



NEW ZEALAND PLANT PRODUCERS INCORPORATED

nzppi

ANNUAL REPORT
2022

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Chief Executive and Chair's Report

Despite everything that has been thrown at us over the past year, our industry continues to meet the ever-increasing demand for plants.

This is in the face of challenges and constraints in just about every area of business, including skills shortages, the cost of inputs, supply chain and business disruption from the remnants of Covid 19.

Our industry has not just survived this onslaught, it has grown by more than 20% and transformed itself by introducing new capacity and technology.

We have seen every type of change in just about every area, including that a number of businesses have closed and changed ownership, while others have undergone significant expansion.

NZPPI is progressing the implementation of our new strategy, which is about building a successful and sustainable future. We are confident that NZPPI can bring value to our partnerships with government and the other primary sectors and by doing this there will be significant opportunities for our Members.

Productivity is critical to the future success of our Members and this is achieved through innovation and knowledge, which is why we signed a memorandum of understanding with Lincoln University in July this year.

NZPPI is showing leadership in this area with a plan to reinvigorate science and education in the plants industries using an extension model that connects scientists, producers and learners. Without this, we face a future where skills shortages are entrenched, and business growth is only achieved by simply working harder. This is not a winning strategy in the current environment.



We are continuing to grow NZPPI by launching new programmes and services while improving the ones we already have. At the same time we are showing leadership in key areas like plant imports, sustainability and workforce.

In this year's annual report you will find updates written by the NZPPI team. These reports show the breadth and depth of our activities, the progress we are making and where we are heading next.

We are five years in but still very much at the beginning of the NZPPI journey. In the next year we are continuing to encourage those that are yet to join NZPPI to sign up and to engage and welcome those that are new to our sector to participate.

Thank you to the NZPPI Board members for their time and energy this year as well as the leaders and members of our Subcommittees and Special Interest Groups. Also special thanks to the NZPPI team for their commitment and tireless work.

Mostly though, we thank the NZPPI Members along with our partners and sponsors who continue to contribute to our organisation and the success of our industry.

Financial result

NZPPI's consolidated business, including NZPPI and NEL, finished FY22 with a before tax surplus of \$271,831. This is made up of:

| GROUP | RESULT |
|----------------------------|----------------|
| NZPPI (Society) | 14,204 |
| Retail SIG | 127,854 |
| Plant Trolleys | 80,639 |
| CONSOLIDATED RESULT | 222,697 |

Key factors contributing to the result are:

| ITEM | IMPACT |
|--|---------|
| Subscriptions (↑on FY21) | 85,434 |
| Grants | 124,580 |
| Gift card contribution (one off) | 69,839 |
| Trolley scheme contribution (reinvested) | 80,639 |

Comparison with previous years:

The consolidated accounts are significantly higher than the (2,923) result achieved in the FY21 year, and (43,332) in FY20.

↑ Total Group revenue is up by \$350,801, or 24% on last year.

↑ Total Group expenditure was \$1,512,542, up 5% on last year.

Operating expenses were equivalent to last year.

Revenue

Year end 31 March 2022

| Membership Income | FY22 | FY21 |
|-------------------|----------------|-----------------------|
| TOTAL | 809,195 | 724,761 (+12%) |



Matthew Dolan,
NZPPI Chief Executive
October 2022



Mike Simpson,
NZPPI Chairman
October 2022

NEW ZEALAND PLANT PRODUCERS INCORPORATED

OUR STRATEGY

Industry Vision

A thriving plant production industry widely respected for its professionalism, innovation and major contribution to New Zealand

Our Values



Collaboration



Agility



Resourcefulness



Resilience



Integrity

NEW ZEALAND PLANT PRODUCERS INCORPORATED

OUR PURPOSE

Achieving Excellence



PLANT PRODUCTION

- Productivity & innovation initiatives
- Plant health & biosecurity
- Digital future exploration
- Supply chain initiatives



OUR PEOPLE

- Attracting and developing people
- Creating opportunities for training & education
- Supporting safer workplaces
- Developing our future leaders



ENVIRONMENTAL SUSTAINABILITY

- Access to water & land
- Dealing with waste & plastics
- Playing our role in NZ's climate change adaptation

Supporting Our Industry



MEMBER SERVICES

- Events and Conferences
- Providing a plant trolley scheme
- Making industry data and stats available to our members
- Business NZ/EMA membership



RELATIONSHIPS & INFLUENCE

- Effective influence & advocacy
- Building relationships with Māori
- Working with Government & Primary industry organisations

NEW ZEALAND PLANT PRODUCERS INCORPORATED

HOW WE WORK

What We Do



Build a strong membership and financial base



Work across the primary industries



Strong connection to our members



Work to unify our industry with a single voice



Support our sectors & special interest groups

Industry context

Plant production is in a period of sustained growth, driven by an almost insatiable demand for plants across the horticulture, viticulture, forestry, indigenous plants, and green life sectors. At an estimated growth rate of 7% per year over the past 3 years, it is among the fastest growing primary industries.

Our industry is coming together and is finally being recognised for its contribution to New Zealand’s success, underpinning the Government’s goals in the areas of health and wellbeing, exports, climate change, regional development, and the environment.

What has been done to date

Our key achievements over the past year include gaining recognition as an essential service (enabling plant survival activities) during the COVID-19 response, signing the Government Industry Agreement (GIA) on biosecurity, the government’s agreement to undertake a strategic review of the plant imports system, publishing the Native Nursery Action Plan and bringing our members together through our successful SHED meetings and industry workshops.

Strategic Priorities

NZPPI is an industry organisation supporting the plant production sector. Our job is to make it easier for our members to:



Have a say in decisions that affect their businesses.



Understand and manage risk.



Get to know and learn from their peers.



Be part of a thriving industry that is valued and respected.



Stay on top of things and adapt to change.



Tomato Red Spider Mite. Photo Credit: HortiDaily

Biosecurity & Technical Manager's *Report*

We continue to build our capability in these critical areas through the NZPPI Science Subcommittee and our relationships within the science community and our GIA partnerships.

Biosecurity remains a key priority and where we are working to increase our influence in decision making to prevent unjustified actions to restrict plant movements or to destroy plants. We are taking the lead to drive improvements in difficult areas like plant imports, incursions and pest and disease management.

Two of the ambitious programmes of work underway are covered below. These are intended to build structure to our industries capacity in technical risk management and the plant imports & biosecurity system.





Photo: Forest and Kim Starr,
Starr Environmental, Bugwood.org

Myrtle rust management system

NZPPI is developing a comprehensive management system for myrtle rust in plant production. This programme is delivering sophisticated tools and science-based practice, achieving a step change in the understanding the practices and approaches for disease management. While the current focus is on myrtle rust, we plan to add more disease climate models to the online weather & disease platform enabling producers to manage a wide range of diseases in the nursery.

Funded by Te Uru Rakau and NZPPI, this programme brings together expertise from technology providers HortPlus, Plant & Food Research, Ground Truth Ltd, with NZPPI delivering the extension programmes.

HSNO Act Full Release application

NZPPI has submitted an application to the Environmental Protection Authority (EPA) for 12 houseplant species under the Hazardous Substances and New Organisms (HSNO) Act, which is currently out for public submission. It's the first Full Release application for new plant species since the Act came into force 24 years ago!

