

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

**PERFORMANCE REPORT**

***FOR THE YEAR ENDED***  
***31 March 2022***

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**Waikato/Bay of Plenty Division Cancer Society**  
for the year ended 31 March 2022

## **DIRECTORY**

<b>CHAIRPERSON:</b>	James Primrose
<b>VICE CHAIRPERSON:</b>	Maurice Gianotti (National Board Representative)
<b>BOARD MEMBERS:</b>	Karen Bennett Shelley Campbell Ellyn Dean Hugh Lees from 22/09/2021 Tony Kinzett from 22/09/2021 Sally Powdrell Alan Pracy from 7/07/2021 Kim Richards to 16/02/2022 Ruth Ross Matthew White
<b>CHIEF EXECUTIVE:</b>	Shelley Campbell
<b>INDEPENDENT AUDITOR:</b>	PKF Hamilton Audit Limited 1026 Victoria Street Hamilton
<b>PHYSICAL ADDRESS:</b>	Corner Grey and Beale Streets Hamilton 3240
<b>WEBSITE:</b>	<a href="http://www.cancernz.org.nz">www.cancernz.org.nz</a>

## ENTITY INFORMATION

<b>Legal Name of Entity</b>	Waikato/Bay of Plenty Division Cancer Society of New Zealand Incorporated
<b>Trading As</b>	Waikato/Bay of Plenty Cancer Society
<b>Type of Entity and Legal Basis</b>	Incorporated Society and Registered Charity
<b>Registration Number</b>	CC24649
<b>Our Vision</b>	All people. Every cancer.
<b>Mission Statement</b>	The Waikato/Bay of Plenty Cancer Society is committed to reducing the impact and incidence of cancer in all communities throughout the Waikato and Bay of Plenty regions.
<b>Principal Activities</b>	Provision of support services, health promotion, research, advocacy and information services for people affected by cancer.
<b>Structure</b>	The Waikato/Bay of Plenty Cancer Society is a member of the Cancer Society of New Zealand Incorporated. The Cancer Society of New Zealand Incorporated operates a federated model, with member divisions operating as separate legal entities. The Waikato/Bay of Plenty Cancer Society is governed by a Board of elected representatives, which has the full power, authority and exclusive responsibility to manage and control the business and affairs of the Division. The Division provides services to the population within the regions of Waikato, Bay of Plenty and Lakes District Health Boards.
<b>Sources of Cash and Resources:</b>	In the 2022 financial year, the Division received its income from a mixture of investment revenue, grants and donations, fundraising, bequests and District Health Board service contracts, via the National Travel Assistance Scheme.
<b>Main Methods Used to Raise Funds:</b>	The Division raises funds through applying to funders for support, working with commercial sponsors, generating donations from whānau who have benefited from our services, and through public fundraising events such as appeals, Daffodil Day and Relay For Life.
<b>Reliance on Volunteers and Donated Goods or Services:</b>	

**Volunteers:** Volunteers are at the heart of our organisation and are vital to our ability to provide supportive care services for people affected by cancer in our region. The Division utilised the services of approximately 404 volunteers (2021: 399) during the year to fundraise and support its programmes. These included individuals serving on the Division Board, drivers transporting people to treatment and medical appointments, hosts at the Cancer Society's Lions Lodge in Hamilton and in oncology services in hospitals, community support group volunteers, fundraising participants and other activities.

**Donated Goods and Services:** The Division receives considerable support from sponsors and donors by way of donated goods and services. This included a wide screen TV for the Lodge and renovations at the Rotorua centre. The Division was fortunate to maintain the donation of four staff vehicles from Fairview Motors, Hamilton.

Donations of services and products received in kind have not been recognised in the consolidated statement of financial performance as their fair value cannot be reliably estimated. However, the Division recognises and extends its appreciation to the following organisations for their contributions in the 12 months to 31 March 2022:  
Fairview Motors, Telfer Young Valuers, ANZ New Zealand Ltd and Genesis Energy Ltd.

## STATEMENT OF SERVICE PERFORMANCE

for the year ended 31 March 2022

### Cancer Society of New Zealand Incorporated Strategic Goals

As a member of Cancer Society of New Zealand Incorporated, Waikato/Bay of Plenty Division supports the federation strategic goals to:

- Be a **respected voice** on cancer prevention, care and survivorship.
- Be a **valued partner** within the health sector locally, nationally and internationally.
- Use our **resources efficiently** to deliver equitable cancer outcomes for people, whānau and populations.
- Ensure we are **anchored in our communities** in the **high value services** we deliver.

