

Consolidated Financial Statements

The Soil & Health Association of New Zealand Incorporated
Group

For the year ended 31 March 2024

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Independent auditor's report

To the Members of Soil and Health Association of New Zealand Incorporated and Group

Opinion

We have audited the general purpose financial report of Soil and Health Association of New Zealand Incorporated and Group which comprise the financial statements on pages 9 to 26 and the service performance information on pages 6 to 8. The complete set of financial statements comprise the statement of financial position as at 31 March 2024, the statement of comprehensive revenue and expense, statement of changes in net assets, statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying general purpose financial report presents fairly, in all material respects:

- the financial position of Soil and Health Association of New Zealand Incorporated and Group as at 31 March 2024, and (of) its financial performance,
- and its cash flows for the year then ended; and
- the service performance for the year ended 31 March 2024 in accordance with the entity's service performance criteria

in accordance with Public Benefit Entity Standards Reduced Disclosure Regime (PBE Standards RDR).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and the audit of the service performance information in accordance with the ISAs and New Zealand Auditing Standard (NZ AS) 1 *The Audit of Service Performance Information* (NZ). Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the general purpose financial report section of our report.

We are independent of Soil and Health Association of New Zealand Incorporated and Group in accordance with Professional and Ethical Standard 1 (Revised) 'Code of ethics for assurance practitioners' 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, Soil and Health Association of New Zealand Incorporated and Group.

Responsibilities of National Council for the General Purpose Financial Report

National Council are responsible on behalf of Soil and Health Association of New Zealand Incorporated and Group for:

- a) the financial statements and service performance information in accordance with Public Benefit Entity Standards issued by the New Zealand Accounting Standards Board;
- b) service performance criteria that are suitable in order to prepare service performance information in accordance with Public Benefit Entity Standards; and

- c) such internal control as National Council determine is necessary to enable the preparation of the general purpose financial report and service performance information that are free from material misstatement, whether due to fraud or error.

In preparing the general purpose financial report, National Council are responsible for assessing the Soil and Health Association of New Zealand Incorporated and Group'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 National Council either intend to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the General Purpose Financial Report

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole, and the service performance information 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 this general purpose financial report.

A further description of the auditor's responsibilities for the audit of the general purpose financial report is located at the XRB's website at

<https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-13/>

This report is made solely to the members of Soil and Health Association of New Zealand Incorporated and Group. 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.

Moore Markhams

Moore Markhams Wellington Audit | Qualified Auditors, Wellington, New Zealand
26 September 2024

Entity Information

The Soil & Health Association of New Zealand Incorporated Group For the year ended 31 March 2024

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
Wellington, 6141
New Zealand

Accountant

Darvill Mellors & Co Limited

Auditor

Moore Markhams Wellington Audit

Banker

Bank of New Zealand

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.

Entity's Purpose or Mission

Soil & Health

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.

BioGro

The primary purpose is developing Organic Production Standards and the certification of these standards, promotion of the BioGro trademark and Organics in general, and the fostering of research and education in the organic production sector.

Statement by the Executive Committee

The Soil & Health Association of New Zealand Incorporated Group For the year ended 31 March 2024

The National Council 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 the year ended 31 March 2024.

APPROVED



Chairperson

Date 26/09/2024



Treasurer

Date 26/09/2024

Statement of Service Performance

The Soil & Health Association of New Zealand Incorporated Group For the year ended 31 March 2024

The Soil & Health Association of New Zealand champions society's collective responsibility to protect the health of our soils for future generations. We do this to promote the development of the best physical health and spiritual well-being of all people. Our guiding principle is *oranga nuku, oranga kai, oranga tāngata* / healthy soil, healthy food, healthy people.

We advocate for organic and regenerative production that works with nature and avoids synthetic fertilisers and pesticides. We are the largest membership organisation supporting organic food and farming in New Zealand. Established in 1941, we are also one of the oldest organisations of our kind in the world.

