

Consolidated Financial Statements

The Soil & Health Association of New Zealand Incorporated
Group
For the Year Ended 31 March 2022

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Audit Report

The Soil & Health Association of New Zealand Incorporated Group
For the year ended 31 March 2022

Entity Information

The Soil & Health Association of New Zealand Incorporated Group For the year ended 31 March 2022

Legal Name of Entity

The Soil & Health Association of New Zealand Incorporated Group

Nature of Business

Publishing

Registration Number

CC55704

Physical Address

Level 31 Plimmer Towers

2-6 Gilmer Terrace

Wellington 6011

Postal Address

PO Box 9693

Marion Square

Te Aro

Wellington 6141

Accountant

Darvill Mellors & Co Limited

Auditor

Moore Markhams Wellington Audit

Banker

Bank of New Zealand

Entity's Purpose or Mission

Promote the development of the best physical health and spiritual wellbeing 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

The Soil & Health Association is a national membership based charity that is governed by an elected 7 person national council. The Association owns Biogro Limited which has a governing board nominated by The Soil & Health Association National Council.

Statement by the Executive Committee

The Soil & Health Association of New Zealand Incorporated Group For the year ended 31 March 2022

The Executive Committee are pleased to present the approved consolidated financial statements including the historical financial statements of The Soil & Health Association of New Zealand Incorporated Group for year ended 31 March 2022.

APPROVED

Chairperson

Date

Treasurer

Date

Statement of Comprehensive Revenue and Expenses

The Soil & Health Association of New Zealand Incorporated Group For the year ended 31 March 2022

	NOTES	GROUP 2022	GROUP 2021	PARENT 2022	PARENT 2021
Revenue					
Revenue from Non-Exchange Transactions					
Donations, fundraising and other similar revenue		82,601	22,911	82,601	22,911
Grants received		-	26,144	-	26,144
Total Revenue from Non-Exchange Transactions		82,601	49,055	82,601	49,055
Revenue from Exchange Transactions					
Audit travel charge		148,178	117,753	-	-
Certification administration		109,705	94,976	-	-
Certification fees	6	2,238,016	2,063,287	-	-
Dividends Received		-	-	21,075	26,819
Interest income		2,503	6,130	1,296	2,567
Magazine advertising		127,500	110,876	127,500	110,876
Magazine revenue	17	45,459	61,119	45,459	61,119
Merchandise		516	1,904	-	-
Sponsorship / Fundraising		47,500	2,609	47,500	2,609
Subscriptions		82,659	74,733	82,659	74,733
Other income		11,272	6,093	2,457	2,995
Total Revenue from Exchange Transactions		2,813,306	2,539,479	327,946	281,718
Total Revenue		2,895,908	2,588,534	410,547	330,773
Expenses					
Accreditation costs		97,877	95,444	-	-
Advertising commission		29,412	29,418	29,412	29,418
Appeal		-	248	-	248
Campaign costs		1,039	4,825	1,039	5,131
Certification costs		629,236	638,402	-	-
Computer and IT expenses		53,055	33,840	-	435
Depreciation and loss on disposal of assets	8	118,485	75,546	466	9,923
Magazine production		188,207	156,744	190,444	156,744
Other overhead and operational expenses	7	265,266	152,015	105,770	36,637
Rent		90,817	76,025	9,564	7,265
Wages, salaries and other employee costs		1,436,129	1,281,276	117,018	76,628
Total Expenses		2,909,524	2,543,782	453,713	322,429
Surplus/(Deficit) for the Year		(13,616)	44,752	(43,166)	8,344

These Financial Statements must be read in conjunction with the attached Notes to the Performance Report and Audit Report.

Statement of Changes in Net Assets

The Soil & Health Association of New Zealand Incorporated Group For the year ended 31 March 2022

	GROUP 2022	GROUP 2021	PARENT 2022	PARENT 2021
Accumulated Funds				
Opening Balance	654,519	609,766	576,795	568,449
Surplus / (deficit) for the year	(13,616)	44,752	(43,166)	8,344
Total Accumulated Funds	640,903	654,518	533,630	576,793

These Financial Statements must be read in conjunction with the attached Notes to the Performance Report and Audit Report.

