



AGRECOVERY
Rural Recycling Programme



Annual Report 2010/2011

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Agrecovery Foundation
c/o The New Zealand Agrichemical
Education Trust
PO Box 10232, Wellington
Tel: 04 472 3795



Paper contains recovered materials

Welcome!

Agrecovery Foundation was established in 2005 to promote the aims of product stewardship and environmentally sound waste management practices in the primary sector, to the benefit and advantage of all New Zealanders. This is to be achieved through the development of model product stewardship policies, programmes and legislation for the recovery and recycling of agricultural plastics and unwanted agrichemicals.

The first programme was launched in 2007 - we've come a long way in a little over four years!

Today Agrecovery provides farmers and growers with nationwide product stewardship programmes for agrichemical container recycling and the collection of their associated unwanted agrichemicals, as well as programmes for silage wrap and crop protection net recycling, all supported by a growing number of brand owners and primary industry stakeholders. The Foundation remains committed in their support of these product stewardship programmes.

This report outlines the growth and development of the Agrecovery programmes from 1 April 2010 to 30 June 2011. We value your continued support as the programmes grow into the future.

Thank you.

Please note this report covers a 15 month period to allow for a change to a July to June financial year from 2011/12 onward.

Agrecovery Foundation Trustees

Graeme Peters

representing Agcarm (Agricultural Chemical and Animal Remedies Manufacturers' Association)

Agrecovery Foundation Chairman

Mary-Anne Baker

representing Environment Waikato on behalf of local government

Phil York

representing Federated Farmers

Andy Goodwin

representing Fonterra Cooperative Group Ltd

John Allen

representing Horticulture New Zealand

Chairman's Report



On 1 April 2011, Agrecovery commenced its fifth year of operation, a noteworthy milestone which brand owners and associates should celebrate.

A few months later the Agrecovery's governance board, the Agrecovery Foundation, passed its sixth birthday.

During Agrecovery's formative days, few could have predicted that it would blossom rapidly into the successful and respected recycler and disposer of agricultural waste that it is today.

The early aims of the Foundation were focussed initially on one-to-60 litre plastic containers, but Agrecovery is now the umbrella for a suite of solutions - chemical recovery, bale wrap, crop protection netting, and, most recently, large drums.

There are other opportunities ahead. There are also challenges, both financial and competitive, and it's therefore appropriate that the Foundation take stock and reassess its strategic goals so that Agrecovery will continue to do what it was set up for; give farmers, growers, and contractors a transparent, audited, and trusted method of getting waste off their properties.

A period of self-analysis is also important for Agrecovery's 57 brand owners so that they stay loyal to New Zealand's premier rural recycling scheme. Without their valued support, Agrecovery would not exist.

The Foundation will report more on its review in the coming year, but in the meantime trustees are focussed on Agrecovery continuing to increase the amount of waste recovered at the minimum cost to brand owners.

Regarding costs, it's pleasing to note that the Agrecovery levy was reduced from 13 cents per litre to 12 cents per litre on 1 April 2010.

Looking forward, Agrecovery is applying for product priority status for agrichemicals and their associated containers under the Waste Minimisation Act. This will put schemes which recycle farm waste on a level playing field through consistent rules and processes. We would expect this to include a mandated requirement for independent inspection of triple rinsed empty containers.

It's important to remark on and thank key people: my predecessor, Lew Metcalfe, the last remaining founding trustee who chaired Agrecovery from May 2008 to November 2010; the team at Agrecovery programme manager 3R Group, which operate a very professional operation from its modest base in Hastings; trustees Phil York, John Allen, Mary-Anne Baker, and Andy Goodwin; and the team at Horticulture New Zealand who provide administrative support.

Finally and most importantly, thanks to the farmers and growers who recycle products through Agrecovery and the 58 companies which write the cheques that fund Agrecovery. You Beauty!

A handwritten signature in black ink, appearing to read 'Graeme Peters', with a long, sweeping flourish extending upwards and to the right.

