



NEW ZEALAND AIDS FOUNDATION
Te Tūāpapa Mate Āraikore o Aotearoa

Audited Financial Statements

01 July 2009 – 30 June 2010

NEW ZEALAND AIDS FOUNDATION

FINANCIAL STATEMENTS

For the Year ended 30 June 2010

CONTENTS	Page
Statement of Comprehensive Income	2
Statement of Movements in Total Funds	3
Statement of Financial Position	4
Notes to the Financial Statements	5 - 9
Auditor's Report	10

NEW ZEALAND AIDS FOUNDATION
STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended 30 June 2010

	<i>Note</i>	2010	2009
		\$	\$
Income			
Ministry of Health Income		4,244,654	4,085,691
Internal Affairs Income		-	150,556
Ministry of Social Development Income		10,000	20,000
Grants		157,846	33,372
Fundraising		71,680	46,580
Donations/Bequests		68,593	102,299
Pharmac		36,646	34,616
Membership		1,578	1,311
Consultancy		856	-
Interest		9,485	22,049
Total Income		4,601,338	4,496,474
Expenses			
Office Resourcing		502,990	475,221
Board Expenses		35,400	37,028
Communication, Media & Events		232,790	235,635
Depreciation		157,687	107,265
Health Promotion Campaigns		528,225	588,512
Positive Health Programmes		85,086	150,814
Research, Analysis & Information		25,405	39,492
Personnel		2,568,279	2,528,136
National Administration		73,792	54,143
Travel		170,036	201,520
Total Expenses		4,379,690	4,417,766
Total comprehensive income for the year		221,648	78,708

The accompanying notes form an integral part of this financial statement.

NEW ZEALAND AIDS FOUNDATION
STATEMENT OF MOVEMENTS IN TOTAL FUNDS
For the year ended 30 June 2010

	<i>Note</i>	2010 \$	2009 \$
Total Funds at start of year		1,708,908	1,630,200
Total comprehensive income for the year		221,648	78,708
Total recognised revenue and expense		221,648	78,708
Total Funds at end of year		1,930,556	1,708,908

The accompanying notes form an integral part of this financial statement.

NEW ZEALAND AIDS FOUNDATION
STATEMENT OF FINANCIAL POSITION

As At 30 June 2010

	Note	2010 \$	2009 \$
FUNDS			
Accumulated Funds		1,910,726	1,700,297
Special Funds	2	<u>19,830</u>	<u>8,611</u>
TOTAL FUNDS		<u>1,930,556</u>	<u>1,708,908</u>
Represented By:			
CURRENT ASSETS			
Accounts Receivable		397,783	484,835
Other Assets		26,912	20,413
BNZ Auto Call Accounts		-	-
Kiwi Bank Accounts		<u>711,550</u>	<u>540,681</u>
		1,136,245	1,045,929
LESS CURRENT LIABILITIES			
Accounts Payable		125,009	259,431
Other Creditors and Accruals	6	348,668	311,848
Kiwibank Term Loan - Current Portion	7	<u>53,686</u>	<u>49,127</u>
		527,363	620,406
WORKING CAPITAL		608,882	425,523
NON-CURRENT ASSETS			
Property, Plant & Equipment	3	<u>2,537,675</u>	<u>2,553,057</u>
		2,537,675	2,553,057
NON CURRENT LIABILITIES			
Kiwibank Term Loan - Non-current Portion	7	1,216,001	1,269,673
NET ASSETS		<u>1,930,556</u>	<u>1,708,908</u>

These financial statements have been approved for issue by the Board of Trustees on 18th Sept 2010.

Trustees : Alastair Cameron
 Alastair Cameron, Chair

Trustees : Chandler

Date : 18/09/10

Date : 18/09/2010

The accompanying notes form an integral part of this financial statement.

NEW ZEALAND AIDS FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2010

1. STATEMENT OF ACCOUNTING POLICIES

A. General Accounting Policies

The financial statements of New Zealand AIDS Foundation have been prepared in accordance with the Charitable Trusts Act 1957 and the Foundation's Trust Deed. The financial statements have been prepared on the historical cost basis. The reporting currency is New Zealand dollars.

B. Going Concern

The going concern assumption depends on the continuation of funding from Government sources. The Foundation has renewed a three year contract with the Ministry of Health, which provides for funding through to 30 June 2011. The funding is subject to the Foundation meeting certain conditions. Whilst the trustees are confident in the Foundation's ability to continue as a going concern, if the Government were to discontinue funding, there would be a significant uncertainty as to whether the Foundation would be able to continue as a going concern and therefore whether it would be able to pay its debts as and when they become due and payable. If the Foundation were unable to continue in operational existence, and pay debts as and when they become due and payable, adjustments may have to be made to reflect the situation that assets may need to be realised and liabilities extinguished, other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the Statement of Financial Position. These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that may be necessary should the Foundation be unable to continue as a going concern.

