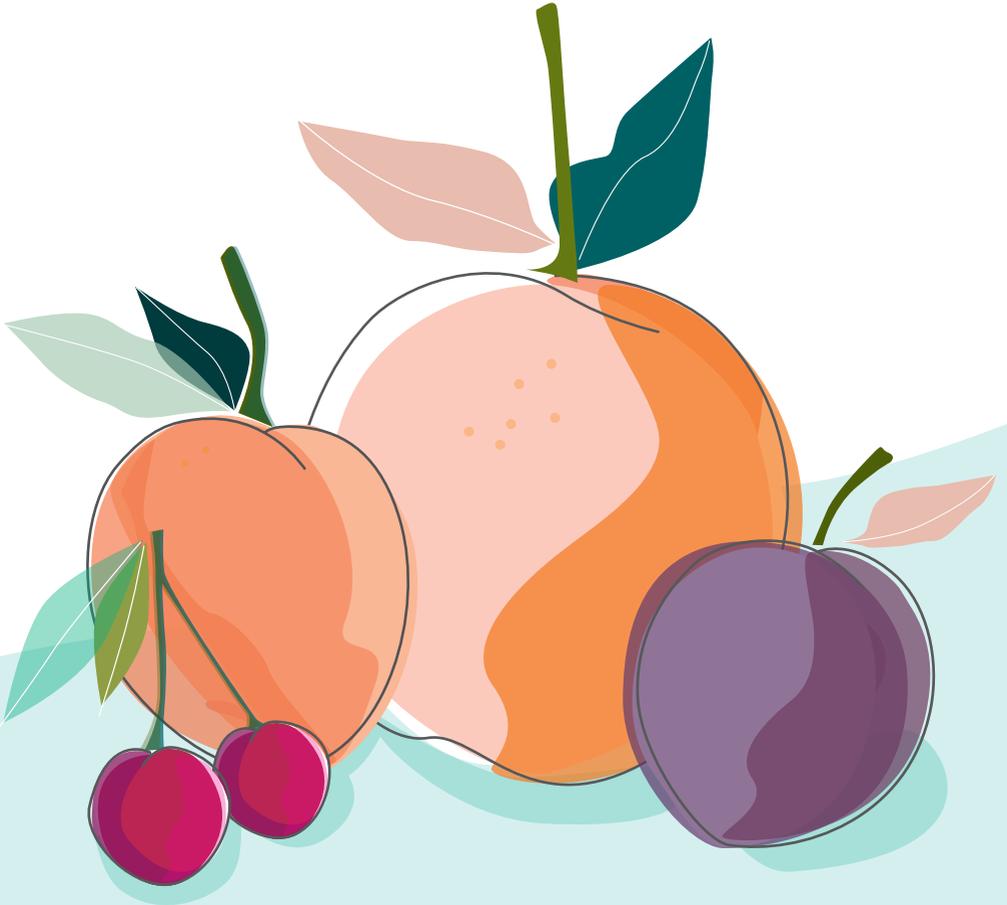




Summerfruit NZ
For the 9 months ended 31 May 2023

Annual Report





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Vision

Our desired future for New Zealand's summerfruit industry

Quality summerfruit produced by a successful, confident New Zealand summerfruit industry

Purpose

Of Summerfruit NZ and this strategy

Delivering services, information and advocacy so New Zealand's summerfruit industry can thrive and produce quality summerfruit

Priorities

Where we will focus our efforts to achieve our purpose

- **Ensuring the industry has pathways to grow**
- **Enabling successful summerfruit businesses**
- **Building relationships with, and connecting New Zealand's summerfruit growers**
- **An efficient and focused Summerfruit NZ**