Nine of the species are already in New Zealand (but not approved for import or release), and three are completely new to New Zealand species. If approved, we hope this application will create a pathway through the regulatory system for others to follow. Going through the process, we have identified several improvements which could make the system more workable which we plan to share with government. We will also be recommending closer engagement between the EPA and MPI on weed risk assessment under HSNO and the development of import health standards under the Biosecurity Act.



Kathryn Hurr

**Kathryn Hurr,
Biosecurity and Technical
Manager, October 2022**





Native Nursery Special Interest Group *Report*

The Native Nursery SIG enables collaboration and provides a voice for native plant producers. It is supporting the growth of this sector as it works to meet the increasing demand for seedlings for farms, ecology, infrastructure and now climate change.



There is a significant amount of planning underway following the allocation of \$159 million to native tree planting in the FY23 Government Budget. The funding is to enable large scale planting projects to establish a native carbon sink.

We understand that a significant portion of the funding will be spent on research and pilot projects that explore ways to scale up and accelerate propagation and planting. The aim is to enable projects at a scale of hundreds of hectares, e.g. in regions like the East Coast and Canterbury foothills, where there is vulnerable land suitable for planting.

Proposals for projects include accelerated propagation and seedling production, large scale land preparation / pest control and seedling establishment.

It is pleasing to see this level of funding allocated for this work. This is an opportunity for the sector to undertake important science programmes and skills development to build the capacity in the industry.

Science Subcommittee

Report

The Science subcommittee made progress on three strategic priorities in the year up to March 2021 in the areas of tools for managing myrtle rust; sustainability, innovation; and knowledge transfer to NZPPI members.

1 Disease management

Building on the successful development of an online tool for managing myrtle rust, this year the committee has engaged further research to compare the effectiveness of a risk-based spray programme against calendar spraying, and on the efficacy of different fungicides against the disease. Partnering with Plant & Food Research, trials over the summer months found both risk-based spraying and calendar spraying were effective at controlling the rust, however fewer sprays were needed in the autumn months using the risk-based spraying tool. The trials found some fungicides are much more effective at preventing and controlling the rust than others and these results have been incorporated into the online tool, allowing producers to input their spray regime and note the effect of different chemicals on the time intervals before another spray application is needed.

2 Innovation

Our industry is undergoing a step change in the adoption of technology and innovation. This includes new inputs, automated equipment, sensors and data systems. The ability to implement and use innovation for productivity improvement is critical. The Science Subcommittee is encouraging the uptake of innovation by sharing information and encouraging collaboration. Its goal is to help bring all of the parts of the system together, rather than adding new parts in an ad hoc way.

3 Knowledge transfer to NZPPI members

Plant Production Science is now into its third year of publication and the theme this year is Sustainability & Innovation, following on from the NZPPI conference with the same theme. The publication aims to provide a stocktake of research and knowledge in key priority areas, translating often complex and specialised research into knowledge that can be readily interpreted and used by NZPPI members. The publication has been extremely well received by members and the wider plant production community.

NZPPI has run a series of regional workshops this spring, showcasing the myrtle rust management system and demonstrating how users can use and interpret the online weather & disease tool to determine optimum dates to apply sprays or take preventative management activities.





People and Careers Report

We know that attracting, training and retaining skilled workers is a critical challenge for our members. This issue is across all primary industries and is expected to increase in the future.

This is an area where our industry needs to work strategically and collaboratively to ensure that we are visible and attractive to those looking for work and to build their careers. We know that we have a great story to tell and can offer roles that are meaningful and full of opportunity.

This year NZPPI opened an office on the Lincoln University campus. From this base, Alice Schofield has been interacting with educators, students and in the community to promote learning and careers in our industry.

To support this NZPPI has created Plant Careers, an initiative to support NZ Plant Producers workforce and people capability strategy aiming to attract people to our industry, develop those within the industry and retain the staff we do have and those to come.

Plant Careers will show people the gateway to working in an industry that they can be proud of and ensuring that the next generation coming through are equipped with education and training at all levels.

The goals of Plant Careers:

Awareness

Presenting plant production as an attractive and exciting industry and emphasise the importance of our industry for Aotearoa New Zealand.

Skills development

Providing opportunities for people entering, or working in our sector to pursue horticulture qualifications such as short courses, apprenticeships, diplomas and degrees.

Workforce Development

Increase the skillset of the plant production workforce and develop a strong pipeline of future talent for the industry.

Support and resources

Work with our members to access skilled workers locally and from overseas. This includes helping members to navigate the immigration application process.



Alice Schofield,
People and Careers Lead,
October 2022

Plastics Advisory Committee Members:

| | |
|--|-------------------------------------|
| <i>Matt Dolan / Karen Scott: NZPPI</i> | <i>Julie Roberts: Mitre 10</i> |
| <i>Amber Maisey: IP Plastics</i> | <i>Mary Duncan: Vibrant Earth</i> |
| <i>Vince Wylaars: Zealandia Horticulture</i> | <i>Nikki Withington: Square One</i> |
| <i>Scott Bromwich: Daltons Ltd</i> | <i>Jane Straka: Scrub Growers</i> |
| <i>Sandy Botterill, Plastics NZ</i> | <i>Fiona Ryan: Daltons</i> |
| | <i>Steve Dunshae: Mitre 10</i> |

Plastics Advisory Committee Report

The NZPPI Plastics Advisory Committee (PAC) was formed in early 2022 to lead the development of a strategy for managing plastic waste in the plant production industry.

With a focus on plastic pots, trays and labels, the PAC is made up of members from across plastic manufacturers, plant producers, retailers and plastics experts.

Over the coming years, the Ministry for the Environment is introducing new regulations to manage plastic waste to prevent it being sent to landfill.

Through a Product Stewardship framework, industries are encouraged to work collaboratively to develop solutions like recycling schemes, safely reusing plastics, or adopting alternative materials.

All of these options are on the table and the PAC is exploring how to bring these approaches together into a framework for our industry.

With an estimated 350 million containerised plants produced by our industry annually, there is a lot of interest in this work from our Members. Thankfully, there is a lot of progress being made to explore and pilot ideas and initiatives.

Recycling remains the most common solution for plastic pots globally and there are already a number of schemes emerging. A key part of recycling is to minimise the range of materials and focus on the most valuable ones. In our industry this is Polypropylene (PP5). The next challenge is to enable recycling collection and sorting to deal with the pots used in our industry.

We are surprised at the speed at which alternative plastics have been developed. We understood that these were at least a decade away, but we are pleased to see some promising bioplastic materials possibly coming onto the market. There is further work to do before these can become mainstream, but we are on the right path.

Reusing pots has been discouraged due to the biosecurity risk. Doing the science necessary to ensure that effective sanitising techniques are available is an important part of this solution which suits regionally based sectors, like native nurseries, where pots can be easily returned.

Bringing all of these solutions together and exploring even more approaches is the key to solving this complex problem.

In the next phase of its work, the PAC will engage with the industry, regulators and plastics or waste experts to shape a framework that works for our sector and the community.



