



ANNUAL REPORT 2022

TABLE OF CONTENTS

FROM THE CHAIR OF NATURAL HEALTH PRODUCTS NZ 3

PROGRESS ON THE AIMS OF NATURAL HEALTH PRODUCTS NZ:

United Industry.....	3
Representation.....	3
Advocacy	4
Regulation	4
Media.....	4
Business Support	5
Export Development.....	5
Financial Results.....	5
Personnel.....	5
Natural Health Products NZ Board Members.....	6
In Closing.....	6

**FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2022 7**



WE ACKNOWLEDGE OUR PARTNERS' GENEROUS SUPPORT

GOLD



SILVER



BRONZE



Kerry Warn
General Manager



Sheryl Edmonds
Executive Assistant



Samantha Gray
Government Affairs Director



2022 ANNUAL REPORT FROM THE CHAIR OF NATURAL HEALTH PRODUCTS NZ

Dear Natural Health Products
NZ Member,

2022 was a bouyant year
for the association and the
industry as we emerged from
the challenges of Covid related
and global supply chain issues.

Natural Health Products
NZ continued to maintain a
healthy membership base and
enhance positive relationships throughout the sector.

After years (decades) of pressure on the government,
Natural Health Products NZ is cautiously optimistic
that a relevant, modern, fit for purpose regulatory
system for natural health products is within reach in the
form of the Therapeutic Products Bill.



PROGRESS ON THE AIMS OF NATURAL HEALTH PRODUCTS NZ

Our constitution sets out the following objectives:

United Industry

*To foster commitment, involvement, mutual respect,
effective communication and joint collaboration between all
participants in New Zealand's natural and complementary
health products and services.*

Membership in 2022 was stable with 144 full and
associate members at the end of the year. Having a
healthy membership base is core to the association's
success and in turn our ability to provide value to
members. We are fortunate to have the strong support

of around 80% of the industry, and new members often
coming to us as a result of positive introductions from
existing members.

Relationships with our partners have continued well
and we value the generous support of our corporate
partners: IMCD (Gold partners), aibGROUP Insurance,
Forbes Packaging, New Wayz, and Scitex Recruitment
(Bronze). We were thrilled to announce a new Silver
Partnership with Anagenix in May 2022. Partnership
provides an opportunity for companies to strongly align
with Natural Health Products NZ and the sector. It also
provides the association with an additional significant
and long-term revenue stream, and we are very grateful
for these generous contributions.

Summit 2022 was a tremendously successful event
for the industry and it was evident just how vital and
appreciated the Summit is to our members and the
wider sector. Napier and its stunning venues provided
superb locations for over 220 attendees. 93% of survey
respondents gave the Summit an overall rating of Very
Good or Excellent. The Natural Health Products NZ
Supreme Award was won by Keraplast, who also took
the trophy for Marketing Award. Business Resilience
Award was won by Vitaco Health (NZ), Cawthron
Institute Innovation Award went to Blis Technologies,
and the FernMark Licence Programme Growth Award
was won by Me Today.

Suppliers' Day was held in Auckland in November
and we were pleased to make it through a busy day
of presentations to the IMCD Networking Function
(without Covid curtailing the day). Suppliers' Day
continues to grow and gain recognition across the
industry, we had a record 182 delegates, up 12% YOY.

Representation

*To be the pre-eminent body representing the natural and
complementary health products and services industry in
New Zealand.*



Our connections with industry associates at relevant organisations within New Zealand and elsewhere remains strong: BioTech NZ, Cosmetics NZ, Medical Technology Association of New Zealand (MTANZ), Consumer Healthcare Products (CHPNZ), Medicines NZ, Complementary Medicines Australia (CMA), International Alliance of Dietary/Food Supplements Associations (IADSA), China Chamber of Commerce for Import & Export of Medicines and Health Products (CCCMHPIE), Association of Southeast Asian Nations NZ Business Council (ASEAN NZBC) and New Zealand China Trade Association (NZCTA). And of course with our founding agency NZ Trade & Enterprise who continue to provide support both to the association and individual members.

Advocacy

To influence local and international regulatory outcomes to achieve industry growth, a positive product environment, and low compliance costs.