Statement of Financial Position

The Soil & Health Association of New Zealand Incorporated Group As at 31 March 2022

	NOTES	GROUP 2022	GROUP 2021	PARENT 2022	PARENT 2021
Assets					
Current Assets					
Cash and cash equivalents	9	389,778	537,948	198,722	101,622
Trade debtors and other receivables	10	548,115	415,755	11,469	13,969
Prepayments		53,648	32,069	1,530	1,578
Inventory		7,077	2,145	6,420	1,920
Investments	15	200,000	148,929	-	148,929
Total Current Assets		1,198,618	1,136,845	218,141	268,017
Non-Current Assets					
Intangible assets	11	149,513	198,850	4,392	4,391
Property, plant and equipment	12	5,170	3,515	2,018	-
Investments	15	-	-	390,592	390,592
Total Non-Current Assets		154,683	202,365	397,002	394,982
Total Assets		1,353,301	1,339,210	615,143	663,000
Liabilities					
Current Liabilities					
Trade creditors and other payables	13	255,504	294,741	21,231	30,822
Revenue received in advance	14	256,946	211,027	60,283	55,385
Employee entitlements		199,948	178,922	-	-
Total Current Liabilities		712,398	684,691	81,514	86,207
Total Liabilities		712,398	684,691	81,514	86,207
Total Assets less Total Liabilities (Net Assets)		640,903	654,518	533,630	576,793
Accumulated Funds					
Accumulated surpluses or (deficits)		640,903	654,518	533,630	576,793
Total Accumulated Funds		640,903	654,518	533,630	576,793

These Financial Statements must be read in conjunction with the attached Notes to the Performance Report and Audit Report.

Statement of Cash Flows

The Soil & Health Association of New Zealand Incorporated Group For the year ended 31 March 2022

	GROUP 2022	GROUP 2021	PARENT 2022	PARENT 2021
Statement of Cashflows				
Cash flows from operating activities				
Receipts				
Receipts from goods and services provided	2,796,454	2,483,406	406,140	324,250
Receipts from grants and donations	82,601	49,055	82,601	49,055
Dividend Income	21,075	26,819	21,075	26,819
Interest income	2,502	6,130	1,296	2,567
GST Receipts (Payments)	15,070	12,007	(7,006)	4,151
Total Receipts	2,917,702	2,577,417	504,106	406,842
Payments				
Payments to suppliers and employers	(2,943,996)	(2,468,505)	(553,451)	(364,799)
Total Payments	(2,943,996)	(2,468,505)	(553,451)	(364,799)
Net cash inflow from operating activities	(26,294)	108,912	(49,345)	42,043
Cash flows from investing activities				
Purchase of property, plant and equipment and intangible assets	(70,805)	(211,378)	(2,484)	(2,715)
Repayment of Term Deposits	148,929	446,390	148,929	146,390
Net cash outflow from investing activities	78,124	235,012	146,445	143,675
Cash flows from financing activities				
Investment in Term Deposits	(200,000)	(148,929)	-	(148,929)
Net cash outflow from financing activities	(200,000)	(148,929)	-	(148,929)
Net increase /(decrease) in cash and cash equivalents	(148,170)	194,995	97,100	36,789
Cash and cash equivalents at the beginning of the year				
Cash and cash equivalents	537,949	342,954	101,621	64,832
Cash and cash equivalents at the end of the year	389,779	537,949	198,721	101,621

Notes to the Financial Statements

The Soil & Health Association of New Zealand Incorporated Group For the year ended 31 March 2022

1. Reporting Entity

These financial statements comprise the financial statements of The Soil & Health Association of New Zealand Incorporated ("Parent") and BioGro New Zealand Limited ("subsidiary") being the "Group" for the period ended 31 March 2022.

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

BioGro New Zealand Limited is incorporated under the Companies Act 1993. Both entities are registered as Charities under the Charities Act 2005.

The Soil and Health Association of New Zealand Incorporated became the governing body of BioGro New Zealand following a merger with New Zealand Biological Producers & Consumers Society on 1 October 2016.

The Parent and Group 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.

BioGro New Zealand Limited provides organic certification for BioGro licensees against BioGro, OOAP, INFOMA, POS, NATRUE standards.

