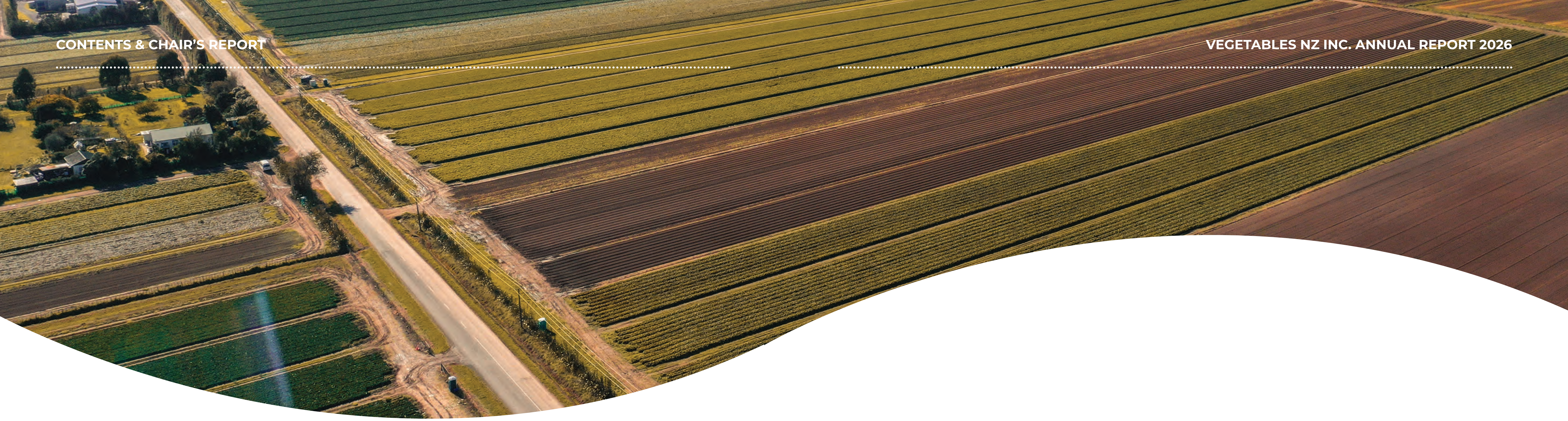
Vegetables 2026
NEW ZEALAND Inc.

YEAR ENDED 31 MARCH 2026

ANNUAL REPORT

Vegetables
NEW ZEALAND Inc



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CHAIR'S REPORT

The last year saw significant change in the way we represent our industry, with the NZ Vegetable Council (NZVeg) being formed with the goal of delivering more for our members.

VNZI Directors will continue to be elected by grower vote as they always have, before appointing representatives to the NZVeg Board. VNZI remains responsible for overseeing the levy that growers contribute and ensuring resources are directed towards advocacy, consumption growth and research that improve the environment in which growers operate.

With the establishment of the NZVeg, longstanding VNZI Chief Executive, Antony Heywood concluded his tenure in April 2026. He made a substantial contribution and always maintained the wellbeing of growers front and centre. Antony's longstanding support for a new industry setup, and his understanding and commitment to the structural change required to position the sector for the future, deserves recognition. Thank you Antony.

Following the appointment of Dame Alison Stewart (who many of you will know) as Independent Chair of NZVeg, we are excited to have Mike Brown starting as NZVeg CEO in August. Mike brings a strong primary sector background and shares our commitment to delivering for growers. Welcome Alison and Mike.

Due to our previous VNZI work, the contribution of our sector has been widely recognised, and we have built strong relationships and credibility in Wellington.

With the advent of NZVeg, we are now speaking on behalf of an industry of genuine scale and significance (an industry worth more than $1.1 billion at the farm gate makes people sit up). That gives our sector a stronger platform than ever before to advocate effectively and ensure vegetable growers are taken seriously in policy and regulatory discussions.

Forming NZVeg has required robust debate and a willingness to challenge assumptions. It has been established as a strong, independent voice for the vegetable sector, with its own priorities, leadership and work programme. It will work alongside Horticulture New Zealand (HortNZ), ensuring vegetable growers have both a dedicated voice and access to the wider benefits that HortNZ delivers across the horticulture sector.

Growers rightly expect their representatives to work together, minimise duplication and put sector outcomes ahead of organisational interests. That expectation is essential for NZVeg to deliver on its potential.

I would like to acknowledge Transition Board Chair, Kevin Wilcox for his determination in pursuing a more coordinated model for vegetable industry representation, and Transition Board Director, Simon Watson for the leadership and commitment that helped turn the concept into reality.

I would also like to acknowledge our industry partners, and specifically the work of the HortNZ team. We are determined to work constructively alongside one another for the benefit of growers.

Thank you to TomatoesNZ, Onions NZ and Potatoes NZ for your commitment to building a stronger and more coordinated vegetable sector. After an extraordinarily difficult year, I also want to acknowledge Process Vegetables NZ and its growers. We know the changes facing your sector are significant and will require a fundamental rethink of what growers need. As fellow commercial vegetable growers, we look forward to playing whatever role is valuable in supporting you.

