

Waikato/Bay of Plenty Division

Cancer Society of New Zealand Incorporated

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 March 2019

**Waikato/Bay of Plenty Division
Cancer Society of New Zealand Incorporated**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

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**Waikato/Bay of Plenty Division
Cancer Society of New Zealand Incorporated
DIRECTORY
FOR THE YEAR ENDED 31 MARCH 2019**

PRINCIPAL ACTIVITIES: Provision of support services, health promotion, research, advocacy and information services for people affected by cancer.

BOARD MEMBERS

CHAIRPERSON: James Primrose (from 14 September 2018)
Murray Loewenthal (National Board Representative) (to 14 September 2018)

VICE CHAIRPERSON: Sally Powdrell
Richard Seabrook (to 14 September 2018)

BOARD MEMBERS: Shelley Campbell
Clive Cleland (to 12 April 2018)
Maurice Gianotti (National Board Representative from 14 September 2018)
Denise Irvine
Rachael Mounsey (to 27 February 2019)
James Primrose (from 29 May 2018)
Ellyn Dean (from 29 May 2018)
Kim Richards
Ruth Ross
Matthew White (from 29 May 2018)

CHIEF EXECUTIVE: Shelley Campbell

INDEPENDENT AUDITOR: Bakertilly Staples Rodway Audit Limited

PHYSICAL ADDRESS: Corner Grey and Beale Streets
Hamilton 3240

WEBSITE: www.cancernz.org.nz

Waikato/Bay of Plenty Division - Cancer Society of New Zealand Incorporated
Statement of Comprehensive Revenue and Expenses
for the year ended 31 March 2019


	Notes	2019 \$	2018 \$
Revenue from non-exchange transactions			
Donations		188,399	158,871
Grants		117,817	62,113
Fundraising Revenue		1,445,471	1,303,227
Legacies and Bequests		742,374	1,475,836
		2,494,061	3,000,047
Revenue from exchange transactions			
Income from Investments	4	262,768	265,057
Health Promotion Merchandise		5,778	6,537
Subscriptions		126	265
Lodge Revenue		969,438	969,618
Other Exchange Transactions		22,069	7,792
		1,260,179	1,249,269
Gain on sale of Property, Plant and Equipment		4,014	6,232
Total Revenue		3,758,254	4,255,548
Expenditure			
Administration		1,095,342	983,001
Cancer Society's Lions Lodge		750,432	725,036
Community Services		941,354	807,898
Depreciation		456,499	410,929
Fundraising		594,137	552,345
Grants		51,550	33,906
Health Promotion Activities		274,390	313,442
Loss on disposal of Property, Plant and Equipment		9,118	-
National Levy		508,004	423,297
Total Expenditure		4,680,826	4,249,854
Surplus/(Deficit) for the Year		(922,572)	5,694
Other Comprehensive Revenue and Expenses			
Fair Value gain/(loss) on investments		488,447	(29,964)
Total Comprehensive Revenue and Expenses		(434,125)	(24,270)

These financial statements should be read in conjunction with the notes to the financial statements

Waikato/Bay of Plenty Division - Cancer Society of New Zealand Incorporated
Statement of Changes in Net Assets/Equity
for the year ended 31 March 2019

	Accumulated Funds (Note 9)	Investment Fair Value Reserve	Research and Overseas Travel Reserve (Note 13)	Mona Lickfold Memorial Fund (Note 12)	Megan Patchell Education Fund (Note 11)	Lawrence Jones Research Fund (Note 10)	Total Equity
Opening balance 1 April 2018	17,006,507	994,820	266,128	55,242	35,922	808,700	19,167,319
Surplus/(Deficit) for the year	(922,572)	-	-	-	-	-	(922,572)
Other Comprehensive Income	488,447	488,447	-	-	-	-	488,447
Total Comprehensive Revenue and Expenses for the year	(922,572)	488,447	-	-	-	-	(434,125)
Net Equity Before Transfers to Reserves	16,083,935	1,483,267	266,128	55,242	35,922	808,700	18,733,194
Transfers to/(from) Reserves	(46,006)	-	2,292	(2,078)	1,948	43,844	-
Closing Equity 31 March 2019	16,037,929	1,483,267	268,420	53,164	37,870	852,544	18,733,194