Karen Scott,
Plastics Advisory Committee Lead,
October 2022



Trolley Subcommittee *Report*

The Plant Trolley scheme continues to one of the largest benefits for NZPPI members, providing our members with considerable value in their businesses when it comes to the logistics of moving plants around New Zealand.

The demand for Trolleys has continued to rise with demand being high this year in both short and long-term hires. We have seen a significant increase in short-term hires this winter period by many nurseries participating in native regeneration projects.

Another 588 new Trolleys have been added to the fleet this year and a substantial effort has been made to repair the existing fleet to maximise lease potential. This has resulted in more than 500 trolleys being upgraded again this year, with new castors, shelves, and posts. There are now over 4000 trolleys in long-term lease circulation and we have seen over 600 short-term hires this year.

With the addition of a Member Service Manager to the NZPPI team overseeing the Plant Trolley scheme, a large amount of work has been carried out improving the administration and day to day operational needs. Repairs and new trolley order turnover times have decreased greatly.

The Trolley Tag Tracking project is well underway and will be ready to launch to members next year. Tracking our trolleys will provide our members with an increased trust in the system, greater customer service, improved inventory management, better loss prevention and real time data to help NZPPI run the programme more efficiently to keep costs down.



Plant Pass Biosecurity Assurance Scheme

Report

Plant Pass officially launched in May 2022 for New Zealand plant producers to recognise good biosecurity practice and provide assurance for plant buyers.

The voluntary scheme is designed to harness the critical skills and observations that exist in the plant production industry to strengthen biosecurity.

The scheme is supported by the Plant Buyers' Accord to improve biosecurity standards across the plant production supply chain. Accord signatories are committed to reducing biosecurity risks from where plants are produced to where they're sold. We are pleased to have the following Accord Signatories to influence and encourage Plant Pass:

- Ministry for Primary Industries
- Department of Conservation
- New Zealand Avocado
- Waikato Regional Council
- Kiwifruit Vine Health
- Auckland Council

NZPPI's commitment to continual improvement is reflected with the new NZPPI Plant Disease Management Platform developed with HortPlus

and Plant and Food Research. The platform contains up-to-date weather summaries, seasonal growing factors, forecast information and includes the Myrtle Rust climate model. The Myrtle Rust Specific Module has been updated and NZPPI has held a series of myrtle rust management workshops at eight locations across New Zealand to share this climate model, the module and promote Plant Pass.

The launch campaign proved a great success with over 280,000 views on social media of the launch video and resulted in a good volume directing through to the Plant Pass website.

Overall, there has been great engagement with Plant Pass where our annual target of 55 registrations has already been superseded with a total of 63 plant producers. 52 are registered in the scheme and 11 are certified. The registrations are mainly retail and revegetation (native) nurseries, followed by horticulture.

Almost 200 people took part in the May to July Plant Pass workshops from more than 100 entities. 95% of these were producers, about half of these "new" to discussions, with councils and others making up the balance. Due to demand three more workshops will be completed before year end.

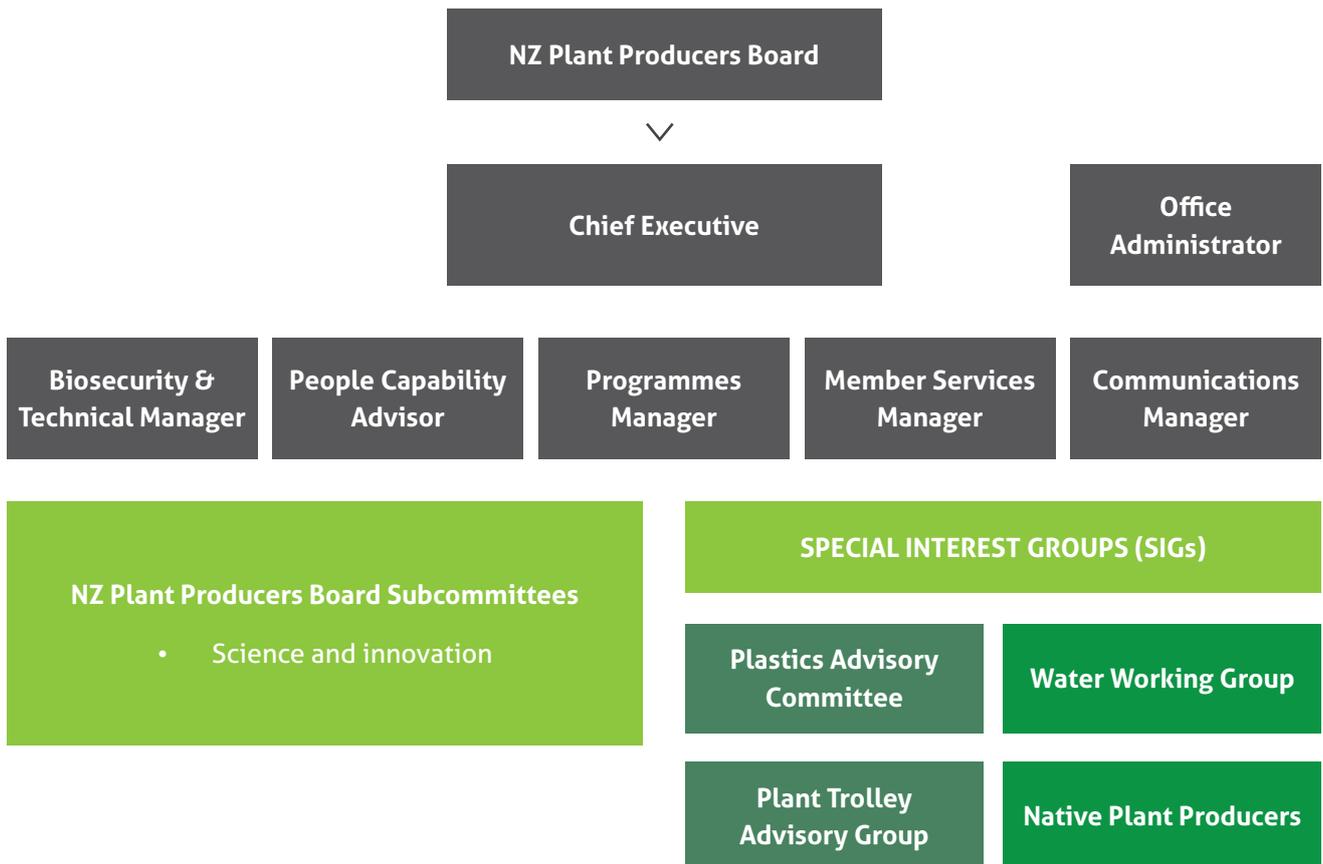
Next steps are to convert workshop attendance into Plant Pass registrations, and create additional modules for forestry, indoor cropping, and an Xylella Management Plan. A key focus will be to keep momentum and gain more traction with group schemes, iwi engagement and technology workshops.