It was a significant year for Government Affairs Director, Samantha Gray with the introduction in November of the Therapeutic Products Bill. The association engages Capital GR to assist with strategic insight, build relationships and generally help us navigate the political process. Samantha and Capital GR have continued to advocate strongly for regulatory reform and have consolidated existing relationships and continued to develop new relationships with key stakeholders and opinion leaders.

Regulation

The Therapeutic Products Bill was introduced to the House on 30 November 2022 by (then) Minister of Health Hon Andrew Little. The regulatory affairs team lead by Samantha undertook a major piece of work to participate in the Select Committee process for the TPB. This included surveys and feedback forms to understand

member concerns and positions on the Bill; webinars to assist members with drafting written submissions and preparing for oral submissions; engagement with related organisations both locally and internationally to gain support for the Natural Health Products NZ position and written submission. We worked with the public policy team at Russell McVeagh and Capital GR who assisted in the drafting of a comprehensive written submission to the Health Select Committee, and undertook national media engagement on TV, Radio and in print to communicate our position on the Bill.

Throughout the year the Natural Health Products NZ Government Affairs, Communications and Regulatory subcommittees also responded to issues both strategically and as matters arose in timely manner.

Media

Much of the past year's media coverage centered on Therapeutic Products Bill and associated issues and this trend is anticipated to continue in the foreseeable future.

Longstanding trade media 'allies' (e.g. Pharmacy Today and NutraIngredients Asia) have maintained their good coverage of sector-related matters, including the Summit.

Poorly designed fish oil research reared its head again in 2022 but the story quickly fizzled. An assertive approach was taken, which ensured inaccuracies were corrected promptly in Pharmacy Today and not promulgated in other media.

For the last 10 years Natural Health Products NZ has retained the services of Anna Radford of Radford Communications for media/PR. Anna has been a key and trusted advisor – tenaciously chasing down journalists; developing media relationships; and guiding us through any events. In particular Anna was an important member of the team that had the faulty fish oil research paper retracted in 2019. Although we will still work on projects together, a change in focus for Anna will see less day to day involvement with the



association in the future. On behalf of the Board and members of Natural Health Products NZ I would like to extend our sincere thanks to Anna for her sage counsel over the years.

Business Support

To provide and communicate information (including market research) to members (by way of publications, forums, commissioning research, etc.) that will support members in their businesses domestically and/or internationally.

Summit 2022 provided delegates with an exceptional line-up of informative and inspiring speakers. The Alaron Products Welcome Function and GMP Pharmaceuticals Gala Dinner and Awards Night proved once again just how important in-person networking functions are.

Suppliers' Day 2022 delivered a day of thought-provoking presentations on innovations and new developments within the sector.

Our webinars to support members with written and oral submissions to the Health Select Committee were well-attended and members reported finding these incredibly valuable.

Our regular newsletter goes to a database of nearly 460 subscribers. Engagement remains very high, with 69% often opening or clicking on our emails (Source: MailChimp Report).

In addition, members are kept up to date with Regulatory Alerts and Updates as required.

Export Development

To be New Zealand's key Natural Product export promotion body and to engage in activities that grow the New Zealand Natural Product export sector.

Travel restrictions have hampered our ability to fully engage in Export Development. However, the

important work that is being done towards achieving export exemption certification will have a considerable positive impact for exporters when realised. The goal is to have the ability to make health claims that are compliant with the importing nations' regulations. This will put New Zealand products back on an even standing with competitors, and open markets that have otherwise been impossible to export to.

Financial Results

The financial statements have been independently audited by Crowe and received a positive, clean audit report.

Growth in attendance for both the Summit and Suppliers' Day resulted in strong revenue returns. 2022 saw a return to surplus of \$54,001. This boosted the Total Member Funds to \$168,672. Having a healthy balance sheet gives the association the ability to strongly represent members at this critical time for the regulatory update of our sector.

Personnel

2022 has been another stable year for personnel.

In her position of General Manager, I would like to acknowledge Kerry Warn for her continued dedication and the outstanding contribution she has given to the industry. Kerry's professionalism has been demonstrated throughout the year, where she has focused on the key strategic focuses for Natural Health Products NZ. Kerry together with Sam have been at the center of the fight for updated regulations, with accelerated momentum over the year. She planned and executed the industry's most successful ever Annual Summits in 2022.