C. Particular Accounting Policies

The following particular accounting policies have been adopted in the preparation of these financial statements:

Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand.

Accounts Receivable

Receivables are stated at expected realisable value.

Property, Plant & Equipment & Depreciation

Property, Plant & Equipment is recorded on the historical cost basis. Depreciation is charged on a diminishing value basis so as to write off the cost of the assets to their estimated residual value over their expected economic lives. The rates used are as follows:

Office Furniture	11 - 60% DV
Office Equipment	10 - 60% DV
Clinic Equipment	12 - 33% DV
Leasehold Alterations	3 - 48% DV

Operating Leases

Operating lease rentals are recognised evenly over the expected period of benefit to the Foundation.

NEW ZEALAND AIDS FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2010

Ministry of Health

Contract grants are recognised in the Statement of Comprehensive Income after the Foundation has complied with all primary conditions attached to them.

Special Funds

Grants and donations received for specific purposes are transferred to special funds. These funds are reduced by the amount of any relevant expenditure.

Accounts Payable

Trade payables and other payables represent liabilities for goods and services provided to the foundation prior to the end of the financial year that are unpaid. These amounts are usually settled in 30 days.

Deferred / Unearned Income

Bequests, grants and donations are taken to income when received. Grants that are subject to conditions are recognized as revenue as the conditions are fulfilled. Surpluses at the end of a year are carried over into the funds account.

GST

The Foundation is registered for GST and all items are shown exclusive of this tax with the exception of accounts receivable and payable.

Differential Reporting

The Foundation has elected to apply differential reporting exemptions. The Foundation is eligible on the basis that it is not publicly accountable and it is not large. On this basis the Foundation also qualifies for the exemption of adoption to NZ IFRS. All applicable available differential reporting exemptions have been applied.

Changes in Accounting Policies

There have been no changes in accounting policies during the year under review.

2. SPECIAL FUNDS

Description	Balance 30/6/09 \$	Receipts \$	Payments \$	Balance 30/06/10 \$
General Wellness Fund	<u>8,611</u>	<u>38,534</u>	<u>27,315</u>	<u>19,830</u>

The Special Funds represent reserves of money designated for special and local usage. No administration cost is charged for this Fund.

NEW ZEALAND AIDS FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2010

3. PROPERTY, PLANT & EQUIPMENT

	Cost \$	Accum Deprec \$	Book Value \$
As at 30 June 2010			
Office Equipment	511,074	291,282	219,791
Clinic Equipment	4,761	4,523	238
Office Furniture	101,287	62,710	38,576
Land	1,525,327	-	1,525,327
Building	841,128	89,071	752,057
Leasehold Alterations	3,805	2,121	1,685
	<u>2,987,382</u>	<u>449,707</u>	<u>2,537,675</u>
As at 30 June 2009			
Office Equipment	368,654	168,845	199,808
Clinic Equipment	4,761	4,485	276
Office Furniture	100,557	55,869	44,687
Land	1,525,326	-	1,525,326
Building	843,386	61,989	781,399
Leasehold Alterations	2,393	832	1,561
	<u>2,845,077</u>	<u>292,020</u>	<u>2,553,057</u>

Land and building at 31-35 Hargreaves Street, Ponsonby, Auckland is encumbered by a first ranking mortgage as security for a term loan from Kiwibank in the amount of \$1,269,688.

4. NATURE OF OPERATIONS

The purpose of the NZAF is to 'prevent the transmission of HIV and to support people affected by HIV and AIDS to maximise their health and wellbeing.'

5. SEGMENTAL REPORTING

The Foundation operates in one segment and exists to work with individuals and communities to prevent the transmission of HIV, and to support and educate people with HIV and AIDS. The majority of the Foundation's activities are carried on in New Zealand; however the Foundation also operates through its International Development Programme in the Pacific region.

6. OTHER CREDITORS AND ACCRUALS

	2010 \$	2009 \$
GST Payable	89,426	49,106
Holiday pay accrual	154,966	176,939
Other accruals	64,015	59,803
Prepaid Income	40,261	26,000
	<u>348,668</u>	<u>311,848</u>

NEW ZEALAND AIDS FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2010

7. TERM LOAN

The term loan from Kiwibank is secured by a first ranking mortgage executed by New Zealand AIDS Foundation over the property at 31-35 Hargreaves Street, Ponsonby, Auckland. The term loan is for a period of 15 years with interest rate of 8.91% fixed until 1 July 2013.