NZ Plant Producers is currently involved in the following OA's:

| OPERATIONAL AGREEMENT | PARTNERS | COST SHARE | | TOTAL COST FY22 | NZPPI SHARE |
|--|---|------------|----------|-----------------|-------------|
| | | Crown | Industry | | |
| PPBS (readiness) | NZPPI KVH NZ Winegrowers FOA CitrusNZ NZ Avocado | 80% | 20% | \$280k | \$28,000 |
| Xylella Response Plan (readiness) | NZ Winegrowers NZPPI KVH SummerfruitNZ CitrusNZ NZ Avocado NZ Apples & Pears | 50% | 50% | \$50k | \$2000 |
| Tomato Brown Rugose Fruit Virus (response) | Tomatoes NZ NZPPI Vegetables NZ NZ Grain & Seed HortNZ Vegetables NZ Potatoes NZ | 50% | 50% | \$100k | \$1000 |
| Tomato Red Spider Mite (response) | Tomatoes NZ NZPPI Vegetables NZ NZ Grain & Seed Process Vegetables Vegetables NZ Potatoes NZ | 52% | 48% | \$60k | \$1700 |
| Pepino Mosaic Virus (response) | Tomatoes NZ NZPPI Vegetables NZ NZ Grain & Seed Process Vegetables | 55% | 45% | \$200k | \$5000 |
| Vegetable multi sector readiness plan (proposed) | Vegetables NZ with multiple other vegetable crops. NZPPI has been identified as a possible signatory. | TBA | | - | - |

NZ Plant Producers Inc

Structure 2021-2022



NZPPI STAFF

Matthew Dolan, Chief Executive

Kirsty Fyfe, Communications Manager Kathryn

Hurr, Biosecurity and Technical Manager Alice

Schofield, People Capability Advisor Hayley

Young, Office Administrator

Karen Scott, Programmes Manager

Andrew Grant, Member Services Manager

NZ Plant Producers Board and Staff 2021/22

Mike Simpson
Waimea Nurseries
Independent chair
e: mike@waimeanurseries.co.nz
p: 027 446 7804

Marie Taylor
Plant Hawke's Bay
Representing producers
of native plants
e: planthawkesbay@xtra.co.nz
p: 027 442 4536

Cliff Scott
Growing Spectrum
Representing producers selling to
retailers or home gardeners.
e: cliff@growingspectrum.co.nz
p: 021 995 464

Steve Burton
Annton Nursery
Representing producers
supplying food crops
(vegetables, berries, tomatoes
but excl. orchards & vineyards)
e: steve@anntonnursery.co.nz
p: 027 275 8874

Daniel Mahoney
Waimea Group
Sector Representative
e: daniel.m@waimea.group
p: 027 420 1090

Nick Hoskins
Riversun Nursery
Fruit trees and vines
e: nick@vinemanagers.co.nz
p: 027 248 7724

LIFE MEMBERS

Stan Palmer 1982
David Goudie 1989
Don Liddle 1994
Mark Dean 2000
Keith Lowe 2004
Athol McCully 2004
Peter Tayler 2007
Peter Pattullo 2008
Peter Fraser 2020
Carol Fraser 2020
Vince Wylaars 2021
Malcolm Woolmore 2021

OTHERS

Solicitors: Morrison Kent
Auditor: Moore Markhan
Bank: Westpac
Accountant: BDO

REGISTERED OFFICE

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23 Waring Taylor Street
Wellington
Phone: 04 918 3511
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www.gogardening.co.nz
www.plantcareers.co.nz
www.youngachiever.co.nz
www.plantpass.org.nz

2021 Annual General Meeting *Minutes*

Minutes of the Annual General Meeting of The New Zealand Plant Producers Incorporated



Thursday 13 October 2022, 1.30pm
NZ Plant Producers Incorporated
office & Online via Zoom

Welcome

Mike Simpson presented an opening address and welcomed members and guests.

Present – in Wellington:

Mike Simpson (Chair), Matthew Dolan (CE), Theodore Tocker (BDO) and Alix Walles (Minutes)

Present via Zoom:

19 Members (2 industry partners, 17 producer members), Kathryn Hurr (NZPPI), Kirsty Fyfe (Communications Consultant for NZPPI)

Proxy Votes:

Held by Steve Burton:

- Sandy Johnson (Kericell)
- Joanne Hurley (Van Lier Nurseries Ltd)
- Tony Ho (Full Bloom Nurseries Ltd)

Held by Kara Beaumont:

- Grant Williams (Palm Garden Ltd)

Held by Cliff Scott:

- Anthony Washington (The Little Big Tree Company)
- Katrina Hindmarsh (NZ Delphiniums)

The quorum of 20 plant producer members is reached

Apologies:

- Anthony Washington (The Little Big Tree Company)
- Sarah Williamson (Lynwood Avocado Nursery)
- Tanya Philips (Landscape Essentials)
- Blair Stuthridge (Arcadia Plants)
- Emma Taylor (Ormond Nurseries)
- Alistair Gordon (Primary ITO)

Accepted (M Simpson / M Taylor)

2021 Annual General Meeting *Minutes*

Media Present:

- No media present.

Minutes of Previous AGM - 20 October 2020

Motion

(M Simpson / C Scott)

That the minutes of the previous AGM are a true and correct record.

Passed

Previous minutes are signed by M Simpson

- Matters arising from the previous minutes – None.

Chair and CE Reports

The Chair Review of the Year is given.

Motion

(M Simpson / K Beaumont)

That the SIG Reports are taken as read and adopted.

Passed

CE Review of the year is presented, and the new strategy for NZ Plant Producers is unveiled.

Motion

(M Simpson / S Burton)

That the Annual Report for the year ended 31 March 2021 is adopted.

Passed

Financial Report

- Matt Dolan presented the financial report for the 2020/21 financial year, and a summary of financial statements.

Motion

(M Simpson / K Beaumont)

That the Financial Report and Financial Statements for the financial year ended 31 March 2021 are adopted.

A majority show of hands carries the motion.

Passed

Appointment of Auditor

Motion

(M Simpson / C Scott)

That Moore Markhams are appointed as Group Auditors for the 2021/22 financial year.

A majority show of hands carries the motion. There are no oppositions.

Passed

Life Member Awards

- Vince Wylaars is nominated as a Life Member of the plant production industry, recognising his industry contribution and impact in establishing NZ Plant Producers Incorporated and his time spent on the industry Board. Vince Wylaars accepts the nomination.

This will be ratified at the next Board meeting, due to be held 23 November 2021.

Valedictories

- Carol Fraser
- Graeme Platt

2021 Annual General Meeting *Minutes*

Board Elections

- Vince Wylaars resigned from his Board position, representing the **Retail** Sector, in the annual board rotation in March 2021.
- Patrick Murray resigned from his Board position, representing the **Forestry** Sector, in the annual board rotation in March 2021.
- Steve Burton was nominated for the **Food** Board representative seat. As no other nominations were received, he was duly elected.
- The **Retail** sector received two nominations, and an election was held in March 2021. Cliff Scott won by a majority vote and was duly elected.
- Nominations for the vacant **Forestry** and **Fruit & Vine** board positions were called for ahead of the AGM. No nominations were received.

Nominations were called for from the floor:

Motion

Geoff Thorpe nominates Nick Hoskins from Riversun as the Fruit & Vine Board sector representative.

Mike Simpson, as a producer member of the same sector, seconds the nomination.

Nick Hoskins accepts the nomination.

No other nominations for the Fruit & Vine representative are received.

Nick Hoskins is duly elected to the NZ Plant Producers Board.

No nominations are received for the vacant Forestry representative seat. It remains empty.

