



NEW ZEALAND AIDS FOUNDATION
Te Tūāpapa Mate Āraikore o Aotearoa

Audited Financial Statements

01 July 2010 – 30 June 2011

NEW ZEALAND AIDS FOUNDATION

FINANCIAL STATEMENTS

For the Year ended 30 June 2011

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 2011

	<i>Note</i>	2011 \$	2010 \$
Income			
Ministry of Health Income		4,112,376	4,244,654
Ministry of Social Development Income		-	10,000
Grants		215,311	157,846
Fundraising		89,858	71,680
Donations/Bequests		179,108	68,593
Pharmac		36,860	36,646
Membership		788	1,578
Consultancy		7,745	856
Interest		17,643	9,485
Total Income		4,659,689	4,601,338
Expenses			
Office Resourcing		520,936	502,990
Board Expenses		48,889	35,400
Communication, Media & Events		119,821	232,790
Depreciation		145,605	157,687
Health Promotion		1,080,140	528,225
Positive Health Programmes		205,944	85,086
Research, Analysis & Information		75,588	25,405
Personnel		2,564,846	2,568,279
National Administration		101,025	73,792
Travel		134,565	170,036
Total Expenses		4,997,359	4,379,690
Total comprehensive income for the year		(337,670)	221,648

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

RSM

NEW ZEALAND AIDS FOUNDATION
STATEMENT OF MOVEMENTS IN TOTAL FUNDS
For the year ended 30 June 2011

	<i>Note</i>	2011 \$	2010 \$
Total Funds at start of year		1,930,556	1,708,908
Total comprehensive income for the year		(337,670)	221,648
Transferred (to) / from Research Reserve for the year	2	(61,600)	-
Transferred (to) / from Building Reserve for the year	2	(12,000)	-
Total recognised revenue and expense		<u>(411,270)</u>	<u>221,648</u>
Total Funds at end of year		<u>1,519,286</u>	<u>1,930,556</u>

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

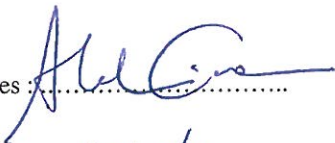
NEW ZEALAND AIDS FOUNDATION

STATEMENT OF FINANCIAL POSITION

As At 30 June 2011

	<i>Note</i>	2011 \$	2010 \$
FUNDS			
Accumulated Funds		1,519,286	1,910,726
Building Reserve	2	12,000	-
Research Reserve	2	61,600	-
General Wellness Funds	2	-	19,830
TOTAL FUNDS		1,592,886	1,930,556
Represented By:			
CURRENT ASSETS			
Accounts Receivable		460,721	397,783
Other Assets		53,996	26,912
Kiwi Bank Accounts		619,708	711,550
		1,134,425	1,136,245
LESS : CURRENT LIABILITIES			
Accounts Payable		301,981	125,009
Other Creditors and Accruals	6	430,881	348,668
Kiwibank Term Loan - Current Portion	7	58,666	53,686
		791,528	527,363
		342,897	608,882
WORKING CAPITAL			
NON-CURRENT ASSETS			
Property, Plant & Equipment	3	2,407,339	2,537,675
LESS : NON-CURRENT LIABILITIES			
Kiwibank Term Loan - Non-current Portion	7	1,157,350	1,216,001
NET ASSETS		1,592,886	1,930,556

These financial statements have been approved for issue by the Board of Trustees on 17/9/11.

Trustees : 

Trustees : 

Date : 17/9/11

Date : 17/9/11

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 2011

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 2014. 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 2011

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 AND RESERVES

Description	Balance 30/6/10 \$	Receipts \$	Payments \$	Balance 30/06/11 \$
2.1 General Wellness Fund	19,830	19,731	(39,561)	-
2.2 Research Reserve	-	61,600	-	61,600
2.3 Building Reserve	-	12,000	-	12,000

The General Wellness Fund represented reserves of money designated for special and local usage. No administration cost was charged for this Fund. The Board agreed on 12 February 2011 that NZAF hand over the Wellness Fund to the PLHA collective. On 24 June 2011 an amount of \$ 8,000 which included the balance of the funds held of \$7,886, was paid over to Body Positive.

The Research Reserve represents a bequest received specifically for AIDS research purposes. No research has been funded from the bequest during the year.