	Accumulated Funds (Note 9)	Investment Fair Value Reserve	Research and Overseas Travel Reserve (Note 13)	Mona Lickfold Memorial Fund (Note 12)	Megan Patchell Education Fund (Note 11)	Lawrence Jones Research Fund (Note 10)	Total Equity
Opening balance 1 April 2017	17,043,960	1,024,784	261,004	59,862	34,108	767,871	19,191,589
Surplus for the year	5,694	-	-	-	-	-	5,694
Other Comprehensive Income	(29,964)	(29,964)	-	-	-	-	(29,964)
Total Comprehensive Revenue and Expenses for the year	5,694	(29,964)	-	-	-	-	(24,270)
Net Equity Before Transfers to Reserves	17,049,654	994,820	261,004	59,862	34,108	767,871	19,167,319
Transfers to/(from) Reserves	(43,147)	-	5,124	(4,620)	1,814	40,829	-
Closing Equity 31 March 2018	17,006,507	994,820	266,128	55,242	35,922	808,700	19,167,319


James Primrose, Chair
26 June 2019


Matthew White
26 June 2019

These financial statements should be read in conjunction with the notes to the financial statements



Waikato/Bay of Plenty Division - Cancer Society of New Zealand Incorporated
Statement of Financial Position
as at 31 March 2019

	Notes	2019 \$	2018 \$
Current Assets			
Bank Accounts		439,612	641,110
Imprest Accounts		489	550
Mona Lickfold Memorial Fund Account		53,165	55,242
Megan Patchell Trust Account		37,870	35,922
Lawrence Jones Trust Account		852,544	808,700
Prepayments		-	2,000
GST Refund Due		10,833	16,919
Receivables from Exchange Transactions		95,453	121,194
Receivables from Non-Exchange Transactions		101,924	-
		1,591,890	1,681,637
Non Current Assets			
Investments	5,6	4,630,961	4,634,967
Property, Plant and Equipment	7	15,798,801	16,090,057
		20,429,762	20,725,024
Total Assets		22,021,652	22,406,661
Current Liabilities			
Accounts and Other Payables		138,476	107,392
Employee Entitlements		149,982	131,950
Hold Estate Mortgage Advance	8	3,000,000	3,000,000
		3,288,458	3,239,342
Net Assets		18,733,194	19,167,319
Represented by:			
Accumulated Funds	9	16,037,929	17,006,507
Investment Fair Value Reserve		1,483,267	994,820
Lawrence Jones Research Fund	10	852,544	808,700
Megan Patchell Education Fund	11	37,870	35,922
Mona Lickfold Memorial Fund	12	53,164	55,242
Research and Overseas Travel Reserve	13	268,420	266,128
Accumulated Funds and Reserves		18,733,194	19,167,319

These financial statements should be read in conjunction with the notes to the financial statements

Waikato/Bay of Plenty Division - Cancer Society of New Zealand Incorporated
Statement of Cash Flows
for the year ended 31 March 2019

	2019	2018
	\$	\$
Cash Flows from Operating Activities		
<i>Cash was provided from</i>		
Grants, donations and bequests	1,235,722	1,696,820
Fundraising	1,273,645	1,303,227
Interest received	48,395	66,404
Goods and Services provided	917,859	955,396
	3,475,621	4,021,847
<i>Cash was applied to</i>		
Payments to suppliers	1,946,139	1,780,637
Payments to employees	2,223,675	1,960,414
Net GST paid	130	14,352
	4,169,944	3,755,403
Net Cash Flows from Operating Activities	(694,323)	266,444
 Cash Flows from Investing Activities		
<i>Cash was provided from</i>		
Proceeds from disposal of investments	569,958	-
Sale of Property, Plant and Equipment	34,915	82,437
Dividends received	143,544	135,474
	748,417	217,911
<i>Cash was applied to</i>		
Payments for purchase of investments	6,676	27,129
Payments for investment in First Mortgage Trust	-	1,450,000
Payments for purchase of Property, Plant and Equipment	205,262	260,276
	211,938	1,737,405
Net Cash Flows from Investing Activities	536,479	(1,519,494)
 Cash Flows from Financing Activities		
<i>Cash was provided from</i>		
Funds received from Hold Estate	-	1,800,000
	-	1,800,000
Net Cash Flows from Financing Activities	-	1,800,000
 Net increase/(decrease) in cash equivalents	(157,844)	546,950
Cash and cash equivalents 1 April	1,541,524	994,574
Cash and cash equivalents 31 March	1,383,680	1,541,524

