



YEARS  
ANNIVERSARY



NZ Institute of  
Primary Industry  
Management

# Annual Report

NZ Institute of Primary Industry Management Incorporated

For the year ended 28 February 2019



## The President and Chief Executive's Report

**Uncertainty. One word that seems to capture the sentiment and state of flux being experienced by farmers at the moment.**

Increased on-farm environmental regulations, growing statutory requirements and additional compliance costs for farm businesses have provided a backdrop for increased uncertainty within the farming community, the likes of which we have not seen since the late 1980s.

Unfortunately this shows no signs of abating. Whereas the changes in the '80s were driven by a resetting of New Zealand's economic approach, today they are being driven by changing societal values and increased concerns over the future state of the environment. As the Zero Carbon Bill weaves its way through the parliamentary process, significant reductions are proposed for biogenic methane emissions. These represent a considerable challenge for livestock producers and, based on the tools currently available, appear to be heavily reliant on some yet to be seen new scientific or technological breakthrough.

We are also seeing the Reserve Bank of New Zealand contemplate higher capital levels to be held by the banks. This will most likely impact upon future lending arrangements within the agricultural and horticultural sectors through some combination of decreased availability of capital and increased cost of loans.

Together these factors challenge confidence within the farming community and require new ways of thinking about the future of our primary sectors.

The sheer scale and velocity of these changes, together with uncertainty around the right way to move forward, represents a formidable challenge for farmers. The role of NZIPIM's members is more important than ever in helping their clients prepare in this new environment so members are able to better inform and advise farmers on the myriad of new and pending regulations while maintaining an eye on future market opportunities.

The Institute is very mindful of its role in better equipping and expanding members' knowledge base, and in providing them with opportunities to connect and expand their network to more effectively support and service their farming clients in a fast-changing world.

### Highlights

2019 represents a significant milestone for the Institute as we celebrate our 50<sup>th</sup> anniversary. Formed in 1969 as the Farm Management Society to develop and recognise farm management and advisory capability within an emerging profession, the Institute now encompasses a broad range of rural professionals providing professional advice and services to the farming community and wider agribusiness sectors. The ideals established by our founding members in establishing the Institute hold equally true today as we continue to develop the capability and knowledge base of our membership in helping their clients improve the production of agri-food and fibre products sustainably and in developing profitable farming enterprises for the future.

The Institute continues to experience strong membership support and for the first time in our history exceeded 1,000 members. In the year ending February 2019 membership numbers reaching a high of 1,057 (up from 998 the year before). Student membership numbers have remained steady at 312.

During the year the Board developed the 2019-2022 strategic plan for the Institute, building on the successful rollout of our previous strategy. The Institute's newly launched plan is built on three strategic objectives:

- **Equip** – Equipping members to have successful careers and businesses to deliver effective and highly valued services to support their clients
- **Engage** – Creating a strong and mutually supportive environment to enable members to connect and share knowledge with other rural professionals and industries
- **Influence** – Representing the interests of members to industry, the public and government on significant issues that directly affect members.

We wish to thank members who contributed toward the development of the strategic plan.

During the year 48 branch events were held throughout the regions, slightly up on 43 held in the previous year. Events are core to the work we do as an Institute and contribute to both our Equip and Engage strategic objectives in expanding the knowledge base of members and providing networking opportunities for them (as well as industry stakeholders in the regions). Branch events continue to be well supported, with 1,547 registrations received across all events for the year, up 15% from the previous year. We are very grateful for our hard-working branch chairs and committees who lead this work and continue to organise high quality and well supported events for local members.

This year we held five webinars covering a diverse range of topics, including an introduction to OverseerFM, *Mycoplasma bovis* updates and a carbon market overview. This platform has proven to be a great addition to branch events and has allowed us to more readily and quickly present highly relevant and dynamic topics to the whole membership.

Our annual conference continues to grow in popularity and relevance. Hamilton's conference in August 2018 was an outstanding success, with over 200 people attending, including a keynote speech from the Minister of Agriculture.

The Dairy Farm Systems Certification Scheme is fully operational and, as of June 2019, 20 certified consultants have completed certification requirements.

We now count DairyNZ, FMG, the Ministry of Primary Industries (MPI) and Ravensdown as strategic partners of the Institute. This group continue to test our thinking in how we add value and develop the capability of the rural profession.

