

Special Purpose Financial Statements

New Zealand Kiwifruit Growers Incorporated
For the year ended 31 December 2023

Prepared by Sutcliffe Graham

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Entity Information

New Zealand Kiwifruit Growers Incorporated For the year ended 31 December 2023

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

Mark Mayston

Vice-Chairman

Whetu Rolleston

Executive

Robert Humphries
Sally Gardiner
Sean Carnachan
Tammy Hill

Auditors

Baker Tilly Staples Rodway Audit Limited, Tauranga

Physical Address

25 Miro Street, Mount Maunganui

Postal Address

PO Box 4246, Mount Maunganui South 3149

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.

Approval of Financial Report

New Zealand Kiwifruit Growers Incorporated For the year ended 31 December 2023

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 2023.



NZKGI Chairman

Date 16 July 2024



NZKGI Vice-Chairman

Date 16 July 2024

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 2023

	NOTES	2023	2022
Revenue			
Revenue from Provision of Services			
Commodity Levy		1,474,315	1,775,913
Project Income	6	19,500	101,339
Other Income		4,795	-
Total Revenue from Provision of Services		1,498,610	1,877,252
Interest and Investment Revenue			
Interest Income		23,240	12,841
Total Interest and Investment Revenue		23,240	12,841
Total Revenue		1,521,851	1,890,093
Total Revenue		1,521,851	1,890,093
Expenses			
Executive Committee & Forum Members	7	296,131	282,192
Staff	8	1,117,905	996,563
Overhead Expenses	9	217,288	191,643
Industry Stability		27,888	23,163
Communications		56,930	53,528
Performance		40,292	36,163
Labour / Education		90,864	162,575
Environment & Policy		193,915	232,189
Organisational Management		11,502	51,416
Total Expenses		2,052,716	2,029,431
Net Operating Profit / (Loss) Before Tax		(530,865)	(139,338)
Provision for Tax			
Provision for Tax	14	6,227	3,315
Total Provision for Tax		6,227	3,315
Net Profit / (Loss)		(537,092)	(142,653)

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 2023

	2023	2022
Equity		
Opening Balance	1,361,827	1,504,481
Increases		
Net Surplus / (Loss) for the Period	(537,092)	(142,653)
Total Increases	(537,092)	(142,653)
Total Equity	824,735	1,361,827

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 2023

	NOTES	31 DEC 2023	31 DEC 2022
Assets			
Current Assets			
Bank Accounts and Cash	3	861,120	1,323,256
Debtors		113,994	191,331
GST Receivable		80	2,730
Total Current Assets		975,193	1,517,317
Non-Current Assets			
Fixed Assets		16,217	26,106
Intangibles		4,455	4,455
Total Non-Current Assets		20,672	30,561
Total Assets		995,865	1,547,878
Liabilities			
Current Liabilities			
Accruals and Provisions	4	93,018	95,358
Accrued Holiday Pay		54,156	34,566
Credit Cards		1,726	2,350
Creditors		16,003	52,709
Income in Advance	5	3,000	-
Tax Provision	14	3,228	1,068
Total Current Liabilities		171,130	186,051
Total Liabilities		171,130	186,051
Net Assets		824,735	1,361,827
Equity			
Retained Earnings		824,735	1,361,827
Total Equity		824,735	1,361,827

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 2023

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%
Office Equipment	Full Depreciation at Purchase (100%)	100%

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

	2023	2022
3. Cash and Bank		
ANZ - Cheque Account	195,029	122,219
ANZ - Retained Earnings	656,724	1,191,861
ANZ - Savings Account	9,366	9,176
Total Cash and Bank	861,120	1,323,256
	2023	2022

