



NZ Institute of
Primary Industry
Management

Annual Report

NZ Institute of Primary Industry Management Incorporated

For the year ended 28 February 2022

The President and Chief Executive's Report

The 2022 financial year was a year of change for the Institute, with Julian Gaffaney taking over as President midday through the fiscal year, followed by the appointment of a new Chief Executive in February 2022. Stephen Macaulay had ably led NZIPIM for 9 nine years, during which time he had almost doubled the membership, built a number of certification programmes and expanded the range of quality professional development programmes and events. Our sincere thanks to Stephen for his incredible service to NZIPIM and to the Board and staff who very capably managed the Institute during the transition period.

The primary industry has been fortunate to withstand the severe economic impacts of COVID-19 seen by numerous other sectors and has continued to thrive albeit operating with challenging supply chain disruptions. Our industry has shown its true dominance in the New Zealand economy by leading the domestic recovery. However, increasing on-farm environmental regulations, growing statutory requirements and additional compliance costs for agri-businesses continued to cause uncertainty for farmers and growers. NZIPIM stepped up to provide programmes to equip our rural professionals for the changing regulatory landscape. There was a strong uptake of the Greenhouse Seminars delivered in conjunction with the NZ Agricultural Research Centre and AgFirst, with 12 workshops run throughout the country, including 4 Advanced Modelling workshops. Unfortunately, the planned Freshwater Farm Plan Seminars were postponed and pushed into the next financial year, as were two Leadership Development Programmes.

The Institute continued to provide relevant professional development opportunities to expand members' knowledge and capability to effectively support their farmer and grower clients, as well as providing platforms for members to grow their professional networks. During the year we held a total of 47 events with 13 of those delivered as on-line webinars. The most popular events proved to be updates on the Essential Freshwater Reforms, the Government's Response to the review of Overseer, and He Waka Eke Noa. Our events continued to be well supported with the 2021 financial year reaching our greatest number of event attendees yet – 1,888. We are extremely grateful for our hard-working branch chairs and committees who lead this work and continue to organise high quality and well supported events for members in the regions.

Due to the high risk of running National Conference with on-going COVID-19 restrictions still strongly in play, the Institute decided on a different model and planned two One Day Forum's. One to be held in Hamilton and the other in Christchurch. After a very successful North Island event, it was extremely disappointing to be advised at the closure of the Forum that the country was moving into a further lockdown, meaning the South Island event was postponed and subsequently cancelled.

The Institute continues to experience strong membership support. In the year ending February 2022 membership numbers remained stable at 1,135, with an additional 220 student members.

The Institute ran at a small net loss before tax of \$12,234 for the financial year ending 28 February 2022. The Board considers this an acceptable result given some revenue streams such as National Conference were impacted by COVID-19. Total income for the year was \$464,849 which dipped from the previous year (2020: \$503,164). Expenditure for the year stood at \$477,083 before tax, down on last year (2020: \$488,915). Net assets held by or on behalf of members remain strong, to the value of \$374,109.

Finally, we would like to sincerely thank our members, branch chairs and committees, and strategic partners and corporate members for their support of NZIPIM for the year ending February 2022. We would like to acknowledge the contribution of those who served on the Board throughout the financial year – Charlotte Glass, Jamie Gordon, Laura Keenan, Rob Macnab, Carla Muller and Linda Townsend as well as retiring Board members Edward Hardie, Joel Hensman and Craig Osbourne who finished their terms in August 2021 – and the hard-working team at National Office who continued to support the Institute through a challenging period.



Julian Gaffaney

President



Jo Finer

Chief Executive

ENTITY INFORMATION

NZ INSTITUTE OF PRIMARY INDUSTRY MANAGEMENT INCORPORATED
AS AT 28 FEBRUARY 2022

REGISTERED OFFICE

Level 3
69 The Terrace
Wellington

INCORPORATION NUMBER

212853

ENTITY STRUCTURE

President

Julian Gaffaney

Board Members

Carla Muller
Charlotte Glass
Jamie Gordon
Laura Keenan
Rob Macnab

Independent Members

Linda Townsend

ACCOUNTANTS

Bookkeeping & Accounting Solutions
9 Dart Crescent
Island Bay
Wellington 6023

AUDITORS

Kendons Chartered Accountants Limited
Kendon House
69 Rutherford St
Lower Hutt 5010

BANKERS

Bank of New Zealand
38 Willis Street
Wellington

ANZ
265 Jackson Street
Petone
Lower Hutt

**APPROVAL OF FINANCIAL REPORT
NZ INSTITUTE OF PRIMARY INDUSTRY MANAGEMENT INCORPORATED
FOR THE YEAR ENDED 28 FEBRUARY 2022**

On this date the President approves and issues the annual report including the financial statements for New Zealand Institute of Primary Industry Management Incorporated for the year ended 28 February 2022.