<https://soilandhealth.org.nz/>

<https://organicnz.org.nz/>

One of Soil & Health NZ's objectives is to "consider, and where applicants meet the prescribed standards, certify organically grown food of all types and other related natural products, as complying with the standards set by the BioGro Society or any other appropriate authority." Soil & Health NZ acquired BioGro NZ Ltd in 2018 from its previous charitable owner, the New Zealand Biological Producers and Consumers Society Incorporated, also known as 'the BioGro Society', originally founded by members of Soil & Health NZ. BioGro NZ is one of the oldest organic certification bodies in the world and the creator of the first organic standards in New Zealand. BioGro NZ's charitable purpose is to advance the charitable objects of the Shareholder, providing organic certification as a service to New Zealand entities, thereby facilitating domestic and international trade in organic products.

<https://www.biogro.co.nz/>

Parent

Soil & Health had 1410 paying members and 49 free memberships as of 31 March 2024 (2023:1695 paying members). Of these, 11 were digital subscribers as of 31 March 2024 (2023: 36).

Soil and Health's progress toward our goals:

1. The publication and distribution of OrganicNZ magazine continued in the 2023/24 year.

The aim of the magazine is to publish articles to advance our objects, open up subjects to readers, inform and persuade as to S&H objects such as the importance of healthy food; promoting organics as a solution to climate change; safer alternatives to common herbicides and pesticides; as well as to provide members with a tangible community and action-oriented information. Soil & Health is now developing a Digital Strategy to move towards online publication of information in 2024/25.

Six issues of OrganicNZ magazine were published in the year, with a combined total of 31,130 magazines printed. Of these, approximately 13,500 copies were distributed to retailers via the Are Direct distribution company, 9,658 were sent to Soil & Health members, 1,989 complimentary copies were sent out (e.g. to life members and advertisers), 1,057 were sent directly to small independent retailers and 1,000 copies were sent to the Biodynamics Association as part of our collaboration with them on the March/April 2024 issue. The remaining 3,926 copies were retained for marketing/promotional purposes, held as stock on hand for sales of back issues, or were pulped.

Many articles from each issue are also published online, available to print and digital subscribers (11 digital subscribers as at 31 March). Some of these are 'unlocked' to the public once a six-month period has elapsed since the respective issue went on sale.

2. A series of webinars was held as part of our GE campaign to connect with and inform our members of the threat and risks of GE. Experts were engaged to host webinars and provide technical information.

GE webinars were held on 21st November 2023, with 243 Registrations, 23rd January 2024, with 263 Registrations and 5th March 2024 with 276 registrations. The webinars were free to attend (although donations were encouraged). The webinar recordings were subsequently made available online. Ministers of government were invited to attend.

3. Soil & Health was a key player in Organic Week 2024.

Although Organic Week was held 1-7 May, most of the organisation and collaboration occurred in the six months prior to May.

Soil & Health's Co-Chair chaired the Organic Week Steering Committee, the members of which were from Organics Aotearoa and volunteers. The purpose of the Steering Committee was to organise sponsorship and events held during the week. Soil and Health also organised judging and voting for the national OrganicNZ Awards held on Friday 3rd May 2024; expanded award categories to include new demographics; as well as advertising of Organic Week to the public.

Organic Week was a huge success, with high website engagement, online and in-person events around the country, and engagement from the organic sector in the OrganicNZ Award night. Our sponsorship raised prior to Organic Week covered all costs, and we had over 1000 registrations across 4 engaging Zoom workshops and nationwide participation via 60+ regional events and movie screenings. Social media reach was over five times higher than for Organic Week 2023, largely driven by public and partner engagement with the campaign.

4. Engagement with ministries and government departments by Soil and Health.

Soil & Health submitted on the draft National Organic Standard (NOS) (submitted to MPI on 25 May 2023).

Soil & Health media release 12.6.23: Organic regenerative farming needed to reduce climate change, not GE.

