



New Zealand AIDS Foundation
Te Tūāpapa Mate Āraikore o Aotearoa

Financial Statements 2021



Financial Statements

For the year ended 30 June 2021

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Entity information

Board of Trustees

Anthony Fallon
CHAIR OF THE BOARD

Sam Humphrey
DEPUTY CHAIR

Ben Mander
TRUSTEE

Carol Maibvisira
TRUSTEE

Dr Edward Coughlan
TRUSTEE

Ian Kaihe-Wetting
TRUSTEE

Patricia Mitchell
TRUSTEE

Executive Leadership

Dr Jason Myers PhD
CHIEF EXECUTIVE

Joe Rich
GENERAL MANAGER

Mistral Carson
FINANCE & ADMINISTRATION
MANAGER

New Zealand AIDS Foundation

Nature of Business
Registered Charity

Charities Registration No.
CC22230

Registered Office
31 Hargreaves St, St Marys Bay, Auckland 1011

Date of Incorporation
18 March 1985

Postal Address
PO Box 6663, Victoria Street West, Auckland 1142

Auditors
RSM Hayes Audit

Telephone
0800 802 437

Accountants
BDO

Solicitors
Bell Gully

A Word From Our Leadership

Tēnā koutou

It is with great pride that we present the financial statements and a summary of highlights and achievements of the New Zealand AIDS Foundation (NZAF) for the financial year ending 30 June 2021.

You will see on the pages that follow a high-level summary of the activities and outcomes delivered over the course of the financial year. We continue to deliver on the 2019-2022 Strategic Plan and were delighted to see another reduction in locally acquired HIV infections in the 2021 New Zealand AIDS Epidemiology Group newsletter. The team has worked hard to deliver our very best for the communities we are here to serve, and we feel that the outcomes achieved speak for themselves.

As well as achievements at a strategic level, it has also been a significant year for NZAF governance. The Trust Board reviewed and updated all NZAF finance policies and also completed a major piece of work to review the NZAF Trust Deed. A consultation process with members around Deed changes began in September 2020 and culminated at the NZAF AGM in November where the draft new Deed was endorsed by a majority of members present and voting. The Trust Board was proud to announce in December 2020 that an amended version of the NZAF Trust Deed had been approved unanimously by the Board.

The new Deed expands the purposes of the NZAF to include preventing the transmission of STIs, and promoting and supporting the physical and mental health and wellbeing of our core communities. It also provides a new Trustee appointment model that will help ensure the right mix of skills and experience is around the Board table at all times. We particularly wish to thank Deputy Chair, Sam Humphrey for taking on a sizable additional workload in his skilful leadership of this important project, ensuring that the legal implications of proposed amendments were clear to all involved. These changes will provide a firm foundation for the NZAF to continue to flourish now and into the future.

The 2020/21 financial year marked another year of governance stability. Anthony Fallon was re-elected as Board Chair and we were delighted that four other Trustees were all elected/appointed for a second term. We farewelled one Trustee, Guy Alexander, who stepped down in August 2020 after more than three years of enthusiastic service and in October we were fortunate to welcome Patricia Mitchell onto the Board.

Membership of NZAF remains a key focus area for the Board, and Trustees are continuing to explore ways to harness the profound energy and knowledge of our communities. Some exciting journeys are ahead, including a rebrand of the NZAF, and we are committed to ensuring member voices and experiences continue to inform what we do.

For a period of time NZAF has focused on debt reduction and elimination. In the reported financial year NZAF exceeded its revenue targets and expenditure was less than budgeted. This has resulted in a surplus of \$747,175. Revenue was higher than forecasted predominantly due to an increase in fundraising. At the same time, delayed programme delivery expenses following a restructure were less than budgeted. Some significant projects, such as the organisational rebrand for example, have carried over into FY21/22 and expenditure for these will be reflected in FY21/22 accounts rather than FY20/21 as originally forecast.

We say a heartfelt thank you for your ongoing support. We exist for and because of the communities we serve and we look forward to the journey ahead together.

Ngā mihi nui



A handwritten signature in black ink, appearing to read 'Anthony Fallon'.

Anthony Fallon,
Trust Board Chair



A handwritten signature in black ink, appearing to read 'Dr Jason Myers'.

Dr Jason Myers,
Chief Executive

Our Vision

Moemoea

**An Aotearoa with zero HIV transmission
where people living with or affected by
HIV flourish**

Kia kore ngā mate Whakaruhi Ārai Kore,
kia hiki te oranga o te tāngata i roto o
Aotearoa, kia puawai

Our Mission

Whakatakanga

**Prevent transmission, reduce stigma
and maximise the wellbeing of those
most affected by HIV**

Whakakahore te mate, whakaiti te poapoa
me whakakaha te oranga o ngā tāngata e
pā ana ki te Whakaruhi Ārai Kore

Our Values

Whanonga Tika

Manukura Leadership

We have a proud history of being at the forefront of the HIV response in New Zealand. We act with conviction and inspire change. We are courageous and set audacious goals. We hold ourselves to account.

Mātauranga Knowledge

We have a strong commitment to providing evidence-based programmes and services. We are constantly learning and we adapt and innovate for greater impact. We are committed to sharing information with the communities we serve.

Kotahitanga Inclusiveness

We respect and value each other and our communities. We thrive on our diversity and are committed to equality and equity in the work we do. We build and nurture partnerships because we recognise the value in collective strength.

Tika Integrity

We are committed to doing what is right. We act with integrity and stand up for what we believe in. We recognise our duty of care to the communities we serve.

Aroha Compassion

We are empathetic and nurture the wellbeing of the communities we serve. We are humble and always open to listening. We are trustworthy and caring.

What We Do



Prevent HIV and STI transmission

The best medicine is prevention. Through education, advocacy and the distribution of vital tools such as condoms, we work to ensure the communities we serve have the tools they need to prevent the acquisition and transmission of HIV and other STIs.



Increase HIV and STI testing

HIV and STIs are most dangerous when they are undiagnosed. We educate communities on the importance of testing and we provide testing services both in our clinics and out in the community.



Maximise the wellbeing of people living with HIV

We often hear that stigma is the most debilitating impact of living with HIV today. We work to reduce HIV stigma and discrimination through our campaigns and advocacy work and we also support people living with HIV across Aotearoa through outreach services, counselling and peer programmes.



Enable ongoing organisational success

In order to continue delivering targeted public health services and programmes for those in greatest need, we always strive to be the best that we can be. With high quality governance, a commitment to evidence informed programmes and a talented and passionate workforce, we stand behind what we deliver and the outcomes we achieve.

Our Strategy

As we implement our strategy, we focus our capacity for the greatest impact. Thirteen focus areas guide our work under four strategic goals:

Goals	Focus Areas			
<p>Goal One Prevent HIV and STI transmission</p> 	<p>1 Condoms to prevent HIV and STI transmission</p>	<p>2 PrEP and PEP to prevent HIV acquisition</p>	<p>3 Sustained undetectable viral load to prevent HIV transmission (U=U)</p>	<p>4 Health issues that can increase HIV risk</p>
<p>Goal Two Increase HIV and STI Testing</p> 	<p>5 Regular testing as a community norm</p>	<p>6 Accessible and responsive testing services</p>		
<p>Goal Three Maximise the well-being of PLHIV</p> 	<p>7 Early HIV treatment</p>	<p>8 HIV stigma and discrimination</p>	<p>9 PLHIV health and well-being</p>	
<p>Goal Four Enable ongoing organisational success</p> 	<p>10 Cultural and Community responsiveness</p>	<p>11 Knowledge and evidence</p>	<p>12 Stakeholder engagement and partnerships</p>	<p>13 Sustainability</p>

Outcomes and results in FY2020/21

Prevent HIV and STI transmission

	2020-21	2019-20
Condoms distributed	643,000	600,000
Percentage of target audience who understand condoms are the most effective way to prevent HIV and other STIs	99%	97%
Percentage of target audience that understands that PrEP prevents the acquisition of HIV	85%	84%

Notes: At a population level, our work contributed to another decrease in the number of locally acquired HIV infections among gay and bisexual men in Aotearoa in 2020 – down 49% from 2016. This continued decline is evidence that a combination HIV prevention strategy is yielding results.