Samantha Gray completed her second year as Government Affairs Director. NHPNZ acknowledges her in-depth, extensive and effective input to achieve



our goal of modern, “fit for purpose” regulations. Her determination and dedication have made a very positive impact on the progression of our regulatory goals and also to help members understand and participate in the process.

Sheryl Edmonds as Executive Assistant has provided valuable organisational skills and support for the Board, General Manager, and members. Sheryl was instrumental to the seamless running of our largest event, the Summit.

Natural Health Products NZ Board Members

The elected Board of 2022 was:

Chair: Lorraine Moser, Vitaco Health (NZ) Ltd (re-elected 2022 AGM)

Rod Claycomb, Quantec Ltd

Michelle Cubitt, Smart Regulatory Solutions (elected 2022 AGM)

Samantha Gray, BioEquitas Ltd

Jackie Herbert, NZ Health Manufacturing Ltd (stood down 2022 AGM)

Chris Johnson, Anagenix Ltd (re-elected 2022 AGM)

Ravinesh Kumaran, GMP Pharmaceuticals

Peter Lehrke, PharmaNZ Ltd

Claire Quin, Alaron Products Ltd (re-elected 2022 AGM)

Phil Rasmussen, Harvest Natural Health Ltd

We thank the board for their support.

In Closing...

This has been another challenging yet successful year for the industry, with the continued operational demands on businesses and global supply pressures. It

has also been a year full of opportunities with growing consumer interest and the robustness of our industry.

During 2022, the board provided extensive research and input to the proposed Therapeutic Products Bill. The depth and breadth of knowledge has been invaluable in our passage towards modern, “fit for purpose” regulations. Each of the board subcommittees delivered on their strategic goals to maintain a robust valued industry body. With Kerry’s direction, experience and professionalism, Natural Health Products NZ has strongly driven forward in fulfilling the strategic goals.

Natural Health Products NZ exists to represent the vision and to further the objectives of the natural health products sector in New Zealand. We are an open, consultative group funded primarily by the membership fees, contributions of our members and corporate sponsors and events. The Board thanks the members for their support, constructive feedback, input and suggestions provided in the last year.

As an industry we have reached and exceeded \$2 billion in revenues, and the rate of R&D in the natural products sector is 4x higher than the NZ average. We need to continue to think globally, and act locally to meet changing global standards. Exports remain the greatest opportunity for Brand New Zealand and we all must do everything we can to support, protect and preserve this – this is up to every one of us who participate in the sector.

On behalf of the Management and Board of Natural Health Products NZ:

With best regards,

Lorraine Moser

CHAIR – NATURAL HEALTH PRODUCTS NEW ZEALAND

NATURAL HEALTH PRODUCTS NEW ZEALAND INC

FINANCIAL STATEMENTS

For the year ended 31 December 2022

Statement of Financial Performance	8
Statement of Movements in Members Funds	8
Statement of Financial Position.....	9
Depreciation Schedule	10
Statement of Accounting Policies.....	11
Notes to the Financial Statements	12
Auditor's Report.....	14

Statement of Financial Performance

Natural Health Products NZ Inc

For the year ended 31 December 2022

	NOTES	2022	2021
Revenue			
Membership Fees		256,014	241,803
Projects/Events		304,626	244,547
Interest Income		2,601	366
Other Income		-	435
Total Revenue		563,241	487,151
Gross Profit		563,241	487,151
Expenses			
Personnel		161,391	144,339
Marketing & Projects/Events		187,686	172,615
Professional Services		144,333	148,728
Travel and Accommodation		1,994	4,753
Rent, Rates & Charges		4,263	16,439
Communications		5,674	5,212
Miscellaneous Expenses		3,685	2,409
Depreciation on Fixed Assets		215	431
Total Expenses		509,240	494,925
Net Surplus (Deficit) Before Tax for the Year		54,001	(7,774)
Net Surplus (Deficit) After Tax for the Year		54,001	(7,774)

Statement of Movements in Members Funds

Natural Health Products NZ Inc

For the year ended 31 December 2022

	2022	2021
MEMBERS FUNDS		
Opening Balance	114,671	122,444
Net Surplus (Deficit) for the year	54,001	(7,774)
MEMBERS FUNDS AT END OF YEAR	168,672	114,671



This statement is to be read in conjunction with the Notes to the Financial Statements and the accompanying Auditors Report.