Notice of Motion

- None

General Business

- V Wylaars raises the previously proposed Retail SIG and plans for the Go Gardening magazine.
- M Dolan reiterates that resources has not allowed this project to progress further, but will be worked on as soon as possible.
- V Wylaars states his interest in the revised SIG coming together, the value it will hold for retailers and industry partners, and his desire to be involved.

The meeting concluded at 10.57am

New Zealand Plant Producers Incorporated

Financial Statements

For the year ended 31 March 2022

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New Zealand Plant Producers Incorporated

Entity Information

For the year ended 31 March 2022

Legal Name of Entity: New Zealand Plant Producers Incorporated

Other Name: NZPPI

Type of Entity: Incorporated Society

Registration Number: 215810

Entity's Purposes/Mission

New Zealand Plant Producers Incorporated works to ensure a thriving plant production industry widely respected for its professionalism, innovation, and major contribution to NZ. We do this by enabling our members to operate sustainable, productive businesses. We are a signatory to the GIA on Biosecurity readiness and response, on behalf of our members.

Entity Structure

Governance Structure: Our Constitution states that we must have between six and eight Board members. We currently have six members that constitute our governance board, including five plant producer representatives, and the Chief Executive. Board members may lead sub-committees as determined by our annual work plan and priorities.

Operational Structure: Our operations are managed by a team of five paid employees, and an additional three paid contractors who do work as when required. We collaborate with various companies and government departments as when required.

Main Sources of the Entity's Cash and Resources

New Zealand Plant Producers Incorporated receives its income in the form of voluntary membership subscription fees from Plant Producers and Industry Partners from around New Zealand. Other income is derived from a mixture of government contracts, sponsorship, and grants. A commercial arm (Nurserymens Enterprises Limited) generates income via a magazine and a plant trolley hire system.

Main Methods Used by the Entity to Raise Funds

The main method of raising funds is to recruit new members to New Zealand Plant Producers. Other methods include:

- We are currently establishing a government contract to be scheme managers for Plant Pass, a nationwide biosecurity scheme for plant producers.
- The trolley hire system has been invested in, in order to grow potential profits to be used to benefit our members.

Main Methods Used by the Entity to Raise Funds

Sponsorship is regularly sought to fund events and training opportunities of benefit to plant producers. Volunteers are not relied upon.

Entity's Reliance on Volunteers and Donated Goods or Services

Sponsorship is regularly sought to fund events and training opportunities of benefit to plant producers. Volunteers are not relied upon.

Physical and Postal Address

PO Box 3443, Wellington 6140

Level 5, Waring Taylor St, Wellington 6011

New Zealand Plant Producers Incorporated

Consolidated Statement of Financial Performance

For the year ended 31 March 2022

| | Note | 2022 \$ | 2021 \$ |
|---|------|--------------------|--------------------|
| Revenue | | | |
| GG magazine revenue | | 294,112 | 280,546 |
| Gift cards & voucher revenue | 3 | 69,839 | 39,639 |
| Grant revenue | | 100,280 | 96,403 |
| Membership revenue | | 809,195 | 724,761 |
| PPBS revenue | | 138,242 | - |
| Trolley leases & maintenance revenue | 4 | 321,304 | 238,531 |
| Investment surplus/(loss) | 5 | (2,310) | 12,287 |
| COVID-19 wage subsidy | | - | 21,089 |
| Donations received | | - | 11,000 |
| Other revenue | | 11,901 | 9,317 |
| Total Revenue | | 1,742,563 | 1,433,572 |
| Expenses | | | |
| GG magazine expenditure | | (226,878) | (229,342) |
| Gift cards & voucher expenditure | 3 | (9,219) | (17,771) |
| Trolley programme expenditure | 4 | (240,665) | (170,714) |
| Engagement expenditure | 6 | (16,689) | (11,635) |
| Grant expenditure | 6 | (17,510) | (117,102) |
| Influence expenditure | 6 | (166,330) | (60,010) |
| Innovation expenditure | 6 | (3,942) | - |
| Toolbox expenditure | 6 | (18,525) | (13,752) |
| Other services expenditure | | (262) | (3,522) |
| Operating expenditure | 7 | (819,846) | (812,648) |
| Total operating expenses | | (1,519,866) | (1,436,495) |
| Net Surplus/(Deficit) Before Tax | | 222,697 | (2,923) |
| Income tax expense | 8 | - | - |
| Total Surplus/(Deficit) for the Year | | \$222,697 | \$(2,923) |

The above statements should be read in conjunction with the notes to and forming part of the financial statements.

New Zealand Plant Producers Incorporated

Consolidated Statement of Accumulated Funds

For the year ended 31 March 2022

| | Accumulated Surplus or Deficits \$ | NGIA Sector Funds \$ | Research Reserve \$ | Trolley Reserve \$ | Accumulated Funds \$ |
|---|---|----------------------------|---------------------------|--------------------------|----------------------------|
| Balance at 1 April 2020 | 313,193 | 143,213 | 144,039 | 16,382 | 616,827 |
| Profit or loss for the year | (2,923) | - | - | - | (2,923) |
| Attribution from Reserve to Accumulated Funds | 16,382 | - | - | (16,382) | - |
| Balance at 31 March 2021 | 326,651 | 143,213 | 144,039 | - | 613,903 |
| Profit or loss for the year | 222,697 | - | - | - | 222,697 |
| Return of funds to sector | - | (15,205) | - | - | (15,205) |
| Balance at 31 March 2022 | 549,349 | 128,008 | 144,039 | - | 821,396 |

The above statements should be read in conjunction with the notes to and forming part of the financial statements.

New Zealand Plant Producers Incorporated

Consolidated Statement of Financial Position

As at 31 March 2022

| | Note | 2022 \$ | 2021 \$ |
|-----------------------------------|------|------------------|------------------|
| Accumulated Funds | | | |
| NGIA sector funds | 15 | 128,008 | 143,213 |
| Research reserve | 15 | 144,039 | 144,039 |
| Accumulated surplus or deficits | | 549,349 | 326,651 |
| Total Accumulated Funds | | \$821,396 | \$613,903 |
| ASSETS | | | |
| Current Assets | | | |
| Accrued Revenue | | 3,648 | 12,666 |
| Cash and cash equivalents | 11 | 290,960 | 610,371 |
| Income tax receivable | 8 | 261 | 3,651 |
| Investments | 12 | 28,952 | 28,283 |
| Prepayments | | 40,262 | 38,638 |
| Trade receivables | | 476,685 | 112,525 |
| Work in progress | | 14,253 | - |
| Total Current Assets | | 855,022 | 806,135 |
| Non - Current Assets | | | |
| Investments | 12 | 115,916 | 125,244 |
| Intangible assets | 13 | 18,505 | 10,151 |
| Property, plant and equipment | 14 | 522,162 | 339,029 |
| Total Non - Current Assets | | 656,583 | 474,424 |
| TOTAL ASSETS | | 1,511,605 | 1,280,559 |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Accrued expenses | | 33,079 | 33,135 |
| Cash and cash equivalents | 11 | 66,441 | 3,309 |
| GST payable | | 69,633 | 89,524 |
| Employee benefits | | 17,285 | 21,935 |
| Grant income in advance | | 41,810 | - |
| Trade payables | | 124,706 | 32,517 |
| Trolley lease income in advance | 10 | 239,050 | 163,906 |
| Unredeemed gift cards | 9 | 98,205 | 315,246 |
| Unredeemed gift vouchers | 9 | - | 7,085 |
| Total Current Liabilities | | 690,210 | 666,658 |
| TOTAL LIABILITIES | | 690,210 | 666,658 |
| NET ASSETS | | \$821,396 | \$613,901 |

Approved for and on behalf of the board on _____ 2022:



 Matthew Dolan
- CEO



 Mike Simpson
- Chairman

The above statements should be read in conjunction with the notes to and forming part of the financial statements.