### Financial

The Institute was engaged by a collective of regional councils, central government (MPI and MfE) and industry good bodies (DairyNZ, Beef + Lamb NZ and HortNZ) to help develop a Farm Environmental Plan Certification Scheme. The additional income from this project

helped the Institute achieve a surplus of \$65,406 for the financial year ending 28 February 2019. Total income for the year was \$541,039, which is up from last year (2018: \$381,548).

Expenditure for the year stood at \$473,152 before tax, which is also up on last year (2018: \$380,637), including higher costs to completing various projects. Assets held by or on behalf of members now stand at \$322,476, placing the Institute on a sound financial footing.

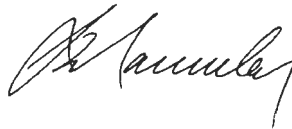
### Thanks

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In closing, we would like to thank members, branch chairs and committees, and our strategic partners for supporting the Institute for the year ending February 2019. We wish to acknowledge the outstanding contribution of Guy Blundell and Tony Finch who stepped down from the Board in August 2018. We would also like to acknowledge the contribution of your Board members – Edward Hardie, Lee Matheson, Craig McBeth, Carla Muller, Jeremy Savage and Vanessa Winning (from August 2018) – and the hard-working team at national office of Melissa Bahler, Emma Crosland and Fiona Hatzilamprou.



Craig Osborne  
President



Stephen Macaulay  
Chief Executive

**Officer Report**  
**NZ Institute of Primary Industry Management Incorporated**  
**For the year ended 28 February 2019**

**1. Officers' Disclosure:**

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On this date the Chair approves and issues the annual report including the financial statements for New Zealand Institute of Primary Industry Management Incorporated for the year ended 28 February 2019.

For and on behalf of the Board



Craig Osborne

Chair

Dated this : 31 May 2019

**Organisation Information**  
**NZ Institute of Primary Industry Management Incorporated**  
**For the year ended 28 February 2019**

**1. Registered Office:**

Level 3  
69 The Terrace  
Wellington

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**2. Auditors:**

Kendons Chartered Accountants Limited  
Kendon House  
69 Rutherford St  
Lower Hutt 5010

**3. Bankers:**

Bank of New Zealand  
38 Willis Street  
Wellington Central  
Wellington

**4. Accountants:**

Bookkeeping & Accounting Solutions  
9 Dart Crescent  
Island Bay  
Wellington 6023

**Profit & Loss**  
**NZ Institute of Primary Industry Management Incorporated**  
**For the year ended 28 February 2019**

	Note	Feb-19	Feb-18
<b>Income</b>			
Membership Subscription		\$272,277	\$263,851
NZIPIM Journal Subscription		\$1,239	\$815
Registration Fee		\$3,050	\$3,498
<b>Total Income</b>		<b>\$276,566</b>	<b>\$268,164</b>
<b>Plus Other Income</b>			
Certification Fees		\$7,930	\$3,150
Conference Surplus/(Deficit)		\$40,148	\$47,094
DairyNZ Contract		\$21,000	\$13,500
Strategic Partnership Arrangements		\$40,000	\$20,000
Interest Income		\$12,275	\$12,333
Other Revenue		\$143,120	\$17,307
<b>Total Other Income</b>		<b>\$264,473</b>	<b>\$113,384</b>
<b>Total Operating Income</b>		<b>\$541,039</b>	<b>\$381,548</b>
<b>Less Operating Expenses</b>			
Auditor Remuneration		\$2,600	\$2,700
Bank Fees & Penalties		\$3,185	\$2,725
Depreciation		\$2,129	\$2,726
Employment Costs		\$270,003	\$256,802
Interest Expense		\$2,410	\$2,566
Journal Production Costs		\$45,867	\$43,391
Rent		\$9,026	\$9,026
Travel Expenses		\$6,156	\$5,670
Other Expenses	9	\$131,776	\$55,031
<b>Total Operating Expenses</b>		<b>\$473,152</b>	<b>\$380,637</b>
<b>Operating Profit</b>		<b>\$67,887</b>	<b>\$911</b>
<b>Non-operating Expenses</b>			
Income Tax Expense		\$2,481	\$1,392
<b>Total Non-operating Expenses</b>		<b>\$2,481</b>	<b>\$1,392</b>
<b>Net Profit / (Loss)</b>		<b>\$65,406</b>	<b>-\$481</b>

