

Special Purpose Financial Statements

New Zealand Kiwifruit Growers Incorporated
For the year ended 31 December 2019

Prepared by Sutcliffe Graham + Co

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Entity Information

New Zealand Kiwifruit Growers Incorporated For the year ended 31 December 2019

Legal Name

New Zealand Kiwifruit Growers Incorporated

Entity Type

Incorporated Society

Incorporated Societies Number

610750

Entity Purpose of Mission

To act as Kiwifruit Growers Representative Body

Main Sources of Entity's Cash

Revenue generated from levies.

Incorporation Date

16 August 1994

Chairman

Doug Brown

Vice-Chairman

Mark Mayston

Executive

Tony Leicester
Debbie Oakley
Sally Gardiner
Whetu Rolleston

Auditors

Baker Tilly Staples Rodway Audit Limited, Tauranga

Physical Address

25 Miro Street, Mount Maunganui

Postal Address

PO Box 4246, Mount Maunganui South 3149

Approval of Financial Report

New Zealand Kiwifruit Growers Incorporated For the year ended 31 December 2019

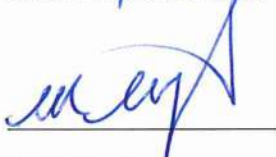
The Executive Committee are pleased to present the approved financial report including the historical financial statements of New Zealand Kiwifruit Growers Incorporated for year ended 31 December 2019.

APPROVED



NZKGI Chairman

Date 02/06/2020



NZKGI Vice-Chairman

Date 02/06/2020



The accompanying notes form part of these financial statements.

These financial statements must be read in conjunction with the accompanying Notes to the Accounts and Audit Report.

Statement of Financial Performance

New Zealand Kiwifruit Growers Incorporated

For the year ended 31 December 2019

	NOTES	2019	2018
Revenue			
Revenue from Provision of Services			
Commodity Levy		1,457,893	1,499,775
Kiwifruit Co-ordinator Funding		83,935	46,667
Pioneer Book Funding		17,566	66,189
Pioneers Book Sales		10,517	-
Anniversary Ticket Sales		25,210	-
Total Revenue from Provision of Services		1,595,120	1,612,630
Interest and Investment Revenue			
Interest Received		11,064	10,279
Total Interest and Investment Revenue		11,064	10,279
Total Revenue		1,606,184	1,622,909
Total Revenue		1,606,184	1,622,909
Expenses			
Executive Committee & Forum Members	6	254,464	273,313
Staff Costs / Benefits	7	738,740	593,284
Communications		70,995	52,840
External Relations		49,586	33,713
Industry Stability		393	6,068
Labour / Education		187,099	135,819
Organisational Management		29,579	21,674
Performance and Supply		36,418	52,428
Pioneer Book Expenses		28,004	66,189
Overheads	8	158,738	132,176
Total Expenses		1,554,016	1,367,504
Net Operating Profit / (Loss) Before Tax		52,168	255,405
Provision for Tax			
Provision for Tax	13	2,818	2,598
Total Provision for Tax		2,818	2,598
Net Profit / (Loss)		49,350	252,807



The accompanying notes form part of these financial statements.

These financial statements must be read in conjunction with the accompanying Notes to the Accounts and Audit Report.

Statement of Changes in Equity

New Zealand Kiwifruit Growers Incorporated For the year ended 31 December 2019

	2019	2018
Equity		
Opening Balance	1,205,971	953,163
Increases		
Net Surplus for the Period	49,350	252,807
Total Increases	49,350	252,807
Total Equity	1,255,321	1,205,971



The accompanying notes form part of these financial statements.

These financial statements must be read in conjunction with the accompanying Notes to the Accounts and Audit Report.

