

# Potatoes New Zealand Inc. AGM Papers & Annual Report 2021





# Potatoes New Zealand Inc.

## Contents

---

**Wednesday 1<sup>st</sup> September, 7pm.**

Via Zoom only due to pandemic response.

<https://us02web.zoom.us/j/81305486564>

<b>2021 Chairman's Annual Report</b> .....	<b>4</b>
<b>2021 CEO's Annual Report</b> .....	<b>6</b>
<b>Key Achievements April 2020 – March 2021</b> .....	<b>9</b>
<b>Industry Value Charts &amp; Overview</b> .....	<b>10</b>
<b>AGM Meeting Agenda</b> .....	<b>12</b>
<b>Notices of Motion</b> .....	<b>13</b>
<b>2020 Annual General Meeting Minutes</b> .....	<b>14</b>
<b>2021 Financial Statements – Special Purposes Report</b> .....	<b>18</b>
• Directory .....	19
• Directors' Report .....	20
• Special Purpose Profit & Loss .....	21
• Special Purpose Balance Sheet .....	24
• Special Purpose Statement of Changes in Equity .....	25
• Notes to the Special Purpose Financial Statements .....	26
• Depreciation Schedule - 2021 .....	31
• Depreciation Schedule - 2020 .....	34
• Independent Audit Report .....	37

## Potatoes New Zealand Inc.

# 2021 Chairman's Annual Report

2020 has certainly been a year with challenges and obstacles never encountered before by farmers. The raft of policies and the uncertainty during the global pandemic crisis has taken a toll on growers, industry and our markets.

As a result of some of these issues Potatoes New Zealand Inc (PNZ) has finished the 2020-2021 year with a net loss of \$268,974. The tariff application and submissions to regional councils on behalf of industry meant unexpected costs not budgeted for but deemed essential by the board to maintain industry stability and growth.

We have financial reserves of just over \$1 million.

The PNZ 2021 Strategy and Business Plan focuses on goals of doubling exports by 2025; increasing domestic market value by 50% by 2025; increasing the profitability per hectare by \$150 per annum and Zero Net Nutrient and Green House Gas Emissions by 2035, in order to align with government, market demand and global targets.

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

The overall value of the industry, including the domestic and export markets is now \$1.2 billion. It is pleasing to see that we continue to grow our value since the 2013 targets were set.

The domestic value objective has been achieved 4 years early, despite the year of challenges.

However, we need to continue lifting our game on farm using the best research and innovations to enable our goal of doubling exports, especially



considering the impacts of the global pandemic and fast-paced change due to new government policies.

It is reassuring to see that the levy has increased due to the new membership database and levy information system. The slight drop in 2020 estimated farm gate value of \$181,516,000 is clearly due to a slight shrink in volume and area planted (a 5% decrease).

The board are very pleased with the stability we see in the domestic market for 2020, despite pandemic threats as we see a continued climb from \$959,659,000 in 2019 to \$1,054,857,000 in 2020 domestic value.

The end of the financial year saw ongoing impacts from the Covid-19 crisis. I expect the economic and social impacts will continue 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 deciding next steps in response to a disappointing final report from the Ministry of Business, Innovation and Employment, which concluded that the dumping was real but not of material threat to our industry. Please let the board know your thoughts on what you feel our next steps should be.

The reassuring news is that PNZ channeled 100% of the grower levy into Research and Development.

Projects ensure growers can consistently grow profitable crops whilst maintain regulatory and social license to operate.

The *Sustainable Vegetable Systems (SVS)* project, with \$4.7 million funding from MPI, and partnership with Vegetable Research Innovation and Horticulture NZ is a year into its trials and research. This will provide

outcomes that enable us to maintain our license to grow.

Research and Development has a total of 12 projects underway and another in the planning stages.

The board are ensuring R&D is focused on industry problems and deliver meaningful solutions to growers. In saying this we do 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 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. We were pleased to have the support of several growers and processors with their submissions and presentations alongside us at the hearings in Canterbury.

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. There has been a concerted effort from PNZ to promote the story and provenance of NZ fries in light of the European dumping threat. The online engagement with PNZ social media indicates consumers love NZ Fries and want to know where their food comes from.

In addition, the PNZ PR campaign late 2020, was a testament to the NZ consumer's love of potatoes and potato products with ¼ million consumers engaging with us on social media.

Despite having to cancel, postpone or pivot to smaller events due to pandemic restrictions, the enthusiasm

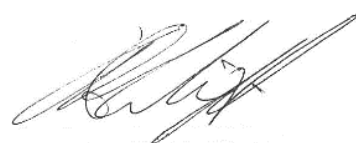
and collegiality in our industry continues.

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 9 years and I thank all who have contributed.

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.

In 2020 we farewelled David Redmond and Tony Parlato from our board and appreciate their time in governance. The board have seconded Michelle Pye as a casual director in 2020 and she is nominated for election to the board at this AGM.

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.

## 2021 CEO's Annual Report

Despite the challenges, 2020 was another year of overall industry value growth, to over a billion dollars per annum.

### **Potatoes New Zealand (PNZ) had three goals to drive our activities:**

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. Net Zero nutrient and GHG emissions from the potato industry by 2035

These align with the government's emissions targets, the Paris agreement and maintain our industry's social and regulatory license to operate.

Our industry now has an overall value of \$1,160,695,000 and has achieved domestic value growth of 58% since 2013. This is a pleasing result as we have achieved our target of a 50% increase in domestic value, 4 years early. It took us just 7 years to increase by 50% rather than the 12 years planned for. The data shows that 67% of our NZ crop is processed and this is the reason our industry value has rapidly risen in value.

We're very pleased to see that overall marketable crop yield has remained the same as the previous year, indicating consistent agronomic practice.

Industry experienced a 5% decrease in farmgate value in the last year and although we have observed a volume drop, we have still seen a rise in value across both export and domestic markets. This was due to the slight reduction in contract area planted and price pressure on fresh exports. PNZ had projected this slight drop in our pandemic recovery plan due to Covid-19.

People are eating more crisps in NZ with values and volumes stronger than the previous year. Likewise, crisps exports grew. We see a value drop for fresh/table to the Pacific Islands, yet the volume remains the same.

It's fair to say that the pandemic crisis continued to impact our industry in 2020, due to further sporadic hospitality closures and dumping of European fries into our domestic markets.



The PNZ tariff application to MBIE was unsuccessful but we continue to voice our concerns where appropriate and using whatever tools available to us.

The export market has been affected by global disruption to supply chains due to the pandemic, resulting in a 17% drop in our exports to the end of December 2020.

Suspected dumping by foreign firms in our export markets and overseas lockdowns reducing global consumer demand have also played their part in leaving our export value lower than we'd targeted.