Finally, I would like to acknowledge Summerfruit NZ, our partners through Horticulture Executive Services Ltd (HESL), and our wider horticulture sector colleagues. Together, fruit and vegetable growers continue to produce fresh, healthy food for New Zealand and beyond. We should all be proud of what we produce, and I look forward to the opportunities ahead.

Alongside this work, VNZI Board Director, Rob Lindsay has been spearheading VNZI's involvement in the Covered Cropping NZ space. The covered crops focus within this group — which has effectively brought together TomatoesNZ and the covered cropping interests previously sitting within VNZI — will allow for a much sharper focus on the needs of those growers.

It also reflects the wider direction of the industry as we work to rationalise costs, reduce duplication and avoid unnecessary layers of governance that do not deliver value back to growers.

I am also pleased to acknowledge Rob's appointment as VNZI Board Vice Chair. Rob has already demonstrated strong leadership through his work across Covered Crops NZ and wider sector collaboration, and I look forward to continuing to work alongside him as the organisation progresses.

Governance and leadership

Members will note an increase in expenditure within Governance and leadership over the last year. It is important to clarify that this is not simply a reflection of governance fees. The increase relates to the significant level of activity undertaken on behalf of growers, including work associated with the industry manifesto, NZVeg engagement, and extensive advocacy meetings with Government Ministers, officials and stakeholders.

These activities are critical to protecting the future of vegetable growing in New Zealand and ensuring growers remain represented in increasingly complex regulatory and political environments.

Ahead of this year's AGM, Warwick Simpson made the decision to stand down from the VNZI Board after many years of dedicated service. Warwick has made a significant contribution across research, governance and industry leadership, including countless hours as Vice Chair. While stepping away from some governance responsibilities, he will continue as VNZI's representative on NZGAP. Thank you, Warwick.

Over the past year, increasing geopolitical instability has created uncertainty for growers, with ongoing pressure on fuel and fertiliser costs, while a softer domestic economy has seen many households tighten spending. As a result, growers are facing pressure from both sides — higher production costs and more cautious consumer spending. We need to be sharper than ever to navigate this tricky time.

As a sector, we must continue carrying the message that fresh vegetables remain one of the most affordable and valuable food choices available to New Zealand consumers — delivering nutrition and value at a time when household budgets are under pressure.

NZVeg

Coming year

The coming year will require continued focus on advocacy, collaboration and consumer engagement. Alongside our regulatory and policy work, we will ramp up campaigns promoting the value of fresh, healthy New Zealand-grown vegetables and reinforce the importance of domestic food. Ensuring consumers understand both the affordability and importance of locally grown produce will be critical to supporting growers and maintaining confidence across the sector.

We are also expecting important progress on detail in the Resource Management Act reform, particularly the National Direction for Commercial Vegetable Production, which will be critical to providing growers with greater certainty and consistency across regional planning frameworks.

Alongside this, the sector will remain keenly focused on improving grower access to modern agri-tools through more efficient EPA and ACVM processes, while also addressing ongoing energy security and affordability concerns that continue to impact vegetable production across New Zealand.

While much of this report focuses on the future, it is equally important to recognise what VNZI has achieved. The ability to evolve our industry structure has been built on a foundation of years of work by growers, directors and staff. We are determined to protect and build upon the gains that VNZI has helped deliver for the sector.

I would particularly like to acknowledge Communications Manager, Andrew Bristol and Research and Development Manager, Daniel Sutton for their ongoing work through a period of considerable change. Their professionalism and commitment ensured programmes continued to be delivered while the industry transitioned to a new structure. I am pleased they are now part of the wider NZVeg team, alongside Dinah Cohen, Catherine James, Kazi Talaska, James Kuperus and the rest of the team.

It is also important to acknowledge the contribution of my fellow VNZI Directors Gordon McPhail, Rob Lindsay, Jay Clarke, Emma Lees, Brendan Balle, Cam Lewis and Jasmine Franklin. They have invested time advocating on behalf of growers across a wide range of issues and opportunities facing our sector, and remained focused on what was best for growers and committed to ensuring VNZI continued to deliver on its responsibilities.

We are not the biggest organisation, but we are all determined to roll up our sleeves and deliver outcomes that benefit vegetable growers.

Finally, I would like to thank the wider NZVeg staff and product groups. It is heartening to see how much you care about our industry and its future.

It is important to signal succession and continuity of leadership for the organisation. When I first took on the role as Chair of VNZI, I was clear in my own mind that the role was a six-year commitment. Since that time, we have successfully secured a new Commodity Levy Order for the sector, which came into force on 1 April 2025 and runs through until 31 March 2031.

With the levy renewal achieved, the establishment of the NZVeg underway, and the next phase of industry development approaching, I believe it is appropriate to begin planning for transition. With that in mind, I intend to step down as Chair at the AGM in 2027.

The Board remains committed to building a stronger, more efficient and more united vegetable sector. While the challenges facing growers are significant, I am confident that our industry is better organised, better connected and better positioned than it has been for many years.

I thank growers, directors and staff for their ongoing support, engagement and commitment during a demanding but important year for VNZI. I look forward to seeing even more outcomes delivered in the year ahead.

