Financial Statements

Horticulture New Zealand Incorporated

31st March 2026

Entity Information

Horticulture New Zealand Incorporated
For the year ended 31 March 2026

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, 20 Ballance St, Wellington 6011

Postal Address
PO Box 10232, Wellington 6140

Approval of Financial Report

Horticulture New Zealand Incorporated

For the year ended 31 March 2026

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 2026

APPROVED

Bernadine Balle-Guilleux

HortNZ President
30 June 2026

HortNZ Chief Executive
30 June 2026

Statement of Service Performance
For the Year Ended 31 March 2026

Horticulture New Zealand (HortNZ) is an Incorporated Society. HortNZ formed out of the merger of the New Zealand Vegetable and Potato Growers' Federation (Vegfed) and the New Zealand Fruit Growers Federation (NZFF) in 2005. 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 was confirmed in December 2024 for the levy year begining April 2025

Our Aspiration	Goals	Priority Areas	Strategic Priority	Objective	Measure	2025/26 Outcome	2024/25 Outcon
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 23 pan-sector working groups or governance groups	HortNZ participated in 18 pan-sector workin groups or governance groups
Oranga kai, oranga tangata, haere ake nei		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 53 submissions	HortNZ lodged 49 submissions
Our Vision To create and enduring environment where growers thrive	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	HortNZ published 82 media releases/stories on the website, 11 issues of the NZGrower and Orchardist magazine. We also issued a weekly email newsletter.	HortNZ published 72 media releases/stories on the website. There were 2 issues each of the NZ Grower and The Orchardist magazines, 3 issues of a combined head-to-tail magazine, 3 issues of a combined magazine with an additional fruit, and an additional vegetable grower section, and 2 magazines with a combined title. We also issued a weekly email newsletter.
		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 Forums presenting on a range of topics. 5 Growing Change workshops total with catchment projects wrapped up by Dec 2025.	HortNZ hosted 3 Horticulture Industry Forum Events presenting on a range of topics of interest for the sector, 5 Growing Change workshops
	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 Horticultue and RSE conferences	HortNZ held the Horticultue and RSE conferences
Purpose						2025/26 HortNZ supported seven Young Grower competitions, and hosted the national final event.	HortNZ supported six Young Grower competitions and hosted the national final event.
Leadership, advocacy and influnence for grower success	Strength through trust and cooperation			Attract and develop talent	Number of people engaging with HortNZ development opportunities	HortNZ awarded 49 scholarships	HortNZ awarded 63 scholarships
						HortNZ Leadership Programme delivered with 16 participants.	HortNZ Leadership Programme was piloted with 18 participants.

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Statement of Comprehensive Revenue and Expense

Horticulture New Zealand Incorporated
For the year ended 31 March 2026

Account	Notes	2026	2025
Revenue			
Horticulture NZ - Core Activity		12,495,078	11,076,519
New Zealand GAP		1,417,528	1,491,360
Vegetable Research & Innovation Board		242,514	372,313
Vegetables.co.nz		-	3,498
Process Vegetables NZ		465,733	549,428
SFFF - A Lighter Touch		3,804,065	4,971,007
Total Revenue	**25**	**18,424,919**	**18,464,126**
Expenses			
Horticulture NZ - Core Activity		11,296,080	9,844,282
New Zealand GAP		1,504,099	1,476,925
Vegetable Research & Innovation Board		256,534	280,097
Vegetables.co.nz		-	215,627
Process Vegetables NZ		328,257	439,681
SFFF - A Lighter Touch		4,271,107	4,848,012
Total Expenses	**25**	**17,656,077**	**17,104,624**
Surplus/(Deficit) for the Year		**768,842**	**1,359,501**
Tax Expense	**10**	31,682	127,649
Surplus/(Deficit) for the Year after Tax		**737,160**	**1,231,852**