These financial statements should be read in conjunction with the notes to the financial statements

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

1. REPORTING ENTITY

The reporting entity is the Waikato/Bay of Plenty Division Cancer Society of New Zealand (Inc.), hereinafter referred to as the "Division". The Division is domiciled in the Waikato/Bay of Plenty region of New Zealand and is a not for profit charitable organisation registered under the Incorporated Societies Act 1908 and the Charities Act 2005.

These financial statements and the accompanying notes summarise the financial results of activities carried out by the Division for the year ended 31 March 2019.

These financial statements were authorised for issue by the Board on 26 June 2019.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

The Division's financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP). They comply with Public Benefit Entity International Public Sector Accounting Standards (PBE IPSAS) and other applicable financial reporting standards as appropriate that have been authorised for use by the External Reporting Board for Not-For-Profit entities. For the purpose of complying with NZ GAAP, the Division is a public benefit not-for-profit entity and is eligible to apply Tier 2 Not-For-Profit PBE IPSAS on the basis that it does not have public accountability and it is not defined as large.

The Board has elected to report in accordance with Tier 2 Not-For-Profit PBE Accounting Standards and in doing so has taken advantage of all applicable Reduced Disclosure Regime (RDR) disclosure concessions.

2.2 Basis of Measurement

The financial statements have been prepared on the basis of historical cost, except for the revaluation of the following assets, which are stated at their fair value:

- Available for sale financial assets through Other Comprehensive Income.

The financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period.

2.3 Functional and Presentation Currency

The financial statements are presented in New Zealand dollars, which is the Division's functional and presentation currency, rounded to the nearest dollar.

2.4 Critical Accounting Estimates and Judgements

The preparation of financial statements in conformity with PBE IPSAS requires management to make certain critical accounting estimates, judgements and assumptions that affect the application of policies and the reported amount of assets, liabilities, income and expenses. The estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of the judgements. Actual results may differ from these estimates.

The estimates and judgements are reviewed by management each year. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. Information about judgements made by management in applying accounting policies that have a significant effect on the amount recognised in the financial statements relate to Current Liabilities: Hold Estate Mortgage Advance (Note 8).

2.5 Changes in Accounting Policy

No changes in accounting policy have been made during the current financial year.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued) For the year ended 31 March 2019

3. SPECIFIC ACCOUNTING POLICIES

The following specific accounting policies which materially affect the measurement of financial performance and financial position have been applied.

3.1 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Division and revenue can be reliably measured. Revenue is measured at the fair value of the consideration received. The following specific recognition criteria must be met before revenue is recognised.

3.1.1 Revenue from Exchange Transactions

Revenue from exchange transactions is recognised when the significant risks and rewards have been transferred to the buyer on delivery of goods or services and when the amount of revenue can be measured reliably and it is probable that the economic benefits or service potential associated with the transaction will flow to the Division. The Division's revenue from exchange transactions includes lodge contract revenue, investment income and income from other sundry exchange transactions.

3.1.2 Lodge Contract Revenue

The Division receives funding from the government for carrying out the services specified in the Cancer Society's Lions Lodge contract. Revenue is recognised in the period the services are provided.

3.1.3 Investment Revenue

Investment revenue is presented in the Statement of Comprehensive Revenue and Expenses and may include interest and dividend income on funds invested, gains and losses on the disposal of investments, changes in the fair value of investments and foreign currency gains and losses. Interest revenue is recognised as it accrues, using the effective interest method. Dividend income is recognised when the dividend is received.