CHIEF EXECUTIVE'S REPORT

Highlights

1. THE MERGER
2. CONNECTING OUR GROWERS
3. BUSY BEEHIVE
4. INCORPORATED SOCIETY
5. FINAL MESSAGE

MERGER

The merger of Onions NZ, TomatoesNZ and Vegetables NZ started three years ago and developed into the NZ Vegetable Council (NZVeg) concept that you see today. Its purpose back then was to build a bigger entity with a bigger voice and a bigger engine, which could sustain bigger projects and partner with the big boys like the Ministry for Primary Industries. Scale does improve operational efficiency with higher levels of capability and capacity coming in house to form greater synergy between the functions.

The other activity the merger needed to deliver was better governance systems. A system based on appropriate and proportionate director contribution, not layers and layers of governance that paralyses decision making and makes it over bureaucratic for management.

CONNECTING OUR GROWERS

The primary activity of the VNZI strategy 2023-2025 was to build better connections with growers to ensure they could function in the fast-changing worlds of compliance, innovation and market access.

We did this with grower events and workshops. The largest being the Vegetables Big Day Out, followed closely by the Vegetables Research Roadshow. Both these events connected with more than 600 people, many of whom were growers from the 11 regions that were visited by the roadshow.

OTHER EVENTS WHERE VNZI INVESTED TIME AND RESOURCES WERE:

1. Energy events in Tauranga, Auckland and Waikato with GNS Science and GeoExchange
2. Energy Tour of Learning – Europe
3. LandWISE Conference
4. Primary Industries Conference
5. Horticulture New Zealand Conference
6. Hort Connections – Brisbane Australia
7. Brisbane Tour of Learning
8. Hort Innovation – Australian Grower Tour
9. Geothermal Week – NZ Geothermal Association, presenting with GNS Science
10. Bioenergy Conference
11. Adaptation International Conference – presenting the Add One More Vegetable concept and the need for National Food Strategy
12. Energy Research Conference – Auckland

Social license is built on been seen in the right places by the right people. This then translates into media attention and invitations to be industry commentators on current topics. **In this vane, VNZI punched above its weight and delivered the following media:**

1. 12 radio interviews
2. National TV – Energy
3. Regular stories in syndicated publications such as Farmers Weekly and Rural News.

This competition ran for five weeks and encouraged retailers to promote asparagus through creative and eye-catching displays. Each week, the best display won $500.

VNZI AND HORTNZ AT THE BEEHIVE

Busy Beehive

Another first was the inaugural Vegetable Industry Showcase held at Parliament in September 2025. More than 110 people attended to hear Associate Agriculture Minister, Nicola Grigg reinforce the position of vegetables in the New Zealand eco-system. VNZI Chair, John Murphy reinforced the industry challenge that the Government needed to enable the industry. This includes getting resource management policy settings right, around land, water, and other inputs like fertiliser and crop protection.

Throughout the year, the Beehive a buzz with vegetable industry advocacy, in particular Board members John Murphy, Brendan Balle and Jay Clarke, supported by Communications Manager, Andrew Bristol, and me.

The brand 'Vegetables NZ' is well respected in the corridors of power around Wellington. Our message has been simple and consistent – ensuring New Zealanders have access to fresh, healthy and affordable vegetables is of national importance.

Incorporated Society

The nuts and bolts of an Incorporated Society are the legal structures that bind its rules and responsibilities. **VNZI has three pieces of regulation that directs its rules of engagement:**

1. Incorporated Societies Act
2. Commodities Levy Act
3. Biosecurity Levy Act.

The Incorporated Societies Act was repealed under a new Act in 2022. VNZI had to re-register under the terms of the new act to ensure its constitution was fit for purpose and complied under the Act. It required the new constitution to be passed at the 2025 VNZI AGM by its members. It passed unanimously.

Final message

As I step down as CEO of Vegetables NZ, it will grow into the new merged entity of NZVeg with a new direction, strategy and leadership. It is an exciting time for the vegetable industry as it builds on the good work of the past three years, to focus on building scale and unity for the next 10 years.

As I have directed the operations of Vegetables NZ for seven years, it is now a good time to say goodbye and good luck for the next chapter of governance in the vegetable industry.

OUR BOARD

JOHN MURPHY
Chair
Grower representative
Murphy's NZ Ltd
Blenheim

WARWICK SIMPSON
Vice Chair
Grower representative
Simpson Gardens Ltd
Ruawai

BRENDAN BALLE
Grower representative
Balle Bros Growers Ltd
Pukekohe

EMMA LEES
Grower representative
A S Wilcox & Sons Limited
Pukekohe

GORDON MCPHAIL
Grower representative
LeaderBrand Produce Ltd
Gisborne

JAY CLARKE
Grower representative
Woodhaven Gardens Ltd
Levin

JASMINE FRANKLIN
Future Director
Franklin Farm
Auckland

ROB LINSDAY
Grower representative
Island Horticulture Ltd
Christchurch

ANTONY HEYWOOD
Vegetables New Zealand Inc
General Manager

Vegetables NZ Incorporated

PERFORMANCE REPORT

FOR THE YEAR ENDED 31 MARCH 2026

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NON-FINANCIAL INFORMATION:

FINANCIAL INFORMATION

Entity information

Vegetables New Zealand Incorporated
For the year ended 31 March 2026

Legal Name of Entity
Vegetables New Zealand Incorporated

Type of Entity and Legal Basis
Incorporated Society

Registration Number
2616693

Date of Incorporation
24 December 2014

Entity's Purpose
To represent the interests of all New Zealand fresh vegetable growers

Entity Structure
Incorporated Society

Entity's governance arrangements:
The entity is governed by a board comprised of up to 8 directors. The board meet 5-8 times per year.

