

Potatoes New Zealand Inc.  
AGM Papers & Annual Report  
**2022**





## Potatoes New Zealand Inc.

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### October 2022

Via Zoom only due to pandemic response.

<https://us02web.zoom.us/j/84590648710>

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## Potatoes New Zealand Inc. 2022 Chairman's Annual Report

2021 flew by, with ongoing, multiple challenges. The government policies, the disruption and economic impact of the global pandemic, increasing costs of production and weather events in every growing region, took a toll on growers, industry and our markets. Despite these issues Potatoes New Zealand Inc (PNZ) has finished the 2021 year with a small profit of \$26,597 and financial reserves of \$1.3 million.

The PNZ 2022 Strategy and Business Plan focuses on doubling the fresh and processed exports by 2025, as well as aiming for zero net nutrient and GHG emissions by 2035.

The industry challenges are increasing profitability, achieving crop yields, whilst maintaining emission and discharge compliance. Labour shortages and input costs are now another pressure point. It looks as though weather events might need to be added to our list and it will be interesting to see how the changing climate affects disease pressure in the future.

We continue the focus on research and innovations to achieve our targets and mitigate our challenges, in our RD&E programmes.

The overall value of the industry, including the domestic and export markets dropped slightly to \$1.095 billion.

The domestic market for 2021 has been impacted by the pandemic, where we see a drop from \$1,054,857 to \$993,447 in value.

The impacts from the Covid-19 crisis, primarily from the threat of cheap imported European fries, has led to a watch and wait approach from PNZ. This includes a new quarterly report to the board on NZ Frozen



processed Trade, which is also posted on the website and shared via the newsletter.

It is reassuring to see that the levy remains stable due to the efficiencies of the membership database and levy information system.

PNZ again channeled 100% of the grower levy into Research and Development.

The board are ensuring R&D is focused on industry problems and delivering meaningful solutions to growers. We ask grower members to utilize our governance team by letting us know what you need and want, feedback is critical to PNZ.

This year we farewell Bharat Bhana and Mike Moleta from our board, with much appreciation for their time in governance.

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.

## 2022 CEO's Annual Report

2021 was an even tougher year than 2020 and we saw some consequences of the pandemic really start to hit. In addition, the rising costs of compliance and production meant we saw a slight dip in overall industry value from \$1.2 billion to \$1.1 billion.

Potatoes New Zealand (PNZ) revised our industry goals in February 2022, after achieving 50% value growth in the domestic market, earlier than targeted in our previous Strategy & Plan.

The 2022 Strategy is:

1. Double the value of fresh and processed New Zealand based exports by 2025
2. Net Zero nutrient and GHG emissions from the potato industry by 2035



These targets, agreed by the board, maintain industry's economic, social and environmental pillars.

Our industry reached an overall value of \$1,094,966 in 2021 and achieved overall value growth of 41% since 2013. The data shows that 72% of our NZ crop is processed (frozen and crisps) and this is the reason our industry value has held steady. Noticeably there was a doubling in value for the crisping sector. Comfort food was popular during the pandemic!

We see a 10% increase in volume exported but nominal increase in value for fresh/table to the Pacific Islands.

The export market peaked in 2017, but the continued impacts of the pandemic, resulted in a 20% drop in our exports from that peak, until the end of December 2021.

Growers maintained farmgate value at \$181,637,000 but we have observed a volume and value drop, across both export and domestic markets.

The key takeaway from 2021 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 2021 industry values and volumes performance can be seen on page 12.

PNZ has collected just over \$1.5 million in levy and spent \$1.9 million on R&D. In other words, the RD&E expenditure exceeds the levy collected. As a commodity levy group, it is imperative that we control our own checkbook and seek additional funds in order to leverage the value of our levy.

RD&E comprises sustainability, optimizing nutrients, pest/disease management, potato breeding, on-farm productivity and manufacturing innovations. The specific objectives for 2021 activities were to provide growers with the tools to deal with existing pests and diseases, 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, R&D programme events and at regional visits/meetings.

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 remained steady in 2021 with around 10,000 followers across 5 channels and we speak to 2,500 subscribers to our monthly newsletter and email-notices.

Our team continue the good work in quality, covering the three essential industry functions of maintaining compliance, biosecurity, and standards. We've gained inhouse capability with the addition of father son duo, Cyril and Tristan Hickman, as seed quality team members.

Potatoes New Zealand Inc. has finished the year with a net gain of \$26,597 and reserves of \$1.3 million.

More details in financial performance can be read on page 21.

The good news is we've stabilized our finances and we are focusing our efforts on research, development and extension to solve growers' challenges.

Our small team, ably supported by the PNZ board has come through another pressure-cooker year for industry.

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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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*

## April 1<sup>st</sup> 2021 - March 31<sup>st</sup> 2022

### Key Achievements

- 1. Biosecurity Readiness & Response** – PMTV pest management annual review.
- 2. Biosecurity Readiness & Response** – routine monitoring for sector risk organisms.
- 3. Quality Assurance** – NZ Seed Potato Certification Rulebook & Seed-lines revised and published.
- 4. Quality Assurance** – employed 2 new team members to our inhouse NZSPCA inspection team.
- 5. Quality Assurance** – Residue Compliance Information for Potatoes New Zealand revised and published.
- 6. Communication** – 3X weekly social media PR promoting sustainably grown NZ potatoes and potato products, across 5 channels with 10,000 followers.
- 7. Communication** – 4 new videos on pest/disease, innovation and RD&E added to our YouTube channel.
- 8. Communication** – averaging 40 ‘positive news about potatoes’ articles in national and global media each month.
- 9. Communication** – 10 PNZ events/industry meetings held during 2021-2022 despite pandemic disruption, reaching 174 attendees.
- 10. Communication** – successful pivot to regional industry forum, when PNZ 2021 conference was cancelled due to Covid-19 lockdown.
- 11. Communication** – teamed up with EatNZ for Feast Matariki celebrations.
- 12. Communication** – our strategic partners United Fresh ran 2 campaigns for us, Spring & Christmas, with a combined reach of over 3 million social media users.
- 13. Research, Development & Extension** – 28 R&D projects completed since 2013.
- 14. Research, Development & Extension** – 4 multi-project programmes and the ongoing Ag-Chem Strategy continuing without disruption.
- 15. Research, Development & Extension** – \$4.7 million Sustainable Vegetable Systems project meeting 2nd year milestones.
- 16. Research, Development & Extension** – assisted the processing sector’s Canterbury Potato Liberibacter Initiative.
- 17. Research, Development & Extension** – signed a memorandum of understanding to investigate the establishment of The Lincoln University, Potatoes NZ, Centre of Excellence in Potato Research and Extension.
- 18. Grower Representation** – representation on GIA Deed Governance Group, Plant Market Access Council (PMAC), Sustainable Vegetable Systems Governance and the Trust Alliance Inc Board.
- 19. Administration** – Strategic Plan and Business Transformation Plan updated and communicated to growers and stakeholders.
- 20. Administration** – membership database active and continuing to increase levy value as a result.

