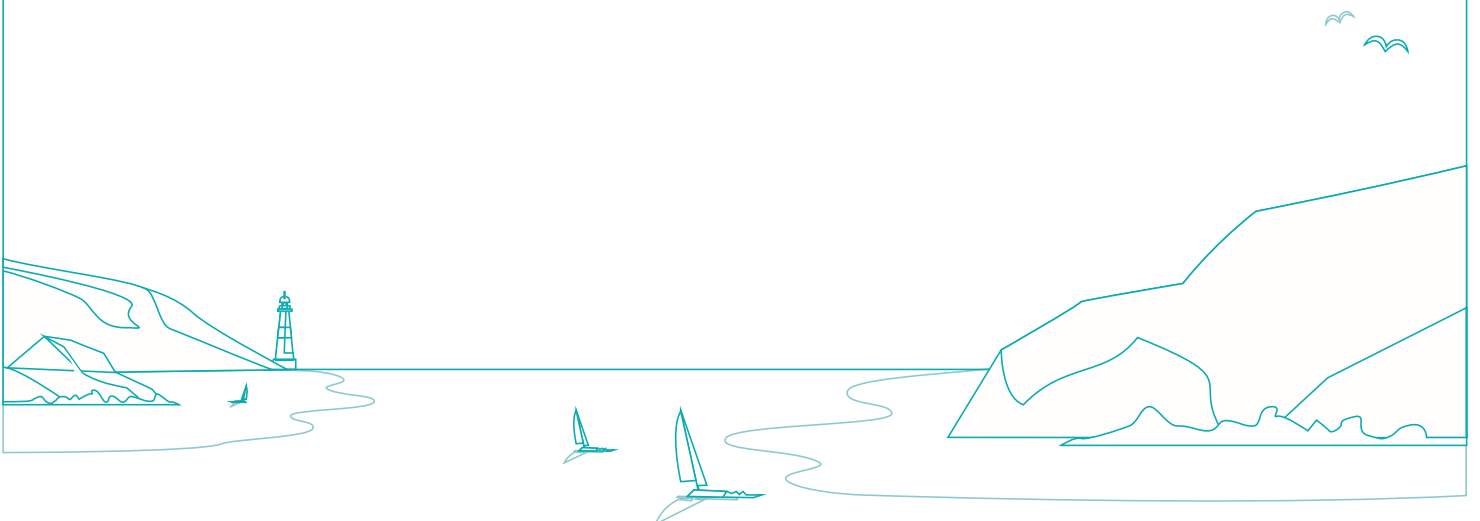


DM&Co.

The Soil & Health Association of New Zealand Incorporated

Performance Report

FOR THE YEAR ENDED 31 MARCH 2020



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Compilation Report

The Soil & Health Association of New Zealand Incorporated For the year ended 31 March 2020

Compilation Report to the National Council of Soil & Health Association of NZ.

Scope

On the basis of information provided and in accordance with Service Engagement Standard 2 Compilation of Financial Information, we have compiled the financial statements of The Soil & Health Association of New Zealand Incorporated for the year ended 31 March 2020.

These statements have been prepared in accordance with the accounting policies described in the Notes to these financial statements.

Responsibilities

The National Council are solely responsible for the information contained in this financial report and have determined that the accounting policies used are appropriate to meet your needs and for the purpose that the financial statements were prepared.

The financial statements were prepared exclusively for your benefit. We do not accept responsibility to any other person for the contents of the financial statements.

Independence

We have no involvement with The Soil & Health Association of New Zealand Incorporated other than for the preparation of financial statements and management reports and offering advice based on the financial information provided.

Disclaimer

We have compiled these financial statements based on information provided which has not been subject to an audit or review engagement. Accordingly, we do not accept any responsibility for the reliability, accuracy or completeness of the compiled financial information contained in the financial statements. Nor do we accept any liability of any kind whatsoever, including liability by reason of negligence, to any person for losses incurred as a result of placing reliance on this financial report.

Darvill Mellors & Co Limited

Darvill Mellors & Co Limited

Dated: 29 June 2020

Entity Information

The Soil & Health Association of New Zealand Incorporated For the year ended 31 March 2020

Legal Name of Entity

The Soil And Health Association Of New Zealand Incorporated

Nature of Business

Publishing

Registration Number

CC36749

Physical Address

Level 5

156 - 158 Victoria Street

Te Aro

Wellington 6011

New Zealand

Postal Address

PO Box 9693

Marion Square

Wellington 6141

New Zealand

IRD Number

010-919-711

Accountant

Darvill Mellors & Co Limited

Auditor

Crowe

Banker

Bank of New Zealand Limited

Entity's Purpose or Mission

Promote the development of the best physical health and spiritual well being of all people by:

- promoting an understanding of the community's responsibility to ensure the perpetuity of the soil's sustainable fertility

- the foundation for the existence the prosperity and health of all life on earth;

Entity Structure

National Council, supported by Secretary, Association Manager and Association Administrative Coordinator.