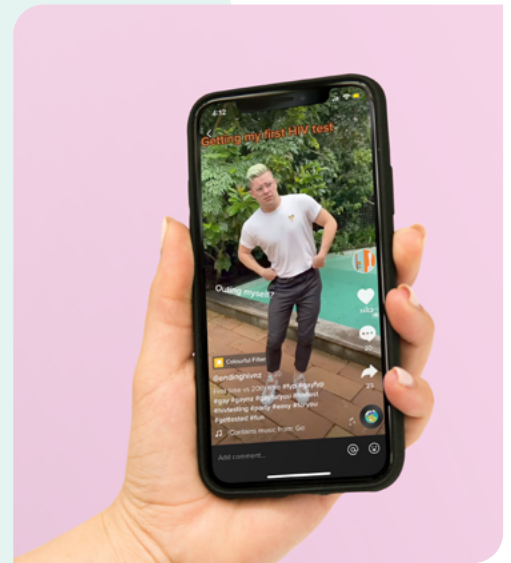
We took our messaging to TikTok

To make sure we are there to help each new generation of people who could be at risk of HIV, we need to be where the people are. We can't educate people to know their risk, test and use prevention if we aren't relevant or in the same spaces. As most of these spaces are now digital, and rapidly moving, we have to innovate and adapt.

TikTok is a social media platform that is very popular with young people and feedback from young takatāpui was that it is the only social media platform

they used. TikTok has become a space for social education and health conversations, so it's very important that we bring HIV and STI messaging for Aotearoa into this channel.

We're excited about the rapid growth on this platform. The Ending HIV TikTok has nearly 3,000 followers and our engagement rate is encouraging. Our most viewed TikTok before June 30, reached 307,700 views and over 800 hours watched (of a 10 second video!).



We put on the biggest Big Gay Out yet!

Delivering this event each year is an honour and after the events of 2020, the communities we serve deserved an excuse to celebrate. Big Gay Out (BGO) 2021 saw record numbers celebrating together and being their authentic selves under the blazing summer sun.

As well as being a safe space for our communities to gather and celebrate, it is one of the biggest opportunities we have to educate people about prevention, testing and support services – especially as many of our communities' needs are not met in mainstream systems. COVID-19 safety measures were of paramount

importance and the fact Auckland went into lockdown mere hours after the event and BGO was not a point of interest or concern due to the check-in and contact tracing measures in operation, is a testament to the attendees and our team behind this event.

The NZAF marketing team also managed to run a clever campaign to get the attention and attendance of celebrity guest Michelle Visage of *RuPaul's Drag Race* fame. Her appearance on stage drove the crowd wild and she even recorded some HIV prevention and testing messaging with us for free to use on social media!

Outcomes and results in FY2020/21



We supported a culture of partner notification and provided tools to make it easier for our communities to look out for each other.

We know there are many barriers to partner notification for STIs:

- Fear of how the partner will react (i.e. they may blame them or express anger)
- Feeling shame about having an STI
- Fear that their partner will not want to have sex with them again
- Confidentiality – their partner may tell others
- Lack of education about how common STIs are, or how easily they can spread
- People in supposedly monogamous relationships (either with men or women) may find it more difficult to tell their primary partners that they have been unfaithful

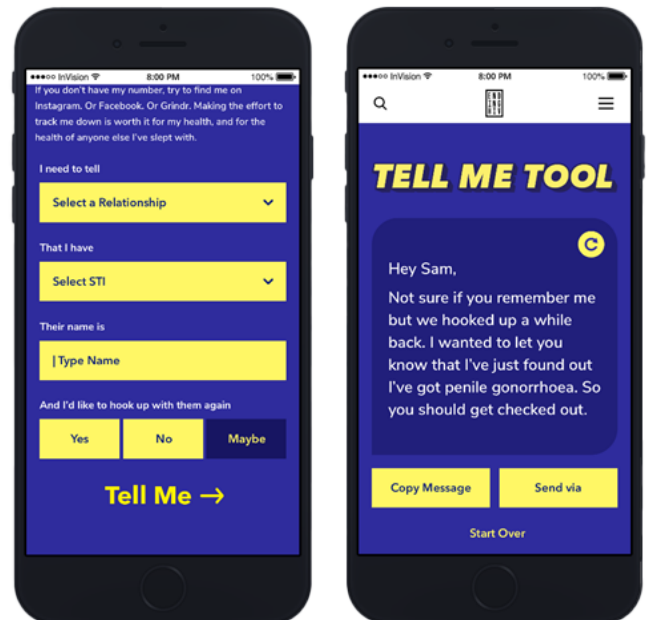
This campaign aimed at dismantling the stigma around these conversations and breaking down barriers.

We also actively tried to change the perception of notification being an awkward “chore”. Instead, really empowering community members to want to know themselves, in order to support their own health - You need to tell them, became “Tell Me”.

We created tools to help those who can't find the words to let someone know they need to be tested. The “Tell Me Tool” is a custom web resource that users input the information about their STI diagnosis into and it generates a friendly message to send to recent partners about the situation.

All marketing materials for the campaign linked to this page, which encouraged people to see it's not so scary and is actually an essential part of a healthy, active sex life.

STIs happen, but they happen more often if people don't get told they might need to get tested and treated.



Over 11,000 unique visitors within New Zealand used the Tell Me Tool between July 1 and October 31 2020. Users spent an average of 2 minutes on the page, which likely means a lot of people who landed on the page took the time to engage with the tool.

This was NZAF's first campaign speaking solely to the wider range of STIs generally - without an HIV-specific focus. We're proud to see good results and to have built a tool that can live on our web platforms permanently and help people look out for each other's sexual health.

We have also seen uptake in the health sector and anecdotal feedback shows that people in the sector were promoting the tool to their clients.

Over 11,000 unique visitors within New Zealand used the Tell Me Tool between July 1 and October 31 2020.

Outcomes and results in FY2020/21

Increase HIV and STI testing

	2020-21	2019-20
HIV home tests distributed	3,652	3,450
STI self tests distributed – since February 2021	273	N/A
HIV tests at NZAF health centres	2,693	3,348
STI sample collections at NZAF health centres	2,631	2,516
Percentage of testing clients who report satisfaction with this service	99%	99%

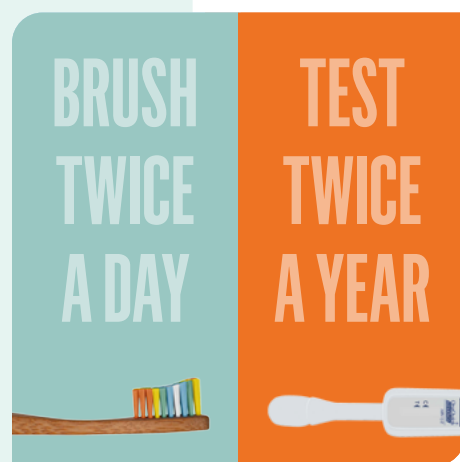
Notes: Demand for HIV and STI self-testing, which can be done in the privacy of someone's home, continues to grow. The number of HIV tests completed in-person has decreased in 2020/21 due to weaker demand post-COVID and one-off operational impacts following an organisation restructure. As we continue to provide more tests and more targeted avenues to be able to test, we're glad to see that the percentage of MSM reporting testing for HIV in the previous 12 months is increasing – 61% in 2018/19 to 63% 2019/20.