A key takeaway from 2020 is that a strong domestic market underpins our industry. It affirms that securing and stabilizing our domestic market share should remain a top priority for PNZ. A strong domestic market maintains NZ industry resilience.

More details on the 2020 industry values and volumes performance can be seen on page 10.

PNZ has collected just over \$1.5 million in levy and spent \$1.74 million on R&D. In other words, the levy spend is very efficient and focused on R&D. As a commodity levy group, it is imperative that we control our own checkbook in order to maximise the value of our levy.

RD&E comprises sustainability, breeding, on-farm productivity and manufacturing innovations. The specific objectives for 2020-2021 activities were to provide growers with the tools to deal with existing pests and diseases and ensure they are protected from biosecurity incursions, as well as helping growers develop infrastructure and methods to improve water and nitrogen use efficiency.

You can read about the key RD&E achievements on page 9.

PNZ projects were reported on regularly in NZ Grower, PNZ newsletters, websites, technical bulletins and at regional visits/meetings and the well-attended field walks.

PNZ seek to maintain and grow our markets and one of the ways we do this is through 'industry good stories', undertaking promotions and marketing initiatives. These are summarized on page 'Key Achievements'.

Media communications continued to grow in 2020 climbing 18% to over 10,000 followers across 5 channels and we speak to 719 subscribers to our monthly newsletter. The strategic approach to communications during the Ministry of Business, Innovation and Employment application process, garnered us huge support in the public domain and reassured us that NZ consumers love NZ fries. Likewise, the PNZ digital PR campaign at the end of 2020 engaged ¼ million social media consumers.

Our team continue the good work in quality covering the three essential industry functions of maintaining compliance, biosecurity, and standards.

Potatoes New Zealand Inc. has finished the year with a net loss of \$268,974 and reserves of just under \$1.3 million.

This loss was attributed to two unforeseen costs; the tariff application and submissions to regional councils on behalf of industry. Both were considered crucial

undertakings in order to stabilize markets during the global pandemic crisis and to maintain grower license to operate and expand.

Financial reserves are split into two separate reserves: Commodity Order Levy Reserves and Non-levy Reserves. They are \$854,976 and \$406,379, respectively.

More details on financial performance can be read on page 10.

PNZ has again performed well under another pressure filled year. Our 2020, 25 key achievements, can be found on page.

Our small team, ably supported by the PNZ board has come through an unprecedented year for industry and we have achieved a major win in our domestic strategic goals by hitting the 50% increase early.

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



Chris Claridge

**CEO**

Potatoes New Zealand Inc.

Mobile: +64 21 577 387 Fax: +64 4 471 2861

Email: [chris.claridge@potatoesnz.co.nz](mailto:chris.claridge@potatoesnz.co.nz)

[www.potatoesnz.co.nz](http://www.potatoesnz.co.nz)



**Potatoes New Zealand**  
*Building a secure and sustainable  
future for our industry*



**Potatoes**  
NEW ZEALAND  
[www.potatoesnz.co.nz](http://www.potatoesnz.co.nz)



**April 1<sup>st</sup> 2020 - March 31<sup>st</sup> 2021**

# Key Achievements

---

- 1. Biosecurity Readiness & Response** – PMTV 3 year commercial and seed survey completed.
- 2. Biosecurity Readiness & Response** – tomato Red Spider Mite survey response and survey completed.
- 3. Quality Assurance** – revised the strategic goal of Net Zero GHG Emissions by 2035.
- 4. Quality Assurance** – seed Potato Certification Rulebook & Seedlines revised and published.
- 5. Quality Assurance** – reviewed and restructured the NZ Seed Certification Scheme.
- 6. Quality Assurance** – residue Compliance Information for Potatoes New Zealand revised and published.
- 7. Education & Communication** – fresh potatoes digital PR campaign reached 250,000 consumers.
- 8. Education & Communication** – 400 resources dispatched to schools and growers.
- 9. Education & Communication** – 3 regional summer field walks attended by 105 stakeholders.
- 10. Education & Communication** – averaging 31 ‘positive news about potatoes’ articles in national and global media each month.
- 11. Education & Communication** – trained 45 food service operators to improve the nutrient profile of deep-fried chips served in New Zealand, through the Chip Group Best Practice Frying.
- 12. Education & Communication** – 13 PNZ Events held during 2020-2021 despite pandemic restrictions.
- 13. Education & Communication** – consumer Research Project on NZ trends, attitudes and behaviours.
- 14. Education & Communication** – press and social campaign for NZ fries and tariff application generated 89 print, digital, radio & TV stories
- 15. Research, Development & Extension** – R&D projects completed since 2013.
- 16. Research, Development & Extension** – 11 R&D projects currently underway.
- 17. Research, Development & Extension** – 3 Regional Field Walks with agronomy and R&D updates
- 18. Research, Development & Extension** – \$4.7 million Sustainable Vegetable Systems project underway 1 year
- 19. Market Development & Promotion** – domestic market growth is up 58% from 2013. Achieved our target of doubling domestic value 4 years early.
- 20. Market Development & Promotion** – 2020 top processed vegetable exports were potatoes (\$106.9 million).
- 21. Grower Representation** – worked closely with Horticulture NZ and government ministries to ensure growers’ best interests are represented.
- 22. Grower Representation** – representation on GIA Deed Governance Group, Plant Market Access Council (PMAC), Horticulture Industry Forum (HIF), Vegetable Chairs Forum, Sustainable Vegetable Systems Governance and the Trust Alliance NZ Board.
- 23. Administration** – strategic Plan and Business Transformation Plan updated and communicated to growers and stakeholders.
- 24. Administration** – new membership database active and increasing levy value as a result.
- 25. Administration** – regional Plan Change submissions for Horizons Region PC2 & Environment Canterbury PC7.

