to the extent that it is probable that the economic benefit will flow to Horticulture New Zealand Inc and the revenue can be reliably measured. Revenue is measured at fair value of consideration received.

The following specific revenue streams are recognised:

(i) NZ GAP fees

Annual Fees for NZGAP is non-exchange revenue and accounted for on an accrual basis. Revenue is recognized when the fees are invoiced to the growers.

(ii) Levies

Levies are non-exchange revenue and accounted for on an accrual basis. Revenue is recognised for produce sold in the year to 31 March where a growers levy declaration has been received by the Society.

(iii) Orchardist and Grower Subscriptions

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

Notes to and Forming Part of the Financial Statements

Horticulture New Zealand Incorporated
For the year ended 31 March 2025

(iv) Grant Income and Project Funding

Grant and Project funding income is non-exchange revenue and recognised as revenue when associated obligations have been met. Any remaining unspent funds at the end of the project are returned to the grant provider as per the contract.

(v) Conference Fees and Sponsorship

Income from events that Horticulture New Zealand has organised is exchange revenue and recognised once the event has occurred.

(vi) Administration Service Income

Horticulture New Zealand provides administration services to external product groups. This is exchange revenue and invoiced on a monthly basis.

(vii) Magazine Advertising

Horticulture New Zealand generates revenue through advertising sales in its monthly magazine. This revenue is recognised in alignment with the publication period of each magazine issue.

(viii) Contribution Income

Contribution Income is non-exchange revenue and recognised as revenue when associated obligations have been met.

(ix) In-kind Income

HortNZ provides in-kind contributions to the projects, the income recognised on monthly basis.

(c) Finance Income and Finance Costs

Interest income is exchange revenue and recognised using the effective interest rate method.

(d) Financial Instruments

Financial assets and financial liabilities are recognised when the Society becomes a party to the contractual provisions of the financial instrument. Purchases and sales of financial assets are accounted for at trade date, i.e., the date that the Society commits to purchase or sell the asset.

The Society derecognises a financial asset when the rights to receive cash flows from the asset have expired or are waived, or the Society has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party; and either:

- The Society has transferred substantially all the risks and rewards of the asset; or
- The Society has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial assets

Financial assets within the scope of NFP PBE IPSAS 41 Financial Instruments. The classifications of the financial assets are determined at initial recognition. On initial recognition, a financial asset is classified as measured at: amortised cost; Fair value through other comprehensive revenue and expense (FVOCRE) – debt investment and equity investment; or fair value through surplus or deficit (FVTSD).

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTSD:

- it is held within a management model whose objective is to hold assets to collect contractual cash flows.
- and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in surplus or deficit. Any gain or loss on derecognition is recognised in surplus or deficit.

Notes to and Forming Part of the Financial Statements

Horticulture New Zealand Incorporated
For the year ended 31 March 2025

Financial liabilities

The Society's financial liabilities include payables (excluding GST and PAYE), and accrued expenses.

All financial liabilities are initially recognised at fair value (plus transaction cost for financial liabilities not at fair value through surplus or deficit). They are measured subsequently at amortised cost using the effective interest method except for financial liabilities at fair value through surplus or deficit in the Statement of Comprehensive Revenue and Expense. Financial liabilities are derecognised if Society's obligations specified in the contract expire or are discharged or cancelled.

(e) Income Tax

Income Tax is accounted for by the tax payable method.

(f) Goods and Services Tax

The statement of revenue and expense 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.

(g) Property, Plant and Equipment

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

(i) Depreciation

Depreciation is provided on office equipment and furniture and IT hardware. Depreciation is calculated on either a diminishing value or a straight line basis. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period.

Office Equipment and Furniture 7.0% - 67% Straight Line or Diminishing Value

(h) Intangible Assets

Intangible assets are initially measured at cost. All of the Society's intangible assets are subsequently measured in accordance with the cost model, being cost less accumulated amortisation and impairment.

The Society has no intangible assets with indefinite lives. Cost includes expenditure that is directly attributable to the acquisition of the asset.

(i) Amortisation

Amortisation is recognised on a straight-line basis over the estimated useful lives of each amortisable intangible asset.

Intangible Assets 40% - 50% Straight Line

(i) Leases

Leases in terms of which the Society assumes substantially all the risks and rewards of ownership are classified as finance leases. Leases that are not finance leases are classified as operating leases. Operating leases are not recognised in the Society's statement of financial position.

4. Changes in Accounting Policies

There have been no changes in accounting policies.

