



MG CHARITABLE TRUST

2023

Performance Report

For the 12 months ended 30 June 2023

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MG CHARITABLE TRUST

Chair's Review

For the 12 months ended 30 June 2023

As I look back over the past two years, I'm really pleased with the contribution the MG Charitable Trust (MG Trust) has made to support the horticulture industry.

Since launching in 2021, the Trustees have successfully completed four contestable funding rounds, providing one-off grants to 20 organisations connected with the horticulture industry and helped fund educational opportunities for seven individuals.

Among the initiatives funded through the MG Trust this year was a series of post-Cyclone Gabrielle field walks which were planned and coordinated by New Zealand Apples and Pears Inc (NZAPI). The Trustees were keen to support growers who were impacted and held an online meeting as soon as the cyclone hit to discuss potential options. Therefore, we were pleased when an application came through from NZAPI requesting the MG Trust fund a new education and support programme which supported a large number of growers impacted by the devastating cyclone. The field days bring together experts from across the Hawke's Bay and Gisborne region to create an opportunity for growers to learn together how to overcome the challenges. They are also a forum for growers to share their experiences and work together on solutions so they can all make good decisions for future seasons. The first of four events was held in July, attracting 120 people who shared experiences, ideas, and enjoyed the opportunity to network with each other.

Contestable Funding Rounds (November 2022 and June 2023)

- **Women in Horticulture**, Series of regional workshops, \$4,000
- **Te Koromiko School**, Tools and materials for a seeds of learning programme, \$3,000
- **NZ Avocado**, Industry conference registration and costs for the World Avocado Conference, \$5,400
- **Summerfruit NZ**, Funding towards the development of an online grower's portal, \$10,000
- **Women in Kiwifruit**, Establish a mentoring program for women in the industry, \$2,000
- **Onions NZ**, Produce a business case for the Vegetable Industry Centre of Excellence, \$15,000
- **Katikati Horticulture Trust**, Digital tech for the new Katikati horticulture learning centre, \$5,400
- **NZAPI**, Post-cyclone grower field walks programme, \$25,000

MG Trust Education Fund

The education fund again included subsidising two growers, Sam Hobbs (Darling Fruits) and Andrew Derbridge (Scott Fresh), to attend the Rabobank Farm Managers Programme.

This year the Trustees were also pleased to expand this part of the Trust to include a fully funded place on the Rabobank Executive Management Programme, with a place awarded to Ben Scott (Scott Fresh). Funding was also provided to Kazi Talaska, from Onions NZ, to attend the World Avocado Conference.

The feedback from growers attending the Rabobank courses has been overwhelmingly positive and something Trustees intend on continuing in the future.

“The farm managers course was incredible and it was an amazing experience. I feel very privileged to have been funded by the trust in order to attend,” – Sam Hobbs, Darling Fruits

Looking ahead

The Trustees have taken time to reflect on the work undertaken to date and are immensely proud to be able support such a broad range of organisations and individuals.

They have also spent time reviewing the MG Trust and refining their funding strategy. As such, they have narrowed their focus, with a greater emphasis now put on areas the funding can make the most impact in the horticulture industry, including:

- Supporting applications with a focus on education.
- Providing educational opportunities for individuals or groups which are directly linked to the industry or for people about to enter the industry, with less weight put towards funding junior school programmes.
- Supporting applications for projects which aim to enhance the profile of the horticulture industry.

As funding grows in the coming years, the MG Trust will increase its positive influence and the Trustees look forward to providing new opportunities to support the horticulture industry in New Zealand.



John Clarke
MG Trust Chair

MG CHARITABLE TRUST

Entity Information

As at 30 June 2023

“Who are we? Why do we exist?”

Legal Name of Entity

MG Charitable Trust.

Other Name of Entity (if any)

Previously known as the MG Marketing Charitable Trust (name changed on 18 August 2022).

Type of Entity and Legal Basis

Charitable Trust, Incorporated Trust Board under the Charitable Trusts Act 1957 and Registered Charity under the Charities Act 2005.

Registration Numbers

CC58378 (Charities Commission Registration Number).

50076869 (Charitable Trust Register Incorporation Number (Companies Office)).

Entity’s Purpose or Mission

To encourage, foster and promote research relating to the produce industry and make the results of that research available for public use and for the improvement of human knowledge;

To promote, develop and improve the information, materials, methods, processes and resources for the education of persons associated with the produce industry;

To assist the education of persons associated with the Produce Industry;

To establish and support fellowships, lectureships, professorships, prizes and scholarships to promote and/or support education in the produce industry;

To otherwise promote and support education in the produce industry;

To assist and support any person undertaking these activities;

To relieve poverty, and the improvement of health, by programmes and initiatives to educate people about the benefits of consuming fresh produce and activities to encourage consumption.