## 2020 Potato Industry by Volume

	<b>Total 2020</b>	<b>Seed 2020</b>	<b>Table 2020</b>	<b>Processed 2020</b>
<b>Area (ha)</b>	9,775	1,075	5,500	5,500
<b>Production (MT)</b>	497,634	20,434	147,200	330,000

<b>Seed (MT)</b>	<b>2020</b>
<b>Export</b>	25
<b>Domestic Sales</b>	20,408
<b>Total</b>	20,434
<b>% of total Grown</b>	4%

<b>Table Potatoes (MT)</b>	<b>2020</b>
<b>Export</b>	25,352
<b>Domestic Sales*</b>	105,000
<b>Foodservice*</b>	5,000
<b>Total</b>	135,352
<b>% of total grown</b>	27%


  

<b>Crisps (MT)</b>	<b>2020</b>
<b>Raw Potatoes</b>	57,907
<b>Domestic Mfg</b>	12,739
<b>Import</b>	2,122
<b>Total</b>	14,862
<b>Export</b>	849
<b>Retail</b>	14,012
<b>Total</b>	14,862
<b>% of total grown</b>	12%

<b>Frozen/Fries (MT)</b>	<b>2020</b>
<b>Raw Potatoes</b>	272,093
<b>Domestic Mfg</b>	139,656
<b>Import</b>	18,158
<b>Total</b>	157,814
<b>Export</b>	60,249
<b>Retail</b>	25,989
<b>Total</b>	157,814
<b>% of total grown</b>	55%



## 2020 Potato Industry by Value

	<b>Total 2020</b>	<b>Seed 2020</b>	<b>Table 2020</b>	<b>Processed 2020</b>
<b>Area (ha)</b>	9,775	1,075	5,500	5,500
<b>Production (MT)</b>	497,634	20,434	147,200	330,000

<b>Seed (\$000)</b>	<b>2020</b>
<b>Export</b>	\$18
<b>Domestic Sales</b>	\$16,327
<b>Total</b>	\$16,345
<b>% of total Grown</b>	1%

<b>Table (\$000)</b>	<b>2020</b>
<b>Export</b>	\$20,016
<b>Domestic Sales</b>	\$234,413
<b>Foodservice</b>	\$30,000
<b>Total</b>	\$284,429
<b>% of total grown</b>	25%

<b>Crisps (\$000)</b>	<b>2020</b>
<b>Export</b>	\$6,844
<b>Retail *</b>	\$237,411
<b>Total sold</b>	\$244,254
<b>% of final industry value</b>	21%

<b>Frozen/Fries (\$000)</b>	<b>2020</b>
<b>Export</b>	\$78,960
<b>Retail*</b>	\$107,245
<b>Food Service</b>	\$429,462
<b>Total Sold</b>	\$615,667
<b>% of final industry value</b>	53%

\*assume extra 10% value above Scan Data


	<b>2020</b>
<b>Domestic</b>	\$1,054,857
<b>Export</b>	\$105,838
<b>Total Industry Value (\$000)</b>	\$1,160,695

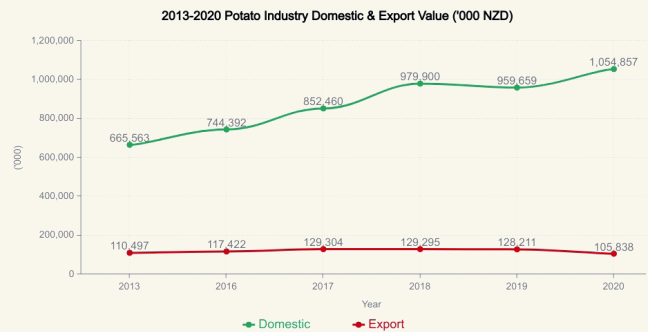
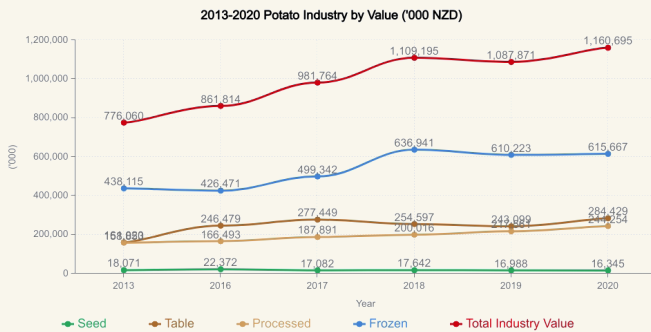
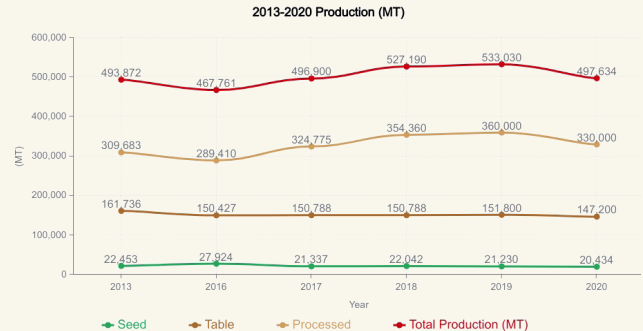
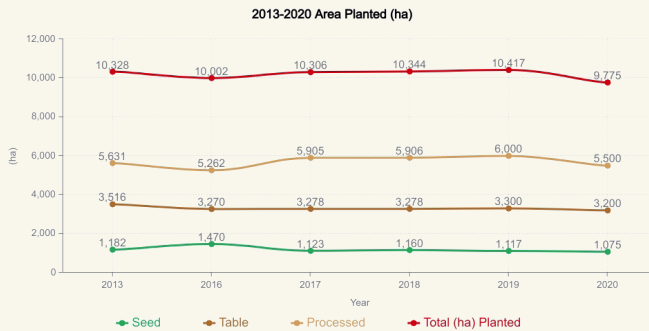
### 2020 Total Industry Value: \$1,160 million p.a.

**Notes:** Currency is NZD.



## 2013-2020 Potato Industry Charts



## Industry Overview

Potatoes are grown across Aotearoa and harvested year round.

### Values

In 2020:

\*1 metric tonne = 1000kgs

**498,634 MT\*** produced from **9,775 hectares**

NZ 2020 average yield = **51,000kgs per hectare**

Farmgate value **\$181,516,000**

**Export value \$10,827 per hectare**

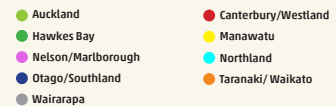
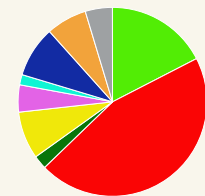
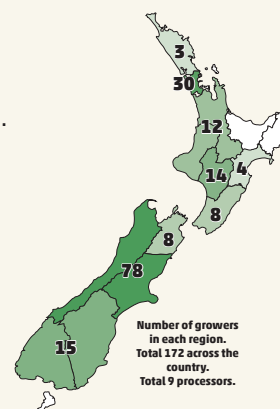
**Total Export value \$105,838,000**

**Domestic Retail value \$107,913 per hectare**

**Total Domestic Retail value \$1,054,857,000**

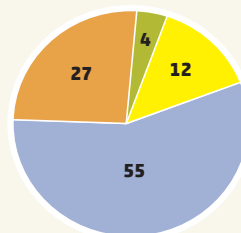
**2% of value was seed**

**20% of value was crisps**

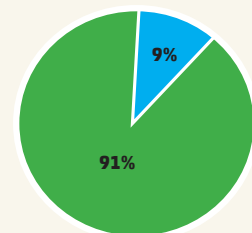


% of total industry value

Industry value \$1,160,695,000



● seed  
● crisps  
● processed frozen  
● fresh/ware



● export wholesale value  
● domestic retail value

# Potatoes New Zealand Incorporated

# Annual General Meeting 2021

---

**Wednesday 1<sup>st</sup> September, 7pm.**

Via Zoom only due to pandemic response.