**Notes:**

This statement is to be read in conjunction with the Notes to the Financial Statements

**Balance Sheet**  
**NZ Institute of Primary Industry Management Incorporated**  
**As at 28 February 2019**

	Note	Feb-19	Feb-18
<b>Assets</b>			
Bank		79,286	59,661
Accounts Receivable		946	10,563
Investments		318,563	319,511
Other Receivables	10	88,804	10,723
<b>Total Current Assets</b>		<b>487,599</b>	<b>400,458</b>
Computer Equipment		6,718	5,569
Office Equipment		1,585	2,360
<b>Total Fixed Assets</b>	11	<b>8,303</b>	<b>7,929</b>
<b>Total Assets</b>		<b>495,902</b>	<b>408,387</b>
<b>Liabilities</b>			
Accounts Payable		13,205	13,952
Income Tax		2,481	1,555
Other Accruals		67,253	47,710
<b>Total Current Liabilities</b>		<b>82,939</b>	<b>63,217</b>
<b>Non-Current Liabilities</b>			
C D Branch Reserve Fund		3,233	3,146
Canterbury Westland Fund		33,859	32,421
Hawkes Bay Branch Reserve Fund		9,215	8,882
Marl/Nelson Branch Reserve Fund		62	60
Northland Branch Reserve Fund		505	492
Otago Branch Reserve Funds		2,894	2,581
Rotorua/BoP Branch Reserve Funds		7,831	7,621
Taranaki Reserve Funds		151	147
Waikato Branch Reserve Fund		19,805	20,164
Wellington/Wairarapa Branch Reserve Fund		12,932	12,586
<b>Total Branch Funds Held in Trust</b>		<b>90,487</b>	<b>88,100</b>
<b>Total Liabilities</b>		<b>173,426</b>	<b>151,317</b>
<b>Net Assets</b>		<b>322,476</b>	<b>257,070</b>
<b>Members Funds</b>			
Members Funds		72,731	67,213
Current Year Earnings		65,406	(481)
<b>Reserves</b>			
Disciplinary Reserve Fund		35,725	35,725
Registration Reserve Fund		39,257	39,257
Strategic Initiatives Reserve Fund		109,357	109,356
UK Institute of Agriculture Student Fund		0	6,000
<b>Total Members Funds &amp; Reserves</b>	12	<b>322,476</b>	<b>257,070</b>

**Notes:**

This statement is to be read in conjunction with the Notes to the Financial Statements