The Building Reserve represents reserves provided for future major building repairs and alterations expected.

NEW ZEALAND AIDS FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2011

3. PROPERTY, PLANT & EQUIPMENT

	Cost \$	Depreciation \$	Accum Deprec \$	Book Value \$
As at 30 June 2011				
Office Equipment	525,627	109,871	401,152	124,475
Clinic Equipment	4,761	239	4,761	-
Office Furniture	101,997	6,949	69,659	32,338
Land	1,525,327	-	-	1,525,327
Building	841,129	26,859	115,930	725,199
Leasehold Alterations	3,806	1,686	3,806	-
	<u>3,002,647</u>	<u>145,605</u>	<u>595,308</u>	<u>2,407,339</u>
As at 30 June 2010				
Office Equipment	511,074	122,441	291,282	219,791
Clinic Equipment	4,761	39	4,523	238
Office Furniture	101,287	6,694	62,710	38,576
Land	1,525,327	-	-	1,525,327
Building	841,128	28,296	89,071	752,057
Leasehold Alterations	3,805	217	2,121	1,685
	<u>2,987,382</u>	<u>157,687</u>	<u>449,707</u>	<u>2,537,675</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 \$1,216,016.

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

	2011 \$	2010 \$
GST Payable	52,717	89,426
Holiday pay accrual	106,100	154,966
Other accruals	65,918	64,015
Prepaid Income	206,146	40,261
	<u>430,881</u>	<u>348,668</u>

NEW ZEALAND AIDS FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2011

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. STATEMENT OF COMPREHENSIVE INCOME INCLUDES THE FOLLOWING:

	2011	2010
	\$	\$
Depreciation Expense	145,605	157,687
Loss from Disposed Assets	-	-
Rental and Leasing Changes	79,427	87,122

9. RELATED PARTIES

As the outcome of the election in November 2010 one new Trustee was elected and one re-elected; Kaine Thompson and Alastair Cameron. Alastair Cameron and Paul Bohmer were also re-appointed as Chairman and 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:

	2011	2010
	\$	\$
Within one year	78,762	109,645
Between one and five years	219,366	299,370
Greater than five years	-	26,659
	298,128	435,674

11. AUDITOR'S REMUNERATION

Fees paid to the auditors:

	2011	2010
	\$	\$
Audit	6,532	8,680
Accounting Technical Advise	1,100	1,532
	7,632	10,212

NEW ZEALAND AIDS FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2011

12. GRANTS / BEQUEST RECEIVED

Grants / Bequest received during the year and included in the statement of comprehensive income or statement of financial position.

	2011 \$
ASB Community Trust	21,821
Betty Campbell Grant – Wellington City Council	10,000
Estate of Nancy Joan Mills	61,600
Secretariat of the Pacific Community	173,608
University of Otago	18,382
	<u>285,411</u>

13. 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.

14. CAPITAL COMMITMENT

Capital commitments as at 30 June 2011 is \$nil. (2010: \$Nil)

15. SUBSEQUENT EVENTS

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

INDEPENDENT AUDITOR'S REPORT
To the Trust Board of New Zealand AIDS Foundation

Report on the Financial Statements

We have audited the attached financial statements of New Zealand AIDS Foundation on pages 2 to 9, which comprise the balance sheet as at 30 June 2011, and the statement of comprehensive income and statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Trustees Responsibilities for Financial Statements

The trustees are responsible for the preparation and fair presentation of financial statements in accordance with generally accepted accounting practice in New Zealand and fair view of the matters to which they relate, and for such internal controls as the trustees determine is necessary to enable the preparation of financial statements are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view of the matters to which they relate in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluation the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

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, the financial statements on page 2 to 9:

- comply with New Zealand generally accepted accounting practice, and
- give a true and fair view of the financial position of New Zealand AIDS Foundation as at 30 June 2011 and its financial performance for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

In our opinion, proper accounting records have been kept by New Zealand AIDS Foundation as far as appears from an examination of those records.



RSM PRINCE
Chartered Accountants, Auckland
17 September 2011

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

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

E office@rsmprince.co.nz

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

ASIA GROUP
T 64-9-303 4356 or
T 64-9-535 2075
F 64-9-271 4937

W www.rsmprince.co.nz