Statement of Changes in Net Assets

Horticulture New Zealand Incorporated
For the year ended 31 March 2026

Accumulated Funds 2026	Notes	Opening Balance	Surplus/ (Deficit)	Movements in Reserves	Closing Balance
Horticulture NZ	17	5,983,938	1,167,316	(134,388)	7,016,866
New Zealand GAP		747,079	(86,571)	67,786	728,294
Vegetable Research & Innovation Board		189,595	(14,020)	(33,783)	141,792
Process Vegetables NZ		695,166	137,476	(191,498)	641,144
SFFF - A Lighter Touch		1,962,546	(467,042)	291,882	1,787,387
Total Accumulated Funds		**9,578,325**	**737,160**	-	**10,315,484**

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)	-
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**

Statement of Financial Position

Horticulture New Zealand Incorporated

For the year ended 31 March 2026

Account	Notes	2026	2025
Assets			
Current Assets			
Bank accounts and cash	**7**	4,805,288	4,176,489
Prepayments		249,001	300,121
Sundry Debtors	**8**	1,752,875	3,313,580
Investments	**9**	5,764,340	5,459,264
Current tax receivable	**10**	52,158	-
Total Current Assets		**12,623,662**	**13,249,453**
Non-Current Assets			
Property, Plant and Equipment	**11**	349,303	370,988
Intangible Assets	**12**	16,498	65,987
Total Non-Current Assets		**365,801**	**436,974**
Total Assets		**12,989,463**	**13,686,427**
Liabilities			
Current Liabilities			
Creditors and accrued expenditure	**13**	1,818,556	2,197,300
Goods and Services Tax GST		85,200	158,783
Income in Advance	**14**	770,223	1,708,654
Current tax payable	**10**	-	43,364
Total Current Liabilities		**2,673,978**	**4,108,102**
Total Liabilities		**2,673,978**	**4,108,102**
Total Assets less Total Liabilities (Net Assets)		**10,315,485**	**9,578,325**
Accumulated Funds			
Accumulated surpluses and deficits		10,315,484	9,578,325
Total Accumulated Funds		**10,315,484**	**9,578,325**

HortNZ President
30 June 2026

HortNZ Chief Executive
30 June 2026

This statement is to be read in conjunction with the Notes to the Financial Statement and refer to audit report.

Statement of Cash Flows

Horticulture New Zealand Incorporated
for the year ended 31 March 2026

	Notes	2026	2025
Cash Flows From Operating Activities			
Cash was received from:			
Levies		7,991,339	7,660,372
Grants		5,772,892	6,303,338
Member fees/subscriptions		563,724	497,958
Goods & services		2,998,152	2,152,620
Interest income		277,098	386,427
		17,603,205	17,000,715
Cash was applied to:			
Payment to employees		5,936,341	5,727,453
Payments to suppliers for goods & services		10,619,642	9,135,157
Payments for taxes		53,830	(112,655)
		16,609,813	14,749,955
Net Cash Flows from Operating Activities		**993,392**	**2,250,760**
Cash Flows From Investing Activities			
Cash was applied to:			
Fixed Asset Purchases		(59,518)	(272,536)
Intangible Purchases			(26,740)
Increase in Investments		(305,076)	(864,033)
Net Cash Flows from Investing Activities		**(364,593)**	**(1,163,309)**
Net (Decrease)/Increase in Cash		628,799	1,087,451
Opening Cash		4,176,489	3,089,038
Closing Cash		4,805,288	4,176,489
This is represented by:			
Bank & Cash	7	**4,805,288**	**4,176,489**

Notes to and Forming Part of the Financial Statements

Horticulture New Zealand Incorporated
For the year ended 31 March 2026

1. Reporting Entity

Horticulture New Zealand Inc ('the society') is a society registered in New Zealand under the Incorporated Societies Act 2022.
The industry association represents New Zealand's 4300 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 2026.

(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 2025 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 exchange revenue and accounted for on an accrual basis.

(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.