### Waikato/Bay of Plenty Cancer Society Outcomes

The role of the Waikato/Bay of Plenty Division is to "reduce the impact and incidence of cancer in all communities throughout the Waikato and Bay of Plenty region". Our aim is to implement the strategic goals of the federation at a local level:

- Deliver Health Promotion services to promote healthy lifestyles and cancer prevention
- Ensure we are a valued contributor within the midland regional cancer network and that our views are represented at a national level;
- Use our resources efficiently in the delivery of cancer services, with fit for purpose assets, a highly skilled workforce and up to date technology;
- Connect with and support people diagnosed with cancer in our region, from diagnosis to survivorship;
- Increase engagement with our communities to raise awareness of cancer in the community;

Waikato/Bay of Plenty Division Cancer Society Achievements	2022	2021
<b>1. A RESPECTED VOICE ON CANCER PREVENTION</b>		
<b>Health Promotion</b>		
Our Health Promotion teams provide expert guidance on healthy lifestyles and cancer prevention.		
• Kia ora e te iwi (health literacy marae based programme): Graduates	11	27
• Sun Smart accredited schools: Students reached	28,844	26,859
<b>Submissions</b>		
We regularly submit to local and central government on initiatives with modifiable cancer risk factors:		
Number of submissions	8	0
<b>2. A VALUED PARTNER WITHIN THE HEALTH SECTOR</b>		
<b>Relationship with District Health Boards</b>		
We have strong contractual relationships with four midland District Health Boards to provide accommodation for clients at Cancer Society's Lions Lodge, Hamilton.		
• Bednights provided:	11,592	11,093
• Number of guests accommodated:	1,712	1,500
• Meals served:	34,290	28,959
<b>Funding Cancer Research</b>		
We contributed to local and national cancer research to help reduce the incidence of cancer.		
• Research funded:	\$240,467	\$244,335

## Waikato/Bay of Plenty Division Cancer Society

Performance report for the year ended 31 March 2022

<b>3. USE OUR RESOURCES EFFICIENTLY</b>	<b>2022</b>	<b>2021</b>
<b>Physical Resources</b>		
We use our resources efficiently to provide staff, volunteers and clients with fit-for-purpose amenities.		
• Vehicle fleet to enable delivery of services within the community (including sponsored vehicles)	13	12
• Cancer Society's Lions Lodge replacement and renewals expenditure	\$106,133	\$51,272
<b>Workforce</b>		
Our highly skilled workforce includes supportive care staff, health promoters, lodge hosts, finance and administration staff, volunteer co-ordinators, communications staff and fundraisers.		
• Full-time equivalent staff:	32	28
<b>4. ANCHORED IN OUR COMMUNITIES DELIVERING HIGH VALUE SERVICES</b>		
<b>Support Services</b>		
We provided community based, nurse led, cancer support staff.		
• Total number of client contacts:	8,183	9,040
• Number of new clients offered support:	989	1,212
• Value of supportive care services, other than nurse services, including therapeutic massages, exercise programmes, frozen meals and counselling sessions.	\$80,017	\$71,116
<b>Volunteer Workforce &amp; Driving Service</b>		
Our volunteer workforce are the backbone of our community cancer services.		
• Volunteer hours worked:	8,745	9,840
Driving services transport clients to cancer treatment and medical appointments.		
• Kilometres travelled:	64,300 kms	76,541 kms
<b>Fundraising</b>		
Communities across the region have staged their own fundraising events, which provide funds for services and raise the profile of cancer in our communities.		
• Community fundraising	\$230,327	\$235,206

### SIGNIFICANT EVENTS

COVID-19 provided significant challenges to cancer clients and their whanau. The Cancer Society Lion's Lodge continued to operate throughout the lockdown periods, with extended services offering 24/7 accommodation and meals. The volunteer driving service was suspended. Support groups were cancelled. The demand for frozen meals and psychosocial support increased, but therapeutic massage was suspended. Some face to face health promotion activities were suspended during lockdown periods.

## STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES

for the year ended 31 March 2022

	Notes	2022 \$	2021 \$
<b>Revenue from non-exchange transactions</b>			
Donations		383,157	209,633
Grants	4	221,669	565,887
Fundraising Revenue		1,498,946	1,308,864
Legacies and Bequests		4,163,770	1,078,739
		<u>6,267,542</u>	<u>3,163,123</u>
<b>Revenue from exchange transactions</b>			
Income from Investments	5	120,426	168,174
Health Promotion Merchandise		5,300	3,840
Lodge Revenue		1,192,100	1,069,503
Service Revenue		377,812	81,004
Subscriptions		96	104
Other Exchange Transactions		7,478	3,883
		<u>1,703,212</u>	<u>1,326,508</u>
Gain on Disposal of Property, Plant and Equipment		-	179,823
<b>Total Revenue</b>		<b><u>7,970,754</u></b>	<b><u>4,669,454</u></b>
<b>Expenditure</b>			
Cancer Society's Lions Lodge		1,009,643	954,975
Centre Administration - Hamilton		141,198	168,887
Centre Administration - Rotorua		61,876	57,800
Centre Administration - Tauranga		170,737	159,633
Community Services		1,313,089	999,875
Depreciation		440,777	443,872
Finance and Legal		106,122	57,566
Fundraising		794,718	449,414
General Administration		463,636	566,899
Grants		10,000	7,500
Health Promotion Activities		242,586	205,379
Loss on disposal of Property, Plant and Equipment		3,964	2,431
Marketing and Communications		147,662	158,104
National Levy		321,985	314,452
Research		240,467	244,335
<b>Total Expenditure</b>		<b><u>5,468,460</u></b>	<b><u>4,791,122</u></b>
<b>Surplus/(Deficit) for the Year</b>		<b><u>2,502,294</u></b>	<b><u>(121,668)</u></b>
<b>Other Comprehensive Revenue and Expenses</b>			
Donations In-Kind		1,215	-
Fair Value gain/(loss) on investments		216,365	935,184
<b>Total Other Comprehensive Revenue and Expenses</b>		<b><u>217,580</u></b>	<b><u>935,184</u></b>
<b>Total Comprehensive Revenue and Expenses</b>		<b><u>2,719,874</u></b>	<b><u>813,516</u></b>

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

## STATEMENT OF CHANGES IN NET ASSETS/EQUITY

for the year ended 31 March 2022

	Accumulated Funds (Note 12)	Endowment Reserves (Note 13)	Investment Fair Value Reserve	Research and Overseas Travel Reserve (Note 14)	Total Equity
Opening balance 1 April 2021	15,988,013	1,221,897	2,014,961	215,150	19,440,021
Surplus for the year	2,502,294	-	-	-	2,502,294
Other Comprehensive Income	1,215	-	216,365	-	217,580
<b>Total Comprehensive Revenue and Expenses for the year</b>	<b>2,503,509</b>	<b>-</b>	<b>216,365</b>	<b>-</b>	<b>2,719,874</b>
<b>Net Equity Before Transfers to Reserves</b>	<b>18,491,522</b>	<b>1,221,897</b>	<b>2,231,326</b>	<b>215,150</b>	<b>22,159,895</b>
Transfers to/(from) Reserves	200,603	14,547	-	(215,150)	-
<b>Closing Equity 31 March 2022</b>	<b>18,692,125</b>	<b>1,236,444</b>	<b>2,231,326</b>	<b>-</b>	<b>22,159,895</b>

	Accumulated Funds (Note 12)	Endowment Reserves (Note 13)	Investment Fair Value Reserve	Research and Overseas Travel Reserve (Note 14)	Total Equity
Opening balance 1 April 2020	16,375,881	901,012	1,079,777	269,835	18,626,505
Surplus for the year	(121,668)	-	-	-	(121,668)
Other Comprehensive Income	-	-	935,184	-	935,184
<b>Total Comprehensive Revenue and Expenses for the year</b>	<b>(121,668)</b>	<b>-</b>	<b>935,184</b>	<b>-</b>	<b>813,516</b>
<b>Net Equity Before Transfers to Reserves</b>	<b>16,254,213</b>	<b>901,012</b>	<b>2,014,961</b>	<b>269,835</b>	<b>19,440,021</b>
Transfers to/(from) Reserves	(266,200)	320,865	-	(54,665)	-
<b>Closing Equity 31 March 2021</b>	<b>15,988,013</b>	<b>1,221,897</b>	<b>2,014,961</b>	<b>215,150</b>	<b>19,440,021</b>

