



NZ Institute of
Primary Industry
Management

Annual Report

NZ Institute of Primary Industry Management Incorporated

For the year ended 28 February 2021



The President and Chief Executive's Report

The turmoil created by Coronavirus (COVID-19) and associated lockdowns has severely impacted the world economy in the 2020/21 year. As an island state New Zealand has been fortunate to be able to control the spread of the virus, albeit with some minor community cases occurring from time to time.

While the tourism, hospitality and international education sectors that rely on the free flow of people were deeply affected by the lockdowns and borders closures, our primary industries were able to adapt and operate in controlled environments. As we adjust to this new trading climate, we are seeing greater logistical challenges and bottlenecks occurring in the movement of freight and distribution of agri-food and fibre products, as well as for access to imported goods and equipment.

In a year dominated by COVID-19 the Institute was able to adapt its service offering quickly by keeping members informed of developments at various alert levels, and providing information and templates for those wishing to become essential service providers. To engage members during the lockdown, we ramped up the use of the webinar platform, holding 12 webinars covering a broad range of topics across the primary industry. These were well received by the membership, with over 1,100 participating in these webinars.

In total, 44 events were held for the year ending 2021 compared to 58 in the previous year. While the number of events was down due to COVID-19 lockdowns, participation rates reached new heights with over 2,200 (up 27%) attending NZIPIM-run events compared to 1,727 the year before, which is largely attributed to high participation rates for the 16 webinars held over the year.

Despite the challenges in organising large-scale events, we did manage to run four regionally-focused One Day Forums in Palmerston North, Hamilton, Christchurch and Invercargill instead of holding our traditional National Conference, with close to 300 members attending the forums. We also managed to run two Governance and Succession Training Programmes and three Greenhouse Gas seminars across the financial year.

Working in conjunction with Our Land and Water Science Challenge, the Rural Professional Fund was launched in mid-2020. Its purpose is to enable rural professionals and farmers to partner with scientists to rapidly test exciting and innovative ideas that could lead to significant improvements in farming systems. In its first year, 31 applications were received with individual grants of up to \$50,000 being awarded to 15 projects for applicants to rapidly test new and innovative ideas.

Over the year the Institute was awarded a range of contracts to run various programmes for rural professionals, including: Service Agreements to administer the Farm Environmental Planner Certification Scheme, an AgResearch contract to run a series of Greenhouse Gas Seminars, and Red Meat Profit Partnership funding support toward the Governance and Succession Training Programmes.

The Institute continues to experience strong membership support. In the year ending February 2021 membership numbers reached a new high of 1,129 (up from 1,091 in the previous year). COVID-19 did have an impact on the uptake of Student Memberships, which usually occur at the start of the academic year, with numbers decreasing from 309 to 269 during the year.

The Institute came through COVID-19 in good shape and we would like to thank members for their ongoing support during this unsettling time. Despite the challenges of the COVID-19 lockdowns we are extremely grateful for our hard-working branch chairs and committees who continue to organise high-quality and well-supported events for members in the regions.

Financial

The Institute achieved a small surplus before tax of \$14,249 for the financial year ending 28 February 2021, which is a good result given that some of our normal revenue streams, such as conference, suffered under COVID-19 where restrictions were in place for large scale events. We did not access any COVID-19 subsidies.

Total income for the year was \$503,164, which was down from last year (2020: \$550,921). Expenditure for the year stood at \$488,915 before tax, which up on last year (2020: \$485,339). Assets held by or on behalf of members now stand at \$393,775, placing the Institute on a sound financial footing.

Thanks

In closing, we would like to thank our members, branch chairs and committees, and strategic partners for supporting the Institute during a turbulent 2020/21 year. We would also like to acknowledge the contribution of your current Board members – Julian Gaffaney, Charlotte Glass, Edward Hardie, Craig Osborne and Linda Townsend – as well as retiring Board members Lee Matheson, Jeremy Savage and Vanessa Winning who finished their terms in August 2020. We also wish to thank our hard-working team at National Office – Melissa Bahler, Emma Crosland and Fiona Hatzilamprou, and Otago/Southland event coordinator Megan McCall.



Carla Muller
President



Stephen Macaulay
Chief Executive

ENTITY INFORMATION

**NZ INSTITUTE OF PRIMARY INDUSTRY MANAGEMENT INCORPORATED
AS AT 28 FEBRUARY 2021**

REGISTERED OFFICE

Level 3
69 The Terrace
Wellington

INCORPORATION NUMBER

212853

ENTITY STRUCTURE

President

Carla Muller

Board Members

Julian Gaffaney
Edward Hardie
Craig Osborne
Charlotte Glass
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

**APPROVAL OF FINANCIAL REPORT
NZ INSTITUTE OF PRIMARY INDUSTRY MANAGEMENT INCORPORATED
FOR THE YEAR ENDED 28 FEBRUARY 2021**

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 2021.