Graeme Peters
Chairman, Agrecovery Foundation

Congratulations



I would like to congratulate the Agrecovery Foundation for yet another successful year. Agrecovery is providing a valuable service to growers and farmers who previously had limited options for their end of life horticultural and agricultural waste.

Under the Waste Minimisation Act 2008, as Minister for the Environment, I have the ability to accredit product stewardship schemes that meet the criteria of reducing waste or reduce environmental harm. I was pleased to accredit the Agrecovery Rural Recycling Programme as a product stewardship scheme in October 2010. It is great to see industry voluntarily collaborating to mitigate a rural waste issue.

Product stewardship brings not only environmental benefits but also demonstrates corporate and social responsibility. Schemes like this are an excellent way of getting all parties involved in the lifecycle of a product including being accountable for its end of life environmental impact.

For participating businesses, product stewardship can have competitive advantages internationally. The Agrecovery programme helps many brand owners meet their own and international standards for environmental responsibility, and agricultural best practice.

It is encouraging to see Agrecovery's day to day business meeting the goals of the revised New Zealand Waste Strategy 2010. The two goals of the strategy are:

- Reducing the harmful effects of waste
- Improving the efficiency of resource use.

These goals provide direction to local government, businesses, and communities on where to focus their efforts in order to deliver environmental, social and economic benefits to all New Zealanders.

I would like to thank brand owners, councils and those members of the rural sector who are participating in the Agrecovery programme in one way or another. You have all made a conscious decision to act responsibly, ensuring a recycling option is available and viable for rural waste. I wish you all the best for another successful year.

Hon Dr Nick Smith
Minister for the Environment

Emerging Wastes



The journey to the establishment of Agrecovery came through a process of stakeholders working on solutions for the recovery and recycling of agricultural plastics and unwanted agrichemicals.

The founding trustees had foresight to realise that whilst the programme would start with chemicals and their associated containers, the journey would not end there. So, programmes for films and crop net were added.

Farmers and growers, and responsible manufacturers, are continually asking us to consider what to do about a variety of agricultural and horticultural wastes. Some have been problematic for many years; now the solutions for them are emerging out of our current work.

So what are examples of emerging wastes? Irrigation tubing, reflective mulch, oil containers and CCA treated posts are just a few.

Oil containers, whilst typically made from the same plastic as agrichemical containers, cannot go down the same recycling path. They need an appropriate end use which can tolerate the contamination of residual oil film and Agrecovery is currently working with a New Zealand manufacturer who can use recovered oil containers in their production process.

A pilot for oil container recycling is underway and lessons learnt will help shape any future recovery programme.

The use and disposal of CCA treated posts are an increasing challenge, particularly for the viticulture industry. Sustainable Winegrowers New Zealand, representing around 95% of the crop, are very supportive of finding a solution given the environmental issues increasingly raised by various groups. The organic sector especially is coming under pressure to use growing systems that do not use treated posts.

At the moment Agrecovery is working with stakeholders across the life cycle of the post to tease out the key issues and create a programme to address these. There will not be a quick answer to this waste stream.

The spotlight is on farmers and growers to avoid burning or burial of these emerging wastes, and Agrecovery has been asked to find sustainable solutions for diversion. Each programme or initiative has to be financially self supporting.

Beyond avoiding waste in the first place, there needs to be a “home” for products at the end of their life so that they continue to be a resource, not a waste; a key principle of product stewardship and Agrecovery.

A handwritten signature in black ink, appearing to read 'Graeme Norton', with a stylized flourish at the end.



Graeme Norton
Executive Director
3R Group Ltd

Programme Manager's Report

In the programme's first annual report we talked about farmers and growers looking for solutions beyond containers, including silage wrap, large drum recovery and the chemicals themselves. As programme managers, and in partnership with the Agrecovery Foundation, we have shaped a work programme to develop robust and sustainable stewardship solutions for these products with the goal of increasing the breadth of the Agrecovery Rural Recycling programmes for farmers and growers.