Soil & Health held a seat on the Ministry for Primary Industries Organic Sector Advisory Council (OSAC) which is currently advising government on the drafting of the NOS and other organic regulations coming from the passing of the Organic Productions and Production Act 2023. Quarterly meetings were attended by Jenny Lux, and other regular online meetings, emails and phone calls were kept up with both MPI and the OANZ Standards Technical Working Group, in which organic sector experts are convened. Some of the extraordinary meetings with MPI involved providing specific technical advice on sections of the proposed standard, which have yet to be released publicly.

5. Developing and exploring partnerships, collaborations or associations with other organisations e.g. Te Waka Kai Ora, Organics Aotearoa New Zealand (OANZ), the Biodynamic Association of New Zealand.

Partnership with Te Waka Kai Ora involved including the Te Waka Kai Ora Chair's Award for Organic Week 2024.

Partnership with OANZ included vital collaboration over Organic Week. The communications contact of OANZ was the key coordinator for Organic Week and worked closely with national council and staff of Soil & Health.

Partnership with the Biodynamic Association involved use of biodynamic calendar information in our OrganicNZ magazines, co-publishing OrganicNZ and Harvests back-to-back in March/April 2024 (our last print issue) and helping to promote their 100 years celebration during our Organic Week promotions.

6. Maintained two directorships on the BioGro board and contributed actively to the governance of the company, including participation in the in-person strategy day on 13 December 2023.

7. Continued to update our website for the public, with members-only content available.

Timely information (notice of AGM, SGM, change in National Council etc) was provided, plus benefits such as access to webinar recordings.

8. Ongoing GE Campaign

The GE campaign was ongoing through the financial year, including three in-depth articles commissioned for OrganicNZ, which are all publicly available. The GE appeal raised just over \$16,000 with related expenses of approximately \$2,500.

BioGro

	2024	2024 OVERALL BUDGET	2023
BioGro Certification Renewals and Applicants			
Renewal	885	900	871
New Applicants	49	60	61
Audit Completed	926	800	711
Withdrawals	47	80	83

BioGro customers are referred to as Licensees. Once certified, licensees can use the BioGro certification trademark (logo). They must have an on-site or off-site annual audit to maintain this certification.

Renewal – Licensees who renew their certification are called renewals.

New Applicant – potential licensees who expressed an interest in getting certified, paid their certification fee and signed a license agreement during the fiscal year.

Audit – the number of audits done. This does not match the number of licensees. Not all licensees require an audit. Input licensees don't all require an audit. Some audits maybe done slightly after the fiscal year ends and won't be counted as completed during this fiscal year.

Withdrawal – A licensee who voluntarily withdraws from certification during the fiscal year. They may be a new applicant or a renewal licensee.

BioGro will extend our Registered Agency Scope at the Ministry for Primary Industries and verify under the Organic Production and Products Act 2023.



Statement of Comprehensive Revenue and Expenses

The Soil & Health Association of New Zealand Incorporated Group For the year ended 31 March 2024

	NOTES	GROUP 2024	GROUP 2023	PARENT 2024	PARENT 2023
Revenue					
Revenue from Non-Exchange Transactions					
Donations, fundraising and other similar revenue		39,538	31,427	39,538	31,427
Total Revenue from Non-Exchange Transactions		39,538	31,427	39,538	31,427
Revenue from Exchange Transactions					
Audit travel charge		139,679	141,488	-	-
Certification administration		67,530	83,527	-	-
Certification fees	6	2,430,516	2,150,095	-	-
Dividends received		-	-	-	16,706
Interest and other investment revenue		2,096	2,243	1,362	596
Magazine advertising		93,284	116,564	93,284	116,564
Magazine revenue	17	46,368	43,463	46,368	43,463
Merchandise		1,099	1,733	-	-
Organic Week Income		23,500	-	26,000	-
Sponsorship and fundraising		-	35,500	-	35,500
Subscriptions		73,779	83,158	73,779	83,158
Other income		41,043	(4,186)	10,883	2,271
Total Revenue from Exchange Transactions		2,918,894	2,653,585	251,676	298,257
Total Revenue		2,958,432	2,685,012	291,214	329,684
Expenses					
Accreditation costs		160,456	141,402	-	-
Advertising commission		24,880	31,120	24,880	31,120
Appeal		2,572	100	2,572	100
Campaign costs		17,673	3,625	17,673	3,625
Certification costs		702,350	693,502	-	-
Computer and IT expenses		8,009	42,513	130	-
Depreciation and loss on disposal of assets	8	64,387	131,928	505	1,009
Impairment loss		-	-	-	210,943
Magazine production		227,487	171,458	227,487	171,458
Other overhead and operational expenses	7	247,453	259,849	51,716	61,084
Rent		73,857	98,449	8,857	9,949
Wages, salaries and other employee costs		1,329,607	1,449,818	58,808	103,168
Total Expenses		2,858,730	3,023,761	392,628	592,455
Surplus/(Deficit) for the Year		99,701	(338,749)	(101,414)	(262,770)