# Industry Overview

Potatoes are grown across Aotearoa and harvested year-round

## Values

In 2021:

\*1 metric tonne = 1000kgs



**456,072 MT\*** produced from **8,951 hectares**



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



Farmgate value **\$181,637,000**



**Export** value **\$11,344 per hectare**



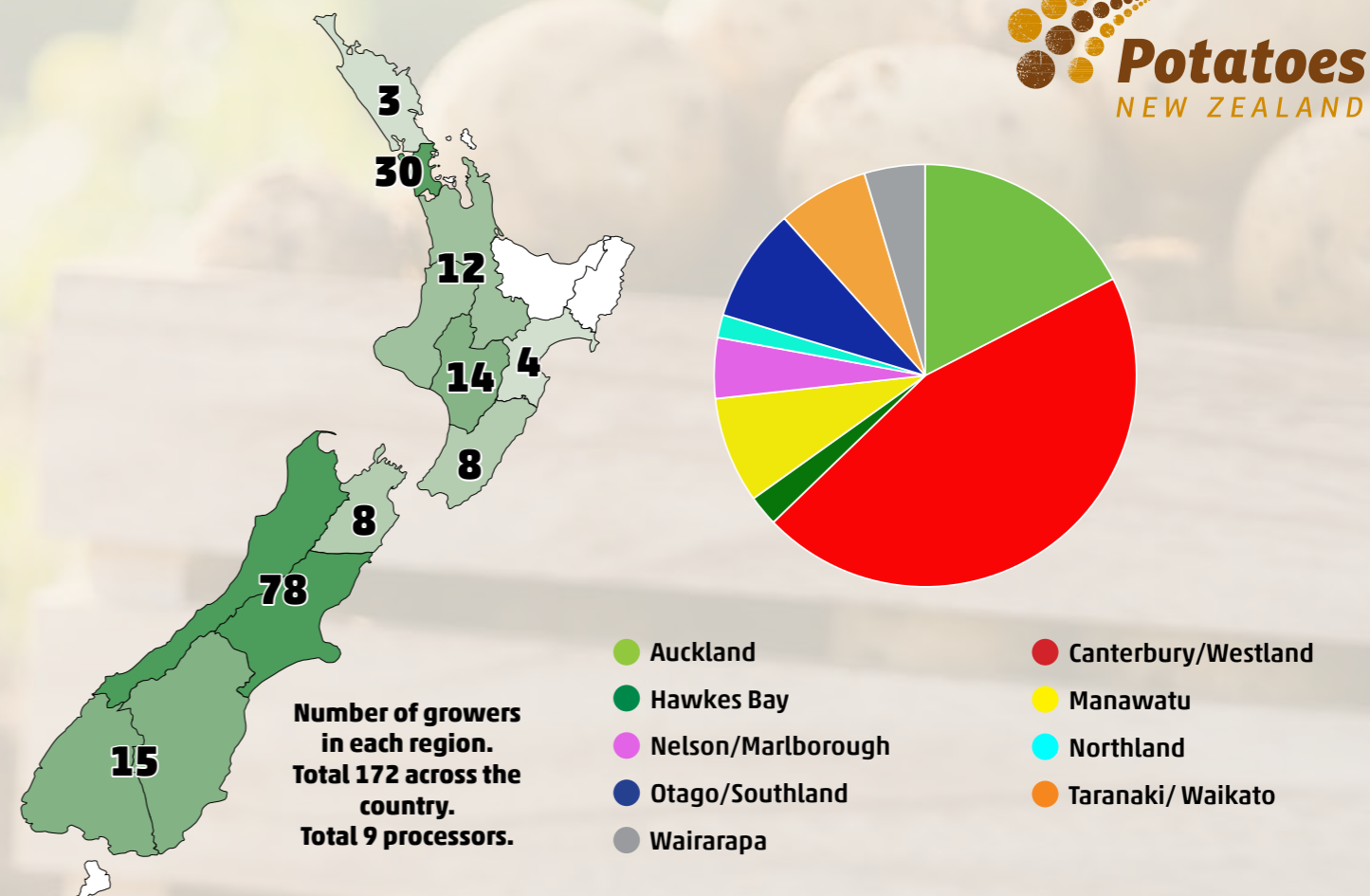
**Total Export** value **\$101,549,000**