Signed   
Chair

Signed   
Chief Executive Officer



**Depreciation Schedule**  
**NZ Institute of Primary Industry Management**  
**1 March 2018 to 28 February 2019**

Name	Cost	Rate	Purchased	Disposed	1-Mar-18	Purchases	Depreciation	Disposals	Accum Dep	28-Feb-19
<b>Computer Equipment</b>										
Cloud PABX	\$480	20.0% DV	31/05/2017		\$400	\$0	\$80	\$0	\$160	\$320
Computer Equipment - Server	\$8,157	50.0% DV	1/09/2011		\$1,203	\$0	\$601	\$0	\$7,556	\$601
HP ProBook 430	\$1,095	20.0% DV	31/01/2014	18/04/2018	\$433	\$0	\$7	\$426	\$0	\$0
Lapio HP ProBook 450 G4 15.6"Notebook - Event Coordinator	\$1,844	20.0% DV	30/04/2018		\$0	\$1,844	\$338	\$0	\$338	\$1,506
Lapio HP ProBook 450 G4 15.6"Notebook - Accountant	\$1,740	20.0% DV	23/03/2017		\$1,392	\$0	\$278	\$0	\$626	\$1,114
Lapio HP ProBook 450 G4 15.6"Notebook - Administration	\$1,640	20.0% DV	23/03/2017		\$1,312	\$0	\$262	\$0	\$590	\$1,050
Laptop & Screen	\$1,957	20.0% DV	1/01/2013	13/06/2018	\$641	\$0	\$32	\$609	\$0	\$0
Monitor	\$293	20.0% DV	29/02/2016		\$188	\$0	\$38	\$0	\$143	\$150
Toshiba Portege X30-D 13.3 (CEO)	\$1,977	20.0% DV	13/06/2018		\$0	\$1,977	\$0	\$0	\$0	\$1,977
<b>Total Computer Equipment</b>	<b>\$18,183</b>				<b>\$5,569</b>	<b>\$3,821</b>	<b>\$1,637</b>	<b>\$1,035</b>	<b>\$9,413</b>	<b>\$6,718</b>
<b>Office Equipment</b>										
Desk & Draws	\$759	20.0% DV	1/02/2016	28/02/2019	\$477	\$0	\$95	\$382	\$0	\$0
iFlex Flag Pole 2.5 feather shape (x3)	\$1,120	20.0% DV	9/10/2017		\$1,027	\$0	\$205	\$0	\$299	\$821
NZPIM Pull UP Banners	\$1,960	20.0% DV	31/07/2014		\$870	\$0	\$174	\$0	\$1,264	\$696
Office Chair	\$355	20.0% DV	1/09/2010		\$85	\$0	\$17	\$0	\$287	\$68
<b>Total Office Equipment</b>	<b>\$4,194</b>				<b>\$2,459</b>	<b>\$0</b>	<b>\$492</b>	<b>\$382</b>	<b>\$1,850</b>	<b>\$1,585</b>
<b>Total</b>	<b>\$23,376</b>				<b>\$8,028</b>	<b>\$3,821</b>	<b>\$2,129</b>	<b>\$1,417</b>	<b>\$11,263</b>	<b>\$8,303</b>

**Notes to the Financial Statements**  
**NZ Institute of Primary Industry Management Incorporated**  
**For the year ended 28 February 2019**

**1. Statement of Accounting Policies:**

New Zealand Institute of Primary Industry Management Incorporated ('the Institute') is an incorporated society registered under the Incorporated Societies Act 1908 (as amended).

The financial statements have been prepared in accordance with generally accepted accounting practice as required by the Chartered Accountants Australia and New Zealand.

The Institute qualifies for differential reporting as it is not publicly accountable and is not large as defined in the Framework for Differential Reporting. The Institute has taken advantage of all available exemptions.

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on an historical cost basis have been used, with the exception of certain items for which specific accounting policies have been identified.

**2. Changes in Accounting Policies:**

There have been no changes in Accounting Policies. All policies have been applied on bases consistent with those used in previous years.

**3. Fixed Assets and Depreciation:**

All fixed assets are recorded at cost less accumulated depreciation.

The Institute has the following asset classes:  
Computer Equipment. 20% Diminishing Value  
Office Equipment. 20% Diminishing Value  
Software. 50% Diminishing Value

**4. Income Recognition:**

All income is recorded on an accrual basis.

**5. Goods and Services Tax:**

These financial statements have been prepared on a GST exclusive basis with the exception of Accounts Receivable and Accounts Payable.

**6. Income Tax:**

Income Tax expense charged to the Profit and Loss Statement recognises the current obligations for the period, calculated using the Taxes Payable method.

The Institute has non-profit status with Inland Revenue and is exempt from Resident Withholding Tax on interest income. Generally any surplus arising from normal transactions within the membership of the Institute is exempt from income tax under the Mutuality Principle. Any surplus reported for the Annual Conference has not accounted for any indirect operational costs incurred. The Institute has calculated that the events would not make any surplus after these costs are allocated.

**7. Investments:**

Investments are stated at cost.

**8. Accounts Receivable:**

Receivables are stated at their estimated realisable value. Bad debts are written off in the year in which they are identified.

**9. Other Expenses:**

	<b>2019</b>	<b>2018</b>
ACC & Insurance	2,292	2,019
Advertising & Public Relations Expenses	655	450
Board Expenses	14,612	12,012

Branch Grants	3,091	4,881
Computer Expenses	1,490	2,074
Database Expenses	5,875	5,875
Farm Environmental Plan Certification Development	64,836	0
Fertiliser Group Representation	918	834
General Expenses	4,219	5,559
General Printing, Postage & Stationery	2,826	2,867
Leadership Development Forum	17,996	0
Loss on Sale of Assets	1,417	0
President's Honararium	1,500	2,500
Professional Development Events	2,267	9,973
Registration Expense	0	150
Rural Emerging Profesional of the Year	3,000	0
Scholarships	0	1,000
Strategic Partners Costs	0	998
Subscriptions	2,242	1,595
Telephone & Internet	2,540	2,244
<b>Total Other Expenses</b>	<b>131,776</b>	<b>55,031</b>

