



New Zealand
PORK

REPORT OF THE BOARD 2010

The New Zealand Pork Industry Board is a producer-funded organisation.

The Board has continued in its endeavours to help producers make more profit from pork. Through partnering industry partners it has delivered governance, marketing, research, development, extension and policy services focused at growing demand for New Zealand pork products, increasing on farm productivity, improving value chain effectiveness, securing industry sustainability and developing industry capability and profile.

FINANCIAL HIGHLIGHTS FOR THE YEAR

Results

The Board made a deficit of \$157,028 due to the unbudgeted costs for PRRS related activities and the animal welfare code review. Additionally \$173,533 was collected to replenish the PMWS Reserve Fund. This resulted in a net operating surplus for the year of \$16,505.

A one off accounting adjustment of \$26,658, following the Government's decision to remove depreciation on buildings for tax purposes, increased the movement in deferred tax to \$33,075 which resulted in the Board deficit of \$16,570.

This contributed to the Group consolidated net operating deficit for the year of \$82.

NET WORTH

Equity of the Group as at 30 September 2010 amounted to \$4,702,750 which remained unchanged over the value of equity \$4,702,832 as at 30 September 2009.

Total assets of the Group increased by 2.1% to \$5,314,205 (2009 \$5,205,118).

STATEMENTS OF COMPREHENSIVE INCOME

For the Year Ended 30 September 2010

	GROUP		BOARD	
	\$ 2010	\$ 2009	\$ 2010	\$ 2009
Continuing Operations				
Revenue:				
Levy	2,915,329	2,907,585	2,915,329	2,907,585
Levy Reserve	173,533	397	173,533	397
Total Revenue	3,088,862	2,907,982	3,088,862	2,907,982
Expenses	3,383,664	3,177,821	3,364,671	3,173,404
OPERATING DEFICIT	(294,802)	(269,839)	(275,809)	(265,422)
Other Income	159,389	75,902	159,389	72,925
Interest Received (1)	175,207	235,977	132,925	179,936
NET SURPLUS/(DEFICIT) BEFORE TAXATION FROM CONTINUING OPERATIONS	39,794	42,040	16,505	(12,561)
Taxation	(39,876)	(13,564)	(33,075)	2,816
NET SURPLUS/(DEFICIT) AFTER TAXATION FROM CONTINUING OPERATIONS	(82)	28,476	(16,570)	(9,745)
Other Comprehensive Income	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	(82)	28,476	(16,570)	(9,745)

(1) Interest received for the Group term investments is currently used for operational activities, which contributes albeit in a small way, to reducing the levy. The investments are managed by the Finance, Audit and Risk committee which meets every two months, along with assessing each investment at time of maturity.

Funds are currently only invested as term deposits with the major banks due to ongoing finance market volatility and are covered by the Government deposit guarantee scheme.

STATEMENTS OF FINANCIAL POSITION

As at 30 September 2010

	GROUP		BOARD	
	\$ 2010	\$ 2009	\$ 2010	\$ 2009
NON-CURRENT ASSETS				
Property, Plant & Equipment	1,110,412	1,152,839	1,110,412	1,152,839
Investments	5,160	505,160	5,160	505,160
Investment in Subsidiary	-	-	676,777	676,777
Loan to Genetic Solutions	-	15,000	-	-
Trademarks	28,019	28,019	28,019	28,019
Total Non-Current Assets	1,143,591	1,701,018	1,820,368	2,362,795
CURRENT ASSETS				
Cash and Cash Equivalents	74,464	90,545	9,198	11,836
Trade & Other Receivables	411,807	523,744	401,043	464,854
Prepayments	34,141	27,648	34,141	27,648
Tax Receivable	64	128	64	128
Investments	3,650,138	2,862,035	2,850,138	2,162,035
Total Current Assets	4,170,614	3,504,100	3,294,584	2,666,501
TOTAL ASSETS	5,314,205	5,205,118	5,114,952	5,029,296
EQUITY				
Accumulated Funds	1,325,350	1,498,965	1,064,259	1,254,362
Reserves	3,377,400	3,203,867	3,377,400	3,203,867
TOTAL EQUITY	4,702,750	4,702,832	4,441,659	4,458,229
CURRENT LIABILITIES				
Trade & Other Payables	321,340	276,093	317,373	272,268
Employee Entitlements	57,041	32,995	57,041	32,995
Total Current Liabilities	378,381	309,088	374,414	305,263
NON CURRENT LIABILITIES				
Deferred tax	233,074	193,198	298,879	265,804
Total Non Current Liabilities	233,074	193,198	298,879	265,804
TOTAL LIABILITIES	611,455	502,286	673,293	571,067
TOTAL LIABILITIES & EQUITY	5,314,205	5,205,118	5,114,952	5,029,296

OPERATING EXPENSES

	GROUP		BOARD	
	\$ 2010	\$ 2009	\$ 2010	\$ 2009
Business Administration	501,242	507,420	485,127	506,434
Animal Welfare Code Review	174,041	93,221	174,041	93,221
PRRS	113,781	161,356	113,781	161,356
Advertising/Promotions	1,025,220	908,464	1,025,220	908,464
Salaries and Other Remuneration	666,775	635,997	666,775	635,997
Directors' Remuneration	170,000	165,000	170,000	165,000
Research/Grants/Technology Transfer	624,261	600,320	624,261	600,320
Depreciation	64,625	61,966	64,625	61,966
Audit Fees (2)	14,053	14,496	11,175	11,065
Rental Expenses on Operating Leases	29,666	29,581	29,666	29,581
Total Operating Expenses	3,383,664	3,177,821	3,364,671	3,173,404

(2) Payment to NZ Pork's auditors WHK was \$14,053 being \$12,890 accrual for 2009/2010 audit (\$9,900 NZ Pork and \$2,990 PIB Breeding Limited) and \$1,163 for the balance of 2009/2010 audit for the Group.

An additional \$3,978 was paid to WHK for consultancy for 2009/2010 tax return which is included in the Business Administration total.

INVESTMENTS

	Interest Rates %	GROUP		BOARD	
		\$ 2010	\$ 2009	\$ 2010	\$ 2009
a) Short Term (< 12 months to maturity)					
BNZ Treasury Call	2.8	550,138	262,035	550,138	262,035
Bank of New Zealand Deposit	5.15	600,000	600,000	200,000	100,000
National Bank Deposit	5.15 - 8.85	1,000,000	800,000	800,000	800,000
Westpac Bank Deposit	4.5 - 5.2	900,000	700,000	800,000	500,000
Kiwi Bank	5.15	600,000	500,000	500,000	500,000
		3,650,138	2,862,035	2,850,138	2,162,035
b) Long Term (> 12 months to maturity)					
Westpac Bank	4.50	-	400,000	-	400,000
National Bank Deposit	8.95	-	100,000	-	100,000
Shares in NZ SPARCS		5,160	5,160	5,160	5,160
		5,160	505,160	5,160	505,160

The above information has been extracted from the 2010 audited accounts of NZPork (including subsidiary) which has been audited by WHK. A full set of accounts as part of the 2010 Annual Report is available upon request from NZPork or downloaded from our website (www.nzpork.co.nz).