**Domestic Retail** value **\$111,658 per hectare**

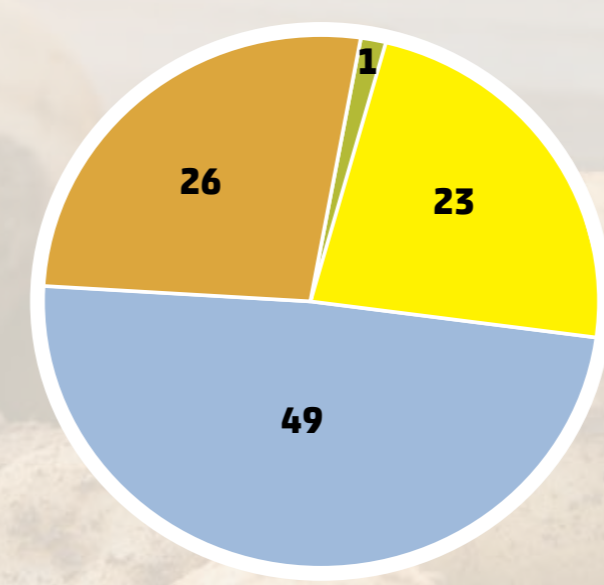


**Total Domestic Retail** value **\$999,447,000**

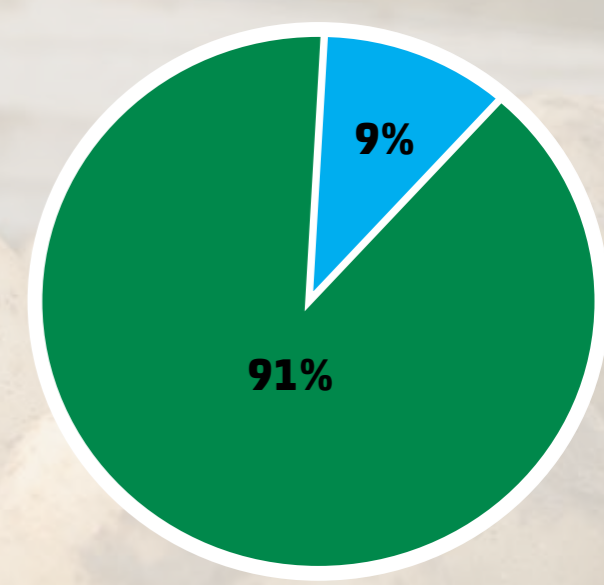


% Of total industry value

Industry value \$1,095 million



- seed
- crisps
- processed frozen
- fresh/ware



- domestic retail value
- export wholesale value

## 2013-2021 Potato Industry by Volume and Value

Currency is NZD



	2013	2016	2017	2018	2019	2020	2021
<b>BY VOLUME</b>							
Area Planted (ha)							
Seed	1,182	1,470	1,123	1,160	1,117	1,075	<b>951</b>
Table	3,516	3,270	3,278	3,278	3,300	3,200	<b>3,000</b>
Crisps	5,631	5,262	5,905	5,906	6,000	5,500	<b>5,000</b>
Total (ha) planted	10,328	10,002	10,306	10,344	10,417	9,775	<b>8,951</b>
Production (MT)	493,872	467,761	496,900	527,190	533,030	497,634	<b>456,072</b>

### Saleable Yield (MT/ha) (multiplier)

Seed	22,453	27,924	21,337	22,042	21,230	20,434	<b>18,072</b>
Table	161,736	150,427	150,788	150,788	151,800	147,200	<b>138,000</b>
Crisps	309,683	289,410	324,775	354,360	360,000	330,000	<b>300,000</b>

### BY VALUE

Seed ('000 NZD)							
Export	\$310	\$137	\$30	\$29	\$25	\$18	<b>\$11</b>
Domestic Sales	\$17,762	\$22,235	\$17,053	\$17,613	\$16,962	\$16,327	<b>\$14,435</b>
Total seed sold ('000 NZD)	\$18,071	\$22,372	\$17,082	\$17,642	\$16,988	\$16,345	<b>\$14,447</b>
% of final industry value	2%	3%	2%	2%	2%	1%	<b>1%</b>

Table Potatoes ('000 NZD)							
Export	\$18,020	\$26,679	\$29,487	\$22,909	\$20,774	\$20,016	<b>\$20,539</b>
Domestic Retail	\$119,000	\$191,800	\$217,963	\$201,688	\$192,325	\$234,413	<b>\$234,413</b>
Foodservice	\$24,000	\$28,000	\$30,000	\$30,000	\$30,000	\$30,000	<b>\$30,000</b>
Total Table Potatoes ('000 NZD)	\$161,020	\$246,479	\$277,449	\$254,597	\$243,099	\$284,429	<b>\$284,951</b>
% of final industry value	21%	29%	28%	23%	22%	25%	<b>26%</b>

Crisps ('000 NZD)							
Export	\$15,518	\$9,368	\$8,182	\$4,684	\$5,781	\$6,844	<b>\$6,844</b>
Retail*	\$143,335	\$166,493	\$179,709	\$195,332	\$211,779	\$237,411	<b>\$249,458</b>
Total sold	\$158,853	\$166,493	\$187,891	\$200,016	\$217,561	\$244,254	<b>\$256,302</b>
% of final industry value	20%	19%	19%	18%	20%	21%	<b>23%</b>

\*assume an extra 10% above scan data

Frozen/Fries ('000 NZD)							
Export	\$76,650	\$81,238	\$91,605	\$101,673	\$101,631	\$78,960	<b>\$74,156</b>
Retail*	\$66,802	\$73,159	\$78,132	\$82,694	\$86,130	\$107,245	<b>\$112,323</b>
Food Service	\$294,664	\$272,073	\$329,605	\$452,575	\$422,462	\$429,462	<b>\$352,818</b>
Total Sold	\$438,115	\$426,471	\$499,342	\$636,941	\$610,223	\$615,667	<b>\$539,296</b>
% of final industry value	56%	49%	51%	57%	56%	53%	<b>49%</b>

\*assume an extra 10% above scan data

Domestic Value	\$665,563	\$744,392	\$852,460	\$979,900	\$959,659	\$1,054,857	<b>\$993,447</b>
Total Export Value	\$110,497	\$117,422	\$129,304	\$129,295	\$128,211	\$105,838	<b>\$101,549</b>
Total Industry Value (\$000)	\$776,060	\$861,814	\$981,764	\$1,109,195	\$1,087,871	\$1,160,695	<b>\$1,094,996</b>

**2021 Total Industry Value: \$1,095 million p.a.**

## 2021 Potato Industry by Volume and Value



	2021
<b>BY VOLUME</b>	
Area Planted (ha)	
Seed	951
Table	3,000
Crisps	5,000
Total (ha) planted	8,951
Production (MT)	456,072

### Saleable Yield (MT/ha) (multiplier)

Seed	18,072
Table	138,000
Crisps	300,000

	2021
<b>BY VALUE</b>	
Currency is NZD	
Seed ('000 NZD)	
Export	\$11
Domestic Sales	\$14,435
Total seed sold ('000 NZD)	\$14,447
% of final industry value	1%

Table ('000 NZD)	
Export	\$20,539
Domestic Retail	\$234,413
Foodservice	\$30,000
Total Table Potatoes ('000 NZD)	\$284,951
% of final industry value	26%

Crisps ('000 NZD)	
Export	\$6,844
Retail*	\$249,458
Total sold	\$256,302
% of final industry value	23%

Frozen/Fries ('000 NZD)	
Export	\$74,156
Retail*	\$112,323
Food Service	\$352,818
Total Sold	\$539,296
% of final industry value	49%