Notes to and Forming Part of the Financial Statements

Horticulture New Zealand Incorporated
For the year ended 31 March 2026

(iv) Contribution Income and in-kind Revenue
Contribution income is recognised as non-exchange revenue when control of the funds is obtained. If contributions are subject to conditions that require repayment if not met, revenue is recognised only as those conditions are satisfied. In-kind revenue is recognised where the goods and services recieved can be reliably measured and the goods and services would have been purchased if not donated.

(v)Significant judgements and estimation uncertainty disclosures
Judgement is exercised when determining if performance obligations or conditions exist within funding agreements, impacting on the timing of revenue recognition, particularily important for multi-period funding. Estimation uncertainty is used when estimating the fair value of in-kind contributions and determining the extent to which conditions attached to funding have been satisfied. No judgement or estimation is made over levy revenue and is recorded as declared by growers

(vi)Grant funding / deed funding
Grant and Project funding income is non-exchange revenue and recognised as revenue when associated obligations have been met.

(vii)Contract revenue / project services
If Horticulture New Zealand provides services this is exchange revenue and invoiced as the work is completed.

(viii) Conference Fees and Sponsorship
Income from events that Horticulture New Zealand has organised is exchange revenue and recognised once the event has occured.

(ix)Administration Service Income
Horticulture New Zealand provides administration services to external product groups. This is exchange revenue and invoiced on a 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.

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 funiture 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 Societies 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 product group 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 2026

		2026	2025
7.	**Cash and Bank**		
	BNZ Direct Levy Account	129,661	16,291
	BNZ Autocall Account	456,378	447,448
	BNZ Current Account HortNZ	2,561,134	1,976,196
	BNZ Current Account ALT	736,465	822,982
	BNZ Savings Account ALT	921,649	913,573
	Total Cash and Bank	**4,805,288**	**4,176,489**

8. Sundry Debtors

Sundry debtors and other receivables comprise amounts due from both exchange and non-exchange transactions.
- Exchange recievables arise from NZGAP revenue, conference registrations and magazine subscriptions along with administration service agreements
- Non-excahnge recievables arise from levy revenue, contribution revenue, in-kind revenue and project or grant funding

		2026	2025
9.	**Investments**		
	Term Investment - BNZ	3,101,731	2,858,474
	Term Investment - Rabobank	2,662,609	2,600,790
	Total Investments	**5,764,340**	**5,459,264**

Interest rates on investments were 3.50-4% (2025: 4.30% - 5.80%)

		2026	2025
10.	**Income Tax**		
	Current Year Earnings	768,842	1,359,501
	Tax at 28%	215,276	380,660
	Adjustments to income tax		
	Tax on Non Assessable Income	(4,199,124)	(4,160,089)
	Tax on Non Deductible Expenditure	4,037,303	3,936,982
	Total Tax Effect of Adjustments	**(161,821)**	**(223,108)**
	Tax Payable before losses brought forward	**53,455**	157,553
	Tax credit for non-profit bodies	(280)	(280)
	Tax expense for the period	**53,175**	**157,273**
	Adjustment to Prior Year Tax Expense	(21,493)	(29,625)
	Total expense for the period	**31,682**	**127,648**
	Provisional tax paid	(22,966)	-
	RWT	(82,367)	(113,908)
	Provision for tax	53,175	157,273
		(52,158)	43,364
	Current Tax Asset Opening Balance	43,364	(21,460)
	Tax Expense for the Period	53,175	157,273
	RWT	(82,367)	(113,908)
	Provisional tax paid	(22,966)	
	Tax (Paid) Refunds Received	(43,364)	21,460
	Tax Expense (Refund) Due	**(52,158)**	**43,364**