<https://us02web.zoom.us/j/81305486564>

## **Agenda**

- Welcome and Introductions
- Apologies
- Proxies for AGM Resolutions
- Notices of Motion
  - Minutes of 2020 Potatoes NZ Incorporated AGM
  - Potatoes NZ Inc. 2021 Audited Financial Statements
  - Appointment of Auditor
- 2021 Annual Report
  - Chair and Operational Reports
- Election: one nomination has been made
- General Business

## **Members may also attend the AGM via videoconference by**

- [Zoom.us](https://us02web.zoom.us/j/81305486564) meeting room: <https://us02web.zoom.us/j/81305486564>
- Phone (0800-084-460 Pin 620041#)

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

# 2021 Potatoes New Zealand Inc.

## AGM Notices of Motion



---

The following motion will be considered at the Potatoes New Zealand Inc. Annual General Meeting (AGM) being held on

**Wednesday 1<sup>st</sup> September, 7pm.**

Via Zoom only due to pandemic response.

<https://us02web.zoom.us/j/8130548656>

---

**Motion 1** That the minutes of the AGM of Potatoes New Zealand, held on 13th August 2020 be taken as read and confirmed as a true and correct record of that meeting.

*Proposed by the PNZ Inc. Board*

---

**Motion 2** That the audited financial statements for the year ended 31 March 2021 be approved.

*Proposed by the PNZ Inc Board*

---

**Motion 3** That either Grant Thornton Wellington, PricewaterhouseCoopers New Zealand or BDO Spicers, be appointed auditors for the financial year ended 31 March 2022.

*Proposed by the PNZ Inc. Board*

---

### Explanatory Notes

**Motion 1** A PDF of the Minutes of the 2020 AGM will be available at [www.potatoesnz.co.nz](http://www.potatoesnz.co.nz) from mid-August 2021. 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-August 2021. 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).

## 2020 Potatoes New Zealand Inc.

# Minutes of Annual General Meeting

**Minutes of Annual General Meeting** of Potatoes New Zealand Inc. being held via zoom due to covid-19 restrictions in the Auckland area, AGM was originally to be held at Pukekohe Indian Association Centre, Pukekohe Auckland. Thursday 14<sup>th</sup> August 2020, 12:30pm.

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

A. S Wilcox - Rakaia	McCain Foods (NZ) Ltd	MCG
Annat Farms	Bailey Farming Co Ltd	Balle Bros – Pukekohe
Balle Bros – Matamata	Balle Bros – Ohakune	Balle Bros – Onewhero
Balle Bros – Highbrook	Balle Bros – Heretaunga	Balle Bros - Pukekawa
Freshpik Farms Ltd	Hira Bhana & Sons Ltd	Olsen Agri
Parlato Farming Co	Jon Davison	A. S Wilcox

### Also in attendance:

Chris Claridge - CEO, Potatoes NZ Inc.

Gemma Carroll - Comm's, Potatoes NZ Inc.

Nicola Loach - Administration, Potatoes NZ Inc.

### 1. Welcome

The Chair welcomed attendees and thanked them for giving up their time to partake on the AGM via zoom due to covid restrictions making it impossible to hold in person in Pukekohe.

### 2. Apologies

Apologies were received from:

### 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 14<sup>th</sup> August 2019 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 2020 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 2021.

**Jon Davison/Mike Moleta Carried**

**Motion 4 Notice of Alteration of PNZ Rule & 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

**Dacey Balle/Bharat Bhana Carried**

**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

**Paul Olsen/Bharat Bhana Carried**

**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

**John Jackson/Jon Davison**

## **5. 2020 Chairman & Operational Reports**

The report on pages 4 – 8 of the AGM papers provided (mailed out to all members late July 2019) be taken as read. The Chair discussed the challenging year 2019 – 2020 had been with Plan Changes across 3 main growing regions and the start of Covid-19 at the end of this financial year.

The Chair thanked the members for their support of the continuation of the Potato Commodity Levy.

**That** the reports on pages 4 – 8 to be accepted.

**Jon Davison/Paul Olsen Carried**

## **6. Election Results**

The Chair announced the results of the election of Directors to the Board of Potatoes New Zealand Inc. Chair thanked the board for their input during the year.

Two members of the board (Dacey Balle and Tony Parlato) stood down by rotation and both were deemed re-elected for a three-year term.

**Paul Olsen/Bharat Bhana Carried**



**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 and being able to adapt to a electronic AGM at last minute due to Covid-19 travel restrictions in Auckland.

The meeting closed at 1.04pm



Stuart Wright  
**Chair**  
Potatoes New Zealand Inc.

# Special Purpose Annual Report

POTATOES NEW ZEALAND INCORPORATED  
For the year ended 31 March 2021

Prepared by Connected Accountants

## Contents

• Directory.....	19
• Directors' Report .....	20
• Special Purpose Profit & Loss .....	21
• Special Purpose Balance Sheet .....	24
• Special Purpose Statement of Changes in Equity .....	25
• Notes to the Special Purpose Financial Statements .....	26
• Depreciation Schedule - 2021 .....	31
• Depreciation Schedule - 2020 .....	34
• Independent Audit Report.....	37

# Directory

## POTATOES NEW ZEALAND INCORPORATED For the year ended 31 March 2021

### 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 (Resigned)  
Mike Moleta  
Tony Parlato (Resigned)  
John Jackson  
Dacey Balle  
Jon Davison  
Paul Olsen  
Michelle Pye

### Chartered Accountant

Connected Accountants Limited  
Wellington

### Bankers

Bank of New Zealand

### Auditor

Grant Thornton  
Wellington

# Directors Report

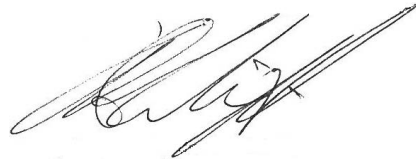
## POTATOES NEW ZEALAND INCORPORATED

### For the year ended 31 March 2021

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 2021.

APPROVED

For and on behalf of the Board of Directors

Handwritten signature in blue ink, appearing to read "J. W. Jackson".Handwritten signature in black ink, consisting of stylized initials and a surname.