  
James Primrose, Chair  
13 July 2022

  
Matthew White  
13 July 2022

## Waikato/Bay of Plenty Division Cancer Society

Performance report for the year ended 31 March 2022

# STATEMENT OF FINANCIAL POSITION

as at 31 March 2022

	Notes	2022 \$	2021 \$
<b>Current Assets</b>			
Bank Accounts		459,426	489,915
Endowment Trust Accounts		1,241,445	1,221,897
Imprest Accounts		290	490
GST Refund Due		9,003	14,170
Prepayments		37,679	26,465
Receivables from Exchange Transactions		373,616	137,390
Receivables from Non-Exchange Transactions		25,524	41,129
		2,146,983	1,931,456
<b>Non Current Assets</b>			
Investments	7	7,840,073	7,785,471
Property, Plant and Equipment	9	12,757,350	13,066,876
		20,597,423	20,852,347
<b>Total Assets</b>		<b>22,744,406</b>	<b>22,783,803</b>
<b>Current Liabilities</b>			
Accounts and Other Payables		312,694	159,484
Deferred Income	4	64,328	22,974
Employee Entitlements		207,489	161,324
Hold Estate Mortgage Advance	11	-	3,000,000
		584,511	3,343,782
<b>Net Assets</b>		<b>22,159,895</b>	<b>19,440,021</b>
<b>Represented by:</b>			
Accumulated Funds	12	18,692,125	15,988,013
Endowment Reserves	13	1,236,444	1,221,897
Investment Fair Value Reserve		2,231,326	2,014,961
Research and Overseas Travel Reserve	14	-	215,150
<b>Accumulated Funds and Reserves</b>		<b>22,159,895</b>	<b>19,440,021</b>

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



## Waikato/Bay of Plenty Division Cancer Society

Performance report for the year ended 31 March 2022

### STATEMENT OF CASH FLOWS

for the year ended 31 March 2022

	2022	2021
	\$	\$
<b>Cash Flows from Operating Activities</b>		
<b><i>Cash was provided from</i></b>		
Grants, donations and bequests	1,819,988	1,547,362
Fundraising	1,512,006	1,301,690
Interest received	44,679	60,771
Goods and Services provided	1,369,957	1,129,812
Net GST received	-	4,884
	4,746,630	4,044,519
<b><i>Cash was applied to</i></b>		
Payments to suppliers	2,625,776	2,013,363
Payments to employees	2,234,745	2,324,147
Net GST paid	7,051	-
	4,867,573	4,337,510
<b>Net Cash Flows from Operating Activities</b>	(120,943)	(292,991)
<b>Cash Flows from Investing Activities</b>		
<b><i>Cash was provided from</i></b>		
Proceeds from disposal of investments	196,160	-
Proceeds from drawdown of funds in First Mortgage Trust	500,000	2,602,650
Sale of Property, Plant and Equipment	131	733,043
Dividends received	38,610	52,476
Interest received	8,679	-
	743,580	3,388,169
<b><i>Cash was applied to</i></b>		
Payments for purchase of investments	-	3,012,189
Payments for investment in First Mortgage Trust	506,000	-
Payments for purchase of Property, Plant and Equipment	127,779	160,168
	633,779	3,172,357
<b>Net Cash Flows from Investing Activities</b>	109,801	215,812
Net (decrease)/increase in cash equivalents	(11,142)	(77,179)
Cash and cash equivalents 1 April	1,712,302	1,789,481
<b>Cash and cash equivalents 31 March</b>	<b>1,701,160</b>	<b>1,712,302</b>

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

## **NOTES TO AND FORMING PART OF THE PERFORMANCE REPORT**

**for the year ended 31 March 2022**

### **1. REPORTING ENTITY**

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

These financial statements and the accompanying notes summarise the financial results of activities carried out by the Division for the year ended 31 March 2022.

These financial statements were authorised for issue by the Board on 13 July 2022.