Notes to and Forming Part of the Financial Statements

Horticulture New Zealand Incorporated
For the year ended 31 March 2026

11. Property, Plant and Equipment	Office Equipment and Furniture	Leasehold Improvements	Total
Cost of Valuation			
Balance as at 1 April 2025	393,398	538,176	931,572
Additions	23,645	35,871	59,515
Disposals	-	-	-
Balance as at 31 March 2026	**417,043**	**574,046**	**991,087**
Accumulated Depreciation and Impairment			
Balance as at 1 April 2025	265,663	294,921	560,583
Depreciation	45,943	35,258	81,201
Balance as at 31 March 2026	**311,606**	**330,180**	**641,784**
Net Book Value			
As at 31 March 2026	**105,437**	**243,867**	**349,303**
As at 31 March 2025	**127,736**	**243,254**	**370,988**

12. Intangible Assets	Software	Intangible Assets	Total
Cost of Valuation			
Balance as at 1 April 2025	428,196	-	428,196
Additions	-	-	-
Balance as at 31 March 2026	**428,196**		**428,196**
Accumulated Depreciation and Impairment			
Balance as at 1 April 2025	**362,208**	-	**362,208**
Depreciation	49,490	-	49,490
Balance as at 31 March 2026	**411,698**		**411,698**
Net Book Value			
As at 31 March 2026	**16,498**	-	**16,498**
As at 31 March 2025	**65,987**	-	**65,987**

	2026	2025
13. Creditors and Accrued Expenditure		
Trade Creditors	821,041	1,377,141
Accrued Expenditure	752,821	628,122
Employee Entitlements	244,693	192,036
Total Creditors and Accrued Expenditure	**1,818,556**	**2,197,300**

	2026	2025
14. Income in Advance		
ICMP	239,271	858,199
Other Income in Advance	142,482	350,054
Conferences	275,147	307,231
ACC Injury Project	4,099	67,535
NTWG	93,885	66,324
NZGAP	15,339	59311.69
Total Income in advance	**770,223**	**1,708,654**

Notes to and Forming Part of the Financial Statements

Horticulture New Zealand Incorporated
For the year ended 31 March 2026

	2026	2025
15. Professional Services		
Payments to Auditors - Audit Fee	36,000	54,000
Total Payments made were:	**36,000**	**54,000**

16. Commitments

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

	2026	2025
Operating Leases		
Non cancellable operating lease commitments		
Within one year	357,306	344,670
Later than one year and not later than five years	1,319,650	1,181,880
Later than five years	511,543	787,920
Total Non cancellable operating lease commitments	**2,188,499**	**2,314,470**
Total Operating Leases	**2,188,499**	**2,314,470**

17 Accumulated Funds	**2026**	**2025**
Horticulture NZ		
Horticulture NZ Opening Balance	5,983,938	5,141,445
General Reserve		
Opening Balance	5,983,938	5,141,445
Surplus/(Deficit)	1,032,928	842,493
Transfers in/(out)	- 2,500,000	
Closing Balance	4,516,866	5,983,938
Project and Transformation Reserve		
Opening Balance	-	-
Surplus/(Deficit)	-	-
Transfers in/(out)	1,000,000	-
Closing Balance	1,000,000	-
Emergency Reserve		
Opening Balance	-	-
Surplus/(Deficit)	-	-
Transfers in/(out)	1,500,000	-
Closing Balance	1,500,000	-
General Reserve	4,516,866	5,983,938
Project and Transformation Reserve	1,000,000	-
Emergency Reserve	1,500,000	-
Total Horticulture NZ	**7,016,866**	**5,983,938**

In 2026, the Board approved a policy to allocate HortNZ core reserves across the following categories:
General Reserve: Provides for operational continuity during levy shortfalls and orderly wind-down if required. Target: 3–6 months' expenditure (40%–65% of levy revenue). Use is Board-approved.
Project and Transformation Reserve: Funds strategic initiatives, including technology and co-funded projects. Target: 5%–15% of levy revenue. Use is Board-approved.
Emergency Reserve : Supports response to biosecurity events and natural disasters, including supporting growers in their response and business continuity. Target: $1m–$2m (15%–30% of levy revenue). Use is Board-approved.