3.1.4 Revenue from non-exchange transactions

Non-exchange transactions are those where the Division receives an inflow or transfer of resources but provides no (or minimal) direct consideration in return.

Assets and revenue arising from transfer transactions are recognised in the period in which the transfer arrangement becomes binding, except for some services-in-kind. The entity recognises only those services-in-kind that are received as part of an organised programme and for which it can determine a fair value by reference to market rates. Other services in-kind are not recognised.

Assets and revenue recognised as a consequence of a transfer are measured at the fair value of the assets recognised as at the date of recognition. Monetary assets are measured at their nominal value unless the time value of money is material, in which case present value is used, calculated using a discount rate that reflects the risk inherent in holding the asset. Non-monetary assets are measured at their fair value, which is determined by reference to observable market values or by independent appraisal by a member of the valuation profession. Receivables are recognised when a binding transfer arrangement is in place, but cash or other assets have not been received.

The Division recognises a liability where revenue from a non-exchange transaction is subject to conditions that, if unfulfilled, require the return of the transferred resources. The entity recognises a liability until the condition is fulfilled, if it is probable that an outflow of resources embodying future economic benefit or service potential will be required to settle the obligation, and the amount of the obligation can be reliably estimated.

The Division's non-exchange transactions include donations, fundraising, grants and bequests received.

3.1.5 Donations

Donations are recognised as revenue upon receipt and include donations from the general public, donations received for specific programmes or services or donations in-kind.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued) For the year ended 31 March 2019

3.1.6 Fundraising Revenue

Fundraising revenue is recognised as revenue when the right to receive has been established.

3.1.7 Grant revenue

Grant revenue includes grants given by other charitable organisations, philanthropic organisations and businesses. Grant revenue is recognised when the conditions attached to the grant have been complied with. Where there are unfulfilled conditions attaching to the grant, the amount relating to the unfulfilled condition is recognised as a liability and released to revenue as the conditions are fulfilled.

3.1.8 Legacies and Bequests

Revenue from legacies and estates that satisfies the definition of an asset is recognised when it is probable that future economic benefits or service potential will flow to the entity, and the fair value can be measured reliably. An exception applies to legacies received from the Hold Estate which has been recorded as a liability, until the period for application by other potential beneficiaries expires in December 2021.

3.2 Assets

3.2.1 Financial Assets

Financial assets are recognised when the Division becomes a party to the contractual provisions of the financial instrument.

The Division classifies its financial assets in the following categories: financial assets at fair value through the surplus or deficit, loans and receivables and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date. The Division's financial assets include: cash and cash equivalents, short-term investments, receivables from non-exchange transactions, receivables from exchange transactions and investments.

3.2.2 Cash and Cash Equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. The carrying value of cash at banks and on hand approximates their fair value.

3.2.3 Loans and Receivables

Loans and receivables are non-derivative financial assets with determinable payments that are not quoted in an active market. They are included in current assets, except those with maturities greater than 12 months after the balance date. These are classified as non-current assets.

Loans and receivables are initially recognised at fair value plus transaction costs. After initial recognition these are measured at amortised cost using the effective interest method, less any allowance for impairment. The Division's Receivables from Exchange Transactions fall into this category.

Collectability of receivables is reviewed on an ongoing basis. Individual debts which are known to be uncollectible are written off. A provision for impairment of trade receivables is established when there is objective evidence that the Division will not be able to collect all amounts due according to the original terms of the receivables

If, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed and the reversal is recognised in the Statement of Comprehensive Revenue and Expenses.

3.2.4 Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued) For the year ended 31 March 2019

Statement of Financial Position. The Division's investments in listed securities are classified as available-for-sale financial assets.

Available-for-sale financial assets are subsequently measured at fair value with gain and losses recognised in other comprehensive revenue and expenses and presented in the available-for-sale fair value reserve within net assets/equity, less impairment (refer note 5).

3.2.5 Financial Assets at Fair Value through Surplus or Deficit

These financial assets are designated by management at fair value through the surplus or deficit at inception. Subsequent to initial recognition, all financial assets at fair value through the surplus or deficit are measured at fair value.