We promoted home self-test kits and supported Māori MSM and non-testers

The second iteration of the Testbrush campaign focussed on reaching audiences that we have had less success engaging in the past.

We distributed 681 kits and 14% of these orders went to Māori MSM, which is roughly proportional to Aotearoa's Māori population. 60% went to MSM who said they had not tested within the previous 12 months.

Both of these populations are groups under-represented in our clinic settings and it's encouraging to see the home self-test option has higher acceptability and usage rates. Making sure all at-risk populations can easily access testing is so important.



Testing client feedback



“The safe comfortable environment allows for an open and honest disclosure. This has been the case today and opened my mind to exploring the possible reasoning for my behaviours. As always a valuable and very easy experience, for which I'm very grateful.

– Anon



“I love the service. The way STIs and sex are discussed without judgement here made me feel so safe and comfortable to come back here again if I have any concern in that regard, without fearing the slightest judgement.

– Anon



We diversified our self-testing options to support people to know their full STI status

Partnering with Sexual Health 101, NZAF has been able to offer subsidised self-testing for a full range of STIs. After the success of our HIV self-test programme, this was a clear next step to better support the sexual health and overall wellbeing of those in our communities who can't test in the clinic for whatever reason.

Clients now have the option of adding a full STI self-test kit to their HIV self-test orders, and if they meet the criteria, NZAF subsidises costs bringing the whole kit down to \$20 NZD (including delivery and lab fees!).

We know that location, cost, stigma and so much more are barriers to access for testing in general. Self-testing gives people an option that doesn't require them to travel or 'out' themselves in local healthcare settings.

Results from pilot programme executed in Q3 2020-21, showed 141 STI self-test kits had been distributed. A third of HIV self-test clients took up the offer to add the STI kit to their order. Of the 56% of clients who returned their samples within the first two months of ordering, positivity rates were 27% – which is much higher than expected. This number also means this service is being positioned correctly and getting to those that need it most.

This positivity rate was higher than that of Sexual Health 101's own testing base, and at the time this service was only offered in specific areas. This service has since been expanded to cover most of the country and we expect to see further success.

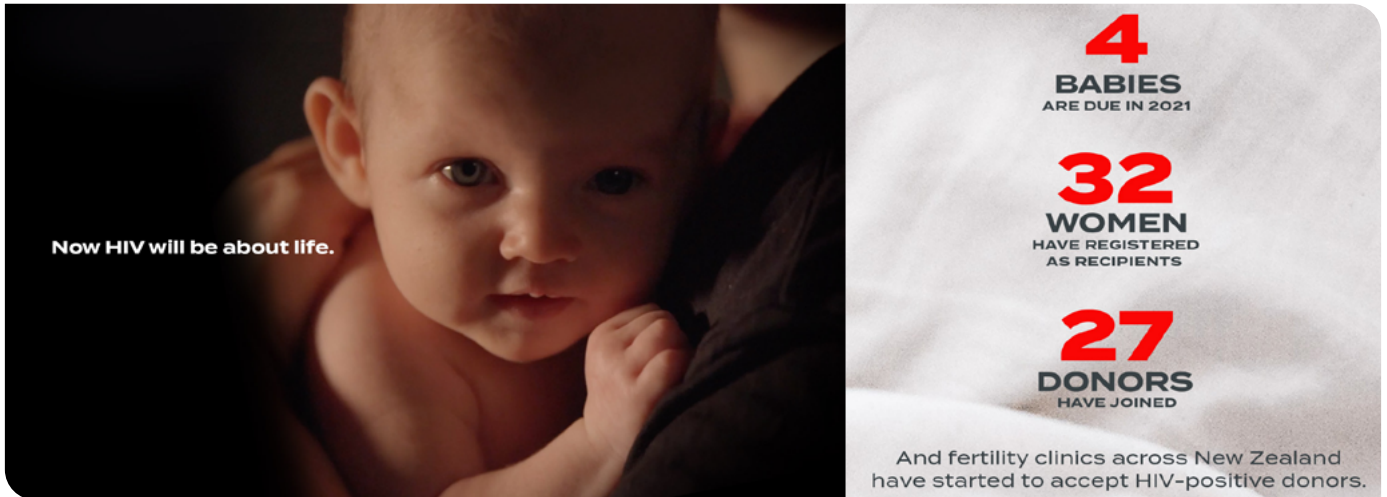
During this service's Q3 pilot, 140 STI self-tests were distributed. Of the 56% of samples returned, a 27% positivity rate was recorded.

Outcomes and results in FY2020/21

Maximise the wellbeing of people living with HIV

	2020–21	2019–20
Counselling sessions	686	879
Percentage of counselling clients who report feeling better equipped to manage living with HIV	92%	92%

Notes: The number of counselling sessions completed has decreased in 2020/21 due to one-off operational impacts following an organisation restructure.



We continued to campaign for wider awareness of U=U and HIV stigma

Nearly four decades on, the New Zealand HIV Sector is still fighting the harmful misconceptions around HIV. In 2019 Body Positive, NZAF and Positive Women Inc. launched Sperm Positive, which was the world's first HIV positive sperm bank. If people living with HIV are on effective treatment, their viral load is suppressed to the point where there is no risk of sexual transmission or transmission during pregnancy and childbirth (Undetectable = Untransmittable, or U=U).

In 2020, we were proud to see the first babies born from the donations to this programme. It's not every day that an awareness campaign literally results in the birth of a healthy, beautiful baby. A living example of the need to end HIV stigma. If a sperm donor living with HIV can help someone have a baby with no risk of transmission, then people's misinformed concerns around cups, food and toilet seats don't add up to much.

Counselling client feedback



“ Dealing with some difficult life circumstances and relationship problems, as well as COVID lockdown and living with HIV, counselling was a huge support in getting through this. The regular support and learning ways to cope got me through this hard time.

– Anon



“ The service helped me to process my diagnosis and come to terms with living with HIV. The counselling was very beneficial to me at a scary time in my life and I am very grateful to have received it.

– Anon

Outcomes and results in FY2020/21

Enable ongoing organisational success	2020–21	2019–20
Total fundraising income	\$1,402,994	\$728,239
Staff turnover	52%	0%
Percentage of staff who report being proud to work for NZAF	90%	97%

Notes: The organisation went through a substantial restructure in 2020 to align our workforce with our strategic goals. This contributed to above average staff turnover.

Kiwis raised over \$375,000 dollars to help us support the communities most affected by HIV in Aotearoa – and spread the love with Rainbow support organisations.

Sweat With Pride is a peer-to-peer fundraiser that encourages healthy movement to raise funds and awareness of the lack of health and wellbeing equity experienced by our Rainbow communities.

We know that intersectional issues have an impact on sexual health too. If Aotearoa isn't a place where Rainbow communities can safely be their authentic selves and receive equitable healthcare and support, it is significantly harder to see better sexual health outcomes in the communities we serve.

