

Potatoes New Zealand Inc.  
AGM Papers & Annual Report  
2020





# Potatoes New Zealand Inc.

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**12.30pm, Thursday 13th August 2020**

Pukekohe Indian Association Centre

57 Ward Street, Pukekohe Auckland

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## Potatoes New Zealand Inc.

# 2020 Chairman's Annual Report

Potatoes New Zealand Inc (PNZ) has finished the 2019-2020 year with a net loss of \$65,850 and financial reserves of just under \$1.5 million.

The PNZ 2020 Strategy and Business Plan continues to focus on three main themes: Markets; Research and Development; and Quality. These themes work to achieve the industry goals of doubling exports by 2025; increasing domestic market value by 50% by 2025; and increasing the profitability per hectare by \$150 per annum. In February 2020 we revised these targets to include Zero Net Emissions by 2050, which aligns industry with government emissions targets.

The overall value of the industry, including the domestic and export markets is now \$1,087 million.

This is a 40% increase in value since 2013. We are well on target to meet our domestic value objective. However considering the impacts of the global pandemic we need to continue lifting our game in the export market to achieve the goal of doubling exports.

Looking at the results in detail, the export market reports are mixed. There were \$101,631 million dollars of frozen fries exported, a figure very close to 2018; \$5781 million dollars of crisps were exported and there was a slight drop in fresh exports to \$20,774 million for the year; giving a combined total of \$128,211 million dollars of export, slightly below 2017 & 2018 values.

The end of the financial year saw the start of the Covid-19 crisis and the economic and social impacts of this may be felt for the next few years. The immediate impact on our industry was the threat of cheap imported European fries, which proved to



be an actuality as our investigations showed. At the time of writing this report we are awaiting the response from MBIE for our tariff application.

Based on the levy received the 2013 farm gate value was estimated at \$103 million. The 2019 estimated farm gate value was \$190 million, an overall increase of 85% over the last 6 years. Overall volume is up by 5840 MT and area planted now sitting at 10,417 hectares. Increasing

profitability, achieving crop yields, whilst maintaining emission and discharge compliance is an ongoing challenge for industry.

PNZ channeled 46% of the grower levy into Research and Development. The 2019-2020 year saw a tripling in spend on R&D, compared to the previous year. Our projects align towards ensuring growers can consistently grow profitable crops and maintain regulatory and social license to operate. In particular the *Sustainable Vegetables Systems* project, due to be signed off for funding by MPI, will provide outcomes that enable us to maintain license to grow.

The PNZ team's work on the Plan Changes across our 3 main growing regions were backed by early learnings from SVS and the PNZ submissions on plan changes reflected these as well as including the ability to expand area planted. Our submissions aligned with Horticulture New Zealand's in many respects and we acknowledge the work of both our team and Hort NZ's in understanding the challenges that growers face in meeting these new regulations.

Research and Development has 11 projects underway. Of prime concern to the board is ensuring R&D is focused on industry problems and delivers meaningful solutions to growers. Equally we need to hear from

our grower members, feedback is critical to PNZ. Keep in contact with your local grower board member and make your views heard.

The media and communications activities of PNZ continue to ensure that the industry is portrayed in the best light possible, that consumers understand that potatoes are a good carbohydrate and that NZ produced chips should be the preferred option for consumers, especially when prepared in the healthiest way possible, by food service operators.

In August 2019 the biennial PNZ conference was held in Christchurch and was the largest gathering we have had yet, with international and domestic expert presenters and the agronomists' forum also had peak attendance compared to previous years. Enthusiasm and collegiality are strengths in our industry.

Likewise the Chip Group's competition season saw an increased engagement, almost tripling the previous year's consumer voting polls.

The early 2020 Market Research project and the planned PR campaign for later this year, is a testament to the NZ consumer's love of potatoes and potato products.

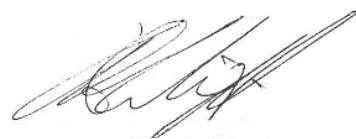
The potato industry's agility and communication during the pandemic response is yet another thing to be proud of and I am grateful to all who kept the wheels of our essential businesses turning.

Looking forward the current levy period has now ended and we are entering the next levy period. The foundations of the organisation have been built over the last 8 years and I thank all who have contributed. The PNZ team are now 5 in number, with the 2019 addition of another agronomist to assist the technical manager.

The board are keen to encourage the next generation of leaders and to encourage diversity in governance. Think about how you or someone you know can

contribute and I welcome them to step forward.

Lastly I would like to thank the board members and staff of Potatoes NZ Inc and all technical panel and committee members who have contributed their time and energy to the activities and success of Potatoes New Zealand Inc.



Stuart Wright

**Chair**

Potatoes New Zealand Inc.

## Potatoes New Zealand Inc.

# 2020 CEO's Annual Report

**For the year starting 1<sup>st</sup> April 2019 Potatoes New Zealand (PNZ) had three goals that we were seeking to achieve:**

- 1. Double the value of exports by 2025**
- 2. Increase the domestic market value by 50% by 2025**
- 3. Increase the profitability of potato growing by \$150 per hectare per annum**



**In February 2020 the board revised these goals to be:**

- 1. Double the value of fresh and processed New Zealand based exports by 2025**
- 2. Enhance the value of the domestic market by 50% by 2025**
- 3. Zero net nutrient and GHG emissions from the potato industry by 2050**

This aligns with the government's emissions targets and the Paris agreement and maintains our industry's social and regulatory license to operate.

Our industry has achieved domestic value growth of 44% since 2013. The export market is still not quite where we'd like it to be, at 16% growth since 2013 given the target of doubling exports by 2025.

We've seen gain in crisp export values but a slight loss in fresh/table and frozen fries export values.

More details on the 2019 industry values and volumes performance can be seen on page 10.

## KEY POINTS

- 2019 farmgate value was \$190 million, an increase of 85% over the last 7 years
- volume and value has risen across the combined export and domestic market
- people are eating more crisps in NZ with domestic volumes and values stronger
- a drop in export value for fresh/table to the Pacific Islands was experienced, with volume remaining static
- increase in the export of crisps was experienced
- overall national increase in process crop yields
- the pandemic crisis impacted the industry late in the 2019-2020 financial year with hospitality closures
- global hospitality closures created a surplus of frozen fries which threatened the NZ industry
- estimated annual growth in overall market value is 4.5%
- the industry is worth over a billion dollars per annum

## RESEARCH DEVELOPMENT & EXTENSION

RD&E comprises sustainability, breeding, on-farm productivity and manufacturing innovations. The specific objectives for 2019-2020 activities were to provide growers with the tools to deal with existing pests and diseases and ensure they are protected from biosecurity incursions, to help growers develop infrastructure and methods to improve water and nitrogen use efficiency.

### RD&E KEY ACHIEVEMENTS IN 2019-2020

- since 2013 32 R&D projects have been completed
- 11 R&D projects were underway in 2019-2020
- Projects were reported on regularly in NZ Grower, PNZ newsletters, websites, technical bulletins and at conference, regional visits/meetings and well attended field walks.

## COMMUNICATIONS & MARKETING

PNZ seeks to maintain and grow export and domestic markets. It achieves those through 'industry good news' stories, undertaking promotions and marketing initiatives.

