



2025 PŪRONGO A HAURUA TAU

Half Year Report



RĀRANGI TAKE

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NGĀ AROTAKENGA O TE HEAMANA ME TE TUMUAKI WHAKAHAERE

CHAIR AND CHIEF EXECUTIVE'S REVIEW

Welcome to AgResearch's half year report that includes our latest financial update for the first six months of 2024/25 financial year. The period this statutory disclosure covers has been a challenging one for our organisation, and the wider agricultural sector we support.

We have continued on our recent track of delivering measures to make our business more financially sustainable while continuing the world class science our reputation is based on.

We're pleased to report that while the coming months are expected to be equally challenging, some encouraging signs amid the gloom are starting to emerge.

We are experiencing pleasing revenue growth from our commercial science activities, adding fresh impetus to our strategy to commercialise and realise the true value of our research.

However, economic conditions are difficult.

Looking ahead to the second half of FY25 AgResearch is confident that the science we will produce in the coming months and years will enhance the value and productivity of our sector.

Agriculture plays a crucial role in New Zealand's economy. There is a more positive outlook for farmgate returns, particularly in respect of dairy and beef, and the sector continues to show resilience.

This underlines the importance of investing in research and development to support pastoral farming which we see as vital to protecting and enhancing the country's economic interests.

We look forward to embracing this challenge and delivering more of the world class science our sector needs to help sustain the New Zealand economy.



Kim Wallace
Chair
10 February 2025



Dr Sue Bidrose
Chief Executive Officer
10 February 2025

PŪRONGO PŪTEA

CONSOLIDATED FINANCIAL STATEMENTS





CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

in thousands of New Zealand dollars	Note	Unaudited 6 months to Dec 2024	Unaudited 6 months to Dec 2023	Audited 12 months to Jun 2024
REVENUE				
Ministry of Business, Innovation and Employment				
Strategic Science Investment Fund		22,481	22,481	44,963
Our Land and Water National Science Challenge		1,295	8,923	4,816
Other		3,734	3,231	7,677
Commercial		41,037	34,151	97,962
Farm produce		2,780	1,930	4,230
Other revenue		8,010	8,663	18,559
Total operating revenue		79,337	79,379	178,207
Operating expenditure	2	(84,188)	(87,854)	(183,643)
Operating surplus/(deficit)		(4,851)	(8,475)	(5,436)
Other gains/(losses)		1,445	15	(5,526)
Finance costs		(517)	(346)	(729)
Share of associates profit/(loss)		(327)	(165)	(393)
Surplus/(deficit) before tax		(4,250)	(8,971)	(12,084)
Tax expense/(benefit)		(1,174)	(2,207)	13,197
Net surplus/(deficit) after tax for the year		(3,076)	(6,764)	(25,281)
OTHER COMPREHENSIVE INCOME				
<i>Items that will not be reclassified subsequently to surplus or deficit:</i>				
Revaluation of properties		-	-	4,907
Income tax relating to components of other comprehensive income		-	-	(1,529)
Other comprehensive income for the year net of tax		-	-	3,378
Total comprehensive income for the year net of tax		(3,076)	(6,764)	(21,903)
Net surplus/(deficit) is attributable to:				
Equity holders of the parent		(3,076)	(6,764)	(25,281)
Total comprehensive income is attributable to:				
Equity holders of the parent		(3,076)	(6,764)	(21,903)

The statement of accounting policies and the accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

in thousands of New Zealand dollars	Unaudited 6 months to Dec 2024	Unaudited 6 months to Dec 2023	Audited 12 months to Jun 2024
CURRENT ASSETS			
Cash and cash equivalents	19,475	7,682	12,036
Short term investments	9,000	32,000	11,000
Trade and other receivables	24,765	21,058	30,934
Prepayments	4,840	3,657	3,130
Biological assets – livestock	3,461	3,479	3,425
Inventory	1,687	1,832	1,800
Property held for sale	7,774	-	526
Current tax	135	359	154
Total current assets	71,137	70,067	63,005
NON-CURRENT ASSETS			
Future tax benefit	2,494	1,046	1,895
Investments in associates and joint ventures	4,195	5,304	4,451
Other investments	3,264	4,137	2,793
Property, plant and equipment	322,148	331,421	339,335
Biological assets - forestry	1,410	1,398	1,410
Intangible assets	2,472	1,974	2,681
Right-of-use assets	22,663	21,000	23,735
Loans provided to Associates	99	115	-
Total non-current assets	358,745	366,395	376,300
Total assets	429,882	436,462	439,305
LESS:			
CURRENT LIABILITIES			
Trade and other payables	46,826	54,029	51,970
Employee entitlements	7,115	7,198	6,804
Lease liability	1,954	1,723	2,047
Total current liabilities	55,895	62,950	60,821