1,551 generous, sweaty Kiwis from around Aotearoa and the globe, exercised every day in June 2021 to raise over \$375,000 to support the work that we, RainbowYOUTH and OutLine do for these communities.



More than half of our Rainbow whānau have experienced mental illness



Our gay and bi guys account for almost 80% of new HIV transmissions



1 in 5 of our Rainbow rangatahi have attempted suicide



Outcomes and results in FY2020/21



We launched action plans that will support our organisation, people and environment for years to come

NZAF has made a commitment to better centre the voices of those living with and affected by HIV and to reduce its impact on the planet.

But words without action mean nothing – so, NZAF was very proud to develop and launch both the *Meaningful Involvement of People Living with HIV (MIPA) Action Plan: 2021 - 2023* and the *Environmental Sustainability Action Plan* in FY 2020/21.

These action plans are a testament to the dedicated efforts of the working groups behind each of them. They will guide our efforts in these spaces and will no doubt see powerful change within our organisation.

Both plans were officially launched at the NZAF Staff Hui in April 2021.

- The *MIPA Action Plan 2021-2023* is NZAF's first guiding document in this space. Having clear actions and goals to prioritise the meaningful involvement of people living with HIV across recruitment, leadership and in informing our projects, will not only improve how we support people living with HIV, but our work in general.
- The three-year *Environmental Sustainability Action Plan* provides a list of actions and goals that will allow NZAF to address our three core sustainability commitments: Lead and Inspire, Reduce Waste and Reduce Carbon. In FY 2020/21 emissions from NZAF operations were calculated for the first time, measuring 56.4 tonnes of CO₂e. Top contributors to NZAF emissions were air travel (36%), staff commuting to work (27%), and the Big Gay Out event (18%). In the coming year, policies will be developed to reduce emissions in these areas."

Operational restructure

Management completed a significant restructure of the NZAF operation in November 2020. These processes are never easy but it was deemed appropriate in order to ensure NZAF is best organised to meet the challenges of today and the future. We genuinely thank all staff who moved on as a result of this process for their passionate and committed service. As we continue to look forward, we are working hard to embed the new structure and improve ways of working in order to maximise the positive impact of these changes.

Supporters

NZAF is grateful for the generosity of its financial supporters. Hundreds of individual Kiwis and organisations donate, partner on events and issue grants to help ensure we continue to make the most impact.

First and foremost a big thank you to the generous individuals who have given and raised money for our work. You are a vital part of our community – it’s with your support that we will end HIV transmission and stigma in Aotearoa.



“Spark Health’s support of the Big Gay Out is in addition to the current relationship that Spark has with the rainbow communities through its celebrated partnership with OUTLine, and Auckland Pride’s signature events. Spark Health is extending this support through its partnership with the New Zealand AIDS Foundation as sponsors of the health zone to support them in their mission to raise awareness, reduce stigma and maximise the well-being of those most affected by HIV.

– Spark Health

“I chose to start supporting NZAF to end the stigma attached to HIV and to end more transmissions, as I believe these issues do not get enough public attention.

– Anonymous Regular Giver

“MediaWorks is proud to once again support Sweat With Pride and the New Zealand AIDS Foundation. We stand with the rainbow community and hope to help educate our listeners and reduce the stigma and discrimination affecting LGBTQI Kiwis.

– MediaWorks



Statement of Comprehensive Revenue and Expense

New Zealand AIDS Foundation for year ended 30 June 2021

	Notes	2021	2020
		\$	\$
Revenue from exchange transactions			
Ministry of Health		2,104,757	2,104,757
Fundraising NZAF Events		46,222	34,040
Other Income		97,947	76,452
Interest income		557	408
		<u>2,249,483</u>	<u>2,215,657</u>
Revenue from non-exchange transactions			
Ministry of Health		2,225,630	2,165,630
Grants - Operating		152,843	115,587
Fundraising NZAF Events		748,478	218,124
Donations / Bequests		455,452	360,489
Funding from Pharmac		72,342	67,305
Other Income		840	1,125
		<u>3,655,585</u>	<u>2,928,260</u>
Total Revenue		<u>5,905,067</u>	<u>5,143,916</u>
Office Resourcing			
Office Resourcing	8	346,479	358,024
Board Expenses			
Board Expenses		32,184	24,161
Communications, Fundraising & Events			
Communications, Fundraising & Events		874,086	553,947
Depreciation			
Depreciation	11, 12	70,747	65,055
Social Marketing (formerly HIV Prevention)			
Social Marketing (formerly HIV Prevention)	9	548,798	747,373
Services & Outreach (formerly Health Services)			
Services & Outreach (formerly Health Services)	9	396,565	396,626
Policy and Science			
Policy and Science		159,061	53,419
Personnel			
Personnel	8	2,576,861	2,563,923
National Support Services			
National Support Services		95,198	86,153
Travel			
Travel	8	57,913	67,625
Total Expense		<u>5,157,892</u>	<u>4,916,307</u>
Total surplus for the year		<u>747,175</u>	<u>227,609</u>
Other comprehensive revenue and expense		-	-
Total comprehensive revenue and expense for the year		<u>747,175</u>	<u>227,609</u>

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

RSM

Statement of Changes in Net Assets/Equity

New Zealand AIDS Foundation for year ended 30 June 2021

	2021	2020
	\$	\$
Accumulated comprehensive revenue and expense		
Opening balance at start of year 01 July	2,405,304	2,177,695
Net surplus / (deficit) for the year	747,175	227,610
Total recognised revenue and expense	747,175	227,610
Total closing equity at the end of year 30 June	3,152,480	2,405,304
Closing equity 30 June	3,152,480	2,405,304

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

Statement of Financial Position

New Zealand AIDS Foundation as at 30 June 2021

	Notes	2021	2020
		\$	\$
Current Assets			
Cash and cash equivalents	10	1,165,203	536,164
Receivables from exchange transactions		4,337	7,475
Prepayments		94,650	29,661
GST Receivable		56,853	60,284
		1,321,043	633,584
Non-Current Assets			
Property, Plant & Equipment	12	2,275,791	2,290,679
Intangible Assets	11	6,795	10,743
Work in Progress	11, 12	1,000	2,400
		2,283,586	2,303,822
		3,604,629	2,937,406
Total Assets			
Current Liabilities			
Trade and other creditors from exchange transactions		235,807	335,552
Employee benefits		102,988	103,180
Accrued Expenditure		96,740	52,935
Income in Advance	13	16,614	40,435
		452,150	532,102
		3,152,480	2,405,304
Net Assets			
Equity			
Accumulated comprehensive revenue and expense		3,152,480	2,405,304
Total		3,152,480	2,405,304

These financial statements have been approved by the Board Finance Sub-committee and will be approved for issue by the Board of Trustees on 15 September 2021.