For and on behalf of the Council

APPROVED



Julian Gaffaney
President
Date 6 June 2022

STATEMENT OF PROFIT OR LOSS
NZ INSTITUTE OF PRIMARY INDUSTRY MANAGEMENT INCORPORATED
FOR THE YEAR ENDED 28 FEBRUARY 2022

	NOTE	FEB-2022	FEB-2021
Revenue			
Membership Subscription		313,035	302,971
Journal Subscription		1,500	1,500
Registration Fee		2,650	2,800
Certification Fees		3,100	620
Conference Revenue		39,509	0
Strategic Partnership		20,000	20,000
Interest Income		2,868	5,477
Other Revenue	1	82,187	169,796
Total Revenue		464,849	503,164
Operating Expenses			
Auditor Remuneration		3,350	2,700
Certification Expense		4,069	3,055
Depreciation		1,773	1,402
Conference Expenses		16,937	0
Employment Costs		287,610	268,384
Journal Production Costs		51,369	48,163
Interest Expense		931	916
Other Expenses	2	111,044	164,295
Total Operating Expenses		477,083	488,915
Net Operating (Loss)/Profit before tax		(12,234)	14,249
less Income Tax Expense	3	262	719
Net (Loss)/Profit after tax		(12,496)	13,530

Notes:

This statement is to be read in conjunction with the Notes to the Financial Statements

STATEMENT OF CHANGES IN EQUITY
NZ INSTITUTE OF PRIMARY INDUSTRY MANAGEMENT INCORPORATED
AS AT 28 FEBRUARY 2022

	NOTE	FEB-2022	FEB-2021
Member Funds			
Opening Balance		214,756	201,227
Current Year Earnings		(19,666)	8,209
Transfer from/(to) Disciplinary Reserve Fund		7,170	5,320
Closing Balance Members Fund		202,260	214,756
Disciplinary Reserve Fund			
Opening Balance		30,405	35,725
Transfers (to) / from Member Funds		(7,170)	(5,320)
Closing Balance Disciplinary Reserve Fund		23,235	30,405
Registration Reserve Fund			
Opening Balance		39,257	39,257
Transfers from/(to) Member Funds		0	0
Closing Balance Registration Reserve Fund		39,257	39,257
Strategic Initiatives Reserve Fund			
Opening Balance		109,357	109,357
Transfers from/(to) Member Funds		0	0
Closing Balance Strategic Initiatives Reserve Fund		109,357	109,357
TOTAL EQUITY		374,109	393,775

Notes:

This statement is to be read in conjunction with the Notes to the Financial Statements

BALANCE SHEET**NZ INSTITUTE OF PRIMARY INDUSTRY MANAGEMENT INCORPORATED
AS AT 28 FEBRUARY 2022**

	NOTE	FEB-2022	FEB-2021
ASSETS			
Current Assets			
Cash & Bank		169,614	165,112
Accounts Receivable		1,013	11,014
Term Deposits	4	367,089	365,160
Other Receivables	5	18,385	2,325
Total Current Assets		556,101	543,611
Non-Current Assets			
Property, Plant & Equipment	6	6,451	5,158
Total Non-Current Assets		6,451	5,158
TOTAL ASSETS		562,552	548,769
LIABILITIES			
Current Liabilities			
Accounts Payable		33,673	20,550
Income Tax Payable	3	262	997
Income Received in Advance		55,786	1,945
Other Current Liabilities	7	4,732	38,973
Total Current Liabilities		94,453	62,465
Non-Current Liabilities			
Branch Funds held in Trust	8	93,990	92,529
Total Non-Current Liabilities		93,990	92,529
TOTAL LIABILITIES		188,443	154,994
NET ASSETS		374,109	393,775
EQUITY			
Members Funds		202,260	214,756
Disciplinary Reserve Fund		23,235	30,405
Registration Reserve Fund		39,257	39,257
Strategic Initiatives Reserve Fund		109,357	109,357
TOTAL EQUITY		374,109	393,775

