

Integrated
Annual Report
2025



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AsureQuality's roots as an organisation extend back more than a century and a half.



2025 marks 150 years since the appointment of the first sheep inspectors at the Department of Crown Lands, a milestone marking the beginning of the organisation we know today as AsureQuality. This was followed by the first dairy inspections, and the introduction of meat inspection for New Zealand's first frozen lamb exports, helping to establish the country's reputation for quality and giving our products a competitive advantage.

While there have been changes to our name and the scope of our work over the intervening years, the emphasis on protecting New Zealand farmers and food producers has remained the same. We've made use of advances in technology and food testing to help producers meet changing market requirements and consumer demands, and we're proud to continue to shape the future of food assurance.

These are some of the defining moments that have shaped who we are today.

1800's

1850s/early 1860s Māori farmers exported grain and potatoes to the Australian colonies

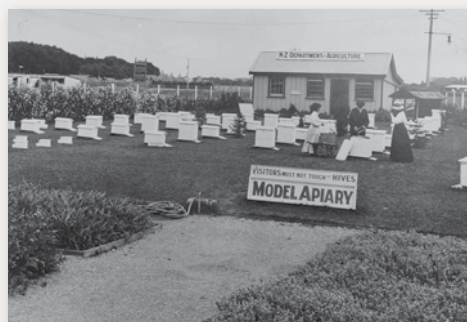
1861 Diseased Cattle Act passed

1876 Animals Import Prohibition Act introduced, stopping importation of any animals that could cause farmers problems

1882 First frozen shipment of lamb sent to the UK

1888 First dairy factory inspections

1898 Meat Hygiene Service created



NEW ZEALAND. ANNO VICESIMO QUARTO ET VICESIMO QUINTO VICTORIÆ REGINÆ. No. 23.

AN ACT to prevent the Importation of diseased Cattle. [5th September, 1861.]

BE IT ENACTED by the General Assembly of New Zealand in Parliament assembled and by the authority of the same as follows:—

I. The Short Title of this Act shall be "The Diseased Cattle Act 1861."

II. The Governor shall from time to time appoint proper persons as such ports and places as to him shall seem fit to be Inspectors of Diseased Cattle to perform the duties required by this Act and may from time to time remove such persons and appoint other persons in their respective places.

III. Every such appointment shall be by Warrant under the Great Seal of the Colony and every such appointment and removal shall be notified in the Government Gazette of the Colony.

IV. The duties of an Inspector of Diseased Cattle shall be as follows:—
(a.) When any ship or vessel having cattle on board shall arrive within any such port or place in the Colony the Inspector shall forthwith or as soon as conveniently can be go on board such ship or vessel and by inspecting such Cattle or otherwise satisfy himself whether such Cattle or any of them are or may be reasonably suspected to be infected with any infectious disease or whether the same are free from infectious disease.
(b.) If such Inspector shall be satisfied that such Cattle are free from infectious disease and were not imported from any District where infectious disease shall be known to prevail he shall give to the Master of such ship or vessel a certificate to the

1900's

1908 Slaughter and Protection Act legislated meat inspection

1952 Dairy Industry Act introduced regulating dairy factories and the quality and safety of their products

1961 Testing for bovine tuberculosis (TB) commenced

1972 Department of Agriculture merges with Fisheries Department to create Ministry of Agriculture and Fisheries (MAF)

1977 First intake of female meat inspectors

1980 New Auckland Laboratory opened at Lynfield

1993 Biosecurity Act

1998 MAF Quality Management division becomes two State-owned Enterprise (Asure and AgriQuality)

1999 Meat Act and Dairy Industry Act replaced by Animal Products Act and concept of 3rd party audits of Risk Management Programmes introduced



2000's

2002 Purchase of Dunn, Son & Stone, Melbourne food testing lab which later became part of DTS.

2003 AgriQuality Wellington Laboratory opened by PM Helen Clark

2005 Christchurch Laboratory established

Mid-2000s AgriQuality becomes a Conformity Assessment Body

2007 Diagnostics facility in Melbourne is opened, production starts

2007 AsureQuality established from State-owned Enterprise (AgriQuality and Asure)

2009 Singapore Laboratory established and Singapore accreditation gained in nine months



2010's

2011 Global Proficiency founded

2015 Breeding population of Queensland Fruit Fly eradicated in Auckland

2015 1080 contamination in infant formula scare

2016 Joint Venture BVAQ established with the purchase of DTS in Australia

2017-on *Mycoplasma bovis* outbreak and response

2018 China National Accreditation Service (CNAS) accreditation



2020's

2020 AsureQuality extends name to AsureQuality - Kaitiaki Kai

2025 AsureQuality celebrates 150 years

Joint Venture Mérieux NutriSciences AQ established

Progress in eradicating bovine TB in Aotearoa allows Management Agency OSPRI to in-house TB testing – concluding over 30 years of AsureQuality involvement

People Hub opens at Auckland Laboratory – first phase of the Best-in-Class Auckland Laboratory redevelopment



Helping Aotearoa shape a better food world

Our primary purpose is to help unlock and grow the value of New Zealand's \$70+ billion food industry via the trust provided through AsureQuality's assurance services.

New Zealand's food has long been recognised globally for its high standard of quality and safety, and for 150 years our organisation has been integral to maintaining this reputation.

Today, our end-to-end service and expertise across the value chain is dedicated to supporting our farmers, growers and food producers, who are leaders in our changing food world.

Together, we are shaping the future of food assurance through innovation, ensuring our food producers are at the forefront in meeting the emerging demands of global markets and consumers.

Leading trust in food, together

To accelerate the future of food assurance, we provide integrated, end-to-end services to ensure sustainable business growth.

Our vision is enabled through our leadership and globally recognised expertise, innovative technology and data insights, and partnerships with our customers.



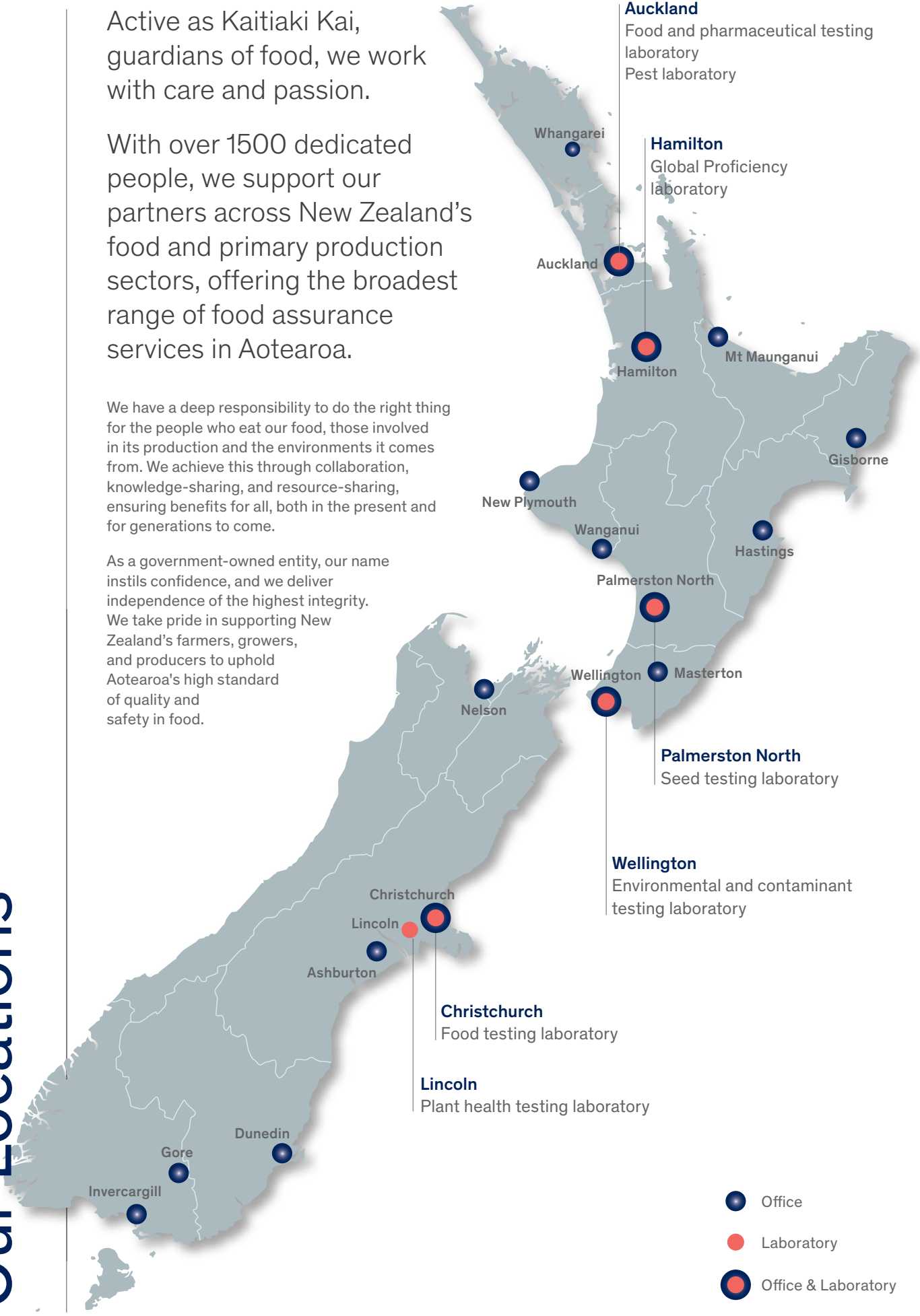
Our Locations

Active as Kaitiaki Kai, guardians of food, we work with care and passion.














With over 1500 dedicated people, we support our partners across New Zealand’s food and primary production sectors, offering the broadest range of food assurance services in Aotearoa.

We have a deep responsibility to do the right thing for the people who eat our food, those involved in its production and the environments it comes from. We achieve this through collaboration, knowledge-sharing, and resource-sharing, ensuring benefits for all, both in the present and for generations to come.

As a government-owned entity, our name instils confidence, and we deliver independence of the highest integrity. We take pride in supporting New Zealand’s farmers, growers, and producers to uphold Aotearoa’s high standard of quality and safety in food.



Our Capitals

Financial	<div> \$233.8m Revenue</div>	<div> \$184.2m Assets</div>
Intellectual	<div> Broadest range of certifications and accreditations</div>	<div> 150+ years of experience supporting primary industry</div>
Human	<div> 1500+ Dedicated people and global experts</div>	<div><div> 60+ Technical experts</div><div> 96 Health and Safety representatives</div></div>
Social and Relationship	<div> 100% government ownership</div>	<div><div> Enabling NZ's \$70+ billion food industry</div><div> International Joint venture with Mérieux NutriSciences in Australia and Southeast Asia</div></div>
Natural	<div> 37% Total reductions in CO₂ emissions since programme began in FY20</div>	<div><div> 75% of vehicle fleet now hybrid</div><div> Achieved Toitū carbon reduce certification</div></div>

Our Purpose

Helping Aotearoa shape
a better food world

Our Vision

Leading trust in food,
together

Our Values – *Mahi Tahi Tātou*

Our culture is key to our success



Trusted
Whakamana



Connected
Whakawhanaungatanga



Bold
Whakapakari

Our Goals

**Transform
our core**

**Delight our customers
everyday**

**Create
new value**

Our Enablers

Empowered People

We're safe, heard and valued
We build better work
We grow future-focused skills and capabilities
We all lead the way

Sustainable for Aotearoa

Strong trusted reputation
Environmental sustainability
Connected to our communities

Our Key Measures

**People
Engagement**

**Safety
Actions**

Profitability

**Service
Metrics**

**Quality
Actions**

**Customer
Retention**

**New
Business**

2025 marks 150 years of trusted food assurance for AsureQuality – a significant milestone in our journey.

It's an important opportunity to celebrate the dedication of those who have shaped our legacy, and to look ahead with purpose. As we honour our past, we remain focused on the future – ensuring our strategy continues to build on the trust we've earned over generations. Our vision “Leading trust in food, together” continues to guide us. We're pleased to share that our performance this year, and the momentum we take forward, reflect our commitment to that vision and to delivering lasting impact for Aotearoa.



Summary

AsureQuality's purpose is to help grow the value of New Zealand's \$70+ billion food and beverage industry via the trust provided through our assurance services to over 7000 customers. This financial year the company achieved revenue of \$234 million, slightly above the previous year of \$228 million. The strong performance of our core business in testing, inspection and auditing services offset the reduced revenue from biosecurity and animal disease activity.

The full year result was a net profit after tax of \$9.1 million, up from \$3.8 million the previous year, reflecting the strong trading performance of our core business, along with prudent cost management and the exiting of unprofitable contracts.

The company's financial performance has benefited from a strong focus on service to our customers and responsiveness across the customer journey. Consistently fast turnaround times in our laboratory food testing services, on time auditing and inspection services, and providing new highly valued integrated food assurance services and insights, have contributed to increased customer satisfaction and customer contract renewals despite the challenging environment.

Our results also continue to reflect sustainable change in employee engagement and safety. AsureQuality was a finalist in the 2025 Safeguard awards and employee engagement eNPS scores are positive and continue to demonstrate steady improvement. The focus on ways of working aligned to our Mahi Tahi Tātou values is assisting us in delivering our vision to “Lead Trust in Food Together”, ultimately accelerating the value growth of New Zealand's primary and food industry.

Our People

We continue to focus on Safety and Wellbeing, delivering strong results. AsureQuality has introduced visible leadership critical control reviews for all levels of leadership. Targets for visible leadership continue to be exceeded. The health of the safety culture in AsureQuality is also reflected in other indicators, with 96% of safety investigations and actions completed on time and a high level of engagement from approximately 100 health and safety front-line representatives. We are proud that all these representatives have been through NZQA training and are continuing to bring strong employee voice to our safety and wellbeing activities.

We continue to focus on our considerable shared responsibilities with other PCBUs (Person Conducting a Business or Undertaking) and to deepen our expertise in this critical area, with the key intent to keep our people safe no matter where they work. We acknowledge that employee wellbeing is of critical importance to ensure the workplace is a place where people can thrive.

Capital Investment

We are excited about the redevelopment of the company's main testing laboratory at Lynfield in Auckland, acknowledging the support of our Shareholder for this important infrastructure project. Construction began in June 2024, and the first phase completed in July 2025, on time and within budget.

This laboratory was originally built in 1980 and was designed to house approximately 80 people. As the New Zealand food and primary industry has grown, the laboratory is now the largest food testing facility in the Southern Hemisphere, underpinning New Zealand's \$70+ billion food industry and exports, and employing 450 people. The laboratory is of critical importance to New Zealand in ensuring both a safe local food supply and in assisting exporters to meet overseas market access requirements. The redevelopment will enable greater automation and process efficiencies, and provide continued confidence in New Zealand's reputation for the highest standards of food safety and quality.

Our investment programme to improve data capability, core operating systems and cyber security has delivered a strong platform that supports efficient service delivery, enhanced customer experience and new products and services.

Our Financials

In the 2025 financial year we generated revenue of \$234 million, slightly above that of the previous year (\$228 million). Despite reduced revenue from biosecurity and animal disease field activity we were pleased to continue to grow the demand for our services with revenue from our core food assurance activities, testing, inspection and auditing increasing by 4% year on year. This was achieved despite strong competition in food assurance and a subdued domestic food sector.

Profit before income tax was \$11.1 million, compared to the previous year of \$4.2 million, reflecting the strong trading performance across the core food assurance services, testing, auditing and inspection, together with prudent cost management and one-off extraordinary gains and losses.

Taking into account one-off extraordinary gains and losses, the full year result was a net profit after tax of \$9.1 million, up from \$3.8 million the previous year.

Strategic Direction

AsureQuality's strategic vision is to “Lead Trust in Food Together” with New Zealand food companies and the primary industry we serve.

This is underpinned by three key goals strongly aligned to customer expectations now, and in the future:

- **Transform our core** – designed with our customers, our systems and processes are optimised, digital and integrated
- **Delight our customers everyday** – the experience we provide our customers is the best in market
- **Create new value** – grow our services and unlock new markets across the value chain

AsureQuality is investing in this strategy with a focus on culture, innovation, data and insights, automation and technology for the future. We are making very good progress towards our strategic vision with the implementation of the new operating audit management system and the establishment of a strong data architecture and capability.