Entity Structure

Trust Structure

The Settlor of the MG Charitable Trust (the “Trust”) is Market Gardeners Limited (“MG”). The Trust is a registered charitable trust which is run independently from MG but is closely supported by MG.

The Trust currently has 5 trustees made up of the following classes of trustees:

MG Appointed Trustees* (Appointed by the MG Board)	MG Shareholder Appointed Trustees ** (Appointed by MG’s Shareholders)
1. Robin Oakley (appointed 9 February 2023) 2. Trudi Webb	1. John Clarke (Chair), MG shareholder 2. Catherine Lewis, MG Shareholder 3. Alastair Hercus, Independent / Special Trustee
* The Trust must have a minimum of 1 and a maximum of 2 MG appointed Trustees. Mike Russell (retired 8 December 2022)	** The Trust must have a minimum of 3 and maximum of 4 MG Shareholder appointed trustees (of which 1, must be an independent / special trustee)

Operational Structure

The Trust receives operational support (in the form of secretarial, accounting, administration, marketing and communication services) from a number of MG employees including the Company Secretary (Duncan Pryor) and General Manager Communications and Sustainability (Ellery Tappin). MG does not charge for this support.

Main Source of the Trust's Cash and Resources

Interest on funds held in the bank, dividends on MG shares together with donations (from MG and its associated entities, shareholders and contacts) from time to time.

Main Methods Used to Raise Funds

The Trust receives donations on an ad hoc basis and does not currently seek to raise funds. In time, it is intended the Trust will seek to raise its profile and encourage donors to provide donations (such as but not limited to, further shares in MG) and to undertake fundraising initiatives.

Reliance on Volunteers and Donated Goods or Services

The Trust relies on the support provided by MG's employees to complete its work in many essential roles such as governance, accounting services, marketing and communications.

Additional Information

This is the Trust's second year of operation.

Contact Details*Physical Address*

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MG CHARITABLE TRUST

2023

Trustees Approval Statement For the 12 months ended 30 June 2023

Approval and issue of Financial Statements and Performance Report

On this date the trustees approve and issue the attached Financial Statements and Performance Report of the MG Charitable Trust for the 12 months ended 30 June 2023.

J R Clarke
Trustee / Chair

Date 29 September 2023

T Webb
Trustee

Date 29 September 2023

R Oakley
Trustee

Date 29 September 2023

C A Lewis
Trustee

Date 29 September 2023

A C Hercus
Trustee

Date 29 September 2023

MG CHARITABLE TRUST

Statement of Service Performance For the 12 months ended 30 June 2023

“What did we do?, When did we do it?”

Trust Outcomes

The Trust focuses on providing funding to projects and initiatives which have a positive impact on the horticulture industry. The Trustees are particularly interested in initiatives in the areas of education and industry profile / legacy.

The key objectives of the Trust are to:

- Advance the education of people within the horticulture industry.
- Support projects which help benefit the horticulture industry.
- Advance the development of the horticulture industry through research and innovation.
- Support programmes and organisations that promote the benefits of fresh produce and advocate for the industry more generally.
- Enhance the profile and preserve the heritage of the horticulture industry.
- Relieve poverty, and improve health, by programmes and initiatives to educate people about the benefits of consuming fresh produce and activities to encourage consumption.

The Trustees meet twice a year, in June and November, to assess applications for general funding. Applicants can apply to the Trust for funding for a project that fits within the Trust’s key objectives.

In addition to the general funding rounds, the Trust has a Grower Education Fund which aligns with the Trust’s objective to advance the education of people within the horticultural industry.

Trust Outputs

There were two general funding rounds which took place in November 2022 and June 2023. As a result, funds were distributed to successful applicants to assist with various projects supporting / in- connection-with the horticultural industry.

In addition to the general funding rounds, the Grower Education Fund provided subsidies to allow 4 candidates attend the Rabobank Farm Managers Programme, the Rabobank Executive Managers Programme or the World Avocado Conference.

Description	Actual This Year	Actual Last Year
Number of contestable general funding rounds	2	2
Number of grants given to applicants from the contestable general funding rounds	8	12
Average grant size	\$8,725	\$7,183
Smallest grant distributed	\$3,000	\$1,000
Largest grant distributed	\$25,000	\$16,000
Number of recipients receiving education subsidies from the Grower Education Fund	4	4

MG CHARITABLE TRUST

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE 12 MONTHS ENDED 30 JUNE 2023

“How was it funded? And What did it cost?”