Statement of Financial Position

New Zealand Kiwifruit Growers Incorporated

As at 31 December 2019

	NOTES	31 DEC 2019	31 DEC 2018
Assets			
Current Assets			
Bank Accounts and Cash	3	1,371,949	1,207,962
Debtors		90,248	135,844
Stock on Hand		5,570	-
Total Current Assets		1,467,766	1,343,806
Non-Current Assets			
Fixed Assets		24,055	13,574
Intangibles		4,455	4,455
Total Non-Current Assets		28,510	18,029
Total Assets		1,496,277	1,361,835
Liabilities			
Current Liabilities			
Accruals and Provisions	4	38,959	44,016
Accrued Holiday Pay		27,772	20,185
Credit Cards		3,560	3,575
Creditors		82,408	60,783
GST Payable		13,351	20,386
Income in Advance	5	72,748	5,066
Loans		479	1,053
Tax Provision	13	1,681	799
Total Current Liabilities		240,956	155,864
Total Liabilities		240,956	155,864
Net Assets		1,255,321	1,205,971
Equity			
Retained Earnings		1,255,321	1,205,971
Total Equity		1,255,321	1,205,971



The accompanying notes form part of these financial statements.

These financial statements must be read in conjunction with the accompanying Notes to the Accounts and Audit Report.

Notes to the Financial Statements

New Zealand Kiwifruit Growers Incorporated For the year ended 31 December 2019

1. Reporting Entity

New Zealand Kiwifruit Growers Incorporated is a society registered in New Zealand under the Incorporated Societies Act 1908.

2. Statement of Accounting Policies

Basis of Preparation

These financial statements are special purpose reports prepared for the purpose of reporting to members.

The Accounting Policies that have been applied in respect to the preparation of these special purpose financial statements are set out below.

Changes in Accounting Policies

There have been no changes in Accounting Policies. The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Revenue

Revenue is recognised when the amount of revenue can be measured reliably and it is probable that economic benefits will flow to the Society, and measured at the fair value of the consideration received or receivable.

Industry Levy

The Society has the power to raise a levy from kiwifruit growers on kiwifruit grown in New Zealand that is exported to any place other than Australia under the Commodity Levies (Kiwifruit) Order 2017. Revenue from the industry levy is recognised in the statement of financial performance when the levy becomes receivable.

For levy receipting purposes an assessment of the annual levy revenue is based on Zespri's regular production forecasts. The levy is invoiced monthly from April to November and then a final invoice is raised upon availability of the December/January quantities for the prior season.

Income Received in Advance

Income received in advance is recorded when there are unfulfilled obligations for the Society to provide services in the future. The income is recorded as the obligations are fulfilled and the income earned.

The Society holds sufficient funds to enable the refund of unearned income should the Society be unable to provide the services to which the income relates.

Historical Cost

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.

Bank Accounts and Cash

Bank accounts and cash comprise cash balances and bank balances with original maturities of 90 days or less.



Debtors and Accrued Income

Accounts Receivable are stated at estimated realisable value. Bad debts are written off during the year as they are identified with appropriate adjustment being made as at balance date for any doubtful debts that may exist.

Levies are accounted for on an accrual basis.

Creditors and Accrued Expenditure

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

Income Tax

Income tax is accounted for using the taxes payable method. Levy income received from members is not assessable for income tax, and expenses relating to providing benefits to members are not deductible. Tax is payable on interest revenue.

Goods and Services Tax

All amounts are stated exclusive of goods and services tax (GST) except for accounts payable and accounts receivable which are stated inclusive of GST.

Property, Plant and Equipment

Property, plant and equipment is stated at historical cost less any accumulated depreciation and impairment losses. Historical cost includes expenditure directly attributable to the acquisition of assets.

Depreciation

Account	Method	Rate
Office Equipment	Diminishing Value (100%)	10% - 67%
Building Fit-out	Diminishing Value (100%)	10%

Depreciation has been calculated using the rates provided for taxation purposes in the Income Tax Act.

