

## **Treasurer's Report – 2023-24**

I present the draft financial statements for the period of 1st July 2023 – 31st June 2024 to the Annual General Meeting of the HBFFCT.

These accounts have passed an external review by our appointed reviewer, Bay Audit, they have been prepared by Melissa Horsefield CA, BM Accounting Ltd.

As this is the 5th financial year, I thought it maybe helpful to recap the past 5 years.

Late 2018 an Establishment Working Group was set up. In August 2019 the Trust was formed with the support of seed funding from the HBRC of \$600,000 over 3 years. \$70,000 of this was spent by the HBRC in setting up the framework of the Trust and Trustees were appointed in Aug 2019.

YE 2020 showed a surplus of \$317,215 due to income of \$334,259 and \$17,044 of expenditure focused on scoping out projects, building a profile.

YE 2021 also showed surplus of \$142,339 due to income of \$255,317 and \$112,978 of expenditure, Projects incl the Soil Carbon Testing, E2M farm audits, farmer profiles, grazing workshops etc.

YE 2022 showed a deficit of \$137,442 due to lower income of \$45,604 and higher expenses of \$183,046. Accumulated Funds of \$322,112. This year has been a busy year for the Trust with 2 large work streams responsible for the majority of expenditure. The Mangaone Catchment Group Project (Soil Carbon ) and the Carbon Positive Project in conjunction with LandWISE. Work has continued with the Trust communicating to the community via Website, various media.

YE 2023 showed a deficit of \$83,195 compared with the last financial year this was reduced, in part due to the income stream from the Carbon Positive Project, as up until this financial year we had been incurring cost developing the project, but no income .

YE 2024 shows a deficit of \$52,596 our budget showed a net profit of \$24K, if we achieved sponsorship of \$112K and kept our costs in check. We have only managed to raise \$65K of sponsorship. We had projected to receive \$105K of income from a smaller Farming for Carbon (Ex Mangaone) Project, however this has not eventuated and we continue to incur cost in this project area (\$30K approx ). The fact that we continue to run at a deficit is not financially prudent nor sustainable. As discussed at each Board meeting , we are considering ways to reduce costs whilst continuing our committed workstreams.

Re future income. It is my opinion that the Trust needs to consider focusing on sponsorship so that we reach a surplus financial situation, or at least cost neutral. This will require effort from both internally and externally of the Trust.

We have a term deposit of \$164,403 as at YE 2024 which we will need to draw upon if we do not raise the sponsorship required to offset another deficit.

Re management of the accounts, all creditors are paid monthly, approved by minimum of 3 of the Trustees. Payments are generated by the Treasurer via ANZ mobile banking or ANZ Direct app, and are then approved by another Trustee, who is an ANZ customer. Monthly reconciliation in Xero is carried out by BM Accounting. Bi Monthly GST is reconciled by BM. The accounts show a taxation penalty, this was due to a late filing by BM, they reduced their charges to cover this cost to the Trust.

The YE accounts are drafted by BM, then reviewed by Bay Audit. This has been completed in Dec 2024 with no outstanding issues raised.

Thank you to BM Accounting, my fellow Trustees and inkind providers for their support of the Trust.

Rgds Scott Lawson.

Treasurer of Hawkes Bay Future Farming Charitable Trust.