New Zealand Plant Producers Incorporated

Consolidated Statement of Cash Flows

For the year ended 31 March 2022

“How the entity has received and used cash”

| | Note | 2022 \$ | 2021 \$ |
|---|------|-------------------|-------------------|
| Cash Flows From Operating Activities | | | |
| Grants, donations and other similar receipts | | 100,280 | 206,474 |
| Fees, subscriptions and other receipts from members | | 562,340 | 821,966 |
| Receipts from providing goods or services | | 661,743 | 1,126,505 |
| Interest, dividends and other investment receipts | | (2,838) | 8,409 |
| Payments to suppliers and employees | | (1,345,454) | (1,888,715) |
| Income taxes paid | | 3,390 | (3,651) |
| Net GST | | (56,268) | 100,132 |
| Net Cash Flows From Operating Activities | | (76,806) | 371,120 |
| Cash Flows From Investing Activities | | | |
| Receipts from the sale of investments | | - | 345,000 |
| Payments to acquire property, plant and equipment | 14 | (274,151) | (116,764) |
| Payments to acquire intangible assets | 13 | (16,380) | (13,240) |
| Net Cash Flows From Investing Activities | | (290,531) | 214,995 |
| Cash Flows From Financing Activities | | | |
| Repayment of Sector Funds | | (15,205) | - |
| Net Cash Inflow From Financing Activities | | (15,205) | - |
| Net Increase/(Decrease) in Cash and Cash Equivalents | | (382,542) | 586,115 |
| Cash and Cash Equivalents at Beginning of Year | | 607,062 | 20,947 |
| Cash and Cash Equivalents at End of Year | 11 | \$ 224,519 | \$ 607,062 |
| <i>This is represented by:</i> | | | |
| Bank accounts and credit cards | 11 | 290,960 | 610,371 |
| Bank overdrafts and credit cards | 11 | (66,441) | (3,309) |
| Total Cash and Cash Equivalents | | \$ 224,519 | \$ 607,062 |

The above statements should be read in conjunction with the notes to and forming part of the financial statements.

New Zealand Plant Producers Incorporated

Notes to and forming part of the Consolidated Financial Statements

For the year ended 31 March 2022

“How did we do our accounting”

1. REPORTING ENTITY

The consolidated financial statements of New Zealand Plant Producers Incorporated (“NZPPI”), as at and for the year ended 31 March 2022 comprise the society and its subsidiary Nurserymens Enterprises Limited (“NEL”) (together referred to as the “Group”). NZPPI has elected to step up to Tier 2 PBE Standards and apply PBE IPSAS 35 and PBE IPSAS 38 to prepare consolidated financial statements.

NZPPI is an incorporated society incorporated on 12 March 1943 under the Incorporated Societies Act 1908.

2. BASIS OF PREPARATION

(a) Statement of Compliance

NZPPI has elected to apply PBE SPR-A (NFP) Public Benefit Entity Simple Format Reporting - Accrual (Not-for-profit) on the basis that it does not have public accountability and has total annual expenditure for the year ended 31 March 2022 of less than \$2 million. All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the entity will continue to operate in the foreseeable future.

These financial statements were authorised for issue by the Chief Executive and Chairman on _____ 2022.

(b) Basis of Consolidation

Controlled Entities

Controlled entities are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of controlled entities are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Transactions Eliminated on Consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(c) Revenue Recognition

Grant Revenue

Grant revenue is recognised as revenue when the funds are received, unless there is an obligation to return the funds if conditions are not met. If there is such an obligation, the funds are recorded as a liability and recognised as revenue when the conditions are subsequently satisfied.

Sale of Services

Revenue from the sale of services is recognised by reference to the stage of completion of the services delivered at balance date as a percentage of the total services to be provided.

Sale of Goods

Revenue from the sale of goods is recognised when the goods are sold to the customer.

Interest and Dividend Revenue

Interest revenue is recognised as it is earned during the year. Dividend revenue is recognised when the dividend is declared.

Lease Revenue

Lease revenue is recognised in the surplus or deficit on a straight-line basis over the term of the lease.

Gift Card & Voucher Revenue

Gift card and voucher revenue recognised in the surplus or deficit comprises of the following:

- commissions received when a gift card or voucher is redeemed at a participating garden centre, or
- the gift card or voucher has expired and there is no future cash outflows expected

New Zealand Plant Producers Incorporated

Notes to and forming part of the Consolidated Financial Statements

For the year ended 31 March 2022

(d) Employee-Related Costs

Wages, salaries, annual leave and superannuation contributions are recognised as an expense in the surplus or deficit as staff provide services and become entitled to wages, salaries, annual leave and superannuation contributions.

(e) Lease Expenses

Lease payments are recognised as an expense on a straight-line basis over the term of the lease.

(f) Direct and Operating Expenses

These costs are recognised as an expense when the related goods or service has been received.

(g) Cash and Cash Equivalents

Cash and cash equivalents comprise of cash on hand, bank accounts and credit cards held. Cash and cash equivalents are measured at the amount held or withdrawn.

(h) Accounts Receivable

Accounts receivable are initially recorded at the amount owed. When it is likely the amount owed (or some portion) will not be collected, a provision for impairment is recorded and the loss is recognised as a bad debt expense.

(i) Investments

NZPPI has elected to step up to Tier 2 PBE accounting standards and apply PBE IPSAS 28 Financial Instruments: Presentation, PBE IPSAS 29 Financial Instruments: Recognition and Measurement and PBE IPSAS 30 Financial Instruments: Disclosures to account for investments held. All other financial assets and liabilities are accounted for under Tier 3 PBE accounting standards.

Investments comprise of investments in fixed interest and equity instruments.

Fixed interest and equity investments classified as available for sale and are initially recognised at cost, and subsequently carried at fair value through profit or loss. Fair value is deemed to be the current market price.

(i) Property, Plant & Equipment

Property, plant, and equipment are stated at historical cost less any accumulated depreciation. Historical cost includes expenditure directly attributable to the acquisition of the assets and includes the cost of replacements that are eligible for capitalisation when these are incurred.

For all property, plant and equipment assets, depreciation is provided on a straight-line basis at rates that will write off the cost of the assets over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Computer Equipment - 2.5 to 4.8 years (21% to 40%)
Office Equipment 8.3 years (12%)
Plant Trolleys 10 years (10%)

An item of property, plant and equipment is derecognised upon disposal. Any gain or loss on derecognition of the asset is included in the surplus or deficit in the year the asset is derecognised.

(j) Accounts Payable and Accrued Expenses

Creditors and accrued expenses are recognised at the amount owed.