Anthony Fallon – Chair

10 September 2021

Date



Benjamin Mander – Trustee

10 September 2021

Date

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

Statement of Cash Flows

New Zealand AIDS Foundation for year ended 30 June 2021

	Notes	2021	2020
		\$	\$
Cash flows from operating activities			
<i>Receipts</i>			
Ministry of Health		4,330,387	4,270,387
Fundraising NZAF Events		794,700	252,164
Donations & Grants		494,883	461,055
Interest received		557	408
Other Income		101,924	70,380
Net GST Received		3,432	(2,366)
		5,725,882	5,052,027
<i>Payments</i>			
Suppliers		2,494,878	2,141,282
Employees		2,533,844	2,527,933
Interest paid		14,953	8,643
		5,043,676	4,677,858
Net cash inflow from operating activities		682,207	374,169
Cash flows from investing activities			
<i>Payments</i>			
Purchase of property, plant and equipment		53,168	70,693
Purchase of intangible assets		-	1,080
		53,168	71,773
Net cash (outflow) from investing activities		(53,168)	(71,773)
Net increase in cash and cash equivalents		629,039	302,396
Cash and cash equivalents at 01 July		536,164	233,768
Cash and cash equivalents at 30 June	10	1,165,203	536,164

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

Notes to the Financial Statements

New Zealand AIDS Foundation for year ended 30 June 2021

1. Reporting entity

The reporting entity is the New Zealand AIDS Foundation (“NZAF”). NZAF is domiciled in New Zealand and is a charitable entity registered under the Charitable Trusts Act 1957 and Charities Act 2005. Department of Internal Affairs Charities Services registration number: CC22230.

These financial statements and the accompanying notes summarise the financial results of activities carried out by the NZAF. Working with people living with and affected by HIV in Aotearoa, the purpose of the New Zealand AIDS Foundation is to prevent HIV and STI transmission and promote and support physical and mental wellbeing.

These financial statements have been approved by the Board Finance Sub-committee and will be approved for issue by the Board of Trustees on the date indicated on page 20.

2. Statement of compliance

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (“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. The NZAF 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.

3. COVID-19

The result of this pandemic has continued to have a substantial reduction in economic activity throughout the world. The New Zealand Government have introduced measures and restrictions to contain the spread of the virus.

At the reporting date, New Zealand was at Alert Level 1 and COVID 19 was not present in the community. Other restrictions were lifted but restrictions remained at the border. The impact of COVID 19 remains as a consideration for NZAF and detailed in Note 21.

4. Changes in accounting policy

There have not been any changes to the accounting policy in the year ending 30 June 2021. Certain prior year account classifications have been adjusted to align with current year presentation, including Social Marketing and Services & Outreach expenses which is explained in Note 9.

5. Significant accounting policies

The significant accounting policies used in the preparation of these financial statements as set out below have been applied consistently to both years presented in these financial statements.

The significant accounting policies of the NZAF are detailed below:

- 5.1 – Basis of measurement
- 5.2 – Functional and presentational currency
- 5.3 – Revenue
- 5.4 – Financial instruments
- 5.5 – Cash and cash equivalents
- 5.6 – Short term investments
- 5.7 – Loans Payable
- 5.8 – Property, plant and equipment
- 5.9 – Intangible assets
- 5.10 – Leases
- 5.11 – Employee Benefits
- 5.12 – Income tax
- 5.13 – Goods and services tax (GST)
- 5.14 – Statement of cash flow
- 5.15 – Equity

5.1 Basis of measurement

These financial statements have been prepared on the basis of historical cost, as modified by the fair value measurement of non-derivative financial instruments.

5.2 Functional and presentational currency

The financial statements are presented in New Zealand dollars (\$), which is the NZAF’s functional currency. All financial information presented in New Zealand dollars has been rounded to the nearest dollar.

5.3 Revenue

Revenue is recognised when the amount of revenue can be measured reliably, and it is probable that economic benefits will flow to the NZAF and measured at the fair value of consideration received or receivable.

The following specific recognition criteria in relation to the NZAF’s revenue streams must be met before revenue is recognised.

Notes to the Financial Statements

New Zealand AIDS Foundation for year ended 30 June 2021

5. Significant accounting policies continued

Revenue from exchange transactions

Rendering of Services Ministry of Health

The NZAF provides a range of HIV and AIDS related services including HIV testing, counselling and support.

Revenue from contracted services rendered is recognised in surplus or deficit in proportion to the stage-of-completion of the transactions at the reporting date.

The stage of completion is assessed by reference to:

- Reporting on the performance of the Ministry of Health (MoH) contract in accordance with the service specifications; and
- Where the MoH contract has a specific amount for a specific service or function and such activity has not occurred prior to year-end, the amount is recorded as revenue in advance as it is unearned at balance date. Where the NZAF has not utilised the MoH general (unspecific) funding in a financial year, it has the option to either carry this forward in retained earnings via a residual profit for the year, or to transfer the unearned portion to a separate reserve in equity.

Fundraising Events

Fundraising Events revenue is recognised as it is earned when services are provided.

Other revenue

Other revenue is recognised as it is earned including rental revenue and other one-off contracts other than the Ministry of Health.

Interest revenue

Interest revenue is recognised as it accrues using the effective interest method.

Revenue from non-exchange transactions

Non-exchange revenue transactions are those where the NZAF receives an inflow of resources (i.e. cash and other tangible or intangible items) but does not provide any nominal or direct consideration in return.

Other funding Ministry of Health

Other funding received from the Ministry of Health has been identified as non-exchange revenue in regard to funding for Social Marketing (formerly HIV Prevention) and Services & Outreach (formerly Health Services), Policy development as well as scientific analysis and information. Funds provided for these areas are recognised in accordance with accounting policies above, but have been deemed non-exchange due to the less prescriptive nature and lack of clear exchange of services provided for these funds.

Grants Revenue

Grant revenue includes grants given by other charitable organisations, philanthropic organisations and businesses. Where there are unfulfilled conditions attached to the grant and only where there are use or return clauses, the amount relating to the unfulfilled condition is recognised as a liability and released to revenue as the conditions are fulfilled.

Fundraising Events

The NZAF's fundraising activities involve Red Friday and Ending HIV Big Gay Out activations, the Sweat with Pride campaign plus smaller peer to peer activities. Fundraising non-exchange revenue is recognised at the point at which revenue is received.

Donations

Donations are recognised as revenue upon receipt and include donations from the general public, donations received for specific programmes or services and donated goods in-kind. Donations in-kind include donations received for consumables and are recognised as both revenue and an expense when the goods are received. Donations in-kind are measured at their fair value as at the date of receipt, ascertained by reference to the expected cost that would be otherwise incurred by the NZAF.

Bequests

Bequests are recognised as revenue upon receipt, unless the conditions of the will require performance of certain conditions only when there are use or return clauses. However, if the conditions of the Will require performance of certain conditions, which cannot be met then the bequest is returned to the estate of the deceased. Where there is an unspent amount from conditioned bequest revenue relating to the specific purpose to the bequest, the remaining revenue is recorded as income in advance until such time as the conditions are met.

Pharmac

Pharmac revenue for donated goods in-kind is recognised on receipt.

Other revenue

Other non-exchange revenue is recognised as it is earned.

Notes to the Financial Statements

New Zealand AIDS Foundation for year ended 30 June 2021

5. Significant accounting policies continued

5.4 Financial instruments

Financial assets and financial liabilities are recognised when the NZAF becomes a party to the contractual provisions of the financial instruments.

The NZAF does not recognise any part of a financial asset, or any part of a group of similar financial assets when:

- The rights to receive cash flows from the asset have expired or are waived; or
- The NZAF has transferred its rights to receive cash flows from the assets, or has assumed an obligation to pay the received cash flows in full without material delay, to a third party; and either
- The NZAF has transferred substantially all the risk and rewards of the assets; or
- The NZAF has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Financial Assets

Financial assets within the scope of PBE IPSAS 29 Financial Instruments Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets. The classifications of the financial assets are determined at initial recognition.

The categorisation determines subsequent measurement and whether any resulting income and expense is recognised in surplus or deficit or in other comprehensive revenue and expenses. The NZAF's financial assets are classified as either financial assets at fair value through surplus or deficit, or loans and receivables. The NZAF's financial assets include; cash and cash equivalents; short-term investments; receivables from non-exchange transactions; and receivables from exchange transactions.