Financial assets designated at fair value through the surplus or deficit at inception are those that are Held-for-trading or designated at initial recognition. They are managed and their performance evaluated on a fair value basis in accordance with the Division's documented investment strategy. Information is provided to management on that basis.

3.2.6 Impairment of financial assets

All financial assets are reviewed for impairment at the end of reporting periods and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows (cash generating units). The amount of impairment loss are recognised in surplus or deficit.

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve in net assets/equity to surplus or deficit. In the case of equity investments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost.

If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed, with the amount of the reversal recognised in surplus or deficit. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive revenue and expense.

3.2.7 Property Plant and Equipment

Land is measured at cost price at acquisition.

All other fixed assets are measured at cost price less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Where an asset is acquired through a non-exchange transaction, the cost is measured at its fair value as at the date of acquisition.

Depreciation has been charged using a mix of the straight line and diminishing value methods for all assets except land which is not depreciated.

Specific rates used are:

Motor Vehicles	20%
Furniture & Equipment	2% - 33.33%
Property & Improvements	2% -8.3%
Technology Equipment	3%-40%

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
(continued)
For the year ended 31 March 2019

3.2.8 Impairment of Property, Plant and Equipment

The carrying amounts of Property Plant and Equipment (PPE) are reviewed annually to determine whether there is any indication of impairment. In addition, PPE measured at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written-down to the recoverable amount. The total impairment loss is recognised in surplus or deficit. The reversal of an impairment loss is recognised in the Statement of Comprehensive Revenue & Expenses.

Value in use for non-cash generating assets

Non-cash generating assets are those assets that are not held with the primary objective of generating a commercial return. The Division's PPE are non-cash generating assets.

For non-cash generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

Value in use for cash-generating assets

Cash-generating assets are those assets that are held with the primary objective of generating a commercial return. The Division has no cash-generating PPE.

3.3 Liabilities

3.3.1 Financial liabilities

Financial liabilities classified as amortised cost are non-derivative financial liabilities that are not classified as fair value through surplus or deficit financial liabilities and are subsequently measured at amortised cost using the effective interest method.

The Division's financial liabilities as amortised cost include accounts payable and accruals.

3.3.2 Accounts Payable and Accruals

These amounts represent unsecured liabilities for goods and services provided to the Division prior to the end of the financial year which are unpaid. Accounts payable and accruals are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. As accounts payable and accruals are usually paid within 30 days, they are carried at face value.

3.3.3 Employee Entitlements

Liabilities for wages and salaries and annual leave are recognised in surplus or deficit during the year in which the employee provided the related services. Liabilities for the associated benefits are measured at the amounts expected to be paid when the liabilities are settled.

3.4 Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax (GST), except for receivables and payables which are recognised inclusive of GST. The net amount of GST recoverable from or payable to Inland Revenue is included as part of receivables or payables. The GST component of cash flows arising from investing and financing activities which is recoverable from or payable to Inland Revenue is classified as operating cash flows.

3.5 Income Tax

The Division has been granted Charitable Status and is exempt from income tax by the Inland Revenue Department, under Section CW52 of the Income Tax Act 2007.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
(continued)
For the year ended 31 March 2019

3.6 Accumulated Funds and Reserves

Accumulated Funds and Reserves are the community's interest in the Division, measured as the difference between total assets and total liabilities. Accumulated Funds and Reserves are made up of the following components:

3.6.1 Accumulated Funds

Accumulated funds is the Division's accumulated surplus or deficit since its formation, adjusted for transfers to or from specific reserves.

3.6.2 Investment Fair Value Reserve

This reserve holds the movement in value of available-for-sale assets that are measured at fair value after initial recognition.

3.6.3 Special Purpose Reserves

These are reserves created by the Division for the purpose of financing special projects such as research and education for the prevention and treatment of cancer. The use of these funds is restricted to the purpose of the specific projects.