Notes:

This statement is to be read in conjunction with the Notes to the Financial Statements



President
6 June 2022



Chief Executive Office
6 June 2022

STATEMENT OF ACCOUNTING POLICIES
NZ INSTITUTE OF PRIMARY INDUSTRY MANAGEMENT INCORPORATED
FOR THE YEAR ENDED 28 FEBRUARY 2022

REPORTING ENTITY

New Zealand Institute of Primary Industry Management Incorporated (the Institute) is an incorporated society registered under the Incorporated Societies Act 1908.

The Institute is the peak industry body for the rural profession and is primarily funded by an annual membership subscription. A core purpose of the organisation is to build the capability and capacity of rural professionals within New Zealand. Our members come from a diverse range of occupations, including farm management advisors, rural bankers, farm accountants, fertiliser consultants, rural valuers, representatives from industry good organisations, CRIs, universities, and agribusiness service providers.

STATEMENT OF ACCOUNTING POLICIES

Basis of Preparation

The financial statements have been prepared in accordance with the Special Purpose Financial Reporting Framework for use by For-Profit Entities (SPFR for FPEs) published by Chartered Accountants Australia and New Zealand and considered by the Institute to be an appropriate framework on which to prepare the financial statements.

The financial statements have been prepared for its members and to meet the reporting requirements set by the Incorporated Societies Act 1908 and Inland Revenue Department.

Measurement Basis

These financial statements have been prepared on a historical cost basis, unless otherwise stated. The financial statements are presented in New Zealand dollars (NZ\$) and all values are rounded to the nearest NZ\$, except when otherwise indicated.

The financial statements are prepared under the assumption that the Institute will continue to operate as a going concern in the foreseeable future.

Specific Accounting Policies

The following specific accounting policies which materially affect the measurement of the Statement of Financial Performance and Statement of Financial Position have been applied.

a) Changes in Accounting Policies

The company transitioned on 1 March 2019 from preparation of general-purpose financial reporting in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP) to special purpose financial reporting in accordance with SPFR for FPEs. The transition had no impact on the accounting policies of the Institute.

Polices have been applied on a consistent basis with those of the previous reporting period.

b) Comparatives

Where appropriate, the comparative figures have been restated in order to conform with this year's presentation.

STATEMENT OF ACCOUNTING POLICIES CONTINUED

c) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable for membership fees, to the extent it is probable that the economic benefits will flow to the entity and revenue can be reliably measured.

Revenue from grants and contracts are recognised as income when earned. If conditions are attached to a grant or contract that would require it to be repaid if those conditions were not met, then the income received is recorded as a liability under Income Received in Advance to the extent that the conditions have not yet been met at the reporting date.

d) Accounts Receivable:

Receivables are stated at their estimated realisable value. Bad debts are written off in the year in which they are identified.

e) Investments

Investments are stated at cost.

f) Property, Plant & Equipment

Property, plant and equipment and investment property are stated at historical cost less any accumulated depreciation. Depreciation is calculated on a diminishing value basis using depreciation rates published by Inland Revenue. The following depreciation rates have been used:

Computer Equipment - 20% Diminishing Value
Office Equipment - 20% Diminishing Value
Software - 50% Diminishing Value

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

g) Income Tax

Income Tax expense shown in the Statement of Profit and Loss recognises the current obligations for the period, calculated using the Taxes Payable method.

The Institute has non-profit status with Inland Revenue and is exempt from Resident Withholding Tax on interest income. Generally, any surplus arising from normal transactions within the membership of the Institute is exempt from income tax under the Mutuality Principle. Any surplus reported for the Annual Conference has not accounted for any indirect operational costs incurred. The Institute has calculated that the events would not make any surplus after these costs are allocated.

STATEMENT OF ACCOUNTING POLICIES CONTINUED

h) Goods and Services Tax

These financial statements have been prepared on a GST exclusive basis except for accounts receivable and accounts payable which are stated inclusive of GST.

i) Branch Reserves

Branch reserves are recorded as non-current liabilities in accordance with the Society's rules and consideration of CAANZ standard SPFR for FPEs (para 2.30 – 2.32 and para 2.45). Branch reserves are held in term deposits and any movements in branch reserves are recorded as they occur in the general ledger.

