



Summerfruit NZ

For the year ended 31 May 2024

Annual Report



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

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Challenges and successes

As we reflect on the 2023–2024 season, it is evident that our industry faced a variety of regional challenges and successes. The season presented a mix of outcomes for our summerfruit growers. However, overall, the year marked a return to more typical seasonal patterns, with no major weather events, plentiful labour supply, and normalised freight options. These factors provided a sense of normalcy and stability that had been disrupted in previous years.

In Hawke's Bay, some growers continued to recover from Cyclone Gabrielle, while others experienced a successful season. Central Otago saw mixed results, with an overall increase in cherry export volumes, however, the domestic market faced late season challenges due to a reduction in consumer spending. This economic environment has led growers to adopt a more conservative and cautious approach amid rising costs and lower demand.

The activities and initiatives undertaken by the Summerfruit NZ Board and team over the past year have been instrumental in addressing these challenges. From fostering industry collaboration and advancing our research and development (R&D) strategy, to enhancing grower engagement and consumer education, our efforts have been geared towards supporting our growers and ensuring the sustainability and growth of our industry.

Over the past year, the Board and team have focused on key areas to support our growers and work towards our purpose of “delivering services, information and advocacy so New Zealand's summerfruit industry can thrive and produce quality summerfruit”.



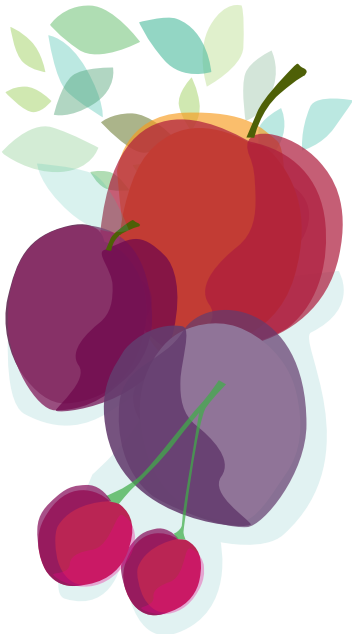
The Board and team have focused on key areas... “delivering services, information and advocacy so New Zealand's summerfruit industry can thrive and produce quality summerfruit”.



Trudi Webb
Chair



...we conducted a review of our governance performance, which concluded that “Summerfruit NZ and its Board are at a crossroads.”



These activities included:

Industry collaboration

Horticulture Executive Services Ltd (HESL) has become a key vehicle for industry collaboration. By uniting various product groups, HESL strengthens our biosecurity efforts and identifies issues specific to summerfruit growers.

R&D strategy

We have advanced our R&D strategy by:

- Enhancing our collaboration with Plant & Food Research on current and long-term projects, ensuring that results and tools are accessible to growers.
- Partnering with the A Lighter Touch (ALT) programme to develop new agrichemical options, crucial for both immediate and future needs. A Lighter Touch also connects us with other product groups for shared solutions.

Grower engagement

- SummerGreen meetings: These meetings featured relevant and informative speakers and topics, with actionable take-home messages.
- Mid-year regional events: In response to our now bi-annual conference schedule, we hosted regional events in Hawke’s Bay and Central Otago. These events received positive feedback for fostering social interaction, knowledge sharing, and community spirit. We thank all growers who participated and look forward to the 2025 conference on 25 and 26 June in Blenheim.

Consumer education

Our domestic social media consumer-focused educational campaign last season was successful. We plan to build on this programme during the 2024–25 season.

Board review

In mid-2023, we conducted a review of our governance performance, which concluded that “Summerfruit NZ and its Board are at a crossroads.” An industry review five years earlier recommended focusing on core business, reducing costs and collaborating with Horticulture New Zealand to avoid duplication. We have achieved these goals, and continue to collaborate and work on key areas of market access, biosecurity, advocacy, R&D and communication.