Statement of Financial Position

Natural Health Products NZ Inc

As at 31 December 2022

	NOTES	31 DEC 2022	31 DEC 2021
Assets			
Current Assets			
ASB Cheque & Savings Accounts		234,259	151,158
Trade Receivables		9,206	4
Prepaid Expenses	2	4,792	4,986
GST Receivable		5,742	11,841
Total Current Assets		253,999	167,988
Total Assets		253,999	167,988
Liabilities			
Current Liabilities			
Trade Creditors		49,478	29,402
Sundry Creditors		2,622	285
Income in Advance		9,670	6,744
Accrued Expenses		14,476	4,200
Provision for Holiday Pay		9,296	13,118
Total Current Liabilities		85,542	53,748
Total Liabilities		85,542	53,748
Net Working Capital		168,456	114,240
NON - CURRENT ASSETS			
Plant and Equipment	5	215	431
Total NON - CURRENT ASSETS		215	431
Net Assets		168,672	114,671
MEMBERS FUNDS			
Balance Brought Forward		114,671	122,444
Current year earnings		54,001	(7,774)
Total MEMBERS FUNDS		168,672	114,671

For and on behalf of the Members:

Chairperson _____

Director _____

Date 4 April 2023 _____



This statement is to be read in conjunction with the Notes to the Financial Statements and the accompanying Auditors Report.

Depreciation Schedule

Natural Health Products NZ Inc

For the year ended 31 December 2022

NAME	COST	OPENING VALUE	PURCHASES	DISPOSALS	DEPRECIATION	CLOSING VALUE
Computer Equipment						
HP Probook 430 G5	1,133	89	-	-	44	44
PB Tech Laptop	1,428	342	-	-	171	171
Total Computer Equipment	2,561	431	-	-	215	215
Total	2,561	431	-	-	215	215



Statement of Accounting Policies

Natural Health Products NZ Inc

For the year ended 31 December 2022

REPORTING ENTITY

Natural Health Products New Zealand Inc is a society incorporated under the Incorporated Societies Act 1908.

The objectives of the society are to foster commitment, involvement, mutual respect, effective communication and joint collaboration between all participants in New Zealand's natural and complementary health products and services industry.

ACCOUNTING POLICIES

- Natural Health Products New Zealand Inc is not required to prepare financial statements that comply with generally accepted accounting practice and as a result has elected to prepare special purpose financial statements. These special purpose financial statements are intended for the Board of the Society to assist them to assess the financial position and results of operations of the Society. As a result the special purpose financial statements may not be suitable for another purpose.
- The measurement base adopted is historical cost.
- Accrual Accounting is used to match expenses and revenue.
- Going Concern. Reliance is placed on the assumption that the society will continue with its present operations.
- Periodic Reporting. These financial statements include transactions for the year ended 31st December 2022.
- Fixed Assets are recorded at original cost less accumulated depreciation. Depreciation is charged on a diminishing value basis at rates allowed by the Income Tax Act 2007. Depreciation rates used for office equipment are 50% DV.
- Goods & Services Tax. These financial statements are prepared exclusive of GST, except for accounts receivable and accounts payable which are recorded inclusive of GST.
- Income Tax. As a non-profit organisation Natural Health Products New Zealand Inc is only subject to income tax on income over \$1,000 derived from outside the circle of membership.
- Revenue is deferred and accounted for as income in advance until the entity has incurred the associated costs or discharged its contractual obligations.
- Operating Lease. Where the lessor effectively retains the risks and benefits of ownership of leased items, they are recognised in the Statement of Financial Performance on a straight-line basis.
- Sundry Debtors are recognised at estimated realisable value.
- There have been no changes in accounting policies during the year covered by these Financial Statements. All policies have been applied on bases consistent with the previous year.



Notes to the Financial Statements

Natural Health Products NZ Inc

For the year ended 31 December 2022

1. TAXATION

Taxation is payable on income earned from outside the circle of membership as follows:

	2022	2021
Total Revenue	563,241	487,151
Less Membership Fees	(256,014)	(241,803)
Less Expenses attributable to income outside circle of membership	(270,946)	(237,370)
Net Taxable Income (Loss)	36,281	7,979
Accumulated Taxable Losses	2022	2021
Loss brought forwards	(57,520)	(65,499)
Current year profit (loss)	36,281	7,979
Loss to carry forwards	(21,239)	(57,520)

2. CAPITAL EXPENDITURE COMMITMENTS

Natural Health Products New Zealand Inc has committed to spend a further **\$4,000** on development of a new website in the 2023 year. A \$4,000 work in progress payment has already been made for this work - see Pre paid Expenses. This is the only capital expenditure commitment at balance date (2021:nil).