5. Changes due to the initial application of new, revised and amended PBE Standards

There have been no changes to PBE Standards requiring application in these financial statements.

6. Allocation of Interest

Interest income, less the associated provision for taxation is allocated to each division within Horticulture New Zealand Inc, based on their average accumulated funds over the preceding 12 months.

Notes to and Forming Part of the Financial Statements

Horticulture New Zealand Incorporated
For the year ended 31 March 2025

	2025	2024
7. Cash and Bank		
BNZ Direct Levy Account	16,291	183,988
BNZ Autocall Account	447,448	373,048
BNZ Current Account HortNZ	1,976,196	1,271,525
BNZ Current Account ALT	822,982	161,827
BNZ Savings Account ALT	913,573	1,098,650
Investment Bank Accounts	-	-
Total Cash and Bank	4,176,489	3,089,038
	2025	2024
8. Investments		
Term Investment - BNZ	2,858,474	2,541,015
Term Investment - Kiwibank	-	1,017,020
Term Investment - Rabobank	2,600,790	1,037,195
Total Investments	5,459,264	4,595,230
<i>Interest rates on investments were 4.30% - 5.80% (2024: 4.60% - 6.00%)</i>		
	2025	2024
9. Income Tax		
Current Year Earnings	1,359,501	496,852
Tax at 28%	380,660	139,119
Adjustments to income tax		
Tax on Non Assessable Income	(4,160,089)	(4,190,475)
Tax on Non Deductible Expenditure	3,936,982	4,129,439
Total Tax Effect of Adjustments	(223,108)	(61,036)
Tax Payable before losses brought forward	157,553	78,038
Use of losses brought forward	-	(2,727)
Tax credit for non-profit bodies	(280)	(280)
Tax expense for the period	157,273	75,031
Adjustment to Prior Year Tax Expense	(29,625)	-
Total expense for the period	127,648	
RWT	(113,908)	(96,491)
Provision for tax	157,273	75,031
	43,364	(21,460)
Current Tax Asset Opening Balance	(21,460)	(62,730)
Tax Expense for the Period	157,273	75,031
RWT	(113,908)	(96,491)
Tax Refunds Received	21,460	62,730
Tax Expense (Refund) Due	43,364	(21,460)

Notes to and Forming Part of the Financial Statements

Horticulture New Zealand Incorporated
For the year ended 31 March 2025

10. Property, Plant and Equipment

	Office Equipment and Furniture	Leasehold Improvements	Total
<u>Cost of Valuation</u>			
Balance as at 1 April 2024	366,897	553,301	920,198
Additions	26,500	246,036	272,536
Disposals	-	(261,161)	(261,162)
Balance as at 31 March 2025	393,398	538,176	931,572
<u>Accumulated Depreciation and Impairment</u>			
Balance as at 1 April 2024	219,054	263,401	482,455
Depreciation	46,609	31,521	78,129
Balance as at 31 March 2025	265,663	294,921	560,583
<u>Net Book Value</u>			
As at 31 March 2025	127,736	243,254	370,988
As at 31 March 2024	147,843	289,900	437,743

11. Intangible Assets

	Software	Intangible Assets	Total
<u>Cost of Valuation</u>			
Balance as at 1 April 2024	401,456	-	401,456
Additions	26,740	-	26,740
Balance as at 31 March 2025	428,196		428,195
<u>Accumulated Depreciation and Impairment</u>			
Balance as at 1 April 2024	329,216	-	329,215
Depreciation	32,993	-	32,993
Balance as at 31 March 2025	362,209		362,208
<u>Net Book Value</u>			
As at 31 March 2025	65,987	-	65,987
As at 31 March 2024	72,240	-	72,240

	2025	2024
12. Creditors and Accrued Expenditure		
Trade Creditors	1,377,141	1,179,881
Accrued Expenditure	628,122	557,439
Employee Entitlements	192,036	200,834
Total Creditors and Accrued Expenditure	2,197,300	1,938,154

Notes to and Forming Part of the Financial Statements

Horticulture New Zealand Incorporated
For the year ended 31 March 2025

	2025	2024
13. Income in Advance		
ICMP	858,199	-
Other Income in Advance	350,054	172,898
Conferences	307,231	-
ACC Injury Project	67,535	113,466
NTWG	66,324	89,491
NZGAP	59,312	32,817
Total Creditors and Accrued Expenditure	1,708,654	408,673

	2025	2024
14. Professional Services		
Payments to Auditors - Audit Fee	54,000	42,000
Total Payments made were:	54,000	42,000

15. Commitments

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

	2025	2024
Operating Leases		
Non cancellable operating lease commitments		
Within one year	344,670	351,042
Later than one year and not later than five years	1,181,880	49,180
Later than five years	787,920	-
Total Non cancellable operating lease commitments	2,314,470	400,222
Total Operating Leases	2,314,470	400,222

16. Capital Commitments

Horticulture New Zealand has commitments to the following projects:

SFFF A Lighter Touch - \$100,000 per year for the next 2 years.