2. Basis of Preparation

Statement of compliance

The financial statements have 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 (NZIPSAS 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 financial statements have been prepared on a historical costs basis, except for assets and liabilities that have been measured at fair value and except for those otherwise stated.

The accrual basis of accounting has been used unless otherwise stated and the financial statements of the Group have been prepared on a going concern basis.

Presentation of currency

The financial statements are presented in New Zealand dollars.

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.

3. Summary of Significant Accounting Policies

Basis of consolidation

The group financial statements consolidate the financial statements of the parent and the entity over which the parent has the power to govern the financial and operating policies so as to obtain benefits from their activities (defined as "subsidiaries").

Controlled entities are those entities over which the parent has the power to govern the financial and operating activities so as to obtain benefits from their activities.

The financial statements of subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Foreign currency translation

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transactions.

Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held on call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

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.

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.

Inventories

Inventories are stated at the lower of cost and net realisable 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.

Depreciation

Depreciation is charged on a diminishing value (DV) basis and straight value (SL) 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 classes

	Group	
	DV	SL
Computer equipment	40% - 50%	20% - 48%
Software	50%	40%
Website Development	50%	0%

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated remaining life of the improvements, whichever is shorter.

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 straight-line 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.

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

Computer Software	20% - 40%	SL
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Residual values and useful lives are assessed at each reporting date.

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

Computer software

Purchased computer software licences are capitalised on the basis of the costs incurred to acquire and install the specific software. Subsequent expenditure is expensed as incurred. Costs associated with maintaining computer software, i.e. expenditure relating to patches and other minor updates as well as their installation, are expensed as incurred.

Disposals

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 surplus or deficit for the year.

Investments

Interest in subsidiaries are recognised at cost.

Impairment of non-financial assets

At each reporting date, the entities assess whether there is an indication that an asset may be impaired. If any indication exists, the Parent and Group estimates the asset's recoverable amount. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs. An asset's or CGU's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use.

Where the carrying amount of an asset or the cash-generating unit (CGU) exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of

disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses or reversals are recognised immediately in the statement of comprehensive revenue and expenses.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument in another entity.

Financial instruments are comprised of trade debtors and other receivables, cash and cash equivalents, and trade creditors and other payables.

Initial recognition and measurement

Financial assets and financial liabilities are recognised initially at fair value plus transaction costs attributable to the acquisition, except for those carried at fair value through surplus or deficit, which are measured at fair value.

Financial assets and financial liabilities are recognised when the reporting entity becomes a party to the contractual provisions of the financial instrument.

Derecognition of financial instruments

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or if the Group transfers the financial asset to another party without retaining control or substantial all risks and rewards of the asset. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Subsequent measurement of financial assets

The subsequent measurement of financial assets depends on their classification, which is primarily determined by the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition and re-evaluates this designation at each reporting date.

All financial assets except for those classified as fair value through surplus or deficit are subject to review for impairment at least at each reporting date. Different criteria to determine impairment are applied to each category of financial assets, which are described below.

The classification of financial instruments into one of the four categories below, determines the basis for subsequent measurement and the whether any resulting movements in value are recognised in the reported surplus and deficit or other comprehensive revenue and expenses.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Group's cash and cash equivalents (excluding term deposits), trade debtors and most other receivables fall into this category of financial instruments.

After initial recognition, such financial assets are subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of a counterparty and other shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified group.

(ii) Financial assets at fair value through surplus or deficit

Financial assets at fair value through surplus or deficit include financial assets 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.

Assets in this category are measured at fair value with gains or losses recognised in the surplus or deficit for the year. The fair values of financial instruments in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity other than loans and receivables. Investments are classified as held-to-maturity if the entity has the intention and ability to hold them until maturity. The Group's term deposits are classified in this category.

Held-to-maturity investments are measured subsequently at amortised cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognised in surplus or deficit.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. The Group has no assets in this category.

Equity investments are measured at cost less any impairment charges, where the fair value cannot currently be estimated reliably.

All other available-for-sale financial assets are measured at fair value. Gains and losses are recognised in other comprehensive revenue and expenses and reported within the "available-for-sale revaluation reserve" within equity, except for impairment losses which are recognised in the surplus or deficit for the year.