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 2024

	GROUP 2024	GROUP 2023	PARENT 2024	PARENT 2023
Accumulated Funds				
Opening Balance	302,428	640,903	271,134	533,630
Increases				
Surplus/(Deficit) for the Year	99,701	(338,749)	(101,414)	(262,770)
Unrealised Gain on Investments	380	275	380	275
Total Increases	100,082	(338,475)	(101,033)	(262,496)
Total Accumulated Funds	402,510	302,428	170,100	271,134

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 2024

	NOTES	GROUP 2024	GROUP 2023	PARENT 2024	PARENT 2023
Assets					
Current Assets					
Cash and cash equivalents	9	155,840	444,714	55,542	58,750
Trade debtors and other receivables	10	867,303	434,731	28,662	54,908
Prepayments		40,439	42,684	-	-
Inventory		3,139	8,709	-	6,420
Investments	15	-	50,217	-	50,217
Total Current Assets		1,066,721	981,055	84,204	170,295
Non-Current Assets					
Intangible assets	11	71,395	81,081	4,392	4,392
Property, plant and equipment	12	4,420	5,135	505	1,009
Investments	15	-	-	179,649	179,649
Total Non-Current Assets		75,815	86,216	184,546	185,050
Total Assets		1,142,536	1,067,271	268,749	355,345
Liabilities					
Current Liabilities					
Trade creditors and other payables	13	337,755	283,714	29,455	29,922
Revenue received in advance	14	286,610	275,367	56,414	49,613
Employee entitlements		115,662	205,761	12,781	4,676
Total Current Liabilities		740,026	764,842	98,649	84,211
Total Liabilities		740,026	764,842	98,649	84,211
Total Assets less Total Liabilities (Net Assets)		402,510	302,428	170,100	271,134
Accumulated Funds					
Accumulated surpluses or (deficits)		402,510	302,428	170,100	271,134
Total Accumulated Funds		402,510	302,428	170,100	271,134

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 2024

	GROUP 2024	GROUP 2023	PARENT 2024	PARENT 2023
Statement of Cashflows				
Cash flows from operating activities				
Receipts				
Receipts from goods and services provided	2,541,136	2,784,717	283,363	234,950
Receipts from grants and donations	39,538	31,426	39,538	31,427
Dividend Income	-	-	-	16,707
Interest income	2,423	2,302	1,725	379
GST Receipts (Payments)	-	-	-	(1,580)
Total Receipts	2,583,097	2,818,445	324,626	281,883
Payments				
Payments to suppliers and employers	(2,868,787)	(2,850,051)	(378,068)	(371,854)
Total Payments	(2,868,787)	(2,850,051)	(378,068)	(371,854)
Net cash inflow from operating activities	(285,690)	(31,606)	(53,442)	(89,971)
Cash flows from investing activities				
Purchase of property, plant and equipment and intangible assets	(53,418)	(63,459)	-	-
Repayment of Term Deposits	-	200,000	-	-
Net cash outflow from investing activities	(53,418)	136,541	-	-
Cash flows from financing activities				
Purchase of Investments	50,234	(50,000)	50,234	(50,000)
Net cash outflow from financing activities	50,234	(50,000)	50,234	(50,000)
Net increase /(decrease) in cash and cash equivalents	(288,874)	54,935	(3,208)	(139,971)
Cash and cash equivalents at the beginning of the year				
Cash and cash equivalents	444,714	389,779	58,750	198,721
Cash and cash equivalents at the end of the year	155,840	444,714	55,542	58,750

Notes to the Financial Statements

The Soil & Health Association of New Zealand Incorporated Group For the year ended 31 March 2024

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 2024.