# Special Purpose Profit & Loss

## POTATOES NEW ZEALAND INCORPORATED

For the year ended 31 March 2021

	2021	2020
<b>Income</b>		
Commodity Order Levy	1,554,518	1,573,782
<b>Fees</b>		
Associate Member Fees	6,130	6,977
Trade Membership Fees	60,000	53,696
<b>Total Fees</b>	<b>66,130</b>	<b>60,672</b>
Grants Received	1,256,020	-
<b>Sales</b>		
Chip Group: Ministry Of Health Contract Income	21,250	85,000
Conference Income	-	91,897
Export Access - Admin	18,000	13,000
Export Access Income	103,979	146,205
MPI - Survey Contribution	-	66,342
MPI - Readiness Income	23,207	38,043
Seed Approved Org Application Fee	2,000	2,000
Seed Certification	251,063	390,110
<b>Total Sales</b>	<b>419,498</b>	<b>832,597</b>
<b>Total Income</b>	<b>3,296,167</b>	<b>2,467,051</b>
<b>Gross Profit</b>	<b>3,296,167</b>	<b>2,467,051</b>
<b>Expenses</b>		
<b>Biosecurity</b>		
Biosecurity	4,341	(196)
GIA	-	(690)
PMTV Response	29,595	289,497
<b>Total Biosecurity</b>	<b>33,936</b>	<b>288,611</b>
<b>Conference &amp; Meetings</b>		
AGM & Conference	21,430	115,246
Meeting Costs	27,777	28,709
<b>Total Conference &amp; Meetings</b>	<b>49,206</b>	<b>143,954</b>
<b>Consultants/External Providers</b>		
Accounting Fees	5,050	8,640
Audit Fees	6,814	5,434
Consultants- Other	142,535	32,504
Environmental Consultants	178,190	-
Legal Fees	9,408	5,318
Tariff Application Costs	128,557	-
<b>Total Consultants/External Providers</b>	<b>470,555</b>	<b>51,897</b>
<b>Industry engagement</b>		

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



	2021	2020
District Association Disbursements	7,941	-
Health & Safety Education	-	1,589
Industry Liaison	14,825	16,838
Sponsorship & Community Good	-	115
The Chip Group	3,852	108,026
<b>Total Industry engagement</b>	<b>26,617</b>	<b>126,569</b>
<b>Communication</b>		
Consultants-Website	3,674	16,408
Foodwriters	9,362	6,469
General Media & Communications	6,355	2,970
Grower Magazine Support	18,802	16,670
Media	61	-
Online PR Campaign	69,430	37,871
Promotional Material	74	-
<b>Total Communication</b>	<b>107,758</b>	<b>80,389</b>
<b>Office Administration</b>		
Bad Debts	-	(78)
Bank Fees	1,023	1,376
Chairmans Honoraria	37,500	30,000
Depreciation	27,192	15,081
Directors Fees	19,850	18,709
Donations	-	500
Export Access Expenditure	1,219	2,894
General Expenses	3,104	2,072
Insurance	10,701	2,907
Overheads	28,577	31,044
Photocopying & Stationery	4,395	5,868
Postage	163	325
Printing	26,092	34,763
Telephone & Tolls	8,236	7,774
<b>Total Office Administration</b>	<b>168,051</b>	<b>153,236</b>
<b>Research &amp; Development</b>		
Research & Development	1,740,755	730,530
<b>Total Research &amp; Development</b>	<b>1,740,755</b>	<b>730,530</b>
<b>Seed Certification</b>		
Seed Certification Scheme	43,315	97,305
Certified Seed Field Inspections	203,465	216,329
International Visitor	-	1,751
UNECE - Seed Meeting	-	3,530
<b>Total Seed Certification</b>	<b>246,780</b>	<b>318,915</b>
<b>Staff Costs</b>		
ACC	1,379	816
Professional Development	9,549	3,404

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



	2021	2020
Provision for Annual Leave	15,231	11,060
Salaries	596,630	477,143
Staff Welfare	1,236	876
Temporary Staff	-	12,000
<b>Total Staff Costs</b>	<b>624,025</b>	<b>505,300</b>
<b>Travel</b>		
Travel - Accomodation	24,603	32,905
Travel- Airfares	41,724	79,753
Travel - Other	39,020	39,312
<b>Total Travel</b>	<b>105,347</b>	<b>151,971</b>
Profit/(Loss) on Disposal of Fixed Assets	3,663	1,672
<b>Total Expenses</b>	<b>3,576,694</b>	<b>2,553,045</b>
<b>Net Profit (Loss) before Other Income</b>	<b>(280,527)</b>	<b>(85,994)</b>
<b>Other Income</b>		
Interest Income	18,066	27,622
<b>Total Other Income</b>	<b>18,066</b>	<b>27,622</b>
<b>Net Profit (Loss) before Taxation</b>	<b>(262,460)</b>	<b>(58,372)</b>
<b>Taxation</b>		
Tax Expense	6,513	7,478
<b>Total Taxation</b>	<b>6,513</b>	<b>7,478</b>
<b>Net Profit (Loss) for the Year</b>	<b>(268,974)</b>	<b>(65,850)</b>
	2021	2020
<b>Transfer To</b>		
Commodity Order Levy Reserves	(126,852)	(42,007)
Non-Levy Reserves	(142,122)	(23,843)
<b>Total Transfer To</b>	<b>(268,974)</b>	<b>(65,850)</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 2021

	NOTES	31 MAR 2021	31 MAR 2020
<b>Equity</b>			
<b>Reserves</b>			
Commodity Order Levy Reserves	11	846,462	973,314
Non-Levy Reserves	11	396,849	538,970
<b>Total Reserves</b>		<b>1,243,311</b>	<b>1,512,285</b>
<b>Total Equity</b>		<b>1,243,311</b>	<b>1,512,285</b>
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Bank	5	749,002	132,546
Trade and Other Receivables		556,998	766,485
Accrued Interest		6,295	11,491
Income Tax Receivable		1,163	1,446
Term Deposits	6	721,525	905,944
<b>Total Current Assets</b>		<b>2,034,983</b>	<b>1,817,913</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	12	41,387	36,795
<b>Total Non-Current Assets</b>		<b>41,387</b>	<b>36,795</b>
<b>Total Assets</b>		<b>2,076,370</b>	<b>1,854,707</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
GST Payable		21,705	52,736
Income Received in Advance		88,648	64,359
Credit Cards Payable		12,146	9,928
Trade and Other Payables		710,560	215,400
<b>Total Current Liabilities</b>		<b>833,059</b>	<b>342,423</b>
<b>Total Liabilities</b>		<b>833,059</b>	<b>342,423</b>
<b>Net Assets</b>		<b>1,243,311</b>	<b>1,512,285</b>