NOTES TO THE FINANCIAL STATEMENTS
NZ INSTITUTE OF PRIMARY INDUSTRY MANAGEMENT INCORPORATED
FOR THE YEAR ENDED 28 FEBRUARY 2022

NOTE 1 - OTHER REVENUE	2022	2021
Climate Change Development Program for Rural Professionals	23,532	48,275
National Certification Scheme for Farm Environmental Plan Advisors	50,000	27,000
Farm Environmental Plan National Certification Project	5,200	0
Dairy Farm Systems Certification Scheme	0	13,666
Professional Development Events	1,596	79,461
Other Revenue	1,859	1,394
Total Other Revenue	82,187	169,796

NOTE 2 - OTHER EXPENSES	2022	2021
ACC & Insurance	2,507	2,493
Accreditation Sub-committee	1,333	0
Bank Fees	2,914	2,627
Board Expenses	9,505	5,260
Branch Chair Meeting Costs	196	1,321
Branch Development	16,856	16,109
Branch Grants	3,575	4,507
Climate Change Development Program for Rural Professionals	17,278	16,037
Computer Expenses	4,914	3,634
Consulting	11,715	0
Database Expenses	5,400	5,400
Farm Environmental Plan National Certification Project	55	11,893
Fertiliser Group Representation	296	277
General Expenses	3,397	2,123
General Postage	192	374
General Printing & Stationery	3,447	1,348
Legal Expenses	1,250	0
Presidents Honorarium	5,669	3,400
Professional Development Events Expenses	3,508	72,183
Rent Expense	9,026	8,472
Subscriptions	2,390	1,916
Telephone & Internet	2,324	2,617
Travel & Accommodation	3,297	2,304
Total Other Expenses	111,044	164,295

NOTE 3 - INCOME TAX EXPENSE	2022	2021
Net Profit Before Tax	(12,234)	14,249
Less Tax-exempt Income	(461,981)	(497,687)
Add Expenses Incurred in Deriving Tax-exempt Income	476,152	487,999
	1,937	4,561
Less Not for Profit Income Tax Deduction	(1,000)	(1,000)
Total Taxable Income	937	3,561
Tax Payable at 28%	262	997
Terminal Tax Paid/(Refund)	0	(278)
Income Tax Payable	262	719
Income Tax Payable	262	997

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

NOTE 4 - TERM DEPOSIT INVESTMENT

	2022	2021
ANZ Investments	57,729	57,455
BNZ Investments	309,360	307,705
Total Other Receivables	367,089	365,160

NOTE 5 - OTHER RECEIVABLES:

	2022	2021
Accrued Revenue	2,256	281
Prepayments	16,129	2,044
Total Other Receivables	18,385	2,325

NOTE 6 - PROPERTY, PLANT & EQUIPMENT

	2022	2021
Computer Equipment		
Cost	18,415	16,131
Accumulated Depreciation	(13,470)	(11,987)
Net Book Value - Computer Equipment	4,945	4,144
Cost	4,217	3,435
Accumulated Depreciation	(2,711)	(2,421)
Net Book Value - Office Equipment	1,506	1,014
Total Property, Plant & Equipment	6,451	5,158

NOTE 7 - OTHER CURRENT LIABILITIES

	2022	2021
Accrued Expenses	13,252	31,374
GST Payable/(Refund)	(10,858)	11
PAYE Payable	1,856	5,901
Credit Card	482	1,687
Total Other Current Liabilities	4,732	38,973

NOTE 8 – BRANCH FUNDS HELD IN TRUST

	2022	2021
C D Branch Reserve Fund	3,364	3,331
Canterbury Westland Fund	35,572	35,220
Hawkes Bay Branch Reserve Fund	10,078	9,979
Marlborough/Nelson Branch Reserve Fund	64	64
Northland Branch Reserve Fund	526	521
Otago Branch Reserve Funds	3,547	2,981
Rotorua/BoP Branch Reserve Funds	7,278	7,206
Taranaki Reserve Funds	157	155
Waikato Branch Reserve Fund	19,948	19,750
Wellington/Wairarapa Branch Reserve Fund	13,456	13,322
Total Other Current Liabilities	93,990	92,529

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

NOTE 9 – COMMITMENTS

On 1 July 2014, NZIPIM commenced a six-year lease arrangement with a further two right of renewal of three years each for the rental of the office at Level 3, 69 The Terrace, Wellington. On 1 July 2020, NZIPIM entered into the first of the two rights of renewal of three years.