Growing Change - \$291,728 cash and \$101,295 in-kind over the next year"

17. Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at 31 March 2025. (2024: 250,000)

Notes to and Forming Part of the Financial Statements

Horticulture New Zealand Incorporated
For the year ended 31 March 2025

18. Related Parties

Horticulture New Zealand Limited, a wholly owned subsidiary company of Horticulture New Zealand Inc was incorporated on 13 October 2004. Ownership is by way of 100% shareholding of 200 shares in Horticulture New Zealand Ltd. 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.

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.

Directors of Horticulture New Zealand inc, who are growers, pay levies to Horticulture New Zealand Inc through the entities they are associated with.

ELT member Rebecca Fisher, of Horticulture New Zealand Inc are both Executive Committee Members of United Fresh NZ Incorporated. Horticulture NZ paid United Fresh NZ Inc \$18,000 for memberships, advertising and sponsorship in 2025 (2024: \$18,000).

Nadine Tunley, the CEO of Horticulture New Zealand Inc from June 2021 to August 2024, is also a Director of The New Zealand Institute for Plant and Food Research Limited. The New Zealand Plant and Food Research Limited has supplied consultancy services to Horticulture New Zealand Inc for many years.

Horticulture New Zealand Inc paid The New Zealand Plant and Food Research Limited \$716,750 (2024: \$681,548) for consultancy services for the Vegetables Research and Innovation Board, Process Vegetables NZ, SFFF - A Lighter Touch and Horticulture New Zealand Inc.

Kate Scott, the new CEO of Horticulture New Zealand Inc from October 2024, is also a Director and Shareholder of Landpro Ltd, and Trustee and Chair of the Rural Leaders Trust. Horticulture New Zealand Inc paid Landpro Ltd \$37,697 (2024: \$15,874) for consultancy services for the Growing Change project. Horticulture New Zealand Inc paid the New Zealand Rural Leadership Trust \$135,300 (FY24: \$30,000).

The President of Horticulture NZ Inc, Barry O'Neil, is the Chair of Tomatoes NZ Inc and a Director of Horticulture Executive Services Ltd (HESL). Horticulture New Zealand Inc provides administrative services and employees of Horticulture New Zealand Inc are the main administrators of Tomatoes NZ Inc. and HESL. In 2025, Tomatoes NZ paid Horticulture New Zealand \$12,352 (2024: \$2,219), and HESL paid \$100,155 (2024: \$5,954) for finance and administrative services provided by Horticulture New Zealand.

Hugh Ritchie is a Director and Chairman of Foundation for Arable Research (FAR). Horticulture New Zealand contributed \$310,798 (2024: \$294,242) towards research projects for FAR and received \$265,097 (2024: \$265,097) for the ALT programme.

Kathryn De Bruin is the Chair for the Grower Relief fund. Hort NZ received \$75,000 from Grower Relief fund during 2025.

Vegetables New Zealand Inc is a related party by virtue of sub-groups held within Horticulture New Zealand Inc.

<u>Transactions Undertaken:</u>	<u>\$ This Year</u>	<u>\$ Last Year</u>
Accounts Receivable Outstanding at Year End	44,843	17,405
Funding Provided to Vegetable Research & Innovation Board	212,820	82,053
Funding Provided to NZ Grower and The Orchardist magazines	24,110	27,350
Funding Provided to District Association Grant	-	2,925
Conference and Administrative Services Provided	63,812	71,457
Accounts Payable Outstanding at Year End	4,867	5,194

Horticulture New Zealand Inc classifies its key management personnel into one of two classes:

- Members of the governing body
- Senior executive officers, responsible for reporting to the governing body

Members of the governing body are paid an annual fee. Full disclosures are included in the 2024 Horticulture New Zealand Inc Annual Report.

Notes to and Forming Part of the Financial Statements

Horticulture New Zealand Incorporated
For the year ended 31 March 2025

The executive officers are employees of Horticulture New Zealand Inc, on normal employment terms.