CHAIR'S ANNUAL REPORT

Working together

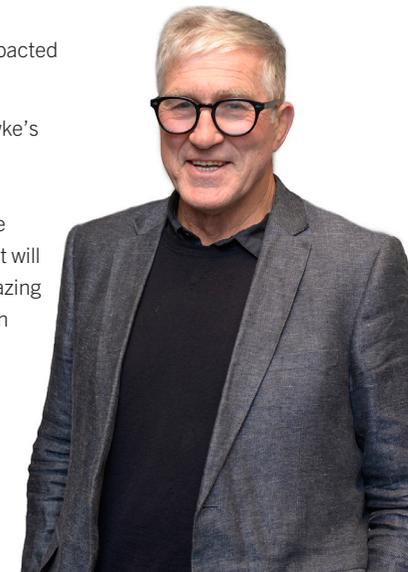
This annual report relates to the year from 1 September 2022 to 31 May 2023. This nine-month financial year is due to the change to Summerfruit NZ's financial balance date from 31 August to 31 May, in order to meet the requirements of the Incorporated Societies Act 2022 and so we can hold an Annual General Meeting within six months of the balance date.

The 2022-23 season was very challenging in many ways, but also brought successes. Summerfruit NZ's levy take just surpassed our previous largest levy take in the 2017-18 season. This is a great result considering the Early Chinese New Year challenge for export fruit out of Central Otago and the low fruit volumes out of Hawke's Bay. The season saw hot dry weather in Central Otago, and the return of international backpackers to New Zealand, providing a much-needed boost to our seasonal workforce. However, it also saw a very significant adverse weather event, as well as ongoing wet and gloomy weather that impacted productivity for many growers.

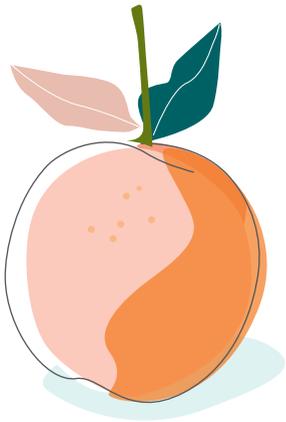
Cyclone Gabrielle hasn't made it very easy for some growers in Hawke's Bay to see the way forward. Our hearts go out to everyone who is impacted, and their families and staff, in these trying times. Driving though the flood damaged areas makes you realise the extent of the damage, which came by way of a tsunami from the hills. This impact will be with us for many years. Out of this disaster have come some amazing stories of what happened during the cyclone, and also kindness with help and support from near and far. It shows us not to be too proud, and to accept help whether it be physical or mental help.

Roger Brownlie
Chair

Summerfruit NZ's levy take just surpassed our previous largest levy take in the 2017-18 season.



We cannot just keep on doing things in the same old way and expect to do well – we must continuously adapt.



During the last three years, we have moved through the Covid-19 pandemic, a labour shortage crisis, freight disruptions, and an extreme weather event. The next major concern is inflation, which just keeps eating away at our bottom line. It's very important for the Government of the day to get on top of inflation so our businesses can survive. We cannot just keep on doing things in the same old way and expect to do well – we must continuously adapt. We need a clearer picture of the future for our industry to inspire more investment into Summerfruit. The Board has completed a 'Strategy on a Page' to help guide our decisions, and we welcome feedback on the values and principles we have laid out for your industry.

In the Research and Development portfolio, we worked with growers and other stakeholders to refresh our R&D strategy, and we are focusing on investing more funds into this area for the benefit of the industry. We welcome feedback from growers on our R&D priorities so we can get the most bang for our buck with this increased investment.

Over the past few years, Summerfruit NZ has been looking for ways to work collaboratively so we can create the scale needed to efficiently deliver all our functions. Other product groups are also looking at ways to sharing expertise and core services like biosecurity, administration, data collection, and communication. It makes sense to work together more closely on issues which are inherently common. Such collaboration provides scale and a unified voice to stakeholders, especially Government.

Horticulture Executive Services Ltd (HESL) is a newly formed cooperative to provide shared support to horticulture product groups. It will provide a way for small and medium product groups to pool resources where we have shared needs. Summerfruit NZ has joined this cooperative as a shareholder with the other shareholders Tomatoes NZ and Onions NZ. This will give us access to shared back-end support, with no changes to product group boards or governance arrangements. The first services we are able to share are Biosecurity and Administration.

Summerfruit NZ has been working with other willing product groups to identify and evaluate an upgrade or replacement of our grower portal.