Waikato/Bay of Plenty Division - Cancer Society of New Zealand Incorporated
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2019

	2019	2018
4	\$	\$
Income from investments		
Interest received	119,224	129,583
Dividends received	143,544	135,474
	<u>262,768</u>	<u>265,057</u>

5		
Investments		
On Call Deposits	1,014,938	1,514,067
Investments (Australasian equities at fair value)	3,616,023	3,120,900
	<u>4,630,961</u>	<u>4,634,967</u>

6 Categories of Financial Assets and Liabilities

The carrying amounts of financial instruments presented in the Statement of Financial Position relate to the following categories of Assets and Liabilities:

Financial Assets

Available for Sale Financial Assets

Investments in listed equities	3,616,023	3,120,900
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Loans and Receivables

Cash and cash equivalent	439,612	641,110
Receivables from exchange transactions	95,453	121,194
Receivables from non-exchange transactions	101,924	-
On call term deposits	1,014,938	1,514,067
Imprest Accounts	489	550
Mona Lickfold Memorial Account	53,165	55,242
Megan Patchell Trust Fund	37,870	35,922
Lawrence Jones Trust Fund	852,544	808,700
	<u>2,595,995</u>	<u>3,176,785</u>

Total Financial Assets

<u>6,212,018</u>	<u>6,297,685</u>
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Financial Liabilities

Accounts Payable	138,476	107,392
Loans	3,000,000	3,000,000
	<u>3,138,476</u>	<u>3,107,392</u>

7	Property, Plant and Equipment	Opening Book Value	Additions	Disposals	Depreciation	Closing Book Value
	2019					
	Land	2,877,591	-	-	-	2,877,591
	Buildings	12,746,548	-	-	(328,839)	12,417,709
	Furniture, Fittings, Equipment	28,432	3,839	(120)	(10,833)	21,318
	Lodge Furniture and Fittings	239,271	19,136	(915)	(44,561)	212,931
	Motor Vehicles	178,391	53,091	(31,706)	(44,756)	155,020
	Technology Equipment	19,824	124,092	(2,174)	(27,510)	114,232
		<u>16,090,057</u>	<u>200,158</u>	<u>(34,915)</u>	<u>(456,499)</u>	<u>15,798,801</u>

	2019	2018
8		
Borrowings		
Current	3,000,000	3,000,000
	<u>3,000,000</u>	<u>3,000,000</u>

In 2011, the late David Hold of Taupo left the residue of his Estate to the Waikato/Bay of Plenty Division of the Cancer Society of New Zealand (Inc). The Estate indicates that the total distribution to the division will be in the vicinity of \$3.6M. The Trustee has taken legal advice regarding the distribution of the Estate which indicates that he should not distribute the whole of the Estate until late 2021. As at 31 March 2019 advances of \$3M have been made to the division from the Estate to enable the Division to utilise the funds.

9 Accumulated Funds

Opening Balance	17,006,507	17,043,960
Surplus/(Deficit) for the year	(922,572)	5,694
Net Transfers from Reserves	(46,006)	(43,147)
	<u>16,037,929</u>	<u>17,006,507</u>

Waikato/Bay of Plenty Division - Cancer Society of New Zealand Incorporated
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2019

	2019	2018
10 Lawrence Jones Research Fund		
Opening Balance	808,700	767,871
Interest received	43,844	40,829
Closing Balance	852,544	808,700

The Lawrence Jones Research Fund was established in 2016 through a bequest from the Estate of Lawrence David Jones. The conditions of the bequest are that the Division invests the capital and uses the income arising from that capital to support research projects into the nature, control and prevention of cancer.

11 Megan Patchell Education Fund		
Opening Balance	35,922	34,108
Interest received	1,948	1,814
Closing Balance	37,870	35,922

The Megan Patchell Education Fund was established in 2017 through a bequest from the Estate of Megan Patchell. The Division has agreed to invest the funds and use the income arising from the funds for research and educational purposes.