3. CONTINGENT LIABILITIES

At balance date there are no known contingent liabilities. Natural Health Products New Zealand Inc has not granted any securities in respect of liabilities payable by any other party whatsoever. (2021: nil)

4. EVENTS SINCE BALANCE DATE

There were no events since balance date (2021:nil).



	2022	2021
5. PLANT & EQUIPMENT		
Office Equipment		
Office Equipment at Cost	2,561	2,561
Accumulated depreciation - Office Equipment	(2,346)	(2,131)
Total Office Equipment	215	431
Total PLANT & EQUIPMENT	215	431
	2022	2021

6. RELATED PARTIES

Board Member Samantha Gray		
Govt Affairs Retainer	23,100	23,415
Total Board Member Samantha Gray	23,100	23,415

7. AUDIT FEES

Crowe New Zealand Audit Partnership completed the audit of the financial statements for Natural Health Products New Zealand Inc for the year ended 31st December 2022 for \$5,500 (2021: \$4,100).



**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
NATURAL HEALTH PRODUCTS NEW ZEALAND INCORPORATED**

Opinion

We have audited the special purpose financial statements of Natural Health Products New Zealand Incorporated (the "Incorporated Society") on pages 3 to 9, which comprise the balance sheet as at 31 December 2022 and the income statement for the year then ended, and notes to the special purpose financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying special purpose financial statements of the Incorporated Society for the year ended 31 December 2022 are prepared, in all material respects, in accordance with the basis of accounting as described on page 7 of the special purpose financial statements.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements* section of our report. We are independent of the 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, the Incorporated Society.

Emphasis of Matter - Basis of Accounting and Restriction on Distribution

We draw attention to page 7 of the special purpose financial statements, which describes the basis of accounting. The special purpose financial statements are intended for the Board of the Incorporated Society to assist them to assess the financial position and results of operations of the Incorporated Society. As a result, the special purpose financial statements may not be suitable for another purpose. Our report is intended solely for the Incorporated Society's Board, as a body and should not be distributed to parties other than the Incorporated Society and its members. Our opinion is not modified in respect of this matter.

Responsibilities of the Board for the Special Purpose Financial Statements

The Board are responsible on behalf of the Incorporated Society for the preparation of the special purpose financial statements in accordance with the basis of accounting as described on page 7 of the financial statements and for such internal control as the Board determine is necessary to enable the preparation of special purpose financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board are responsible for assessing the Incorporated Society'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 Incorporated Society or to cease operations, or have no realistic alternative but to do so.

Findex (Aust) Pty Ltd, trading as Crowe Australasia is a member of Crowe Global, a Swiss verein. Each member firm of Crowe Global is a separate and independent legal entity. Findex (Aust) Pty Ltd and its affiliates are not responsible or liable for any acts or omissions of Crowe Global or any other member of Crowe Global. Crowe Global does not render any professional services and does not have an ownership or partnership interest in Findex (Aust) Pty Ltd.

Services are provided by Crowe New Zealand Audit Partnership an affiliate of Findex (Aust) Pty Ltd.

© 2023 Findex (Aust) Pty Ltd



Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose financial statements as a whole are 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 with ISAs (NZ) 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 these special purpose financial statements.

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

- Identify and assess the risks of material misstatement of the special purpose financial statements, 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 Incorporated Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 Incorporated Society'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 special purpose financial statements 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 Incorporated Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the special purpose financial statements, including the disclosures, and whether the special purpose financial statements represent 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.