Entity's reliance on volunteers:
The entity does not rely on volunteers.

CONTACT DETAILS

Physical Address
Level 4
Fisher Funds House
20 Ballance Street
Wellington 6011

Postal Address
PO Box 10232
Wellington 6140

Phone/Fax
Ph +64 4 472 3795

Email/Website
www.vegetablesnz.co.nz

Vegetables NEW ZEALAND Inc

Vegetables New Zealand Incorporated

Statement of Service Performance

For the year ended 31 March 2026

SERVICE PERFORMANCE

FOR THE YEAR ENDED 31 MARCH 2026

VISION AND MISSION: To create a thriving vegetable growing industry

MEDIUM TO LONG TERM OBJECTIVES:

- Provide growers with the opportunity to have a united voice, so that central and local government understand the policies and regulations that are needed to ensure growers and their communities prosper
- Resilient growers, who can adapt to and meet environmental, social, cultural, and financial challenges

OBJECTIVES	ACTIONS	2025/26 OUTCOME	2024/25 OUTCOME
Increasing the consumption of vegetables	Partner with third parties on promotional campaigns and education programmes to increase consumption	**4** seasonal promotional campaigns with 5 + A Day and one education programme with EATucation to increase consumption; **1** workshop with growers on how to increase consumption	**4** seasonal promotional campaigns with 5 + A Day and one education programme with EATucation to increase consumption
License to farm	Participate in or host initiatives and programmes that improve grower practice and demonstrate that growers follow best practice	**1** vegetable industry research roadshow to nine locations around NZ; **1** energy event for covered crop growers; **1** open day at the research farm in Pukekohe; **1** tour of learning to Queensland, Australia	**1** vegetable industry research roadshow to nine locations around NZ; **1** open day at the research farm in Pukekohe; **1** energy event for covered crop growers
Grower perspectives and actions are valued	Extension and communication between VNZI and growers are two way	**21** Mailchimp newsletters sent to growers	**19** Mailchimp newsletters sent to growers
Leadership through good governance and strategic leadership	Increase understanding of the fresh vegetable sector among stakeholders	**1** open day at the research farm in Pukekohe; **2** select committee appearances; **1** stakeholder event at Parliament	**1** open day at the research farm in Pukekohe; **2** select committee appearances
Growers are seen as trusted employers and can access labour	Partner with HortNZ to proactively influence employment policy, including the RSE scheme	**3** Supported HortNZ labour submissions	**4** Supported HortNZ labour submissions

The comparative 2024/25 period is unaudited as this is the first year of VNZI adopting Tier 3 reporting standard.

This statement should be read in conjunction with the attached Compilation Report and Audit Report.

Vegetables New Zealand Incorporated

Statement of Financial Performance

For the year ended 31 March 2026

	Note	2026	2025
REVENUE		$	$
Levy Income	1	1,810,074	1,671,403
Interest	2	74,489	103,689
General Grants		38,413	40,000
Other income	3	308,351	197,675
Total Revenue		**2,231,327**	**2,012,767**
EXPENSES			
Expenses related to employees and contractors		775,133	788,554
Expenses related to service delivery		895,924	942,736
Other expenses		418,832	377,575
Total Expenses	4	**2,089,889**	**2,108,865**
Surplus/(Deficit) for the Year Before Tax		**141,437**	**(96,099)**
Tax Expense	5	34,517	34,461
Surplus/(Deficit) for the Year After Tax		**106,920**	**(130,560)**

This statement should be read in conjunction with the attached Compilation Report and Audit Report.

Vegetables New Zealand Incorporated

Statement of Financial Position

For the year ended 31 March 2026

	Note	2026	2025
ASSETS		$	$
Current Assets			
Bank accounts	6	702,502	842,717
Debtors and prepayments	7	195,312	240,716
Investments	8	1,669,744	1,413,145
Tax Receivable	5	-	280
GST Receivable		-	423
Total Current Assets		**2,567,557**	**2,497,281**
Non-Current Assets			
Property, Plant and Equipment	9	-	5,531
Investments in Associates	10	-	17,096
Total Non-Current Assets		**-**	**22,627**
Total Assets		**2,567,557**	**2,519,907**
LIABILITIES			
Current Liabilities			
Creditors and accrued expenses	11	286,408	301,709
Revenue in advance			77,566
GST Payable		18,983	-
Current tax payable	5	14,615	-
Total Current Liabilities		**320,005**	**379,275**
Total Assets less Total Liabilities (Net Assets)		**2,247,552**	**2,140,631**
Accumulated Funds			
Accumulated Funds	13	1,773,933	1,841,330
Discretionary Reserve	14	473,620	299,301
Total Accumulated Funds		**2,247,552**	**2,140,631**

JOHN MURPHY
Chair
26 August 2026

ROBERT LINDSAY
Deputy Chair
26 August 2026

This statement should be read in conjunction with the attached Compilation Report and Audit Report.