4. Accruals and Provisions

Creditor Accruals	93,018	95,358
Total Accruals and Provisions	93,018	95,358

	2023	2022
5. Income in Advance		
Ministry for Primary Industries Funding in Advance	3,000	-
Total Income in Advance	3,000	-
	2023	2022
6. Project Income		
Kiwifruit Co-ordinator Funding	-	101,339
Ministry for Primary Industries Funding	19,500	-
Total Project Income	19,500	101,339
	2023	2022
7. Executive Committee & Forum Members		
Chairman & Vice-Chairman Honorarium	111,560	103,713
Domestic Travel & Accommodation	34,408	30,677
International Travel & Accommodation	39,125	53,920
Members Fees	99,970	83,712
Other Meeting Costs	11,068	10,169
Total Executive Committee & Forum Members	296,131	282,192
	2023	2022
8. Staff		
Administration Support	50,074	49,999
Contractors	-	750
International Travel	21,316	12,617
Recruitment	1,090	2,546
Salaries	1,033,706	928,166
Training	11,719	2,485
Total Staff	1,117,905	996,563
	2023	2022
9. Overheads		
ACC Levies	1,534	1,792
Accountancy	35,675	24,047
Audit	11,500	8,000
Bank Fees	500	548
Depreciation	11,375	15,798
Events	3,615	-
Loss on Disposal of Fixed Assets	-	322
General	8,812	12,115
Information Systems	26,642	19,523
Insurance	9,290	8,173



	2023	2022
Interest	-	27
Lease Vehicle	7,899	7,818
Legal Fees	660	6,800
Payroll	1,857	1,450
Petrol	3,047	2,783
Postage & Courier	5,868	1,900
Printing & Stationary	5,384	7,193
Rent	67,610	59,891
Subscriptions/Publications	3,239	2,616
Tax Penalties	-	259
Telephone & Tolls	12,783	10,588
Total Overheads	217,288	191,643

10. Capital Expenditure Commitments

There were no commitments for capital expenditure as at balance date (2022: NIL).

11. Contingent Liabilities

There were no known contingent liabilities outstanding as at balance date (2022: NIL).

12. Lease Obligations

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

	2023	2022
Operating Leases		
Less than one year	46,941	49,257
Later than one year	408,990	455,932
Lease payments recognised as an expense	75,509	67,709

13. Related Parties

Executive Committee and Forum Members transact with NZKGI in the ordinary course of business under arms length terms. All related party transactions were individually below \$600 during the 2023 year (2022: Individually below \$200).

2023

2022

14. Income Tax Expense**Net Operating Profit / (Loss) Before Tax**

Current Year Surplus	(530,865)	(139,338)
Total Net Operating Profit / (Loss) Before Tax	(530,865)	(139,338)

Adjustments

Non Taxable Income	(1,498,610)	(1,877,252)
Non Deductible Expenses	2,052,716	2,029,431
Deduction for Non-Profit Organisations	(1,000)	(1,000)
Total Adjustments	553,106	151,179

Taxable Profit (Loss)	22,240	11,841
Tax Payable at 28%	6,227	3,316

Tax Liability

Opening Tax Balance	1,069	(56)
RWT	(4,067)	(2,247)
Tax Paid	-	142
Tax Refund Received	-	(85)
Total Tax Liability	(2,998)	(2,247)

Total Tax to Pay	3,229	1,069
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Depreciation Schedule