Moving forward, the Summerfruit NZ Board aims to shift from maintaining current operations to focusing on future needs for our growers. Success for Summerfruit NZ means being efficient and effective while:

- Enabling thriving growers who are profitable, sustainable and consistently producing high-quality fruit.
- Ensuring summerfruit is contributing significantly to New Zealand’s economy.
- Securing a strong presence on consumers’ grocery lists both locally and internationally.

With success in mind, the recent Board review challenged Directors to consider the Board make-up and skills needed to meet future industry needs – an area to be debated and discussed with all stakeholders over the coming year.

Conclusion

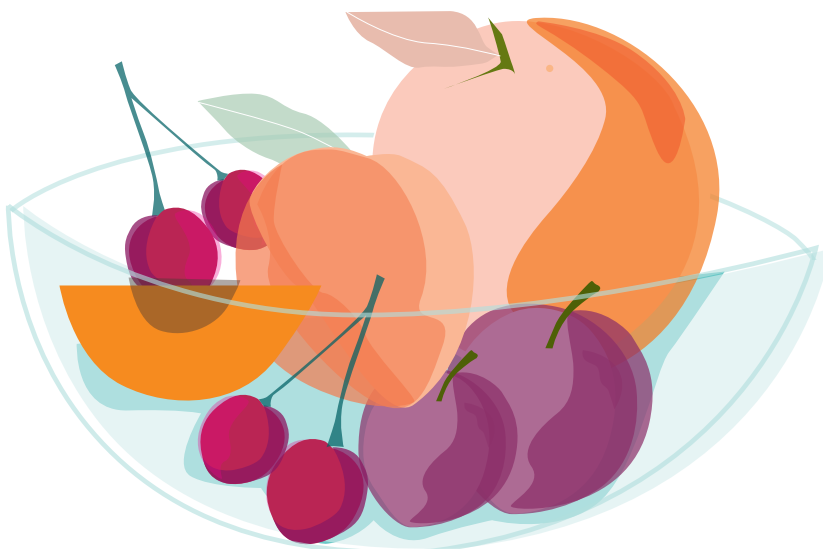
I extend my gratitude to the Board and Summerfruit NZ team for their dedication over the past year, with special thanks to Roger Brownlie for his chairmanship and Kate Hellstrom as chief executive. As we welcome our new chief executive, Dean Smith to the team and prepare for the upcoming season, I wish everyone a successful 2024–2025 season.

In challenging times, let’s remember Paddy Gower’s words from the mid-year events: “Remember your purpose, connections, positive thinking, and why you started in this industry.”

Trudi Webb | *September 2024*



With success in mind, the recent Board review challenged Directors to consider the Board make-up and skills needed to meet future industry needs...



23
24

Summerfruit NZ Board



Trudi Webb
Chair
Grower representative



Blair McLean
Grower representative



Craig Hall
Exporter representative



Roger Brownlie
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

The industry's potential

It has been a privilege to head up Summerfruit NZ for the past three and a half years. Due to Covid-19, several poor seasons and then Cyclone Gabrielle, it wasn't until last season that growers could see again the potential of the industry to be profitable and vital, feeding New Zealand and other lucky parts of the world some of the best summerfruit that can be grown.

I am proud of the progress the Board, team and I have made to fine tune Summerfruit NZ, while supporting growers to meet the challenges of the past few years. I am sure there will be other challenges in the years ahead. However, the organisation and industry are well placed to respond, working in collaboration with other parts of the horticulture industry and the government of the day.

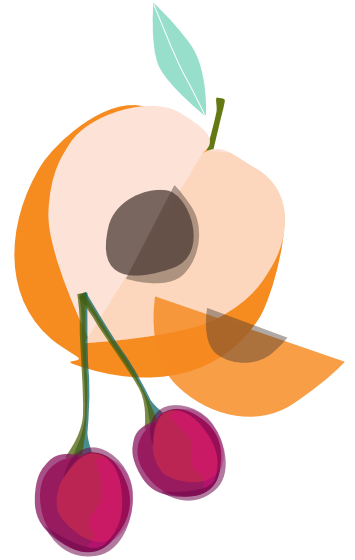
Financial performance

Summerfruit NZ reported a surplus of \$396,582 in the 2023–24 financial year, following on from a \$519,276 surplus for the previous financial year (2022–23).