Restriction on Use

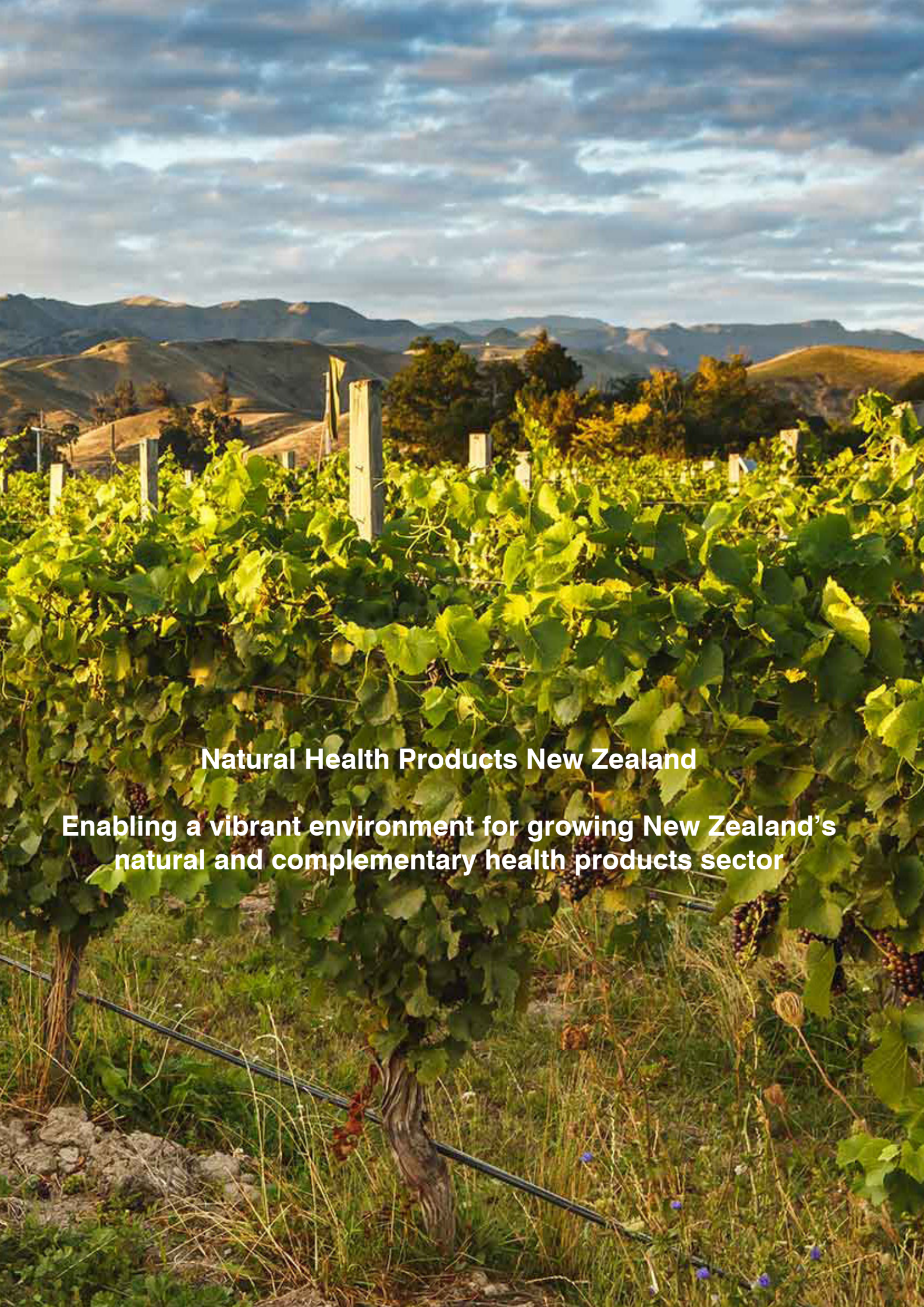
This report is made solely to the Members of the Incorporated Society, as a body. Our audit has been undertaken so that we might state to the Members of the Incorporated Society those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Incorporated Society and the Members of the Incorporated Society as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe New Zealand Audit Partnership¹

Auckland, New Zealand

4 April 2023

¹ The title 'Partner' conveys that the person is a senior member within their respective division and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is external audit, conducted via the Crowe Australasia external audit division and Unison SMSF Audit. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.



Natural Health Products New Zealand

**Enabling a vibrant environment for growing New Zealand's
natural and complementary health products sector**



PO Box 9026, Newmarket, Auckland 1149, New Zealand

P: +64 9 280 3611 M: +64 21 327 778

email: info@naturalhealthproducts.nz

www.naturalhealthproducts.nz