Vegetables New Zealand Incorporated

Statement of Cash Flows

For the year ended 31 March 2026

	Actual 2026	Actual 2025
	$	$
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts:		
Levy Income	1,855,478	1,662,553
General Grants	38,413	40,000
Other Income	230,784	33,771
Interest	74,488	103,689
Cash payments:		
Payments to suppliers	1,515,608	1,394,959
Payment to employees	572,486	609,436
Tax payments	216	68,794
Net Cash Flows from Operating Activities	**110,853**	**(233,176)**
CASH FLOWS FROM OTHER ACTIVITIES		
Cash receipts:		
Decrease in Investments	-	1,804,177
Cash payments:		
Increase in Investments	256,599	1,813,145
Purchase of Property, Plant and Equipment	(5,531)	1,373
Net Cash Flows from Other Activities	**(251,068)**	**(10,341)**
Net Increase/(Decrease) in Cash	**(140,215)**	**(243,517)**
Opening Cash	842,717	1,086,234
Closing Cash	702,502	842,717
This is represented by:		
Bank Accounts and Cash	**702,502**	**842,717**

This statement should be read in conjunction with the attached Compilation Report and Audit Report.

Vegetables New Zealand Incorporated

Statement of Accounting Policies

For the year ended 31 March 2026

Basis of Preparation

Vegetables New Zealand Incorporated is an Incorporated Society and as such this performance report is prepared in accordance with the XRB's Tier 3 (NFP) Standard. The entity is eligible to apply these requirements as it does not have public accountability and has total annual expenses of less than $5,000,000. All transactions in the performance report are reported using the accrual basis of accounting. This performance report is prepared under the assumption that the entity is a going concern and will continue to operate for the foreseeable future.

All figures are presented in NZD and rounded to the nearest dollar.

Goods and Services Tax (GST)

Vegetables New Zealand Inc is registered for GST. All amounts are recorded exclusive of GST, except for Debtors and Creditors which are stated inclusive of GST.

Income Tax

Income tax is accounted for using the taxes payable method. The income tax expense in profit or loss represents the estimated current obligation payable to Inland Revenue. Taxation expense is accrued in the period to which the obligation arose. Tax is calculated in accordance with IRD rates.

Bank Accounts and Cash

Bank accounts and cash in the Statement of Cash Flows comprise cash balances and bank balances (including short term deposits) with original maturities of 90 days or less.

Contract Revenue

Vegetables New Zealand Inc has a memorandum of understanding with Horticulture New Zealand Inc to provide services of benefit to vegetable growers in New Zealand. Funding is provided to Vegetables New Zealand Inc under the memorandum on the basis of being income in advance until the funds have been spent in accordance with the Vegetables New Zealand budget.

Levy Revenue

Levies are revenue and accounted for on an accrual basis. Revenue is recognised for produce sold in the year to 31 March for which a growers levy declaration has been received by the society.

Interest Revenue

Interest income is recognised as it is earned and accrued using the effective interest method.

Research and Development Grant Revenue

Research and development grants are recognised in accordance with the funding agreement. Where funding is provided with conditions then income is only recognised when the conditions attached have been fulfilled with the unspent portion being recognised as income in advance. Funding is recognised as income when received if there are no refundable conditions attached.

Other Income

Other income consist of revenue from stakeholder management and communication services revenue as well as gifts and other minor donated assets.

Debtors

Debtors are stated at estimated realisable value. Bad debts are written off during the period in which they are identified.

Creditors and Accrued Expenditure

Creditors and accrued expenditure includes amounts owing to suppliers and employees. Expenditure is accrued at the amount invoiced.

Term Deposit Investments

The entity holds term deposit investment. Term deposits are measured at cost plus accrued interest. Term deposits maturing within 90 days of acquisition are classified as cash and cash equivalents.

Term deposits maturing within 12 months (but beyond 90 days) are classified as current investments, while those maturing after 12 months are classified as non-current investments.

Investment in Associates

Investments in associate are accounted for in accordance with the equity method. The investment in an associate is initially recognised at cost and the carrying amount in the financial statement is increased or decreased to recognise the share of the surplus or deficit of the associate as at balance date.

The Society's share of the associate surplus or deficits is recognised in the profit and loss statement. In the year end accounts, the most recent available financial statements of the associate are used by the entity in applying the equity method. When the end of the reporting period of the entity is different from that of the associate the entity obtains, for the purpose of applying the equity method, additional financial information as of the same date as the financial statements of the entity.

Distribution received from the associate reduce the carrying amount of the investment.

Vegetables New Zealand Incorporated has opted up to Tier 2 standards for this policy.

Changes in Accounting Policies

During the financial year ended 31 March 2026, Vegetables New Zealand Incorporated (VNZI) transitioned from preparing Special Purpose Financial Statements (SPFS) to the new Tier 3 (Not-For-Profit) Standard issued by the New Zealand Accounting Standards Board.