As Trudi said, the 2023–24 season was a mixed bag for summerfruit growers, some of whom were still recovering from the impact of Cyclone Gabrielle and the wet weather brought by El Niño. Similarly to the previous season, the weather was still wetter and cooler than average, with lower sunshine hours causing difficult growing conditions and reducing crops for many of our members, particularly in Hawke's Bay.

Despite these challenges, the 2023–24 levy income remained at higher than anticipated levels, in part due to buoyant domestic market pricing.

As a result of these factors, at the end of the financial year in May 2024, Summerfruit NZ had total equity of \$2.69m, representing 150 percent of our total operating expenses that year.



I am proud of the progress the Board, team and I have made to fine tune Summerfruit NZ, while supporting growers to meet the challenges of the past few years.



Kate Hellstorm
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 Trudi mentioned, the Board has been focusing on increasing investment in the Research and Development (R&D) portfolio, as well as on grower engagement activities, such as the mid-year events held during the winter of 2024. Work underway in the R&D portfolio is discussed elsewhere in this report.

Collaborating with other product groups

During the past four years, Summerfruit NZ has maintained a strong focus on working closely with other horticultural product groups, and collaborating wherever possible. 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.

Trudi 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, such as joining Horticulture Executive Services Ltd (HESL).

As outgoing chief executive, I believe that closer collaboration within the horticulture industry must be considered by our membership, in light of an increasingly complex and costly operating environment for all product groups.

Board and team

I would like to acknowledge the Board and Summerfruit NZ team for their commitment and support over the past year, and to all the growers, exporters and businesses that continue to engage with and support us for the good of the entire industry.

Lastly, I wish Dean Smith all the very best in his role as Summerfruit NZ's new chief executive. The Board and Dean will continue to work with the wider horticulture sector, while delivering the vision for the summerfruit industry: "Quality summerfruit produced by a successful, confident New Zealand summerfruit industry."

Kate Hellstrom | *September 2024*



WELCOME TO DEAN SMITH

Dean has had considerable experience in the wine and fruit industry in the Hawke's Bay. He headed up the Hawke's Bay Fruitgrowers' Association during the aftermath to Cyclone Gabrielle. In that role, he demonstrated calm leadership during considerable uncertainty and understandable stress.

Dean is thrilled by his appointment.

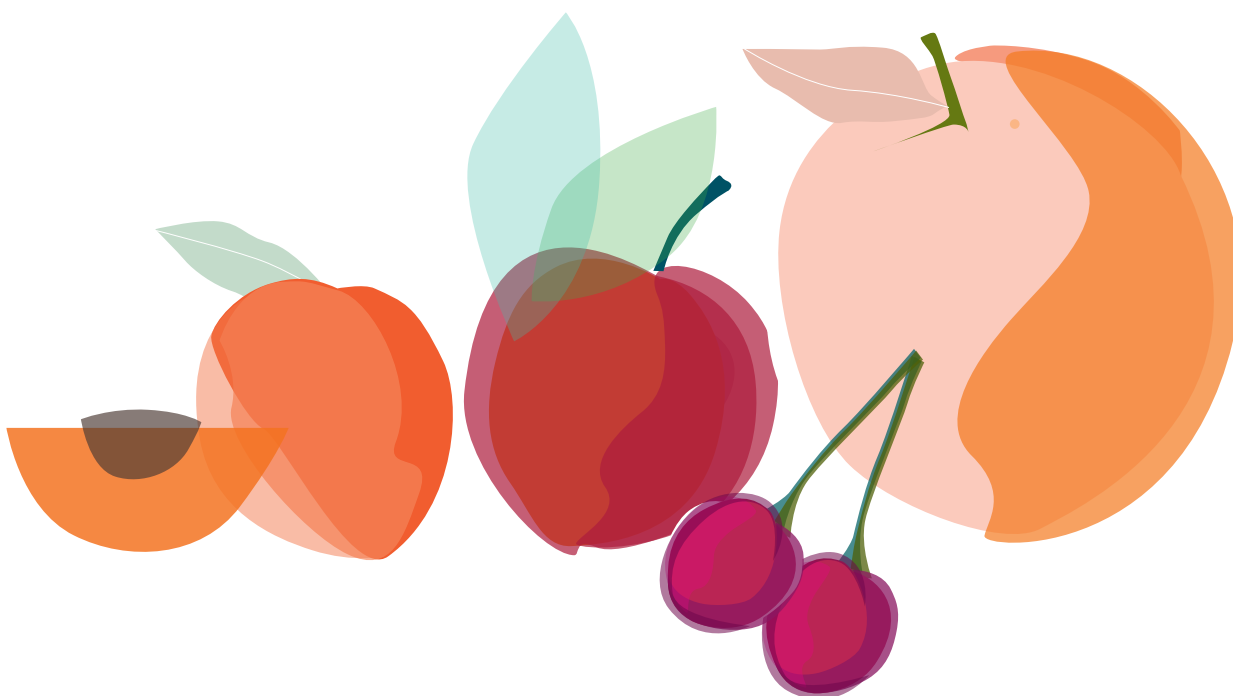
"I can't wait to get going and meet all our growers. As an industry, we have so many things in our favour – growers that are passionate, fruit that is great tasting, and export and domestic consumers that look forward every year to the taste of a kiwi summer.