### KEY C&M ACHIEVEMENTS IN 2019-2020

- 2019 People's Choice Awards attracted over 8000 votes, nearly tripling the public engagement on previous year
- Chip Group food service awards presented at biennial PNZ Conference Dinner
- November Means New Potatoes event held in Auckland, grew in attendance and resulting media stories.  
A further grower display stand was added as well
- NMNP generated multiple good news stories in national media, social media, Cuisine Magazine and The Listener
- PNZ partnered with 5+ADay across digital channels to promote new potatoes

- Chip Group maintained contract with Ministry of Health and delivered training or refresher courses to 92 operators
- Media communications continued to grow with over 9000 followers across 4 channels and 700 subscribers to main monthly newsletter
- NZ Grower and Restaurant & Café Magazines continued to be main trade publications alongside good uptake from Farmers' Weekly
- Positive industry news generated 300 media stories worldwide
- 1500 education resources were ordered by schools
- 5+ADay and National Secondary Schools Culinary Competition campaigns showed good digital engagement
- 17 events with total of 650 attendees were held around the country
- PNZ can be found on Instagram, Facebook, Twitter and LinkedIn

## QUALITY

The Quality theme comprises the three essential industry functions of maintaining compliance, biosecurity and standards.

### QUALITY HIGHLIGHTS

- Negotiated and completed readiness activities for seed crop surveillance
- Conducted PMTV surveillance project
- Closed out PMTV response

## INDUSTRY GOOD

The Industry Good theme consists of two elements. Firstly, it is concerned with responsible use of the Potatoes Commodity Levy, accountability to stakeholders and efficient management of the organization. Secondly it seeks to establish processes and expectations for reporting and accountability.

## INDUSTRY GOOD ACHIEVEMENTS

- Potatoes New Zealand Inc has finished the year with a net loss of \$65,850 and reserves of just over \$1.5 million. Financial reserves are split into two separate reserves: Commodity Order Levy Reserves and Non-levy Reserves. They are \$973,314 and \$538,971 respectively. More details in financial performance can be read on page 10.
- PNZ has representation on the: GIA Deed Governance Group; Plant Market Access Council (PMAC); Germplasm Market Access Council (GERMAC); Horticulture Industry Forum (HIF); and Vegetable Chairs Forum.
- In summary PNZ has again performed well under another pressure filled year. PNZ 25 key achievements can be found on page 9.

A small team ably supported by the board has come through another busy year and achieved it's goals.

I would like to thank everyone in the industry and our strategic partners for their active support.



Chris Claridge

**CEO**

Potatoes New Zealand Inc.

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April 1<sup>st</sup> 2019 - March 31<sup>st</sup> 2020

# Key Achievements

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- 1. Biosecurity Readiness & Response** – Pest & Disease handbook updated.
- 2. Biosecurity Readiness & Response** – Biosecurity Pest & Disease Inspector Training held in 2019.
- 3. Quality Assurance** – added a new strategic goal of Zero Net Emissions by 2050.
- 4. Quality Assurance** – Seed Potato Certification Rulebook & Seedlines revised and published.
- 5. Quality Assurance** – Fiji Export Potato Grade Standards revised and published.
- 6. Quality Assurance** – Residue Compliance Information for Potatoes New Zealand revised and published.
- 7. Education & Communication** – Agronomists' Forums held in 2019 with 120 attendees.
- 8. Education & Communication** – Education Resources, 1500 resources dispatched to schools and growers.
- 9. Education & Communication** – PNZ biennial conference and agronomy forum in Christchurch with record attendance.
- 10. Education & Communication** – Chip Group competitions for food service operators had record consumer engagement.
- 11. Education & Communication** – averaging 5 'positive news about potatoes' articles in national media each month.
- 12. Education & Communication** – averaging 30 media stories worldwide each month.
- 13. Education & Communication** – 17 PNZ Events held during 2019-20 with over 300 members and industry attending.
- 14. Research, Development & Extension** – 32 R&D projects completed since 2013.
- 15. Research, Development & Extension** – 11 R&D projects currently underway.
- 16. Research, Development & Extension** – Regional Field Walks were held successfully in 3 regions.
- 17. Research, Development & Extension** – International expert made return visit and delivered Grower Talks in the main growing regions.
- 18. Market Development & Promotion** – "November Means New Potatoes" event successfully celebrating new season potatoes as a premium product, attracting 85 + influential food writers and media – generating 20+ 'good news' stories in national media.
- 19. Market Development & Promotion** – successful public engagement exercise in Chip Group awards 2019. Over 8000 votes cast.
- 20. Market Development & Promotion** – trained 94 operators to improve the nutrient profile of deep-fried chips served in New Zealand, through the Chip Group Best Practice Frying course and had over operators complete refresher courses.
- 21. Market Development & Promotion** – domestic market growth is up 44% from 2013. Well on target to reach 2025 goal of doubling.
- 22. Grower Representation** – worked closely with Horticulture NZ and government ministries to ensure growers' best interests are represented.
- 23. Grower Representation** – representation on GIA Deed Governance Group, Plant Market Access Council (PMAC), Horticulture Industry Forum (HIF), Vegetable Chairs Forum, Germplasm Market Access Council (GERMAC)
- 24. Administration** – Strategic Plan and Business Plan updated and communicated to growers and stakeholders.
- 25. Administration** – membership database developed.

## 2019 Potato Industry by Volume

	<b>Total 2019</b>	<b>Seed 2019</b>	<b>Table 2019</b>	<b>Processed 2019</b>
Area (ha)	10,417	1,117	3,300	6,000
Production (MT)	533,030	21,230	151,800	360,000

<b>Seed (MT)</b>	<b>2019</b>
Export	27
Domestic Sales	21,203
<b>Total</b>	<b>21,230</b>
% of total Grown	4%

<b>Crisps (MT)</b>	<b>2019</b>
Raw Potatoes	58,457
Domestic Mfg	12,860
Import	887
<b>Total</b>	<b>13,747</b>
Export	837
Retail	12,910
<b>Total</b>	<b>13,747</b>
% of total grown	11%

<b>Frozen/Fries (MT)</b>	<b>2019</b>
Raw Potatoes	301,543
Domestic Mfg	156,289
Import	18,606
<b>Total</b>	<b>174,895</b>
Export	77,062
Retail	27,423
<b>Total</b>	<b>174,895</b>
% of total grown	57%

<b>Table Potatoes (MT)</b>	<b>2019</b>
Export	20774
Domestic Sales*	105,000
Foodservice*	5,000
<b>Total</b>	<b>130,774</b>
% of total grown	25%

\* assumed

Notes: 2018 & 2019 figures have been updated as of July 2020.