For and on behalf of the Council

APPROVED

A handwritten signature in black ink, appearing to read 'Carla Muller', written in a cursive style.

Carla Muller
President
Date 20 May 2021

STATEMENT OF PROFIT OR LOSS**NZ INSTITUTE OF PRIMARY INDUSTRY MANAGEMENT INCORPORATED
FOR THE YEAR ENDED 28 FEBRUARY 2021**

	NOTE	FEB-2021	FEB-2020
Revenue			
Membership Subscription		302,971	290,885
Journal Subscription		1,500	1,304
Registration Fee		2,800	2,900
Certification Fees		620	2,630
Conference Revenue		0	91,230
Strategic Partnership		20,000	20,000
Interest Income		5,477	10,737
Other Revenue	1	169,796	131,235
Total Revenue		503,164	550,921
Operating Expenses			
Auditor Remuneration		2,700	2,700
Certification Expense		3,055	3,141
Depreciation		1,402	1,742
Conference Expenses		0	54,888
Employment Costs		268,384	278,128
Journal Production Costs		48,163	47,356
Interest Expense		916	1,830
Other Expenses	2	164,295	95,554
Total Operating Expenses		488,915	485,339
Net Operating Profit before tax		14,249	65,582
less Income Tax Expense	3	719	2,492
Net Profit/(Loss) after tax		13,530	63,090

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 2021

	NOTE	FEB-2021	FEB-2020
Member Funds			
Opening Balance		201,227	138,137
Current Year Earnings		8,209	63,090
Transfer from/(to) Disciplinary Reserve Fund		5,320	0
Closing Balance Members Fund		214,756	201,227
Disciplinary Reserve Fund			
Opening Balance		35,725	35,725
Transfers (to) / from Member Funds		(5,320)	0
Closing Balance Disciplinary Reserve Fund		30,405	35,725
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		393,775	385,566

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 2021

	NOTE	FEB-2021	FEB-2020
ASSETS			
Current Assets			
Cash & Bank		165,112	222,577
Accounts Receivable		11,014	67,802
Term Deposits	4	365,160	271,278
Other Receivables	5	2,325	1,744
Total Current Assets		543,611	563,401
Non-Current Assets			
Property, Plant & Equipment	6	5,158	6,561
Total Non-Current Assets		5,158	6,561
TOTAL ASSETS		548,769	569,962
LIABILITIES			
Current Liabilities			
Accounts Payable		20,550	10,480
Income Tax Payable	3	997	2,214
Income Received in Advance		1,945	23,516
Other Current Liabilities	7	38,973	54,860
Total Current Liabilities		62,465	91,070
Non-Current Liabilities			
Total Branch Funds held in Trust	8	92,529	93,326
Total Non-Current Liabilities		92,529	93,326
TOTAL LIABILITIES		154,994	184,396
NET ASSETS		393,775	385,566
EQUITY			
Members Funds		214,756	201,227
Disciplinary Reserve Fund		30,405	35,725
Registration Reserve Fund		39,257	39,257
Strategic Initiatives Reserve Fund		109,357	109,357
TOTAL EQUITY		393,775	385,566

Notes:

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



President



Chief Executive Office

STATEMENT OF ACCOUNTING POLICIES
NZ INSTITUTE OF PRIMARY INDUSTRY MANAGEMENT INCORPORATED
FOR THE YEAR ENDED 28 FEBRUARY 2021

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 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. Policies 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.

c) Revenue Recognition

All income is recorded on an accrual basis.

STATEMENT OF ACCOUNTING POLICIES CONTINUED

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

NZ INSTITUTE OF PRIMARY INDUSTRY MANAGEMENT INCORPORATED
FOR THE YEAR ENDED 28 FEBRUARY 2021

NOTE 1 - OTHER REVENUE

	2021	2020
Climate Change Development Program for Rural Professionals	48,275	22,710
Dairy Farm Systems Certification Scheme	13,666	54,332
Farm Environmental Plan National Certification Project	0	20,400
National Certification Scheme for Farm Environmental Plan Advisors	27,000	0
Professional Development Events	79,461	31,903
Other Revenue	1,394	1,890
Total Other Revenue	169,796	131,235