	2019	2018
3. Cash and Bank		
ANZ - Cheque Account	300,256	260,438
ANZ - Savings Account	79,115	4,102
ANZ - Retained Earnings	992,578	943,422
Total Cash and Bank	1,371,949	1,207,962
	2019	2018

4. Accruals and Provisions

Creditor Accruals	38,959	43,577
Green14 Fund	-	440
Total Accruals and Provisions	38,959	44,017
	2019	2018

5. Income in Advance

Education Coordinator Funding in Advance	69,673	-
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Kiwifruit Pioneer Book Advance	-	5,066
Labour Coordinator Income in Advance	3,075	-
Total Income in Advance	72,748	5,066
	2019	2018

6. Executive Committee & Forum Members

Chairman & Vice-Chairman Honorarium	94,500	93,042
Domestic Travel & Accommodation	42,245	45,029
International Travel & Accommodation	14,658	36,955
Members Fees	86,164	86,788
Other Meeting Costs	16,897	11,500
Total Executive Committee & Forum Members	254,464	273,313
	2019	2018

7. Staff Costs / Benefits

Administration Support	25,000	25,000
Benefits	443	1,246
International Travel	15,000	10,596
Salaries	689,768	545,034
Training	8,530	11,407
Total Staff Costs / Benefits	738,740	593,284
	2019	2018

8. Overheads

ACC Levies	1,154	1,308
Accountancy	17,706	17,836
Audit	5,750	5,780
Bank Fees	680	891
Depreciation	11,729	9,133
Events	7,217	142
Fringe Benefit Tax	301	720
Loss on Disposal of Fixed Assets	6,034	-
General	9,782	5,890
Information Systems	13,161	12,239
Insurance	6,103	5,791
Lease Vehicle	7,983	7,958
Legal Fees	10,074	9,598
Payroll	881	662
Petrol	2,569	3,374
Postage & Courier	1,050	3,571
Printing & Stationary	6,898	6,682
Rent	36,414	27,432
Subscriptions/Publications	1,701	2,235
Telephone & Tolls	11,551	10,935
Total Overheads	158,738	132,176



9. Capital Expenditure Commitments

There were no commitments for capital expenditure as at balance date (2018: NIL).

10. Contingent Liabilities

There were no known contingent liabilities outstanding as at balance date (2018: NIL).

11. Lease Obligations

Non-cancellable operating lease rentals relating to premises and a vehicle lease are payable as follows:

	2019	2018
Operating Leases		
Less than one year	47,790	4,020
Later than one year	557,430	-
Lease payments recognised as an expense	44,397	39,045

12. Related Parties

Mark Mayston is a member of the Executive Committee of the Society and a Director of Apata. The total income to NZKGI for the period was \$1,753.

Sally Gardiner is a member of the Executive Committee of the Society and a Director of Start Afresh. The total income to NZKGI for the period was \$709 and the total expense for the period was \$140.

Tony Leicester is a member of the Executive Committee of the Society and a Director of DMS Progrowers. The total income to NZKGI for the period was \$209.

	2019	2018
13. Income Tax Expense		
Net Operating Profit / (Loss) Before Tax		
Current Year Surplus	52,168	255,405
Total Net Operating Profit / (Loss) Before Tax	52,168	255,405
Adjustments		
Non Taxable Income	(1,595,120)	(1,612,630)
Non Deductible Expenses	1,554,016	1,367,504
Deduction for Non-Profit Organisations	(1,000)	(1,000)
Total Adjustments	(42,104)	(246,126)
Taxable Profit (Loss)	10,064	9,279
Tax Payable at 28%	2,818	2,598
Tax Liability		
Opening Tax Balance	799	362
RWT	(1,936)	(1,798)
Tax Paid	-	(363)
Total Tax Liability	(1,137)	(1,799)
Total Tax to Pay	1,681	799