The transition did not result in any significant changes to the recognition or measurement of financial information. However, the main impacts of adopting the Tier 3 (NFP) Standard were:

Statement of Financial Performance and Statement of Cash Flows: Certain line items have been reclassified or renamed to align with the revised categories specified under the Tier 3 Standard. These changes are presentational in nature and do not affect the reported financial position of the entity.

Statement of Service Performance: This is the first year the entity has prepared a Statement of Service Performance in accordance with the applicable Tier 3 reporting standard. Accordingly, service performance information has been presented using the format and terminology prescribed by the standard.

These changes have been made to enhance the comparability and understandability of our financial and performance reporting and to ensure compliance with applicable reporting standards.

Vegetables New Zealand Incorporated

Notes to the Performance Report

For the year ended 31 March 2026

Note 1: Levy Income	$ This Year	$ Last Year
Levy Income collected thoughout the year	1,555,074	1,437,166
Biosecurity Levy Income collected thoughout the year	255,000	234.237
	1,810,074	1,671,403

Note 2: Interest	$ This Year	$ Last Year
BNZ	74,489	103,689

Interest is earned on deposits held with BNZ.

Note 3: Other Income	$ This Year	$ Last Year
Stakeholder management, communication services	196,585	165,218
Event revenue, donations, sponsorship	111,765	32,457
	308,351	197,675

Note 4: Expenses	$ This Year	$ Last Year
Expenses related to employees and contractors		
Employee remuneration	572,486	609,436
Contractor remuneration	33,749	66,069
Director remuneration	168,898	113,048
	775,133	788,554
Expenses related to service delivery		
Promotions	215,768	112,063
Meetings & Travel	207,393	97,183
Consultants	243,235	180,607
Biosecurity	80,683	119,358
Research & Development	148,846	433,526
	895,924	942,736
Other expenses		
Audit and Accounting	38,592	46,055
Other operating costs	380,241	331,520
	418,832	377,575
Total Expenses	2,089,889	2,108,865

Note 5: Tax Receivable	$ This Year	$ Last Year
Taxable Income	123,275	102,684
Tax is payable at 28%	34,517	28,752
Plus Prior tax adjustment	-	5,709
FY26 income tax expense	**34,517**	**34,461**
less Prior tax adjustment	-	(5,709)
less RWT	(19,902)	(29,031)
Taxation payable/(refund)	**14,615**	**(280)**

Note 6: Bank Accounts and Cash	$ This Year	$ Last Year
BNZ Current Account	432,999	257,555
BNZ Autocall	269,502	585,161
	702,502	842,717

Note 7: Debtors and Prepayments	$ This Year	$ Last Year
Trade Debtors	22,230	64,261
Other receivables	157,582	159,463
Prepayments	15,500	16,992
	195,312	240,716

Note 8: Investments	$ This Year	$ Last Year
Current Investments		
BNZ Term Deposit - 180 days - maturing June 2026	500,000	500,000
BNZ Term Deposit - 210 days - maturing June 2026	400,000	400,000
BNZ Term Deposit - 365 days - maturing Oct 2026	300,000	300,000
BNZ Term Deposit - 365 days - maturing September 2026	219,744	213,145
BNZ Term Deposit - 365 days - maturing April 2026	250,000	-
Total Current Investments	1,669,744	1,413,145
Non-current Investments		
Total non-current Investments		

Interest is earned at 3.45% - 3.60% per annum on Term Deposits.

Note 9: Property, Plant and Equipment

	CURRENT YEAR					
Asset Class	Opening Carrying Amount	Purchases	(Disposals)	Depreciation and Impairment	Gain/(Loss) on sale	Closing Carrying Amount
Computers	5,531	0	(1,500)	(3,216)	(815)	0

	LAST YEAR					
Asset Class	Opening Carrying Amount	Purchases	(Disposals)	Depreciation and Impairment	Gain/(Loss) on sale	Closing Carrying Amount
Computers	8,706	1,373	0	(4,548)	0	5,531

Note 10: Investments in Associates

	$ This Year	$ Last Year
Investments in Associate	17,096	21,575
Share of Profit/(Loss) in Associate	(17,096)	(4,479)
	-	17,096

On 3 April 2023, Vegetables New Zealand Incorporated (VNZI) invested $30,000 in Horticulture Executive Service Limited (HESL), a management service company formed to provide specialist services to product groups. On 1 April 2026, HESL changed it name to New Zealand Vegetable Council Limited (NZVCL). VNZI are entitled to 25% of the profit and loss of NZVCL.

Note 11: Creditor and Accrued Expenses

	$ This Year	$ Last Year
Trade Creditors	121,007	263,797
Accrued expenses	134,917	35,761
Exployee entitlements	30,483	2,150
	286,408	301,709

Note 12: Related Party Transactions

	Value of Transaction		Amount owing from/ (to) related party	
Description of related party relationship	$ This Year	$ Last Year	$ This Year	$ Last Year
Horticulture Executive Services Limited	(11,389)	14,415	(10,720)	8,858
Directors (non-levy payments) and Other Key Personnel	363,897	308,048	0	19,408

Directors of Vegetables New Zealand Incorporated (VNZI), who are vegetable growers, pay levies to VNZI through the entities they are associated with.