Our portal needs to be able to collect richer production, planting and property data, to better support our advocacy, research and biosecurity activities. A new portal may also link with tools such as spray diaries and GIS mapping, and provide better reporting, forecasting and knowledge-base tools. At time of writing, the portal project has been moved into HESL to access co-funding for all participating product groups. This is an exciting move and will enable us to shared common resources for greater efficiencies.

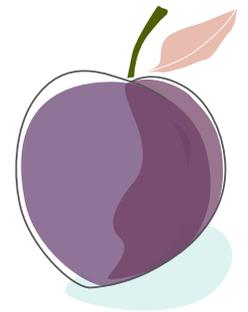
The Summerfruit NZ conference held in Queenstown in June this year was a great success with many take homes and also it brought us together. It's a pity we didn't have more Hawke's Bay growers but we understand why. A great deal of work goes on behind the scenes to make our conference a success. The Board has decided to hold a conference every second year and every other year we will provide enhanced technical meetings in our growing regions. We intend to hold the next Summerfruit NZ conference in Auckland in the winter of 2025.

I would like to thank Kate and her team for working diligently to achieving great financial results and leading the way to making Summerfruit NZ more resilient to tackle the ever-changing future. The team is evolving too. Andrea Crawford, most recently in the role of Advisor – Special Projects, finished working at Summerfruit NZ in July 2023. In January 2023 we employed Raj Singh to replace Andrea as Business Manager. In June 2023 Tracey Mansfield finished in her role as Labour Coordinator. I thank Tracey and Andrea very much for their important contributions to the summerfruit sector.

To the Board – thanks to Kevin Paulin for his time on the Board, and welcome to Reece van der Velden who joined the Board as an Export Director in August 2022, replacing Kevin. We have all been very busy, as has everybody else in the industry, and we are a good team. I thank all the Board members for giving up their precious time for the benefit of our industry.

May the next season be better than the season before.

Roger Brownlie | Chair | September 2023



Our portal needs to be able to collect richer production, planting and property data, to better support our advocacy, research and biosecurity activities.

22 23 Summerfruit NZ Board



Roger Brownlie
Chair
Grower representative



Blair McLean
Grower representative



Craig Hall
Exporter representative



Trudi Webb
Vice chair
Grower representative



Alex Huffadine
Grower representative



Reece van der Velden
Exporter representative



Stewart Burns
Grower representative



Russell Faulkner
Exporter representative



Rob Hollier
Co-opted marketer

MESSAGE FROM THE CHIEF EXECUTIVE

Delivering value

This annual report relates to the period from 1 September 2022 to 31 May 2023, which was a nine-month financial year due to the change to Summerfruit NZ's financial balance date from 31 August to 31 May.

Financial performance

Summerfruit NZ reported a surplus of \$519,276 in the 2022-23 financial year, following on from a \$383,271 surplus for the previous financial year (2021-22). The year brought some significant challenges for the summerfruit industry, including Cyclone Gabrielle and the ongoing impacts of La Niña. The much wetter than usual weather and lower sunshine hours caused difficult growing conditions and reduced crops for many of our members, particularly in Hawke's Bay. Despite this, the 2022-23 levy income remained at higher than anticipated levels due to buoyant domestic market pricing. The Board and I have continued to focus on reducing Summerfruit NZ's administration overheads wherever possible, and the team works in a very cost-effective manner without the overheads associated with running a fixed office space. The surplus was also partially due to the fact that the year was a nine-month financial period, so there were three fewer months than usual for normal expenditure to take place. As a result of these factors, at the end of the financial year in May 2023, Summerfruit NZ had total equity of \$2,290,901, representing 136% of our total operating expenses that year.

The Board and I have continued to focus on reducing Summerfruit NZ's administration overheads wherever possible, and the team works in a very cost-effective manner...