## 2019 Potato Industry by Value

	<b>Total 2019</b>	<b>Seed 2019</b>	<b>Table 2019</b>	<b>Processed 2019</b>
Area (ha)	10,417	1,117	3,300	6,000
Production (MT)	533,030	21,230	151,800	360,000

<b>Seed (\$000)</b>	<b>2019</b>
Export	\$25
Domestic Sales	\$16,962
<b>Total</b>	<b>\$16,988</b>
% of total Grown	2%

<b>Frozen/Fries (\$000)</b>	<b>2019</b>
Export	\$101,631
Retail*	\$86,130
Food Service	\$422,462
<b>Total Sold</b>	<b>\$610,223</b>
% of final industry value	56%

\*assume extra 10% value above Scan Data

<b>Table (\$000)</b>	<b>2019</b>
Export	\$20,774
Domestic Sales	\$192,325
Foodservice	\$30,000
<b>Total</b>	<b>\$243,099</b>
% of total grown	22%

	<b>2019</b>
Domestic	\$959,659
Export	\$128,211
<b>Total Industry Value (\$000)</b>	<b>\$1,087,871</b>

<b>Crisps (\$000)</b>	<b>2019</b>
Export	\$5,781
Retail*	\$211,779
<b>Total sold</b>	<b>\$217,561</b>
% of final industry value	20%

\*assume extra 10% value above Scan Data

**2019 Total Industry Value: \$1,088 million p.a.**

Notes: 2018 & 2019 figures have been updated as of July 2020. Currency is NZD.



## 2013-2019 Potato Industry by Volume

Total					Seed				Table				Processed			
	2013	2017	2018	2019	2013	2017	2018	2019	2013	2017	2018	2019	2013	2017	2018	2019
Area (ha)	10,328	10,306	10,344	10,417	1,182	1,123	1,160	1,117	3,516	3,278	3,278	3,300	5,631	5,905	5,906	6,000
Production (MT)	493,872	496,900	527,190	533,030	22,453	21,337	22,042	21,230	161,736	150,788	150,788	151,800	309,683	324,775	354,360	360,000

	2013	2017	2018	2019
Seed (MT)				
Export	300	20	26	27
Domestic Sales	22,200	21,280	22,016	21,203
Total	22,500	21,300	22,042	21,230
% of total Grown	5%	4%	4%	4%

	2013	2017	2018	2019
Crisps (MT)				
Raw Potatoes	66,215	71,649	52,205	58,457
Domestic Mfg	13,243	15,763	11,485	12,860
Import	570	1,496	1,068	887
Total	13,813	17,259	12,553	13,747
Export	1,891	1,276	586	837
Retail	11,922	15,983	11,967	12,910
Total	13,813	17,259	12,553	13,747
% of total grown	13%	14%	10%	11%

	2013	2017	2018	2019
Frozen/Fries (MT)				
Raw Potatoes	243,468	253,126	302,155	301,543
Domestic Mfg	126,728	127,610	156,128	156,289
Import	14,484	19,204	19,123	18,606
Total	141,211	146,813	175,250	174,895
Export	59,554	66,574	73,478	77,062
Retail	20,269	25,306	26,343	27,423
Total	141,211	146,813	175,250	174,895
% of total grown	49%	51%	57%	57%

Table Potatoes (MT)	2013	2017	2018	2019
Export	29,862	27,025	24,919	20,774
Domestic Sales*	105,000	105,000	105,000	105,000
Foodservice*	5,000	5,000	5,000	5,000
Total	139,862	137,025	134,919	130,774
% of total grown	28%	28%	26%	25%

\* assumed

Notes: 2018 & 2019 figures have been updated as of July 2020.



## 2013-2019 Potato Industry by Value

Total					Seed				Table				Processed			
	2013	2017	2018	2019	2013	2017	2018	2019	2013	2017	2018	2019	2013	2017	2018	2019
Area (ha)	10,328	10,306	10,344	10,417	1,182	1,123	1,160	1,117	3,516	3,278	3,278	3,300	5,631	5,905	5,906	6,000
Production (MT)	493,872	496,900	527,190	533,030	22,453	21,337	22,042	21,230	161,736	150,788	150,788	151,800	309,683	324,775	354,360	360,000

	2013	2017	2018	2019
Seed (\$000)				
Export	\$310	\$30	\$29	\$25
Domestic Sales	\$17,762	\$17,053	\$17,613	\$16,962
Total	\$18,071	\$17,082	\$17,642	\$16,988
% of total Grown	2%	2%	2%	2%

	2013	2017	2018	2019
Table (\$000)				
Export	\$18,020	\$29,487	\$22,909	\$20,774
Domestic Sales	\$119,000	\$217,963	\$201,688	\$192,325
Foodservice	\$24,000	\$30,000	\$30,000	\$30,000
Total	\$161,020	\$277,449	\$254,597	\$243,099
% of total grown	21%	28%	23%	22%

	2013	2017	2018	2019
Frozen/Fries (\$000)				
Export	\$76,650	\$91,605	\$101,673	\$101,631
Retail*	\$66,802	\$78,132	\$82,694	\$86,130
Food Service	\$294,664	\$329,605	\$452,575	\$422,462
Total Sold	\$438,115	\$499,342	\$636,941	\$610,223
% of final industry value	56%	51%	57%	56%

\*assume extra 10% value above Scan Data

	2013	2017	2018	2019
Domestic	\$665,563	\$852,460	\$979,900	\$959,659
Export	\$110,497	\$129,304	\$129,295	\$128,211
Total Industry Value (\$000)	\$776,060	\$981,764	\$1,109,195	\$1,087,871

	2013	2017	2018	2019
Crisps (\$000)				
Export	\$15,518	\$8,182	\$4,684	\$5,781
Retail *	\$143,335	\$179,709	\$195,332	\$211,779
Total sold	\$158,853	\$187,891	\$200,016	\$217,561
% of final industry value	20%	19%	18%	20%

\*assume extra 10% value above Scan Data

**2019 Total Industry Value: \$1,088 million p.a.**



Notes: 2018 & 2019 figures have been updated as of July 2020. Currency is NZD.

# Potatoes New Zealand Incorporated

# Annual General Meeting 2020

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**12.30pm, Thursday 13<sup>th</sup> August 2020**

Pukekohe Indian Association Centre

57 Ward Street, Pukekohe Auckland

## Agenda

- Welcome and Introductions
- Apologies
- Proxies for AGM Resolutions
- Notices of Motion
  - Minutes of 2019 Potatoes NZ Incorporated AGM
  - Potatoes NZ Inc. 2020 Audited Financial Statements
  - Appointment of Auditor
- 2020 Annual Report
  - Chairman's and Operational Reports
- Election Results
- General Business

## Members may also attend the AGM via videoconference by

- [Zoom.us](https://us02web.zoom.us/j/83771082900) meeting room: <https://us02web.zoom.us/j/83771082900>
- Phone (0800-084-460 Pin 620041#)

Please contact [info@potatoesnz.co.nz](mailto:info@potatoesnz.co.nz) for more information

# 2020 Potatoes New Zealand Inc.

## AGM Notices of Motion



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The following motion will be considered at the Potatoes New Zealand Inc. Annual General Meeting (AGM) being held at the **Pukekohe Indian Community Centre. 59 Ward Street, Pukekohe. Thursday 13<sup>th</sup> August 2020, 12:30 pm.**

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**Motion 1** That the minutes of the AGM of Potatoes New Zealand, held on 14th August 2019 be taken as read and confirmed as a true and correct record of that meeting.

*Proposed by the PNZ Inc. Board*

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**Motion 2** That the audited financial statements for the year ended 31 March 2020 be approved.