The NZAF assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event') has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Fair value through surplus or deficit

Financial assets at fair value through surplus or deficit include items that are either classified as held for trading or that meet certain conditions and are designated at fair value through surplus or deficit upon initial recognition. The NZAF's investments fall into this category of financial instruments.

Loans and receivables

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through surplus or deficit, transaction costs that are attributable to the acquisition of the financial asset. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less any allowance for impairment. The NZAF's cash and cash equivalents, receivables from non-exchange transactions, receivables from exchange transactions and non-equity investments fall into this category of financial instruments.

Different criteria to determine impairment are applied for each category of financial assets, which are described below.

Impairment of financial assets

The NZAF assesses at the end of reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired, and impairment losses are incurred, if there is objective evidence or impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

For financial assets carried at amortised cost, if there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in the surplus or deficit for the reporting period.

In determining whether there is any objective evidence of impairment, the NZAF first assesses whether there is objective evidence of impairment of financial assets that are individually significant, and individually or collectively significant for financial assets that are not individually significant. If the NZAF determines that there is no objective evidence of impairment for an individually assessed financial asset, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment for impairment.

Notes to the Financial Statements

New Zealand AIDS Foundation for year ended 30 June 2021

5. Significant accounting policies continued

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting the allowance account. If the reversal results in the carrying amount exceeding its amortised cost, the amount of the reversal is recognised in surplus or deficit.

Financial liabilities

The NZAF financial liabilities include trade and other creditors (excluding GST and PAYE).

All financial liabilities are initially recognised at fair value (plus transaction costs for financial liabilities not at fair value through surplus and deficit) and are measured subsequently at amortised cost using the effective interest method except for financial liabilities at fair value through surplus and deficit.

5.5 Cash and cash equivalents

Cash and cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

5.6 Short term investments

Short term investments comprise term deposits which have a term of greater than three months but less than twelve months and therefore do not fall into the category of cash and cash equivalents.

5.7 Loans Payable

Loans payable are financial liabilities, other than short-term trade payable on normal credit terms.

5.8 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributed to the acquisition of the asset. Where an asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

Depreciation is charged on a diminishing value basis over the useful life of the asset. Depreciation is charged at rates calculated to allocate the cost or valuation of the asset less any estimated residual value over its remaining useful life.

Assets are depreciated as follows:

Office Furniture	11 – 26% DV
Office Equipment	11 – 67% DV
Leasehold Alterations	3 – 20% DV
Land and Building	3 – 25% DV

Depreciation methods, useful lives, and residual values are reviewed at reporting date and adjusted if appropriate.

5.9 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits or service potential embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

The NZAF does not hold any intangible assets that have an indefinite life.

The amortisation expense on intangible assets with finite lives is recognised in surplus or deficit as the expense category that is consistent with the function of the intangible assets.

The amortisation period for the NZAF assets are as follows:

Databases / Software	48 - 50% DV (2020: 48% DV)
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5.10 Leases

(i) NZAF as a lessee

Payments on operating lease agreements, where the lessor retains substantially the risk and rewards of ownership of an asset, are recognised as an expense on a straight-line basis over the lease term.

(ii) NZAF as a lessor

Leases in which the NZAF does not transfer substantially all the risks and benefits of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term.

Rent received from an operating lease is recognised as income on a straight-line basis over the lease term.

Contingent rents are recognised as revenue in the period in which they are earned.

Notes to the Financial Statements

New Zealand AIDS Foundation for year ended 30 June 2021

5. Significant accounting policies continued

5.11 Employee Benefits

Annual leave and long service leave expected to be settled within 12 months of balance date, are classified as a current liability.

Salaries, annual leave and sick leave

Liabilities for salaries and annual leave are recognised in surplus and deficit during the period 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.

Long Service Leave

Employees of the NZAF become eligible for long service leave after a certain number of years of employment, depending on their contract. The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method.

5.12 Income tax

The New Zealand AIDS Foundation is registered with Department of Internal Affairs Charities Services as a charitable entity; registration number CC22230. Due to its charitable status, the NZAF is exempt from income tax.

5.13 Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except for receivable and payments, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department is included as part of receivable or payables in the statement of financial position.

5.14 Statement of cash flow

Basis of preparation

The statement of cash flow has been prepared using the direct approach.

Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand, current bank accounts and bank overdraft accounts.

Split of activities

Investing activities are those activities relating to the acquisition, holding and disposal of property, plant and equipment, and intangible assets.

Financing activities are those activities which result in changes in the size of and composition of the capital structure of NZAF. This includes cash proceeds from, and repayments

of, bank borrowings and inter-company debt, and cash payments to owners to acquire the entity's shares.

Operating activities include all transactions and other events that are not investing or financing activities and include the cash received from and paid in relation to principal revenue producing activities.

5.15 Equity

Equity is the community's interest in the NZAF, measured as the difference between total assets and total liabilities. Equity is made up of the following components:

Accumulated comprehensive revenue and expense

Accumulated comprehensive revenue and expense is the NZAF's accumulated surplus or deficit since its formation, adjusted for transfers to/from specific reserves.

6. Significant accounting judgements, estimates and assumptions

The preparation of the NZAF's financial statements requires the Board and Management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Estimates and underlying assumptions are reviewed on an ongoing basis.

6.1 Judgements

Judgements made in applying the NZAF's accounting policies that have had the most significant effects on the amounts recognised in the financial statements include the following:

- Revenue recognition - Grants – non-exchange revenue (conditions vs restrictions)

Grant revenue is treated as non-exchange revenue where revenues received for projects and other expenditure is not, in all likelihood, received for a specific purpose and does not have reasonable equal costs associated with it.

Non exchange grant revenue is recognised immediately in the profit & loss unless there is a return clause associated with the performance of certain obligations. Exchange grant revenue by its nature would be recognized once the goods or services or equal value have been delivered.

The NZAF must exercise judgement when recognising grant revenue to determine if conditions of the grant contract have been satisfied. This judgement will be based on the facts and circumstances that are evident for each grant contract.

Notes to the Financial Statements

New Zealand AIDS Foundation for year ended 30 June 2021

6. Significant accounting judgements, estimates and assumptions continued

- Operating lease commitments – as lessor

The NZAF has entered into commercial property leases for part of its main building. The NZAF has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a substantial portion of the economic life of the commercial property, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

6.2 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The NZAF based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the NZAF. Such changes are reflected in the assumptions when they occur.

Useful lives and residual values

The useful lives and residual values of assets are assessed using the following indicators:

- The condition of the asset;
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes;
- The nature of the processes in which the asset is deployed; and
- Change in the market in relation to the asset.

The estimated useful lives of the asset classes held by the NZAF are listed in Note 5.8 (property, plant and equipment) and 5.9 (Intangible Assets).

Donated goods

Some sponsorship revenue is received as goods in kind, this includes:

- 240,000 Durex lube sachets valued at \$28,800 donated by Reckitt Benckiser; and
- Pharmac supplied 4,890 packs of the 144 pack size condoms for distribution valued at \$72,342; and
- Google Ad Grants programme for registered non-profit used to the value of \$26,133; and
- MediaWorks Radio for promotional & influencer activities to the value of \$34,658.