Table continued overleaf

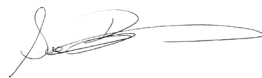
Consolidated Statement of Financial Position (as at 31 December 2024) continued

in thousands of New Zealand dollars	Unaudited 6 months to Dec 2024	Unaudited 6 months to Dec 2023	Audited 12 months to Jun 2024
NON-CURRENT LIABILITIES			
Deferred tax	33,683	16,642	34,215
Lease liability	22,045	20,336	22,904
Other non-current liabilities	238	298	268
Total non-current liabilities	55,966	37,276	57,387
Total liabilities	111,861	100,226	118,208
Net assets	318,021	336,236	321,097
EQUITY			
Share capital	92,268	92,268	92,268
Revaluation reserves	122,295	118,917	122,295
Retained earnings	103,458	125,051	106,534
Total equity	318,021	336,236	321,097

Kim Wallace
Chair
10 February 2025



Dr Sue Bidrose
Chief Executive Officer
10 February 2025



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

		Revaluation reserves		
in thousands of New Zealand dollars	Share capital	Property, plant and equipment	Retained earnings	Total Equity
UNAUDITED 6 MONTHS TO DECEMBER 2023				
Balance at 1 July 2023	92,268	118,917	131,815	343,000
Profit/(loss) after tax for the period	-	-	(6,764)	(6,764)
Total comprehensive income	-	-	(6,764)	(6,764)
Balance at 31 December 2023	92,268	118,917	125,051	336,236
OPERATING SURPLUS/(DEFICIT)				
Balance at 1 July 2023	92,268	118,917	131,815	343,000
Profit/(loss) after tax for the year	-	-	(25,281)	(25,281)
Revaluation of properties	-	4,907	-	4,907
Income tax relating to components of other comprehensive income	-	(1,529)	-	(1,529)
Total comprehensive income	-	3,378	(25,281)	(21,903)
Balance at 30 June 2024	92,268	122,295	106,534	321,097
UNAUDITED 6 MONTHS TO DECEMBER 2024				
Balance at 1 July 2024	92,268	122,295	106,534	321,097
Profit/(loss) after tax for the period	-	-	(3,076)	(3,076)
Total comprehensive income	-	-	(3,076)	(3,076)
Balance at 31 December 2024	92,268	122,295	103,458	318,021

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

in thousands of New Zealand dollars	Note	Unaudited 6 months to Dec 2024	Unaudited 6 months to Dec 2023	Audited 12 months to Jun 2024
CASH RECEIVED FROM OPERATING ACTIVITIES				
Receipts from customers		87,480	84,725	161,999
Interest received		785	1,855	3,320
Dividends received		193	195	275
Income tax received		195	153	155
Total cash received from operating activities		88,653	86,928	165,749
CASH DISBURSED ON OPERATING ACTIVITIES				
Payments to employees		37,903	37,624	74,690
Payments to suppliers		44,784	50,699	92,166
Interest paid		410	346	728
Total cash disbursed on operating activities		83,097	88,669	167,584
Net cash flow from operating activities		5,556	(1,741)	(1,835)
CASH RECEIVED FROM INVESTING ACTIVITIES				
Disposal of property, plant and equipment		4,810	20	890
Other compensation		-	236	236
Total cash received from investing activities		4,810	256	1,126
CASH DISBURSED ON INVESTING ACTIVITIES				
Investment in property, plant and equipment		3,803	30,278	46,008
Purchase of other investments and intangible assets		72	26	65
Total cash disbursed on investing activities		3,875	30,304	46,073
Net cash flow from investing activities		935	(30,048)	(44,947)
CASH RECEIVED FROM FINANCING ACTIVITIES				
Capital drawdown		-	-	-
Total cash received from financing activities		-	-	-

Table continued overleaf

Consolidated Statement of Cash Flows (for the six months ended 31 December 2024) continued

in thousands of New Zealand dollars	Note	Unaudited 6 months to Dec 2024	Unaudited 6 months to Dec 2023	Audited 12 months to Jun 2024
CASH DISBURSED ON FINANCING ACTIVITIES				
Repayment of lease liabilities		1,052	1,436	3,089
Total cash disbursed on financing activities		1,052	1,436	3,089
Net cash flow from financing activities		(1,052)	(1,436)	(3,089)
Total net cash flow		5,439	(33,225)	(49,871)
Cash at beginning of period		23,036	72,907	72,907
Cash at end of period		28,475	39,682	23,036

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

1. BASIS OF PREPARATION

These consolidated condensed interim financial statements ("financial statements") of AgResearch Limited and its subsidiaries ("the Group") have been prepared in accordance with the requirements of the Crown Research Institutes Act 1992, the Public Finance Act 1989, the Crown Entities Act 2004 and the Companies Act 1993.

These financial statements have been prepared in accordance with New Zealand Equivalent to International Accounting Standard (NZ IAS) 34 Interim Financial Reporting. The Group is profit-orientated.

The financial statements of the Group for the six months ended 31 December 2024 have been prepared applying the same accounting policies and methods of computation as, and should be read in conjunction with, the financial statements and related notes included in the Group's Annual Report for the year ended 30 June 2024.

The same significant judgements, estimates and assumptions included in the notes to the financial statements in the Group's Annual Report for the year ended 30 June 2024 have been applied to these interim financial statements.

The financial statements were authorised for issue by the Directors on 10 February 2025.