"My vision is for a summerfruit industry that is ambitious, assured and prosperous. Wherever possible, I am keen to collaborate across the supply chain, to support the investments that the industry has made - and will continue to make - in new varieties, growing systems and post-harvest techniques."



Dean Smith
New Chief Executive

Dean Smith | *September 2024*



BIOSECURITY REPORT

Queensland fruit fly



Mediterranean fruit fly



Oriental fruit fly



Working together

Government Industry Agreement (GIA) for biosecurity readiness and response

The Government Industry Agreement encompasses 26 members, representing the government and 25 separate primary sector groups. By working together under GIA, government and industry have achieved far more than would have been possible if we had worked in isolation from each other.

Under the GIA, Summerfruit NZ has worked directly with Biosecurity New Zealand to address issues of importance to our growers. We have also played our part in a wide range of pan-sector work on shared pests and diseases.

Brown Marmorated Stink Bug Council

Summerfruit NZ is a member of the Brown Marmorated Stink Bug (BMSB) Council. We have contributed to the following readiness projects:

- Awareness campaigns – making growers and the public aware of the BMSB threat.
- Novaluron use – ensuring knowledge and permissions are available to use this pesticide in New Zealand.
- International research – learning what is happening overseas. We are currently developing a memorandum of understanding with Chile to undertake some surveillance work and test our response tools in Chile.
- Traps and lures – early detection projects, including the use of aerodynamic traps.
- Samurai wasp studies – on how we could use this BMSB parasitoid wasp in the event of an incursion.

Fruit Fly Council

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.

Summerfruit NZ has worked directly with Biosecurity New Zealand to address issues of importance to our growers. We have also played our part in a wide range of pan-sector work on shared pests and diseases.

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.

The GIA Fruit Fly Operational Agreement provides for shared biosecurity readiness activities across all fruit fly species. For response activities, the agreement allocates cost shares for the three species of fruit fly expected to have the biggest impact, should they establish in New Zealand (Queensland fruit fly, Mediterranean fruit fly, Oriental fruit fly).

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

- combining fruit fly lures
- testing the RapidAIM automatic traps option
- testing and refining fruit fly FRUITION® traps
- a beneficiary identification project for other fruit flies
- reviewing past incursions and running a 'lessons learned' workshop.

Lepidoptera Working Group

As a member of the *Lepidoptera* Working Group, Summerfruit NZ has contributed the following readiness projects:

- Stocktake of diagnostic capability
- Surveillance status and forward options
- Readiness and response plans and products
- Communications and engagement plan
- A plan for how the Ministry for Primary Industries (MPI) would secure response equipment, aircraft and ensure regulatory readiness for flying and spraying during a response.