	Note	2023 \$	2022 \$
REVENUE			
<i>Donations received from Market Gardeners Limited</i>	1	6,000	178,000
<i>Interest, dividends and other investment revenue</i>	2	439,477	296,936
<i>Fund raising and other similar revenue</i>		-	-
<i>Other revenue</i>		-	-
Total Revenue		<u>445,477</u>	<u>474,936</u>
EXPENSES			
<i>Volunteer and employee related costs</i>		-	-
<i>Grants and donations made</i>	3	97,289	106,200
<i>Other Expenses</i>		-	-
Total Expenses		<u>97,289</u>	<u>106,200</u>
SURPLUS / (DEFICIT) FOR THE YEAR		<u>348,188</u>	<u>368,736</u>

The accounting policies and notes to the financial statements on pages 11 to 13 form part of and are to be read in conjunction with these statements.

MG CHARITABLE TRUST

STATEMENT OF FINANCIAL POSITION FOR THE 12 MONTHS ENDED 30 JUNE 2023

“What the entity owns? and “What the entity owes?”

	Note	2023 \$	2022
ASSETS			
<i>Current Assets</i>			
Bank and cash		175,464	174,522
Sundry receivables		415	19
Total current assets		<u>175,879</u>	<u>174,541</u>
<i>Non-Current Assets</i>			
Investments	4	2,592,179	2,218,539
Other non-current assets		-	-
Total non-current assets		<u>2,592,179</u>	<u>2,218,539</u>
TOTAL ASSETS		<u>2,768,058</u>	<u>2,393,080</u>
LIABILITIES			
<i>Current Liabilities</i>			
Funding grants approved awaiting payment		80,289	53,500
Amounts due for purchase of investments	5	1,970,834	1,970,834
Other current liabilities		-	-
Total current liabilities		<u>2,051,123</u>	<u>2,024,334</u>
TOTAL LIABILITIES		<u>2,051,123</u>	<u>2,024,334</u>
Total Assets Less Total Liabilities (Net Assets)		<u>716,935</u>	<u>368,746</u>
ACCUMULATED FUNDS			
Capital contributed by owners or members		10	10
Accumulated surpluses		716,925	368,736
Reserves		-	-
TOTAL ACCUMULATED FUNDS		<u>716,935</u>	<u>368,746</u>

The accounting policies and notes to the financial statements on pages 11 to 13 form part of and are to be read in conjunction with these statements.

MG CHARITABLE TRUST

STATEMENT OF CASHFLOWS

FOR THE 12 MONTHS ENDED 30 JUNE 2023

“How the entity has received and used cash”

	Note	2023 \$	2022 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
<i>Cash was received from:</i>			
Donations, fundraising and other similar receipts	1	6,000	178,000
Interest and dividends		65,442	49,212
<i>Cash was applied to:</i>			
Donations or grants paid		(70,500)	(52,700)
Net Cash Flows from Operating Activities		<u>942</u>	<u>174,512</u>
CASH FLOWS FROM INVESTING AND FINANCING ACTIVITIES			
<i>Cash was received from:</i>			
<i>Trust Capital</i>		-	10
Net Cash Flows from Investing and Financing Activities		<u>-</u>	<u>10</u>
NET INCREASE / (DECREASE) IN CASH		<u>942</u>	<u>174,522</u>
Opening cash		174,522	-
Closing cash		<u>175,464</u>	<u>174,522</u>
This is represented by:			
Bank accounts and cash		<u>175,464</u>	<u>174,522</u>

The accounting policies and notes to the financial statements on pages 11 to 13 form part of and are to be read in conjunction with these statements.

MG CHARITABLE TRUST

STATEMENT OF ACCOUNTING POLICIES

FOR THE 12 MONTHS ENDED 30 JUNE 2023

“How did we do our accounting?”

The accounting policies adopted in the preparation of these special purpose financial statements are:

BASIS OF PREPARATION

Reporting Entity

These are the financial statements of the MG Charitable Trust (previously known as the MG Marketing Charitable Trust (changed on 18 August 2022)). The trust was established by a Trust Deed dated 20 November 2019 (and subsequently varied by Deed of Variation of Trust Deed dated 3 May 2022).

The MG Charitable Trust has elected to apply PBE SFR-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 expenses of equal to or less than \$2,000,000. 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.

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on a historical basis have been followed.