2. OPERATING EXPENDITURE

in thousands of New Zealand dollars	Unaudited 6 months to Dec 2024	Unaudited 6 months to Dec 2023	Audited 12 months to Jun 2024
EMPLOYEE RELATED			
Salary and wages *	36,409	36,871	73,257
Superannuation contribution	1,025	1,028	2,039
OPERATIONAL			
Amortisation and impairment of intangible assets	212	138	410
Depreciation	8,589	5,825	14,381
Depreciation of right-of-use assets	1,171	1,156	2,982
Short-term and low value lease expenses	110	(46)	46
Other operating expenses	12,189	13,744	26,204
Science 3rd party sub-contracts	12,385	17,434	39,852
Site and property expenses	4,107	4,227	8,132
Supplies	5,983	5,725	12,603
FINANCIAL AND ADMINISTRATION			
Auditor's remuneration – for services as auditor	246	204	400
Bad debts	28	-	-
Change in provision for doubtful debts	(13)	6	9
Directors' fees	213	209	405
Financial and legal expenses	1,534	1,333	2,923
	84,188	87,854	183,643

Key Management remuneration (* included in previous table) comprises of two components: base salary and employer contribution of Kiwisaver per the following table:

in thousands of New Zealand dollars	Note	Unaudited 6 months to Dec 2024	Unaudited 6 months to Dec 2023	Audited 12 months to Jun 2024
Salaries and other short term employee benefits		2,184	2,038	3,963
Termination payments		-	-	172
Total		2,184	2,038	4,135

A number of key management personnel provide directorship services to subsidiaries and other entities as part of their employment without receiving any additional remuneration.

The Group purchases directors and officers insurance for the benefit of key management personnel in relation to the services they provide to the Group.

3. CONTINGENCIES AND COMMITMENTS

There are no significant known contingent liabilities or pending litigation. As at 31 December 2024, the total capital commitments were \$1.1m (2023: \$5.6m).

Contingent Assets

There are no significant known contingent assets.

4. SIGNIFICANT EVENTS AFTER REPORTING DATE

On the 23rd January 2025, the Science, Innovation and Technology Minister announced changes to the New Zealand science system with reforms that include transforming the current seven Crown Research Institutes (CRIs) into three Public Research Organisations (PROs). These will focus on bio-economy, earth sciences, and health and forensic sciences.

REPORT DECLARATIONS

PREPARING THE REPORT

In preparing this Half Year Report and the consolidated condensed interim financial statements contained herein, I certify on behalf of the Board that the Group has operated in accordance with provisions of the Crown Research Institutes Act 1992, the Public Finance Act 1989, the Crown Entities Act 2004 and the Companies Act 1993.

Kim Wallace
Chair
10 February 2025



STATEMENT OF RESPONSIBILITY

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

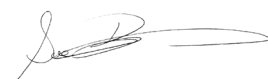
AgResearch Limited certifies that:

1. The Board of AgResearch Limited accepts responsibility for the preparation of the consolidated condensed interim financial statements and judgements used in them.
2. The Board of AgResearch Limited accepts responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.
3. In the opinion of the Board of AgResearch Limited, the consolidated condensed interim financial statements for the six months ended 31 December 2024 fairly reflect the financial position and operations of AgResearch Limited and its subsidiaries that collectively comprise the Group.

Kim Wallace
Chair
10 February 2025



Dr Sue Bidrose
Chief Executive Officer
10 February 2025



DIRECTORY

EXECUTIVE MANAGEMENT TEAM



Dr Sue Bidrose
Chief Executive Officer



Stuart Hall
Deputy Chief Executive,
Commercial Partnerships



Carol Bellette
Director Finance



Dr Sara Edwards
Director Research
Operations



Dr Dave Houlbrooke
Director Research
Capability



Greg Rossiter
Director Information
Technology and Property



Dr Marie Bradley
Director Strategy and
Communications



Ariana Estoras
Kaiārahi Matua / Director
Māori Strategy, Research
and Partnerships



Fleur Evans
Director People and
Culture



Dr Axel Heiser
Chief Scientist

BOARD OF DIRECTORS



Kim Wallace
Chair



Dr Louise Cullen
Deputy Chair,
Chair – People and
Culture Committee



Jessie Chan
Chair – Audit and Risk
Committee



Mary-Anne Macleod
Director



Hone McGregor
Director



Andrew Morrison
Director



Emily Walker
Board Observer

INFORMATION

Auditors

Deloitte Limited on behalf of the Auditor-General

Bankers

ANZ Bank New Zealand Limited



Science working for New Zealand

The eight members of Science New Zealand proudly work individually and collectively alongside the rest of government to create a more prosperous, sustainable and innovative New Zealand.

4,000+
smart and
passionate people

50+
sites
nationwide

6,000+
science projects
every year

40+
nationally
significant databases
and collections

sciencenewzealand.org

CallaghanInnovation
New Zealand's Innovation Agency



agresearch
āta mātai, mātai whetū



scion

**Plant & Food
Research**
Rangahau Ahumāra Kai

E/S/R
Science for Communities

newzealand.govt.nz

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