Signed by



Date: 17/8/2021



Date: 17/8/2021

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 2021

	NOTES	2021	2020
<b>Equity</b>			
Opening Balance		1,512,285	1,578,135
<b>Increases</b>			
Current Year Earnings		(268,974)	(65,850)
<b>Total Increases</b>		<b>(268,974)</b>	<b>(65,850)</b>
<b>Total Equity</b>		<b>1,243,311</b>	<b>1,512,285</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 2021

### 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.

	2021	2020
<b>3. Income Tax Reconciliation</b>		
Net profit before tax	(262,460)	(58,372)
<b>Adjustments to Accounting Income</b>		
Non-Member Income Exemption	(1,000)	(1,000)
Non-Taxable Profit relating to Member Activities	266,638	86,080
<b>Total Adjustments to Accounting Income</b>	<b>265,638</b>	<b>85,080</b>
Assessable Income	3,178	26,708
<b>Tax Losses</b>		
Tax Losses Bought Forward	-	-
<b>Total Tax Losses</b>	<b>-</b>	<b>-</b>
Tax Loss to Carry Forward	-	-
Taxable Income	3,178	26,708
Tax at 28%	890	7,478
	<b>2021</b>	<b>2020</b>

### 4. Taxation

<b>Taxation</b>		
Opening Balance	(18,779)	(10,513)
<b>Increases</b>		
Refunds	1,446	658
<b>Total Increases</b>	<b>1,446</b>	<b>658</b>
<b>Decreases</b>		
RWT Paid	7,677	8,924
<b>Total Decreases</b>	<b>7,677</b>	<b>8,924</b>
<b>Total Taxation</b>	<b>(25,009)</b>	<b>(18,779)</b>

	2021	2020
<b>5. Cash and Bank</b>		
Bank of New Zealand - Auto Call Account	-	14,886
Bank of New Zealand - Current Account	749,002	117,660
<b>Total Cash and Bank</b>	<b>749,002</b>	<b>132,546</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.

	2021	2020
<b>6. Investments</b>		
Bank of New Zealand - Term Deposit 010	306,746	301,267
Bank of New Zealand - Term Deposit 012	108,396	304,678
Bank of New Zealand - Term Deposit 013	306,384	300,000
<b>Total Investments</b>	<b>721,525</b>	<b>905,944</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 2021 (2020:\$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.

	2021	2020
<b>Directors &amp; Meeting Fees</b>		
Bharat Bhana	2,050	1,500
Dacey Balle	1,750	2,250
David Redmond	500	1,000
Jon Davison	3,250	3,250
John Jackson	2,850	2,600



Michelle Pye	500	-
Mike Moleta	2,250	2,000
Paul Olsen	2,250	1,000
Tony Parlato	750	2,250
Stuart Wright	3,700	2,050
<b>Total Directors &amp; Meeting Fees</b>	<b>19,850</b>	<b>17,900</b>
	<b>2021</b>	<b>2020</b>

### Chairman's Honorarium

Chairmans Honoraria	37,500	30,000
---------------------	--------	--------

### 8. Capital Expenditure Commitments

There are no liabilities in respect of capital expenditure at balance date other than those provided for in the accounts (2020: \$Nil).

### 9. Contingent Liabilities

There are no contingent liabilities at balance date. (2020: \$Nil).

### 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.

	2021	2020
<b>General Reserves</b>		
<b>General Reserves</b>		
Opening Balance	-	-
Current Year Earnings	(268,974)	(65,850)
Transfer to Commodity Levy Reserve	(126,852)	(42,007)
Transfer to Non-Levy Reserve	(142,122)	(23,843)
Closing Balance	-	-
<b>Commodity Order Levy Reserve</b>		
Opening Balance	973,314	1,015,322
Transfer from General Reserves	(126,852)	(42,007)
Closing Balance	846,462	973,314
<b>Non-Commodity Order Levy Reserves</b>		
Opening Balance	538,971	562,814
Transfer from General Reserves	(142,122)	(23,843)

	2021	2020
Closing Balance	396,849	538,971
Closing Reserves Total	1,243,311	1,512,285

## 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 - 2021

## POTATOES NEW ZEALAND INCORPORATED

For the year ended 31 March 2021

NAME	RATE	COST	OPENING VALUE	PURCHASES	DISPOSALS	DEPRECIATION	CLOSING VALUE	PRIVATE USE AMOUNT
<b>Computer Equipment</b>								
AC-1120-0506 - AquaCheck Sub-surface, SDI-12, 600mm, 55 - R & D	40.00%	1,007	806	-	-	322	483	-
AC-1120-0506 - AquaCheck Sub-surface, SDI-12, 600mm, 55 - R & D	40.00%	1,007	806	-	-	322	483	-
AC-1120-0506 - AquaCheck Sub-surface, SDI-12, 600mm, 55 - R & D	40.00%	1,007	806	-	-	322	483	-
AC-1120-0506 - AquaCheck Sub-surface, SDI-12, 600mm, 55 - R & D	40.00%	1,007	806	-	-	322	483	-
AC-1120-0506 - AquaCheck Sub-surface, SDI-12, 600mm, 55 - R & D	40.00%	1,007	806	-	-	322	483	-
AC-1120-0506 - AquaCheck Sub-surface, SDI-12, 600mm, 55 - R & D	40.00%	1,007	806	-	-	322	483	-
AC-2011-0092 - AqualINK 3G (Solar) Telemetry - R & D	40.00%	1,190	952	-	-	381	571	-
AC-2011-0092 - AqualINK 3G (Solar) Telemetry - R & D	40.00%	1,190	952	-	-	381	571	-
AC-2011-0092 - AqualINK 3G (Solar) Telemetry - R & D	40.00%	1,190	952	-	-	381	571	-
AC-2011-0092 - AqualINK 3G (Solar) Telemetry - R & D	40.00%	1,190	952	-	-	381	571	-
AC-2011-0092 - AqualINK 3G (Solar) Telemetry - R & D	40.00%	1,190	952	-	-	381	571	-
AC-2011-0092 - AqualINK 3G (Solar) Telemetry - R & D	40.00%	1,190	952	-	-	381	571	-
Acer Laptop - Paula	40.00%	1,887	-	-	-	-	-	-
ASUS 13.3" Laptop - Nicola	40.00%	2,060	1,236	-	1,236	-	-	-
ASUS 13.3" Touch Screen L/Top - Gemma	40.00%	2,295	-	2,295	-	77	2,219	-
Complete Weather Stationwith Solar Panel, Touch panel Console & PC Interface - R & D	40.00%	554	425	-	-	170	255	-
Dickey-John Soil Compaction Tester - R & D		850	-	850	-	850	-	-
Galaxy Note10+ lain	40.00%	1,651	1,211	-	-	484	727	-
Gemma Carroll Samsung S10+	40.00%	1,222	1,140	-	-	456	684	-
HP EB840 G6 Laptop - Nicola	40.00%	2,450	-	2,450	-	572	1,878	-
HP Pavilion Gaming Tower - Chris	50.00%	2,835	1,004	-	-	502	502	-
HP Spectral Laptop X360 I7 Laptop - Chris	40.00%	2,736	1,532	-	-	613	919	-
HP Spectre X360 8Gen - Gemma	50.00%	6,853	2,427	-	2,427	-	-	-