Plant Pass Governance Group

Summerfruit NZ has partnered with other product groups by signing the Plant Pass GIA Operational Agreement. Launched in 2021, Plant Pass supports the adoption of good biosecurity practice in nursery producers across the industry.

Plant Pass accredited nurseries are audited to an industry standard for plant health and biosecurity, covering areas like management oversight, production practices, nursery hygiene and crop monitoring. It also includes an independent audit and certification system.

Xylella fastidiosa 2022 Operational Agreement

Xylella is one of Summerfruit NZ's high priority diseases. It is transmitted both mechanically and via insect vectors. The operational agreement covers an agreed cost-shared programme for readiness activities to prevent an incursion of *Xylella* occurring in our growing regions.

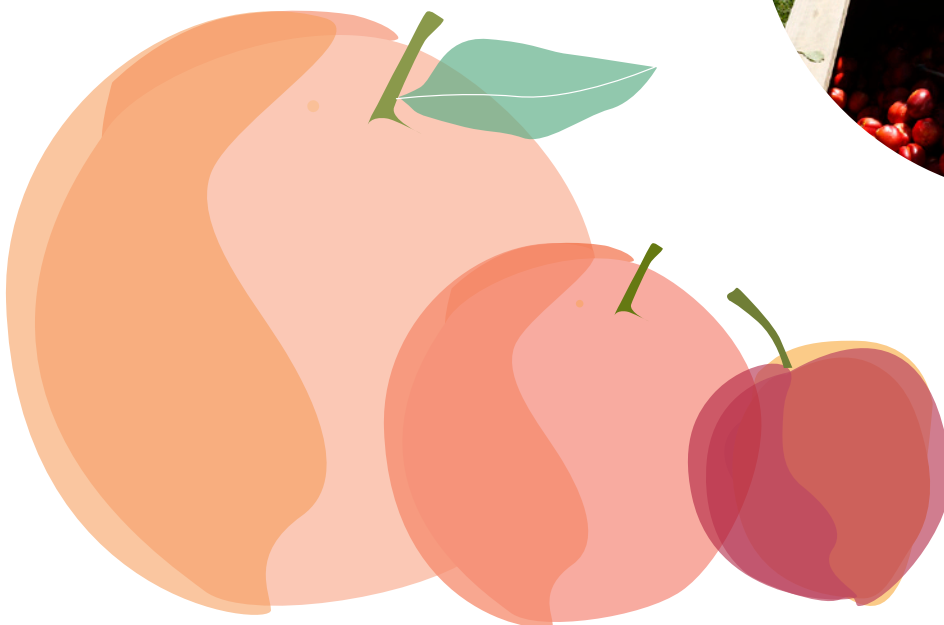


Over the last year Summerfruit NZ has embarked on a research programme aligned with the refreshed research and development (R&D) strategy.

GIA governance

Summerfruit NZ 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 affect all partners. Of importance to all GIA partners has been consideration of the ongoing review of the biosecurity legislation and the five-yearly review of the GIA Deed – GIA’s foundation document. Other priority projects include:

- Māori engagement
- Response funding
- Information repository
- Plant Industries Biosecurity Committee (PIBC) pilot extension
- Industry valuation methodology
- Industry valuation and cost share allocations.



Implementing our strategy

Over the last year Summerfruit NZ has embarked on a research programme aligned with the refreshed research and development (R&D) strategy. The strategy and framework for research was adopted by Summerfruit NZ in early 2022 and is structured around three main theme areas or ‘research pillars’: Environment, Orchard Management, and Crop Protection, plus an ‘Other’ category to capture issues not directly related to the three pillars.