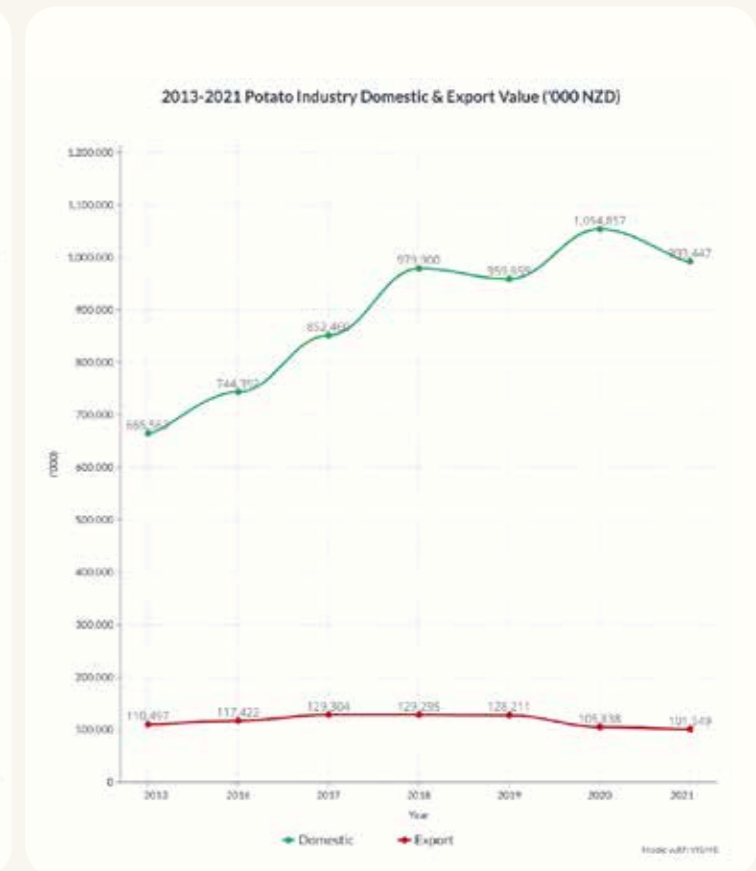
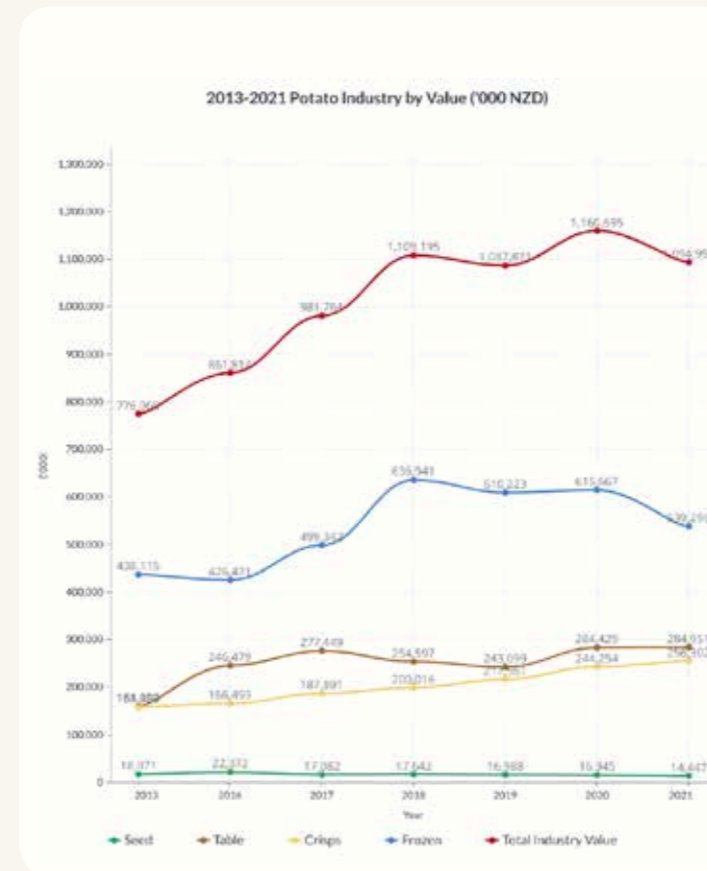
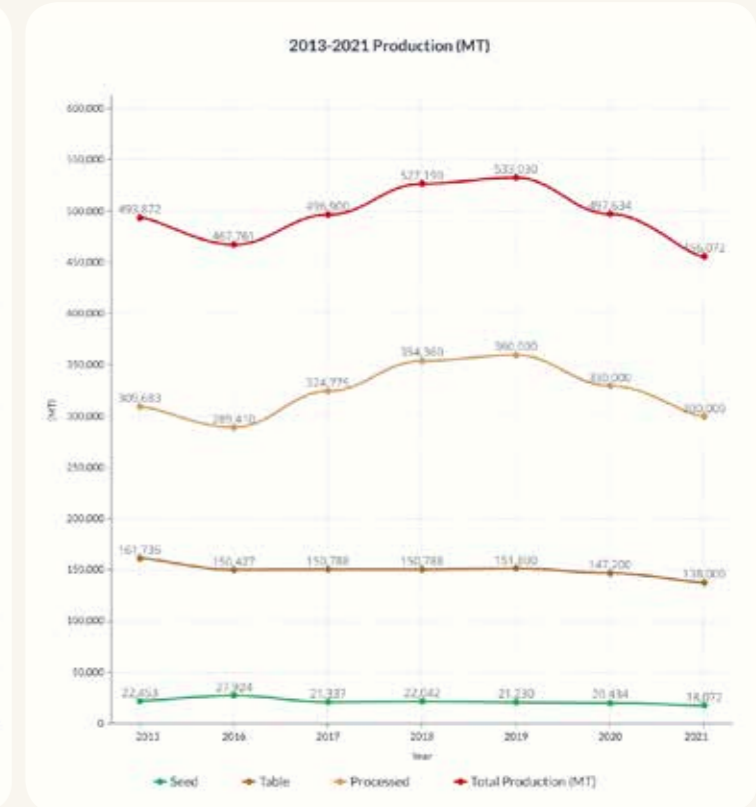
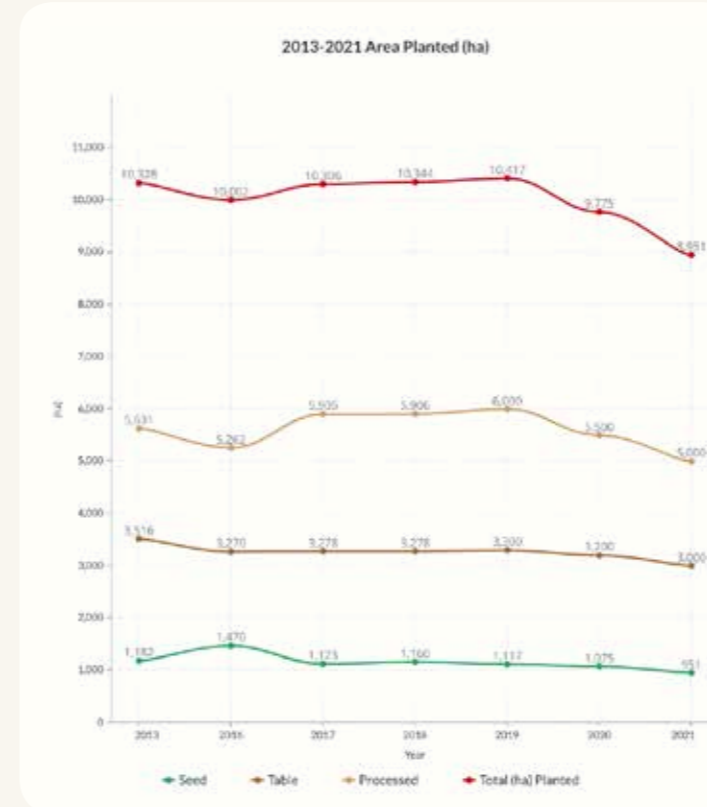
\*assume an extra 10% above scan data