When the asset is disposed of or is determined to be impaired the cumulative gain or loss recognised in other comprehensive revenue and expenses is reclassified from the equity reserve to the surplus or deficit and presented as a reclassification adjustment within other comprehensive revenue and expenses.

Interest income or dividends on available-for-sale financial assets are recognised in the surplus or deficit.

Subsequent measurement of financial liabilities

Available-for-sale financial instruments are reviewed at each reporting date for objective evidence that the investment is impaired. Objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost.

Financial liabilities are measured subsequently at amortised cost using the effective interest method, except for financial liabilities held for trading or designated at fair value through surplus or deficit, that are subsequently measured at fair value with gains or losses recognised in the surplus or deficit.

Trade payables and other borrowings are subsequently measured at amortised cost using the effective interest method.

Provisions

A provision is recognised for a liability when the settlement amount or timing is uncertain; when there is a present legal or constructive obligation as a result of a past event; it is probable that expenditures will be required to settle the obligation; and a reliable estimate of the potential settlement can be made.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Employee entitlements

Employee benefits, previously earned from past services, that the entity expects to be settled within 12 months of reporting date are measured based on accrued entitlements at current rate of pays.

These include salaries and wages accrued up to the reporting date and annual leave earned, but not yet taken at the reporting date.

Revenue

Revenue is recognised to the extent that it is probably 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 or receivable.

Donations**(1) Revenue from non-exchange transactions**

Donations are recognised as revenue upon receipt and include donations from the general public, donations received for specific entity services or campaigns.

Grants are recognised as revenue upon receipt and include grants from government organisations.

(2) Revenue from exchange transactions

The following specific recognition criteria must be met before revenue is recognised:

Sale of goods

Revenue from sale of goods is recognised when the entity has transferred to the buyer the significant risks and rewards of ownership of the goods supplied. Significant risks and rewards are generally considered to be transferred to the buyer when the customer has taken undisputed delivery of the goods.

Rendering of services

Revenue from services rendered is recognised in the surplus or deficit in proportion to the stage of completion of the transaction at the reporting date. The stage of completion for certification revenue is assessed by reference to the proportion of certification outcomes achieved, based on surveys of work performed. Under this method, revenue is recognised in the accounting periods in which the outcomes are completed.

Certification fees

Certification fee is recognised according to the outcomes completed, on average at each stage of the certification process as follows:

Stage 1	68%	Outcome: Assessment
Stage 2	28%	Outcome: Audit
Stage 3	04%	Outcome: Certification

Interest income

Interest income is recognised as it accrues, using the effective interest method.

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.

Goods and Services Tax (GST)

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.

4. Significant Accounting Judgements, Estimates and Assumptions

The preparation of financial statements in conformity with NZ IPSAS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Where material, information on significant judgements, estimates and assumptions is provided in the relevant accounting policy or provided in the relevant note disclosure.

The estimates and underlying assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances. Estimates are subject to ongoing review and actual results may differ from these estimates. Revisions to accounting estimates are recognised in the year in which the estimate is revised and in future years affected.

The following are significant management judgements in applying the accounting policies of the entity that have a significant effect on the financial statements:

Useful lives and residual values

The useful lives and residual values of assets are assessed annually based on the following indicators of impairment:

- The condition of the asset based on the assessment of experts employed by the Group as and when determined appropriate by management.
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset
- Changes in the market in relation to the asset

Adjustments to useful life are made when considered necessary.

Impairment

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows management makes assumptions about future operating results. These assumptions relate to future events and circumstances.

Outcome completion

Management estimates the percentage of work performed in respect of each certification outcome. This may change as the underlying work processes or outcomes themselves change.

Provisions

Provisions were raised and management determined an estimate based on the information available. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

5. Capital Management Policy

The Group capital is its accumulated funds being the net assets. The primary objectives of the Group's capital management policy is to ensure it has sufficient funds to support its activities. The Group manages its capital structure and makes adjustment to it, in light of changes to funding requirements. To maintain or adjust the capital structure, budgetary discretionary expenditure is reduced to avoid the need for additional external borrowings.