NOTE 2 - OTHER EXPENSES

	2021	2020
ACC & Insurance	2,493	2,370
Bank Fees	2,627	4,583
Board Expenses	5,260	8,316
Branch Chair Meeting Costs	1,321	2,278
Branch Development	16,109	0
Branch Grants	4,507	6,855
Climate Change Development Program for Rural Professionals	16,037	14,688
Computer Expenses	3,634	3,471
Database Expenses	5,400	5,400
Farm Environmental Plan National Certification Project	0	(5,875)
National Certification Scheme for Farm Environmental Plan Advisors	11,893	0
Fertiliser Group Representation	277	784
General Expenses	2,123	2,915
General Postage	374	342
General Printing & Stationery	1,348	2,908
Presidents Honorarium	3,400	1,458
Professional Development Events Expenses	72,183	22,922
Rent Expense	8,472	9,026
Rural Emerging Professional of the Year	0	3,000
Subscriptions	1,916	2,817
Telephone & Internet	2,617	3,511
Travel & Accommodation	2,304	3,785
Total Other Expenses	164,295	95,554

NOTE 3 - INCOME TAX EXPENSE

	2021	2020
Net Profit Before Tax	14,249	65,582
Less Tax-exempt Income	(497,687)	(485,296)
Add Expenses Incurred in Deriving Tax-exempt Income	487,999	428,621
	4,561	8,907
Less Not for Profit Income Tax Deduction	(1,000)	(1,000)
Total Taxable Income	3,561	7,907
Tax Payable at 28%	997	2,214
Terminal Tax Paid/(Refund)	(278)	278
Tax Expense	719	2,492
Income Tax Payable	997	2,214

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

NOTE 4 - TERM DEPOSIT INVESTMENT	2021	2020
ANZ Investments	57,455	166,335
BNZ Investments	307,705	104,943
Total Other Receivables	365,160	271,278
NOTE 5 - OTHER RECEIVABLES:	2021	2020
Accrued Revenue	281	992
Prepayments	2,044	752
Total Other Receivables	2,325	1,744
NOTE 6 - PROPERTY, PLANT & EQUIPMENT	2021	2020
Computer Equipment		
Cost	16,131	16,131
Accumulated Depreciation	(11,987)	(10,839)
Net Book Value - Computer Equipment	4,144	5,292
Cost	3,435	3,435
Accumulated Depreciation	(2,421)	(2,166)
Net Book Value - Office Equipment	1,014	1,269
Total Property, Plant & Equipment	5,158	6,561
NOTE 7 - OTHER CURRENT LIABILITIES	2021	2020
Accrued Expenses	31,374	39,876
GST Payable/(Refund)	11	8,492
PAYE Payable	5,901	801
Credit Card	1,687	5,691
Total Other Current Liabilities	38,973	54,860
NOTE 8 – BRANCH FUNDS HELD IN TRUST	2021	2020
C D Branch Reserve Fund	3,331	3,297
Canterbury Westland Fund	35,220	33,820
Hawkes Bay Branch Reserve Fund	9,979	9,841
Marlborough/Nelson Branch Reserve Fund	64	63
Northland Branch Reserve Fund	521	515
Otago Branch Reserve Funds	2,981	2,952
Rotorua/BoP Branch Reserve Funds	7,206	7,135
Taranaki Reserve Funds	155	153
Waikato Branch Reserve Fund	19,750	22,359
Wellington/Wairarapa Branch Reserve Fund	13,322	13,191
Total Other Current Liabilities	92,529	93,326

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	2021	2020
Current Commitment	9,026	3,009
Non-Current Commitment	12,034	0
Total Operating Lease Commitment	21,060	3,009

NOTE 10 – CONTINGENT LIABILITIES

There were no contingent liabilities as at 28 February 2021 (2020 \$Nil).

NOTE 11 – CAPITAL COMMITMENTS

There were no capital commitments as at 28 February 2021 (2020 \$Nil).

NOTE 12 – RELATED PARTIES

There were no related party transactions as at 28 February 2021 (2020 \$Nil).

NOTE 13 – SUBSEQUENT EVENTS

The spread of COVID-19 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 was not material and has not impacted on the future operations of the organisation.

Independent auditor's report

To the Members of NZ Institute of Primary Industry Management Inc.

Opinion

We have audited the special purpose financial statements of NZ Institute of Primary Industry Management Inc. on pages 4 to 11, which comprise the balance sheet as at 28 February 2021 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 NZ Institute of Primary Industry Management Inc. for the year ended 28 February 2021 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 NZ Institute of Primary Industry Management Inc. 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, NZ Institute of Primary Industry Management Inc.

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 are prepared for the members and to meet the reporting requirements set by the Incorporated Societies Act and Inland Revenue Department. As a result, the special purpose financial statements may not be suitable for another purpose.

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 is responsible on behalf of NZ Institute of Primary Industry Management Inc. 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 NZ Institute of Primary Industry Management Inc. for assessing NZ Institute of Primary Industry Management Inc.'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 intends to liquidate NZ Institute of Primary Industry Management Inc. 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 NZ Institute of Primary Industry Management Inc. 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

Michael Markham • Director

Qualified Auditors • Lower Hutt • New Zealand
20 May 2021