The Soil and Health Association of New Zealand Incorporated is incorporated and 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 \$33 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 then 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

The entity has elected to apply NFP PBE IPSAS 41 Financial Instruments: Recognition and Measurement for its financial assets and financial liabilities. Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the financial instrument.

The entity 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 entity 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 entity has transferred substantially all the risks and rewards of the asset; or
- the entity 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 41 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through profit or loss, fair value through other comprehensive income or financial assets at amortised cost. The classifications of the financial assets are determined at initial recognition.

The categorisation determines subsequent measurement and whether any resulting revenue and expense is recognised in profit or loss or in other comprehensive income. The entity's financial assets are classified as either financial assets at amortised cost or financial assets at fair value through other comprehensive income. The entity's financial assets include cash and cash equivalents, receivables and investments.

All financial assets 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, which are described below.

Financial assets at amortised cost

Financial assets at amortised cost 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 entity's cash and cash equivalents, debtors and non-equity investments fall into this category of financial instruments.

Financial assets at fair value through other comprehensive income

Financial assets are classified as fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting the contractual cash flows and selling the financial asset, and contractual terms of the financial asset give rise to the cash flows what are solely payments of principal and interest on the principal amount outstanding. After initial recognition, gains or losses on these financial assets are never recycled to profit or loss. Equity instruments designated at fair value through other comprehensive income are not subject to impairment assessment. The entity's equity investments fall into this category of financial instruments.

Impairment of Financial Assets

The entity 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 entity 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 entity determines that there is no objective evidence of impairment for an individually assessed financial asset, it includes the asset in a group of financial assets 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 entity's financial liabilities are creditors (excluding GST and PAYE). 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.

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 2024	GROUP 2023	PARENT 2024	PARENT 2023
6. Certification Fees				
Primary producers	1,022,546	920,157	-	-
Processor/ Processed product	551,387	418,097	-	-
Exporter	56,977	60,387	-	-
Retailer	-	1,282	-	-
Input Products	447,703	391,488	-	-
Service Provider	44,948	53,278	-	-
Packhouse	19,562	33,842	-	-
Distribution	38,095	31,845	-	-
Domestic	88,818	90,868	-	-
Doalnara Certification	12,213	25,373	-	-
JAS Certification	41,703	33,115	-	-
IFOAM Programme	16,339	13,015	-	-
Non FOAM/ Standard Programme	58,605	44,219	-	-
Natruce Certification	31,618	33,004	-	-
IBD Ecosocial audits	-	124	-	-
Total Certification Fees	2,430,516	2,150,095	-	-

	GROUP 2024	GROUP 2023	PARENT 2024	PARENT 2023
7. Other Overhead and Operational Expenses				
Audit and review fees	19,163	16,328	5,283	4,162
Accounting services	10,121	7,876	10,121	7,876
AGM and board meeting costs	9,309	14,721	198	1,901
Bad and doubtful debts	625	18,325	625	-
Board fees	55,595	58,237	-	-
Consultant fees	33,043	14,493	-	-
General administration and office expenses	61,585	36,212	19,282	8,053
Insurance	22,911	21,688	3,157	2,667
Marketing and promotions	21,711	38,789	8,601	8,546
Membership fees paid	4,493	2,981	3,000	2,073
Merchandise costs	3,255	2,163	-	-
Postage and stationary	5,254	2,970	1,071	1,688
Travel expenses	238	1,266	228	319
Grants and donations made	151	23,800	151	23,800
Total Other Overhead and Operational Expenses	247,453	259,849	51,716	61,084
	GROUP 2024	GROUP 2023	PARENT 2024	PARENT 2023