OPERATING LEASE COMMITMENTS	2022	2021
Current Commitment	9,026	9,026
Non-Current Commitment	3,009	12,034
Total Operating Lease Commitment	12,034	21,060

NOTE 10 – CONTINGENT LIABILITIES

There were no contingent liabilities as at 28 February 2022 (2021 \$Nil).

NOTE 11 – CAPITAL COMMITMENTS

There were no capital commitments as at 28 February 2022 (2021 \$Nil).

NOTE 12 – RELATED PARTIES

All related party transactions have been entered into on an arm's length basis.

PERRIN AG CONSULTANTS LIMITED – CARLA MULLER	2022	2021
NZIPIM Board Member and Shareholder of Perrin Ag Consultants Limited provided consulting services during the year.	10,615	0
Total Related Party Transaction	10,615	0

NOTE 13 – SUBSEQUENT EVENTS

The outbreak of COVID-19 specifically Omicron continues to disrupt business and economic activity throughout New Zealand and the world. The pandemic has not impacted the overall financial viability of the Institute and the Board believes that the continued use of the Going Concern assumption remains appropriate. The financial impact of this pandemic on the Institute has not been material and has not impacted on the future operations of the organisation.

Independent auditor's report

To the Members of New Zealand Institute of Primary Industry Management Incorporated

Opinion

We have audited the special purpose financial statements of New Zealand Institute of Primary Industry Management Incorporated on pages 4 to 12, which comprise the balance sheet as at 28 February 2022 and the statement of profit or loss, and statement of changes in equity for the year then ended, and notes to the special purpose financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of New Zealand Institute of Primary Industry Management Incorporated for the year ended 28 February 2022 are prepared, in all material respects, in accordance with the financial reporting provisions of the *Special Purpose Financial Reporting Framework for use by for-profit entities issued* by Chartered Accountants Australia and New Zealand.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described in *the Auditor's responsibilities for the audit of the special purpose financial statements* section of our report.

We are independent of New Zealand Institute of Primary Industry Management Incorporated in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Other than our capacity as auditor we have no relationship with, or interests in, New Zealand Institute of Primary Industry Management Incorporated.

Emphasis of Matter: Basis of Accounting

Without modifying our opinion, we draw attention to the Basis of Preparation in the Statement of Accounting Policies, which describes the basis of accounting. The special purpose financial statements have been prepared in accordance with the financial reporting provisions of the *Special Purpose Financial Reporting Framework for use by for-profit entities issued* by Chartered Accountants Australia and New Zealand. The financial statements have been prepared for its members and to meet the reporting requirements set by the Incorporated Societies Act 1908 and Inland Revenue Department. As a result, the special purpose financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other information

The Board are responsible for the other information. The other information comprises the information included in the Entity Information, 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 and, in doing so, 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 the work we have performed, 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.

Responsibilities of the Board for the special purpose financial statements

The Board are responsible on behalf of New Zealand Institute of Primary Industry Management Incorporated for the preparation of these special purpose financial statements in accordance with the *Special Purpose Financial Reporting Framework for use by for-profit entities* issued by Chartered Accountants Australia and New Zealand and for such internal control the Board determine is necessary to enable the preparation of special purpose financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board are responsible on behalf of New Zealand Institute of Primary Industry Management Incorporated for assessing New Zealand Institute of Primary Industry Management Incorporated's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intend to liquidate New Zealand Institute of Primary Industry Management Incorporated or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the special purpose financial statements

Our objectives are to obtain reasonable assurance about whether the special purpose financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these special purpose financial statements.

A further description of the auditor's responsibilities for the audit of the special purpose financial statements is located at the XRB's website at <https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-8/>

This report is made solely to the members of New Zealand Institute of Primary Industry Management Incorporated. Our audit has been undertaken so that we might state to the members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the members, for our audit work, for this report, or for the opinions we have formed.

**Kendons Chartered Accountants Limited**

Alastair Lloyd • Director

Qualified Auditors • Lower Hutt • New Zealand

6 June 2022