Domestic Value	\$993,447
Total Export Value	\$101,549
Total Industry Value (\$000)	\$1,094,996

**2021 Total Industry Value: \$1,095 million p.a.**



## 2013-2021 Potato Industry Graphs





# Potatoes New Zealand Incorporated

## Annual General Meeting 2022



### AGM Meeting Agenda

7pm, Tuesday 29th November 2022

via zoom <https://us02web.zoom.us/j/85309220156>

### Agenda

- Welcome and Introductions
- Apologies
- Proxies for AGM Resolutions
- Notices of Motion
  - Minutes of 2021 Potatoes NZ Incorporated AGM
  - Potatoes NZ Inc. 2022 Audited Financial Statements
  - Appointment of Auditor
- 2022 Annual Report
  - Chairman's and Chief Executive Reports
- Election Results – One re-election & one nomination
- General Business

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

## AGM Notices of Motion

The following motions will be considered at the Potatoes New Zealand Inc. Annual General Meeting (AGM) being held via zoom <https://us02web.zoom.us/j/85309220156> on Tuesday 29<sup>th</sup> November 2022 at 7pm.

**Motion 1** That the minutes of the AGM of Potatoes New Zealand, held on 1<sup>st</sup> September 2021 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<sup>st</sup> March 2021 be approved subject to final approval from Grant Thornton Final approval.

*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<sup>st</sup> March 2022.

*Proposed by the PNZ Inc. Board*

A PDF of the Minutes of the 2021 AGM will be available at [www.potatoesnz.co.nz](http://www.potatoesnz.co.nz) from mid-December 2022. 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).

A PDF of the Annual Report and Financial Statements will be available at [www.potatoesnz.co.nz](http://www.potatoesnz.co.nz) from mid-December 2022. 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).

# Potatoes New Zealand Incorporated

## Minutes of 2021 AGM

**Minutes of 2021 Annual General Meeting** of Potatoes New Zealand Inc. being held via zoom due to covid-19 response. AGM was originally to be held at Pukekohe Indian Association Centre, Pukekohe Auckland. Wednesday 1<sup>st</sup> September 2021, 7:00pm.

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

McCain Foods (NZ) Ltd	MCG	Pye Group
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
Jon Davison	Set Sue Ltd	

### Also in attendance:

Chris Claridge (CEO, Potatoes NZ Inc.)

Iain Kirkwood (Tech Manager, Potatoes NZ Inc.)

Gemma Carroll (Comm's, Potatoes NZ Inc.)

Paula Lleras (Agronomist, Potatoes NZ Inc.)

Nicola Loach (Administration, Potatoes NZ Inc.)

### 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.

### Apologies

Apologies were received from:

### Voting and Proxies for AGM Resolution

The CEO advised that no proxies were received.

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

- Zoom.us meeting room: <https://us02web.zoom.us/j/84590648710>
- Phone (0800-084-460 Pin 620041#)

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

## AGM Notices of Motion



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

*Mike Moleta/Bharat Bhana Carried*

**Motion 2** That the audited financial statements for the year ended 31<sup>st</sup> March 2021 be approved.

*John Jackson/Dacey Balle Carried*

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

*Jon Jackson/Paul Olsen Carried*

### 2020 Chairman & Operational Reports

The report on pages 4 – 11 of the AGM papers provided be taken as read. The Chair discussed the challenging year 2020 – 2021 had been with Plan Changes across 3 main growing regions, frozen fry tariff application and the constant disruption of Covid through New Zealand. SVS project is well underway and Potatoes NZ Research & Development spend was equivalent to the Potatoes NZ levy intake. The Chair thanked the members for their support of the continuation of the Potato Commodity Levy.

That the reports on pages 4 – 11 to be accepted.

*Bharat Bhana/Paul Olsen Carried*

### 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.

Michelle Pye is officially elected to the board and has been on the board in a casual position prior to the Potatoes NZ 2021 AGM.

*John Jackson/Dacey Balle Carried*

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## 2020 Chairman & Operational Reports

The report on pages 4 – 11 of the AGM papers provided be taken as read. The Chair discussed the challenging year 2020 – 2021 had been with Plan Changes across 3 main growing regions, frozen fry tariff application and the constant disruption of Covid through New Zealand. SVS project is well underway and Potatoes NZ Research & Development spend was equivalent to the Potatoes NZ levy intake. The Chair thanked the members for their support of the continuation of the Potato Commodity Levy.

That the reports on pages 4 – 11 to be accepted.

*Bharat Bhana/Paul Olsen Carried*

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## 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.

Michelle Pye is officially elected to the board and has been on the board in a casual position prior to the Potatoes NZ 2021 AGM.

*John Jackson/Dacey Belle Carried*

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## The following are the current board:

### Grower Members

Bharat Bhana  
Mike Moleta  
Stuart Wright  
Paul Olsen

### Trade Members

John Jackson  
Dacey Belle  
Independent  
Jon Davison

## General Business

Chair thanked everyone for their time and being able to adapt to a electronic AGM due to the restrictions that covid has provided us, Chair thanked the Potatoes NZ staff & board for their hard work through the year & wish everyone the best for the current year.

*The meeting closed at 7.13pm*

# Special Purpose Annual Report

POTATOES NEW ZEALAND INCORPORATED  
For the year ended 31 March 2022

Prepared by Connected Accountants

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## Directory

### POTATOES NEW ZEALAND INCORPORATED For the year ended 31 March 2022

#### 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  
Mike Moleta  
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 2022

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 2022.



APPROVED 15/12/2022

For and on behalf of the Board of Directors

## Special Purpose Profit & Loss

### POTATOES NEW ZEALAND INCORPORATED For the year ended 31 March 2022

	2022	2021
<b>Income</b>		
Commodity Order Levy	1,519,053	1,554,518
<b>Fees</b>		
Associate Member Fees	6,000	6,130
Trade Membership Fees	45,000	60,000
<b>Total Fees</b>	<b>51,000</b>	<b>66,130</b>
Grants Received	1,560,870	1,256,020
<b>Sales</b>		
Chip Group: Ministry Of Health Contract Income	-	21,250
Conference Income	15,772	-
Export Access - Admin	3,000	18,000
Export Access Income	109,863	103,979
MPI - Readiness Income	-	23,207
Product Group Contribution	100,000	-
Seed Approved Org Application Fee	2,000	2,000
Seed Certification	212,659	251,063
<b>Total Sales</b>	<b>443,293</b>	<b>419,498</b>
<b>Total Income</b>	<b>3,574,216</b>	<b>3,296,167</b>
<b>Gross Profit</b>	<b>3,574,216</b>	<b>3,296,167</b>
<b>Expenses</b>		
<b>Biosecurity</b>		
Biosecurity	6,855	4,341
GIA	22,282	-
PMTV Response	(10,075)	29,595
<b>Total Biosecurity</b>	<b>19,062</b>	<b>33,936</b>
<b>Conference &amp; Meetings</b>		
AGM & Conference	30,474	21,430
Meeting Costs	25,735	27,777
<b>Total Conference &amp; Meetings</b>	<b>56,209</b>	<b>49,206</b>
<b>Consultants/External Providers</b>		
Accounting Fees	2,550	5,050
<b>Audit Fees</b>	<b>8,525</b>	<b>6,814</b>
Consultants- Other	84,907	142,535
Environmental Consultants	63,020	178,190
Legal Fees	1,800	9,408
<b>Tariff Application Costs</b>	<b>82,106</b>	<b>128,557</b>
<b>Total Consultants/External Providers</b>	<b>242,908</b>	<b>470,555</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.