*Proposed by the PNZ Inc Board*

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**Motion 3** That either Grant Thornton Wellington, PricewaterhouseCoopers New Zealand or BDO Spicers, be appointed auditors for the financial year ended 31 March 2021.

*Proposed by the PNZ Inc. Board*

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### **Motion 4 Notice of Alteration of PNZ Rules & Constitution**

*"That clause 9(d)(i) be deleted and replaced with the following:*

*(i) Any person holding the office of director (including any co-opted director) shall be entitled to hold the office for a period not exceeding 3 years. At the end of the term that person shall stand down, but will be eligible for re-election (or co-option) for further 3-year terms pursuant to clause 9(e) provided that no person shall serve more than:*

*A. 3 consecutive 3-year terms (i.e. a maximum of 9 years) as a director; or*

*B. 3 consecutive 3-year terms (ie. 9 years) plus such additional part period the director has held office before retiring and being re-elected to office (i.e. a maximum of 11 years) as a director.*

*A person who has served 3 consecutive 3-year terms as a director will become re-eligible for election after having retired for at least one 3-year term. This provision shall be deemed to have applied as from the date of incorporation of the society."*

*Proposed by the PNZ Inc Board*

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### **Motion 5 Notice of Re-election.**

*"That, notwithstanding that the change to clause 9(d)(i) will not take effect until registration of the change of rules, the members confirm that Stuart Wright and John Jackson are eligible for re-election for a further (and final) 3-year term as if the change to clause 9(d)(i) had been enacted immediately prior to the AGM."*

*Proposed by the PNZ Inc Board*

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## **Motion 6 New Clause 7(n).**

*An AGM may be held by a number of members, who constitute a quorum:*

- (i) being assembled together at the place, date and time appointed for the meeting;  
or*
- (ii) participating in the meeting by means of an audio, audio and visual, or electronic communication; or*
- (iii) by a combination of both the methods described in clauses (i) and (ii).*

*The society is not required to hold AGMs in the manner specified in paragraphs (ii) or (iii). Meetings will be held in that manner only if the notice of meeting so specifies or the board otherwise decides that the society should do so. To avoid doubt, if a meeting is held in the manner specified in paragraphs (ii) or (iii), a member participating in a meeting by means of audio, audio and visual, or electronic communication is present at the meeting and part of the quorum.*

*Proposed by the PNZ Inc Board*

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## **Explanatory Notes**

**Motion 1** A PDF of the Minutes of the 2019 AGM will be available at [www.potatoesnz.co.nz](http://www.potatoesnz.co.nz) from early July 2019. If you have any questions or would like hard copies, please contact PNZ on phone 0800 399 674 or email [info@potatoesnz.co.nz](mailto:info@potatoesnz.co.nz).

**Motion 2** A PDF of the Annual Report and Financial Statements will be available at [www.potatoesnz.co.nz](http://www.potatoesnz.co.nz) from mid July 2020. If you have any questions or would like hard copies, please contact PNZ on phone 0800 399 674 or email [info@potatoesnz.co.nz](mailto:info@potatoesnz.co.nz).

**Motion 4** A director cannot stand for re-election if he or she has served 9 years on the board the equivalent of 3, 3-year terms.

A director who is required to stand for re-election after their 3-year term ends can stand again if their cumulative years served is less than 9 years. That means the maximum any one person can serve continuously is 11 years.

## 2019 Potatoes New Zealand Inc.

# Minutes of Annual General Meeting

**Minutes of Annual General Meeting of Potatoes New Zealand Inc.** being held at the Christian Cullen Lounge, Level One. Addington Raceway & Events Centre, 75 Jack Hinton Drive, Addington, Christchurch. Wednesday 14<sup>th</sup> August 2019, 11:30am.

**Present:** Stuart Wright (Chair) presided over representative from the following members:

Aberdeen Farm	Acton Fields	Alex McDonald Ltd
Alpine Fresh	Asure Quality	A. S Wilcox
Annat Farms	Bailey Farming Co Ltd	Balle Bros
DC & CJ Redmond Ltd	Eurogrow	Freshpik Farms Ltd
Fruitfed Supplies	Hira Bhana & Sons Ltd	Horticulture
Jivan Produce Ltd	K & M Farming	Master & Sons Ltd
McCain Foods (NZ) Ltd	MCG	Oakleys
Parlato Farming Co	Seed & Field	Sundale
Talley's Group Ltd	Tayler & Sons Ltd	

### Also in attendance:

Chris Keenan (Water Matters Ltd). Warrick Gibson (Turners & Growers). Chris Claridge (CEO, Potatoes NZ Inc.). Iain Kirkwood (Technical Manager, Potatoes NZ Inc.). Nicola Loach (Administration, Potatoes NZ Inc.).

### 1. Welcome

The Chair welcomed attendees and thanked them for giving up their time. Please to be able to hold the AGM in Canterbury.

### 2. Apologies

Apologies were received from: Jon Davison

### 3. Voting and Proxies for AGM Resolutions

The CEO advised that no proxies were received.

## 4. Notices of Motion

**Motion 1** That the minutes of the AGM of Potatoes New Zealand Inc. held 8th August 2018 be taken as read and confirmed as a true and correct record of that meeting.

*Mike Moleta/Tony Parlato Carried*

**Motion 2** That the audited financial statements for the year ended 31st March 2019 be approved.

*John Jackson/Bharat Bhana Carried*

**Motion 3** That either Grant Thornton Wellington, PricewaterhouseCoopers New Zealand or BDO Spicers, be appointed auditors for the financial year ended 31st March 2020.

*David Redmond/Bharat Bhana Carried*

**Motion 4** Notice of Alteration of Potatoes New Zealand Inc. Rules & Constitution. The following alteration to Rule 9(d)(i) of the Constitution and Rules of Potatoes New Zealand Inc. be adopted. The clause 9(d)(i) be deleted and replaced with the following:

9(d)(i) Any person holding the office of director (including any co-opted director) shall be entitled to hold the office for a period not exceeding 3 years. At the end of the term that person shall stand down, but will be eligible for re-election (or co-option) for the further 3-year terms subject to clause 9€ provided that no person shall serve more than 5 consecutive terms as a director. A person who has served 5 consecutive terms as a director will become re-eligible for election after having retired for at least one 3-year term. Motion was withdrawn. Recommendation:

## 5. 2019 Chairman & Operational Reports

The report on pages 27 – 31 of the AGM papers provided (mailed out to all members late July 2019) be taken as read. The Chair discussed the challenging year 2017 – 2018 had been with the Mop Top Virus incursion & thanked MPI for their assistance throughout the incursion. The Chair thanked the members for their support of the continuation of the Potato Commodity Levy.

**That** the reports on pages 27 – 31 be accepted.

*Bharat Bhana/Tony Parlato Carried*



## 6. Election Results

Nominations were called for a vacant Grower Director position. The positions are for a three-year term. Paul Olsen was nominated for Grower Director Position, he was nominated by Mike Moleta and Chris Pescini. There were no other candidates nominated therefore Paul Olsen is automatically appointed.

### The following are the current board:

#### Grower Members

Bharat Bhana

Mike Moleta

Tony Parlato

David Redmond

Stuart Wright

Paul Olsen

#### Trade Members

John Jackson

Dacey Belle

#### Independent

Jon Davison.