Our enhanced focus on continually transforming our core and delighting our customers every day is assisting us grow our opportunity pipeline with both existing and new customers, which in turn, supports the growth forecast in FY2027 and FY2028.

To further support our strategy, we are embedding and reinforcing our Mahi Tahi Tātou values and behaviours, “Trusted - Whakamana”, “Connected - Whakawhanaungatanga” and “Bold - Whakapakari” which will enable the culture required to deliver our ambition.

Outlook

In FY 2026, the focus will continue to be on our customers' needs and growing our core business of food assurance, testing, inspection and auditing services aligned to our strategy. We aim to exceed the expectations of the New Zealand food industry as we “Lead Trust in Food Together”, continuing to strengthen our services, through new value add product features and by driving efficiencies through automation, technology and process improvement.

Examples of this include the “Future of Meat Inspection” project which looks to enhance visual inspection using computer vision and machine learning to identify animal diseases and defects in carcasses whilst also helping to improve process yield outcomes. We are also investigating optical sorting and AI processes to improve our service turnaround times and to create a greater sustainable business model for our Seed Laboratory.

Completion of the phase 1 of the capital investment in redevelopment of the Auckland food testing facility will provide greater confidence to customers with respect to our leading role in New Zealand food safety. The investment will ultimately ensure a long-term sustainable business, by enabling us to increase our capacity and flexibility, realise productivity gains, deliver faster testing results, and attract and retain our skilled people. This investment was funded from increased bank debt and retained earnings, utilising cash typically paid as dividends. As we complete the next phase of the laboratory redevelopment, we will meet our commitment to the return of paying dividends.

In a fast-changing world these types of investments will ensure AsureQuality remains relevant to customers in the future, supporting and growing the value of New Zealand's \$70+ billion food industry via the trust provided through AsureQuality assurance services.

Conclusion

AsureQuality is pleased to have delivered on its financial commitments to shareholders on annual revenue and profit as well as meeting the targets associated with the first phase of our significant capital investment in the Lynfield Auckland laboratory redevelopment.

We are proud of how our people have served our customers, despite the on-going market and competitor challenges and the continued evolution of the biosecurity and animal disease sector. We thank our people for their openness to change and their continued dedication and commitment to our business.

To our customers – we thank you for your business and look forward to continuing to strengthen our relationship by creating greater value for you and your customers and consumers through our integrated assurance provider strategy, enabled by our new values. As we celebrate 150 years of trusted food assurance, we are proud to continue to help you uphold what Aotearoa stands for in food – a higher standard of quality and safety.



A handwritten signature in blue ink, appearing to read 'Peter Landon-Lane'.

Peter Landon-Lane
Chair

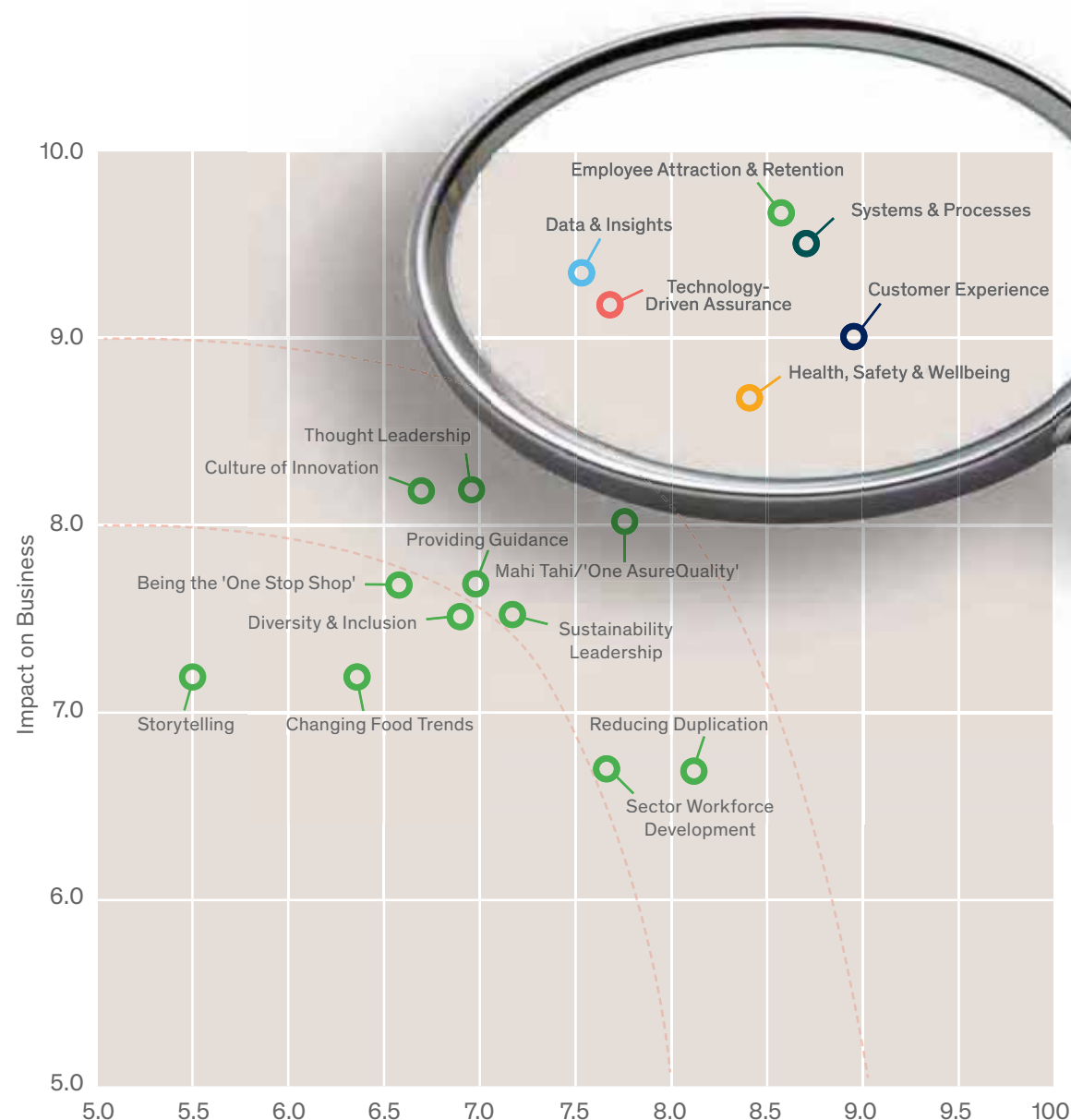


A handwritten signature in blue ink, appearing to read 'Kim Ballinger'.

Kim Ballinger
Chief Executive Officer

Our strategy is informed by a ‘materiality assessment’ process, identifying the most important environmental, social and governance (ESG) topics for our business.

The matrix below shows the key topics we are focussed on addressing. These have been prioritised based on input from external stakeholders (customers, suppliers, regulators etc.) and internal stakeholders (employees).



The top six areas identified as critical to AsureQuality's success



Employee Attraction and Retention

“Together, we are delivering the mahi that matters.”

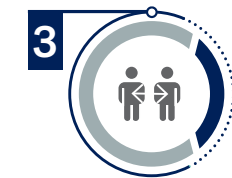
We are empowering and retaining our people through targeted development and experiences, fair reward and designing work and workplaces where our people have the tools and support to do their best work. Our refreshed three-year people strategy will build momentum with the capability that our people need to meet the growing demands of our customers and consumers. It will enable us to meet the needs of a diverse, modern business, building a workplace culture that is our unique point of difference.



Systems and Processes

“We are actively reviewing our processes and systems using a customer/product first lens.”

Key enabling capability is now live with our Audit Management System and Central DataHub. Careful prioritisation through our enterprise strategic planning process ensures we focus on those changes that will deliver the biggest impact to our customers, business and people. Recent changes to our operating model provide a dedicated delivery focus, using modern, adaptive ways of working to ensure customers are part of our design and value is released early and often. Adoption of AI agentic workflows is a key area of focus, freeing our people to use their extensive technical experience to add value to customers by removing administrative load.



Customer Experience

“Providing a seamless, integrated experience that delights our customers”

As we move towards our goal of a single AsureQuality experience for our customers, we are continuing to integrate digital tools that enable a more customer-centric support service.

We have updated our CRM platform to streamline our processes and better align with our customers. We are extending the use of our customer support platform to additional parts of the business, ensuring that our teams have the right tools to provide a consistent and excellent service. Our pre-built Customer Care Centre knowledge base is now in place as part of our customer support platform, offering further options for customers to access support and information, and better visibility of their communication with the AsureQuality team.

Our Voice of Customer programme, along with other data sources, continues to guide and inform the improvements we make to enhance the end-to-end customer journey.



Data and Insights

“Using data to develop better insights and trends for our customers and develop new digital products.”

With our Central Data Hub live, we continue to focus on developing decision support tooling which unlocks value for our customers and our people. Several projects are underway, having been prioritised using our new strategic planning process. Additionally, through this domain, we continue our focus on enabling a truly integrated experience for customers - managing food assurance end to end through advanced analytics functionality.



Technology-Driven Assurance

“We re-imagine the future of assurance and are taking bold steps to ensure its delivery.”

In alignment with our systematic review of systems and processes, and new capability in computer vision and AI provided by our Data and Innovation functions, we are focussed on transformative change that fundamentally disrupts and improves existing assurance models. This work continues, and represents our ambition not just to tweak our processes, but to deliver fundamental change that unlocks material value. Due to its disruptive nature, we are focussed on establishing industry partnerships to accelerate delivery.



Health, Safety and Wellbeing

“Ensuring the health, safety and wellbeing of our people and customers”

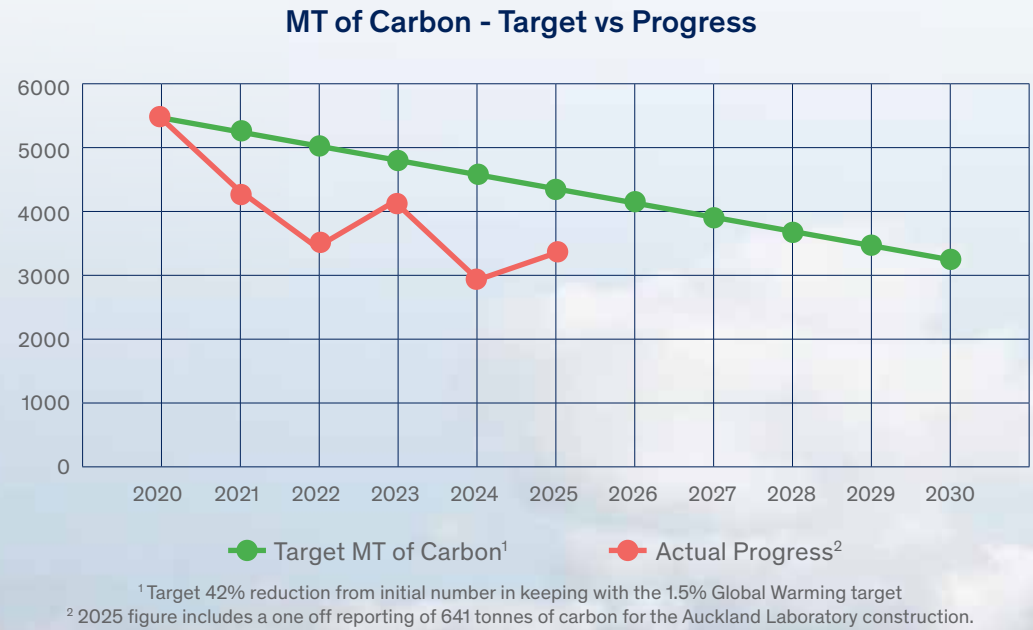
In line with our strategic priorities ensuring that visible leadership is demonstrated at all levels of our organisation, we have significantly lifted the number of observations from across the Board, Executive, people leaders and health and safety representatives. We continue to work with our customers to ensure we meet our overlapping duty obligations with a focus on designing our work to ensure our people and our business is safe, healthy and thriving. We continue to enhance capability and empower our health and safety representatives.

Environmental Sustainability Roadmap

	5558 MT of CO ₂	4178 MT of CO ₂	3697 MT of CO ₂	4131 MT of CO ₂	2980 MT of CO ₂	3496 MT of CO ₂			
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2030	FY 2050
	<ul style="list-style-type: none">Environmental Sustainability policy publishedFirst purchase of hybrid vehicleSolar panels installed at Diagnostics site in MelbourneAsureQuality joins Sustainable Business Network	<ul style="list-style-type: none">15% of fleet are hybrid vehiclesAsureQuality joins Toitū Carbon Reduce Programme and completes first auditSupplier Code of Conduct issuedCarbon reduction goals set	<ul style="list-style-type: none">40% of fleet are hybrid vehiclesAuckland Laboratory starts MyGreen Lab certification	<ul style="list-style-type: none">57% of fleet are hybrid vehiclesWellington Laboratory starts My Green Lab certificationToitū carbon audit successfully completedAsureQuality confirms intent to participate in Carbon Neutral Government Programme (CNGP)	<ul style="list-style-type: none">65% of fleet are hybrid vehiclesSeed, Pest, Plant Health Labs and Global Proficiency started My Green Labs certificationAsureQuality to report first carbon usage figures to CNGPInclude carbon use in IDVF model for assessing viability of new workIntroduction of ten hybrid utes to fleet	<ul style="list-style-type: none">75% of fleet are hybrid vehiclesContinue with My Green Lab certificationCNGP reporting to Government completed as required from 2024All new utes purchased are now hybridReporting on status to 2020 five year goals at year end2025 carbon reporting includes 641 tonnes accrued in the construction of the People Hub at the Auckland Laboratory	<ul style="list-style-type: none">Introduce technology to deliver data for audits, reducing travel to sitesBusiness case to implement solar on new People Hub at Auckland LaboratoryBusiness case to implement gas boiler with electric boiler at Auckland LaboratoryNew five year goals	<ul style="list-style-type: none">42% reduction in Scope 1 and 2 emissions,from FY2020 base, in keeping with Zero Carbon Act 1.5% global warming targetBegin replacement of all non-ute vehicles (hybrids) with BEV over 3 year period	<ul style="list-style-type: none">Net carbon zero goal, as per Zero Carbon Act

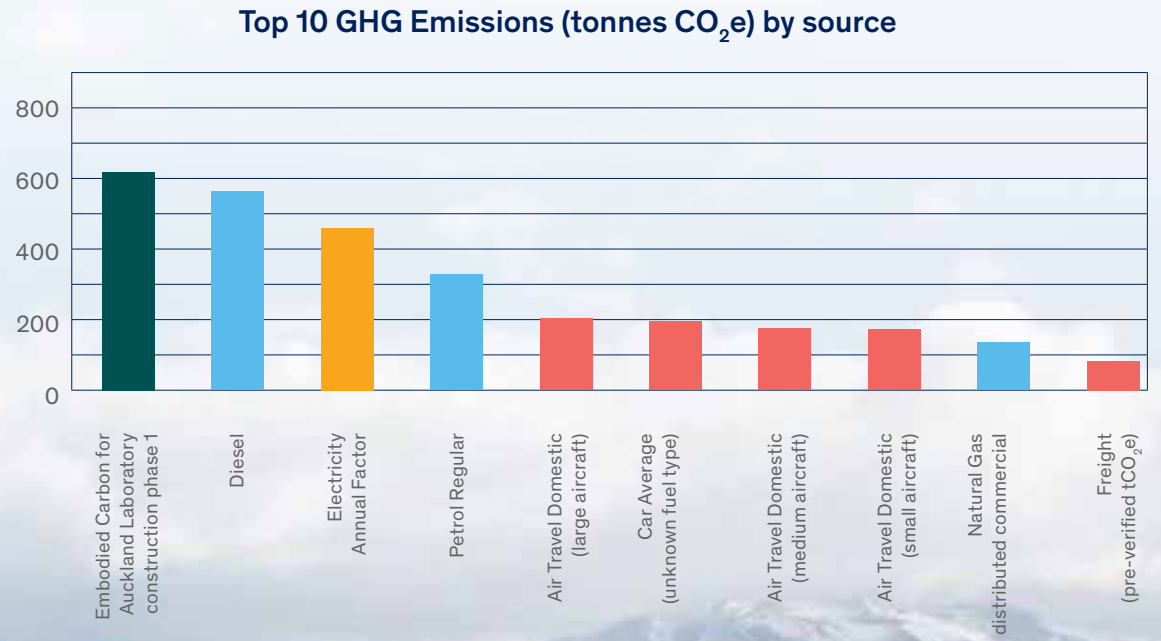
AsureQuality environmental and sustainability initiatives are in place to support our Environmental Sustainability Policy.