Approval of Financial Report

The Soil & Health Association of New Zealand Incorporated For the year ended 31 March 2020

The Executive Committee is pleased to present the approved financial report including the historical financial statements of Soil & Health Association of NZ for year ended 31 March 2020.

APPROVED

Chairperson
Date

Treasurer
Date

Statement of Financial Performance

The Soil & Health Association of New Zealand Incorporated For the year ended 31 March 2020

	NOTES	2020	2019
Revenue			
Donations, fundraising and other similar revenue	1	120,486	55,087
Revenue from providing goods or services	1	291,105	243,887
Interest, dividends and other investment revenue	1	2,367	4,126
Total Revenue		413,959	303,100
Expenses			
Volunteer and employee related costs	2	64,038	155,029
Costs related to providing goods or service	2	202,190	268,488
Other expenses	2	9,529	16,341
Total Expenses		275,756	439,858
Surplus/(Deficit) for the Year		138,202	(136,758)

This statement has been prepared without conducting an audit or review engagement, and should be read in conjunction with the attached Compilation Report.

Statement of Financial Position

The Soil & Health Association of New Zealand Incorporated As at 31 March 2020

	NOTES	31 MAR 2020	31 MAR 2019
Assets			
Current Assets			
Cash and cash equivalents	3	64,832	6,650
Debtors and prepayments	3	24,823	16,325
Investments	3	146,390	85,979
Total Current Assets		236,044	108,953
Non-Current Assets			
Intangibles	5	11,568	4,777
Property, plant and equipment		32	62
Investments	3	390,592	390,592
Total Non-Current Assets		402,192	395,430
Total Assets		638,236	504,384
Liabilities			
Current Liabilities			
Creditors and accrued expenses	4	23,717	20,917
Other current liabilities	4	46,071	53,220
Total Current Liabilities		69,787	74,137
Total Liabilities		69,787	74,137
Total Assets less Total Liabilities (Net Assets)		568,449	430,247
Accumulated Funds			
Capital contributed by owners or members	7	340,962	340,962
Accumulated surpluses or (deficits)	7	227,487	89,285
Total Accumulated Funds		568,449	430,247

This statement has been prepared without conducting an audit or review engagement, and should be read in conjunction with the attached Compilation Report.

Statement of Accounting Policies

The Soil & Health Association of New Zealand Incorporated For the year ended 31 March 2020

Reporting Entity

The Soil and Health Association of New Zealand Incorporated is incorporated and is domiciled in New Zealand under the Incorporated Societies Act 1908 and is registered as Charities under the Charities Act 2005.

The Soil and Health Association of New Zealand is deemed a public benefit entity for financial reporting purposes, as its primary objective is to provide services to the community for social benefit and has been established with a view to supporting that primary objective rather than a financial return.

Basis of Preparation

Statement of Compliance

The Performance Report has been prepared in accordance with Tier 2 Public Benefit Entity (PBE) Financial Reporting Standards as issued by the New Zealand External Reporting Board (XRB). They comply with New Zealand equivalents to International Public Sector Accounting Standards Reduced Disclosure Regime (NZ IPSAS with RDR) and other applicable Financial Reporting Standards as appropriate to Public Benefit Entities.

The Soil and Health Association of New Zealand Incorporated is eligible to report in accordance with Tier 2 PBE Accounting Standards on the basis that it does not have public accountability and annual expenditure does not exceed \$30 million.

Basis of Measurement

The Performance Report has been prepared on a historical cost basis, except for assets and liabilities that have been measured at fair value and except for those otherwise stated.

All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the entity will continue to operate in the foreseeable future.

Presentation Currency

The Performance Report is presented in New Zealand dollars and all values are rounded to the nearest dollar.

Specific Accounting Policies

Cash and Cash Equivalents

Bank accounts and cash in the Statement of Cash Flows comprise cash balances and bank balances (including short term deposits) with original maturities of 90 days or less.

Changes in Accounting Policies

There have been no changes in accounting policies. Policies have been applied on a consistent basis with those of the previous reporting period.

Creditors and Other Payables

Trade creditors and other payables are stated at cost. Trade creditors and other payables are non-interest bearing and normally settled on 30 day terms; therefore their carrying amount approximates their fair value.

Debtors and Other Receivables

Trade debtors and other receivables are measured at their cost less any impairment losses. Trade debtors and other receivables are non-interest bearing and receipt is normally on 30 days terms. Therefore the carrying value of trade debtors and other receivables approximates its fair value. An allowance for impairment is established where there is objective evidence the entity will not be able to collect all amounts due according to the original terms of the receivable.