## 7. General Business

Chair thanked everyone for their time & hoped they enjoy the rest of their time at conference.

The meeting closed at 12.03pm



Stuart Wright

**Chair**

Potatoes New Zealand Inc.



# Special Purpose Annual Report

POTATOES NEW ZEALAND INCORPORATED  
As at 31 March 2020

Prepared by Connected Accountants

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# Directory

## POTATOES NEW ZEALAND INCORPORATED For the year ended 31 March 2020

### Nature of Business

The principal object of the society is to provide benefits to the potato industry in New Zealand by creating a positive industry profile and business environment for members.

### Registered Office

Potatoes New Zealand Incorporated  
Level 4, Co-Operative Bank House  
20 Ballance Street  
Wellington 6143

### Society Number

2559200

### Directors

Stuart Wright  
Bharat Bhana  
David Redmond  
Mike Moleta  
Tony Parlato  
John Jackson  
Dacey Balle  
Jon Davison  
Paul Olsen

### Chartered Accountant

Connected Accountants Limited  
Wellington

### Bankers

Bank of New Zealand

### Auditor

Grant Thornton  
Wellington

# Directors Report

## POTATOES NEW ZEALAND INCORPORATED For the year ended 31 March 2020

The Directors are pleased to present the approved special purpose financial report including the special purpose historical financial statements of POTATOES NEW ZEALAND INCORPORATED for year ended 31 March 2020.

APPROVED

For and on behalf of the Board of Directors



# Special Purpose Profit & Loss

## POTATOES NEW ZEALAND INCORPORATED

For the year ended 31 March 2020

	2020	2019
<b>Income</b>		
Commodity Order Levy	1,573,782	1,376,895
<b>Fees</b>		
Associate Member Fees	6,977	6,130
Trade Membership Fees	53,696	45,000
<b>Total Fees</b>	<b>60,672</b>	<b>51,130</b>
<b>Sales</b>		
Chip Group: Ministry Of Health Contract Income	85,000	85,000
Chip Group: Sundry Income	-	761
Conference Income	91,897	-
Export Access - Admin	13,000	13,000
Export Access Income	146,205	123,153
MPI - Survey Contribution	66,342	-
MPI - Readiness Income	38,043	-
Seed Approved Org Application Fee	2,000	2,000
Seed Certification	390,110	429,053
<b>Total Sales</b>	<b>832,597</b>	<b>652,967</b>
<b>Total Income</b>	<b>2,467,051</b>	<b>2,080,993</b>
<b>Gross Profit</b>	<b>2,467,051</b>	<b>2,080,993</b>
<b>Expenses</b>		
<b>Biosecurity</b>		
Biosecurity	(196)	17,466
GIA	(690)	5,788
PMTV Response	289,497	241,638
<b>Total Biosecurity</b>	<b>288,611</b>	<b>264,892</b>
<b>Conference &amp; Meetings</b>		
AGM & Conference	115,246	26,404
Meeting Costs	28,709	22,215
<b>Total Conference &amp; Meetings</b>	<b>143,954</b>	<b>48,620</b>
<b>Consultants/External Providers</b>		
Accounting Fees	8,640	7,266
Asian Market Development	-	5,281
Audit Fees	5,434	5,000
Consultants- Other	32,504	51,003
Legal Fees	5,318	29,917
<b>Total Consultants/External Providers</b>	<b>51,897</b>	<b>98,468</b>
<b>Industry engagement</b>		
District Association Disbursements	-	8,251

These Special Purpose Financial Statements should be read in conjunction with the attached Notes to the Special Purpose Financial Statements.



## Special Purpose Profit &amp; Loss

	2020	2019
Grant Expense	-	345
Health & Safety Education	1,589	-
Industry Liaison	16,838	34,464
Levy Vote Expenses	-	6,287
National Secondary Schools Challenge	-	7,523
Sponsorship & Community Good	115	-
The Chip Group	108,026	217,527
Young Grower of the Year	-	-
<b>Total Industry engagement</b>	<b>126,569</b>	<b>274,398</b>
<b>Communication</b>		
Consultants-Website	16,408	31,153
Foodwriters	6,469	5,160
General Media & Communications	2,970	7,393
Grower Magazine Support	16,670	17,004
Media	-	2
Media- Consultants	-	3,048
November Means New Potatoes	37,871	15,965
Promotional Material	-	10,428
Pukekohe Field Day Expense	-	(5,565)
<b>Total Communication</b>	<b>80,389</b>	<b>84,586</b>
<b>Office Administration</b>		
Bad Debts	(78)	1,003
Bank Fees	1,376	979
Chairmans Honoraria	30,000	30,000
Depreciation	15,081	8,526
Directors Fees	18,709	30,050
Donations	500	538
Export Access Expenditure	2,894	63
General Expenses	2,072	7,971
Insurance	2,907	1,487
Overheads	31,044	23,411
Photocopying & Stationery	5,868	3,398
Postage	325	2,843
Printing	34,763	39,643
Telephone & Tolls	7,774	10,056
<b>Total Office Administration</b>	<b>153,236</b>	<b>159,967</b>
<b>Research &amp; Development</b>		
Research & Development	730,530	214,496
<b>Total Research &amp; Development</b>	<b>730,530</b>	<b>214,496</b>
<b>Seed Certification</b>		
Consultants- Secretary Seed Cert	-	37,595
Seed Certification Scheme	97,305	70,944
Certified Seed Field Inspections	216,329	173,096
International Visitor	1,751	-
UNECE - Seed Meeting	3,530	-

These Special Purpose Financial Statements should be read in conjunction with the attached Notes to the Special Purpose Financial Statements.





## Special Purpose Profit &amp; Loss

	2020	2019
Seed Entry Costs	-	2,055
<b>Total Seed Certification</b>	<b>318,915</b>	<b>283,691</b>
<b>Staff Costs</b>		
ACC	816	1,023
Professional Development	3,404	10,539
Provision for Annual Leave	11,060	6,222
Salaries	477,143	374,133
Staff Costs	-	46,290
Staff Welfare	876	-
Temporary Staff	12,000	16,800
<b>Total Staff Costs</b>	<b>505,300</b>	<b>455,007</b>
<b>Travel</b>		
Travel - Accomodation	32,905	27,639
Travel- Airfares	79,753	66,902
Travel - Other	39,312	37,769
<b>Total Travel</b>	<b>151,971</b>	<b>132,310</b>
Profit/(Loss) on Disposal of Fixed Assets	1,672	1,490
<b>Total Expenses</b>	<b>2,553,045</b>	<b>2,017,923</b>
<b>Net Profit (Loss) before Other Income</b>	<b>(85,994)</b>	<b>63,070</b>
<b>Other Income</b>		
Interest Income	27,622	37,358
<b>Total Other Income</b>	<b>27,622</b>	<b>37,358</b>
<b>Net Profit (Loss) before Taxation</b>	<b>(58,372)</b>	<b>100,428</b>
<b>Taxation</b>		
Tax Expense	7,478	10,180
<b>Total Taxation</b>	<b>7,478</b>	<b>10,180</b>
<b>Net Profit (Loss) for the Year</b>	<b>(65,850)</b>	<b>90,247</b>
	2020	2019
<b>Transfer To</b>		
Commodity Order Levy Reserves	(42,007)	59,713
Non-L levy Reserves	(23,843)	30,535
<b>Total Transfer To</b>	<b>(65,850)</b>	<b>90,247</b>

These Special Purpose Financial Statements should be read in conjunction with the attached Notes to the Special Purpose Financial Statements.