	GROUP 2022	GROUP 2021	PARENT 2022	PARENT 2021
6. Certification Fees				
Primary producers	901,652	863,919	-	-
Processor/ Processed product	478,908	410,679	-	-
Exporter	60,335	61,339	-	-
Retailer	2,787	1,950	-	-
Input Products	366,891	351,514	-	-
Service Provider	50,216	35,285	-	-
Packhouse	28,279	25,797	-	-
Distribution	40,733	35,519	-	-
Domestic	112,353	72,170	-	-
Doalnara Certification	15,561	20,230	-	-
JAS Certification	40,491	33,376	-	-
IFOAM Programme	12,475	-	-	-
Non FOAM/ Standard Programme	78,500	127,727	-	-
Natrue Certification	39,656	22,894	-	-
Fair Trade	9,181	-	-	-
IBD Ecosocial audits	-	888	-	-
Total Certification Fees	2,238,016	2,063,287	-	-

	GROUP 2022	GROUP 2021	PARENT 2022	PARENT 2021
7. Other Overhead and Operational Expenses				
Audit and review fees	12,781	16,644	4,985	8,044
Accounting services	7,824	7,801	7,824	7,801
AGM and board meeting costs	11,068	8,516	-	61
Bad and doubtful debts	(5,517)	(36,499)	3,367	884
Board fees	57,375	44,725	-	-
Consultant fees	15,300	17,784	-	-
General administration and office expenses	44,880	28,055	19,621	4,129
Insurance	21,066	21,161	2,509	2,457
Marketing and promotions	65,955	30,639	39,343	9,426
Membership fees paid	3,534	7,341	2,345	3,081
Merchandise costs	3,362	3,210	-	-
Postage and stationary	3,858	1,535	2,276	38
Travel expenses	279	1,103	-	717
Grants and donations made	23,500	-	23,500	-
Total Other Overhead and Operational Expenses	265,266	152,015	105,770	36,637

	GROUP 2022	GROUP 2021	PARENT 2022	PARENT 2021
8. Depreciation and Loss on Disposal of Assets				
Depreciation	118,485	65,623	466	-
Loss on disposal of assets	-	9,923	-	9,923
Total Depreciation and Loss on Disposal of Assets	118,485	75,546	466	9,923

	GROUP 2022	GROUP 2021	PARENT 2022	PARENT 2021
9. Cash and Cash Equivalents				
Cash at bank and in hand	389,778	537,948	198,722	101,622
Total Cash and Cash Equivalents	389,778	537,948	198,722	101,622

The carrying amount of cash and cash equivalents approximates their fair value.

	GROUP 2022	GROUP 2021	PARENT 2022	PARENT 2021
10. Trade Debtors and Other Receivables				
Trade debtors	584,832	464,505	11,469	13,969
less Provision for Doubtful Debts	(36,717)	(48,750)	-	-
Total Trade Debtors and Other Receivables	548,115	415,755	11,469	13,969

As at 31 March 2022, all overdue receivables have been assessed for impairment and appropriate allowances made. All receivables are subject to credit risk exposure.

Provision for doubtful debts

The movement in the allowance for doubtful debts is as follows:

	Group 2022	Group 2021	Parent 2022	Parent 2021
Opening balance	48,750	83,831	-	-
Provision recognised during the year	(12,033)	(35,081)	-	-
Total provision for doubtful debts	36,717	48,750	-	-

The maximum exposure to credit risk at the reporting date is the carrying amount of trade debtors and other receivables as disclosed above.

11. Intangible Assets

Computer software, website and trademark	Group 2022	Group 2021	Parent 2022	Parent 2021
Cost				
Opening balance	626,195	433,754	4,392	18,549
Additions - Internal	23,195	209,313	-	2,715
Additions - External	41,680	-	-	-
Disposals	-	16,872	-	16,872
Closing cost	691,070	626,195	4,392	4,392
Accumulated amortisation				
Opening balance	427,345	371,329	6,980	11,569
Amortisation	114,857	62,996	-	-
Disposals	85	6,980	6,980	6,980
Closing accumulated amortisation	541,557	427,345	-	6,980

Closing carrying value of intangible assets	149,513	198,850	4,392	4,392
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12. Property, Plant & Equipment

Movements for each class of property, plant and equipment are as follows:

2022 Group	Office equipment and furniture	Leasehold improvements	Display equipment	Computer Hardware	Total
Cost					
Opening balance	-	-	-	26,308	26,308
Additions	-	-	-	5,929	5,929
Disposals	-	-	-	-	-
Closing cost	-	-	-	32,237	32,237
Accumulated depreciation					
Opening balance	-	-	-	22,793	22,793
Depreciation for the period	-	-	-	3,629	3,629
Disposals	-	-	-	645	645
Closing accumulated depreciation	-	-	-	27,067	27,067
Carrying value at 31 March 2022	-	-	-	5,170	5,170

2021 Group	Office equipment and furniture	Leasehold improvements	Display equipment	Computer Hardware	Total
Cost					
Opening balance	-	-	-	26,003	26,003
Additions	-	-	-	1,825	1,825
Disposals	-	-	-	1,520	1,520
Closing cost	-	-	-	26,308	26,308
Accumulated depreciation					
Opening balance	-	-	-	21,893	21,893
Depreciation for the period	-	-	-	2,387	2,387
Disposals	-	-	-	-	-
Closing accumulated depreciation	-	-	-	22,793	22,793
Carrying value at 31 March 2021	-	-	-	3,515	3,515

2022 Parent	Office equipment and furniture	Leasehold improvements	Display equipment	Computer Hardware	Total
Cost					
Opening balance	-	-	-	-	-
Additions	-	-	-	2,484	2,484
Disposals	-	-	-	-	-
Closing cost	-	-	-	2,484	2,484
Accumulated depreciation					
Opening balance	-	-	-	-	-
Depreciation for the period	-	-	-	466	466
Disposals	-	-	-	-	-
Closing accumulated depreciation	-	-	-	466	466
Carrying value at 31 March 2022	-	-	-	2,018	2,018

2021 Parent	Office equipment and furniture	Leasehold improvements	Display equipment	Computer Hardware	Total
Cost					
Opening balance	-	-	-	1,520	1,520
Additions	-	-	-	-	-
Closing cost	-	-	-	1,520	1,520
Accumulated depreciation					
Opening balance	-	-	-	1,487	1,487
Depreciation for the period	-	-	-	-	-
Closing accumulated depreciation	-	-	-	-	-
Carrying value at 31 March 2021	-	-	-	-	-

GROUP 2022 GROUP 2021 PARENT 2022 PARENT 2021

13. Trade Creditors and Other Payables

Creditors and accrued expenses

Trade creditors and other accruals	153,764	208,072	16,318	18,901
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	GROUP 2022	GROUP 2021	PARENT 2022	PARENT 2021
GST and PAYE payable	101,740	86,669	4,913	11,921
Total Creditors and accrued expenses	255,504	294,741	21,231	30,822

14. Revenue Received in Advance

	Group 2022	Group 2021	Parent 2022	Parent 2021
Certification fees	196,663	155,642	-	-
Subscriptions	60,283	55,385	60,283	55,385
Total	256,946	211,027	60,283	55,385

BioGro NZ Limited Certification Fees received are not fully recognised as income until the certification process has been completed.

15. Investment

	Group 2022	Group 2021	Parent 2022	Parent 2021
Investment in BioGro NZ Limited	-	-	390,592	390,592
Term investment	200,000	148,929	-	148,929
Total	200,000	148,929	390,592	539,521
Total investment assets classified as follows:				
Current assets	200,000	148,929	-	148,929
Non-current assets	-	-	390,592	390,592
Total	200,000	148,929	390,592	539,521

16. Financial Instruments

Carrying value of financial instruments

The carrying amount of all material financial position assets and liabilities are considered to be equivalent to fair value.

Fair value is the amount for which an item could be exchanged, or a liability settled, between knowledgeable and willing parties in an arm's length transaction.

Classification of financial instruments

All financial assets held by the Parent and Group are classified as "loans and receivables" are carried at cost less accumulated impairment losses.

All financial liabilities held by the Group are carried at amortised cost using the effective interest rate method.

The carrying amounts presented in the statement of financial position relate to the following categories of financial assets and liabilities.