### **2. BASIS OF PREPARATION**

#### **2.1 Statement of Compliance**

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

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

#### **2.2 Basis of Measurement**

The financial statements have been prepared on the basis of historical cost, except for the revaluation of available for sale financial assets through Other Comprehensive Income, which are stated at their fair value:

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

#### **2.3 Functional and Presentation Currency**

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

#### **2.4 Critical Accounting Estimates and Judgements**

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

The estimates and judgements are reviewed by management each year. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. Information about judgements made by management in applying accounting policies that have a significant effect on the amount recognised in the financial statements relate to Current Liabilities: Hold Estate Mortgage Advance (Note 11).

## NOTES TO AND FORMING PART OF THE PERFORMANCE REPORT (continued)

### 2.5 Changes in Accounting Policy

During the year, the Division early adopted the standard PBE FRS 48 – Service Performance Reporting for the first time. A copy of the Statement of Service Performance has been provided on page 4 of the Performance Report. No other changes in accounting policy have been made during the current financial year.

### 3. SPECIFIC ACCOUNTING POLICIES

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

#### 3.1 Revenue Recognition

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

##### 3.1.1 Revenue from Exchange Transactions

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

##### 3.1.2 Lodge Contract Revenue

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

##### 3.1.3 Investment Revenue

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

##### 3.1.4 Revenue from non-exchange transactions

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

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

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

The Division recognizes a liability where revenue from a non-exchange transaction is subject to conditions that, if unfulfilled, require the return of the transferred resources. The entity recognises a liability until the

## NOTES TO AND FORMING PART OF THE PERFORMANCE REPORT (continued)

condition is fulfilled, if it is probable that an outflow of resources embodying future economic benefit or service potential will be required to settle the obligation, and the amount of the obligation can be reliably estimated. The Division's non-exchange transactions include donations, fundraising, grants and bequests received.

### 3.1.5 Donations

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

### 3.1.6 Fundraising Revenue

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

### 3.1.7 Grant revenue

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

### 3.1.8 Legacies and Bequests

Revenue from legacies and estates that satisfies the definition of an asset is recognised when it is probable that future economic benefits or service potential will flow to the entity, and the fair value can be measured reliably.

## 3.2 Assets

### 3.2.1 Financial Assets

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

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

### 3.2.2 Cash and Cash Equivalents

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

### 3.2.3 Loans and Receivables

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

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

## NOTES TO AND FORMING PART OF THE PERFORMANCE REPORT (continued)

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

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

### 3.2.4 Available-for-sale financial assets

Available-for-sale financial assets are non- derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the Statement of Financial Position. The Division's investments in listed securities and managed funds are classified as available-for-sale financial assets.

Available-for-sale financial assets are subsequently measured at fair value with gain and losses recognised in other comprehensive revenue and expenses and presented in the available-for-sale fair value reserve within net assets/equity, less impairment (refer note 7).

### 3.2.5 Financial Assets at Fair Value through Surplus or Deficit

These financial assets are designated by management at fair value through the profit or loss component of the Statement of Comprehensive Revenue & Expenses at inception. Subsequent to initial recognition, all financial assets at fair value through the profit or loss component of the Statement of Comprehensive Revenue & Expenses are measured at fair value.

Financial assets designated at fair value through surplus or deficit component of the Statement of Comprehensive Revenue & Expenses at inception are those that are managed and their performance evaluated on a fair value basis in accordance with the Division's documented investment strategy. Information is provided to management on that basis.

### 3.2.6 Impairment of financial assets

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

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

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

## NOTES TO AND FORMING PART OF THE PERFORMANCE REPORT (continued)

### 3.2.7 Property Plant and Equipment

Land is measured at cost price at acquisition.

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

Residual values and useful lives are reviewed at each reporting date, and adjusted if necessary.

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

Specific rates used are:

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

### 3.2.8 Impairment of Property, Plant and Equipment

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

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

#### *Value in use for non-cash generating assets*

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

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

#### *Value in use for cash-generating assets*

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

## 3.3 Liabilities

### 3.3.1 Financial liabilities

Financial liabilities classified as amortised cost are non-derivative financial liabilities that are not classified as fair value through surplus or deficit financial liabilities and are subsequently measured at amortised cost using the effective interest method. The Division's financial liabilities as amortised cost include accounts payable and accruals.