In four short years we can proudly stand with the supporting brand owners of these developed solutions which now form the Agrecovery Rural Recycling programmes: Containers, Chemicals, Wrap, Net, and the launch of the Drum programme planned for late 2011.

Continuous improvement is key to the ongoing success of Agrecovery. As the programmes reach scale, we continue to learn from farmers and growers who use the programmes and also by networking with the other 32 countries who have equivalent recycling programmes.

Agrecovery proudly contributes to the over 60,000 tonnes of containers and drums which are recycled worldwide each year. Of the 32 countries, the average return rate for non-mandated programmes is 20%, with Brazil, a government mandated programme, a standout example with an average return rate of 85%!

A number of significant goals have been achieved this financial period:

- Rapid growth in container recovery rates and overall participation in all programmes including those within the dairy sector – Agrecovery Wrap is often the “door opener” to the dairy and meat sector, leading on to their participation in the Container and Chemicals programmes;

- Creation of partnerships with rural sector service providers such asASUREQuality and DairyNZ who regularly travel up the farm gate, following a one-to-many approach. This has significantly increased opportunities to educate and inform farmers and growers about Agrecovery, maximising our limited resources;

- Significant increase in the inclusion of the use of Agrecovery into rural property environmental reports as evidence of environmental best practice for suppliers to the horticulture, milk, meat and wool supply chain;

- Retention of all contracted brand owners, recycling of 126,460 kg of their plastic containers, recovery of 15,011 kg of chemicals and sale of enough wrap recycling bags to recycle nearly 500,000 bales of wrap;

- Various funding grants for the Chemicals programme are continuing, and financial support from local Government has increased;

- Tangible results from the employment of North Island and South Island Sales and Relationship Coordinators brought about by the reduction in the traditional print media spend. This has enabled more “real time” on the ground, supporting farmer and grower groups as well as brand owner sales



teams and rural retail.

As with most businesses the stakeholders and funders of the Agrecovery programme have not been immune to the effects of the global financial crisis and it was pleasing to be able to bring a reduction in programme costs in the 2010/11 year. This resulted in a levy reduction in April 2010 while still delivering the recycling programmes and increasing participation rates.

All aspects of programme delivery continue to be closely scrutinised, and sub contracts negotiated, to enable us to continue to absorb increases in the cost of delivering the recycling programmes for the 2011/12 financial period. Robust accounting processes ensure that there is no cross subsidisation of programmes, and as new programmes are developed they help offset the base costs across all programmes.

New Zealand has a premium brand reputation that is worth protecting and there is competitive advantage to be gained by addressing our environmental issues head on.

With that in mind, in 2011/12 we will:

- Commence the public consultation phase of the two-year priority product project (aim to have all registered agricultural chemicals and their associated containers declared as a priority product under the Waste Minimisation Act 2008) to address the free rider issue;
- Continue addressing the funding gap within the Agrecovery Chemicals programme;

- Contract with more brand owners and continue to increase participation rates;
- Maintain ISO 14001 certification and submit the first annual report to the Ministry for the Environment to demonstrate the meeting of targets set for the accredited programmes;
- Maintain independent inspection standards at collection sites to ensure the downstream environment and processing of collected product remains safe for all;
- Continue working with the supply chain sector to help them respond to demand from markets for evidence of compliance with best practice;
- Gather data on plastic volumes from brand owners to enable setting of realistic KPIs around recovery volumes for the 2011/12 year.

We look forward to working with the Agrecovery Foundation as it undertakes its review and continue to work toward our aim of ensuring that use of Agrecovery Rural Recycling becomes “business as usual” for the farmers and growers of New Zealand.

Thank you all.