From 1 June 2023 to 31 May 2024, Summerfruit NZ has engaged in several projects using the skills and expertise of New Zealand research providers such as Plant & Food Research, Primary Insight, and HortPlus (for MetWatch and disease tools). The focus of research investment has been primarily on crop protection and disease control for Brown Rot, *Botrytis* and *Pseudomonas syringae* pv. *syringae*, and understanding irrigation practices for sweet cherries. Some of the research highlights for the year include:

Crop protection:

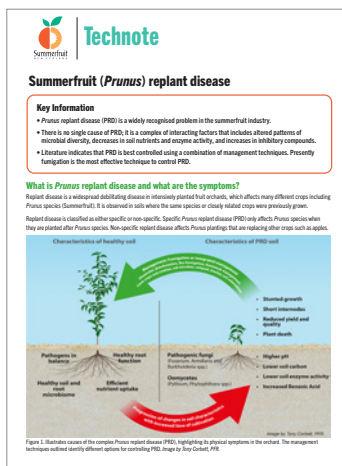
- Residue trial work through the A Lighter Touch programme has resulted in the development of a Technote for the off-label use of Belanty® fungicide for Brown Rot control. Summerfruit NZ has supported additional trials over the 2023–24 season to generate residue and efficacy data to support a label claim for pre-harvest use on summerfruit.
- For this season, Plant & Food Research has successfully screened eight biofungicides and two natural products in laboratory-based assays to evaluate the efficacy of these products to control Brown Rot (*Monilinia fructicola*) and *Botrytis*. Four biofungicides significantly reduced Brown Rot infection, three biofungicides reduced *Botrytis* fruit rot severity by more than 25 percent.



Summerfruit NZ has engaged in several projects using the skills and expertise of New Zealand research providers such as Plant & Food Research, Primary Insight, and HortPlus...



Technote sample



Within the A Lighter Touch programme, Summerfruit NZ has initiated an understorey planting project in Central Otago to enhance orchard biodiversity and improve weed management.

- Further screening is planned over the 2024–25 season to evaluate and confirm efficacy on summerfruit varieties before advancing any of the biofungicides to a field trial.
- To find alternatives to copper-based compounds to control *Pseudomonas syringae* pv. *syringae* (Pss), Timorex Gold® and Actigard® were tested for efficacy against Pss in a series of screening trials. These initial trials have signalled that non-copper products have potential to control Pss. To validate the findings from the trials, these two products as well as other bio bactericides will be screened in detached cherry shoot assays during the 2024–25 season with a view to progressing pot or field trials in the 2025–26 season.

Orchard management:

- To improve understanding around the causes of replant disease Summerfruit NZ commissioned a review by Plant & Food Research. Replant disease is a widespread debilitating disease in intensively planted fruit orchards. The review highlighted the complex number of factors that can cause replant disease, as well as the combination of management techniques that can be used.
- Within the A Lighter Touch programme, Summerfruit NZ has initiated an understorey planting project in Central Otago to enhance orchard biodiversity and improve weed management. The first plantings occurred in an apricot orchard in Roxborough in October 2022, followed by a spring 2023 planting at a Mt Pisa cherry orchard. Regular monitoring has been conducted by Plant & Food Research to measure insect diversity and record establishment of the understorey plantings through the season.
- Primary Insight has worked with four cherry growers in Central Otago to trial irrigation strategies to provide growers with best practice irrigation information. This project highlighted the importance of understanding soil water holding characteristics, tree rooting depth and managing irrigation to orchard conditions.



Environment:

- Research and development (R&D) activities under the ‘Environment’ pillar has commenced with quantification of the greenhouse gas (GHG) emissions from cherry production in New Zealand. The study has two objectives:
 - To establish baseline carbon stock changes and biogenic GHG emissions for cherries.
 - To identify the key factors that are most likely to contribute to carbon footprinting within the wider context of a full life cycle assessment (LCA) footprint.

Other:

- All the research supported by Summerfruit NZ and its R&D providers has been collated into a research database containing over 300 records that can be downloaded via the Summerfruit NZ portal. Research topics include: agrichemicals, orchard practice, diseases, Future Orchard Production System (FOPS), pests, pollination, rootstock, varieties, post-harvest, and environment.