Notes to and Forming Part of the Financial Statements

Horticulture New Zealand Incorporated
For the year ended 31 March 2026

18. Capital Commitments

Horticulture New Zealand has commitments to the following projects:

SFFF A Lighter Touch - $100,000 over the next year.

19. Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at 31 March 2026. (2025: nil)

20. 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 is Executive Committee Members of United Fresh NZ Incorporated. Horticulture NZ paid United Fresh NZ Inc $53,000 for memberships, advertising and sponsorship in 2026 (2025: $18,000).

Kate Scott, the CEO of Horticulture New Zealand Inc 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 $1,863 (2025: $34,395) for consultancy services for the Growing Change project. Horticulture New Zealand Inc paid the New Zealand Rural Leadership Trust $85,044 (FY25: $147,652).

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 2026 Horticulture New Zealand Inc Annual Report.

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

	2026	2025
Governing Body		
Remuneration	354,392	363,332
number of board members (pro-rata)	8.5	9
Executive Leadership		
Remuneration	1,242,071	1,269,475
Number of Executive Officers	7	8

21. Events Subsequent to Balance Date

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

22. Going concern

The financial statements have been prepared on a going concern basis, which assumes that the entity will continue its operations for the foreseeable future and be able to realise its assets and discharge its liabilities in the normal course of business. Management have considered the existence of the Commodity Levies (Vegetables and Fruit) Order in place until 31 March 2031 and cash reserves to support this position.

Notes to and Forming Part of the Financial Statements

Horticulture New Zealand Incorporated
For the year ended 31 March 2026

23. 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 includeBoysenberries 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.

	2026	2025
Total Income		
Funding received from MPI	1,730,916	1,953,713
Funding received from Industry contributors	1,318,952	1,828,912
In kind funding	1,028,343	1,534,142
Interest income	17,736	32,086
Total income	4,095,948	5,305,853
Less intercompany transactions	(291,882)	(378,846)
	3,804,065	4,971,007

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 2026, Horticulture New Zealand Inc contributed $100,000 (FY25: $100,000) to the project in cash and $43,592. (FY25: $44,868) in-kind. Process Vegetables contributed $191,886 in cash (FY25: $234,850), all of which have been eliminated on consolidation.

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Notes to and Forming Part of the Financial Statements

Horticulture New Zealand Incorporated
For the year ended 31 March 2026

24. Financial Instruments
Classification of financial instruments

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

2026	Financial assets at amortised cost	Financial liabilities amortised at cost	Total
Financial assets			
Cash and cash equivalents	4,805,288		4,805,288
Trade debtors and other receivables	1,670,508		1,670,508
Investments	5,764,340		5,764,340
Total	12,240,136		12,240,136
Financial liabilities			
Trade creditors and other payables		1,573,862	1,573,862
	-	1,573,862	1,573,862