	2022	2021
5 + A Day	5,000	-
District Association Disbursements	-	7,941
Industry Liaison	29,917	14,825
The Chip Group	1,948	3,852
<b>Total Industry engagement</b>	<b>36,866</b>	<b>26,618</b>
<b>Communication</b>		
Consultants-Website	2,761	3,674
Foodwriters	6,865	9,362
General Media & Communications	3,661	6,355
Grower Magazine Support	17,499	18,802
Media	30	61
Online PR Campaign	-	69,430
Promotional Material	-	74
<b>Total Communication</b>	<b>30,816</b>	<b>107,758</b>
<b>Office Administration</b>		
Bad Debts	61,910	-
Bank Fees	961	1,023
Chairmans Honoraria	41,250	37,500
Depreciation	19,140	27,192
Directors Fees	20,750	19,850
Export Access Expenditure	-	1,219
General Expenses	5,351	3,104
Insurance	3,088	10,701
Overheads	71,300	28,577
<b>Photocopying &amp; Stationery</b>	<b>3,242</b>	<b>4,395</b>
Postage	2,517	163
Printing	18,907	26,092
Telephone & Tolls	12,018	8,236
<b>Total Office Administration</b>	<b>260,434</b>	<b>168,051</b>
<b>Research &amp; Development</b>		
Research & Development	1,917,212	1,740,755
<b>Total Research &amp; Development</b>	<b>1,917,212</b>	<b>1,740,755</b>
<b>Seed Certification</b>		
Seed Certification Scheme	15,801	43,315
Certified Seed Field Inspections	144,349	203,465
<b>Total Seed Certification</b>	<b>160,150</b>	<b>246,780</b>
<b>Staff Costs</b>		
ACC	1,285	1,379
Professional Development	16,299	9,549
Provision for Annual Leave	11,277	15,231
Salaries	670,237	596,630
Staff Welfare	721	1,236
<b>Total Staff Costs</b>	<b>699,820</b>	<b>624,025</b>

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



	2022	2021
<b>Travel</b>		
Travel - Accomodation	29,314	24,603
Travel- Airfares	24,324	41,724
Travel - Other	78,889	39,020
<b>Total Travel</b>	<b>132,527</b>	<b>105,347</b>
Profit/(Loss) on Disposal of Fixed Assets	-	3,663
<b>Total Expenses</b>	<b>3,556,005</b>	<b>3,576,694</b>
<b>Net Profit (Loss) before Other Income</b>	<b>18,211</b>	<b>(280,527)</b>
<b>Other Income</b>		
Interest Income	8,386	18,066
<b>Total Other Income</b>	<b>8,386</b>	<b>18,066</b>
<b>Net Profit (Loss) before Taxation</b>	<b>26,597</b>	<b>(262,460)</b>
<b>Taxation</b>		
Tax Expense	-	6,513
<b>Total Taxation</b>	<b>-</b>	<b>6,513</b>
<b>Net Profit (Loss) for the Year</b>	<b>26,597</b>	<b>(268,974)</b>
	<b>2022</b>	<b>2021</b>
<b>Transfer To</b>		
Commodity Order Levy Reserves	11,304	(126,852)
Non-Levy Reserves	15,293	(142,122)
<b>Total Transfer To</b>	<b>26,597</b>	<b>(268,974)</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 2022

	NOTES	31 MAR 2022	31 MAR 2021
<b>Equity</b>			
<b>Reserves</b>			
Commodity Order Levy Reserves	11	857,766	846,462
Non-Levy Reserves	11	412,142	396,848
<b>Total Reserves</b>		<b>1,269,908</b>	<b>1,243,311</b>
<b>Total Equity</b>		<b>1,269,908</b>	<b>1,243,311</b>
<b>Assets</b>			
<b>Current Assets</b>			
<b>Cash and Bank</b>	5	<b>535,150</b>	<b>749,002</b>
Trade and Other Receivables		849,820	556,998
Accrued Interest		4,773	6,295
Income Tax Receivable		4,432	1,163
Term Deposits	6	619,291	721,525
<b>Total Current Assets</b>		<b>2,013,467</b>	<b>2,034,983</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	12	37,461	41,387
<b>Potatoes New Zealand Charitable Trust</b>		<b>2,760</b>	-
<b>Total Non-Current Assets</b>		<b>40,221</b>	<b>41,387</b>
<b>Total Assets</b>		<b>2,053,688</b>	<b>2,076,370</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
GST Payable		57,448	21,705
Income Received in Advance		98,161	88,648
Credit Cards Payable		5,791	12,146
Trade and Other Payables		622,380	710,560
<b>Total Current Liabilities</b>		<b>783,780</b>	<b>833,060</b>
<b>Total Liabilities</b>		<b>783,780</b>	<b>833,060</b>
<b>Net Assets</b>		<b>1,269,908</b>	<b>1,243,311</b>

#### Signed by



15/12/2022

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

Special Purpose Annual Report POTATOES NEW ZEALAND INCORPORATED

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## Special Purpose Statement of Changes in Equity

### POTATOES NEW ZEALAND INCORPORATED For the year ended 31 March 2022

	NOTES	2022	2021
<b>Equity</b>			
Opening Balance		1,243,311	1,512,285
<b>Increases</b>			
Current Year Earnings		26,597	(268,974)
<b>Total Increases</b>		<b>26,597</b>	<b>(268,974)</b>
<b>Total Equity</b>		<b>1,269,908</b>	<b>1,243,311</b>

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

Special Purpose Annual Report POTATOES NEW ZEALAND INCORPORATED

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# Notes to the Special Purpose Financial Statements