# Special Purpose Balance Sheet

## POTATOES NEW ZEALAND INCORPORATED

As at 31 March 2020

	NOTES	2020	2019
<b>Equity</b>			
<b>Reserves</b>			
Commodity Order Levy Reserves	11	973,314	1,015,322
Non-Levy Reserves	11	538,970	562,814
<b>Total Reserves</b>		<b>1,512,285</b>	<b>1,578,135</b>
<b>Total Equity</b>		<b>1,512,285</b>	<b>1,578,135</b>
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Bank	5	132,546	960,661
Trade and Other Receivables		766,485	405,083
Payments in Advance		-	5,750
Accrued Interest		11,491	11,026
Income Tax Receivable		1,446	658
Term Deposits	6	905,944	512,784
<b>Total Current Assets</b>		<b>1,817,913</b>	<b>1,895,962</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	12	36,795	17,308
<b>Total Non-Current Assets</b>		<b>36,795</b>	<b>17,308</b>
<b>Total Assets</b>		<b>1,854,707</b>	<b>1,913,270</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
GST Payable		52,736	18,241
Income Received in Advance		64,359	42,842
Credit Cards Payable		9,928	6,102
Trade and Other Payables		215,400	267,951
<b>Total Current Liabilities</b>		<b>342,423</b>	<b>335,135</b>
<b>Total Liabilities</b>		<b>342,423</b>	<b>335,135</b>
<b>Net Assets</b>		<b>1,512,285</b>	<b>1,578,135</b>

Signed by




These Special Purpose Financial Statements should be read in conjunction with the attached Notes to the Special Purpose Financial Statements.



# Special Purpose Statement of Changes in Equity

## POTATOES NEW ZEALAND INCORPORATED

For the year ended 31 March 2020

	NOTES	2020	2019
<b>Equity</b>			
Opening Balance		1,578,135	1,487,888
<b>Increases</b>			
Current Year Earnings		(65,850)	90,247
<b>Total Increases</b>		<b>(65,850)</b>	<b>90,247</b>
<b>Total Equity</b>		<b>1,512,285</b>	<b>1,578,135</b>

These Special Purpose Financial Statements should be read in conjunction with the attached Notes to the Special Purpose Financial Statements.



# Notes to the Special Purpose Financial Statements

## POTATOES NEW ZEALAND INCORPORATED

For the year ended 31 March 2020

### 1. Reporting Entity

POTATOES NEW ZEALAND INCORPORATED was registered under the Incorporated Societies Act 1908 in March 2010. The Society began trading in May 2012.

This special purpose financial report was authorised for issue in accordance with a resolution of directors dated as per the Approval of Financial Report.

The principal object of the society is to provide benefits to the potato industry in New Zealand by creating a positive industry profile and business environment for members.

### Nature of Operations

The principal object of the society is to provide benefits to the potato industry in New Zealand by creating a positive industry profile and business environment for members.

### 2. Statement of Accounting Policies

#### Basis of Preparation

These special purpose financial statements have been prepared in accordance with the Special Purpose Financial Reporting Framework for use by For-Profit Entities (SPFR for FPEs) published by Chartered Accountants Australia and New Zealand.

#### Historical Cost

These special purpose financial statements have been prepared on a historical cost basis, (except for certain assets which have been revalued as identified in specific accounting policies below). The special purpose financial statements are presented in New Zealand dollars (NZ\$) and all values are truncated, so the line items may not agree to the total.

#### Revenue

Commodity Order Levy has been recognised on an accrual basis.

Associates and Trade Membership Fees have been recognised on an accrual basis.

Grants have been received for research on the potatoes industry and this is recorded as received.

Sales and Other Revenue has been recognised on an accrual basis.

#### Expenses

Expenses have been classified on their business function.

#### Income Tax

Income tax is payable on non-member income after deduction of tax deductible expenses. Any amount payable is provided for using the taxes payable method.

Tax is payable only on non-member income received in excess of \$1,000. This deduction is available pursuant to section DV8 of the Income Tax Act 2007.



### Goods and Services Tax

These special purpose financial statements are prepared on a GST exclusive basis with the exception of Accounts Receivable and Accounts Payable.

### Trade Receivables

Trade Receivables are recognised at estimated realisable value. Individual debts that are known to be uncollectable are written off in the period that they are identified.

### Changes in Accounting Policies

There have been no changes in accounting policies since the previous financial year. All policies have been applied on basis consistent with those used in previous years.

### Income Received in Advance

Registered exporters pay a \$6,000 deposit per annum towards their export levies at the beginning of the season. Throughout the season, levies are charged against the income received in advance. The income in advance figure represents the balance of the initial deposit remaining at balance date.

	2020	2019
<b>3. Income Tax Reconciliation</b>		
Net profit before tax	(58,372)	100,428
<b>Adjustments to Accounting Income</b>		
Non-Member Income Exemption	(1,000)	(1,000)
Non-Taxable Profit relating to Member Activities	86,080	(63,070)
<b>Total Adjustments to Accounting Income</b>	<b>85,080</b>	<b>(64,070)</b>
Assessable Income	26,708	36,358
<b>Tax Losses</b>		
Tax Losses Bought Forward	-	-
<b>Total Tax Losses</b>	<b>-</b>	<b>-</b>
Tax Loss to Carry Forward	-	-
Taxable Income	26,708	36,358
Tax at 28%	7,478	10,180
	2020	2019

### 4. Taxation

<b>Taxation</b>		
Opening Balance	(10,513)	(800)
<b>Increases</b>		
Refunds	658	1,125
<b>Total Increases</b>	<b>658</b>	<b>1,125</b>
<b>Decreases</b>		
RWT Paid	8,924	10,838
<b>Total Decreases</b>	<b>8,924</b>	<b>10,838</b>
<b>Total Taxation</b>	<b>(18,779)</b>	<b>(10,513)</b>



	2020	2019
<b>5. Cash and Bank</b>		
Bank of New Zealand - Auto Call Account	14,886	693,139
Bank of New Zealand - Current Account	117,660	267,522
<b>Total Cash and Bank</b>	<b>132,546</b>	<b>960,661</b>

The Bank of New Zealand Current Account and the Bank of New Zealand Auto call account earns interest at floating rates on daily deposit balances.