8. Depreciation and Loss on Disposal of Assets

Depreciation	64,387	131,928	505	1,009
Total Depreciation and Loss on Disposal of Assets	64,387	131,928	505	1,009
	GROUP 2024	GROUP 2023	PARENT 2024	PARENT 2023

9. Cash and Cash Equivalents

Cash at bank and in hand	155,840	444,714	55,542	58,750
Total Cash and Cash Equivalents	155,840	444,714	55,542	58,750

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

	GROUP 2024	GROUP 2023	PARENT 2024	PARENT 2023
10. Trade Debtors and Other Receivables				
Trade debtors	923,155	490,583	28,662	54,908
less Provision for Doubtful Debts	(55,852)	(55,852)	-	-
Total Trade Debtors and Other Receivables	867,303	434,731	28,662	54,908

As at 31 March 2024, 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 2024	Group 2023	Parent 2024	Parent 2023
Opening balance	55,852	36,717	-	-
Provision recognised during the year	-	19,135	-	-
Total provision for doubtful debts	55,852	55,852	-	-

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 2024	Group 2023	Parent 2024	Parent 2023
Cost				
Opening balance	750,557	691,070	4,392	4,392
Additions - Internal	52,528	59,487	-	-
Additions - External	-	-	-	-
Disposals	-	-	-	-
Closing cost	803,085	750,557	4,392	4,392
Accumulated amortisation				
Opening balance	669,476	542,287	-	6,980
Amortisation	62,215	127,189	-	-
Disposals	-	-	-	6,980
Closing accumulated amortisation	731,691	669,476	-	-
Closing carrying value of intangible assets	71,395	81,081	4,392	4,392

12. Property, Plant & Equipment

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

Computer Hardware	Group 2024	Group 2023	Parent 2024	Parent 2023
Cost				
Opening balance	36,210	32,237	2,484	2,484
Additions	1,458	3,973	-	-
Disposals	-	-	-	-
Closing cost	37,667	36,210	2,484	2,484
Accumulated depreciation				
Opening balance	31,075	26,336	1,475	466

Depreciation for the period	2,172	4,739	505	1,009
Disposals	-	-	-	-
Closing accumulated depreciation	33,247	31,075	1,980	1,475
Carrying value at 31 March	4,420	5,135	505	1,009

GROUP 2024 GROUP 2023 PARENT 2024 PARENT 2023

13. Trade Creditors and Other Payables

Creditors and accrued expenses

Trade creditors and other accruals	203,670	183,943	21,111	21,241
GST and PAYE payable	134,085	99,771	8,344	8,681
Total Creditors and accrued expenses	337,755	283,714	29,455	29,922

14. Revenue Received in Advance

	Group 2024	Group 2023	Parent 2024	Parent 2023
Certification fees	230,196	225,754	-	-
Subscriptions	56,414	49,613	56,414	49,613
Total	286,610	275,367	56,414	49,613

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

15. Investment

	Group 2024	Group 2023	Parent 2024	Parent 2023
Investment in BioGro NZ Limited	-	-	179,649	179,649
Term investment	-	50,217	-	50,217
Total	-	50,217	179,649	229,866
Total investment assets classified as follows:				
Current assets	-	50,217	-	50,217
Non-current assets	-	-	179,649	179,649
Total	-	50,217	179,649	229,866

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 "amortised cost" 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.