	2025	2024
Remuneration	1,269,475	1,145,571
Number of Executive Officers	8	6

The total number of executive positions has remained consistent. The increase in executive officers to 8 (FY24: 6) is due to the replacement hiring for the positions of Chief Executive Officer (CEO) and General Manager (GM) of Corporate Services.

19. Events Subsequent to Balance Date

There were no other events subsequent to balance date that would require disclosure

20. SFFF - A Lighter Touch Project

Horticulture New Zealand Inc entered into a Sustainable Food and Fibre Futures Partnership Agreement with the Ministry of Primary Industries (MPI) on 1 April 2020. The Project is called A Lighter Touch, and is a 7 year project running until 31 March 2027. The total budgeted cost for this project in the SFFF Agreement with MPI is \$27,073,129. For this project, Horticulture New Zealand Inc is the lead agency for the Horticulture Industry and MPI.

Other contributors to the project include Boysenberries New Zealand Ltd, Bragato, Citrus New Zealand, Foundation of Arable Research, HortNZ, New Zealand Buttercup Squash Council New Zealand Persimmon Industry Council, Onions New Zealand, Summerfruit New Zealand, Strawberry Growers NZ Inc, Tomatoes New Zealand, Vegetables New Zealand and Zespri.

The goal of the project is to focus in agroecological crop protection practices to create a more desirable source of food, using biopesticides (natural materials) and biological control to ensure crop protection.

	2025	2024
Total Income		
Funding received from MPI	1,953,713	1,813,413
Funding received from Industry contributors	1,828,912	1,329,930
In kind funding	1,535,142	1,606,146
Interest income	32,086	27,229
Total income	5,349,853	4,776,718
Less intercompany transactions	(378,846)	(122,458)
	4,971,007	4,654,260

MPI funding is billed after costs have been incurred and is calculated including in-kind expenses and therefore there is no income in advance in relation to this part of the funding. Hence the income in advance is only related to the funding received from the industry.

In 2025, Horticulture New Zealand Inc contributed \$100,000 (FY24: \$100,000) to the project in cash and \$44,868 (FY24: \$60,436) in-kind. Process Vegetables contributed \$234,850 in cash (FY24: \$22,458), all of which have been eliminated on consolidation.

Notes to and Forming Part of the Financial Statements

Horticulture New Zealand Incorporated
For the year ended 31 March 2025

21 Financial Instruments

Classification of financial instruments

The carrying amounts presented in the statement of financial position relate to the following categories of financial assets

2025	Financial assets at amortised cost	Financial liabilities amortised at cost	Total
Financial assets			
Cash and cash equivalents	4,176,489		4,176,489
Trade debtors and other receivables	3,156,308		3,156,308
Investments	5,459,264		5,459,264
Total	12,792,060		12,792,060
Financial liabilities			
Trade creditors and other payables		2,005,264	2,005,264
	-	2,005,264	2,005,264

2024	Financial assets at amortised cost	Financial liabilities amortised at cost	Total
Financial assets			
Cash and cash equivalents	3,591,151		3,591,151
Trade debtors and other receivables	2,506,412		2,506,412
Investments	4,028,863		4,028,863
Total	10,126,426		10,126,426
Financial liabilities			
Trade creditors and other payables		1,352,489	1,352,489
	-	1,352,489	1,352,489

22. Statement of Financial Performance by Nature

Below is the Statement of Financial Position by Nature which shows revenue, expenditure and surplus per the individual product group (Process Vegetables) and internal groups (NZGAP, Vegetable R&I, Vegetables.co.nz. SFFF) included in the Financial Statements.
The surplus/(deficit) is shown in the Statement of Changes in Net Assets.