Engagement and extension activities

Throughout the year Summerfruit NZ has organised regular research extension activities through SummerGreen events, including:

- Field walks with Matt Whiting and Clive Kaiser at the Summerfruit NZ Annual Conference in June 2023.
- Pre-season SummerGreen meetings in Hawke’s Bay (October 2023) and Central Otago (November 2023) highlighting seasonal climate predictions, environmental policy updates, and a season wrap-up of summerfruit prices.
- SummerGreen events held in March and April 2024 included a post-season review of exports, use of irrigation technology, pollination insights, and new weed control technologies.

All the research supported by Summerfruit NZ and its R&D providers has been collated into a research database containing over 300 records that can be downloaded via the Summerfruit NZ portal.



Field walk of the understorey planting in April 2024

13
Projects
underway or completed

9
Research reports
available to access on the
Summerfruit NZ portal

6
Technotes
and handouts
prepared



Independent auditor's report to the members of Summerfruit New Zealand Incorporated

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 2024, 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 2024 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
29 August 2024

Profit and loss

For the year ended 31 May 2024

	2024	2023
Income		
Admin & finance	4,407	38,406
Commodity levy	1,667,964	1,393,315
Conference/AGM	185,480	0
Export & compliance	207,470	210,244
Other income		
Grants received	1,739	0
Publications/pest books/trap books	285	405
Wallchart advertising	1,500	750
Total other income	3,524	1,155
Interest received	108,685	41,745
Total income	2,177,530	1,684,865
Gross profit	2,177,530	1,684,865
Less operating expenses		
Administration expenses	662,007	665,041
Agrichemicals	49,870	33,237
Board expenses	92,275	43,630
Conference	225,468	21,350
Research & development	517,209	246,439
Export	166,312	133,458
Compliance	34,806	22,435
Share of loss in investment of associates	33,000	0
Total less operating expenses	1,780,947	1,165,589
Net profit before taxation	396,582	519,276
Net profit for the year	396,582	519,276

Movements in equity

For the year ended 31 May 2024

	2024	2023
Equity		
Opening balance	2,290,901	1,771,626
Surplus and revaluations		
Net surplus after tax	396,582	519,276
Total surplus and revaluations	396,582	519,276
Total equity	2,687,484	2,290,901

Balance sheet

As at 31 May 2024

	Notes	2024	2023
Assets			
Bank			
ANZ - current acc		494,414	362,099
ANZ Bank - conference account		18,443	90,250
Total Bank		512,858	452,349
Current assets			
Accounts receivable		78,304	35,787
Investments	17	2,100,998	1,955,853
Accrued income		88,850	0
Accrued interest		35,783	15,724
Prepayments		5,417	103,246
Taxation	20	23,400	9,440
Total current assets		2,332,752	2,120,051
Non-current assets			
Plant, property and equipment	18	9,030	7,150
Intangible assets	19	2,475	4,760
Investments in associates	2	(3,533)	0
Total non-current assets		7,972	11,910
Total assets		2,853,582	2,584,309
Liabilities			
Current liabilities			
Accounts payable		107,342	30,110
Accrued expenses		30,043	81,181
Income received in advance		13,800	141,852
GST		14,913	40,265
Total current liabilities		166,098	293,408
Total liabilities		166,098	293,408
Net assets		2,687,484	2,290,901
Equity			
Industry reserve fund		894,352	785,487
Operational reserves		1,793,132	1,505,415
Total equity		2,687,484	2,290,901

Signed by

Chair:



Chief Executive:



Date: 29 August 2024

Notes to the financial statements

For the year ended 31 May 2024

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 except for investments in associates.

Investment in associates are accounted for in accordance with the equity method. The investment in an associate is initially recognized at cost and the carrying amount in the financial statements is increased or decreased to recognize the share of the surplus or deficit of the associate as at balance date.

3. Comparative figures

The comparative financial period is 9 months. From the 2023 year Summerfruit New Zealand Incorporated has a balance date of 31 May. This has changed from 31 August 2022, the 2024 year is a period of 12 months.

4. Revenue recognition

Levies are non-exchange revenue and accounted for on an accrual basis.