12 Mona Lickfold Memorial Fund		
Opening Balance	55,242	59,862
Interest received	1,022	1,780
Welfare Grants	(3,100)	(6,400)
Net Movement for the year	(2,078)	(4,620)
Closing Balance	53,164	55,242

The Mona Lickfold Memorial Fund recognises the generosity of Mona Lickfold's bequest to the Cancer Society. The fund was established for the benefit of cancer patients and their families in the Whakatane district and is administered in accordance with the Rules for Prudent Trustees as endorsed by the Chartered Accountants of Australia and New Zealand.

13 Research & Overseas Travel Reserve Fund		
Opening Balance	266,128	261,004
Research Donations	2,292	5,124
Closing Balance	268,420	266,128

This reserve has been set up for donations received that have specific conditions attached requiring the funds to be used for research

- 14 Related Parties Transactions**
There are no other related party transactions or balances requiring disclosure in the financial statements except the transactions with Key Management Personnel as disclosed below (2018: Same)

Key Management Personnel

The key management personnel, as defined by PBE IPSAS 20 Related Party Disclosures, are the members of the governing body which is comprised of the Board members, the Chief Executive Officer and management personnel of the Division. No remuneration is paid to Board members for their position during the current or prior year. Board members receive reimbursement of expenses.

Transactions with key management personnel during the reporting period are as follows:

Remuneration paid to key management personnel	399,092	362,933
Number of persons (EFT)	3.5	3

- 15 Capital Commitments**
There were no capital commitments as at 31 March 2019 (2018: Nil)

- 16 Contingent Assets and Liabilities**
There are no contingent liabilities as at 31 March 2019 (2018: Nil)
The Division has a contingent asset relating to \$600,000 of funds (together with accrued interest) held by the Trustee of the Hold Estate. Refer to Note 8 for further details. It is probable that these funds will be paid to the Division once the Estate has been fully settled in 2021.

- 17 Events Subsequent to Balance Date**
There were no events that have occurred subsequent to balance date that would have a material impact on the Financial Statements (2018: Nil).

INDEPENDENT AUDITOR'S REPORT

To the Executive Committee of Waikato/Bay of Plenty Division Cancer Society of New Zealand Inc.

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of Waikato/Bay of Plenty Division Cancer Society of New Zealand Inc. ('the Division') on pages 4 to 15, which comprise the statement of financial position as at 31 March 2019, and the statement of comprehensive revenue and expenses, statement of changes in net assets/equity and statement of cash flows for the year then ended, and notes to the financial statements, including significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Division as at 31 March 2019, and its financial performance and its cash flows for the year then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime ('PBE Standards RDR').

Our report is made solely to the Executive Committee of Waikato/Bay of Plenty Division Cancer Society of New Zealand Inc. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Waikato/Bay of Plenty Division Cancer Society of New Zealand Inc. and the Executive Committee of Waikato/Bay of Plenty Division Cancer Society of New Zealand Inc., for our audit work, for this report or for the opinions we have formed.

Basis for Qualified Opinion

As is common with other organisations of a similar nature, a portion of income is derived from donations and other fundraising activities. Controls over income from the Daffodil Day Appeal donations of \$746,098 (2018: \$648,642 and other fundraising activities of \$699,373 (2018: \$654,765), prior to being recorded is limited and there are no practical audit procedures to determine the effect of this limitation. Given the limited controls to confirm the completeness of this income, total donations and other fundraising income may be higher than stated. This would have increased the operating surplus, equity and cash receipts associated with donation and fundraising income.

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 Division 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 the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ('IESBA Code'), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, Waikato/Bay of Plenty Division Cancer Society of New Zealand Inc.

Responsibilities of the Executive Committee for the Financial Statements

The Executive Committee is responsible on behalf of the Division for the preparation and fair presentation of the financial statements in accordance with PBE Standards RDR, and for such internal control as the Executive Committee determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Executive Committee is responsible on behalf of the Division for assessing the Division'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 the Executive Committee either intends to liquidate the Division or to cease operations, or has 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 economic 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 External Reporting Board's website at:

<https://xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-8/>

The engagement partner on the audit resulting in this independent auditor's report is G Ghuman.



BAKER TILLY STAPLES RODWAY AUDIT LIMITED

Hamilton, New Zealand

26 June 2019