## POTATOES NEW ZEALAND INCORPORATED For the year ended 31 March 2022

### 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.

	2022	2021
<b>3. Income Tax Reconciliation</b>		
Net profit before tax	26,597	(262,460)
<b>Adjustments to Accounting Income</b>		
Non-Member Income Exemption	-	(1,000)
Non-Taxable Profit relating to Member Activities	(32,914)	286,722
<b>Total Adjustments to Accounting Income</b>	<b>(32,914)</b>	<b>285,722</b>
Assessable Income	(6,316)	23,262
<b>Tax Losses</b>		
Tax Losses Bought Forward	-	-
<b>Total Tax Losses</b>	<b>-</b>	<b>-</b>
Tax Loss to Carry Forward	(6,316)	-
Taxable Income	-	23,262
Tax at 28%	-	6,513

	2022	2021
<b>4. Taxation</b>		
<b>Taxation</b>		
Opening Balance	(25,009)	(18,779)
<b>Increases</b>		
Refunds	-	1,446
<b>Total Increases</b>	<b>-</b>	<b>1,446</b>
<b>Decreases</b>		
RWT Paid	3,270	7,677
<b>Total Decreases</b>	<b>3,270</b>	<b>7,677</b>
<b>Total Taxation</b>	<b>(28,278)</b>	<b>(25,009)</b>





	2022	2021
<b>5. Cash and Bank</b>		
Bank of New Zealand - Auto Call Account	-	-
Bank of New Zealand - Current Account	535,150	749,002
<b>Total Cash and Bank</b>	<b>535,150</b>	<b>749,002</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.

	2022	2021
<b>6. Investments</b>		
Bank of New Zealand - Term Deposit 010	309,110	306,746
Bank of New Zealand - Term Deposit 012	-	108,396
Bank of New Zealand - Term Deposit 013	310,181	306,384
<b>Total Investments</b>	<b>619,291</b>	<b>721,525</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.

**Michelle Pye:** Processed Grower, Levy paid by 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 2022 (2021:\$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.

	2022	2021
<b>Directors &amp; Meeting Fees</b>		
Bharat Bhana	3,100	2,050
Dacey Balle	3,000	1,750
David Redmond	-	500



Jon Davison	3,750	3,250
John Jackson	3,400	2,850
Michelle Pye	2,500	500
Mike Moleta	2,500	2,250
<b>Paul Olsen</b>	<b>2,500</b>	<b>2,250</b>
Tony Parlato	-	750
Stuart Wright	-	3,700
<b>Total Directors &amp; Meeting Fees</b>	<b>20,750</b>	<b>19,850</b>

	2022	2021
<b>Chairman's Honorarium</b>		
Chairmans Honoraria	41,250	37,500

#### 8. Capital Expenditure Commitments

There are no liabilities in respect of capital expenditure at balance date other than those provided for in the accounts (2021: \$Nil).

#### 9. Contingent Liabilities

There are no contingent liabilities at balance date. (2021: \$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.

	2022	2021
<b>General Reserves</b>		
General Reserves		
Opening Balance	-	-
Current Year Earnings	26,597	(268,974)
<b>Transfer to Commodity Levy Reserve</b>	<b>11,304</b>	<b>(126,852)</b>
Transfer to Non-Levy Reserve	15,293	(142,122)
Closing Balance	-	-
<b>Commodity Order Levy Reserve</b>		
Opening Balance	<b>846,462</b>	<b>973,314</b>
Transfer from General Reserves	11,304	(126,852)
Closing Balance	857,766	846,462
<b>Non-Commodity Order Levy Reserves</b>		



	2022	2021
Opening Balance	396,848	538,971
Transfer from General Reserves	15,293	(142,122)
Closing Balance	412,142	396,849
Closing Reserves Total	1,269,908	1,243,311

**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 - 2022**  
**POTATOES NEW ZEALAND INCORPORATED**  
**For the year ended 31 March 2022**

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, 5s - R & D	40.00%	1,007	483	-	-	193	290	-
AC-1120-0506 - AquaCheck Sub-surface, SDI-12, 600mm, 5s - R & D	40.00%	1,007	483	-	-	193	290	-
AC-1120-0506 - AquaCheck Sub-surface, SDI-12, 600mm, 5s - R & D	40.00%	1,007	483	-	-	193	290	-
AC-1120-0506 - AquaCheck Sub-surface, SDI-12, 600mm, 5s - R & D	40.00%	1,007	483	-	-	193	290	-
AC-1120-0506 - AquaCheck Sub-surface, SDI-12, 600mm, 5s - R & D	40.00%	1,007	483	-	-	193	290	-
AC-1120-0506 - AquaCheck Sub-surface, SDI-12, 600mm, 5s - R & D	40.00%	1,007	483	-	-	193	290	-
AC-1120-0506 - AquaCheck Sub-surface, SDI-12, 600mm, 5s - R & D	40.00%	1,007	483	-	-	193	290	-
AC-2011-0092 - AquaLINK 3G (Solar) Telemetry - R & D	40.00%	1,190	571	-	-	228	343	-
AC-2011-0092 - AquaLINK 3G (Solar) Telemetry - R & D	40.00%	1,190	571	-	-	228	343	-
AC-2011-0092 - AquaLINK 3G (Solar) Telemetry - R & D	40.00%	1,190	571	-	-	228	343	-
AC-2011-0092 - AquaLINK 3G (Solar) Telemetry - R & D	40.00%	1,190	571	-	-	228	343	-
AC-2011-0092 - AquaLINK 3G (Solar) Telemetry - R & D	40.00%	1,190	571	-	-	228	343	-
AC-2011-0092 - AquaLINK 3G (Solar) Telemetry - R & D	40.00%	1,190	571	-	-	228	343	-
Acer Laptop - Paula	40.00%	1,887	-	-	-	-	-	-
AOC 24" Display - Cyril & Tristan	40.00%	235	-	235	-	47	188	-
AOC 24" Display - Tristan	40.00%	235	-	235	-	47	188	-
ASUS 13.3" Touch Screen L/Top - Gemma	40.00%	2,295	2,219	-	-	887	1,331	-
ASUS Laptop - Cyril	40.00%	2,295	-	2,295	-	459	1,836	-
ASUS Laptop - Tristan	40.00%	2,295	-	2,295	-	459	1,836	-
Cellphone - Cyril & Tristan	40.00%	1,217	-	1,217	-	203	1,014	-
Complete Weather Station with Solar Panel, Touch panel Console & PC Interface - R & D	40.00%	554	255	-	-	102	153	-
Datamax E4205A Mk 3 Direct Thermal Printer 203dpi with USB & Ethernet S/N: 13080012/13080014	50.00%	663	-	663	-	28	635	-
Datamax E4205A Mk 3 Direct Thermal Printer 203dpi with USB & Ethernet S/N: 13080012/13080014	40.00%	663	-	663	-	44	619	-