2022: Group	Held-to-maturity investments	Loans and receivables	Financial liabilities at amortised cost	Total
Financial assets				
Cash and cash equivalents	-	389,778	-	389,778
Trade debtors and other receivables	-	621,113	-	621,113
Other financial assets	200,000	-	-	200,000
Total	200,000	1,010,891	-	1,210,891
Financial liabilities				
Trade creditors and other payables	-	-	255,504	255,504
Other financial liabilities	-	-	456,894	456,894
Total	-	-	712,396	712,396

2021: Group	Held-to-maturity investments	Loans and receivables	Financial liabilities at amortised cost	Total
Financial assets				
Cash and cash equivalents	-	537,948	-	537,948
Trade debtors and other receivables	-	433,567	-	433,567
Other financial assets	148,929	-	-	148,929
Total	148,929	971,515	-	1,120,444
Financial liabilities				
Trade creditors and other payables	-	-	294,742	294,742
Other financial liabilities	-	-	389,949	389,949
Total	-	-	684,691	684,691

2022: Parent	Held-to-maturity investments	Loans and receivables	Financial liabilities at amortised cost	Total
Financial assets				
Cash and cash equivalents	-	198,722	-	198,722
Trade debtors and other receivables	-	32,349	-	32,349
Other financial assets	-	-	-	-

Total	-	231,071	-	231,071
Financial liabilities				
Trade creditors and other payables	-	-	21,231	21,231
Other financial liabilities	-	-	60,283	60,283
Total	-	-	81,513	81,513

2021: Parent	Held-to-maturity investments	Loans and receivables	Financial liabilities at amortised cost	Total
Financial assets				
Cash and cash equivalents	-	101,622	-	101,622
Trade debtors and other receivables	-	33,359	-	33,359
Other financial assets	148,929	-	-	148,929
Total	148,929	134,981	-	283,910
Financial liabilities				
Trade creditors and other payables	-	-	30,821	30,821
Other financial liabilities	-	-	55,385	55,385
Total	-	-	86,206	86,206

GROUP 2022 GROUP 2021 PARENT 2022 PARENT 2021

17. Magazine Revenue

Magazine Sales	138,686	127,648	138,686	127,648
Magazine Sales - Digital Subscriptions	1,477	3,032	1,477	3,032
Returned Magazines (Retail)	(94,704)	(69,561)	(94,704)	(69,561)
Net Magazine Revenue	45,459	61,119	45,459	61,119

18. Operating Leases

Office Leases	2022	2021
Not later than one year	52,404	7,101
Later than one year and not later than five years	7,670	
Total	60,074	7,101

19. Contingent Assets, Contingent Liabilities and Commitments

The Parent has a contingent donation of \$23,500 at 31 March 2022 (2021: Nil). This liability is contingent on confirmation from the grantee that they have provided employment for a further 12 months to a contract position supported by the Parent.

20. Related Party Transactions

Related party transactions arise when an entity or person(s) has the ability to significantly influence the financial and operating policies of the entity. Related party disclosures have not been made for transactions with related parties that are within a normal supplier relationship on terms and conditions no more or less favourable than those that it is reasonable to expect the Parent and Group would have adopted in dealing with the party at arm's length in the same circumstances.

The Parent has a related party relationship with its subsidiary BioGro New Zealand Limited. The net value of transactions paid from BioGro to the parent during the year was \$23,950, being \$21,075 of Dividends and \$2,875 of Director Fees (2021: \$27,969). The balances outstanding at year end were no amount receivable to the parent and no amount payable to BioGro New Zealand Limited.

Marion Wood, the Chairperson of The Soil and Health Association of New Zealand Incorporated and a Director of BioGro New Zealand Limited, is also a Director of Common Sense Organics Limited. Common Sense Organics Limited is an advertiser and commercial partner of Organic NZ magazine, published by the Soil & Health Association. There is no discount, preferential rate or treatment, or access offered to Common Sense Organics Limited as an advertiser, and transactions are conducted on an arms-length basis. The net value of transactions paid to Common Sense Organics Limited during the year was \$4,903 (2021: \$1,245).

Governance and key management compensation

The entity has a related party relationships with its key management personnel and members of the parent and group board. Governance and management costs were as follows:

	Group 2022	Group 2021	Parent 2022	Parent 2021
Management				
Salaries and wages paid	253,846	243,786	49,279	44,101
Governance				
AGM and board meeting costs	13,221	8,516	-	61
Board fees	54,875	44,725	-	-

21. 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 (2021: nil).

22. Ability to Continue Operating

The entity will continue to operate for the foreseeable future.