Revenue is recognised for produce sold in the year to 31 May for which a grower's levy declaration has been received by the society.

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. Portal is amortised at 48% diminishing value.

Notes to the financial statements

For the year ended 31 May 2024

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 (2023: \$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 \$21,500.

14. Operating commitments

	2024	2023
Research & development projects		
Current commitments	207,079	221,706
Term commitments	183,341	361,091
Total research & development projects	390,420	582,797
Other commitments		
Current commitments	85,500	0
Term commitments	24,250	0
Total other commitments	109,750	0

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 (2023: Nil).

Notes to the financial statements

For the year ended 31 May 2024

17. Investments

	2024	2023
Term deposits	2,100,998	1,955,853
Total investments	2,100,998	1,955,853

18. Fixed assets

	2024	2023
Computer equipment		
At cost	15,117	9,950
Plus additions	3,124	8,808
Less disposals	(5,493)	(2,390)
Less accumulated depreciation	(7,152)	(9,912)
Total computer equipment	5,597	6,455
Office equipment		
At cost	5,088	9,116
Plus additions	3,348	0
Less disposals	(3,416)	(711)
Less accumulated depreciation	(1,587)	(7,710)
Total office equipment	3,433	695
Total fixed assets	9,030	7,150

19. Intangible assets

	2024	2023
At cost	183,394	183,394
Plus additions	0	0
Less disposals	0	0
Less accumulated depreciation	(180,919)	(178,634)
Total intangible assets	2,475	4,760

Notes to the financial statements

For the year ended 31 May 2024

20. Taxation

	2024	2023
Current year taxable income		
Assessable interest and conference		
Income for the year	(11,425)	41,745
Less exemption	0	(1,000)
Prior year losses brought forward	(73,270)	(114,015)
Total current year taxable income	(84,695)	(73,270)
Current year tax provision		
Taxation provision applied thereon at 28%	0	0
Rwt paid	(23,400)	(9,440)
Taxable income/(refund) for the year	(23,400)	(9,440)

Summerfruit has \$84,695 of losses to carry forward for the 2024 financial year. (2023: \$73,270).

21. Related parties

2024: The following related party transactions occurred in the 2024 year:

- There were \$13,250 board meeting fees paid during the year to Trudi Webb, who is the chair of Summerfruit.
- There were \$10,901 board meeting fees and \$1,350 industry conferences expense paid during the year to Orchard HB Ltd, who Roger Brownlie, the vice chair of Summerfruit, is also the director and shareholder of the entity.
- There were \$3,281 board meeting fees paid during the year to 4 Change Ltd, who Stewart Burns, the grower representative of Summerfruit, is also the director and shareholder of the entity.
- There were \$3,693 board meeting fees paid during the year to CherryB Orchard Limited, who Blair McLean, the grower representative of Summerfruit, is also the shareholder of the entity.
- There were \$2,555 board meeting fees paid during the year to Alex Huffadine, who is the grower representative of Summerfruit.
- There were \$4,859 board meeting fees paid during the year to Fresh Produce Group NZ Ltd, who Russell Faulkner, the exporter representative of Summerfruit, is also the director and shareholder of the entity.
- There were \$3,200 board meeting fees paid during the year to Reece Van Der Velden, who is the exporter representative of Summerfruit.

Horticulture Executive Services Limited

Trudi Webb is the chair of Summerfruit NZ and a Board member of Horticulture Executive Service Limited (HESL). Tomatoes NZ, Vegetables NZ, Summerfruit NZ and Onions NZ invested \$30,000 each in HESL.

Summerfruit NZ has paid \$8,613 of industry promotion services, \$11,298 on biosecurity projects and \$22,190 on salaries to HESL in 2024FY.

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



Summerfruit
NEW ZEALAND

PO Box 25255
Wellington 6140
www.summerfruitnz.co.nz

TRUDI WEBB | Chair
Mob: Mob: 027 296 6092

DEAN SMITH | Chief executive
Mob: 027 461 6020