We are participating in the Carbon Neutral Government Programme (CNGP). We report progress annually towards our reduction targets for Scope 1 and 2 emissions.



In 2025 AsureQuality successfully completed the annual audit requirements of our Toitū carbonreduce certification, with total Scope 1 and 2 emissions 37% lower than the base total of FY2020.

Toitū carbonreduce certification is a voluntary climate impact programme that helps organisations measure, manage, and reduce their greenhouse gas emissions. It is accredited by JASANZ to certify to international standards (ISO 14064-1:2018).



AsureQuality's Board of Directors have been selected from a diverse range of backgrounds and abilities to ensure we are governed effectively, continue to build on our successes and can support Aotearoa's food industries to achieve.



Peter Landon-Lane
Chair



Jan Hilder
Deputy Chair



Alison Posa
Director



Dean Moana
Director



Ariana Estoras
Director



Scottie Chapman
Director



Belinda Storey
Director



Ken Hames
Director

Peter Landon-Lane Chair

Peter was appointed to the board in July 2023. He is a director of the Earth Science Institute. His governance career includes board roles at agri-food, science and export companies in New Zealand and abroad. His executive career included senior roles at T&G Global and Fonterra, and he is a former CEO of Plant & Food Research. Peter is a member of the Institute of Directors and has degrees in science and economics.

Dean Moana Director

Dean was appointed to the Board in March 2022, having previously held various governance and senior management roles in Aotearoa's food and seafood sectors, including Chief Executive and General Manager of subsidiaries within Aotearoa Fisheries Group - New Zealand's largest Māori-owned fisheries company. He is a current Board member for two Crown Research Institutes, Plant & Food Research and the National Institute of Water and Atmospheric Research (NIWA), as well as serving on the Board for Akaroa Salmon New Zealand and Port Nicolson Fisheries Ltd. Of Ngati Porou and Apanui descent, Dean is a current Director of Ngati Porou Runanga and its commercial entity Ngati Porou Holdings Ltd. He is also a Chartered Accountant and has a Bachelor of Commerce and Administration.

Ken Hames Director

Ken was appointed to the Board in July 2024. He is currently Chair of the Duke of Edinburgh Award New Zealand and has considerable governance experience in audit and risk, strategy and finance, having previously held governance roles for businesses in dairy genetics, agri-technology, electricity, fibre communications, agriculture and contracting sectors. Ken has particular knowledge of the agricultural sector, having been involved in the farming industry for over 30 years, with beef and dairy operations in Northland. He has a degree in agriculture and is a chartered member of the Institute of Directors.

Jan Hilder Deputy Chair

Appointed to the Board in November 2019, Jan has over 30 years' experience in senior executive and governance roles. Her previous roles include Chief Executive and Executive Director positions with Panacea Healthcare and Tacit Group, along with multiple advisory and senior management roles within the healthcare, insurance, finance, IT and manufacturing sectors. Jan has considerable expertise in business and technology strategy, risk management, mitigation planning and corporate governance.

Ariana Estoras Director

Ariana is of Ngāti Maniapoto descent and was appointed to the Board in July 2022. She has over 15 years' experience working in Aotearoa's primary industries sector establishing Māori Agribusiness partnerships while working for Beef + Lamb NZ and Ministry for Primary Industries. She is a recent independent Director for Food HQ and independent Trustee for NZ Rural Leadership Trust and currently the Director of Māori Research and Partnerships at AgResearch, leading engagement with Māori partners and development of Māori research strategy and capability. Ariana has a Masters in Science from the University of Otago which led to her joining the Imperial College in the United Kingdom, enabling research within the area of genetic modification legislation.

Belinda Storey Director

Belinda was appointed to the Board in July 2023, having also served as a director of State Owned Enterprise Pāmu/Landcorp for the last 5 years. She holds the position of Managing Director for the Whakahura Programme, a 5-year \$10 million research programme funded by MBIE. Recently, she contributed her expertise to the Ministry for Environment's Managed Retreat Expert Working Group and to the External Reporting Board (XRB)'s External Advisory Panel on Climate Related Disclosures. Belinda has a MBA in Finance from Columbia University of New York and a Masters in Disaster Risk from the University of Canterbury.

Alison Posa Director

With over 25 years' experience in finance and strategy roles in multinational environments, Alison was appointed to the board in 2019. Her career has spanned industries including food, pulp and paper, forestry, building and banking. Since 2002 she has worked in the food industry with Kraft Foods and Mondelez International. Most recently she was based in Singapore as Director Financial Controlling responsible for 34 countries across Asia, Middle East and Africa. Alison was previously CFO for Kraft Foods Australia and NZ. Her experience has covered finance, strategy, risk management and governance of businesses in diverse international markets. She has a BMS (Hons) from the University of Waikato and is a Chartered Accountant and chartered member of the Institute of Directors.

Scottie Chapman Director

Scottie has both executive and governance experience across the food and beverage industry, and was appointed to the Board in July 2024. He specialised in exporting premium FMCG products overseas, with corporate experience in Asia including executive roles in Japan for Heinz Watties and Zespri. His NZ experience includes owning and developing NZ's largest cider manufacturer, Redwood Cellars, Founding Spring Sheep Milk Co., as well as establishing a boutique investment and advisory service that he still manages. Scottie has considerable expertise in company start-up and strategic development. He is currently serving as Independent Chair for Landpro, and Director of Spring Sheep Milk Co., Good Buzz Beverages, and SLC Ventures, a private investment fund he founded.

The Board of Directors is responsible for corporate governance.

Corporate governance includes the direction of the Company, accountability of the Board to shareholders, the Company’s performance, and compliance with laws and regulations.

The following is an overview of the main corporate governance practices which ensure effective management, statutory obligations and best practice are met.

Shareholder Relationship

AsureQuality is a limited liability company and a State-Owned Enterprise with its shares held by two Ministers on behalf of the Crown, the Minister for State-Owned Enterprises, and the Minister of Finance. Under the State-Owned Enterprises Act 1986, the principal objective of a State-Owned Enterprise is to operate as a successful business which is:

- as profitable and efficient as comparable businesses not owned by the Crown;
- a good employer; and
- an organisation which exhibits a sense of social responsibility having regard to the interests of the communities in which it operates, and by endeavouring to accommodate or encourage those interests when able to do so.

AsureQuality is required to provide its shareholders with an annual business plan, annual budget, a Statement of Corporate Intent, and quarterly reports on performance relative to the objectives set out in the business plan.

The unaudited half-year financial statements, audited year-end financial statements, and Statement of Corporate Intent are tabled in Parliament.

The Role of the Board of Directors

The Board are responsible for the governance of AsureQuality and its subsidiaries. The Board’s principal responsibilities include:

- setting the Company’s strategic plan and in particular the overall organisation purpose, vision and values, and monitoring and reviewing these regularly;
- ensuring that strategies are in place for achieving the company’s purpose and vision;
- establishing policies for strengthening the

performance of the Company including ensuring that Management is proactively seeking to build the business through innovation, initiative, technology, new products and the development of its business capital;

- setting the risk appetite within the risk management framework;
- monitoring the performance of Management
- appointing the CEO, setting the terms of the CEO’s employment agreement and, where necessary, terminating the CEO’s employment with the Company;
- deciding on whatever steps are necessary to protect the Company’s financial position and the ability to meet its debts and other obligations when they fall due, and ensuring that such steps are taken;
- ensuring that the Company’s financial statements are true and fair and otherwise conform with law;
- ensuring that the company has environmental, sustainability and climate change policies in place;
- together with the CEO, setting, modelling, and monitoring of the Company’s organisational culture;
- ensuring that the Company adheres to high standards of ethics, corporate behaviour, and corporate social responsibility;
- ensuring that the Company has appropriate risk management, legal and regulatory compliance policies in place;
- ensuring that the Company has appropriate health and safety policies and practices in place that ensure the wellbeing of staff; and
- ensuring that all employees are treated with due respect and are provided with a working environment and working conditions that meet all reasonable standards of employment as defined by workplace and employment legislation.

The Board supports the values, principles and practices set out in the “Code of Practice for Directors” issued by the Institute of Directors in New Zealand.

These include the expectations that Directors will:

- act honestly and with integrity;
- comply with the law;
- avoid conflicts of interest;
- use company assets responsibly and in the best interest of the Company
- be responsible and accountable for their actions; and
- act in accordance with their fiduciary duties.

The orderly conduct and control of the business depends on effective and responsible delegation of authority. The Board has a formal delegation of authority policy establishing authority to the CEO and Management. This policy establishes parameters and limits within which Management can commit AsureQuality to a transaction or approve spending. These limits are reviewed annually.

Appointment of Directors and Composition of Board

AsureQuality’s constitution sets out policies and procedures for the operation of the Board, including the appointment and removal of Directors. Directors are appointed by the shareholding Ministers. Under the constitution Directors may be appointed for a fixed term not exceeding three years, and shareholding Ministers may choose to renew any such appointments for a further fixed term. The Ministers also appoint the Chair and Deputy Chair. All Directors are nonexecutive independent Directors.

The Chair of the Board’s role is to manage the Board effectively, to provide leadership to the Board and to interface with the CEO.

Board Meetings

The Chair, with the assistance of the CEO and Board Secretary, establishes the agenda for each Board meeting to ensure proper coverage of key issues. Each Director is able to request items for the agenda. The Directors receive comprehensive information on AsureQuality’s operations before each meeting and have unrestricted access to any other information they require. The CEO and Management attend each meeting to answer questions and to assist the Directors in their understanding of the issues facing AsureQuality and the performance of the Company.

The Board and its Committees also meet in confidential sessions without Management present. These sessions deal with Management performance and remuneration issues, Director performance processes, and discussions with the external auditors to promote a robust independent audit process.

In line with best practice, the Board undertook a formal Board Review by an external independent advisor.

For the year ended 30 June 2025, the Board met for nine Board meetings. Details of attendance at Board and Committee meetings are set out in the table shown.

Board Meeting Attendance for the year ended 30 June 2025			
Peter Landon-Lane	9	4	4
Alison Posa	9	4	0
Jan Hilder	9	0	4
Dean Moana	9	2	0
Ariana Estoras	7.5	0	4
Belinda Storey	8.5	4	0
Ken Hames	9	0	0
Scottie Chapman	9	0	0

Board Attendance Finance & Risk People & Culture

Board Committees

The Board has two formally constituted committees, the People and Culture Committee, and the Finance and Risk Committee.

The Board reviews the membership and terms of reference for the committees annually.

People and Culture Committee

The People & Culture Committee has authority to recommend to the Board and met four times in the year ended 30 June 2025. The objective of the Committee is to assist the Board on remuneration and performance management policies, procedures relating to the CEO and senior management, and safety and wellbeing. The Committee comprised Jan Hilder (Chair), Peter Landon-Lane, and Ariana Estoras.

Finance & Risk Committee

The Finance & Risk Committee has authority to recommend to the Board and met four times in the year ended 30 June 2025. The objective of the Committee is to recommend the principles and standards with respect to internal controls, accounting policies, the nature, scope, objectives, and functions of internal and external audit, risk management strategy, policy, and process, as well as making recommendations on specific issues. The Committee assists the Board in producing accurate financial statements in compliance with the appropriate legal requirements and accounting standards, and ensuring that appropriate policies are in place regarding the impartiality of AsureQuality’s certification activities. The Committee comprised Alison Posa (Chair), Peter Landon-Lane, Belinda Storey, and Dean Moana.

Directors’ Remuneration

Each year shareholding Ministers advise the Board of the total amount of fees which may be allocated to Directors of AsureQuality. The allocation of those fees in respect of the year ended 30 June 2025 is included in the statutory disclosure information.

Risk Management

The Board has developed a rigorous process for risk assessment, management, and internal control. AsureQuality has developed a comprehensive risk management framework which is reviewed for approval by the Finance and Risk Committee on an annual basis. The Board also completes an externally facilitated risk appetite and risk assessment review. Management actively participates in the identification, assessment, and monitoring of new and existing risks. Particular attention is given to the market risks that could impact on AsureQuality.

Audit

In accordance with Section 29 of the Public Finance Act 1989, the Auditor General is required to express an opinion on the Company's financial statements. Pursuant to Section 15 of the Public Audit Act 2001, the Auditor General has appointed Ian Proudfoot of KPMG to undertake this audit on his behalf. The Audit Report is set out in the Financial Statements.

The Board has adopted a strict policy to maintain the independence of the external auditor with their work limited to external audit and assurance services only. During the year, Grant Thornton acted as internal auditor to monitor the Company's internal control systems. The Board sets the internal audit programme for the internal auditor. Both the internal auditor and the external auditor have unrestricted access to the Finance & Risk Committee and to the Board. AsureQuality has engaged Toitū to audit the Company's carbon reduction emissions.

Building our Cultural Confidence

We are committed to a bi-cultural journey and are building our cultural capability at AsureQuality, led by Te Rōpū Aka Whiri Hou (our bi-cultural committee), as the foundation to a holistic Māori strategy. We are focussing on the development of our AQ Tikanga and deepening our understanding and use of Te Reo. Our refreshed values and behaviours developed with and for our people, represent an authentic Māori perspective, supported by the development of meaningful symbols and Te Reo to create deeper and shared meaning.

With over 40 nationalities within AsureQuality we are building a strong culture of belonging for all our people, continuing to find ways to share and celebrate cultural practises and events of many cultures throughout the year.

Corporate Social Responsibility (CSR)

The Board recognises that AsureQuality has obligations under the State-Owned Enterprises Act 1983 to be a good employer, and to exhibit a sense of social responsibility by having regard to the interests of the communities in which it operates, and by endeavouring to accommodate or encourage these when able to do so. This means conducting business in a responsible fashion, including operating with a high level of business ethics.

AsureQuality's CSR philosophies are embedded in the Foundations of our Strategy and are reflected in how the Company operates across all activities on a day-to-day basis.

AsureQuality's approach to corporate social responsibility focuses in three areas:

Empowered People

- Care at our core: We create an environment where we are safe, heard and valued
- Shaping tomorrow: We build better work that shapes our future, our ways of working and makes us proud to be part of AsureQuality
- Adapting and growing: We have the skills and capabilities to take on what's next in a changing world

Sustainable for Aotearoa

- Established our Environmental Sustainability policy and supplier code of conduct
- Active commitments and deliverables for Carbon Neutral Government Programme (CNGP) participation, MyGreen Lab certification journey and Toitū carbonreduce certification

Active in our Community

- Our volunteer day programme assisted by the Community Partnership Coordinator to facilitate and enable volunteering by our people with our nominated community partner(s)
- Annual financial contribution and in-kind services to our nominated community partner(s)

Conflicts of Interest

The Board has adopted a policy that prohibits any Director providing services, in any capacity, to the Company except with the prior approval of shareholding Ministers. All Directors are required to disclose any conflicts of interest, or if they

have an interest in any transaction, they will not be entitled to participate in the discussion, or to vote in relation to the transaction. To facilitate the disclosure of interests and identification of any actual or perceived conflicts of interests, the Company's Register of Directors' & Executive Team Interests is tabled and reviewed at the beginning of each Board meeting.

Ethical Behaviour

The Board has adopted a number of policies to provide guidance to Directors, Management, and staff as to the expected standard of behaviour in conducting the business of the Company. These include policies covering drug and alcohol abuse, conflicts of interest, disclosure of information, personal and entertainment expenses for both Directors and staff, the treatment of fraudulent actions, protected disclosures, harassment, privacy, responsible use of technology and the receipt of gifts.

Diversity

AsureQuality seeks to create an integrated and inclusive culture, which acknowledges, respects, and values the diverse perspectives different people and cultures bring to the workplace. All existing and prospective employees are respected and treated equally regardless of gender, ethnicity, age, religious beliefs, marital status, culture, sexual orientation, political opinion, employment status, or physical ability. AsureQuality's recruitment and selection process aims to ensure that selection reflects open competition (equitably on merit) and equal employment opportunity.

Our executive team provide inspirational and strong leadership for our people.

This ensures we continue to deliver world-class food assurance services to support our partners as they work hard to uphold Aotearoa's reputation for a higher standard of quality and safety in food.