(k) Employee Costs Payable

A liability for employee costs payable is recorded when an employee has earned the entitlement.

New Zealand Plant Producers Incorporated

Notes to and forming part of the Consolidated Financial Statements

For the year ended 31 March 2022

(l) Good and Services Tax (GST)

Revenue, expenses, assets and liabilities are recognised net of the amount of goods and services tax ("GST") except for receivables and payables which are recognised inclusive of GST. The net amount of GST recoverable from or payable to the IRD is included as part of other current assets or other current liabilities respectively in the Statement of Financial Position.

(m) Income Tax

Tax expense is calculated using the taxes payable method. As a result, no allowance is made for deferred tax. Tax expense includes the current tax liability and adjustments to prior year tax liabilities.

New Zealand Plant Producers Incorporated
Notes to and forming part of the Consolidated Financial Statements

For the year ended 31 March 2022

3. Gift Cards & Voucher Revenue & Expenditure

| | 2022 | 2021 |
|---|---------------|---------------|
| Gift Card & Voucher Income | \$ | \$ |
| Allowance for unredeemed gift cards and vouchers | - | (40,485) |
| Expired gift card write-back (see note 9) | 60,408 | 56,995 |
| E-Card rebate | - | 5,670 |
| Administration charge and commission on gift cards sold | 9,431 | 17,459 |
| Total | 69,839 | 39,639 |

Gift Card & Voucher Expenditure

| | | |
|--|--------------|---------------|
| ECard program fee | 3,986 | 13,563 |
| Gift vouchers redeemed which were previously provisioned for expiry (see note 9) | 4,666 | - |
| Other gift card and voucher expenditure | 567 | 4,208 |
| Total | 9,219 | 17,771 |

4. Trolley Programme Revenue & Expenditure

| | 2022 | 2021 |
|----------------------------------|----------------|----------------|
| Trolley Income | \$ | \$ |
| Trolley maintenance revenue | 209,232 | 159,962 |
| Trolley long term lease revenue | 67,584 | 48,548 |
| Trolley short term lease revenue | 44,488 | 30,021 |
| Total | 321,304 | 238,531 |

Trolley Expenditure

| | | |
|--------------------------------|----------------|----------------|
| Trolley project administration | 14,368 | 7,668 |
| Trolley tracking project | 841 | 35,692 |
| Trolley repairs & maintenance | 92,228 | 33,179 |
| Trolley storage | 23,883 | 6,750 |
| Trolley depreciation | 89,650 | 82,688 |
| Other trolley expenses | 19,695 | 4,736 |
| Total | 240,665 | 170,714 |

5. Investment Surplus/(Deficit)

| | 2022 | 2021 |
|---|----------------|---------------|
| | \$ | \$ |
| Dividend income | 5,411 | 3,583 |
| Interest income | 938 | 5,744 |
| Gain/(loss) on revaluation of investments | (8,659) | 2,960 |
| Total Investment Surplus/(Deficit) | (2,310) | 12,287 |

6. Expenses

| | 2022 | 2021 |
|--------------------------------------|---------------|---------------|
| Engagement | \$ | \$ |
| NZPPI conference | - | 2,008 |
| Regional meetings | 7,373 | 3,688 |
| Website & communications expenditure | 1,949 | 5,939 |
| Workshops | 7,367 | - |
| Total Engagement | 16,689 | 11,635 |

Grant Expenses

| | | |
|-------------------------------------|---------------|----------------|
| Industry partnership program | - | 31,586 |
| Native nursery action plan expenses | - | 749 |
| PPBS stage 2 | - | 84,767 |
| Young achiever award | 17,510 | - |
| Total Grant Expenses | 17,510 | 117,102 |

New Zealand Plant Producers Incorporated

Notes to and forming part of the Consolidated Financial Statements

For the year ended 31 March 2022

6. Direct Costs (cont.)

| | 2022 | 2021 |
|-----------------------------------|----------------|---------------|
| | \$ | \$ |
| Influence | | |
| PMAC GERMAC membership fees | 620 | - |
| Bio-security advocacy | 35,761 | 10,012 |
| GIA Operational Agreements | 10,555 | 23,718 |
| Myrtle Rust Expenses | 39,095 | - |
| Consultancy fees | 4,547 | - |
| PPBS | 68,223 | 21,431 |
| Subcommittees & SIG's | 7,529 | 4,849 |
| Total Influence | 166,330 | 60,010 |
| Innovation | | |
| Research and development | 424 | - |
| Science Plan Development | 3,519 | - |
| Total Innovation | 3,942 | - |
| Toolbox | | |
| Commercial horticulture subs paid | 4,067 | 4,310 |
| EMA subscription | 14,458 | 9,442 |
| Total Toolbox | 18,525 | 13,752 |

7. Operating Expenditure

| | 2022 | 2021 |
|---|----------------|----------------|
| | \$ | \$ |
| Professional Fees and Bad Debts | | |
| Accounting fees | 48,654 | 45,966 |
| Audit fees | 24,387 | 29,662 |
| Consultancy fees | 20,000 | - |
| Bad debts | 9,187 | 18,831 |
| ISA fees | 21,550 | 24,998 |
| Investment management fees | - | 1,750 |
| Insurance | 6,475 | 5,686 |
| Professional & legal fees | 2,291 | 1,492 |
| Total Professional Fees & Bad Debts | 132,544 | 128,386 |
| Operating Expenditure | | |
| Amortisation & depreciation | 9,392 | 6,898 |
| Bank & interest expenditure | 4,489 | 6,555 |
| Computing | 24,949 | 19,234 |
| General expenses | 23,082 | 24,690 |
| Loss on disposal of fixed assets | - | 10,868 |
| Rent | 52,002 | 51,334 |
| Telephone & fax | 4,250 | 4,887 |
| Total Operating Expenditure | 118,164 | 124,467 |
| Personnel Expenditure | | |
| Salaries | 514,520 | 499,281 |
| Staff expenses | 4,182 | 3,230 |
| Total Personnel Expenditure | 518,702 | 502,511 |
| Governance Expenditure | | |
| Governance | 17,306 | 12,000 |
| Governance retail | 478 | 11,920 |
| Meetings & travel - board | 13,368 | 14,929 |
| Total Governance Expenditure | 31,153 | 38,849 |
| Travel & Accommodation Expenditure | | |
| Meetings & travel - executive | 7,606 | 9,773 |
| Meetings & travel - other | 11,678 | 8,661 |
| Total Travel & Accommodation Expenditure | 19,284 | 18,434 |
| Total Operating Expenditure | 819,846 | 812,648 |

New Zealand Plant Producers Incorporated

Notes to and forming part of the Consolidated Financial Statements

For the year ended 31 March 2022

8. Income Tax

| | 2022 | 2021 |
|---|--------------------|--------------------|
| | \$ | \$ |
| Surplus/(deficit) for the year | 222,697 | (2,923) |
| <i>Income tax adjustments</i> | | |
| (Surplus)/deficit for the year non-assessable by virtue of the principle of mutuality | (114,878) | 27,960 |
| Incorporated Society sDV-8 exemption | (1,000) | (1,000) |
| Non-assessable income | (3,386) | (5,313) |
| Imputation credits attached to dividends received | 629 | 478 |
| Imputation credits utilised | (2,245) | (1,707) |
| Losses brought forward | (2,779,791) | (2,797,285) |
| Losses to Carry Forward | (2,677,974) | (2,779,791) |
| <i>Income tax asset/(liability)</i> | | |
| Balance at the beginning of the year | 3,651 | - |
| Income tax expense | - | - |
| Refunds received | (3,638) | (333) |
| RWT paid | 248 | 3,984 |
| Balance at the End of the Year | 261 | 3,651 |