NAME	RATE	COST	OPENING VALUE	PURCHASES	DISPOSALS	DEPRECIATION	CLOSING VALUE	PRIVATE USE AMOUNT
HP Spectre X360 Laptop and extended warranty - Iain	50.00%	2,767	922	-	-	461	461	-
Mobile Phone Samsung S10+ Nicola Loach	40.00%	1,552	931	-	-	372	559	-
New Cell Phone for Paula	40.00%	810	-	810	-	108	702	-
Pole mount bundle for large phones - Chris	20.00%	845	775	-	-	155	620	-
Samsung Galaxy Tablet - Chris	40.00%	1,482	346	-	-	346	-	-
Samsung Note 10 Plus - Chris	40.00%	1,738	1,275	-	-	510	765	-
Sentek Bluetooth 90cm Triscan probe - R & D	40.00%	2,085	1,738	-	-	695	1,043	-
Sentek Bluetooth 90cm Triscan probe - R & D	40.00%	2,085	1,738	-	-	695	1,043	-
Sentek Bluetooth 90cm Triscan probe - R & D	40.00%	2,085	1,738	-	-	695	1,043	-
Sentek Bluetooth 90cm Triscan probe - R & D	40.00%	2,085	1,738	-	-	695	1,043	-
Sentek Probe installation kits - R&D	40.00%	18,765	-	18,765	-	4,379	14,387	-
Sentek Probe installation kits - R&D	40.00%	4,500	-	4,500	-	4,500	-	-
Silverstone MATX Mini Tower - Gemma/Silverstone ET500 PSU/SUS Prime H310M System Board Intel Core LGA 115V2/Adata 8GB DDR-4/2666 DIMM WD Green 256GB SSD Drive - R&D	40.00%	1,045	-	1,045	-	209	836	-
Silverstone MATX Mini Tower/Silverstone ET500 PSU/SUS Prime H310M System Board/Intel Core LGA 115V2 Adata 8GB DDR-4/2666 DIMM WD Green SATA 3D SSD - R&D	40.00%	1,045	-	1,045	-	244	801	-
Silverstone MATX Mini Tower/Silverstone ET500 PSU/SUS Prime H310M System Board/Intel Core LGA 115V2 Adata 8GB DDR-4/2666 DIMM WD Green SATA 3D SSD - R&D	40.00%	1,045	-	1,045	-	244	801	-
Stihl Shop - R&D		1,673	-	1,673	-	1,673	-	-
TerraFlex Advanced - R & D	20.00%	710	651	-	-	130	521	-
TR-81011-28 - Juno T41CG Handheld - R & D	40.00%	3,500	2,683	-	-	1,073	1,610	-
TR-81018-07 - Farm Works Mobile - R & D	40.00%	887	680	-	-	272	408	-
Ver3 Tesa Pro Touch Wide Screen Weather Station- R&D		582	-	582	-	582	-	-
WS 1081 Ver 3 Tesa Pro Touch Wide Screen Weather Station- R&D		194	-	194	-	194	-	-
WS1081 Ver3 Tesa Pro Touch Wide Screen Weather Station- R&D		194	-	194	-	194	-	-
<b>Total Computer Equipment</b>		<b>90,248</b>	<b>34,733</b>	<b>35,448</b>	<b>3,663</b>	<b>26,367</b>	<b>40,151</b>	<b>-</b>

**Promotional Material - Fixed Asset**



NAME	RATE	COST	OPENING VALUE	PURCHASES	DISPOSALS	DEPRECIATION	CLOSING VALUE	PRIVATE USE AMOUNT
Chip Group pull up banners x 4	40.00%	1,200	259	-	-	104	156	-
Flags - PNZ	40.00%	1,987	415	-	-	166	249	-
Potato Pull Up Banner	40.00%	1,200	288	-	-	115	173	-
Printed Gazebo	40.00%	2,634	550	-	-	220	330	-
Pull up Banner x 3 Nov Means New Potatoes	40.00%	1,835	551	-	-	220	330	-
<b>Total Promotional Material - Fixed Asset</b>		<b>8,856</b>	<b>2,063</b>	<b>-</b>	<b>-</b>	<b>825</b>	<b>1,238</b>	<b>-</b>
<b>Total</b>		<b>99,103</b>	<b>36,796</b>	<b>35,448</b>	<b>3,663</b>	<b>27,192</b>	<b>41,388</b>	<b>-</b>

# Depreciation Schedule - 2020

## POTATOES NEW ZEALAND INCORPORATED

For the year ended 31 March 2021

NAME	RATE	COST	OPENING VALUE	PURCHASES	DISPOSALS	DEPRECIATION	CLOSING VALUE	PRIVATE USE AMOUNT
<b>Computer Equipment</b>								
AC-1120-0506 - AquaCheck Sub-surface, SDI-12, 600mm, 55 - R & D	40.00%	1,007	806	-	-	322	483	-
AC-1120-0506 - AquaCheck Sub-surface, SDI-12, 600mm, 55 - R & D	40.00%	1,007	806	-	-	322	483	-
AC-1120-0506 - AquaCheck Sub-surface, SDI-12, 600mm, 55 - R & D	40.00%	1,007	806	-	-	322	483	-
AC-1120-0506 - AquaCheck Sub-surface, SDI-12, 600mm, 55 - R & D	40.00%	1,007	806	-	-	322	483	-
AC-1120-0506 - AquaCheck Sub-surface, SDI-12, 600mm, 55 - R & D	40.00%	1,007	806	-	-	322	483	-
AC-1120-0506 - AquaCheck Sub-surface, SDI-12, 600mm, 55 - R & D	40.00%	1,007	806	-	-	322	483	-
AC-2011-0092 - AqualINK 3G (Solar) Telemetry - R & D	40.00%	1,190	952	-	-	381	571	-
AC-2011-0092 - AqualINK 3G (Solar) Telemetry - R & D	40.00%	1,190	952	-	-	381	571	-
AC-2011-0092 - AqualINK 3G (Solar) Telemetry - R & D	40.00%	1,190	952	-	-	381	571	-
AC-2011-0092 - AqualINK 3G (Solar) Telemetry - R & D	40.00%	1,190	952	-	-	381	571	-
AC-2011-0092 - AqualINK 3G (Solar) Telemetry - R & D	40.00%	1,190	952	-	-	381	571	-
AC-2011-0092 - AqualINK 3G (Solar) Telemetry - R & D	40.00%	1,190	952	-	-	381	571	-
ASUS 13.3" Laptop - Nicola	40.00%	2,060	1,236	-	1,236	-	-	-
ASUS 13.3" Touch Screen L/Top - Gemma	40.00%	2,295	-	2,295	-	77	2,219	-
Complete Weather Stationwith Solar Panel, Touch panel Console & PC Interface - R & D	40.00%	554	425	-	-	170	255	-
Dickey-John Soil Compaction Tester - R & D	850	850	-	850	-	850	-	-
Galaxy Note10+ -Iain	40.00%	1,651	1,211	-	-	484	727	-
Gemma Carroll Samsung S10+	40.00%	1,222	1,140	-	-	456	684	-
HP EB840 G6 Laptop - Nicola	40.00%	2,450	-	2,450	-	572	1,878	-
HP Pavilion Gaming Tower - Chris	50.00%	2,835	1,004	-	-	502	502	-
HP Spectral Laptop X360 I7 Laptop - Chris	40.00%	2,736	1,532	-	-	613	919	-
HP Spectre X360 8Gen - Gemma	50.00%	6,853	2,427	-	2,427	-	-	-