Depreciation

Depreciation is charged on a diminishing value (DV) basis on all property, plant and equipment over the estimated useful life of the asset. The following depreciation rates have been applied at each class of property, plant and equipment:

Asset Type	Method	Rate
Office Equipment	Diminishing Value	40% - 50%

Financial Instruments

Financial assets and financial liabilities are recognised when the Soil & Health Association of New Zealand becomes party to the contractual provisions of the financial instrument.

The Association derecognises a financial asset or, where applicable, a part of a financial asset or part of a group of similar financial assets when the rights to receive cash flows from the asset have expired or are waived, or the Association has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party; and either;

- The Association has transferred substantially all the risks and rewards of the asset; or
- The Association has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial Assets

Financial assets within the scope of NFP PBE IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets. The classifications of the financial assets are determined at initial recognition.

The categorisation determines subsequent measurement and whether any resulting income and expense is recognised in surplus or deficit or in other comprehensive revenue and expenses. The Association's financial assets are classified as either financial assets at fair value through surplus or deficit, or loans and receivables. The Association's financial assets include: cash and cash equivalents, short-term investments and investments.

All financial assets except for those at fair value through surplus or deficit are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, where are described below.

Financial Assets at Fair Value through Surplus or Deficit

Financial assets at fair value through surplus or deficit include items that are either classified as held for trading or that meet certain conditions and are designated at fair value through surplus or deficit upon initial recognition. The Association's investment equities fall into this category of financial instruments.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less any allowance for impairment. The Association's cash and cash equivalents, short-term investments and non-equity investments fall into this category of financial instruments.

Impairment of Financial Assets

The Association assesses at the end of reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

For financial assets carried at amortised cost, if there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in the surplus or deficit for the reporting period.

In determining whether there is any objective evidence of impairment, the Association first assesses whether there is objective evidence of impairment of financial assets that are individually significant, and individually or collectively significant for financial assets that are not individually significant. If the Association determines that there is no objective evidence of impairment for an individually assessed financial asset, it includes the asset in a group of financial asset's with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment for impairment.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting the allowance account. If the reversal results in the carrying amount exceeding its amortised cost, the amount of the reversal is recognised in surplus or deficit.

Financial Liabilities

The Association's financial liabilities include trade and other creditors.

All financial liabilities are initially recognised at fair value (plus transaction cost for financial liabilities not at fair value through surplus or deficit) and are measured subsequently at amortised cost using the effective interest method except for financial liabilities at fair value through surplus or deficit.

Goods and Services Tax

The entity is registered for GST. All amounts are stated exclusive of goods and services tax (GST) except for accounts payable and accounts receivable which are stated inclusive of GST.

Income Tax

Under Sections CW 42 of the Income Tax Act 2007 the Soil & Health Association of New Zealand is exempt from income tax on business income derived for charitable purposes in New Zealand. The Soil & Health Association of New Zealand is also exempt from income tax on income under CW 41 of the Income Tax Act 2007. The Soil & Health Association of New Zealand is registered with Charities Services.

Intangible Assets

Intangible assets which have finite useful lives, are measured at cost less accumulated amortisation and any impairment losses.

Amortisation is recognised on a diminishing value basis over the estimated useful life of the asset, from the date they are available for use and expensed in the reported surplus or deficit for the year.

Intangible assets with infinite useful lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The following amortisation rates have been applied to each class of intangible assets:

Intangible Asset Type	Method
Trademarks	No Amortisation
Software	No Amortisation
Website	50% Diminishing Value

Property, Plant and Equipment

Items of property, plant and equipment are measured at cost, less accumulated depreciation and any impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Gains or losses on de-recognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and recognised in the reported profit or loss for the year.

Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the entity and revenue can be reliably measured. Revenue is measured at the fair value of consideration received. Revenue is derived from two broad categories - revenue from exchange transactions and revenue from non-exchange transactions.

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or user of assets) to another entity in exchange.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

Notes to the Performance Report

The Soil & Health Association of New Zealand Incorporated For the year ended 31 March 2020

	2020	2019
1. Analysis of Revenue		
Donations, fundraising and other similar revenue		
Donations	120,486	55,087
Total Donations, fundraising and other similar revenue	120,486	55,087
Revenue from providing goods or services		
Magazine advertising	118,581	116,547
Magazine Sales	49,581	52,616
Sponsorship / Fundraising	22,391	-
Subscriptions	69,258	65,991
Total Revenue from providing goods or services	259,812	235,155
Interest, dividends and other investment revenue		
BioGro Receipt	29,265	6,000
Interest Received	2,367	4,126
Total Interest, dividends and other investment revenue	31,632	10,126
Other revenue		
Books and Publications	871	615
Advertising - Organic Directory	1,157	2,117
Total Other revenue	2,028	2,732
	2020	2019