7. Components of net profit

The following specific expenses are part of the total expenditure resulting in the net surplus:

	2021	2020
	\$	\$
Depreciation	70,747	65,055
Employer Costs	2,576,861	2,563,923
Loss / (gain) on disposal of assets	2,658	-

8. Programme shared costs

	Office Resourcing	Personnel	Travel
	\$	\$	\$
2021			
Social Marketing (formerly HIV Prevention)	51,285	614,718	11,685
Services & Outreach (formerly Health Services)	138,765	751,345	31,513
Communications, Fundraising and Policy & Science	39,357	625,024	2,157
National Support Services	117,072	585,774	12,558
	346,479	2,576,861	57,913
2020			
HIV Prevention	78,426	771,401	29,704
Health Services	139,863	683,114	17,988
Communications, Fundraising and Policy & Science	32,978	550,334	6,539
National Support Services	106,757	559,074	13,394
	358,024	2,563,923	67,625

Notes to the Financial Statements

New Zealand AIDS Foundation for year ended 30 June 2021

9. Reclassified expenses

Following a restructure during the year, certain comparative information has been reclassified to ensure consistency with presentation in the current period. In the 2020 financial statements, certain transactions were previously classified as HIV Prevention which are now classified as Social Marketing and Services & Outreach which were previously classified as Health Services.

The effect of the reclassification on those financial statements is summarised below. The amendment had no impact on the financial statements or the NZAF's opening equity, net assets and net surplus previously reported.

	2020 Reclassified \$	Amount of Reclassification \$	2020 Reported \$
Statement of Comprehensive Revenue & Expense			
Social Marketing (formerly HIV Prevention)	747,373	(215,404)	962,777
Services & Outreach (formerly Health Services)	396,626	215,404	181,222

10. Cash and cash equivalents

Cash and cash equivalents include the following components:

	2021 \$	2020 \$
Cash at bank	1,165,203	536,164
Total cash and cash equivalents	1,165,203	536,164

No restrictions on cash held.

11. Intangible Assets

	2021 \$	2020 \$
Cost / Valuation	227,030	232,030
Accumulated depreciation	(220,235)	(218,887)
Net book value	6,795	13,143

Intangible assets comprise of the Fundraising, Services & Outreach, and payroll online Databases.

Reconciliation of the carrying amount at the beginning and end of the period:

	2021 \$	2020 \$
Opening balance	13,143	18,590
Additions	2,400	1,080
Disposals	(5,000)	-
Accumulated Depreciation on Disposals	4,982	-
Depreciation	(6,330)	(8,927)
Work in progress	(2,400)	2,400
Closing balance	6,795	13,143

12. Property, plant and equipment

	Office Furniture \$	Office Equipment \$	Leasehold Alterations \$	Land \$	Building \$	Total \$
2021						
Cost / Valuation	80,548	158,547	40,455	1,525,327	1,068,551	2,873,428
Accumulated depreciation	49,727	112,242	10,299	-	424,369	596,637
Net book value	30,821	46,305	30,156	1,525,327	644,182	2,276,791
2020						
Cost / Valuation	93,137	301,740	27,611	1,525,327	1,064,084	3,011,899
Accumulated depreciation	60,259	256,559	10,925	-	393,477	721,220
Net book value	32,878	45,181	16,686	1,525,327	670,607	2,290,679

Notes to the Financial Statements

New Zealand AIDS Foundation for year ended 30 June 2021

12. Property, plant and equipment continued

Reconciliation of the carrying amount at the beginning and end of the period:

	Office Furniture	Office Equipment	Leasehold Alterations	Land	Building	Total
2021	\$	\$	\$	\$	\$	\$
Opening balance	32,878	45,181	16,686	1,525,327	670,607	2,290,679
Additions	4,268	24,384	16,650	-	6,867	52,169
Disposals	(16,857)	(168,577)	(3,806)	-	(2,400)	(191,640)
Accumulated Depreciation on Disposals	15,348	167,554	3,806	-	2,292	189,000
Depreciation	(4,816)	(23,237)	(3,180)	-	(33,184)	(64,417)
Work in Progress	-	1,000	-	-	-	1,000
	30,821	46,305	30,156	1,525,327	644,182	2,276,791

13. Income in Advance / Operational Grants

Grants / Funding	2021	2020
	\$	\$
	-	-
Milestone Foundation Testing Equipment	10,000	4,592
The Southern Trust Counsellor Salary	6,614	10,000
ProCare Trust Vending Machine	-	25,843
Total Grants	16,614	40,435

Grants are received from various sources to be used for the benefit to fund specific projects. Projects still in progress at balance date are recorded as Income in Advance, provided there is a specified return obligation to each grant.

Operational Grants

During the year the following grants and sponsorships were received for operational costs:

Operational	2021	2020
	\$	\$
ANZ Bank NZ Ltd	20,000	3,000
ANZ Staff Foundation	23,700	-
ASB Bank	-	3,000
Auckland Council (Albert/Eden & Regional)	30,750	27,750
AUT	7,750	7,750
Bluesky Community Trust Ltd	2,000	-
BNZ Bank	-	3,000
CERT Gaming Trust	-	10,000
Chorus NZ	7,750	-
Datacom	8,750	-
Dragon Community Trust	3,791	-
Foundation North	10,000	10,000
GlaxoSmithKline	6,500	6,500
Grassroots Trust Ltd	47,466	54,374
Grassroots Central Trust	3,000	-
Kiwi Gaming	6,630	-
Kiwibank	5,000	3,000
Lion Foundation	20,000	-
Lottery Grants Board	20,000	20,000
MediaWorks	1,500	-
Meredith Connell	11,500	-

Notes to the Financial Statements

New Zealand AIDS Foundation for year ended 30 June 2021

Operational Grants (continued)

Operational	2021	2020
	\$	\$
Milestone Foundation	6,385	10,000
Ministry of Business, Innovation & Employment	50,000	-
Mt Wellington Foundation	3,440	4,962
NZ Community Trust	7,335	6,100
ProCare Charitable Foundation (Public Trust)	-	26,100
Pub Charity	-	19,963
Raiser NZ (Uber Scooters)	-	7,750
Rata Foundation (formerly The Canterbury Community Trust)	-	20,000
Reckitt Benckiser (NZ) Ltd (Durex)	-	10,000
Seven Events Ltd (formerly The Warehouse Group)	8,750	7,750
Southern Cross Health Society	8,750	-
Spark NZ	15,000	-
The Southern Trust	18,000	-
Vodafone	-	7,750
Watercare Services Ltd	3,000	-
Wellington City Council (Betty Campbell)	5,316	5,316
Westpac Bank	-	3,000
Total	362,063	277,065

Movements during the year:

Operational Grants	2021	2020
	\$	\$
Operational grants from income in advance released with conditions completed with return specified	40,435	36,276
Operational Grants received throughout the year	258,563	211,407
Partnerships (formerly Sponsorships) received throughout the year	103,500	63,750
Operational grants income in advance with conditions not completed with return specified	(16,614)	(40,435)
Total	385,884	270,999

Notes to the Financial Statements

New Zealand AIDS Foundation for year ended 30 June 2021

14. Borrowings

Flexible Credit Facility

The Flexible Credit Facility from the ANZ Bank New Zealand Ltd is supported by a registered first ranking mortgage over 31-35 Hargreaves Street, St Marys Bay, Auckland by the NZAF.

Summary of Facility;

	NZ\$
Flexible Credit Facility	1,150,000
Total Limits	1,150,000

As at 30 June 2021 NZAF had banking facilities with ANZ Bank New Zealand Limited in place, until 30 November 2023.

The Facility may be drawn in tranches, so long as the sum of all tranches outstanding does not exceed the Facility Limit. The NZAF draws down as required and repays the tranches in full when it receives the main Ministry of Health revenue payments.