2024: Group	Fair-Value through Profit and Loss	Fair-Value through Other Comprehensive Income	Amortised cost	Total
Financial assets				
Cash and cash equivalents	-	-	155,840	155,840
Trade debtors and other receivables	-	-	907,742	907,742
Other financial assets	-	-	-	-
Total	-	-	1,063,582	1,063,582
Financial liabilities				
Trade creditors and other payables	-	-	337,755	337,755
Other financial liabilities	-	-	402,271	402,271
Total	-	-	740,026	740,026

2023: Group	Fair-Value through Profit and Loss	Fair-Value through Other Comprehensive Income	Amortised cost	Total
Financial assets				
Cash and cash equivalents	-	-	444,714	444,714
Trade debtors and other receivables	-	-	477,415	477,415
Other financial assets	-	50,217	-	50,217
Total	-	50,217	922,129	972,346
Financial liabilities				
Trade creditors and other payables	-	-	283,714	283,714
Other financial liabilities	-	-	481,127	481,127
Total	-	-	764,841	764,841

2024: Parent	Fair-Value through Profit and Loss	Fair-Value through Other Comprehensive Income	Amortised cost	Total
Financial assets				
Cash and cash equivalents	-	-	55,542	55,542
Trade debtors and other receivables	-	-	28,662	28,662
Other financial assets	-	-	-	-
Total	-	-	84,204	84,204
Financial liabilities				
Trade creditors and other payables	-	-	29,455	29,455
Other financial liabilities	-	-	69,195	69,195
Total	-	-	98,649	98,649

2023: Parent	Fair-Value through Profit and Loss	Fair-Value through Other Comprehensive Income	Amortised cost	Total
Financial assets				
Cash and cash equivalents	-	-	58,750	58,750
Trade debtors and other receivables	-	-	54,908	54,908
Other financial assets	-	-	-	-
Total	-	-	113,658	113,658
Financial liabilities				
Trade creditors and other payables	-	-	28,212	28,212
Other financial liabilities	-	-	56,000	56,000
Total	-	-	84,211	84,211

GROUP 2024 GROUP 2023 PARENT 2024 PARENT 2023

17. Magazine Revenue

Magazine Sales	112,432	111,783	112,432	111,783
Magazine Sales - Digital Subscriptions	1,144	1,809	1,144	1,809
Returned Magazines (Retail)	(67,208)	(70,129)	(67,208)	(70,129)
Net Magazine Revenue	46,368	43,463	46,368	43,463

18. Operating Leases

The Soil & Health Association of New Zealand Incorporated was liable for the lease of the Plimmer Tower premises. The lease payment was \$884 per month (excluding GST and operating expenses). The lease liability will cease in January 2025.

Office Leases	2024	2023
Not later than one year	8,840	10,108
Later than one year and not later than five years	-	8,840
Total	8,840	18,948

19. Contingent Assets, Contingent Liabilities and Commitments

The Parent has no contingent liabilities at 31 March 2024 (2023: \$Nil).

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 \$19,594, being \$1,500 of Director Fees, \$2,500 of sponsorships and \$14,994 of on-charged costs (2023: \$29,265). 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 Commonsense Organics Limited during the year was \$6,727 (2023: \$5,070).

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 2024	Group 2023	Parent 2024	Parent 2023
Management				
Salaries and wages paid	252,984	261,772	27,283	44,034
Governance				
AGM and board meeting costs	9,308	16,721	198	1,901
Board fees	60,345	56,237	-	-

21. Events After the Balance Date

A formal decision to cease production of the OrganicNZ magazine (in print form) was made at a Special General Meeting of the Soil & Health Association on 4 May 2024.

22. Ability to Continue Operating

The consolidated financial statements have been prepared using the going concern assumption which assumes that the Group has the intention and ability to continue its operations for the foreseeable future.

The Group achieved a net profit of \$99,701 for the year ended 31 March 2024. The remaining net asset position of the Group is \$402,510.

The National Council consider the Going Concern basis to be appropriate because of the following:

- 1) BioGro is currently tracking to target budgeted expectations for a small surplus in the 2025 financial year.
- 2) The Soil and Health National Council intends to review its budget quarterly and make appropriate management adjustments.

For these reasons, the National Council continue to adopt the going concern assumption in the preparation of the financial statements for the year ended 31 March 2024.

Should these expectations not be met and the Group be unable to settle obligations as they fall due, adjustments may be required to reflect the situation that assets may need to be realised other than at the amounts at which they are currently recorded in the statement of financial position.