New Zealand Kiwifruit Growers Incorporated For the year ended 31 December 2023

NAME	RATE	METHOD	PURCHASED	COST	OPENING VALUE	PURCHASES	DISPOSALS	DEPRECIATION	CLOSING ACCUM DEP	CLOSING VALUE
Office Equipment										
Electronic Whiteboard	39.60%	DV	1 Sept 2005	693	-	-	-	-	693	-
Server	50.00%	DV	1 Sept 2015	2,984	19	-	-	10	2,975	10
Website Design & Build	50.00%	DV	18 Nov 2016	10,700	153	-	-	77	10,623	77
Toshiba Portege Z30T Notebook (MC)	50.00%	DV	13 Mar 2017	3,729	68	-	-	34	3,695	34
Samsung S9 (GS)	67.00%	DV	25 Jan 2019	1,150	14	-	-	9	1,145	5
Laptop HP Elite (GS)	50.00%	DV	30 Jan 2019	3,144	196	-	-	98	3,046	98
Laptop HP Elite (MM)	50.00%	DV	30 Jan 2019	3,160	198	-	-	99	3,061	99
Laptop HP Elite (NJ)	50.00%	DV	30 Jan 2019	3,160	198	-	-	99	3,061	99
Screen Monitors	50.00%	DV	30 Jan 2019	394	25	-	-	12	382	12
Office Chairs	16.00%	DV	29 Mar 2019	2,792	1,434	-	-	229	1,587	1,205
Monitors & Connectors	50.00%	DV	9 Apr 2019	274	21	-	-	11	264	11
Office Furniture	18.00%	DV	19 Jul 2019	2,175	1,091	-	-	196	1,280	895
Booth Seat	10.00%	DV	8 Aug 2019	3,126	2,184	-	-	218	1,161	1,966
HP Elitebook, Docking Station & Monitors (SC)	50.00%	DV	25 Oct 2019	3,472	380	-	-	190	3,282	190
Coffee Table	16.00%	DV	31 Oct 2019	844	480	-	-	77	441	404
Office Furniture (Chairs)	16.00%	DV	16 Dec 2019	2,998	1,753	-	-	281	1,525	1,473
Samsung S20 (NJ)		Full	23 Mar 2020	1,303	-	-	-	-	1,303	-
HP Elitebook X360 & Docking Station (RVDJ)		Full	29 Sept 2020	3,461	-	-	-	-	3,461	-
Barco IT System (Half Share)		Full	30 Nov 2020	1,335	-	-	-	-	1,335	-
Samsung Galaxy Note (MM)	67.00%	DV	19 Apr 2021	1,069	175	-	-	118	1,011	58
HP Elitebook X360 (CB)	50.00%	DV	21 Apr 2021	3,960	1,237	-	-	619	3,341	619
Dell Latitude 9000 9420 35.6cm 14" Notebook (RG)	50.00%	DV	30 Nov 2021	4,389	2,011	-	-	1,006	3,383	1,006

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 ACCUM DEP	CLOSING VALUE
Dell Latitude 9420 2IN1 14" (G)	50.00%	DV	30 Nov 2021	5,220	2,393	-	-	1,196	4,024	1,196
Dell Latitude 9420 2IN1 14" (N)	50.00%	DV	30 Nov 2021	5,220	2,393	-	-	1,196	4,024	1,196
iPhone 13 256GB (RG)	67.00%	DV	9 Dec 2021	1,495	466	-	-	312	1,341	154
Dell Docking Station - WD19S 180W (TV)	50.00%	DV	16 Dec 2021	519	249	-	-	124	394	124
HP Z24u G3 61 cm (24") WUXGA LCD Monitor	50.00%	DV	16 Dec 2021	206	99	-	-	49	157	49
New Screen (GS)	50.00%	DV	17 Feb 2022	434	235	-	-	118	316	118
Dell LCD Monitor	50.00%	DV	28 Feb 2022	557	302	-	-	151	406	151
HPE - T750 Gen5 INTL UPS	50.00%	DV	31 Mar 2022	1,989	1,160	-	-	580	1,409	580
Dell Monitors x 2	50.00%	DV	18 May 2022	638	426	-	-	213	426	213
HP EliteBook 850 G8, Docking Station & Monitor (KM)	50.00%	DV	31 May 2022	3,636	2,424	-	-	1,212	2,424	1,212
LCD Monitors Recycled x 7	50.00%	DV	9 Jun 2022	140	99	-	-	50	90	50
Laptop Charger	50.00%	DV	20 Jun 2022	112	79	-	-	40	72	40
Office Chair	16.00%	DV	30 Jun 2022	485	440	-	-	70	116	369
Keyboards & Screens (KM) (RG)	50.00%	DV	8 Jul 2022	807	605	-	-	303	505	303
HP EliteBook x 360 830 G9 (GS)	50.00%	DV	27 Sept 2022	3,718	3,098	-	-	1,549	2,169	1,549
Samsung S23 5G 128GB - Phantom Black	67.00%	DV	26 Mar 2023	1,486	-	1,486	-	830	830	656
Total Office Equipment				86,975	26,106	1,486	-	11,375	70,758	16,217
Total				86,975	26,106	1,486	-	11,375	70,758	16,217

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 14, which comprise the statement of financial position as at 31 December 2023, and the statement of financial performance and statement of changes in equity for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at 31 December 2023, 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 *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' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ('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 accounting. The 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 Those Charged with Governance for the Financial Statements

Those Charged with Governance are 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 Those Charged with Governance determine 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, Those Charged with Governance are 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 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 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://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-8/>



BAKER TILLY STAPLES RODWAY AUDIT LIMITED

Tauranga, New Zealand

16 July 2024