9. Gift Cards & Voucher Liabilities

| | 2022 | 2021 |
|---|---------------|----------------|
| | \$ | \$ |
| Unredeemed Gift Card Liability | | |
| Provision as at 1 April | 315,246 | 296,608 |
| <i>Add</i> | | |
| Gift card sales | - | 519,197 |
| | - | 519,197 |
| <i>Less</i> | | |
| Gift cards redeemed | (156,633) | (468,313) |
| Gift cards expired during the year | (60,408) | (56,995) |
| Commission on gift cards sold | | (15,736) |
| Writeback of historical gift card provision | - | 40,485 |
| | (217,041) | (500,559) |
| Provision as at 31 March | 98,205 | 315,246 |
| Unredeemed Gift Voucher Liability | | |
| Provision as at 1 April | 7,085 | 62,480 |
| <i>Add</i> | | |
| Gift voucher sales | - | 1,395 |
| Gift vouchers redeemed which were previously provisioned for expiry | 4,666 | - |
| | 4,666 | 1,395 |
| <i>Less</i> | | |
| Refund of gift vouchers | (744) | |
| Gift vouchers redeemed | (11,007) | (56,790) |
| | (11,751) | (56,790) |
| Provision as at 31 March | - | 7,085 |

During the year ended 31 March 2021, NZPPI discontinued selling gift cards and gift vouchers with the intention of winding down the scheme following the two year expiration period.

During the year ended 31 March 2022, the remaining gift voucher provision was utilised in totality, however further gift vouchers were still redeemed as a result of historical over-provisioning for unredeemptions. As such, any additional redemptions are recognised as an expense as incurred to NZPPI.

New Zealand Plant Producers Incorporated

Notes to and forming part of the Consolidated Financial Statements

For the year ended 31 March 2022

| 10. Trolley Lease Revenue in Advance | 2022 | 2021 |
|--------------------------------------|----------------|----------------|
| | \$ | \$ |
| Provision as at 1 April | 163,906 | 119,743 |
| <i>Add</i> | | |
| New leases | 142,728 | 92,711 |
| <i>Less</i> | | |
| Amortisation of leases | (67,584) | (48,548) |
| Balance as at 31 March | 239,050 | 163,906 |

11. Cash & Cash Equivalents

| | 2022 | 2021 |
|---|----------------|----------------|
| Cash at Bank | \$ | \$ |
| NZPPI Current Account | 76,902 | 232,264 |
| NEL Current Account | - | 12,233 |
| NEL E-Card Account | 109,662 | 51,441 |
| NEL GCV Redemption Fund | 100,462 | 314,434 |
| Credit Cards | 3,935 | - |
| Total Cash at Bank | 290,960 | 610,371 |
| Bank Overdrafts & Credit Cards | | |
| NEL Current Account | 66,441 | - |
| Credit Cards | - | 3,309 |
| Total Bank Overdrafts & Credit Cards | 66,441 | 3,309 |
| Total Cash and Cash Equivalents | 224,519 | 607,062 |

The group has an overdraft facility available with a maximum credit limited of \$150,000 as at 31 March 2022 (2021: \$150,000), with an interest rate of 9.75% (2021: 9.25%) on daily balances in credit.

The bank has a general security agreement over the group assets, undertakings and uncalled capital of NEL.

12. Investments

| | 2022 | 2021 |
|---|----------------|----------------|
| <i>Financial investments held as Available for Sale</i> | \$ | \$ |
| Fixed Interest Investments - current | 28,952 | 28,283 |
| Equity investments - non-current | 115,916 | 125,244 |
| Total Investments | 144,868 | 153,527 |

The fixed interest and equity investments are held as available for sale and measured at fair value determined by market value at balance date.

13. Intangible Assets

| | 2022 | 2021 |
|---------------------------------------|---------------|---------------|
| Website | \$ | \$ |
| Balance at the beginning of the year | 10,151 | - |
| Additions | 16,380 | 13,240 |
| Amortisation | (8,026) | (3,089) |
| Balance at the end of the year | 18,505 | 10,151 |

New Zealand Plant Producers Incorporated

Notes to and forming part of the Consolidated Financial Statements

For the year ended 31 March 2022

14. Property, Plant & Equipment

| | Plant Trolleys | Computer Equipment | Office Equipment | Total |
|------------------------------------|----------------|-----------------------|---------------------|----------------|
| | \$ | \$ | \$ | \$ |
| Balance as at 1 April 2020 | 317,265 | 5,733 | 1,200 | 324,198 |
| Additions | 114,226 | 2,538 | - | 116,764 |
| Depreciation | (82,688) | (3,658) | (149) | (86,495) |
| Prior period adjustment | (15,438) | - | - | (15,438) |
| Balance as at 31 March 2021 | 333,365 | 4,613 | 1,051 | 339,029 |
| Additions | 268,779 | 5,372 | - | 274,151 |
| Depreciation | (86,920) | (3,948) | (149) | (91,017) |
| Balance as at 31 March 2022 | 515,224 | 6,037 | 902 | 522,162 |

15. Reserves

| | 2022 | 2021 |
|-------------------|----------------|----------------|
| Name | \$ | \$ |
| NGIA Sector Funds | 128,008 | 143,213 |
| Research Reserve | 144,039 | 144,039 |
| Total | 272,047 | 287,252 |

All reserves are attributions of accumulated surplus and deficits and transactions are only processed through these as attributions to or from accumulated surplus and deficit.

NGIA Sector Funds

The NGIA Sector funds are historical funds collected which are held to be utilised for the benefit of each sector.

Research Reserve

The research reserve is a fund donated by Massey University for the intention of scientific research into plant production.

16. Related Party Transactions

NZPPI has a New Zealand controlled entity Nurserymens Enterprises Limited ("NEL") which it holds 100% of the shareholding and the directors are all members of the NZPPI board.

Elected board members are members of the New Zealand Plant Producers Incorporated Society. They have been elected as a representative for their sector and therefore transactions between the Board Members, the Association and the Group are in the normal course of business.

During the year ended 31 March 2022, \$13,750 was paid in Directors fees (2021: \$10,000).

17. Contingent Liabilities

The Directors are not aware of any contingent liabilities which may result in a loss to the Group (2021: nil).

18. Commitments

The group has the following non-cancellable operating lease commitments.

| | 2022 | 2021 |
|--------------|----------------|---------------|
| | \$ | \$ |
| Current | - | 25,639 |
| 1-2 years | 101,728 | - |
| 3-4 years | 25,432 | - |
| Total | 127,160 | 25,639 |

19. Subsequent Events

There have been no material events that have occurred after the reporting date (2021: nil).



NZPPI ANNUAL REPORT 2022

New Zealand Plant Producers Incorporated

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