Adele Rose



Adele Rose
General Manager
3R Group Ltd



A forty nine percent increase in the volume of container plastic collected was achieved in the last 12 months of this financial year, as compared to the same period in the previous year. During the 15 month financial period a total of 126,460 kg of container plastic was sent to Astron Plastics for processing. A further 10,000 kg was estimated to be held in the container site network at the end of June 2011.

As predicted last year, a significant portion of this growth can be attributed to the November 2009 change to NZ GAP requirements, making Agrecovery mandatory for products from participating brand owners. While growers are already consistent users of the programme, this change has tipped the balance with growers who were slow to make the move to recycling.

Ever increasing scrutiny of clean green brand New Zealand is also a key factor in this period's strong growth. Emphasis continues to be placed on securing evidence of good environmental practice through quality assurance (QA) programmes. Supply chain initiatives put in place in the last two years have resulted in the increasing inclusion of the use of Agrecovery in QA programmes across various sectors, leading to higher collection volumes.

At the end of 2009/10 Agrecovery committed to continuing the programme of relocation of underutilised collection sites, identifying 25 for future action. During this financial period eight were transferred or moved to sites providing improved access for programme users.

Work continues with all collection sites to ensure high standards of safety and compliance are met, with close adherence to international best practice. Collection site inspectors receive ongoing refresher training throughout the year.

These high standards were acknowledged by auditors Beca during the application process for product stewardship accreditation. In October 2010 the programme was accredited by the Minister for the Environment as a Product Stewardship Programme under the Waste Minimisation Act 2008.

Brand owners who proactively promote their participation in the programme ensure their customers know their containers can be recycled with Agrecovery. We would encourage those that have yet to add the logo to eligible products or incorporate Agrecovery into their marketing materials to do so and maximise their investment in the programme.

Continuing education and encouraging farmers and growers to use the Container programme remains the primary focus for 2011/12.





AGRECOVERY

Rural Recycling Programme

chemicals

This financial period saw awareness of the Chemicals programme grow substantially, with 10 regional collections held from Auckland to Invercargill.

In the majority of regions the programme has successfully replaced the retraction programmes previously delivered by regional and local councils. Several still continue their own hazardous chemical retraction programmes however these are reducing in number as confidence builds in the Agrecovery programme.

As a result of the 10 collection events a total of 15,011 kg of agrichemicals were removed from properties across the country and disposed of appropriately. The three largest regional collections were in Canterbury, Otago and Auckland recovering 2,060 kg, 1,921 kg and 1,908 kg respectively.

The success of these collections was in part due to the support (financial or promotional) provided by Environment Canterbury, Auckland Council, and the regional and district councils within Otago. District and regional councils in Gisborne, Marlborough, Southland, Tasman, Waikato and the Wellington region were also very supportive of the programme, again providing financial or promotional support in their areas, ensuring excellent uptake of the programme.

In September 2010 Agrecovery held a survey of users of the Chemicals programme, seeking feedback about their experiences as part of the process of continuous improvement. A total of 73 responses were received, with a satisfaction rating of over 97% in regard to both the programme information provided to users and the chemicals collection process.

Compliance and safety remain key priorities for the chemicals programme and Agrecovery continues to work closely with the hazardous chemical contractors who collect and aggregate the agrichemicals.

Chemicals that are unable to be disposed of within New Zealand by Transpacific Technical Services are disposed of offshore by Tredi New Zealand Ltd via their high temperature incineration process. A total of 3,852 kg of chemicals were sent offshore this year.

The work done by 3R Group to ensure a fully compliant product stewardship programme was rewarded in October 2010 when the programme was accredited by the Minister for the Environment as a Product Stewardship Programme under the Waste Minimisation Act 2008.

Financial support from participating brand owners and Central Government means funding is available for the collection and disposal of most agrichemicals, and Agrecovery continues to work hard with Central Government and other stakeholders to reduce remaining user pays charges. Those farmers and growers who have chosen to pay the unfunded portion of their chemical collection are to be congratulated.



Thanks to these brand owners who



As at 1st October 2011

support Agrecovery . . . You Beauty!