Depreciation Schedule

New Zealand Kiwifruit Growers Incorporated For the year ended 31 December 2019

NAME	RATE	METHOD	PURCHASED	COST	OPENING VALUE	PURCHASES	DISPOSALS	DEPRECIATION	CLOSING VALUE	LOSS
Building Fit-out										
Office Renovation	10.00%	DV	18 Mar 2017	3,360	2,772	-	2,772	-	-	2,772
Total Building Fit-out				3,360	2,772	-	2,772	-	-	2,772
Office Equipment										
Office Furniture	18.00%	DV	1 Jun 2005	1,179	89	-	89	-	-	89
Black Cab & Bookcases	14.40%	DV	1 Sep 2005	1,210	166	-	166	-	-	166
Board Table, 14 Chairs & Small Table	18.00%	DV	1 Sep 2005	2,209	176	-	176	-	-	176
Conference Phone	39.60%	DV	1 Sep 2005	330	1	-	-	-	-	-
Electronic Whiteboard	39.60%	DV	1 Sep 2005	693	1	-	-	-	1	-
Mobile Filing Cabinet	18.00%	DV	1 Nov 2006	465	47	-	47	-	-	47
HP Laptop (RF)	48.00%	DV	1 Jun 2011	2,403	28	-	28	-	-	28
Shadow Protect Server Software	48.00%	DV	1 Apr 2012	697	9	-	9	-	-	9
HP Elite Laptop (TV)	50.00%	DV	1 Apr 2014	2,650	104	-	-	52	52	-
Surface Pro 3 Computer (KL)	50.00%	DV	1 Oct 2014	2,820	154	-	154	-	-	154
Server	50.00%	DV	1 Sep 2015	2,984	311	-	-	155	155	-
Varidesk	13.00%	DV	7 Apr 2016	779	532	-	532	-	-	532
Building Signage	10.00%	DV	9 Aug 2016	1,290	1,001	-	1,001	-	-	1,001
Website Design & Build	50.00%	DV	18 Nov 2016	10,700	2,452	-	-	1,226	1,226	-
Toshiba Portege Z30T Notebook (GS)	50.00%	DV	31 Jan 2017	3,545	886	-	-	443	443	-
Samsung Galaxy S7 (MM)	67.00%	DV	3 Feb 2017	1,043	133	-	133	-	-	133
Toshiba Portege Z30T Notebook (MC)	50.00%	DV	13 Mar 2017	3,729	1,088	-	-	544	544	-
Iphone 6s 32GB (LM)	50.00%	DV	3 Apr 2017	869	271	-	271	-	-	271

The accompanying notes form part of these financial statements. These financial statements must be read in conjunction with the accompanying Notes to the Accounts and Audit Report.



Depreciation Schedule

NAME	RATE	METHOD	PURCHASED	COST	OPENING VALUE	PURCHASES	DISPOSALS	DEPRECIATION	CLOSING VALUE	LOSS
Smartphone (KM)	67.00%	DV	1 Jun 2017	652	131	-	131	-	-	131
Synology 1TB Hard Drive	50.00%	DV	31 Jul 2017	1,396	524	-	524	-	-	524
Samsung S7 Edge (NJ)	67.00%	DV	24 Aug 2017	1,043	248	-	-	166	82	-
Microsoft Surface Laptop 13.5" i5-7200 (DH)	50.00%	DV	22 Jan 2018	3,126	1,563	-	-	781	781	-
Samsung Galaxy S8 (SC)	67.00%	DV	3 Nov 2018	999	888	-	-	595	293	-
Samsung Galaxy Note 9 (MM)	67.00%	DV	25 Jan 2019	990	-	990	-	664	327	-
Samsung S9 (GS)	67.00%	DV	25 Jan 2019	1,150	-	1,150	-	770	379	-
Laptop HP Elite (MM)	50.00%	DV	30 Jan 2019	3,160	-	3,160	-	1,580	1,580	-
Laptop HP Elite (NJ)	50.00%	DV	30 Jan 2019	3,160	-	3,160	-	1,580	1,580	-
Laptop HP Elite (RF)	50.00%	DV	30 Jan 2019	3,144	-	3,144	-	1,572	1,572	-
Screen Monitors	50.00%	DV	30 Jan 2019	394	-	394	-	197	197	-
Office Chairs	16.00%	DV	29 Mar 2019	2,792	-	2,792	-	372	2,420	-
Monitors & Connectors	50.00%	DV	9 Apr 2019	274	-	274	-	103	171	-
Office Furniture	18.00%	DV	19 Jul 2019	2,175	-	2,175	-	196	1,979	-
Booth Seat	10.00%	DV	8 Aug 2019	3,126	-	3,126	-	130	2,996	-
HP Elitebook, Docking Station & Monitors (SC)	50.00%	DV	25 Oct 2019	3,472	-	3,472	-	434	3,038	-
Cellphone (DH)	67.00%	DV	29 Oct 2019	564	-	564	-	95	470	-
Coffee Table	16.00%	DV	31 Oct 2019	844	-	844	-	34	811	-
Office Furniture (Chairs)	16.00%	DV	16 Dec 2019	2,998	-	2,998	-	40	2,958	-
Total Office Equipment				75,054	10,802	28,244	3,262	11,729	24,055	3,262
Total				78,414	13,574	28,244	6,034	11,729	24,055	6,034