2. Analysis of Expenses

Volunteer and employee related costs		
ACC Levies	341	194
Contractors	50	61
Human Resources	2,528	21,345
KiwiSaver Employer Contributions	1,725	3,030
Salaries	57,688	127,888
Training & Development	1,706	2,510
Total Volunteer and employee related costs	64,038	155,029
Costs related to providing goods or services		
Accounting services	4,104	5,092
Advertising commission	20,434	23,239
AGM and board meeting costs	2,373	3,726
Appeal Expenses	2,522	2,143
Audit	4,500	4,540
Campaign costs	880	55,885
Computers & IT	18	276
Insurance	2,437	2,348
Magazine production	153,896	148,659

	2020	2019
Marketing and promotions	3,850	5,442
Memberships/Affiliations	1,762	2,921
Postage & Stationery	(815)	389
Project Gro Funding	2,611	-
Rent	1,665	11,340
Travel - National	1,953	2,487
Total Costs related to providing goods or services	202,190	268,488
Other expenses		
General administration and office expenses	9,308	16,070
Depreciation	220	272
Total Other expenses	9,529	16,341

	2020	2019
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3. Analysis of Assets

Cash and Cash equivalents

Bank Accounts	64,832	6,650
Total Cash and Cash equivalents	64,832	6,650

Debtors and prepayments

Accounts Receivable	24,823	10,325
Sundry Debtors	-	6,000
Total Debtors and prepayments	24,823	16,325

Investments

Term Deposits	146,390	85,979
BioGrow NZ Ltd	390,592	390,592
Total Investments	536,982	476,571

	2020	2019
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4. Analysis of Liabilities

Creditors and accrued expenses

Accounts Payable	6,208	7,719
Accruals	9,740	7,788
Employee costs payable	(1,875)	1,805
GST	9,644	3,605
Total Creditors and accrued expenses	23,717	20,917

Other current liabilities

Income in Advance	46,071	46,140
Soil & Health Levin Branch	-	7,080
Total Other current liabilities	46,071	53,220

	2020	2019
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5. Intangible Assets

Software	6,985	-
Trademarks	4,392	4,392

	2020	2019
Website Development	191	385
Total Intangible Assets	11,568	4,777

6. Property, Plant and Equipment

This Year	Opening Book Value	Additions	Disposals	Depreciation for the Year	Accumulated Depreciation	Closing Book Value
Office Equipment	62	-	-	29	196	32

Last Year	Opening Book Value	Additions	Disposals	Depreciation for the Year	Accumulated Depreciation	Closing Book Value
Office Equipment	118	-	-	57	166	62

2020 2019

7. Accumulated Funds

Accumulated Funds

Opening Balance	430,247	565,970
Accumulated surpluses or (deficits)	138,202	(135,723)
Total Accumulated Funds	568,449	430,247

Total Accumulated Funds	568,449	430,247
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2020 2019

8. Categories of Financial Assets and Liabilities

Financial Assets

Loans and receivables

Cash and cash equivalents	64,832	6,650
Trade debtors and other receivables	24,823	16,325
BioGrow NZ Ltd	390,592	390,592
Total Loans and receivables	480,246	413,566

Held to maturity investments

Term Investments	146,390	85,979
Total Held to maturity investments	146,390	85,979

Total Financial Assets	626,636	499,545
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Financial Liabilities

Financial liabilities at amortised cost

Trade creditors and other payables	(23,717)	(27,997)
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Other financial liabilities

Income in Advance	46,071	46,140
Total Other financial liabilities	46,071	46,140

Total Financial liabilities at amortised cost	(69,787)	(74,137)
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Total Financial Liabilities	(69,787)	(74,137)
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Total Categories of Financial Assets and Liabilities	556,849	425,409
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2020 2019

9. Related Parties**Receivables**

BioGrow NZ Ltd	390,592	390,592
Total Receivables	390,592	390,592

10. Commitments

There are no commitments as at 31 March 2020 (Last year - nil).

11. Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at 31 March 2020 (Last year - nil).

12. Events After the Balance Date

There were no events that have occurred after the balance date that would have a material impact on the Performance Report (Last year - nil).

13. Ability to Continue Operating

The Society is aware that COVID-19 was declared a global health emergency on 31 January 2020 by the World Health Organisation and the subsequent announcement by the NZ Government that all non-essential businesses are to close effective 25 March and the impact upon our suppliers, customers, and staff. This will therefore change significantly the organisation's forecast financial performance which supports the going concern assumption under which these financial statements have been prepared. At this point in time it is not possible to quantify the financial impact of this pandemic on the Entity and its future operations.