Horticulture Executive Services Limitied (HESL) is considered a related party because VNZI holds a 25% ownership in HESL and is able to exercise significant influence over HESL.

Note 13: Accumulated Funds

	$ This Year	$ Last Year
Opening Balance	1,841,330	2,086,769
Surplus/(Deficit)	106,920	(130,560)
Net Biosecurity income throughout the year	(174,318)	(114,879)
	1,773,933	1,841,330

Note 14: Discretionary Reserve

	$ This Year	$ Last Year
Biosecurity Reserve Opening Balance	299,301	184,421
Biosecurity levy income collected thoughout the year	255,000	234,237
Biosecurity expenses paid thoughout the year	(80,683)	(119,358)
	473,620	299,301

The Biosecurity Reserve represents levy funds designated by the Board to meet the costs of biosecurity readiness and response activities under the Government Industry Agreement (GIA). Levy income received during the year is transferred to the reserve and expenditure incurred on approved biosecurity activities is charged against the reserve.

The reserve is an internal designation of accumulated funds established by the Board to ensure sufficient funding is available to meet future biosecurity obligations. The Board reviews the reserve annually and may amend the designation as required.

Note 15: Commitments and Contingencies

Commitments

1. Vegetables New Zealand Inc. entered into a seven-year subcontract agreement in May 2020 for the A Lighter Touch Sustainable Food and Fibre Futures project, committing to contribute a total of $653,179 over the term of the agreement. As at 31 March 2026, VNZI had contributed $622,642 (2025: $457,985), leaving a remaining commitment of $30,537.
2. Vegetables New Zealand Inc. entered into a technical services agreement for the Integrated Pest Management (IPM) Programmes, committing to spend a total of $237,356. As at 31 March 2026, VNZI had spent $201,689 (2025: $152,776), leaving a remaining commitment of $35,667.
3. Vegetables New Zealand Inc. entered into a technical services agreement for the Biotremology Project, committing to spend a total of $20,000. As at 31 March 2026, VNZI had spent $20,000 (2025: $10,000), leaving a remaining commitment of $nil.

	Current Year	Last Year
Within one year	66,204	223,570
Beyond one year	-	66,204
	66,204	289,774

Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at balance date (Last Year - nil).

Note 16: Events after Balance Sheet Date

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation (Last Year - NIL).

INDEPENDENT AUDITOR'S REPORT

To the Members of Vegetables New Zealand Incorporated

Opinion

We have audited the accompanying Performance Report of Vegetables New Zealand Incorporated on pages 15 to 25, which comprises the Entity Information, the Statement of Service Performance, the Statement of Financial Performance and Statement of Cash Flows for the year ended 31 March 2026, the Statement of Financial Position as at 31 March 2026, a Statement of Accounting Policies and Notes to the Performance Report including material accounting policy information and other explanatory information.

In our opinion, the accompanying Performance Report presents fairly, in all material respects:

- the entity information for the year ended 31 March 2026;
- the service performance for the year ended 31 March 2026, in that the service performance information is appropriate and meaningful and prepared in accordance with the entity's measurement bases or evaluation methods;
- the financial position of Vegetables New Zealand Incorporated as at 31 March 2026, and its financial performance, and cash flows for the year then ended,

in accordance with the Tier 3 (NFP) Standard issued by the New Zealand Accounting Standards Board of the External Reporting Board (XRB).

Basis for Opinion

We conducted our audit of the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows, Statement of Accounting Policies and Notes to the Performance Report in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)), and the audit of the Entity Information and Statement of Service Performance in accordance with New Zealand Auditing Standard 1 (Revised) 'The Audit of Service Performance Information' (NZ AS1 (Revised)). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Performance Report section of our report. We are independent of Vegetables New Zealand Incorporated 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, Vegetables New Zealand Incorporated.

Other Information

The Board are responsible for the other information. The other information comprises the Chair's report, Chief Executive's report, our board, and budget, but does not include the financial statements and our auditor's report thereon.

Our opinion on the performance report 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 performance report, 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, 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.

Other Matter

The performance report of Vegetables New Zealand Incorporated for the year ended 31 March 2025, were audited by another auditor who expressed an unmodified opinion on those statements on 15 July 2025.

PKF Kendons Audit Limited, PO Box 31 045, Lower Hutt, Wellington 5010, New Zealand **T:** +64 4 566 4399 **www.pkfkendons.co.nz**

Board' Responsibility for the Financial Statements

The Board are responsible on behalf of the entity for:

a) the selection of elements/aspects of service performance, performance measures and/or descriptions and measurement bases or evaluation methods that present service performance information that is appropriate and meaningful in accordance with the Tier 3 (NFP) Standard;

b) the preparation and fair presentation of the Performance Report which comprises:
- the Entity Information;
- the Statement of Service Performance; and
- the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows, Statement of Accounting Policies and Notes to the Performance Report in accordance with the Tier 3 (NFP) Standard, and

c) for such internal control as the Board determine is necessary to enable the preparation of a Performance Report that is free from material misstatement, whether due to fraud or error.