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

25. Statement of Financial Performance by Nature

Below is the Statement of Financial Performance by Nature which shows revenue, expenditure and surplus per the individual product group (Process Vegetables) and internal groups (NZGAP, Vegetable R&I, 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	Process Vegetables	SFFF - A Lighter Touch	Consolidation Entries	2026 TOTALS	2025 TOTALS
Revenues								
Levy Revenue								
Levies	7,416,176			473,063			7,889,239	7,344,468
Non-Levy Revenue								
Conference Fees & Sponsorships	855,102						855,102	930,691
Grant Income & Project Funding	2,786,372				3,049,869	(291,882)	5,544,359	5,559,775
Orchardist & Grower Advertising and Subscriptions	559,120						559,120	508,419
Interest Income	219,750	18,477	4,272	16,862.49	17,736		277,098	345,346
NZ Gap Fees		1,575,721				(176,670)	1,399,051	1,450,319
Administrative Service Income	542,973					(142,278)	400,695	276,054
Contribution Income			238,242			(24,192)	214,050	432,569
In-kind Revenue	257,863				1,071,935	(43,592)	1,286,206	1,616,486
Total Revenues	**12,637,356**	**1,594,198**	**242,514**	**489,925**	**4,139,539**	**(678,614)**	**18,424,919**	**18,464,127**
Expenses								
Levy Funded Expenses								
People costs	4,418,998	560,974	16,715	98,713	809,156		5,904,555	5,712,200
Governance	487,291	13,865	7,731	73,761	33,554		616,201	513,840
Leadership, conferences, meetings	1,466,372		176,469	286,670	34,958	(216,078)	1,748,390	1,647,797
Travel & accommodation	389,682	14,804	5,276	7,773	69,932		487,467	650,198
Marketing & publications	453,553	2,236		21,931	107,170		584,890	780,661
Professional services	3,149,080	816,432	74,393	29,650	2,115,697	(276,666)	5,908,586	4,987,288
Information technology	305,430	44,276					349,705	317,118
Occupancy costs	354,325						354,325	368,829
Office & administration	208,953	110,906	9,732	25,450	72,297	(142,278)	285,060	399,088
Depreciation	81,201	49,490					130,691	111,123
In-kind expenses	257,863				1,071,935	(43,592)	1,286,206	1,616,486
Total Expenses	**11,572,746**	**1,612,983**	**290,317**	**543,947**	**4,314,699**	**(678,614)**	**17,656,077**	**17,104,626**
Surplus/Deficit for the Year before Tax	**1,064,610**	**(18,785)**	**(47,803)**	**(54,022)**	**(175,159)**		**768,842**	**1,359,501**
Tax Expense	31,682						31,682	127,649
Surplus/Deficit for the Year after Tax	**1,032,928**	**(18,785)**	**(47,803)**	**(54,022)**	**(175,159)**		**737,159**	**1,231,852**

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 on pages 2 to 18, which comprise the entity information, the statement of service performance, statement of financial position as at 31 March 2026, and the statement of comprehensive revenue and expense, statement of changes in net assets and 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:
a) the reported outcomes and outputs, and quantification of the outputs to the extent practicable, in the statement of service performance are suitable;
b) the performance report on pages 2 to 18 presents fairly, in all material respects:

- the entity information for the year ended 31 March 2026;
- the service performance for the year then ended; and
- the financial position of Horticulture New Zealand Incorporated as at 31 March 2026, and its statement of comprehensive revenue and expense, statement of changes in net assets and statement of cash flows for the year then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board.

Basis for Opinion

We conducted our audit of the statement of comprehensive revenue and expense, statement of financial position, statement of changes in net assets, statement of cash flows, statement of accounting policies and notes to the financial statements in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)), and the audit of the entity information and statement of service performance in accordance with New Zealand Auditing Standard (NZ AS1) '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 Performance Report section of our report. We are independent of Horticulture New Zealand Incorporated 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, Horticulture New Zealand Incorporated.

Other Matter

The performance report of Horticulture New Zealand Incorporated for the year ended 31 March 2025, was audited by another auditor who expressed an unmodified opinion on those statements on 16 July 2025.

Board' Responsibility for the Financial Statements

The Board are responsible on behalf of the entity for the preparation and fair presentation of the financial statements in accordance with Tier 2 PBE, and for such internal control as the Board determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board are responsible on behalf of the entity for assessing the entity'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 the Board either intend to liquidate the entity 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 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 ISAs and NZ AS1 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the 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 www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-8/.

Restriction on Responsibility

This report is made solely to the Members, as a body, in accordance with specify source of audit duty, constitution of Horticulture New Zealand Incorporated. Our audit work has been undertaken so that we might state to the Members those matters 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 Members as a body, for our audit work, for this report, or for the opinions we have formed.

PKF Kendons

PKF Kendons Audit Limited
Lower Hutt
30 June 2026