Kate Hellstrom
Chief executive

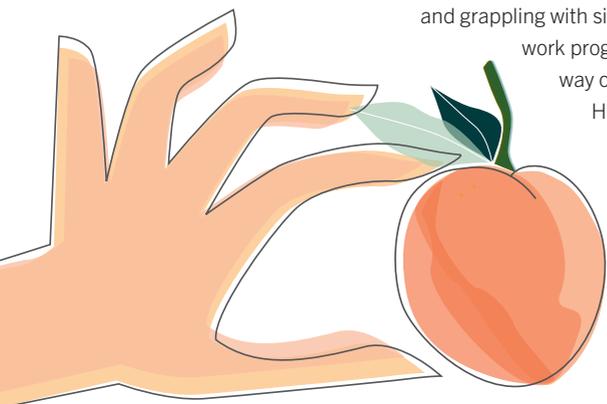
One of Summerfruit NZ's objectives is to operate effectively and seek co-funding opportunities with like-minded organisations in horticulture and beyond, to deliver further benefits from grower levy investment.

As Roger has discussed, the Board has been focusing on increasing investment in the Research and Development (R&D) portfolio, with an increased budget into this area for the benefit of the industry. Work underway in the R&D portfolio is discussed elsewhere in this report.

Collaborating with other product groups

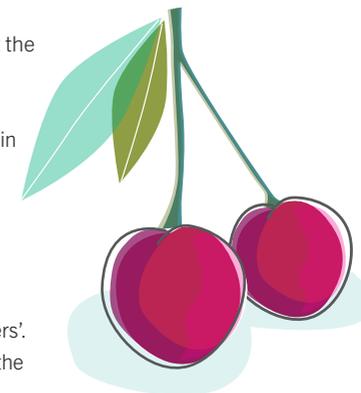
Roger has discussed the work that Summerfruit NZ has been doing to find ways to work collaboratively with other horticulture product groups, to achieve the scale needed to efficiently deliver all our functions. All product groups are required to carry out a very similar range of functions, which include meeting all the requirements of running Incorporated Societies, delivering portfolio areas of research and development, tech transfer, communications, market access and export registration, finance and administration, and delivering services and information to benefit our respective sectors. One of Summerfruit NZ's objectives is to operate effectively and seek co-funding opportunities with like-minded organisations in horticulture and beyond, to deliver further benefits from grower levy investment.

The Board and I have been working on approaches to partner more closely with other product groups where our operational functions overlap and our needs are aligned. The timing is right, as many horticultural product groups are going through a similar process to Summerfruit NZ's and grappling with similar challenges around how to deliver our work programmes efficiently and effectively. One way of working closer together has been to join Horticulture Executive Services Ltd (HESL) as a shareholder, so we can access shared services in a cost-effective manner with other participating product groups (at the time of writing, HESL shareholders are Tomatoes NZ, Onions NZ and Summerfruit NZ, with other product groups indicating their intention to join).



Summerfruit NZ grower survey

Roger has discussed about the ongoing challenges that the entire horticulture industry has faced over the past few years. To help guide our work programme during these complex times, the Board commissioned a grower survey in November 2022. The most important SNZ role identified by growers was 'working to help support biosecurity'. The second most important Summerfruit NZ role was 'Supporting market access work'. And close behind this was 'Supporting research and the development of new ideas that improves the productivity of summerfruit growers'. Members can read the full survey results in the report on the secure Summerfruit NZ Portal.



Noting these top priorities of biosecurity, market access and research and development, and considering all the other functions we must deliver as a small team, I welcome the Board's decision to join HESL as a shareholder so we can access shared services with other product groups in a cost-effective way.

Board and team

I'd like to warmly thank the Board and the Summerfruit NZ team for all their contributions, commitment and support during the past year, and to all the growers, exporters and businesses that continue to engage with us. Roger Brownlie (Chair), Trudi Webb (Vice-Chair) and the rest of the Board continue to provide governance oversight and to bring their expertise and industry knowledge to enhance and steer the strategic direction of SNZ.

Together, we remain focused on delivering our vision for the industry:

"Quality summerfruit produced by a successful, confident New Zealand summerfruit industry."