	HortNZ	NZ Gap	Vegetable R & I	Vegetables .co.nz	Process Vegetables	SFFF - A Lighter Touch	Consolidation Entries	2025 TOTALS	2024 TOTALS
Revenues									
Levy Revenue									
Levies	6,852,088				492,380			7,344,468	6,646,043
Non-Levy Revenue									
Conference Fees & Sponsorships	930,691							930,691	757,545
Grant Income & Project Funding	2,126,340	313,056	-			3,782,625	(662,246)	5,559,775	6,090,512
Orchardist & Grower Advertising and Subscriptions	508,419							508,419	763,495
Interest Income	257,585	21,041	5,595	3,498	25,541	32,086		345,346	295,848
NZ Gap Fees	-	1,450,319						1,450,319	1,563,967
Administrative Service Income	407,012						(130,958)	276,054	191,533
Contribution Income	-		366,719		65,851			432,569	131,982
In-kind Revenue	125,343					1,536,010	(44,868)	1,616,486	1,905,903
Total Revenues	11,207,478	1,784,416	372,313	3,498	583,772	5,350,721	(838,071)	18,464,127	18,346,828
Expenses									
Levy Funded Expenses									
People costs	4,052,003	622,746	8,755	56,440	105,998	866,257		5,712,200	5,442,530
Governance	388,153	18,136	10,694	2,162	64,185	30,509		513,840	504,297
Leadership, conferences, meetings	1,175,443		210,594	41,182	459,140	30,631	(269,193)	1,647,797	2,263,182
Travel & accommodation	574,301	17,122	5,106	3,237	9,824	40,608		650,198	515,898
Marketing & publications	532,339	28,892		90,569		128,861		780,661	998,168
Professional services	2,316,379	730,075	78,792	20,500	31,745	2,202,849	(393,052)	4,987,288	5,052,578
Information technology	291,068	24,512		1,538				317,118	304,500
Occupancy costs	368,829							368,829	326,467
Office & administration	335,347	99,653	5,498	5,000	27,392	57,155	(130,958)	399,088	454,506
Depreciation	78,130	32,993						111,123	81,948
In-kind expenses	125,343					1,536,010	(44,868)	1,616,486	1,905,903
Total Expenses	10,237,336	1,574,130	319,440	220,627	698,284	4,892,880	(838,071)	17,104,626	17,849,976
	19,521	0	0	0	85,152				
Surplus/Deficit for the Year before Tax	970,143	210,286	52,873	(217,129)	(114,512)	457,840		1,359,501	496,852
Tax Expense	127,649							127,649	75,031
Surplus/Deficit for the Year after Tax	842,493	210,286	52,873	(217,129)	(114,512)	457,840		1,231,852	421,821

Horticulture New Zealand includes the core function of HortNZ, as well as the functions of four other divisions which make up the entity. HortNZ transacts with the divisions and, to show an accurate representation of the entity activities, eliminates internal transactions. The eliminations are then adjusted back through reserves to fairly reflect the reserves belonging to each of the divisions.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF HORTICULTURE NEW ZEALAND INCORPORATED**

Opinion

We have audited the financial statements of Horticulture New Zealand Incorporated ("The Society"), which comprise the financial statements and the service performance information. The complete set of financial statements comprise the statement of financial position as at 31 March 2025, the statement of comprehensive revenue and expense, statement of changes in net assets, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the accompanying financial statements presents fairly, in all material respects:

- the financial position of the Society as at 31 March 2025, and (of) its financial performance, and its cash flows for the year then ended; and
- the service performance for the year ended 31 March 2025, in accordance with the entity's service performance criteria,

in accordance with Public Benefit Entity Standards Reduced Disclosure Regime ("PBE Standards RDR") issued by the New Zealand Accounting Standards Board.

Basis for Opinion

We conducted our audit of the financial statements in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and the audit of the service performance information in accordance with the ISAs and New Zealand Auditing Standard (NZ AS) 1 *The Audit of Service*

Performance Information (NZ). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Society in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* 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 Society.

Other Information

The Board are responsible for the other information. The other information not yet obtained at the date of this auditor's report is information contained in the annual report, but does not include the service performance information and the financial statements and our auditor's report thereon.

Our opinion on the service performance information and financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the service performance information and financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the service performance information and the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board's Responsibilities for the Financial Statements

Those charged with governance are responsible on behalf of the Society for:

- (a) the preparation and fair presentation of the financial statements and service performance information in accordance with Public Benefit Entity Standards RDR issued by the New Zealand Accounting Standards Board;
- (b) service performance criteria that are suitable in order to prepare service performance information in accordance with Public Benefit Entity Standards RDR; and
- (c) such internal control as those charged with governance determine is necessary to enable the preparation of the financial statements and service performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements those charged with governance are 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 those charged with governance either intend to liquidate the Society or to cease operations, or have 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, and the service performance information 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) and NZ AS 1 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 or collectively, they could reasonably be expected to influence the decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located at the XRB's website at

<https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-14/>

This description forms part of our auditor's report.

Who we Report to

This report is made solely to the Society's members, as a body. Our audit work has been undertaken so that we might state those matters which 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 Society and the Society's members, as a body, for our audit work, for this report or for the opinions we have formed.

BDO Wellington Audit Limited

BDO WELLINGTON AUDIT LIMITED

Wellington

New Zealand

16 July 2025