

DRAFT Annual Report 2022 (for audit 2.0)

Hawke's Bay Future Farming Charitable Trust
For the year ended 30 June 2022

Prepared by BM Accounting Limited

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Compilation Report

Hawke's Bay Future Farming Charitable Trust For the year ended 30 June 2022

Compilation Report to the Trustees of Hawke's Bay Future Farming Charitable Trust.

Scope

On the basis of information provided and in accordance with Service Engagement Standard 2 Compilation of Financial Information, we have compiled the financial statements of Hawke's Bay Future Farming Charitable Trust for the year ended 30 June 2022.

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

Responsibilities

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

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

No Audit or Review Engagement Undertaken

Our procedures use accounting expertise to undertake the compilation of the financial statements from information you provided. Our procedures do not include verification or validation procedures. No audit or review engagement has been performed and accordingly no assurance is expressed.

Independence

We have no involvement with Hawke's Bay Future Farming Charitable Trust other than for the preparation of financial statements and management reports and offering advice based on the financial information provided.

Disclaimer

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

BM Accounting Limited

Havelock North

Dated: 10 November 2021

Entity Information

Hawke's Bay Future Farming Charitable Trust For the year ended 30 June 2022

'Who are we?', 'Why do we exist?'

The Trust was established through an initiative of The Hawke's Bay Regional Council to promote and advance Farming in the Hawke's Bay Region that is environmentally sensitive and sustainable (as well as being productive, high quality, and economically sustainable) and thereby benefits the health of the Region's natural environment and the Region's communities, including those involved in farming.

Legal Name of Entity

Hawke's Bay Future Farming Charitable Trust

Entity Type and Legal Basis

Registered Charitable Trust

Registration Number

2742812

Entity's Purpose or Mission

The Trust will provide and promote and support the provision of a regional hub of knowledge, research, education and innovation in relation to Farming systems, practices, technologies, and related matters.

Entity Structure

Registered Charitable Trust

Main Sources of Entity's Cash and Resources

Grants Funding from Hawke's Bay Regional Council

Entity's Reliance on Volunteers and Donated Goods or Services

The Trust has been initially funded by the Hawke's Bay Regional Council. The Trust is actively seeking further funding sources including monetary donations and/or donated Goods & Services.

The Trust does rely on volunteer Trustees and some people providing input at reduced or no charge.

Main Methods Used by Entity to Raise Funds

The main method of funding at this point has a grant from HBRC. The Trust is exploring further funding opportunities.

Physical Address

c/- BM Accounting

Level 1, Village Exchange, 5 Havelock Road

Havelock North 4130

Postal Address

Entity Information

c/- BM Accounting Limited

Level 1, Village Exchange, 5 Havelock Road

Havelock North

4130

Approval of Financial Report

Hawke's Bay Future Farming Charitable Trust For the year ended 30 June 2022

The Trustees are pleased to present the approved financial report including the historical financial report of Hawke's Bay Future Farming Charitable Trust for year ended 30 June 2022.

APPROVED

EM Krawczyk

Chair

Date

JS Lawson

Treasurer

Date

Statement of Service Performance

Hawke's Bay Future Farming Charitable Trust For the year ended 30 June 2022

'What did we do?', 'When did we do it?'

We promote the advancement of environmentally sensitive and sustainable Farming in the Hawke's Bay region.

We have done this by supporting and organising events and seminars for the Farmers of the Hawke's Bay region and working with Regional Council with regard to long term regional goals and plans.

Description of Entity's Outcomes

Providing, and/or promoting and supporting the provision of a regional hub of knowledge, research, education, innovation in relation to farming systems, practices, technologies and related matters.

Description and Quantification of the Entity's Outputs

The Trust organised and ran seminars and training days, engaged in research and studies in terms of regenerative farming and soil carbon. A large part of the Trust's work stream was preparing and submitting major project proposals to MPI for funding.

Additional Information

The impact of Covid 19 and the related operations restrictions has slowed the progress of some initiatives.

Statement of Financial Performance

Hawke's Bay Future Farming Charitable Trust For the year ended 30 June 2022

'How was it funded?' and 'What did it cost?'

	NOTES	2022	2021
Revenue			
Donations, fundraising and other similar revenue	1	-	250,000
Revenue from providing goods or services	1	39,000	-
Interest, dividends and other investment revenue	1	3,604	5,317
Other revenue	1	3,000	-
Total Revenue		45,604	255,317
Expenses			
Costs related to providing goods or service	2	171,240	107,565
Other expenses	2	11,806	5,414
Total Expenses		183,046	112,978
Surplus/(Deficit) for the Year		(137,442)	142,339

This statement is to be read in conjunction with the the notes and the review report.