Kate Hellstrom | Chief executive | September 2023

RESEARCH & DEVELOPMENT

For Research & Development activity from 1 September 2022 to 31 May 2023

Framework for research

Summerfruit NZ is continuing to develop workstreams and activities under each of the pillars and is driving the search for new crop protection tools...

The framework for research activity for Summerfruit NZ is structured around three main theme areas or 'research pillars'. These are Environment, Orchard Management, and Crop Protection and an 'Other' category to capture issues not directly related to the three pillars.



This framework has been adopted and used to plan a programme of short-, medium- and long-term research activities. Dr Sally Anderson from Market Access Solutionz is contracted as R&D Manager to Summerfruit NZ on a part-time basis, and is working with stakeholders and research providers to progress Summerfruit NZ's activities in this portfolio.

From September 2022 to the end of May 2023, the following activities have been completed or are now underway:



Crop protection:

- Residue trial work through the A Lighter Touch programme has resulted in the development of a Tech Note for the off-label use of Movento.
- An ALT-supported trial has been completed to test Belanty (BASF) (Mefentrifluconazole - Grp3 fungicide) for brown rot control (efficacy and residue trials). Trial data will be used to develop a Tech Note for use of this product off-label.
- For this season, several biofungicides will be screened through lab-based assays for efficacy against blossom blight, bacterial canker, and botrytis fruit rot on cherries.

Orchard management:

- Within the A Lighter Touch programme, Summerfruit NZ has initiated a two-year understory planting project in Central Otago to enhance orchard biodiversity and improve weed management. The first plantings occurred in an apricot orchard in Roxburgh in October 2022. Further plantings are being planned for Spring 2023 in Central Otago and Hawke's Bay.

Environment:

- R&D activities under the environment pillar will start with a series of knowledge scans. The first topics to be considered are climate change mitigation and on-orchard carbon foot-printing related to summerfruit production systems.

Other:

- All the research supported by Summerfruit NZ and its R&D providers has been collated into research database containing over 300 records that can be downloaded via the SNZ portal. Research topics include: agrichemicals, orchard practice, diseases, tree structures, pests, pollination, rootstock, varieties, post-harvest, and environment.
- Progressing summaries of key topics including rootstock, pollination and replanting disorder to be developed into short technical notes.

Summerfruit NZ is continuing to develop workstreams and activities under each of the pillars and is driving the search for new crop protection tools through its investment in the pan-sector *A Lighter Touch* programme.



BIOSECURITY REPORT 2022-23

Biosecurity readiness

By harnessing the collective strengths and experiences of all the affected horticulture sectors, along with the national responsibilities of the Government we have created a strong, cohesive partnership...

Government Industry Agreement (GIA) for Biosecurity Readiness and Response.

The GIA continues to develop and in 2022-23 included 26 members, representing the New Zealand Government and 25 separate primary sectors – covering the vast bulk of New Zealand’s important primary sectors.

Under the GIA, we have continued to work directly with Biosecurity New Zealand to directly address issues of importance to our growers. We have also played our part in a wide range of pan-sector work, where we work in close partnership with the Crown and other sectors on shared pests and diseases.

Fruit Fly Operational Agreement

The renewed Fruit Fly Operational Agreement (FFOA) was signed by Government and eight of New Zealand’s largest horticulture industry groups including Summerfruit NZ in September 2022. All partners endorsed the success of the FFOA and committed to continuing to work together under GIA.

Fruit flies continue to be one of the biggest biosecurity threats facing horticulture. An unmanaged fruit fly incursion would cost the horticulture industry billions of dollars, and would have significant negative impacts on the economy, the community and NZ’s trade relationships. By working together under GIA, Government and affected industries have achieved far more than would have been possible working in isolation of each other. By harnessing the collective strengths and experiences of all the affected horticulture sectors, along with the national responsibilities of the Government we have created a strong, cohesive partnership that is delivering excellent outcomes for all New Zealanders.



Queensland fruit fly



Mediterranean fruit fly



Oriental fruit fly

The Agreement provides for shared biosecurity readiness activities across all fruit fly species, and for response activities it covers responses and allocates cost shares for the three species of Fruit Fly expected to have the broadest impact should they establish in New Zealand (Queensland Fruit Fly, Mediterranean Fruit Fly, Oriental fruit fly). The agreement provides the flexibility to enable response activities to get underway rapidly if flies are found, irrespective of the species and impacted horticultural sectors.

