



NEW ZEALAND AIDS FOUNDATION  
Te Tūāpapa Mate Āraikore o Aotearoa

# Audited Financial Statements

## 01 July 2008 – 30 June 2009

**NEW ZEALAND AIDS FOUNDATION**

**FINANCIAL STATEMENTS**

**For the Year ended 30 June 2009**

<b>CONTENTS</b>	<b>Page</b>
Statement of Financial Performance	2
Statement of Movements in Total Funds	3
Statement of Financial Position	4
Notes to Financial Statements	5 - 9
Auditor's Report	10

**NEW ZEALAND AIDS FOUNDATION**  
**STATEMENT OF FINANCIAL PERFORMANCE**  
**For the Year Ended 30 June 2009**

	<i>Note</i>	2009 \$	2008 \$
<b>Income</b>			
Ministry of Health Income		4,085,691	3,523,421
Internal Affairs Income		150,556	148,444
Ministry of Social Development Income		20,000	-
Grants		33,372	23,856
Fundraising		46,580	38,173
Donations/Bequests		136,915	145,255
Membership		1,311	1,089
Consultancy		-	1,646
Interest		22,049	84,331
<b>Total Income</b>		<b>4,496,474</b>	<b>3,966,215</b>
<b>Expenses</b>			
Office Resourcing		475,221	595,121
Board Expenses		37,028	24,461
Communication, Media & Events		235,635	352,337
Health Promotion Campaigns		588,512	544,970
Positive Health Programmes		150,814	179,643
Research, Analysis & Information		39,492	168,817
Personnel		2,528,136	2,294,661
National Administration		161,408	183,438
Travel		201,520	256,461
<b>Total Expenses</b>		<b>4,417,766</b>	<b>4,599,909</b>
<b>Surplus/(Deficit)</b>		<b>78,708</b>	<b>(633,694)</b>

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

**NEW ZEALAND AIDS FOUNDATION**  
**STATEMENT OF MOVEMENTS IN TOTAL FUNDS**

**For the year ended 30 June 2009**

---

	<i>Note</i>	<b>2009</b>	<b>2008</b>
		<b>\$</b>	<b>\$</b>
Total Funds at start of year		<b>1,630,200</b>	2,263,895
Net surplus / (Deficit) for the year		78,708	(633,695)
Total recognised revenue and expense		<u>78,708</u>	<u>(633,695)</u>
<b>Total Funds at end of year</b>		<u><b>1,708,908</b></u>	<u>1,630,200</u>

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

# NEW ZEALAND AIDS FOUNDATION

## STATEMENT OF FINANCIAL POSITION

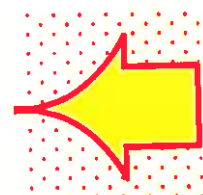
As At 30 June 2009

	<i>Note</i>	2009 \$	2008 \$
<b>FUNDS</b>			
Accumulated Funds		1,700,297	1,559,173
Special Funds	2	8,611	71,027
<b>TOTAL FUNDS</b>		<b>1,708,908</b>	<b>1,630,200</b>
Represented By:			
<b>CURRENT ASSETS</b>			
Accounts Receivable		484,835	364,684
Other Assets		20,413	23,575
BNZ Auto Call Accounts		-	3,925
Kiwi Bank Accounts		540,681	461,195
		<b>1,045,929</b>	<b>853,379</b>
<b>LESS CURRENT LIABILITIES</b>			
Accounts Payable		259,431	71,085
Other Creditors and Accruals	6	311,848	285,567
Kiwibank Term Loan - Current Portion	7	49,127	-
		<b>620,406</b>	<b>356,652</b>
<b>WORKING CAPITAL</b>		<b>425,523</b>	<b>496,727</b>
<b>NON-CURRENT ASSETS</b>			
Property, Plant & Equipment	3	2,553,057	1,133,473
		<b>2,553,057</b>	<b>1,133,473</b>
<b>NON CURRENT LIABILITIES</b>			
Kiwibank Term Loan - Non-current Portion	7	1,269,673	-
<b>NET ASSETS</b>		<b>1,708,908</b>	<b>1,630,200</b>

These financial statements have been approved for issue by the Board of Trustees on 25<sup>th</sup> September 2009