As at 1st October 2011

AGRECOVERY
Rural Recycling Programme

wrap

Agrecovery introduced its silage wrap recycling programme in March 2009 to address the environmental impact resulting from traditional 'burning and burying' disposal methods. An estimated 4,000 tonnes of silage plastics are used on New Zealand farms annually.

In January this year Agrecovery welcomed Fiber Fresh Feeds Limited to the Wrap programme, enabling their empty feed bags to be recycled. Fiber Fresh joins Donaghys and Integrated Packaging as supporting brand owners.

The Wrap programme is funded by the sale of recycling bags and bins.

Originally available in packs of five small bags (av. 17 wraps per bag), the product offer was extended in June 2010 to include large recycling bags (av. 85 wraps per bag) suitable for high volume users. In addition an optional bin was made available to make it easier for more film to be placed in the large bags.

Large bags have rapidly become the preferred option, especially in the South Island where farming units tend to be larger. Hundreds of bins have also been sold across the country signalling that farmers intend to integrate wrap recycling into their permanent activities.

As a result of outcomes from the programme's first year review, the sales model was changed from mixed sales distribution (direct, silage contractor, rural retail) to now almost exclusively via the rural retail network. The introduction of the large bags and a retail product margin assisted in gaining nationwide retail distribution, meaning that farmers have excellent access to recycling bags from the retailer they are most familiar with.

In addition to silage wrap and Fiber Fresh bags, farmers can now recycle their pit covers and bale net, and growers, some horticultural films. This helps Agrecovery reach its goal of addressing the environmental impact of plastic film across the entire primary sector.

During 2010/11 Agrecovery sold 3,900 large bags and 9,250 small bags (enough to recycle nearly 500,000 bales of silage plastic) while approximately 117,700 kg of material was picked up off farm.

The large volume of material collected shows a significant change in farmer behaviour, which is to be applauded, however it represents only a small proportion of silage plastic used each year in New Zealand. Combined with continued changes to farmers' disposal methods, any work by regional authorities to address the issues of burning and burying will bring further growth to the programme.

Collected silage plastic has been recycled both within New Zealand and overseas via a fully auditable process, however work continues to establish a preferred permanent, large-scale domestic solution.





Agrecovery Wrap supporters:



DONAGHYS



In association with these stockists:



As at 1st October 2011



“Westland promotes sustainable practices to all staff and farmer suppliers who help us meet the environmental expectations of international customers. Adoption of Agrecovery’s ISO 14001 certified programmes ensures we lead the NZ dairy industry in sustainable rural recycling initiatives, and gives a visible platform to promote that positioning in the marketplace.”

CHRIS PULLEN

Environmental Manager, Westland Milk Products *(right)*



“With Agrecovery, we can demonstrate to our international customers a real and tangible level of commitment to recycling chemical containers. Agrecovery is an opportunity to show that our suppliers are doing something - not just talking about it.”

RENEE HOGG

Agriculture Manager, Silver Fern Farms (UK) Ltd



“As part of our FarmPride® charter Landcorp makes the commitment to be “environmentally responsible” which means minimising and recycling waste. Agrecovery supports FarmPride® by providing ISO 14001 auditable evidence that this activity has taken place.”

ANDREW CLELAND

Quality and Safety Manager, Landcorp



“New Zealand sheep and beef farmers recognise environmental sustainability is critical, but there is a balance that must be found so that the sector remains economically viable. Manufacturers that contribute to Agrecovery make recycling easy and economical for farmers.”

MIKE PETERSEN

Chairman, Beef + Lamb NZ



“Sustainability is a significant part of the industry’s message to markets – protecting the natural resources that produce our famous wines is essential. 95% of NZ wine production now participates in SWNZ – reporting how growers’ plastic waste is disposed of is part of the SWNZ Scorecard – our markets expect it, Agrecovery helps deliver.”