As a member of the Fruit Fly Council, Summerfruit NZ participated in decision making on the Councils’ ongoing work programme, which includes readiness projects such as:

- combining fruit fly lures
- investigating automated fruit fly trap options
- testing and refining fruit fly fruit traps
- a beneficiary identification project for other fruit flies
- planning for a simulation exercise

Brown Marmorated Stink Bug Council

The GIA Brown Marmorated Stink Bug (BMSB) Operational Agreement finished its five-year term at the end of July 2022, and an extension was arranged while the industry signatories and Government work through the details in an updated version of the Operational Agreement. The signatories to the BMSBOA agreed on an updated version with a commencement date of 13 July 2023. This replaced the original BMSBOA that was signed in July 2017.

As a member of the Brown Marmorated Stink Bug (BMSB) Council, a broad ranging work programme is underway. SNZ has contributed the following readiness projects:

- the ongoing BMSB awareness campaign
- progressing a variety of work in relation to the use of Samurai wasp as a BMSB management tool
- the use of netting against BMSB
- the ongoing BMSB surveillance programme.

Xylella fastidiosa 2022 Operational Agreement

In September 2022, Summerfruit NZ became a signatory to the GIA Operational Agreement for the plant pathogen *Xylella fastidiosa* (Readiness), along with the citrus and wine industries. Xylella is one of Summerfruit NZ’s high priority diseases and there are a number of pests from this family of insects that are a threat to our sector. This OA covers an agreed cost-shared programme for readiness activities to prevent an incursion of Xylella occurring in our growing regions.

GIA governance

SNZ participates in the twice-yearly Deed Governance Group meetings of all GIA partners, where the stewardship of GIA is managed, along with consideration of biosecurity issues that impact on all partners. Of importance to all GIA partners has been consideration of the ongoing review of the Biosecurity legislation and the five-year review of the GIA Deed – GIA’s foundation document.

Queensland fruit fly: Photo – G.T. O’Loughlin, Department of Agriculture, Bugwood.org, Mediterranean fruit fly: Photo – Scott Bauer, USDA Agricultural Research Service, Bugwood.org, Oriental fruit fly: Photo – Scott Bauer. ARS - USDA.

Independent auditor's report on the financial statements to the board of Summerfruit NZ

Opinion

We have audited the financial statements of Summerfruit New Zealand Incorporated ("the Society"), which comprise the statement of financial position as at 31 May 2023, and the statement of financial performance for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Society for the year ended 31 May 2023 are prepared, in all material respects, in accordance with the accounting policies specified in Note 1 to the financial statements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ("ISAs (NZ)"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Society in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board, and 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 Society.

Emphasis of matter – basis of accounting and restriction on distribution and use

We draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial statements are prepared solely for the Society's members, as a body. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the Society and the Society's members, as a body, and should not be distributed to or used by parties other than the Society or the Society's members. Our opinion is not modified in respect of this.

Other information

The board is responsible for the other information. The other information obtained at the date of this auditor's report is information contained in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board's responsibilities for the financial statements

The board is responsible for the preparation of the financial statements in accordance with the accounting policies specified in Note 1 to the financial statements and for such internal control as the board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the board is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the board either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (NZ), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board.

- Conclude on the appropriateness of the use of the going concern basis of accounting by the board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.