Kim Ballinger
Chief Executive Officer



Jeremy Hood
Chief Operating Officer



Georgina Daly
General Manager
– People and Culture



Sandra Fischer
Group Manager
– Customer Solutions



Elke van der Meijden
Group Manager
– Transformation Delivery Office



Michael Hodgson
Group Service Manager
– Food Testing



Rupert Mitchell
Group Service Manager
– Meat Services



Kylea Heaton
Group Service Manager
– Auditing Services



Mike Fenton
Group Service Manager
– Ventures & Specialty Testing

Kim Ballinger

Chief Executive Officer

Kim joined AsureQuality in 2020. Her previous roles include Director at Waiū Dairy Company, Chief Executive Officer at Tip Top Ice Cream, involvement with two start-up companies, and 20 years with Fonterra, holding executive and senior management roles across New Zealand, Brazil, Mexico, China, and the USA. Kim is passionate about people and proud to be leading a business which supports New Zealand's food and primary producers, to uphold the reputation of Aotearoa for best-in-class quality food.

Sandra Fischer

**Group Manager
– Customer Solutions**

Sandra joined AsureQuality in 2015 after roles in sales and Global Account Management with Fonterra in China and Southeast Asia. Her previous experience includes sales and operational planning, supply chain, commercial and technical development. Sandra is committed to supporting Aotearoa's food producers through AsureQuality's services which support their initiatives for growth in domestic and global markets.

Rupert Mitchell

**Group Service Manager
– Meat Services**

Rupert joined AsureQuality in October 2023, having previously held operations and production leadership roles across the primary industry, most recently for Alliance and Van Den Brink Poultry Group. Prior to that he worked in the United Kingdom where he was involved in significant technology implementation projects and M&A projects for several primary producers. A passionate people leader who drives a highly engaged, safety focused team to deliver our AsureQuality vision, values and strategies, Rupert is proud to deliver high quality integrated services to our customers and to be part of a business which supports Aotearoa's food and primary producers.

Jeremy Hood

Chief Operating Officer

Jeremy joined AsureQuality in 2015 as Chief Financial Officer. His previous roles include seven years as Chief Financial Officer of DairyNZ, Finance Manager at Dexcel and various finance and accounting roles at Fonterra and L'Oréal in the United Kingdom. He also has previous experience working in the manufacturing sector. He is an Associate Chartered Accountant of Chartered Accountants Australia and New Zealand and a member of the Institute of Directors. Jeremy grew up on a family farm in Paengaroa and is passionate about Aotearoa's primary industry sector.

Elke van der Meijden

**Group Manager
– Transformation Delivery Office**

Elke joined AsureQuality in 2022. She has previously held leadership roles in New Zealand and Europe encompassing customer strategy and experience, operations, marketing, innovation, and technology. Her most recent roles include Head of Analytics and Innovation at Mercury, and senior leadership positions at AMP NZ and Vodafone. Elke is future-focused and committed to working with customers to deliver innovative products and services which help them maximise opportunities in an increasingly values-based global market. In her role, Elke spearheads AsureQuality's digital transformation.

Kylea Heaton

**Group Service Manager
– Auditing Services**

Kylea joined AsureQuality in 2013 as an Audit Manager, before moving into a Key Account Manager role. Her previous experience encompassed many years' working in technical, product development and management roles across Aotearoa's food industry, including roles with Fonterra and Canary Enterprises. Kylea enjoys being part of a business that supports New Zealand producers and is committed to ensuring a high level of service.

Georgina Daly

**General Manager
– People and Culture**

Georgina joined AsureQuality in 2021. Her previous roles include Chief People Officer at JUCY Group, GM Talent at Fonterra, and People and Culture leadership roles at Sitel and HBSC with a focus on leading organisational cultural change, building admirable leaders and putting employee experience at the heart of everything she does. Georgina is passionate about Aotearoa's primary industry and the opportunity to unlock our people's aspirations and potential to deliver on the AsureQuality vision.

Michael Hodgson

**Group Service Manager
– Food Testing**

Michael joined AsureQuality in 2014 as Laboratory Manager Chemistry for the Auckland Laboratory before moving into the Laboratory Business Manager role. He has over 16 years' experience working in commercial laboratories within New Zealand, including Watercare Laboratory Services and Eurofins (NZ). Michael is proud to be supporting AsureQuality's customers through delivery of innovative food testing services.

Mike Fenton

**Group Service Manager
– Ventures & Specialty Testing**

Mike joined AsureQuality in 2019 as the Business Manager Biosecurity. Prior to this he worked in management roles across a wide range of industries including KiwiRail, New Zealand Post, Ministry for Primary Industries and as Chief Operating Officer at Transdev Wellington. Mike is passionate about people and leadership and loves working in a company that contributes so much to Aotearoa.

AsureQuality offers the broadest range of food assurance services in New Zealand across retail food products, food service meals and primary industry exports - dairy, apiary, horticulture and red meat sectors.

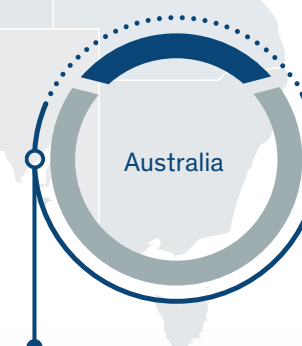
Through our joint venture with Mérieux NutriSciences we provide testing services in Southeast Asia and Australia.

Our dedicated specialty businesses are Global Proficiency, a world-class proficiency testing provider, offering comprehensive interlaboratory comparison programs, and AsureQuality Diagnostics, a manufacturer of high-quality diagnostic test kits.



Southeast Asia

We provide testing services to the dairy and food industries through our joint venture, Mérieux NutriSciences AQ. Our laboratories are based in Singapore, Malaysia, Vietnam, Thailand and Philippines.



Australia

We provide testing services to the dairy and food industries through our joint venture, Mérieux NutriSciences AQ. Our laboratories are located in Melbourne, Sydney, Brisbane and Perth. Global Proficiency provides analytical benchmarking services from facilities in Melbourne and Hamilton. AsureQuality Diagnostics is located in Melbourne.



New Zealand

Our people deliver a broad range of food assurance services, either at one of our six laboratories for testing or on one of our customer's sites for audit and inspection.



Our people embrace their role as Kaitiaki Kai, guardians of food and are mindful of their shared responsibility to do the right thing for the people who eat our food and the environments it comes from.

Kaitiaki requires collaboration with others; sharing knowledge, resources, and skills so that everyone benefits, now and for future generations to come.

Every day our people are on the ground, bringing a sense of personal commitment to our partners, at every point of their food supply chains. They share and apply the knowledge and insights gained from 150 years of experience, committed to inspiring a safer, more sustainable and transparent food world. As a New Zealand Government owned entity, AsureQuality provides independence of the highest integrity instilling confidence in food producers and consumers.



We have a team of over 1500 people across the breadth of our services in New Zealand. Additionally, we have 500 people working in our Mérieux NutriSciences AQ (MNAQ) joint venture businesses in Australia and Southeast Asia.

With over 40 different nationalities represented across the business, we are proud of our diverse workforce. Additionally, our gender statistics show a higher proportion of female in our Food Testing, Specialty Testing, Field and Support Services workforce, with other services more evenly split.

We have successfully delivered against our three-year people strategy outcomes, making tangible strategic shifts across all pillars: **our safety and wellbeing**, **our leadership** and **our people and capability**.

In parallel with these focus areas, we tangibly strengthened our people foundations and productivity through significant process improvement, active use of AI and automation, with a deep focus on people data and insights, talent acquisition and reward.

Throughout the three year People Strategy, we have enabled business performance through a positive change across our key performance indicators: reduced turnover, increased: employee engagement, engagement in leadership development, executive visible leadership, safety actions completed on time, internal talent moves.

A summary of our stand-out mahi over the past 12 months is outlined below:

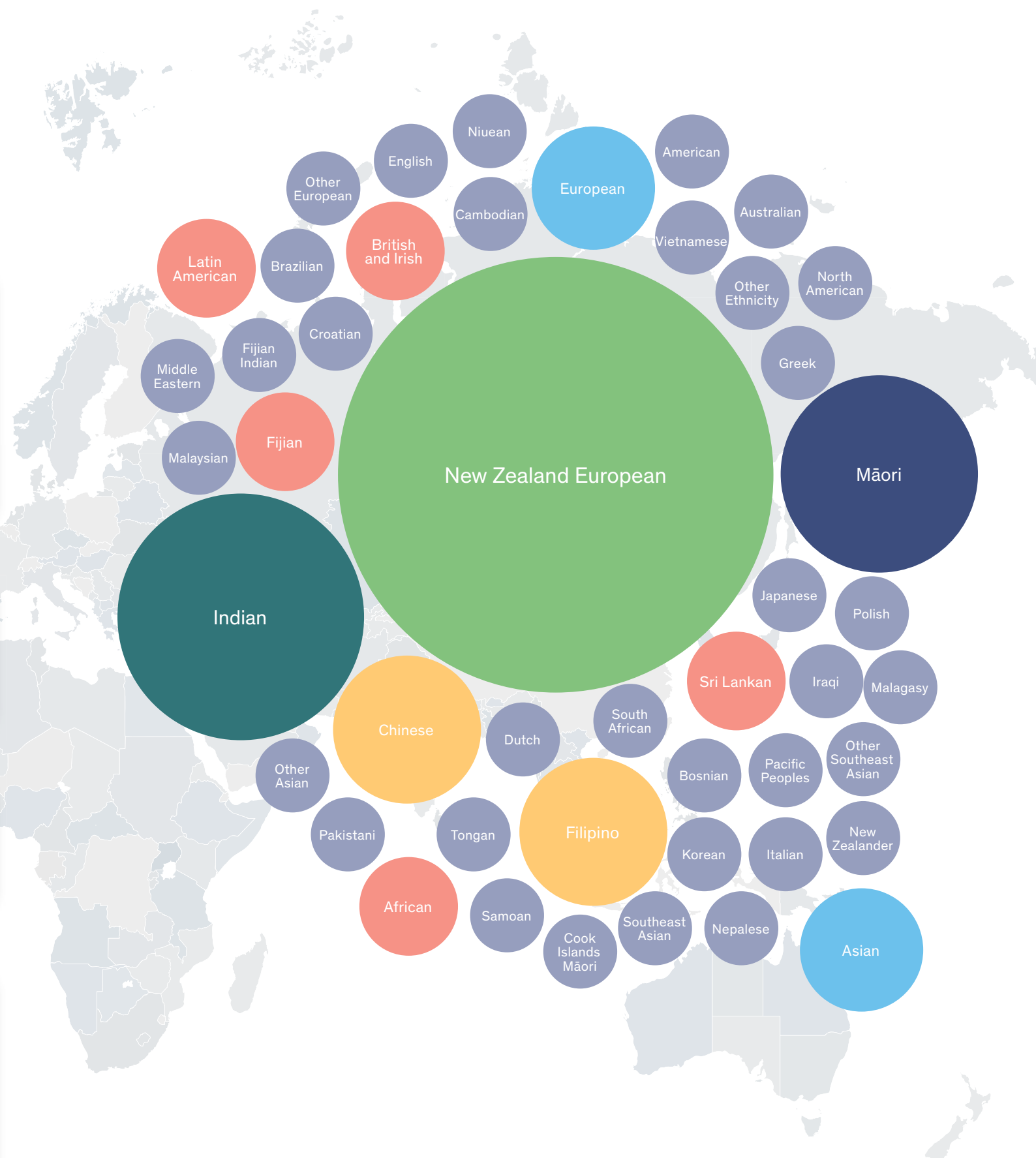
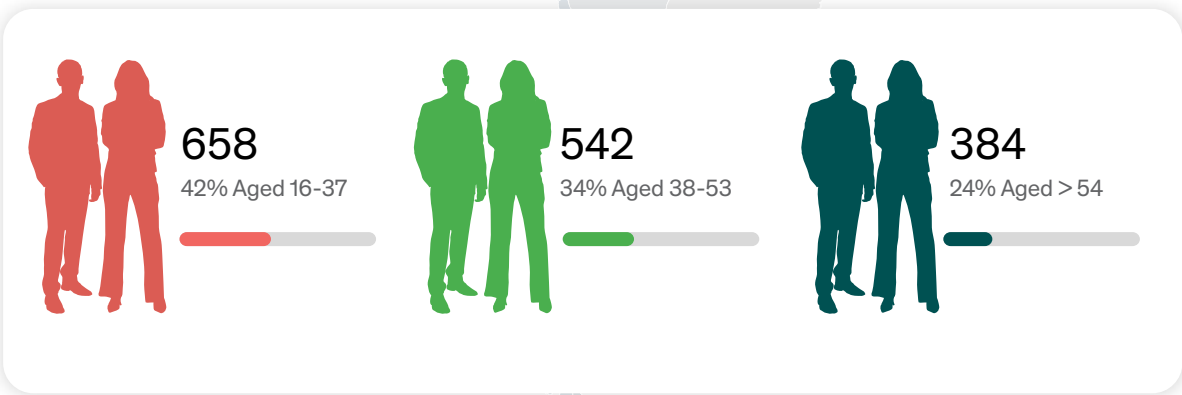
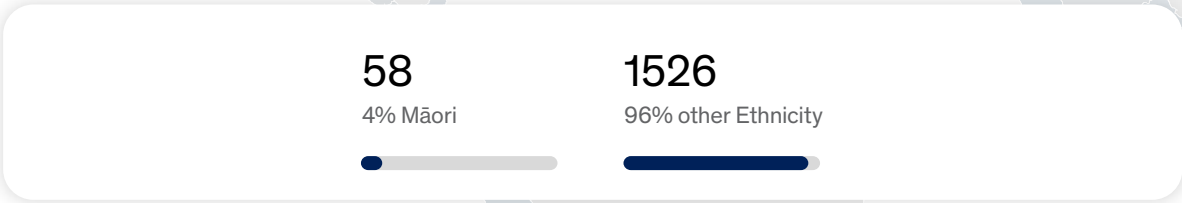
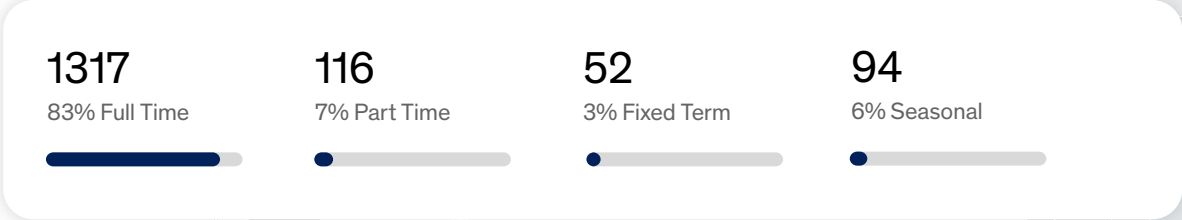
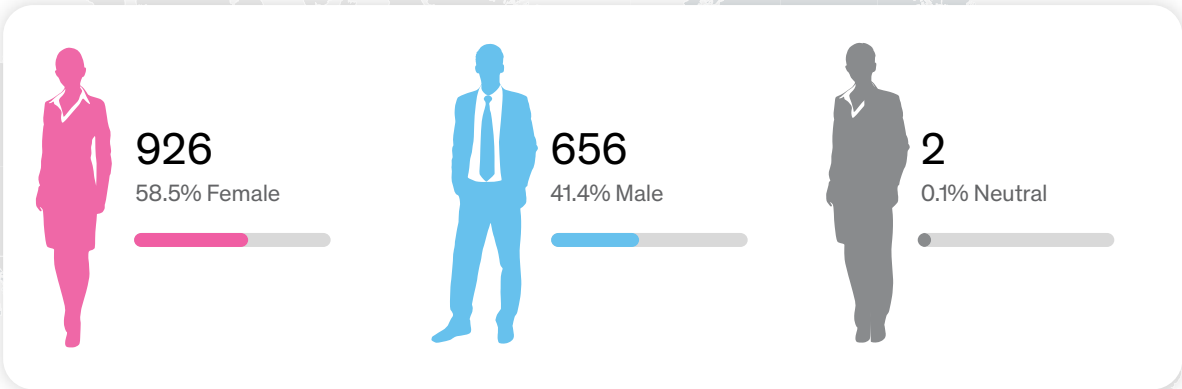
- Targeted deployment of Wellbeing by Design framework to unlock better work design, through a proactive approach to the wellbeing of our people; unlocking team engagement and performance.
- Increased the maturity of our integrated safety & wellbeing system, unlocking the potential of our safety and wellbeing representatives through an inaugural two day learning & engagement conference and embedding of our critical risk framework, supported by strong visible leadership by Board and Executive Team.
- The next phase of our culture journey is underway, making the desired culture shift to live and lead our Values & Behaviours – Mahi Tahi Tātou. These are woven throughout our employee experience and have been enabled by an organisation-wide capability build focussed on Self Leadership. We have reset and aligned our strategy planning and performance approach to be embedded over the next 12 months.
- We have made further progress with our Te Ao Māori journey, building on the passion and dedication of Te Rōpū Aka Whiri Hou (our bi-cultural committee). We have visibly grown our engagement with our AQ Tikanga and our capability in te reo. Our Māori kupu embedded in the design of our Values & Behaviours (Mahi Tahi Tātou), have been well received by our people.
- We continue to track the positive impact of our investment in Te Ara Whakapakari, our leadership approach. This comprises four valuable experiences designed in-house to reflect our desired shift in leadership capability, as a crucial enabler to intentionally strengthening our culture.