SALLY VAN DER ZIJPP
National Coordinator, Sustainable Winegrowing New Zealand (SWNZ)



“The NZ GAP standard aims to describe current good agricultural practices – the ones that are legally required or generally accepted as a baseline standard for the industry. The Agrecovery programme is fully compliant, has strong industry backing and wide spread accessibility, so it’s a good fit for NZ GAP.”

MATT DOLAN, Business Manager, HortNZ
Portfolio: NZ GAP, NZ Agrichemical Education Trust



“The majority of the chemicals that Farmlands sells can be recycled with Agrecovery. It’s great to see these suppliers taking a leading role in providing our shareholders and customers with a sustainable recycling option.”

PETER ELLIS
CEO, Farmlands Trading Society



“New Zealand’s international customers have strict quality and environmental standards. Meeting those standards is not just about encouraging best practice; it’s an economic necessity to maintain our export markets. Agrecovery helps support these standards.”

PATRICK TURTON
Industry Manager, Primary Production Services, AsureQuality

AGRECOVERY FOUNDATION

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE 15 MONTHS ENDED 30 JUNE 2011

INCOME	2011 (15 months)	2010 Restated (12 months)
Grants	-	\$73,330
Levies	1,514,547	1,154,657
Wrap Income	-	30,150
Sale of Recovered Container Plastic	48,176	36,567
Sale of Labels	1,000	900
Interest	1,510	265
Other		
Total Income	\$1,565,233	\$1,295,869
EXPENDITURE		
CONTAINERS		
Administration	204,000	165,000
Operations	784,284	590,761
Compliance	68,743	58,075
Training	34,999	36,750
Marketing & Communications	127,001	131,146
Global Container Management	6,350	-
Commission	8,291	17,245
Total Containers Expenditure	1,233,668	998,977
CHEMICALS		
Administration	69,725	41,846
Operations	157,786	184,150
Marketing & Communications	65,414	39,505
Event Building Activities	72,562	4,920
Total Chemicals Expenditure	365,487	270,421
FOUNDATION ADMINISTRATION		
Audit Fee	2,600	2,500
Accounting Fee	500	-
Annual Report	8,115	11,930
Secretarial	20,228	19,825
Legal	756	190
Intellectual Property	-	966
Travel	1,772	434
Other	2,147	881
Total Foundation Administration	36,118	36,726
Total Expenditure	1,635,273	1,306,124
NET SURPLUS (DEFICIT) FOR THE YEAR	(\$70,040)	(\$10,255)

These financial statements should be read in conjunction with the notes to the financial statements

AGRECOVERY FOUNDATION

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2011

Current Assets	Note	2011 (15 months)	2010 Restated (12 months)
Cash at Bank		121,874	114,573
Accounts receivable	2	235,282	307,856
Loan to Agrecovery Wrap		45,000	45,000
Total Current Assets		402,156	467,429
Less Current Liabilities			
GST Payable		10,643	20,606
Accounts Payable	3	136,238	121,508
Total Current Liabilities		146,881	142,114
NET ASSETS		\$255,275	\$325,315
REPRESENTED BY:			
Equity as at 1 April 2010		325,315	341,957
Plus (Less) Prior Period Adjustment			(6,387)
Plus (Less) Net Surplus (Deficit) for the Year		(70,040)	(10,255)
TOTAL EQUITY		\$255,275	\$325,315

AGRECOVERY FOUNDATION EQUITY STATEMENT AS AT 30 JUNE 2011

Opening Balance at 1 April 2010	325,315	341,957
Plus (Less) Prior Period Adjustment		(6,387)
Amended Opening Equity		\$335,570
Plus (Less) Surplus (Deficit for Year)	(70, 040)	(10,255)
BALANCE AT 30 June 2011	\$255,275	\$325,315



Chairman
28 OCTOBER 2011

These financial statements should be read in conjunction with the notes to the financial statements

AGRECOVERY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2011

1 STATEMENT OF ACCOUNTING POLICIES

Reporting Entity

Agrecovery Foundation is a not for profit entity incorporated on 1 May 2006 under the Charitable Trusts Act 1957 and since re-registered under the Charities Act 2005. The Foundation has been developed by a coalition of major grower groups, industry parties and local and central government to provide a solution to the problem of waste agrichemical containers, chemicals and wraps.