The accompanying notes form part of these financial statements. These financial statements must be read in conjunction with the accompanying Notes to the Accounts and Audit Report.

INDEPENDENT AUDITOR'S REPORT

To the Members of New Zealand Kiwifruit Growers Incorporated

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of New Zealand Kiwifruit Growers Incorporated ('the Society') on pages 5 to 13, which comprise the statement of financial position as at 31 March 2020, and the statement of financial performance and statement of changes in equity for the year then ended, and notes to the financial statements, including significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at 31 March 2020, and its financial performance for the year then ended in accordance with the Basis of Preparation per Note 2.

Our report is made solely to the Members of the Society. Our audit work has been undertaken so that we might state to the Members of the Society 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 of the Society as a body, for our audit work, for our report or for the opinions we have formed.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ('ISAs (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 (Revised) *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ('IESBA Code'), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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, New Zealand Kiwifruit Growers Incorporated.

Emphasis of Matter

We draw attention to Note 2 the financial statements, which describes the basis of preparation, being that these financial statements are special purpose reports prepared for the purpose of reporting to members. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the Society and the Members of the Society and should not be distributed to parties other than the Society or the Members. Our opinion is not modified in respect of this matter.

Responsibilities of the Executive Committee for the Financial Statements

The Executive Committee is responsible on behalf of the Society for the preparation and fair presentation of the financial statements in accordance with the Basis of Preparation per Note 2, and for such internal control as the Executive Committee determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Executive Committee is responsible on behalf of the Society 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 the Executive Committee either intends to liquidate the Society or to cease operations, or has 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 with ISAs (NZ) 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 economic 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 External Reporting Board's website at:

<https://xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-8/>

Matters Relating to the Electronic Presentation of the Audited Financial Statements

This audit report relates to the financial statements of New Zealand Kiwifruit Growers Incorporated for the year ended 31 March 2020 included on New Zealand Kiwifruit Growers Incorporated's website. The Executive Committee of New Zealand Kiwifruit Growers Incorporated is responsible for the maintenance and integrity of New Zealand Kiwifruit Growers Incorporated's website. We have not been engaged to report on the integrity of New Zealand Kiwifruit Growers Incorporated's website. We accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

The audit report refers only to the financial statements named above. It does not provide an opinion on any other information which may have been hyper linked to or from these financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to

the published hard copy of the audited financial statements and related audit report dated 2 June 2020 to confirm the information included in the audited financial statements presented on this website.

Legislation in New Zealand governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Baker Tilly Staples Rodway

BAKER TILLY STAPLES RODWAY AUDIT LIMITED

Tauranga, New Zealand

2 June 2020