Having concluded the co-creation of the next iteration of our People Strategy (F26-F28), our 12 month workplan will unlock the next shift in engagement and performance, moving us closer to our targeted strategic outcomes:

1. Care at our core: We create an environment where we are safe, heard and valued.
2. Shaping tomorrow: We build better work that shapes our future, our ways of working and makes us proud to be part of AsureQuality.
3. Adapting and growing: We have the skills and capabilities to take on what's next in a changing world.
4. Everybody leads: We lead the way with clarity, confidence and awareness.

We are proud of our diverse workforce with over 40 ethnicities represented across the business.

We are improving the way we capture ethnicity data to help better understand the diverse cultural needs of our people. *



*The above data visualisation represents the ethnicity of our workforce collected to date. Our people were able to select up to 3 different ethnicities, based on the data standard from Stats NZ [Ethnicity New Zealand Standard Classification 2005V2.1.0]. Some participants used free text to identify their ethnicity/nationality.

At the heart of our strategy lies an unwavering commitment to integrating safety and wellbeing into everything we do.

Over the past year, we've tangibly demonstrated this commitment through the successful execution of our framework, achieving key indicators as outlined below:

First annual two-day hui with our Health and Safety representatives – including a Q&A session with the Executive team and Board

14 "Wellbeing by Design" workshops run with actions to improve work for our people

Focus on our critical risks including the introduction of critical risk verifications

Process automation in Auckland laboratory to reduce repetitive tasks

Actions closed on time at 96% - a record high

Two online and one face-to-face meeting with our representatives

Finalist in the Safeguard New Zealand Workplace Health and Safety Awards for the elimination of hydrofluoric acid from our Auckland laboratory

Designed and deployed an internal audit programme

First Health and Safety Representative of the Year Award celebrated



Olivia Hina, winner of the first Health and Safety Representative of the Year Award

In addition to this, we have delivered five key strategic initiatives to enable us to further honour the commitment we have made, these include:

- 1 Continued to empower our health and safety representatives
- 2 Board and Executive visible leadership strengthened
- 3 Overlapping duties agreements established
- 4 "Wellbeing by Design" workshops to enable our people to thrive
- 5 Mature our approach to critical risk management



The Trace and Chemistry Technical Teams were a finalist in the Safeguard New Zealand Health and Safety Awards.

Our people care deeply about our purpose of ‘helping Aotearoa shape a better food world’ and our shared role as Kaitiaki Kai, guardians of food.

This brings a sense of commitment and connection to our partners and the food world, and we believe that this connection can be further strengthened through more active and facilitated involvement with our communities.

We support this via our Employee Volunteer Programme which provides paid leave so our people can donate a day of their time to help our partner organisation, Kura Kai. Working closely with them we share our time, skills and expertise in food safety. Most importantly we are proud to contribute to the wellbeing of people and the communities where we operate.



Kura Kai donate chest freezers to high schools around Aotearoa, utilising community volunteers to cook family meals to keep in the freezers, which are then distributed by the school to those in need. Their key value is Manaakitanga, generosity and care for others, with a simple kaupapa of “Whānau cooking for Whānau”.

With our people, time, and resources we can contribute to their mission of providing nutritious meals for rangatahi and whānau across Aotearoa – also supporting our purpose of ‘helping Aotearoa shape a better food world’.



Customers and industry stakeholders choose to work with us for four key reasons

Credibility

We are a trusted partner

New Zealand Government owned.
Connected to New Zealand's food and primary industries for nearly 150 years.
Extensive global accreditations and recognitions.
Renowned across the world for our capabilities.

Capacity

We can support at scale

Market leader with unmatched scale in New Zealand and an expanding global network through our joint venture partnership.

Capability

We focus on food and sharing our expertise

Depth and breadth of expert knowledge and services to support New Zealand's food safety system and export market requirements.

Integrated

We are end-to-end

Integrated service across the entire food supply chain from on-farm to consumer.

With our comprehensive focus on the food supply chain, from farm to consumer, AsureQuality is unique in New Zealand and proud to provide an extensive range of food assurance services.

These services are key to helping farmers, growers and food producers, distributors and retailers meet the necessary domestic and international regulatory and retailer standards to access export markets, secure premium prices and enhance consumer trust in the safety and quality of food.



Testing

Across our labs in Auckland, Wellington and Christchurch our team of scientists and technicians do testing for food release, forensics and surveillance testing for contaminants.



Auditing

We provide independent auditing expertise for horticulture, food manufacturing, dairy manufacturing, on-farm and environmental programmes.



Inspection

We are the New Zealand government's recognised meat inspection agency. Our plant and seed health teams offer inspection services for seeds, crops, logs and plants.



Other

The biosecurity team works to protect Aotearoa from the impact of pests and diseases in the food and primary industries sector. Market Assurance, AQ Assured and AQ Certified provide independent verification of product claims for consumer transparency. Our data modelling analysts support a range of animal epidemiological scenarios and other primary industry response projects. Through the Academy we provide an extensive range of courses for vocational training. We contract manufacture diagnostic products and distribute specialist veterinary test kits for use in disease management. We provide confidence in the test results from laboratories around the world through our Global Proficiency service.



Assurance Expertise

		Our assurance expertise across the food supply chain												
		Auditing Farm/ Field	Auditing Factory/ Site/Logistics	Food Testing	Specialty Testing	Inspection	Organic Certification	Sustainability Assurance	Market Assurance	Training & Consultancy	Digital Products	Pest Lab	Plant Health	Seed Testing
Customer Industries	Dairy													
	Red Meat													
	Horticulture													
	Food													
	Seed													
	Apiculture													
	Pet Food													
	Medicinal Cannabis													
	Nutra/Pharmaceutical													
	Wine													
	Poultry/eggs													





Financials



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	Note	2025 \$000	2024 \$000
Revenue	2	233,795	228,411
Employee benefit expenditure		(156,074)	(155,319)
Consumables		(16,712)	(17,893)
Contractors and subcontractors		(2,844)	(3,204)
Transportation expenses		(6,943)	(6,635)
Short term and low value lease costs		(747)	(1,247)
Other expenses	3	(28,792)	(28,729)
Operating expenses		(212,112)	(213,027)
Depreciation and amortisation		(8,065)	(8,365)
Impairment of other receivables	6	(2,776)	-
Gain on dilution of joint venture	10	5,645	-
Other non-operating expenses		(2,529)	(2,672)
Finance costs (net)	4	(2,232)	(2,423)
Share of profit of associates and joint ventures	10	(653)	2,269
Profit before income tax		11,073	4,193
Income tax expense	5	(1,953)	(348)
Profit for the year		9,120	3,845

The accompanying notes and accounting policies form part of these financial statements.

	Note	2025 \$000	2024 \$000
Profit for the year		9,120	3,845
Items that may be reclassified subsequently to profit or loss:			
Net change in land and buildings revaluation reserve	7	-	(2,003)
Translation of foreign operations	15	346	249
Total other comprehensive income/(loss) net of tax		346	(1,754)
Total comprehensive income for the year		9,466	2,091

The accompanying notes and accounting policies form part of these financial statements.

	Share capital \$000	Revaluation reserve \$000	Translation reserve \$000	Retained earnings \$000	Total equity \$000
Balance at 30 June 2023	22,100	26,133	2,056	49,252	99,541
Profit for the year	-	-	-	3,845	3,845
Other comprehensive income	-	(2,003)	249	-	(1,754)
Total comprehensive income for the year	-	(2,003)	249	3,845	2,091
Balance at 30 June 2024	22,100	24,130	2,305	53,097	101,632
Profit for the year	-	-	-	9,120	9,120
Other comprehensive income	-	-	346	-	346
Total comprehensive income for the year	-	-	346	9,120	9,466
Balance at 30 June 2025	22,100	24,130	2,651	62,217	111,098

The accompanying notes and accounting policies form part of these financial statements.

	Note	2025 \$000	2024 \$000
Current assets			
Cash and cash equivalents		2,340	2,622
Trade and other receivables	6	27,307	30,001
Inventories		7,090	6,813
Current income tax asset		-	394
Derivative financial assets	13	62	595
Total current assets		36,799	40,425
Non-current assets			
Property, plant and equipment	7	66,730	55,953
Intangible assets	8	1,973	2,189
Right-of-use assets	9	8,834	10,849
Investments in associates and joint ventures	10	60,426	55,910
Trade and other receivables	6	2,075	4,851
Deferred income tax assets	5	7,412	6,586
Total non-current assets		147,450	136,338
Total assets		184,249	176,763
Current liabilities			
Trade and other payables	11	37,373	40,131
Borrowings	12	3,050	4,350
Current lease liabilities	9	1,954	1,664
Current income tax liabilities		1,806	-
Total current liabilities		44,183	46,145
Non-current liabilities			
Borrowings	12	15,881	16,146
Non-current lease liabilities	9	7,714	9,912
Payables	11	5,373	2,928
Total non-current liabilities		28,968	28,986
Total liabilities		73,151	75,131
Equity			
Equity attributable to equity holders of the parent		111,098	101,632
Total equity		111,098	101,632
Total liabilities and equity		184,249	176,763

The Board of Directors of AsureQuality Limited authorised these financial statements for issue on 25 August 2025.


Peter Landon-Lane
Chair


Alison Posa
Chair Finance and Risk Committee

The accompanying notes and accounting policies form part of these financial statements.

	Note	2025 \$000	2024 \$000
Cash flows from operating activities			
Receipts from customers		237,045	230,203
Payments to suppliers and employees		(215,813)	(211,875)
Interest paid net of interest		(2,116)	(2,161)
Income tax paid		(579)	(583)
Net cash generated from operating activities		18,537	15,584
Cash flows from investing activities			
Purchase of property, plant and equipment		(17,259)	(10,395)
Purchase of intangibles		(260)	(147)
Proceeds from sale of property, plant and equipment		1,289	2,904
Dividends received from associate	10	657	-
Net cash used in investing activities		(15,573)	(7,638)
Cash flows from financing activities			
Repayment of borrowings		(1,565)	(4,809)
Lease principal payments		(1,656)	(1,733)
Net cash used in financing activities		(3,221)	(6,542)
Net (decrease)/increase in cash		(257)	1,404
Cash and cash equivalents at beginning of the year		2,622	1,211
Exchange (losses)/gains on cash balances		(25)	7
Cash and cash equivalents at the end of the year		2,340	2,622
Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.			
Reconciliation of the profit for the year with cash flows from operating activities			
Profit after tax for the year		9,120	3,845
Adjustments for:			
Depreciation and amortisation		8,065	8,365
Impairment of other receivable		2,776	-
Gain on dilution of joint venture in associate		(5,645)	-
Share of profit of associates and joint ventures	10	653	(2,269)
Other non-cash movements		(837)	(842)
Other non-cash movements		5,012	5,254
Impact of changes in working capital			
Trade and other receivables		2,694	1,468
Income tax		2,200	272
Trade and other payables		(212)	4,235
Inventories		(277)	510
Working capital movements		4,405	6,485
Net cash generated from operating activities		18,537	15,584

The accompanying notes and accounting policies form part of these financial statements.

1. Basis of Accounting

REPORTING ENTITY

AsureQuality Limited is a company registered under the Companies Act 1993 and is a company incorporated and domiciled in New Zealand.

The consolidated financial statements presented are for the AsureQuality Limited Group ("AsureQuality" or "the Group") as at, and for the year ended 30 June 2025.

The Group comprises AsureQuality Limited and its subsidiaries, and its investments in associates and joint ventures. The Group provides food quality assurance and biosecurity services and manufactures and sells animal diagnostic products. During the year it operated in New Zealand, Australia, and Southeast Asia.

The ultimate shareholder of the Group is the Minister of Finance and Minister of State-Owned Enterprises on behalf of the Crown.

STATEMENT OF COMPLIANCE

The financial statements comply with New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS") and other applicable Financial Reporting Standards as appropriate for Tier 1 for-profit entities. The financial statements also comply with International Financial Reporting Standards ("IFRS").

The financial statements were approved by the Board of Directors on 25 August 2025.

BASIS OF PREPARATION

These financial statements have been prepared in accordance with the Companies Act 1993, and the State-Owned Enterprises Act 1986 and generally accepted accounting practice in New Zealand ('NZ GAAP') as appropriate to Tier 1 for-profit entities.

The financial statements are prepared on the historical cost basis, except for certain financial instruments, land and buildings. Financial derivatives, land and buildings are carried at fair value.

The financial statements are presented in New Zealand dollars (\$), rounded to the nearest thousand, which is the Group's presentation currency.

Items included in the financial statements of each of the Group's entities are recognised using the currency of the primary economic environment in which the entity operates (the functional currency). The functional currency of operations in New Zealand is NZ\$, Australia is AU\$ and Southeast Asia is SG\$.

The statements of profit or loss, other comprehensive income, cash flows and changes in equity are stated exclusive of GST. All items in the statement of financial position are stated exclusive of GST with the exception of trade receivables and trade payables, which include GST.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

AsureQuality's management is required to make judgements, estimates and apply assumptions that affect the amounts reported in the financial statements. They have based these on historical experience and various other factors that they believe to be reasonable under the circumstances. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in the future periods affected.

Accounting policies, and information about judgements, estimations and assumptions that have had a significant effect on the amounts recognised in the financial statements are disclosed in the relevant notes as follows:

- Deferred tax recognition (Note 5)
- Property, plant and equipment valuation (Note 7)
- Impairment and valuation of goodwill (Note 8)
- Leases (Note 9)
- Consolidation basis and classification of investments (Note 10)
- Impairment of investments (Note 10)
- Valuation of retirement and long-service leave (Note 11)
- Impairment of trade receivables (Note 14)

SIGNIFICANT ACCOUNTING POLICIES

a) Comparatives

When presentation or classification of items in the financial statements is amended or accounting policies are changed voluntarily, comparative figures are restated to ensure consistency with the current period unless it is impracticable to do so. There have been no other changes to comparatives in these financial statements.

b) New and amended accounting standards adopted

A number of new or amended standards became applicable for the current reporting period and have been adopted by the Group, with no material impact on the Group financial statements.

All other mandatory amendments to accounting standards have been adopted by the Group, with no material impact on the Group financial statements.

OTHER ACCOUNTING POLICIES

All other accounting policies are included with the applicable note.

CHANGES IN ACCOUNTING POLICIES

Accounting policies have been consistently applied to all periods presented in these financial statements.

2. Revenue

Policy
The Group recognises revenue from the following major sources:

- Food Testing services
- Meat services
- Auditing services
- Specialist services, including biosecurity and field, specialist testing, and pest identification services.
- Other, including proficiency testing and food and environmental advisory services.

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

Food Testing services
The Group provides food testing services. Revenue is recognised as testing services are completed.

Meat services
The Group provides independent inspection and verification against domestic and international regulatory and retailer standards to Meat Processors. Revenue is recognised for these services based on the stage of completion of the contract.

Auditing services
The Group provides independent audit, inspection, verification and certification against domestic and international regulatory and retailer standards to Food, Farm and Seed companies. Revenue is recognised for these services based on the stage of completion of the contract.