8. INCOME STATEMENT INCLUDES THE FOLLOWING:

	2010	2009
	\$	\$
Depreciation Expense	157,687	107,264
Loss from Disposed Assets	-	20,382
Rental and Leasing Changes	87,122	100,588

9. RELATED PARTIES

As the outcome of the election in November 2009 one new Trustee was elected and one re-elected; Andrew Sweet and Hamish Allardice. Two new Trustees were appointed to the Board on 13 February 2010; Cherry Sonderer and Kathryn Leafe. However Mike Roguski resigned on 3 June 2010. Alastair Cameron was appointed Chairman and Paul Bohmer is still the Deputy Chair.

10. LEASE COMMITMENTS

The New Zealand AIDS Foundation has the following lease commitments for premises, motor vehicles, photocopiers, fax machine, telephones and computer systems:

	2010	2009
	\$	\$
Within one year	109,645	104,999
Between one and five years	299,370	277,670
Greater than five years	26,659	73,052
	<u>435,674</u>	<u>455,721</u>

11. AUDITOR'S REMUNERATION

Fees paid to the auditors:

	2010	2009
	\$	\$
Audit	8,680	7,500
Accounting Technical Advise	1,532	3,100
	<u>10,212</u>	<u>10,600</u>

NEW ZEALAND AIDS FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2010

12. TAXATION

New Zealand AIDS Foundation is exempt from Income Tax as it was registered as a charitable entity under the Charities Act 2005 on 28 March 2008. Registration number is CC22230.

13. CAPITAL COMMITMENT

Capital commitments as at 30 June 2010 is \$nil. (2009: \$120,000 for the upgrade of the Foundation's information technology infrastructure.)

14. SUBSEQUENT EVENTS

There have been no subsequent events that will require adjustments and disclosures in the financial statement.

AUDIT REPORT

To the Members of New Zealand AIDS Foundation

We have audited the financial report on pages 2 to 9. The financial report provides information about the past financial performance of New Zealand AIDS Foundation and its financial position as at 30 June 2010. This information is stated in accordance with the accounting policies set out on pages 5 to 6.

TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for the preparation of a financial report which give a true and fair view of the financial position of New Zealand AIDS Foundation as at 30 June 2010 and the results of operations and cashflow's for the year ended on that date.

AUDITOR'S RESPONSIBILITIES

It is our responsibility to express an independent opinion on the financial report presented by the Trustees and report our opinion to you.

BASIS OF OPINION

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial report. It also includes assessing:

- the significant estimates and judgements made by the Trustees in the preparation of the financial report, and
- whether the accounting policies are appropriate to New Zealand AIDS Foundation's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with New Zealand Auditing Standards except that our work was limited as explained below. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to obtain reasonable assurance that the financial report is free from material misstatements, whether caused by fraud or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial report.

Other than in our capacity as auditors and the provision of limited accounting advise, we have no relationship with or interest in New Zealand AIDS Foundation.

QUALIFIED OPINION

In common with other organisations of a similar nature, control over the revenues from bequests and donations prior to these being recorded is limited, and there are no practical audit procedures to determine the effect of this limited control.

In this respect alone we have not obtained all the information and explanations that we have required.

In our opinion, except for adjustments that might have been found to be necessary had we been able to obtain sufficient evidence concerning donations, the financial statements on pages 2 to 9 fairly reflect the results of operations for the year ended 30 June 2010.

In our opinion, the financial statements fairly reflect the financial position of New Zealand Aids Foundation as at 30 June 2010.

Our audit was completed on 18 September 2010 and our qualified opinion is expressed as at that date.



RSM PRINCE

Chartered Accountants, Auckland

RSM Prince is an independent member firm of RSM International, an affiliation of independent accounting and consulting firms. RSM International is the name given to a network of independent accounting and consulting firms each of which practices in its own right. RSM International does not exist in any jurisdiction as a separate legal entity.

RSM Prince is a member of NZ CA Ltd, an association of Independent Chartered Accountants

AUCKLAND
Level 9, Customhouse
50 Anzac Avenue
PO Box 3685
Auckland 1140
New Zealand
T 64-9-379 5324
F 64-9-307 0778

NORTH SHORE
Unit C3,
17 Corinthian Drive
PO Box 300 662
Albany 0752
New Zealand
T 64-9-414 6262
F 64-9-414 6263

EAST TAMAKI
Ford Building
86 Highbrook Drive
PO Box 204 276
Manukau 2161
New Zealand
T 64-9-271 4527
F 64-9-271 4937

SOUTH AUCKLAND
1st Floor
37 Elliott Street
PO Box 72 262
Papakura 2244
New Zealand
T 64-9-299 6612
F 64-9-299 6533

ASIA GROUP
T 64-9-303 4356 or
T 64-9-535 2075

E office@rsmprince.co.nz
W www.rsmprince.co.nz