**10. Other Receivables:**

	2019	2018
Accrued Revenue	85,388	1,618
Prepayments	3,416	9,105
<b>Total Other Receivables</b>	<b>88,804</b>	<b>10,723</b>

**11. Fixed Assets:**

	2019	2018
At cost	16,131	15,362
Less Accumulated Depreciation	(9,413)	(9,793)
<b>Computer Equipment</b>	<b>6,718</b>	<b>5,569</b>
At cost	3,435	4,095
Less Accumulated Depreciation	(1,850)	(1,735)
<b>Office Equipment</b>	<b>1,585</b>	<b>2,360</b>
<b>Total Fixed Assets</b>	<b>8,303</b>	<b>7,929</b>

## 12. Members Funds & Reserves

	2019	2018
Opening Balance	66,732	67,213
Surplus/Deficit	65,406	(481)
<b>Movements to Reserves</b>		
Transfer from Disciplinary Reserve Fund	0	0
Transfer to Disciplinary Reserve Fund	0	0
Transfer to Registration Reserve Fund	0	0
Transfer to UK Institute of Agriculture Student Fund	6,000	0
<b>Closing Balance Members Fund</b>	<b>138,138</b>	<b>66,732</b>
Opening Balance	35,725	35,725
Transfer from Member Funds	0	0
Less Transfer to Member Funds	0	0
<b>Closing Balance Disciplinary Reserve Fund</b>	<b>35,725</b>	<b>35,725</b>
Opening Balance	39,257	39,257
Transfer from Member Funds	0	0
Plus Other Income	0	0
<b>Closing Balance Registration Reserve Fund</b>	<b>39,257</b>	<b>39,257</b>
Opening Balance	109,356	111,858
Scholarship	0	(2,502)
Transfer from Member Funds	0	0
<b>Closing Balance Strategic Initiatives Reserve Fund</b>	<b>109,356</b>	<b>109,356</b>
Opening Balance	6,000	12,000
Transfer from/(to) Member Funds	(6,000)	0
Member attendance - Royal Agricultural University	0	(6,000)
<b>Closing Balance Registration Reserve Fund</b>	<b>0</b>	<b>6,000</b>
<b>Total Members Funds and Reserves</b>	<b>322,476</b>	<b>257,070</b>

## 14. Contingent Liabilities & Commitments

There are no contingent liabilities at balance date (2018: Nil)

There are no capital commitments at balance date (2018: Nil)

## 15. Subsequent Events

There are no events that have occurred after balance date that would have a material impact on the Financial Statements (2018: Nil).

## 16. Related Party Disclosure

Board members are reimbursed for expenses relating to travel to attend board meetings.

**INDEPENDENT AUDITOR'S REPORT****To the Members of NZ Institute of Primary Industry Management Incorporated****Opinion**

We have audited the financial statements of NZ Institute of Primary Industry Management (the Entity) which comprise the statement of financial position as at 28 February 2019, and the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at 28 February 2019 and its financial performance and its cash flows for the year then ended in accordance with Public Benefit Entity Standards issued by the New Zealand Accounting Standards Board.

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Entity 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 in our capacity as auditor we have no relationship with, or interests in, the Entity.

**Responsibilities of Those Charged with Governance for the Financial Statements**

Those charged with governance are responsible on behalf of the Entity for the preparation and fair presentation of the financial statements in accordance with Public Benefit Entity Standards and for such internal control as those charged with governance determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, those charged with governance are responsible on behalf of the Entity for assessing the Entity'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 those charged with governance 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 Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole 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 these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located at the XRB's website at [https://xrb.govt.nz/Site/Auditing\\_Assurance\\_Standards/Current\\_Standards/Description\\_Auditors\\_responsibilities.aspx](https://xrb.govt.nz/Site/Auditing_Assurance_Standards/Current_Standards/Description_Auditors_responsibilities.aspx).

**Kendons Chartered Accountants Limited**Michael Markham  
Director

31 May 2019

adding value to business