Specialist services
The Group provides contaminant testing services, with revenue recognised as testing services are completed. Biosecurity readiness, capability, incursion response and surveillance services are provided under agreement with New Zealand's Ministry for Primary Industries and on-farm Tuberculosis testing services for cattle and deer are provided under agreement with TBFree New Zealand Limited. Such services are recognised as a performance obligation satisfied over time. The Group also contract manufactures diagnostic products and distributes specialist veterinary test kits for use in disease management. Revenue is recognised when the control of the goods has transferred, being at the point the goods have been shipped to the customer. A receivable is recognised by the Group when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

Other
The Group provides proficiency testing and food and environmental advisory services. Revenue is recognised as services are completed.

	2025 \$000	2024 \$000
Disaggregation of the Group's revenue from contracts with customers:		
Food Testing services	68,966	63,297
Meat services	75,552	72,708
Auditing services	35,983	36,031
Specialist services	38,506	40,590
Other	14,788	15,785
	233,795	228,411

3. Other Operating Expenses

Other operating expenses include donations of \$32,000 (2024: \$54,000).

4. Finance Costs (net)

	Note	2025 \$000	2024 \$000
Interest expense on borrowings		(862)	(1,394)
Interest expense on lease liabilities		(716)	(625)
Net foreign exchange losses		(140)	(97)
Interest income on short-term bank deposits		19	21
Movement of derivatives held at fair value through profit or loss	13	(533)	(328)
Total		(2,232)	(2,423)

Policies
Finance costs (net) include interest expense on borrowings and interest income on funds invested which are recognised using the effective interest rate method and the movement of derivatives held at fair value through profit or loss.

Borrowing costs directly attributable to the acquisition or construction of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. A qualifying asset is defined as an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. The Group has defined substantial time as being in excess of six months. Interest costs capitalised during the year amounted to \$417,000 at an average rate of 5.50% (2024: \$66,000 at an average interest rate of 6.71%).

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

5. Taxation

Current taxation expense	2025 \$000	2024 \$000
Current year	2,777	1,143
Adjustment in respect of prior years	7	(291)
Deferred taxation expense		
Origination and reversal of temporary differences	(864)	(719)
Adjustment in respect of prior years	33	215
Income tax expense	1,953	348
Reconciliation of effective tax rate		
The prima facie income tax expense on pre-tax accounting profit from operations reconciles to the income tax expense in the financial statements as follows:		
Profit before income tax	11,073	4,193
Prima facie income tax @ 28%	3,100	1,174
Effect of tax rates in foreign jurisdictions	6	2
Non-deductible or non-assessable items	(1,297)	(738)
Other reconciling differences	104	(14)
Over provision in prior years	40	(76)
Total income tax expense	1,953	348
Income tax recognised directly in equity		
Income tax on income and expenses recognised directly in equity	5	(2)
Imputation credits directly and indirectly available to shareholders		
Parent	26,637	26,338
Subsidiaries	392	273
	27,029	26,611

	Property, plant & equipment \$000	Employee entitlements \$000	Other \$000	Total \$000
Deferred tax assets and liabilities				
Balance at 30 June 2023	976	3,973	1,131	6,080
Recognised in the profit in respect of prior years	(17)	(198)	-	(215)
Recognised in profit	367	60	292	719
Recognised in other comprehensive income	-	2	-	2
Balance at 30 June 2024	1,326	3,837	1,423	6,586
Recognised in the profit in respect of prior years	1	(34)	-	(33)
Recognised in profit	(128)	187	805	864
Recognised in other comprehensive income	(3)	(1)	(1)	(5)
Balance at 30 June 2025	1,196	3,989	2,227	7,412

Policies
Income tax expense comprises current and deferred tax and is calculated using rates enacted or substantially enacted at balance date.

Current and deferred tax is recognised in profit or loss unless the tax relates to items in other comprehensive income, in which case the tax is recognised as an adjustment in other comprehensive income against the item to which it relates.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or subsequently enacted at the reporting date.

A deferred tax asset is recognised to the extent that it is probable that sufficient future taxable profits will be available against which the temporary differences

can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Judgements

Obtaining the benefits of the deferred tax balance is dependent upon deriving sufficient assessable income, meeting conditions for deductibility and complying with relevant tax legislation.

The value, and use of income tax offsets and tax losses within the Group, are subject to statutory requirements being met.

Deferred tax in relation to the New Zealand and Australian taxation jurisdictions has been recognised as an asset as the Directors consider that there will be sufficient taxable income in the future to obtain the benefits.

There are no tax losses not recognised as future tax benefits in the financial statements in the current year (2024: NIL).

6. Trade and Other Receivables

	Note	2025 \$000	2024 \$000
Current			
Trade receivables		23,148	26,833
Impairment provision	14	(476)	(576)
Prepayments		2,888	2,365
Receivables from associates and joint ventures	17	1,747	1,379
Balance at 30 June		27,307	30,001
Non-current			
Other receivables		4,851	4,851
Impairment provision	14	(2,776)	-
Balance at 30 June		2,075	4,851

Policies

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Discounting is not applied to trade receivables where collection is expected to occur within the next 12 months. Other receivables have been initially recognised at fair value.

The movement in the amount of the provision is recognised through profit or loss. When a trade receivable is uncollectible, it is written off against the provision account for trade receivables. Subsequent recoveries of amounts previously written off are credited in profit or loss. The maximum exposure to credit risk at the reporting date is the higher of the carrying value and fair value of each receivable. Refer to note 14 for credit risk information.

7. Property, Plant and Equipment

	Land and Buildings at fair value	Leasehold improvements at cost	Plant and equipment at cost	Motor vehicles at cost	Capital work in progress	Total
	\$000	\$000	\$000	\$000	\$000	\$000
Cost	32,418	6,861	59,761	11,956	2,142	113,138
Accumulated depreciation	(680)	(6,358)	(47,410)	(2,689)	-	(57,137)
Carrying amount 30 June 2023	31,738	503	12,351	9,267	2,142	56,001

Additions / transfers	428	488	4,159	3,371	2,015	10,461
Disposals	(6)	-	-	(2,696)	-	(2,702)
Net revaluation increments	(2,003)	-	-	-	-	(2,003)
Depreciation expense	(407)	(149)	(3,837)	(1,423)	-	(5,816)
Exchange differences	-	(3)	8	2	5	12

Cost	30,837	7,335	63,630	11,247	4,162	117,211
Accumulated depreciation	(1,087)	(6,496)	(50,949)	(2,726)	-	(61,258)
Carrying amount 30 June 2024	29,750	839	12,681	8,521	4,162	55,953

Additions / transfers	3	462	4,126	157	12,928	17,676
Disposals	-	-	(10)	(1,080)	-	(1,090)
Depreciation expense	(416)	(165)	(3,886)	(1,317)	-	(5,784)
Exchange differences	-	(7)	(4)	-	(14)	(25)
Cost	30,840	7,419	59,198	9,481	17,076	124,014
Accumulated depreciation	(1,503)	(6,290)	(46,291)	(3,200)	-	(57,284)
Carrying amount 30 June 2025	29,337	1,129	12,907	6,281	17,076	66,730

Policies

Property, plant and equipment other than land and buildings are recognised at cost less accumulated depreciation and accumulated impairment losses.

The cost of property, plant and equipment is the value of the consideration given to acquire the property, plant and equipment and other directly attributable costs incurred in bringing the property, plant and equipment to the location and condition necessary for their intended use. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Land and buildings are recognised at fair value less impairment losses and, for buildings, less depreciation accumulated since the assets were last revalued.

Disposal of property, plant and equipment

Gains and losses arising from disposal of property, plant and equipment are recognised in profit or loss in the period in which the transaction occurs. Any balance attributable to the disposed asset in the asset revaluation reserve is transferred to retained earnings.

Capital work in progress

Capital work in progress represents costs relating to property, plant and equipment that at balance date are not yet operational and capitalised. Depreciation commences when the item is capitalised.

Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised as an expense in profit or loss as incurred.

Depreciation

Depreciation is recognised as an expense in profit or loss on a straight-line basis at rates calculated to allocate the cost or valuation of an item of property, plant and equipment, less any estimated residual value, over its estimated useful life. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight-line method.

The following estimated useful lives are used in the calculation of depreciation:

Buildings	10 – 25 years
Plant and equipment	3 – 10 years
Leasehold improvements	10 years or over the period of the lease if more appropriate
Motor vehicles	3 – 5 years

Land and capital work in progress are not depreciated.

Judgements

Land and Buildings are revalued by an independent valuer every three years unless the Directors consider the value has changed significantly since the last formal valuation and it is necessary to obtain a more current valuation. Valuations are performed with sufficient frequency to ensure that the fair value of the revalued asset does not differ materially from its carrying amount.

Management considers the carrying values to be reflective of fair value in total as at 30 June 2025.

If land and buildings were stated on the historical cost basis, the carrying amounts would be as follows:

	Land and Buildings	
	2025 \$000	2024 \$000
Carrying amount	6,274	6,944

Capital commitments

Capital work in progress includes an amount of \$16,000,000 (2024: \$2,000,000) relating to the Group's Auckland Lab development which is currently under construction. The cost of the building will be depreciated once the property is complete and available for use. The estimated construction costs to which the Group is contractually committed is \$3,162,000 (2024: \$14,600,000). The Group had also entered into contractual commitments for the acquisition of plant and equipment and software amounting to \$1,200,000 (2024: \$1,100,000).

8. Intangible Assets

	Goodwill	Software	Relationship contracts	Work in progress	Total
	\$000	\$000	\$000	\$000	\$000
Cost	829	13,704	721	108	15,362
Accumulated amortisation	-	(12,241)	(506)	-	(12,747)
Carrying amount 30 June 2023	829	1,463	215	108	2,615

Additions / transfers	-	165	-	(18)	147
Amortisation expense	-	(529)	(38)	-	(567)
Exchange differences	-	(5)	(1)	-	(6)

Cost	829	13,871	722	90	15,512
Accumulated amortisation and impairment losses	-	(12,777)	(546)	-	(13,323)
Carrying amount 30 June 2024	829	1,094	176	90	2,189

Additions / transfers	-	328	-	(68)	260
Disposals	-	(24)	-	-	(24)
Amortisation expense	-	(414)	(38)	-	(452)
Exchange differences	-	(1)	1	-	-

Cost	829	10,932	722	22	12,505
Accumulated amortisation and impairment losses	-	(9,949)	(583)	-	(10,532)
Carrying amount 30 June 2025	829	983	139	22	1,973

Policies

Software

Software assets include both purchased software and direct costs associated with the development of internally developed software. Capitalised costs include the cost of all materials used in construction and the direct labour on the project. Costs cease to be capitalised as soon as the software is ready for productive use. Capitalised costs are amortised on a straight-line basis over the period of the expected benefits. This period is reviewed on an annual basis.

Software-as-a-Service (SaaS) arrangements

SaaS arrangements are service contracts providing the Group with the right to access the cloud provider's application software over the contract period. Costs incurred to configure or customise, and the ongoing fees to obtain access to the cloud provider's application software, are recognised as operating expenses when the services are received. Some of these costs incurred are for the development of software code that enhances or modifies, or creates additional capability to, existing on-premise systems and meets the definition of and recognition criteria for an intangible asset. These costs are recognised as intangible software assets and amortised over the useful life of the software on a straight-line basis. The useful lives of these assets are reviewed at least at the end of each financial year, and any change accounted for prospectively as a change in accounting estimate.

Amortisation – software

Software is amortised on a straight-line basis over three to eight years, being the estimated useful life.

Goodwill

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously-held equity interest (if any) in the acquiree over the fair value of the identifiable net assets recognised. Goodwill is recognised as an asset and not amortised, but tested for impairment at each reporting date. Any impairment is recognised immediately in profit or loss and is not subsequently reversed.

Impairment testing

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Intangible assets that have an indefinite life, including goodwill, are not subject to amortisation and are tested annually for impairment irrespective of whether any circumstances identifying a possible impairment have been identified. An impairment loss is recognised for the amount by which the asset/s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows e.g. cash-generating units.

Judgements

To assess impairment, management must estimate the future cash flows of the cash generating units. This entails making judgements including:

- the expected rate of growth of revenues;
- margins expected to be achieved;
- the level of future maintenance expenditure required to support these outcomes; and
- the appropriate discount rate to apply when discounting future cash flows.

Goodwill has been allocated for impairment testing purposes to the New Zealand and Australian Global Proficiency subsidiaries (cash-generating units). The recoverable amounts of these cash-generating units are determined based on a value in use calculation which uses cash flow projections based on the latest financial forecasts using an average growth rate of 1% (2024: 1%) in perpetuity and a discount rate of 9.0% (2024: 9.0%) per annum.

The recoverable amount of each cash-generating unit to which goodwill is allocated exceeds the net assets plus goodwill allocated. Therefore the Group has determined that no impairment to goodwill has occurred during the period.

9. Leases

Judgements

Where a discount rate is not explicit in a lease the Group determines an applicable discount rate (it's incremental borrowing rate) to use based on publicly available rates for Government Bonds, Westpac swap rates and Treasury Risk-free discount rates and then applies an adjustment to these rates to apply a company specific credit risk. In determining the lease term the Group includes any periods covered by options to extend where the Group is reasonably certain to exercise that option.

	Property \$000	Vehicles \$000	Other \$000	Total \$000
Carrying amount 30 June 2023	8,051	160	35	8,246
Additions	4,255	-	322	4,577
Depreciation	(1,838)	(76)	(68)	(1,982)
Changes in scope or lease term	77	(67)	(8)	2
Exchange differences	6	-	-	6
Carrying amount 30 June 2024	10,551	17	281	10,849
Additions	264	-	110	374
Depreciation	(1,796)	(3)	(30)	(1,829)
Changes in scope or lease term	(363)	(13)	(177)	(553)
Exchange differences	(6)	(1)	-	(7)
Carrying amount 30 June 2025	8,650	-	184	8,834

	2025 \$000	2024 \$000
Lease liabilities - Maturity analysis		
Less than one year	1,954	1,664
Between one and five years	3,517	5,607
More than five years	4,197	4,305
Total lease liabilities	9,668	11,576

Policies

The Group leases various offices, vehicles and other office equipment which are classified as operating leases.

The Group assesses whether a contract is or contains a lease at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases and leases of low-value assets. For these leases, the Group recognises the lease payments as an other operating expense on a straight-line basis over the term of the lease.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate (IBR).

Each lease payment is allocated between the lease principal and finance costs. Finance costs are charged to profit and loss over the lease period and the right of use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments, less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability if:

- The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- The lease payments change as a result of changes in an index or rate, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate; or
- A lease contract is modified and lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. The estimated useful lives of right-of-use assets are determined on the same basis as similar owned assets within property, plant and equipment. Depreciation starts at the commencement date of the lease.

Wherever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under NZ IAS 37 Provisions, contingent liabilities and contingent assets (NZ IAS 37). These costs are included in the related right of use asset.

The Group applies NZ IAS 36 to determine whether a ROU asset is impaired and accounts for any identified loss under the same policy adopted for property, plant and equipment.

10. Investments

Judgements

Classifying investments as subsidiaries, associates, or joint operations requires management to judge the degree of influence which the group holds over the investee.

These judgements impact upon the basis of consolidation accounting which is used to recognise the Group's investments in the consolidated financial statements.

Impairment testing

Investments are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the investments carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value less costs of sell and value in use.

To assess impairment, management must estimate the future cash flows of the investments. This entails making judgements including:

- the expected rate of growth of revenues;
- margins expected to be achieved;
- the level of future capital expenditure required to support these outcomes; and
- the appropriate discount rate to apply when discounting future cash flows.

The recoverable amounts of the investments are determined based on the higher of fair value or a value in use calculation which uses cash flow projections based on the latest financial forecasts using growth rate of 1% to 3% (2024: 1% to 3%) in perpetuity and discounts rates ranging between 7.95% - 17.25% (2024: rates ranging between 8.02% - 17.26%) per annum.

The recoverable amount of each investment exceeds the carrying value of each investment. Therefore the Group has determined that no impairment to investments has occurred during the period.

10.1 Investment in subsidiaries:

Name	Country of Incorporation	Principal activities	Balance Date	Ownership and Voting interest 2025	Ownership and Voting interest 2024
AsureQuality Asia Pacific Limited	New Zealand	Holding company	30-June	100%	100%
AsureQuality Australia Pty Limited	Australia	Diagnostic manufacturing	30-June	100%	100%
Global Proficiency Limited	New Zealand	Proficiency testing services	30-June	100%	100%
Global Proficiency Pty Limited	Australia	Proficiency testing services	30-June	100%	100%

Policies

The Group financial statements consolidate the financial statements of the Company and its subsidiaries. Subsidiaries are entities controlled by the Group. Control exists when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The results of subsidiaries acquired or disposed of during the period are included in profit or loss from the effective date of acquisition or effective date of disposal, as appropriate.

Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Business combinations

Acquisitions of subsidiaries are accounted for using the acquisition method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed. Acquisition-related costs are expensed as incurred.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between:

- i) the aggregate of the fair value of the consideration received and the fair value of any retained interest; and
- ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under NZ IFRS 9 Financial Instruments or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

Goodwill

Goodwill arising on the acquisition of a subsidiary is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree over the fair value of the identifiable net assets recognised. For the purposes of impairment testing, goodwill has been allocated to cash generating units. Unless otherwise stated, the cash generating unit is synonymous with the entity acquired. Any impairment loss is recognised immediately in profit in the statement of comprehensive income and is not reversed in a subsequent period.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair values can be measured reliably. The cost of such intangible assets is their fair value at the acquisition date.

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at costs less accumulated amortisation and accumulated impairment, on the same basis as intangible assets acquired separately.

Translation of foreign operations

On consolidation, the assets and liabilities of the Group's overseas operation are translated at exchange rates prevailing at balance date. Income and expense items are translated at the average exchange rate for the period unless exchange rates fluctuate significantly. If fluctuations are significant then the spot rate is used. Exchange differences arising, if any, are recognised in the foreign currency translation reserve and recognised in the statement of comprehensive income.

10.2 Investments in associate and joint venture

Name	Country of Incorporation	Principal activities	Balance Date	Ownership and Voting interest 2025	Ownership and Voting interest 2024
MNAQ Holding (Australia) Pty Ltd (formerly Bureau Veritas AsureQuality Holdings Limited)	Australia	Independent food testing laboratories	31-December	40%	49%
MNAQ Holding (Singapore) Pte. Ltd. (formerly BV-AQ (Singapore) Holdings Pte Ltd)	Singapore	Independent food testing laboratories	31-December	49%	49%

Policies

Associates are entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of voting rights. Joint ventures are where the Group is a party to a joint arrangement, has joint control over the investee and has rights to the net assets relating to the arrangement. Investments in associates and joint ventures are accounted for using the equity method of accounting and are initially recognised at cost.

The Group's share of its associates and joint ventures' post acquisition profits are recognised in profit for the year, and its share of post acquisition movements in other comprehensive income are recognised in other comprehensive income.

Judgement

The Group is deemed to have joint control over its investment in MNAQ Holding (Australia) Pty Ltd (formerly Bureau Veritas AsureQuality Holdings Limited) through the contractually agreed sharing of the financial and operating decisions. The investment has been accounted for as a joint venture and has been equity accounted.

The Group is deemed to have joint control over its investment in MNAQ Holding (Singapore) Pte. Ltd. (formerly BV-AQ (Singapore) Holdings Pte Ltd) through the contractually agreed sharing of the financial and operating decisions. The investment has been accounted for as a joint venture and has been equity accounted.

Investment in MNAQ Holding (Australia) Pty Ltd (formerly Bureau Veritas AsureQuality Holdings Limited)

MNAQ Holding (Australia) Pty Ltd (formerly Bureau Veritas AsureQuality Holdings Limited) was incorporated on 23 May 2016 and was owned 51% by Bureau Veritas Singapore Pte Ltd and 49% by AsureQuality Limited. On 31st May 2025 Bureau Veritas Singapore Pte Ltd sold its 51% share to Mérieux NutriSciences Corporation. On the same day MNAQ Holding (Australia) Pty Ltd (formerly Bureau Veritas AsureQuality Holdings Limited) purchased the Australian operations of Mérieux NutriSciences Corporation, Silliker Australia Pty Ltd, in exchange for share capital, diluting AsureQuality's share to 40%.

The dilution of AsureQuality's shareholding resulted in a partial disposal that had the following impact on profit or loss:

	2025 \$000
Derecognise a portion of the carrying amount of investment proportional to the decrease in ownership increase	(7,236)
Recognise the fair value of the consideration for the acquisition of Silliker Australia Pty Ltd	13,075
Reclassify proportion of foreign currency translation reserve	(194)
Recognise resulting gain on dilution	5,645

MNAQ Holding (Australia) Pty Ltd (formerly Bureau Veritas AsureQuality Holdings Limited) continues to be strategic for the Group's presence and growth in the Australian market. MNAQ Holding (Australia) Pty Ltd (formerly Bureau Veritas AsureQuality Holdings Limited) is a private company and there is no quoted market price available for its shares. There are no contingent liabilities relating to the Group's interest in joint venture.

Summarised statement of financial position for MNAQ Holding (Australia) Pty Ltd (formerly Bureau Veritas AsureQuality Holdings Limited)	2025 \$000	2024 \$000
Current assets	30,837	26,971
Non-current assets	195,023	91,404
Current liabilities	(25,702)	(11,309)
Non-current liabilities	(67,875)	(4,098)
Net assets	132,283	102,968
Group interest in joint venture	52,913	50,454
Gain on sale not recognised	(7,396)	(9,060)
Foreign exchange difference	13	231
Carrying value of interest in joint venture, MNAQ Holding (Australia) Pty Ltd	45,530	41,625

Summarised statement of profit or loss for MNAQ Holding (Australia) Pty Ltd (formerly Bureau Veritas AsureQuality Holdings Limited)		
Revenue	72,118	67,253
(Loss)/Profit for the year	(1,958)	3,031
Other comprehensive income	(1,412)	845
Total comprehensive income	(3,370)	3,876
Group's share of (loss)/profit for the year	(959)	1,485
Group's share of other comprehensive income for the year	(975)	414

MNAQ Holding (Australia) Pty Ltd (formerly Bureau Veritas AsureQuality Holdings Limited) has a 31 December balance date and the numbers represent the balances as of 30 June 2025. The total comprehensive income includes the impact of the foreign currency translation from the spot rates of exchange used by the Group at the reporting date.

Investment in MNAQ Holding (Singapore) Pte. Ltd. (formerly BV-AQ (Singapore) Holdings Pte Ltd)
On 1st December 2018 the Group sold it's investment in subsidiary, AsureQuality Singapore Pte Ltd to BV-AQ (Singapore) Holdings Pte Ltd in exchange for a 49% share of BV-AQ (Singapore) Holdings Pte Ltd. On 31st January 2025 Bureau Veritas Singapore Pte Ltd sold its 51% share to Mérieux NutriSciences Corporation.

MNAQ Holding (Singapore) Pte. Ltd. (formerly BV-AQ (Singapore) Holdings Pte Ltd) is strategic for the Group's presence and growth in the South-East Asia market. MNAQ Holding (Singapore) Pte. Ltd. (formerly BV-AQ (Singapore) Holdings Pte Ltd) is a private company and there is no quoted market price available for its shares. There are no contingent liabilities relating to the Group's interest in the joint venture.

Summarised statement of financial position for MNAQ Holding (Singapore) Pte. Ltd. (formerly BV-AQ (Singapore) Holdings Pte Ltd) (Unaudited)	2025 \$000	2024 \$000
Current assets	18,521	22,889
Non-current assets	22,267	21,586
Current liabilities	(6,343)	(10,220)
Non-current liabilities	(96)	(1,335)
Net assets	34,349	32,920
Group interest in joint venture (49%)	16,831	16,131
Gain on sale not recognised	(1,857)	(1,857)
Foreign exchange difference	(78)	11
Carrying value of interest in joint venture, MNAQ Holding (Singapore) Pte. Ltd	14,896	14,285

Summarised statement of profit or loss for MNAQ Holding (Singapore) Pte. Ltd. (formerly BV-AQ (Singapore) Holdings Pte Ltd)		
Revenue	23,763	20,920
Profit for the year	624	1,600
Other comprehensive income	1,963	102
Total comprehensive income	2,587	1,702
Group's share of profit for the year	306	784
Group's share of other comprehensive income for the year	962	50

MNAQ Holding (Singapore) Pte. Ltd. (formerly BV-AQ (Singapore) Holdings Pte Ltd) has a 31 December balance date and the numbers represent the balances as of 30 June 2025. The total comprehensive income includes the impact of the foreign currency translation from the spot rates of exchange used by the Group at the reporting date.

11. Trade and other Payables

	Note	2025 \$000	2024 \$000
Current			
Trade payables		5,510	7,997
Trade payables due to related parties	17	13	12
Non trade payables and accrued expenses		8,077	9,384
Deferred income		4,630	4,597
Employee benefits		16,484	14,379
Provision for restructuring, litigation and lease obligations		2,659	3,762
Balance at 30 June		37,373	40,131
Non-current			
Employee benefits		2,827	2,928
Provision for restructuring, litigation and lease obligations		2,546	-
Balance at 30 June		5,373	2,928

Policies
Trade and other accounts payables are recognised when the Group becomes obliged to make future payments as a result of a purchase of assets or services. Trade payables are carried at amortised cost which is the fair value of the consideration to be paid in the future for goods and services received. Trade payables are unsecured and are generally settled within 30 to 45 days.

Liabilities for benefits accruing to employees in respect of salaries and wages, annual leave, long service leave, retirement leave, accumulating sick leave and other similar benefits are recognised when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities in respect of employee benefits expected to be settled within 12 months, are recognised at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities in respect of employee benefits which are not expected to be settled within 12 months, are recognised at the present value of the estimated future cash outflows to be made by the consolidated entity in respect of services by employees up to reporting date.

Defined contribution plans
Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in profit or loss as incurred.
Deferred income consists of customer advances for services to be performed within the next financial year.

Estimates
Retirement leave and long service leave
The non-current provision for employee entitlements for retirement leave and long-service leave, is based on an actuarial valuation completed by Erikson & Associates Limited as at 30 June 2025. This requires the use of assumptions and estimates by the actuary. The key economic assumptions used were: discount rates, of 3.25% to 5.21% (2024: 4.54% to 5.33%) and a salary increase rate of 3.00% (2024: 3.00%).

Provision for restructuring, litigation and lease obligations
The restructuring provision relates to the remaining redundancy costs to be paid out as a result of reduced livestock and biosecurity work, along with the addition of redundancy costs incurred as a result of the decision to consolidate laboratory sites. The lease obligations provision have been estimated using assumptions regarding the likelihood and cost per square meter of remedial work. Additions during the period were \$2,796,000, while provisions used were \$1,117,000 and unused amounts reversed were \$237,000.

12. Borrowings

	Note	2025 \$000	2024 \$000
Current portion of long-term borrowings		3,050	4,350
Non-current		15,881	16,146
Total borrowings		18,931	20,496
The exposure of the Group's borrowings to contractual maturity dates is as follows:			
Six months or less		3,050	4,350
One to five years		15,881	16,146
		18,931	20,496
The carrying amounts of the Group's borrowings are denominated in the following currencies:			
NZ dollar		3,050	4,350
AU dollar	15	15,881	16,146
		18,931	20,496

The Group has the following undrawn borrowing facilities:

Details and draw down of banking facilities	Expiry	Facility	Drawdown
2025		\$000	\$000
Revolving cash facility 1	31-Dec-25	20,000	3,050
Revolving cash facility 2	31-Dec-26	30,000	15,881

The facility expiring within one year is an ongoing facility subject to annual review.	Expiry	Facility	Drawdown
2024		\$000	\$000
Revolving cash facility 1	31-Dec-24	15,000	4,350
Revolving cash facility 2	31-Dec-25	30,000	16,146

Policies
Borrowings are recognised initially at fair value, net of transaction costs. Subsequent to initial recognition, borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit or loss over the period of the borrowing using the effective interest method.

Covenants
The bank term borrowings are unsecured but are subject to a negative pledge and two financial covenants. The negative pledge agreement means that the Group may not grant a security interest greater than 5% of adjusted tangible total assets to another party without the consent of the bank. The two financial covenants are that equity cannot be less than 30% of adjusted total tangible assets and total permitted indebtedness cannot be more than 3.25 times earnings before funding costs, income tax, depreciation, amortisation and extraordinary. The Group complied with these ratios during the years ended 30 June 2024 and 30 June 2025. The interest rates on the bank borrowings are floating, resetting quarterly and ranged from 4.60% - 6.80% per annum during the year ending 30 June 2025 (2024: 5.19% - 6.80% per annum).

13. Derivative Financial Instruments

The Group enters into various financial instruments to either eliminate or manage its exposure to interest rate and foreign currencies movements. Interest rate swaps are used to economically convert the Group's exposure to floating interest rates to fixed rates.

Forward exchange rate contracts are used to economically convert material exposures to foreign exchange. Other financial instruments may be used from time to time to reduce risk.

The Group holds the following instruments:

	Notional principal		Fair value		Movement of derivatives held at fair value through profit or loss	
	2025 \$000	2024 \$000	2025 \$000	2024 \$000	2025 \$000	2024 \$000
Interest rate swaps	15,853	16,005	62	595	(533)	(328)

Policies
Derivative financial instruments are used to hedge exchange rate and interest rate risks. The Group does not hold or issue derivative financial instruments for trading purposes. Derivative financial instruments are recognised at fair value. Any resulting gains or losses are recognised in profit or loss within finance costs.

The fair value of financial derivatives and fixed rate debt is determined based on current market information from independent valuation sources.

14. Financial Risk Management

Exposure to credit, interest rate, foreign currency and liquidity risks arise in the normal course of the Group's business.

The Group manages commodity price risks through negotiated supply contracts which are not considered to be financial instruments.

Credit risk

In the normal course of business, the Group incurs credit risk from trade and other receivables and financial institutions. The Group has a credit policy which is used to manage credit risk. As part of this policy, credit evaluations are performed on all customers requiring credit over a certain amount. Policy limits on exposure are set and approved by the Board of Directors and monitored on a regular basis.

The Group does not require any collateral or security to support financial instruments, as it only deposits with, or loans to banks and other financial institutions with high credit ratings. The Group does not expect the non-performance of any obligations at balance date.

Impairment losses

The Group measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses (ECL). The ECL on trade and other receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

Judgements

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

The expected credit loss allowance as at 30 June 2025 was determined as follows for trade and other receivables:

	Current	Past due 1 to 30 days	Past due 31 to 90 days	Past due more than 90 days	Total
30 June 2025					
Expected loss rate	10.8%	4.6%	26.3%	47.9%	
Trade receivables	27,299	1,633	718	96	29,746
Impaired receivables	(2,942)	(75)	(189)	(46)	(3,252)
	24,357	1,558	529	50	26,494

The expected credit loss allowance as at 30 June 2025 was determined as follows for trade and other receivables:

	Current	Past due 1 to 30 days	Past due 31 to 90 days	Past due more than 90 days	Total
30 June 2024					
Expected loss rate	0.6%	3.5%	20.7%	31.8%	
Trade receivables	27,298	4,672	794	299	33,063
Impaired receivables	(155)	(162)	(164)	(95)	(576)
	27,143	4,510	630	204	32,487

Interest rate risk

The Group has exposure to interest rate risk to the extent that it borrows or invests with financial institutions. The Group manages its risk in accordance with an approved treasury policy. This allows for the use of interest rate swaps and interest rate options. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates. Details of interest rate swaps are disclosed in note 13.

Hedge accounting has not been applied to these balances.

Currency risk

The Group has exposure to foreign exchange risk as a result of transactions denominated in foreign currencies, arising from normal trading activities.

Where exposures are material and certain, it is policy to economically hedge these risks as they arise using forward exchange contracts.

The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Foreign currency exchange differences arising on the translation of monetary assets and liabilities are recognised in the foreign currency translation reserve. This exposure is hedged as a net investment, refer to note 15.

Liquidity risk

The Group monitors and manages its debt maturity profile, operating cash flows and the availability of funding. The Group targets maintaining funding facilities to meet the 115% of maximum debt level for normal trading activity forecast for the next 24 months, plus any confirmed commitments in the year.

A maturity analysis of the Group's borrowings is set out in note 12. The relevant maturity groupings are based on the remaining period from the reporting date to the contractual maturity date.

Liquidity profile of financial instruments

The table below analyses the Group's financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
At 30 June 2025	\$000	\$000	\$000	\$000
Borrowings	3,050	15,881	-	-
Derivative financial instruments	(12)	(85)	35	-
Trade and other payables	8,840	-	-	-
At 30 June 2024				
Borrowings	4,350	16,146	-	-
Derivative financial instruments	(58)	(537)	-	-
Trade and other payables	9,957	0	0	0

Fair values
Cash, trade receivables, payables and non-current liabilities are disclosed in the statement of financial position at their amortised cost which is equivalent to their fair value.