	2020	2019
<b>6. Investments</b>		
Bank of New Zealand - Term Deposit 010	301,267	-
Bank of New Zealand - Term Deposit 012	304,678	-
Bank of New Zealand - Term Deposit 013	300,000	-
Bank of New Zealand - Term Deposit 009 3.55% Matures 18/6/2019	-	250,000
Bank of New Zealand - Term Deposit 007 3.15% Maturing 10/10/2018	-	262,784
<b>Total Investments</b>	<b>905,944</b>	<b>512,784</b>

## 7. Related Parties

**Stuart Wright:** Seed grower. Levy paid via a collector, and seed registration fees paid.

**Bharat Bhana:** Fresh grower. Levy paid via collectors, and direct sales levy.

**David Redmond:** Processed and export grower. Levy paid via collectors.

**Mike Moleta:** Fresh and processed grower. Levy paid via collectors, and direct sales levy.

**Dacey Balle:** Director of Balle Bros who are Fresh growers. Direct sales levy.

**Tony Parlato:** Fresh and processed grower. Levy paid via collectors, and a direct sales levy.

**John Jackson:** Trade member. McCains pays trade member fee and levy (are not growers).

**Paul Olsen:** Freshgrower, Levy paid via collectors, and direct sales levy.

Potatoes New Zealand Charitable Trust is a related party to Potatoes New Zealand Incorporated, by virtue that a Director is also a Trustee of the Trust. The Trust made no grants to Potatoes New Zealand in 2020 (2019:\$0).

The above trading/grower members have been identified as related parties due to directors on the board of those entities also being executive committee members on Potatoes New Zealand Incorporated.

The transactions that have occurred between those entities and Potatoes New Zealand Incorporated are membership fees or levies.

	2020	2019
<b>Directors &amp; Meeting Fees</b>		
Bharat Bhana	1,500	2,650
Jon Davison	3,250	7,000
John Jackson	2,600	2,600
Mike Moleta	2,000	3,000
Tony Parlato	2,250	2,000
David Redmond	1,000	3,250



Paul Olsen	1,000	-
Stuart Wright	2,050	6,550
Dacey Balle	2,250	3,000
<b>Total Directors &amp; Meeting Fees</b>	<b>17,900</b>	<b>30,050</b>
	<b>2020</b>	<b>2019</b>

**Chairman's Honorarium**

Chairmans Honoraria	30,000	30,000
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**8. Capital Expenditure Commitments**

There are no liabilities in respect of capital expenditure at balance date other than those provided for in the accounts (2019: \$Nil).

**9. Contingent Liabilities**

There are no contingent liabilities at balance date. (2019: \$80,000).

**10. Subsequent Events**

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation.

**11. Reserves**

For periods up to and including the 2017/2018 financial year, POTATOES NEW ZEALAND INCORPORATED made transfers to reserves relative to the cost centre that the profit or loss has come from. For the 2018 financial year and future years, reserves are to be calculated and shown as either 'Commodity Order Levy Reserves' or 'Non-Commodity Order Levy Reserves.'

The Commodity Order Levy Reserve, is for funds that are restricted to be used for the purpose allowed by the Commodity Order Levy (potatoes) Order 2013, all other funds that are not included in the Commodity Order Levy reserve are transferred to the Non-Levy Reserve.

	2020	2019
<b>General Reserves</b>		
<b>General Reserves</b>		
Opening Balance	(65,850)	90,247
Transfer to Commodity Levy Reserve	(42,007)	(59,713)
Transfer to Non-Levy Reserve	(23,843)	(30,535)
Closing Balance	-	-
<b>Commodity Order Levy Reserve</b>		
Opening Balance	1,015,322	955,609
Transfer from General Reserves	(42,007)	59,713
Closing Balance	973,314	1,015,322
<b>Non-Commodity Order Levy Reserves</b>		
Opening Balance	562,814	532,279
Transfer from General Reserves	(23,843)	30,535
Closing Balance	538,971	562,814
Closing Reserves Total	1,512,285	1,578,135

**12. Property, Plant & Equipment**

Property, Plant & Equipment is stated at cost less accumulated depreciation and any impairment loss.



Depreciation rates are as stated below.

Computer Equipment depreciated at a rate of 20%-67%. Assets acquired before 10 May 2018 are on the Straight Line method and subsequent purchases are on the Diminishing Value method.

Promotional Material depreciated at a rate of 40% using the Diminishing Value method.

### 13. Going Concern and Covid-19

The uncertainty as to the future impact on the Society of the recent Covid-19 outbreak has been considered as part of the Society's adoption of the going concern basis.

There has been little operational impact as the team are all able to work remotely. Management's assumptions about the impact of Covid-19 are subject to significant uncertainty. The Board's considered view is that in all reasonably likely scenarios, the Society will be able to continue to operate. Accordingly, no adjustments have been made relating to recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the entity not continue as a going concern.





# Depreciation Schedule - 2020

## POTATOES NEW ZEALAND INCORPORATED

For the year ended 31 March 2020

NAME	RATE	COST	OPENING VALUE	PURCHASES	DISPOSALS	DEPRECIATION	CLOSING VALUE	PRIVATE USE AMOUNT
<b>Computer Equipment</b>								
3 Notebook (inhome Cellphones	67.00%	1,383	842	-	842	-	-	-
AC-1120-0506 - AquaCheck Sub-surface, SDI-12, 600mm, 5s - R & D	40.00%	1,007	-	1,007	-	201	806	-
AC-1120-0506 - AquaCheck Sub-surface, SDI-12, 600mm, 5s - R & D	40.00%	1,007	-	1,007	-	201	806	-
AC-1120-0506 - AquaCheck Sub-surface, SDI-12, 600mm, 5s - R & D	40.00%	1,007	-	1,007	-	201	806	-
AC-1120-0506 - AquaCheck Sub-surface, SDI-12, 600mm, 5s - R & D	40.00%	1,007	-	1,007	-	201	806	-
AC-1120-0506 - AquaCheck Sub-surface, SDI-12, 600mm, 5s - R & D	40.00%	1,007	-	1,007	-	201	806	-
AC-1120-0506 - AquaCheck Sub-surface, SDI-12, 600mm, 5s - R & D	40.00%	1,007	-	1,007	-	201	806	-
AC-2011-0092 - AquaLINK 3G (Solar) Telemetry - R & D	40.00%	1,190	-	1,190	-	238	952	-
AC-2011-0092 - AquaLINK 3G (Solar) Telemetry - R & D	40.00%	1,190	-	1,190	-	238	952	-
AC-2011-0092 - AquaLINK 3G (Solar) Telemetry - R & D	40.00%	1,190	-	1,190	-	238	952	-
AC-2011-0092 - AquaLINK 3G (Solar) Telemetry - R & D	40.00%	1,190	-	1,190	-	238	952	-
AC-2011-0092 - AquaLINK 3G (Solar) Telemetry - R & D	40.00%	1,190	-	1,190	-	238	952	-
AC-2011-0092 - AquaLINK 3G (Solar) Telemetry - R & D	40.00%	1,190	-	1,190	-	238	952	-
Acer Laptop - Paula	40.00%	1,887	-	-	-	-	-	-
Apple Laptop for Kate	40.00%	2,264	830	-	830	-	-	-
ASUS 13.3" Laptop - Nicola	40.00%	2,060	-	2,060	-	824	1,236	-
Complete Weather Station with Solar Panel, Touch panel Console & PC Interface - R & D	40.00%	554	-	554	-	129	425	-
Galaxy Note10+ Iain	40.00%	1,651	-	1,651	-	440	1,211	-
Gemma Carroll Samsung S10+	40.00%	1,222	-	1,222	-	81	1,140	-
HP Pavilion Gaming Tower - Chris	50.00%	2,835	2,008	-	-	1,004	1,004	-
HP Spectra Laptop X360 I7 Laptop - Chris	40.00%	2,736	2,554	-	-	1,021	1,532	-
HP Spectre X360 8Gen - Gemma	50.00%	6,853	4,854	-	-	2,427	2,427	-
HP Spectre X360 Laptop and extended warranty - Iain	50.00%	2,767	1,845	-	-	922	922	-