We communicate with the board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Who we report to

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

BDO Wellington Audit Limited

BDO Wellington Audit Limited

*Wellington
New Zealand
22 September 2023*

Profit and loss

For the 9 months ended 31 May 2023

	2023	2022
Income		
Admin & finance	38,406	13,132
Commodity levy	1,393,315	1,369,420
Export & compliance	210,244	200,668
R&D income/grants	0	2,219
Other income		
Publications/pest books/trap books	405	210
Seasonal co-ordinator role	0	97,867
Travel - income	0	326
Wallchart advertising	750	2,250
Total other income	1,155	100,653
Interest received	41,745	18,803
Total income	1,684,865	1,704,896
Gross profit	1,684,865	1,704,896
Less operating expenses		
Administration expenses	665,041	820,781
Agrichemicals	33,237	27,862
Board expenses	43,630	42,670
Conference	21,350	(1,126)
Research & development	246,439	279,955
Export	133,458	128,616
Compliance	22,435	28,231
Total less operating expenses	1,165,589	1,326,989
Net profit before taxation	519,276	377,906
Non-operating expenses		
Provision for tax	0	(5,365)
Total non-operating expenses	0	(5,365)
Net profit for the year	519,276	383,271

Movements in equity

For the 9 months ended 31 May 2023

	2023	2022
Equity		
Opening balance	1,771,626	1,388,415
Surplus and revaluations		
Net surplus after tax	519,276	383,271
Total surplus and revaluations	519,276	383,271
Other movements		
Conference reserves	0	(60)
Total other movements	0	(60)
Total equity	2,290,901	1,771,626

Balance sheet

As at 31 May 2023

	Notes	31 May 2023	31 Aug 2022
Assets			
Bank			
ANZ - current acc		362,099	407,894
ANZ Bank - conference account		90,250	39,999
Total bank		452,349	447,893
Current assets			
Accounts receivable		35,787	4,813
GST		0	30,324
Investments	17	1,955,853	1,326,838
Accrued interest		15,724	7,694
Prepayments		103,246	49,135
Taxation	20	9,440	3,923
Total current assets		2,120,051	1,422,726
Non-current assets			
Plant, property and equipment	18	7,150	4,067
Intangible assets	19	4,760	7,437
Total non-current assets		11,910	11,504
Total assets		2,584,309	1,882,123
Liabilities			
Current liabilities			
Accounts payable		30,110	69,292
Accrued expenses		81,181	41,205
Income received in advance		141,852	0
GST		40,265	0
Total current liabilities		293,408	110,497
Total liabilities		293,408	110,497
Net assets		2,290,901	1,771,626
Equity			
Industry reserve fund		785,487	743,742
Operational reserves		1,505,415	1,027,884
Total equity		2,290,901	1,771,626

Signed by

Chair:  Chief Executive: 

Date: 22 September 2023

Notes to the financial statements

For the 9 months ended 31 May 2023

1. Statement of accounting policies

Summerfruit new zealand incorporated is an incorporated society registered under the incorporated societies act 1908. These financial statements are special purpose financial statements and have been prepared in accordance with the tax administration (financial statements) order 2014.

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on an historical basis have been used.

2. Changes in accounting policies

All accounting policies have been applied on bases consistent with those used in previous years.

3. Comparative figures

The comparative financial period is 12 months. From the 2023 year summerfruit new zealand incorporated has a balance date of 31 may. This has changed from 31 august 2022, the 2023 year is a period of 9 months.

4. Revenue recognition

Levy income is calculated based on sales value at the first point of sale during the financial year and recognised in the same period.

Interest income is recognised using the effective interest method.

All other income is recognised at the time that services are provided.

5. Fixed assets and depreciation

All fixed assets are recorded at cost less accumulated depreciation.

Depreciation of the assets has been calculated at the maximum rates permitted by the income tax act 2007.

The entity has the following asset classes:

computer equipment. 40% - 50% Diminishing value

office assets. 10% - 67% Diminishing value

Assets purchased on or after 17 march 2020 costing less than \$5,000 have been fully depreciated at purchase as allowed by the ird during the covid-19 response. During the year, there was a change to the depreciation of fixed assets. The depreciation rate has changed to if an asset is less than \$1,000 it can be fully depreciated on purchase date. This came into effect from 16 march 2021.

6. Intangible assets and amortisation

The entity has the following classes of intangible assets:

Website and Secure Portal

All intangible assets are recorded at cost less accumulated amortisation. Amortisation is calculated at the maximum rates permitted by the Income Tax Act 2007. Website and Secure Portal is amortised at 48% diminishing value.