The fair value of financial instruments that are not traded in an active market (for example, over the counter derivatives) is determined by using valuation techniques such as discounted cashflows.

15. Share Capital And Reserves

Share capital
Ordinary shares are classified as equity.

All shares carry equal voting rights and share equally in dividends and surplus in winding up. At 30 June 2025 there were 23,800,000 shares on issue (2024: 23,800,000).

Foreign currency translation reserve
The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

The Group designates certain hedging instruments in respect of foreign currency exchange risk as a hedge of net investments in foreign operations. On an ongoing basis, the Group documents whether the hedging instrument that is used in a hedging relationship is highly effective in offsetting changes in fair values or cash flows of the hedged item. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income and accumulated as a separate component of equity in the foreign currency translation reserve.

Hedge of net investment in foreign operations:

Hedging instrument	2025				2024			
	Local currency	Exchange rate	NZD	Gain/(loss) recognised	Local currency	Exchange rate	NZD	Gain/(loss) recognised
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
AUD denominated borrowings	15,000	0.9445	15,881	265	15,000	0.9290	16,146	(141)

The remaining movement in the foreign currency translation reserve relates to foreign currency differences arising from the translation of the financial statements of foreign operations.

Revaluation reserve
The revaluation reserve relates to the revaluation of land and buildings for Auckland and Wellington laboratories. Refer Note 7.

Any revaluation increase arising on the revaluation of land and buildings is credited to the asset revaluation reserve, unless it offsets a previous decrease for the same asset recognised in profit or loss, in which case it is recognised in profit or loss. A decrease in carrying amount arising on the revaluation of land and buildings is recognised in profit or loss where it exceeds the balance held in the asset revaluation reserve relating to a previous revaluation of that asset.

Dividend

There was no distribution to equity holders in the financial year ending 30 June 2025 (2024: Nil).

Capital risk management
The Group's objectives when managing capital structure are to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders or increase available debt.

The Group monitors capital structure on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated statement of financial position plus net debt.

The gearing ratio for the Group as at 30 June 2025 was 19% (2024: 22%).

16. Auditor's Remuneration

	2025 \$000	2024 \$000
Amounts paid or payable to the auditors for:		
Audit of the Group's financial statements	316	298
	316	298

There were no non-audit services provided by the auditors in 2024 and 2025.

17. Related Party Transactions

The Group undertakes many transactions with other State-Owned Enterprises and Government entities and departments in the normal course of business.

The Group made significant sales of biosecurity services to the Ministry for Primary Industries during the year.

The remaining transactions were not significant and are exempt from related party disclosures (under NZ IAS 24 (Revised) Related Party Disclosures). The following represents the major ongoing transaction types but should not be taken as a complete list: product and environmental testing services, animal health services, accident compensation levies, air travel services, energy products, postal and courier services, specific scientific advisory services and rental and leasing services.

The Group made sales to and purchases from its joint ventures, MNAQ Holding (Australia) Pty Ltd (formerly Bureau Veritas AsureQuality Holdings Limited) and MNAQ Holding (Singapore) Pte. Ltd. (formerly BV-AQ (Singapore) Holdings Pte Ltd) during the year.

	2025 \$000	2024 \$000
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Related party transactions

The following transactions were carried out with related parties:

Sales of services:

Sale of services to Ministry for Primary Industries	10,896	10,862
Services provided to joint ventures	3,142	2,650

Expenses:

Purchases of services from joint ventures	413	348
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Related party balances

Owed by:

Ministry for Primary Industries	828	856
Joint ventures	1,747	1,379

Owing to:

Joint ventures	13	12
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These balances are unsecured and payable on demand.

Key management compensation

The compensation of the Directors and executives, being the key management personnel of the entity, is set out below:

Salaries, Directors' fees and other short-term employee benefits	3,669	3,452
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18. Contingent Liabilities

Any claims, investigations and inquiries are not expected to have a significant effect on AsureQuality's financial position or profitability. There are no further contingent liabilities as at 30 June 2025 (2024: Nil).

Policies
Contingent liabilities are disclosed if the possibility that they will crystallise is not remote.

19. New And Revised Standards And Interpretations

There are no new standards and interpretations not yet effective for the year ended 30 June 2025 which were considered relevant to the Group in preparing the financial statements.

20. Significant Events After Balance Date

There were no significant events after balance date that required adjustment or disclosure in the financial statements.



The Auditor-General is the auditor of AsureQuality Limited (the Group). The Auditor-General has appointed me, Ian Proudfoot, using the staff and resources of KPMG, to carry out the audit of the financial statements of the Group on his behalf.

Opinion

We have audited the financial statements of the Group on pages 46 to 65, that comprise the statement of financial position as at 30 June 2025, the profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the consolidated financial statements that include material accounting policy information and other explanatory information.

In our opinion the financial statements of the Group:

- present fairly, in all material respects:
 - its financial position as at 30 June 2025; and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with New Zealand equivalents to International Financial Reporting Standards and International Financial Reporting Standards.

Our audit was completed on 25 August 2025. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board of Directors and our responsibilities relating to the financial statements, we comment on other information, and we explain our independence.

Basis for our Opinion

We carried out our audit in accordance with the Auditor-General’s Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General’s Auditing Standards.

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

Responsibilities of the Board of Directors for the financial statements

The Board of Directors is responsible on behalf of the Group for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand.

The Board of Directors is responsible for such internal control as it determines is necessary to enable it to prepare financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible on behalf of the group for assessing the Group’s ability to continue as a going concern. The Board of Directors is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Board of Directors intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Director’s responsibilities arise from the State Owned Enterprises Act 1986.

Responsibilities of the auditor for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 carried out in accordance with the Auditor-General’s Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements.

For the budget information reported in the financial statements, our procedures were limited to checking that the information agreed to the Group’s statement of intent.

We did not evaluate the security and controls over the electronic publication of the financial statements.

As part of an audit in accordance with the Auditor-General’s Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the 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.
- We 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 Group’s internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’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 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 Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the financial statements of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and the performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors 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.

Our responsibilities arise from the Public Audit Act 2001.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included on pages 1 to 45 and 67 to 71, but does not include the financial statements, and our auditor’s report thereon.

Our opinion on the financial statements 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 financial statements, our responsibility is to read the other information. In doing so, we 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 our work, 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.

Independence

We are independent of the Group in accordance with the independence requirements of the Auditor-General’s Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standards 1: *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) (PES 1)* issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with or interests in the Group.



Ian Proudfoot
KPMG
On behalf of the Auditor-General, Auckland, New Zealand

Comparison with performance targets included in the Statement of Corporate Intent for the financial year ended 30 June

	Achievement	2025 Target
Financial performance targets		
Revenue	\$233.8m	\$232.0m
Operating Earnings before interest and tax (EBIT)	\$13.0m	\$6.5m
Net profit after tax (NPAT)	\$9.1m	\$4.0m
Net cash flows from operating activities	\$18.5m	\$9.2m
Annual key ratios		
Revenue growth	102%	103%
EBITDA growth	119%	102%
Total shareholder return	1%	0%
Dividend yield	0%	0%
Capital replacement	281%	314%
Return on equity	9%	4%
Return on capital employed	13%	6%
Operating margin	9%	7%
Gearing ratio	19%	32%
Interest cover	10	5
Debt to EBITDA	1.2	3.4
Non-financial performance targets		
Staff turnover rate	9.3%	< 15%
Total recordable injury frequency rate	3.9	< 3.8
Critical programme audit failures	Nil	Nil
Critical facility audit failures	Nil	Nil

AsureQuality's Executive remuneration policy is based on the following principles:

- Fixed and Total remuneration are measured against the 'general market' median;
- The desired market position for Total Remuneration is between 80% - 120% of the market median;
- An individual's position in range (PIR) is determined on performance, where 90% to 105% is considered fully competent;
- The short-term performance incentive shared priorities are based on stretch goals approved by the Board annually.

Total remuneration is made up of three components: base salary, benefits and short-term performance incentives.

The People and Culture Committee (PCC) reviews the annual performance appraisal outcomes for all members of the Executive Team and approves the remuneration outcomes for all Executive Team members.

The Chief Executive's remuneration is approved by the Board on the recommendation of the PCC. The review takes into account external benchmarking to ensure competitiveness with comparable market peers, along with consideration of an individual's performance, skills, expertise and experience.

External benchmarking is commissioned by the PCC from an external expert, Strategic Pay, who provide benchmark data independent of any management influence.

Short-term Performance Incentives

Short-term incentives (STIs) are at-risk payments designed to share goals that create success for AsureQuality and encourage and reward performance in the current financial year.

The shared KPIs in FY2025 reflect People, Customer, and Performance with defined weightings, aligned with AsureQuality's strategic objectives, purpose and goals.

The target value of an STI payment is set as a percentage of the executive's base salary plus benefits.

For FY2025 the relevant target percentage for the Chief Executive is 30% and 20% to 25% for the other executives.

An individual performance multiplier is then applied based on performance against individual goals.

The Board retains discretion to ensure the final outcome of STI payments fairly reflects performance over the relevant financial year.

Chief Executive's Remuneration

	Salary \$	Benefits ¹ \$	Subtotal \$	STI ² \$	Total Remuneration \$
Chief Executive - Kim Ballinger					
FY 2025	566,755	19,941	586,696	171,625	758,321
FY 2024	545,193	18,024	563,217	110,517	673,734

1. Benefits include Kiwisaver.
2. The STI payment relating to the 12 months to 30 June 2024 was paid in September 2024. The value of the STI payment relating to the 12 months ending 30 June 2025 is estimated based on the achievement of KPIs and will be paid in September 2025.

1. Shareholders

In accordance with the State-Owned Enterprise Act 1986, the Company has two shareholders; The Minister for State-Owned Enterprises and the Minister of Finance.

2. Directors

The following people were Directors of AsureQuality Limited during the year 1 July 2024 to 30 June 2025:

- Peter Landon-Lane
- Alison Posa
- Jan Hilder
- Dean Moana
- Belinda Storey
- Ariana Estoras
- Scottie Chapman (appointed 8 July 2024)
- Ken Hames (appointed 8 July 2024)

3. Directors' interests

Declaration of General Interest pursuant to section 140(2) of the Companies Act 1993 as at 30 June 2025 are set out below.

There were no declarations of interest made pursuant to section 140(1) of the Companies Act 1993 entered in the Interests Register of AsureQuality Limited or its subsidiary companies. No director of AsureQuality Limited is a shareholder of AsureQuality Limited or any of its subsidiary companies.

In accordance with section 211(1)(e) of the Companies Act 1993, particulars of the entries in the Interests Register of AsureQuality Limited made during the year are set out below:

- **Peter Landon-Lane**
Venturefruit Global Limited (and subsidiaries), Executive Chair / Director- ceased 28 Feb 2025
Delica Limited (and subsidiaries), Executive Chair / Director - ceased 28 Feb 2025
New Zealand Institute for Earth Science (previously National Institute of Water and Atmospheric Research Limited and subsidiaries) , Director
- **Alison Posa**
City Forests Limited, Director
PricewaterhouseCoopers, Audit Advisory Board
City Care Limited, Director
OTPP New Zealand Forest Investments Topco Limited (and subsidiaries), Director
- **Jan Hilder**
Accordant Group, Lifetime Asset Management Limited, Hot Springs Spa, Shareholder
Sonsusi Limited, Director/Shareholder
Hilder Consulting Limited, Director/Shareholder
IHC Group, Supplier
- **Dean Moana**
Whangaokena ki Onepoto Takutai Trust, Trustee
The New Zealand Food & Beverage Group Limited, Director/Shareholder
NATI Growth Limited (and subsidiaries), Director/Shareholder
The New Zealand Institute for Plant & Food Research Limited, Director
Te Ohu Kai Moana Trustee Limited, Chair
ICP General Partner Limited, Director
Port Nicholson Fisheries General Partner Limited, Director
Koura Inc General Partner Limited, Director
Ahi Mokopuna GP Limited (and subsidiaries), Director
Akaroa Salmon New Zealand Limited, Director
National Institute of Water and Atmospheric Research Limited (and subsidiaries), Director
Aotearoa Fisheries Limited, Director
- **Ariana Estoras**
Bioeconomy Science Institute Limited (previously AgResearch), Director Māori Research & Partnerships
DairyNZ Science Board, Member
- **Belinda Storey**
Climate Sigma Limited, Managing Director/Shareholder
Reserve Bank of New Zealand, Research Consultant
Victoria University of Wellington, Senior Research Fellow
Ministry for the Environment Framework Independent Reference Group, Member
- **Scottie Chapman (appointed 8 July 2024)**
Spring Sheep Dairy NZ Management Limited, Director/Unit holder
SLS Ventures Management Limited, Director/Unit holder
Good Buzz Beverage Co. Limited, Shareholder
Landpro Limited, Chair
Block Blue Light Limited, CEO
- **Ken Hames (appointed 8 July 2024)**
Ahipara Agri Limited, Director
Tomarata Dairy Farms Limited, Director/Shareholder
Ewenny Farm Partnership, Owner
Pūtake Whakatupu Steering Group, Chair
Autostar Group Limited, Shareholder

4. Directors’ transactions

All transactions in entities in which Directors disclosed an interest have been conducted in the normal course of business.

5. Directors’ use of information

There were no requests for information or disclosures or use of information that would not otherwise be available to the director.

6. Indemnity and insurance

AsureQuality Limited has arranged for directors and officers insurance for any act or omission in their capacity as a director or executive officer.

7. Directors’ remuneration

Shareholding Ministers advise the Board of the total allowance for fees available to Directors of AsureQuality Limited and its subsidiary companies. The following table sets out the total remuneration (including remuneration for standing committee membership) received or receivable from AsureQuality Limited by each Director of the Company during the year.

Directors' Fees	2025	2024
Peter Landon-Lane, Chair	83,530	71,069
Jan Hilder, Deputy Chair	52,208	37,527
Alison Posa	45,443	38,569
Dean Moana	41,765	36,069
Ariana Estoras	41,765	36,069
Belinda Storey	41,765	36,069
Scottie Chapman (appointed 8 July 2024)	41,092	-
Kenneth Hames (appointed 8 July 2024)	41,765	-
Paul McGilvary, previously Acting Chair (retired 30 April 2024)	-	36,458
Paul Cochrane (retired 30 April 2024)	-	29,167
	389,333	320,997

8. Employee remuneration

The following table shows the number of employees who received remuneration and benefits greater than \$100,000 per annum, during the financial year ended 30 June 2025. The remuneration figures shown in the table include all monetary payments actually paid during the year, plus the cost of all benefits provided to the individuals.

	2025 Number of Employees in the Group
\$680,001 - \$690,000	1
\$470,001 - \$480,000	1
\$350,001 - \$360,000	1
\$330,001 - \$340,000	1
\$310,001 - \$320,000	1
\$270,001 - \$280,000	2
\$260,001 - \$270,000	2
\$250,001 - \$260,000	2
\$220,001 - \$230,000	2
\$210,001 - \$220,000	3
\$200,001 - \$210,000	4
\$190,001 - \$200,000	7
\$180,001 - \$190,000	10
\$170,001 - \$180,000	7
\$160,001 - \$170,000	13
\$150,001 - \$160,000	16
\$140,001 - \$150,000	35
\$130,001 - \$140,000	44
\$120,001 - \$130,000	60
\$110,001 - \$120,000	118
\$100,000 - \$110,000	198

9. Change in nature of business

There was no change in the nature of the business during the year.

Directors

Peter Landon-Lane, Chair

Jan Hilder, Deputy Chair

Alison Posa

Dean Moana

Ariana Estoras

Belinda Storey

Scottie Chapman

Ken Hames

Executives

Kim Ballinger, Chief Executive Officer

Jeremy Hood, Chief Operating Officer

Georgina Daly, General Manager - People & Culture

Sandra Fischer, Group Manager - Customer Solutions

Elke van der Meijden, Group Manager - Transformation Delivery Office

Michael Hodgson, Group Service Manager - Food Testing

Rupert Mitchell, Group Service Manager - Meat Services

Kylea Heaton, Group Service Manager - Auditing Services

Mike Fenton, Group Service Manager - Ventures & Specialty Testing

Auditor

Ian Proudfoot, KPMG

Banker

Westpac Banking Corporation

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