NAME	RATE	COST	OPENING VALUE	PURCHASES	DISPOSALS	DEPRECIATION	CLOSING VALUE	PRIVATE USE AMOUNT
HP Spectre X360 Laptop and extended warranty - Iain	50.00%	2,767	922	-	-	461	461	-
Mobile Phone Samsung S10+ Nicola Loach	40.00%	1,552	931	-	-	372	559	-
New Cell Phone for Paula	40.00%	810	-	810	-	108	702	-
Pole mount bundle for large phones - Chris	20.00%	845	775	-	-	155	620	-
Samsung Galaxy Tablet - Chris	40.00%	1,482	346	-	-	346	-	-
Samsung Note 10 Plus - Chris	40.00%	1,738	1,275	-	-	510	765	-
Sentek Bluetooth 90cm Triscan probe - R & D	40.00%	2,085	1,738	-	-	695	1,043	-
Sentek Bluetooth 90cm Triscan probe - R & D	40.00%	2,085	1,738	-	-	695	1,043	-
Sentek Bluetooth 90cm Triscan probe - R & D	40.00%	2,085	1,738	-	-	695	1,043	-
Sentek Bluetooth 90cm Triscan probe - R & D	40.00%	2,085	1,738	-	-	695	1,043	-
Sentek Bluetooth 90cm Triscan probe - R & D	40.00%	18,765	-	18,765	-	4,379	14,387	-
Sentek Probe installation kits - R&D		4,500	-	4,500	-	4,500	-	-
Silverstone MATX Mini Tower - Gemma Silverstone ET500 PSUASUS Prime H310M System Board Intel Core LGA 115V2 Adata 8GB DDR-42666 DIMM WD Green 256GB SSD Drive - R&D	40.00%	1,045	-	1,045	-	209	836	-
Silverstone MATX Mini Tower Silverstone ET500 PSUASUS Prime H310M System Board Intel Core LGA 115V2 Adata 8GB DDR-42666 DIMM WD Green SATA 3D SSD - R&D	40.00%	1,045	-	1,045	-	244	801	-
Silverstone MATX Mini Tower Silverstone ET500 PSUASUS Prime H310M System Board Intel Core LGA 115V2 Adata 8GB DDR-42666 DIMM WD Green SATA 3D SSD - R&D	40.00%	1,045	-	1,045	-	244	801	-
Sihl Shop - R&D		1,673	-	1,673	-	1,673	-	-
TerraFlex Advanced - R & D	20.00%	710	651	-	-	130	521	-
TR-81011-28 - Juno T41CG Handheld - R & D	40.00%	3,500	2,683	-	-	1,073	1,610	-
TR-81018-07 - Farm Works Mobile - R & D	40.00%	887	680	-	-	272	408	-
Ver3 Tesa Pro Touch Wide Screen Weather Station- R&D		582	-	582	-	582	-	-
WS 1081 Ver 3 Tesa Pro Touch Wide Screen Weather Station- R&D		194	-	194	-	194	-	-
WS1081 Ver3 Tesa Pro Touch Wide Screen Weather Station - R&D		194	-	194	-	194	-	-
<b>Total Computer Equipment</b>		<b>90,248</b>	<b>34,733</b>	<b>35,448</b>	<b>3,663</b>	<b>26,367</b>	<b>40,151</b>	<b>-</b>
<b>Promotional Material - Fixed Asset</b>								

Depreciation Schedule - 2020

NAME	RATE	COST	OPENING VALUE	PURCHASES	DISPOSALS	DEPRECIATION	CLOSING VALUE	PRIVATE USE AMOUNT
Chip Group pull up banners x 4	40.00%	1,200	259	-	-	104	156	-
Flags - PNZ	40.00%	1,987	415	-	-	166	249	-
Potato Pull Up Banner	40.00%	1,200	288	-	-	115	173	-
Printed Gazebo	40.00%	2,634	550	-	-	220	330	-
Pull up Banner x 3 Nov Means New Potatoes	40.00%	1,835	551	-	-	220	330	-
<b>Total Promotional Material - Fixed Asset</b>		<b>8,956</b>	<b>2,063</b>	<b>-</b>	<b>-</b>	<b>825</b>	<b>1,238</b>	<b>-</b>
<b>Total</b>		<b>99,103</b>	<b>36,796</b>	<b>35,448</b>	<b>3,663</b>	<b>27,192</b>	<b>41,388</b>	<b>-</b>

# Independent Auditor's Report

## 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 on pages 5 to 14 which comprise the Special Purpose balance sheet as at 31 March 2021, and the Special Purpose profit & loss, and Special Purpose statement of changes in equity for the year then ended, and notes to the special purpose financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying special purpose financial statements present fairly in all material respects, the financial position of Potatoes New Zealand Incorporated as at 31 March 2021, and of 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 International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, the Incorporation.

#### Emphasis of Matter

We draw attention to Note 2 of the special purpose financial statements, which describes the basis of accounting. The special purpose 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 Incorporation for the preparation and fair presentation of these special purpose 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 special purpose 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 Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose 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 special purpose 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 Limited**



**B Kennerley**

**Partner**

**Wellington**

**17 August 2021**



**Potatoes New Zealand Inc**

PO Box 10232

The Terrace

**Wellington 6143**

Phone: 0800 399 674

Email: [info@potatoesnz.co.nz](mailto:info@potatoesnz.co.nz)