Measurement Base

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on an historical cost basis are followed by the Foundation.

Differential Reporting

The Agrecovery Foundation is a qualifying entity within the Chartered Accountants of New Zealand's Differential Reporting Framework. The Foundation qualifies for differential reporting as it is not publicly accountable and is not large. The Foundation has taken advantage of all differential reporting concessions available to it.

Income Recognition

Income is recognised on a cash received basis.

Taxation

Agrecovery Foundation has full charitable status under sections CW 41 and CW 42 of the Income Tax Act 2007 and accordingly is not liable for income tax.

Goods & Services Tax

The financial statements have been prepared on an exclusive basis except for Accounts Payable and Accounts Receivable which are inclusive of GST.

Changes in Accounting Policies

There have been no changes in accounting policy during the year.

Changes in Accounting Period

The year end for the financial statements has been changed from March to June 2011. Consequently the figures displayed for the period ended 30 June 2011 cover a 15 month period.

2 ACCOUNTS RECEIVABLE

Accounts Receivable at 30 June 2011 consist of the following:

	2011	2010
Levy Payers	\$228,800	\$293,678
Other Debtors	6,482	14,178
Total	\$235,282	\$307,856

3 ACCOUNTS PAYABLE

Accounts Payable at 30 June 2011 consist of the following:

	2011	2010
3R Group Limited	\$127,876	\$117,133
Other Suppliers	8,362	4,375
Total	\$136,238	\$121,508

4 CAPITAL COMMITMENTS

There are no commitments as at 30 June 2011
(31 March 2010: Nil)

5 CONTINGENT LIABILITIES

There are no contingent liabilities as at 30 June 2011
(31 March 2010: Nil)

6 RELATED PARTIES

Agrecovery Foundation is managed by an employee of Horticulture New Zealand. Administration costs incurred by the Foundation are reimbursed to Horticulture New Zealand. There are no other related party transactions during the period under review.

7 2010 COMPARATIVES RESTATED

The 2010 financial figures have been restated due to prior period adjustments. The net effect of the adjustments increase the opening Equity in the current period by \$6,387. The need for the adjustments arises from the incorrect inclusion of income and expenditure relating to a wrap recycling program conducted by 3R Group Limited.



Independent Auditor's Report

TO THE MEMBERS OF AGRECOVERY FOUNDATION

Report on the Financial Statements

We have audited the financial statements of Agrecovery Foundation (the Foundation) on pages 15 to 17, which comprise the statement of financial position as at 30 June 2011, and the statement of financial performance, statement of changes in equity for the 15 months then ended, and a summary of significant accounting policies and other explanatory information.

Trustees' Responsibilities

The Trustees are responsible for the preparation of financial statements in accordance with generally accepted accounting practice in New Zealand and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Foundation's preparation of financial statements that present fairly the matters to which they relate 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 Foundation's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other than in our capacity as auditor we have no relationship with, or interests in Agrecovery Foundation.

Opinion

In our opinion, the financial statements on pages 15 to 17 present fairly, in all material respects, the financial position of the Agrecovery Foundation as at 30 June 2011, and its financial performance, for the 15 months then ended in accordance with generally accepted accounting practice in New Zealand.

Grant Thornton New Zealand Audit Partnership
Wellington, New Zealand
28 October 2011

Audit
Grant Thornton New Zealand
Audit Partnership
Level 13, AXA Centre
80 The Terrace
PO Box 10712
Wellington 6143
T +64 (0)4 474 8500
F +64 (0)4 474 8509
www.grantthornton.co.nz