Trustees : *[Signature]*  
Date : 28-09-09

Trustees : *[Signature]*  
Date : 28/09/09



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

# NEW ZEALAND AIDS FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

For the Year Ended 30 June 2009

---

### 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 FINANCIAL STATEMENTS

For the Year Ended 30 June 2009

---

### Ministry of Health

Contract grants are recognised in the Statement of Financial Performance 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	Receipts	Payments	Balance
	30/6/08			30/06/09
	\$	\$	\$	\$
General Wellness Fund	71,027	37,180	99,596	8,611

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 FINANCIAL STATEMENTS

For the Year Ended 30 June 2009

### 3. PROPERTY, PLANT & EQUIPMENT

	Cost \$	Accum Deprec \$	Book Value \$
<b>As at 30 June 2009</b>			
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>
<b>As at 30 June 2008</b>			
Office Equipment	553,724	410,627	143,097
Clinic Equipment	4,761	4,439	322
Office Furniture	97,638	49,210	48,428
Land & Building	745,641	-	745,641
Leasehold Alterations	230,549	34,564	195,985
	<u>1,632,313</u>	<u>498,840</u>	<u>1,133,473</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 \$1,318,800.

### 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. All activities are carried on in New Zealand.

### 6. OTHER CREDITORS AND ACCRUALS

	2009 \$	2008 \$
GST Payable	49,106	28,240
Holiday pay accrual	176,939	155,674
Other accruals	59,803	101,653
Unearned Revenue	26,000	-
	<u>311,848</u>	<u>285,567</u>



# NEW ZEALAND AIDS FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

For the Year Ended 30 June 2009

---

### 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:

	2009	2008
	\$	\$
Depreciation Expense	107,264	83,572
Loss from Disposed Assets	20,382	36,012
Rental and Leasing Changes	100,588	306,672

### 9. RELATED PARTIES

As the outcome of the election in November 2008 two new Trustees have been elected: Alistair Cameron and Mike Roguski. Mark Henrikson is still the Chairman and Paul Bohmer as 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:

	2009	2008
	\$	\$
Within one year	104,999	104,582
Between one and five years	277,670	262,604
Greater than five years	73,052	118,752
	<u>455,721</u>	<u>485,938</u>

### 11. CAPITAL COMMITMENT

In 2008, the New Zealand AIDS Foundation entered into an agreement to purchase the land and building at 31-35 Hargreaves Street, Ponsonby, Auckland. A capital commitment of \$1,360,000 was disclosed as at 30 June 2008. This transaction has been completed during the fiscal year ended 30 June 2009. Capital commitments as at 30 June 2009 include \$120,000 for the upgrade of the Foundation's information technology infrastructure.

### 12. SUBSEQUENT EVENTS

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

# NEW ZEALAND AIDS FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

For the Year Ended 30 June 2009

---

### 13. AUDITOR'S REMUNERATION

Fees paid to the auditors:

	2009 \$ RSM Prince	2008 \$ Deloitte
Audit	7,500	10,300
Accounting Technical Advise	<u>3,100</u>	<u>10,500</u>
	<u>10,600</u>	<u>20,800</u>

# RSM Prince

Chartered Accountants

## AUDIT REPORT

To the Members of New Zealand AIDS Foundation

We have audited the attached financial statements on pages 2 to 9. The financial statements provide information about the past financial performance of the New Zealand AIDS Foundation (**Foundation**) for the year ended 30 June 2009 and its financial position as at that date. 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 and presentation of financial statements which gives a true and fair view of the financial position of the Foundation as at 30 June 2009 and the financial performance for the year ended on that date.

## AUDITOR'S RESPONSIBILITIES

It is our responsibility to express an independent opinion on the financial statements presented by the Foundation and reporting 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 statements. It also includes assessing:

- the significant estimates and judgements made by the Trustees in the preparation of the financial statements; and
- whether the accounting policies are appropriate to the circumstances of the Foundation, consistently applied and adequately disclosed.

We conducted our audit in accordance with generally accepted auditing standards in New Zealand. 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 statements are 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 statements.

RSM Prince provides limited technical accounting advice to the Foundation. We have no other relationship with or interest in the Foundation.

## UNQUALIFIED OPINION

We have obtained all the information and explanations we have required.

In our opinion:

- Proper accounting records have been kept by the Foundation as far as appears from our examination of those records; and
- The financial statements on pages 2 to 9:
  - comply with New Zealand generally accepted accounting practice, and
  - give a true and fair view of the financial position of the Foundation as at 30 June 2009 and its financial performance for the year ended on that date.

Our audit was completed on 28 September 2009 and our unqualified 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 Prince is a member of NZCA 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