Notes to the financial statements

For the 9 months ended 31 May 2023

7. Goods and services tax

These financial statements have been prepared on a gst exclusive basis with the exception of accounts receivable and accounts payable.

8. Income tax

Summerfruit new zealand incorporated is a non-profit body within the terms of the income tax act 2007. All income derived other than interest is from society members. Tax is payable on the interest received in excess of \$1,000.

9. Investments

Investments are carried at the lower of cost and net realisable value.

10. Receivables

Receivables are stated at their estimated realisable value. Bad debts are written off in the year in which they are identified.

11. Audit

These financial statements have been subject to audit, please refer to the auditor's report.

12. Contingent liabilities

At balance date there are no known contingent liabilities (2022: \$0). Summerfruit new zealand incorporated has not granted any securities in respect of liabilities payable by any other party whatsoever.

13. Securities and guarantees

There was no overdraft as at balance date nor was any facility arranged.

Summerfruit new zealand incorporated has four visa credit cards with ANZ, with a combined limit of \$24,500.

14. Operating commitments

	2023	2022
Research & development projects		
Current commitments	221,706	99,572
Term commitments	361,091	290,782
Total research & development projects	582,797	390,354

15. Events subsequent to balance date

There were no material changes subsequent to balance date that would affect the interpretation of the financial statements.

16. Capital expenditure commitments

As at balance date, there were no capital expenditure commitments outstanding (2022: Nil).

Notes to the financial statements

For the 9 months ended 31 May 2023

17. Investments

	2023	2022
Term deposits	1,955,853	1,326,838
Total investments	1,955,853	1,326,838

18. Fixed assets

	2023	2022
Computer equipment		
At cost	9,950	9,950
Plus additions	8,808	0
Less disposals	(2,390)	0
Less accumulated depreciation	(9,912)	(7,751)
Total computer equipment	6,455	2,199

Office equipment

At cost	9,116	9,984
Plus additions	0	0
Less disposals	(711)	(868)
Less accumulated depreciation	(7,710)	(7,248)
Total office equipment	695	1,868

New office

At cost	0	40,678
Plus additions	0	0
Less disposals	0	(23,282)
Less accumulated depreciation	0	(17,396)
Total new office	0	0
Total fixed assets	7,150	4,067

19. Intangible assets

	2023	2022
At cost	183,394	183,394
Plus additions	0	0
Less disposals	0	0
Less accumulated depreciation	(178,634)	(175,957)
Total intangible assets	4,760	7,437

Notes to the financial statements

For the 9 months ended 31 May 2023

20. Taxation

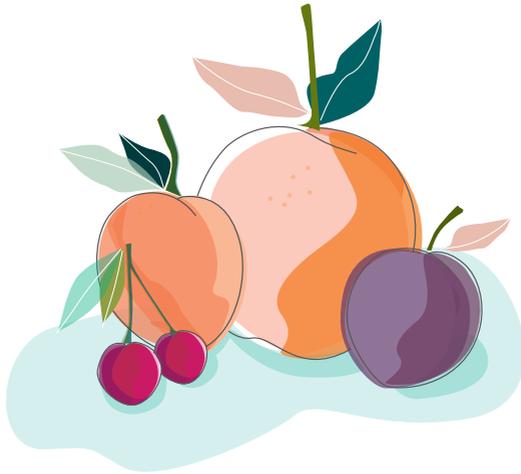
	2023	2022
Current year taxable income		
Assessable interest and Conference income for the year	41,745	18,203
Less exemption	(1,000)	(1,000)
Prior year losses brought forward	(114,015)	(433,014)
Adjustment to prior year losses	0	301,797
Total current year taxable income	(73,270)	(114,015)
Current year tax provision		
Taxation provision applied thereon at 28%	0	0
Rwt paid	(9,440)	(3,923)

Summerfruit has \$73,270 of losses to carry forward for the 2023 financial year. (2022: \$114,015).

21. Related parties

2023: There were no related party transactions during the year that are not disclosed separately in this report.

2022: There were no related party transactions during the year that are not disclosed separately in this report.



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