Statement of Financial Position

Hawke's Bay Future Farming Charitable Trust As at 30 June 2022

'What the entity owns?' and 'What the entity owes?'

	NOTES	30 JUN 2022	30 JUN 2021
Assets			
Current Assets			
Bank accounts and cash	3	49,467	88,417
Debtors and prepayments	3	50,282	14,072
Other Current Assets	3	250,709	396,777
Total Current Assets		350,458	499,267
Non-Current Assets			
Property, Plant and Equipment	5	717	1,434
Total Non-Current Assets		717	1,434
Total Assets		351,176	500,701
Liabilities			
Current Liabilities			
Creditors and accrued expenses	4	29,064	41,147
Total Current Liabilities		29,064	41,147
Total Liabilities		29,064	41,147
Total Assets less Total Liabilities (Net Assets)		322,112	459,554
Accumulated Funds			
Accumulated surpluses or (deficits)	6	322,112	459,554
Total Accumulated Funds		322,112	459,554

This statement is to be read in conjunction with the the notes and the review report.

Statement of Cash Flows

Hawke's Bay Future Farming Charitable Trust For the year ended 30 June 2022

'How the entity has received and used cash'

	2022	2021
Cash Flows from Operating Activities		
Interest, dividends and other investment receipts	3,444	5,825
Cash receipts from other operating activities	27,000	250,000
GST	(22,625)	(55,005)
Payments to suppliers and employees	(192,837)	(77,227)
Donations or grants paid	-	(347)
Total Cash Flows from Operating Activities	(185,018)	123,246
Cash Flows from Investing and Financing Activities		
Receipts from sale of investments	249,297	328,611
Proceeds from loans borrowed from other parties	-	20,000
Payments to purchase investments	(103,228)	(402,144)
Repayments of loans borrowed from other parties	-	(20,000)
Total Cash Flows from Investing and Financing Activities	146,068	(73,534)
Net Increase/ (Decrease) in Cash	(38,950)	49,713
Cash Balances		
Cash and cash equivalents at beginning of period	88,417	38,704
Cash and cash equivalents at end of period	49,467	88,417
Net change in cash for period	(38,950)	49,713

This statement is to be read in conjunction with the the notes and the review report.

Statement of Accounting Policies

Hawke's Bay Future Farming Charitable Trust For the year ended 30 June 2022

'How did we do our accounting?'

Reporting Entity

Hawke's Bay Future Farming Charitable Trust is a trust established by a trust deed dated 8 August 2019 and subject to the Trustees Act 1956. Hawke's Bay Future Farming Charitable Trust is engaged in the business of Farm Environmental Advocacy.

Basis of Preparation

The entity has elected to apply PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) on the basis that it does not have public accountability and has total annual expenses equal to or less than \$2,000,000. All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the entity will continue to operate in the foreseeable future.

Statement of Accounting Policies

Statement of Compliance and Basis of Preparation

These financial statements have been prepared in accordance with the Special Purpose Framework for use by For-Profit Entities (SPFR forFPEs) published by Chartered Accountants Australia and New Zealand.

The financial statements have been prepared in accordance with taxation principles contained in the Income Tax Act 2007 and disclosure requirements contained in the Tax Administration Act (Financial Statements) Order 2014.

The accounting principles recognised as appropriate for the measurement and reporting of the Statement of Profit or Loss and Balance Sheet on a tax value basis are followed by the trust, unless stated in the Specific Accounting Policies.

Going Concern

The trust is dependent upon the continued support of its funders. The going concern basis assumes continued support of these parties in following financial periods. The trustees in determining that the financial statements be prepared on a going concern basis have taken into account events subsequent to balance date.

Historical Cost

These financial statements have been prepared on a historical cost basis, [except for certain assets which have been revalued as identified in specific accounting policies below]. The financial statements are presented in New Zealand dollars (NZ\$) and all values are rounded to the nearest NZ\$, except when otherwise indicated.

Changes in Accounting Policies

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

Specific Accounting Policies

The following specific accounting policies which materially affect the measurement of the Statement of Profit or Loss and Balance Sheet have been applied.

Property, Plant and Equipment

Property, plant and equipment and are stated at historical cost less any accumulated depreciation and impairment losses. Historical cost includes expenditure directly attributable to the acquisition of assets, and includes the cost of replacements that are eligible for capitalisation when these are incurred.