Depreciation Schedule - 2020

NAME	RATE	COST	OPENING VALUE	PURCHASES	DISPOSALS	DEPRECIATION	CLOSING VALUE	PRIVATE USE AMOUNT
Mobile Phone Samsung S10+ Nicola Loach	40.00%	1,552	-	1,552	-	621	931	-
Pole mount bundle for large phones - Chris	20.00%	845	-	845	-	70	775	-
Samsung Galaxy Tablet - Chris	40.00%	1,482	938	-	-	593	346	-
Samsung Note 10 Plus - Chris	40.00%	1,738	-	1,738	-	464	1,275	-
Samsung NP900C3C Laptop	40.00%	2,325	-	-	-	-	-	-
Sentek Bluetooth 90cm Triscan probe - R & D	40.00%	2,085	-	2,085	-	348	1,738	-
Sentek Bluetooth 90cm Triscan probe - R & D	40.00%	2,085	-	2,085	-	348	1,738	-
Sentek Bluetooth 90cm Triscan probe - R & D	40.00%	2,085	-	2,085	-	348	1,738	-
Sentek Bluetooth 90cm Triscan probe - R & D	40.00%	2,085	-	2,085	-	348	1,738	-
TerraFlex Advanced - R & D	20.00%	710	-	710	-	59	651	-
TR-81011-28 - Juno T41CG Handheld - R & D	40.00%	3,500	-	3,500	-	817	2,683	-
TR-81018-07 - Farm Works Mobile - R & D	40.00%	887	-	887	-	207	680	-
<b>Total Computer Equipment</b>		<b>60,772</b>	<b>13,871</b>	<b>36,241</b>	<b>1,672</b>	<b>13,706</b>	<b>34,733</b>	-
<b>Promotional Material - Fixed Asset</b>								
Chip Group pull up banners x 4	40.00%	1,200	432	-	-	173	259	-
Flags - PNZ	40.00%	1,987	691	-	-	277	415	-
Potato Pull Up Banner	40.00%	1,200	480	-	-	192	288	-
Printed Gazebo	40.00%	2,634	917	-	-	367	550	-
Pull up Banner x 3 Nov Means New Potatoes	40.00%	1,835	918	-	-	367	551	-
<b>Total Promotional Material - Fixed Asset</b>		<b>8,856</b>	<b>3,438</b>	-	-	<b>1,375</b>	<b>2,063</b>	-
<b>Total</b>		<b>69,628</b>	<b>17,309</b>	<b>36,241</b>	<b>1,672</b>	<b>15,081</b>	<b>36,796</b>	-

# Depreciation Schedule - 2019

## POTATOES NEW ZEALAND INCORPORATED For the year ended 31 March 2019

NAME	RATE	COST	OPENING VALUE	PURCHASES	DISPOSALS	DEPRECIATION	CLOSING VALUE	PRIVATE USE AMOUNT
<b>Computer Equipment</b>								
3 Notebook Inhome Cellphones	67.00%	1,383	-	1,383	-	540	842	-
Acer Laptop	40.00%	1,887	315	-	-	315	-	-
Apple Laptop for Kate	40.00%	2,264	1,736	-	-	906	830	-
HP Pavilion Gaming Tower	50.00%	2,835	-	2,835	-	827	2,008	-
HP Spectra Laptop X360 I7 Laptop	40.00%	2,736	-	2,736	-	182	2,554	-
HP Spectre X360 8Gen	50.00%	6,853	-	6,853	-	1,999	4,854	-
HP Spectre X360 Laptop and extended warranty	50.00%	2,767	-	2,767	-	922	1,845	-
Huawei Nova Smartphone	67.00%	1,244	-	1,244	1,244	-	-	-
Samsung Galaxy Tablet for Chris	40.00%	1,482	-	1,482	-	543	938	-
Samsung NP900C3C Laptop	40.00%	2,325	-	-	-	-	-	-
Surface Pro I17 16GB 512 (for Justine)	40.00%	3,069	2,967	-	2,967	-	-	-
<b>Total Computer Equipment</b>		<b>28,845</b>	<b>5,018</b>	<b>19,299</b>	<b>4,211</b>	<b>6,234</b>	<b>13,871</b>	-
<b>Promotional Material - Fixed Asset</b>								
Chip Group pull up banners x 4	40.00%	1,200	720	-	-	288	432	-
Flags - PNZ	40.00%	1,987	1,152	-	-	461	691	-
Potato Pull Up Banner	40.00%	1,200	800	-	-	320	480	-
Printed Gazebo	40.00%	2,634	1,528	-	-	611	917	-
Pull up Banner x 3 Nov Means New Potatoes	40.00%	1,835	1,529	-	-	612	918	-
<b>Total Promotional Material - Fixed Asset</b>		<b>8,856</b>	<b>5,729</b>	-	-	<b>2,292</b>	<b>3,438</b>	-
<b>Total</b>		<b>37,701</b>	<b>10,747</b>	<b>19,299</b>	<b>4,211</b>	<b>8,526</b>	<b>17,309</b>	-



## Independent Auditor's Report

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### To the Members of Potatoes New Zealand Incorporated

### Report on the Audit of the Special Purpose Financial Statements

#### Opinion

We have audited the special purpose financial statements of Potatoes New Zealand Incorporated ("the Incorporation") on pages 5 to 17 which comprise the balance sheet as at 31 March 2020, and the profit & loss statement and statement of changes in equity 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 present fairly in all material respects, the financial position of Potatoes New Zealand Incorporated as at 31 March 2020, and its financial performance for the year then ended, in accordance with Special Purpose Financial Reporting Framework For Profit Entities ("The Framework") issued by the New Zealand Institute of Chartered Accountants (now known as Chartered Accountants Australia and New Zealand).

#### 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 Incorporation in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* 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 Incorporation.

#### Emphasis of Matter

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with a special purpose framework and, therefore, may not be suitable for another purpose. Our report is intended solely for the Incorporation and should not be distributed to or used by parties other than the Incorporation. Our Opinion is not modified in respect of this matter.

### Directors' Responsibilities for the Special Purpose Financial Statements

The directors are responsible on behalf of the entity for the preparation and fair presentation of these financial statements in accordance with The Framework and for such internal control as those charged with governance 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 special purpose financial statements, those charged with governance are responsible on behalf of the entity for assessing the Incorporation'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 directors either intend to liquidate the Incorporation 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 on the External Reporting Board's website at: <https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-8/>

### Restriction on use of our report

This report is made solely to the Incorporation's Members, as a body. Our audit work has been undertaken so that we might state to the Incorporation's Members, as a body, 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 Incorporation and the Incorporation's Members, as a body for our audit work, for this report or for the opinion we have formed.

### Grant Thornton New Zealand Audit Partnership



**B Kennerley**

Partner

Wellington

14 July 2020





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