Balance;

	2021	2020
	\$	\$
Flexible Credit Facility	-	-
Total	-	-

Interest;

2021 Facility balance had no tranche drawdowns \$0.00

2020 Facility balance had no tranche drawdowns \$0.00

Financial Covenant;

For the year ended 30 June 2021 all covenants imposed on NZAF by ANZ Bank New Zealand Limited were met.

15. Reserves

There have been no reserves for the current or prior year.

Notes to the Financial Statements

New Zealand AIDS Foundation for year ended 30 June 2021

16. Related Parties

Related Parties

- 15 August 2020 – Trust Board Meeting: Guy Alexander resigned as Trustee.
- 10 October 2020 – Trust Board Meeting: Patricia Mitchell was appointed as a General Trustee for a two-year term commencing 17 October 2020.
- 28 November 2020 – AGM: Edward Coughlan, Ian Kaihe-Wetting and Carol Maibvisira were re-elected for a second two-year term as Trustees.
- 18 February 2021 – Board Resolution: Samuel Humphrey was re-appointed for a second two-year term commencing 11 February 2021.
- 20 February 2021 – Trust Board meeting: Anthony Fallon was re-elected as Board Chair for a 12-month term. Samuel Humphrey was re-elected as Board Deputy Chair for a 12-month term. Virginia Cattell was re-appointed as non-voting Board Secretary for a further 12 months.
- 4 June 2021 – Board Resolution: Ben Mander was re-appointed as a Trustee for a second two-year term commencing 11 May 2021.

There have been no transactions between the Trust Board and the NZAF.

Key Management Personnel

Key management personnel, as defined by PBE IPSAS 20 Related Party Disclosures, are the Trust Board together with the Chief Executive Officer, General Manager and Finance & Administration Manager. The aggregate remuneration of key management personnel and the number of individuals, determined on a full-time equivalent basis is as follows;

Category	Number of FTEs	Number of FTEs	2021	2020
	2021	2020	\$	\$
Board of Trustees	7	7	-	-
Senior Management	3	3	443,325	429,426
			443,325	429,426

Remuneration and compensation provided to close family members of Key Management Personnel

During the reporting period, total remuneration and compensation of * (2020:) was provided by the NZAF to employees who are close family members of key management personnel. There have been no other remuneration or loan advances paid to any other close family members of key management personnel.

There have been no other material related party transactions during the year.

*Charities Services has approved to restrict and withhold sensitive information in disclosure note 16

Notes to the Financial Statements

New Zealand AIDS Foundation for year ended 30 June 2021

17. Operating Leases

Operating Leases as lessee

The NZAF has entered into commercial leases on premises, right of use assets and equipment. These leases have an average life of between one and five years, with no renewal option included in the contracts. There are no restrictions placed upon the NZAF by entering into these leases.

Future minimum rentals payable under non-cancellable operating leases as at 30 June 2021 and 2020 are as follows;

	2021	2020
	\$	\$
Less than one year	157,294	125,879
Between one and five years	130,361	154,940
Greater than five years	-	-
Total non-cancellable operating leases payments	287,654	280,819

As at the reporting date, the following lease payments have been recognised as an expense;

	2021	2020
	\$	\$
Premises - Rental	95,465	118,203
IT Contract & Online database subscriptions	97,016	58,620
Photocopiers	7,918	8,985
Mobile phones	10,599	10,930
	210,997	196,738

Operating Leases as lessor

The NZAF has entered into commercial property leases for the surplus office space in its owner-occupied office building. These non-cancellable leases have remaining terms of between one and two years. Of these lease agreements one can be terminated with three months' notice by the lessee if it no longer has operational funding and the NZAF is satisfied that the lessee has expended all reasonable resources and efforts to source such funding. All leases include a clause to enable upward revision of the rental charge on an annual basis in line with prevailing CPI rate. One lease was renewed for a further two years as one right of renewal. The other lease has one right of renewal for a further three-year term. These leases did not result in restrictions being imposed on NZAF.

Future minimum rentals receivable under non-cancellable operating leases as at 30 June 2021 and 2020 are as follows:

	2021	2020
	\$	\$
Less than one year	27,692	40,200
Between one and five years	-	27,392
Greater than five years	-	-
Total non-cancellable operating lessor revenue	27,692	67,592

As at the reporting date, the following lease income has been recognised as revenue;

	2021	2020
	\$	\$
Premises - Rental	59,813	54,006
	59,813	54,006

Notes to the Financial Statements

New Zealand AIDS Foundation for year ended 30 June 2021

18. Categories of financial assets and liabilities

The carrying amounts of financial instruments presented in the statements of financial position relate to the following categories of assets and liabilities:

	2021	2020
	\$	\$
Loans and receivables at amortised cost		
Cash and cash equivalents	1,165,203	536,164
Receivables from exchange transactions	94,650	29,661
Receivable from non-exchange transactions	4,337	7,475
	1,264,191	573,300
Financial Liabilities at amortised cost		
Trade and other creditors	235,807	335,552
Accrued Expenditure	96,740	52,935
	332,548	388,487

19. Capital commitments

At reporting date, the NZAF capital commitments are \$Nil (2020: \$Nil)

20. Contingent assets and liabilities

There are no contingent assets or liabilities at reporting date (2020: \$Nil). The NZAF has not granted any securities in respect of liabilities payable by any other party.

21. Events after the reporting date

Subsequent to balance date, on 17 August 2021, the New Zealand Government announced a Level 4 Covid-19 lockdown for an initial period of 7 days. This was then extended for a further period. The current operating environment is unprecedented, resulting in uncertainty around NZAF's fundraising and donations income. This situation is being monitored by the Trustees and further considerations will be required to generate additional funds or manage/reduce costs. The Trustees acknowledged that NZAF is reliant on continued funding from the Ministry of Health.

After considerations of the NZAF's financial position at the date of authorising these financial statements, the Trustees are satisfied that the NZAF will be able to meet its financial obligations for the foreseeable future. Hence, the preparation of the financial statements using the going concern assumption remains appropriate.

Independent Auditor's Report

To the trustees of New Zealand AIDS Foundation

Opinion

We have audited the financial statements of New Zealand AIDS Foundation (the Foundation), which comprise:

- the statement of financial position as at 30 June 2021;
- the statement of comprehensive revenue and expenses for the year then ended;
- the statement of changes in net assets/equity for the year then ended;
- the statement of cash flow for the year then ended; and
- the notes to the financial statements, which include significant accounting policies.

In our opinion, the accompanying financial statements on pages 18 to 34 present fairly, in all material respects, the financial position of New Zealand AIDS Foundation as at 30 June 2021, and its financial performance and its cash flows for the year then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime 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 Foundation 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 New Zealand AIDS Foundation.

Other information

The trustees are responsible for the other information. The other information comprised of pages 3 to 17 (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report. Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the trustees for the financial statements

The trustees are responsible, on behalf of New Zealand AIDS Foundation, for the preparation and fair presentation of the financial statements in accordance with Public Benefit Entity Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board, 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, the trustees are responsible, on behalf of the Foundation, for assessing the Foundation'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 trustees either intend to liquidate the Foundation 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/Page8.aspx

Who we report to

This report is made solely to the trustees, as a body. Our audit has been undertaken so that we might state to the trustees those matters 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 the Foundation and the trustees as a body, for our work, for this report, or for the opinions we have formed.

A handwritten signature in blue ink that reads 'RSM'.

RSM Hayes Audit
Auckland

10 September 2021