Income Tax

As the trust is a registered charitable trust with the Charities Commission and it has donee organisation status with the Inland Revenue Department it is exempt from paying income tax.

Hawke's Bay Future Farming Charitable Trust is wholly exempt from New Zealand income tax having fully complied with all statutory conditions for these exemptions.

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.

Bank Accounts and Cash

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

Revenue Recognition

Donations, fundraising and other similar receipts with no "use or return" condition attached are recorded as revenue when received. Donations, fundraising and other similar receipts with a "use or return" condition attached are recorded as revenue as the conditions are met. Service receipts are recorded as revenue as the service/event is provided, based on the actual service provided as a percentage of the total service provided. Interest income is recognised as it accrues, using the effective interest method.

Notes to the Performance Report

Hawke's Bay Future Farming Charitable Trust For the year ended 30 June 2022

	2022	2021
1. Analysis of Revenue		
Donations, fundraising and other similar revenue		
Operational Grants	-	250,000
Sponsorship Received	39,000	-
Total Donations, fundraising and other similar revenue	39,000	250,000
Interest, dividends and other investment revenue		
Interest Received	3,604	5,317
Total Interest, dividends and other investment revenue	3,604	5,317
Other revenue		
Professional Fees (158)	3,000	-
Total Other revenue	3,000	-
	2022	2021

2. Analysis of Expenses

Costs related to providing goods or services

Advertising	3,117	-
Bank Fees & Charges	65	-
Computer Expenses	-	860
Consultancy Fees	24,903	47,634
Donations	-	347
General Expenses	432	825
Landwise - Microfarm	3,000	-
Project - Carbon Positive	44,327	-
Communication	22,565	23,808
Project - Economic & Environmental Monitoring	-	16,000
Project - Farmer Profiles (\$12k)	-	900
Project - Manganoe Catchment - 25 Farms	61,026	-
Project - Soil Carbon	6,000	15,804
Secretarial Services	1,530	1,388
Subscriptions & Licences	116	-
Taxation Penalties	1,739	-
Website Expenses	2,420	-
Total Costs related to providing goods or services	171,240	107,565

Other expenses

Accountancy Fees	8,523	3,314
Audit Fee	2,500	-
Depreciation	717	1,434
Interest - Bank Overdraft	65	-

Interest - IRD Use of Money	-	665
Total Other expenses	11,806	5,414

2022 2021

3. Analysis of Assets

Bank accounts and cash

ANZ Go Account	9,026	38,372
ANZ Savings Account	40,441	50,045
Total Bank accounts and cash	49,467	88,417

Debtors and prepayments

Accounts Receivable	17,250	-
Goods & Services Tax	32,365	13,565
Interest Income Accrued	667	508
Total Debtors and prepayments	50,282	14,073

Other current assets

ANZ Term Deposit - 1000 - matures September 2021	150,709	148,897
ANZ Term Deposit 1003 - matures 19 October 2020	100,000	-
ANZ Term Deposit 1006 - matures 26 July 2021	-	100,499
ANZ Term Deposit 1007 - matures 27 October 2021	-	147,382
Total Other current assets	250,709	396,777

2022 2021

4. Analysis of Liabilities

Creditors and accrued expenses

Accounts Payable	29,064	41,147
Goods & Services Tax	-	-
Total Creditors and accrued expenses	29,063	41,147

2022 2021

5. Property, Plant and Equipment

Website Development

Website Development	4,050	4,050
Accumulated depreciation - website development	(3,333)	(2,616)
Total Website Development	717	1,434

Total Property, Plant and Equipment

717 1,434

The entity has committed to and contracted for no future capital expenditure which has not been accounted for in the financial statements. (2021: Nil).

2022 2021

6. Accumulated Funds

	2022	2021
Accumulated Funds		
Opening Balance	459,554	317,215
Accumulated surpluses or (deficits)	(137,442)	142,339
Total Accumulated Funds	322,112	459,554
Total Accumulated Funds	322,112	459,554

7. Commitments

There are no commitments as at 30 June 2022. (2021: Nil).

8. Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at 30 June 2022. (2021: Nil).

9. Related Parties

Tom Belford is a Trustee of the Trust and a Director and Shareholder of Belford Communications Limited which provides professional communication services to The Trust of \$22,565 (2021 year \$21,872).

Philip Schofield is a Trustee and a Partner in P&M Schofield Partnership who provided consultancy services to the Trust of \$3,000. (2021 \$1,857).

10. 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).

11. Ability to Continue Operating

The entity will continue to operate for the foreseeable future.