In preparing the Performance Report, the Board are responsible on behalf of the entity for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intend to liquidate the entity or to cease operations, or have 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 Performance Report is 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 ISAs and NZ AS1 (Revised) 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 this Performance Report.

As part of an audit in accordance with ISAs (NZ) and NZ AS1 (Revised), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Performance Report, 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 entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Obtain an understanding of the process applied by the entity to select its elements/aspects of service performance, performance measures and/or descriptions and the measurement bases or evaluation methods.
- Evaluate whether the selection of elements/aspects of service performance, performance measures and/or descriptions and measurement bases or evaluation methods present an appropriate and meaningful assessment of the entity's service performance in accordance with the applicable financial reporting framework.
- Evaluate whether the service performance information is prepared in accordance with the entity's measurement bases or evaluation methods, in accordance with the applicable financial reporting framework.
- 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 entity'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 Performance Report 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 entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Performance Report, including the disclosures, and whether the Performance Report represents the underlying transactions and events in a manner that achieves fair presentation.

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.

PKF Kendons Audit

Restriction on Responsibility

This report is made solely to the Members, as a body, in accordance with specify source of audit duty, e.g. constitution of Vegetables New Zealand Incorporated. Our audit work has been undertaken so that we might state to the Members those matters 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 Members as a body, for our audit work, for this report, or for the opinions we have formed.

PKF Kendons

PKF Kendons Audit Limited
Lower Hutt
26th August 2026

BUDGET 2026-2027

DESCRIPTION	2026–2027
INCOME	**INCOME $**
Levy Income (Domestic - Export - Biosecurity)	1,671,000
Sundry	20,000
Interest	110,000
TOTAL INCOME	**$1,801,000**
EXPENSES	**EXPENSES $**
INDUSTRY LEADERSHIP	
Salaries (on charge NZVeg)	620,000
VICE contribution	50,000
Contractors	50,000
District Association Grants	20,000
Conference Costs	10,000
Travel costs	30,000
GOVERNANCE	
VNZI Chair	60,000
VNZI Directors Fees	25,000
VNZI Board Costs (catering, room hire etc.)	7,000
VNZI Board Travel Costs	15,000
International Travel	5,000
NZVeg Governance Costs	39,500
Total Industry Leadership	**931,500**
ADMIN/OPERATIONS	
NZVeg Operating Expenses	109,000
VNZI Insurance	10,000
General Expenses	10,000
Audit	15,000
Accounting	25,000
Grower Hub Fee	15,000
Total Admin Costs	**184,000**

DESCRIPTION	2026-2027
EXPENSES	**EXPENSES $**
GOVERNMENT RELATIONS AND ADVOCACY	
Memberships	5,579
Legal Fees	20,000
Comms Manager Travel	4,000
Grower Sentiment Survey	50,000
Government Relations and Advocacy	37,000
NZVeg Website and collateral	8,500
Total Government Relations	**125,079**
RESEARCH & DEVELOPMENT	
PEST AND DISEASE	
IPM Resources	37,000
ALT - General Funding	10,000
ALT - Demo Farm	10,000
ALT - Biodiversity Project	61,309
ALT - Spinach Crown Mite	5,100
ALT - Black Crickets	92,341
DBM Colony	7,000
Biotremology	5,000
Fall Army Worm SFFF	30,000
FAR Integrated Weeds Management	35,000
Covered Crops - R&D	150,000
Total Pest and Disease	**442,750**
ENVIRONMENTAL/ SOCIAL LICENCE TO OPERATE	
VRI - Crop Stacking Project	25,000
VRI - SVS	
Total Environmental	**25,000**
EXTENSION	
Research Expenses	20,000
R&D Workshops	
Travel	4,000
International Travel	12,000
Total Extension	**36,000**
TOTAL RESEARCH & DEVELOPMENT	**503,750**

DESCRIPTION	2026-2027
EXPENSES	**EXPENSES $**
TRADE AND BIOSECURITY	
GIA membership	20,000
Readiness Projects	40,000
Biosecurity Expenses	3,000
Travel and Biosecurity Travel	2,000
Biosecurity Responses	25,000
Total Trade and Biosecurity	**90,000**
PROMOTIONS AND COMMS	
Eatucation	75,000
Domestic market Information	30,000
Add one more vegetable	100,000
Website	3,000
Social Media	40,000
NZ Grower Magazine	22,000
United Fresh - Seasonal Promotions	80,000
Total Promotions and Comms	**350,000**
TOTAL EXPENSES	**2,184,329**
PROFIT/LOSS	**-383,329**

NOTES

What Vegetables NZ stands for

INNOVATION
adaptive growing systems to build resilience

MANAGING OUR ENVIRONMENTAL IMPACT
trust in New Zealand Good Agricultural Practice (NZGAP) schemes to manage environmental effects

OUR LABOUR
a viable New Zealand labour force with a top-up of Recognised Seasonal Employer (RSE) workers for key times

OUR INPUTS
inputs that count – land, water and nutrients

FOOD SECURITY
access to healthy food at a reasonable price

Vegetables NEW ZEALAND Inc