NAME	RATE	COST	OPENING VALUE	PURCHASES	DISPOSALS	DEPRECIATION	CLOSING VALUE	PRIVATE USE AMOUNT
Datamax E4205A Mk 3 Direct Thermal Printer 203dpi with USB & Ethernet S/N: 13080012/13080014	40.00%	663	-	663	-	44	619	-
Dickey-John Soil Compaction Tester - R & D	-	850	-	-	-	-	-	-
Galaxy Note10+ Iain	40.00%	1,651	727	-	-	291	436	-
Gemma Carroll Samsung S10+	40.00%	1,222	684	-	-	274	411	-
HP EBB40 G6 Laptop - Nicola	40.00%	2,450	1,878	-	-	751	1,127	-
HP Pavilion Gaming Tower - Chris	50.00%	2,835	502	-	-	251	251	-
HP Spectra Laptop X360 I7 Laptop - Chris	40.00%	2,736	919	-	-	368	552	-
HP Spectre X360 Laptop and extended warranty - Iain	50.00%	2,767	461	-	-	231	231	-
Mobile Phone Samsung S10+ Nicola Loach	40.00%	1,552	559	-	-	223	335	-
Mobile Power Unit	40.00%	599	-	599	-	160	439	-
MPU-4000 Mobile Power Unit - Ordered with Printer.	40.00%	765	-	765	-	51	714	-
MPU-4000 Mobile Power Unit - Ordered with Printer.	40.00%	765	-	765	-	51	714	-
New Cell Phone for Paula	40.00%	810	702	-	-	281	421	-
Pole mount bundle for large phones - Chris	20.00%	845	620	-	-	124	496	-
Samsung Galaxy Tablet - Chris	40.00%	1,482	-	-	-	-	-	-
Samsung Note 10 Plus - Chris	40.00%	1,738	765	-	-	306	459	-
Samsung S22 Ultra - Nicola	40.00%	1,825	-	1,825	-	61	1,764	-
Sentek Bluetooth 90cm Triscan probe - R & D	40.00%	2,085	1,043	-	-	417	626	-
Sentek Bluetooth 90cm Triscan probe - R & D	40.00%	2,085	1,043	-	-	417	626	-
Sentek Bluetooth 90cm Triscan probe - R & D	40.00%	2,085	1,043	-	-	417	626	-
Sentek Bluetooth 90cm Triscan probe - R & D	40.00%	2,085	1,043	-	-	417	626	-
Sentek Bluetooth 90cm Triscan probe - R&D	40.00%	18,765	14,387	-	-	5,755	8,632	-
Sentek Probe installation kits - R&D	40.00%	4,500	-	-	-	-	-	-
Silverstone MATX Mini Tower -GemmaSilverstone ET500 PSUASUS Prime H310M System Board Intel Core LGA 115V2Adata 8GB DDR-42666 DIMM WD Green 256GB SSD Drive - R&D	40.00%	1,045	836	-	-	334	502	-
Silverstone MATX Mini Tower1 HW7203 Silverstone ET500 Power Supply S1 MAI695 ASUS Prime MATX LGA1200 S1 CQI520 Intel i5 LGA 1200 Processor S1	40.00%	1,045	-	1,045	-	348	697	-

Special Purpose Annual Report POTATOES NEW ZEALAND INCORPORATED

Depreciation Schedule - 2022

NAME	RATE	COST	OPENING VALUE	PURCHASES	DISPOSALS	DEPRECIATION	CLOSING VALUE	PRIVATE USE AMOUNT
RM3410 Adata Premier 8GB DIMM S1 DX8123 WD Green 256GB SSD Drive S - Paula	-	-	-	-	-	-	-	-
Silverstone MATX Mini TowerSilverstone ET500 PSUASUS Prime H310M System BoardIntel Core LGA 115V2 Adata 8GB DDR-42666 DIMM WD Green Sata 3D SSD - R&D	40.00%	1,045	801	-	-	320	481	-
Silverstone MATX Mini TowerSilverstone ET500 PSUASUS Prime H310M System BoardIntel Core LGA 115V2 Adata 8GB DDR-42666 DIMM WD Green Sata 3D SSD - R&D	40.00%	1,045	801	-	-	320	481	-
Stihl Shop - R&D	-	1,673	-	-	-	-	-	-
TerraFlex Advanced - R & D	20.00%	710	521	-	-	104	417	-
TR-81011-28 - Juno T41CG Handheld - R & D	40.00%	3,500	1,610	-	-	644	966	-
TR-81018-07 - Farm Works Mobile - R & D	40.00%	887	408	-	-	163	245	-
Ver3 Tesa Pro Touch Wide Screen Weather Station- R&D	-	582	-	-	-	-	-	-
WS 1081 Ver 3 Tesa Pro Touch Wide Screen Weather Station- R&D	-	194	-	-	-	-	-	-
WS1081 Ver3 Pro Touch Wide Screen Weather Station - SVS	40.00%	203	-	203	-	75	129	-
WS1081 Ver3 Pro Touch Wide Screen Weather Station - SVS	40.00%	203	-	203	-	75	129	-
WS1081 Ver3 Pro Touch Wide Screen Weather Station - SVS	40.00%	203	-	203	-	75	129	-
WS1081 Ver3 Pro Touch Wide Screen Weather Station - SVS	40.00%	203	-	203	-	75	129	-
WS1081 Ver3 Tesa Pro Touch Wide Screen Weather Station- R&D	40.00%	194	-	-	-	-	-	-
<b>Total Computer Equipment</b>		<b>95,413</b>	<b>40,151</b>	<b>14,078</b>	-	<b>18,228</b>	<b>36,001</b>	-
<b>Promotional Material - Fixed Asset</b>								
Bamback Saddle Stool with back - Gemma	40.00%	1,135	-	1,135	-	416	719	-
Chip Group pull up banners x 4	40.00%	1,200	156	-	-	62	93	-
Flags - PNZ	40.00%	1,987	249	-	-	100	149	-
Potato Pull Up Banner	40.00%	1,200	173	-	-	69	104	-
Printed Gazebo	40.00%	2,634	330	-	-	132	198	-
Pull up Banner x 3 Nov Means New Potatoes	40.00%	1,835	330	-	-	132	198	-
<b>Total Promotional Material - Fixed Asset</b>		<b>9,991</b>	<b>1,238</b>	<b>1,135</b>	-	<b>911</b>	<b>1,461</b>	-
<b>Total</b>		<b>105,404</b>	<b>41,388</b>	<b>15,213</b>	-	<b>19,140</b>	<b>37,462</b>	-

Special Purpose Annual Report POTATOES NEW ZEALAND INCORPORATED

## 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 on pages 5 to 14 which comprise the Special Purpose balance sheet as at 31 March 2022, 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 2022, 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

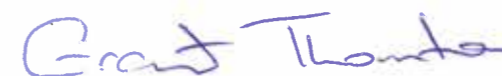
Our objectives are to obtain reasonable assurance about whether the special purpose financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is 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

15 December 2022

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