Reporting Period

These financial statements are for the 12 months to 30 June 2023. The comparative numbers are for the 15-month period from 1 April 2021 through to 30 June 2022.

GOODS AND SERVICE TAX (GST)

The MG Charitable Trust is not registered for GST, therefore all amounts are stated inclusive of GST (if any).

INCOME TAX

The MG Charitable Trust is wholly exempt from New Zealand income tax having fully complied with all statutory conditions for these exemptions.

BANK AND CASH

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

SPECIFIC ACCOUNTING POLICIES

The following are the specific accounting policies which have a material effect on the measurement of results and financial position:

Liabilities – Liabilities are stated at the estimated amounts payable and include obligations which can be reliably estimated.

TIER 2 PBE ACCOUNTING STANDARDS APPLIED

No Tier 2 PBE Accounting Standards have been applied in the preparation of these financial statements.

CHANGES IN ACCOUNTING POLICIES

There have been no changes in accounting policies. Policies have been applied on a consistent basis with those of the previous reporting period.

MG CHARITABLE TRUST

NOTES TO THE PERFORMANCE REPORT AND FINANCIAL STATEMENTS FOR THE 12 MONTHS ENDED 30 JUNE 2023

Note:		2023	2022
		\$	\$
1	Donations received from Market Gardeners Ltd	6,000	178,000
	Market Gardeners Limited (MG) is the Settlor of the Trust and provided an initial donation to the Trust to enable it to commence operations.		
2	Interest, Dividends and Other Investment Revenue		
	Interest income	1,196	30
	Dividends	64,641	49,201
	Bonus issue on MG shares (investment)	373,640	247,705
	Total Interest, Dividends and Other Investment Revenue	439,477	296,936
3	Grants		
	General contestable grants	69,800	86,200
	Education fund subsidies granted	27,489	20,000
	Total Grants	97,289	106,200
4	Investments	2,592,179	2,218,539
	Investments represents shares in Market Gardeners Ltd (MG) acquired during the 2022 financial period from JS Ewers Ltd and MG Group Holdings Ltd, both entities being subsidiaries of MG, in exchange for a debt back to those entities totalling \$1,970,834, which is on demand. The MG Shares are all A class shares and have a nominal value of \$1.00 each. The shares are security for the debt owing to JS Ewers Ltd and MG Group Holdings Ltd.		
	In November 2021 and 2022 the Trust received bonus issues of further A class MG Shares (as shown in note 2 above) which increased the holding to the balance as at 30 June.		
5	Amounts due for purchase of investments	1,970,834	1,970,834
	Amounts due for the purchase of investments represents the outstanding purchase price for shares in Market Gardeners Ltd (MG) acquired as detailed in note 4 above.		
6	COMMITMENTS AND CONTINGENCIES		
	There were no capital commitments or contingent liabilities at balance date.	-	-
7	EVENTS AFTER BALANCE DATE		
	There were no events that have occurred after the balance date to be reported. The next round of contestable funding is in November 2023.		
8	NO AUDIT OR REVIEW		
	There is no statutory requirement for the MG Charitable Trust to have an audit or review of its performance report. Accordingly, no audit or review has been completed.		

MG CHARITABLE TRUST

NOTES TO THE PERFORMANCE REPORT AND FINANCIAL STATEMENTS (CONTINUED) FOR THE 12 MONTHS ENDED 30 JUNE 2023

9 RELATED PARTIES

- Market Gardeners Limited is the Settlor and appointer under the trust deed. This confers on it the power to appoint and / or remove certain classes of trustees.
- T Webb and R Oakley are Directors of, shareholders in, and appointed as trustees by Market Gardeners Limited.
- J Clarke and C Lewis are shareholders in Market Gardeners Limited and are appointed by the shareholders of Market Gardeners Ltd.
- Market Gardeners Ltd remunerates the Trustees directly. The following amounts were paid by MG during the 12 months to 30 June 2023: J Clarke \$nil; R Oakley \$1,000; T Webb \$3,000; C Lewis \$3,000, M. Russell \$1,000, A Hercus (independent trustee) \$6,000.

10 ABILITY TO CONTINUE OPERATING

The entity will continue to operate for the foreseeable future.

11 VARIATION TO THE TRUST DEED

There have been no changes to the Trust Deed in the 12 months to 30 June 2023.

In the prior period, the trust deed was varied (3 May 2022) by vesting the statutory power of appointment of the majority of the trustees to the shareholders of MG (in addition to those able to be appointed by MG as Settlor). At least one trustee is appointed by MG as Settlor.