## NOTES TO AND FORMING PART OF THE PERFORMANCE REPORT (continued)

### 3.3.2 Accounts Payable and Accruals

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

### 3.3.3 Deferred Revenue

The Division has an obligation to provide certain community goods and services using funds provided by philanthropic funders for a stated purpose. Deferred revenue arises when the Division accepts funding from funders prior to events occurring, towards which the funding should be applied. This gives rise to a liability for deferred revenue in respect of non-exchange transactions. The Division's deferred revenue relates to grants received during the period, tagged for projects and services to be delivered in following periods.

### 3.3.4 Employee Entitlements

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

### 3.4 Goods and Services Tax

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

### 3.5 Income Tax

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

### 3.6 Accumulated Funds and Reserves

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

#### 3.6.1 Accumulated Funds

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

#### 3.6.2 Investment Fair Value Reserve

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

#### 3.6.3 Special Purpose Reserves

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

## NOTES TO AND FORMING PART OF THE PERFORMANCE REPORT (continued)

	2022	2021
	\$	\$
<b>4 Grants</b>		
Grants were received to assist with service delivery and operational expenses.		
Bay of Plenty Civil Defence	-	1,340
Dragon Community Trust (reimbursed)	(30)	7,959
Frances Skeet Charitable Trust	5,000	10,000
Gallagher Charitable Trust	10,000	-
Glenice and John Gallagher Foundation	10,000	15,000
Grassroots Trust		5,260
Grassroots Trust Central	-	1,000
Hamilton City Council	-	24,000
Lions Club of Reporoa	-	-
Lottery Grants Board	58,080	10,000
Ministry of Social Development	3,809	73,206
NZ Community Trust	15,000	15,000
One Foundation	13,000	5,260
Perpetual Guardian	13,860	1,000
Rotorua Energy Charitable Trust	10,000	7,581
Rotorua Lakes Council	2,000	-
Tauranga Energy Charitable Trust	35,000	39,991
Taupo District Council	3,000	-
The Lion Foundation	40,000	-
The Southern Trust	-	18,510
The Tidd Foundation Incorporated	7,000	7,000
Trust Waikato	33,000	13,000
Waipa District Council	104	104
	<hr/>	<hr/>
	258,823	255,107
Add Grants deferred to the current year	22,974	333,754
Add Grants accrued	4,200	-
Less Grants deferred to following year	(64,328)	(22,974)
	<hr/>	<hr/>
<b>Total Grants</b>	<b>221,669</b>	<b>565,887</b>
<b>5 Income from investments</b>		
Interest received	81,816	115,698
Dividends received	38,610	52,476
	<hr/>	<hr/>
	120,426	168,174
<b>6 Employee Related Costs</b>		
Salaries and Wages	2,221,143	2,229,338
KiwiSaver	59,831	57,954
	<hr/>	<hr/>
	2,280,974	2,287,292
The cost of employees are included in the expenses relating to the specific activities performed by the Division.		
<b>7 Investments</b>		
On Call Deposits	659,963	625,565
Investments (managed funds/ equities at fair value)	7,180,110	7,159,906
	<hr/>	<hr/>
	7,840,073	7,785,471



## NOTES TO AND FORMING PART OF THE PERFORMANCE REPORT (continued)

### 8 Categories of Financial Assets and Liabilities

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

	2022	2021
	\$	\$
<b>Financial Assets</b>		
<b>Available for Sale Financial Assets</b>		
Investments in managed funds/ equities	7,180,110	7,159,906
<b>Loans and Receivables</b>		
Bank Accounts	459,426	489,915
Endowment Trust Accounts	1,241,445	1,221,897
GST Refund Due	9,003	14,170
Imprest Accounts	290	490
On call deposits	659,963	625,565
Prepayments	37,679	26,465
Receivables from exchange transactions	373,616	137,390
Receivables from non-exchange transactions	25,524	41,129
	<u>2,806,946</u>	<u>2,557,020</u>
<b>Total Financial Assets</b>	<u><b>9,987,056</b></u>	<u><b>9,716,926</b></u>
	<b>2022</b>	<b>2021</b>
	\$	\$
<b>Financial Liabilities</b>		
Accounts Payable	312,694	159,484
Payroll Liabilities	207,489	161,324
Deferred Income	64,328	22,974
Loans	-	3,000,000
	<u>584,511</u>	<u>3,343,782</u>

	Opening Book Value	Additions	Disposals	Depreciation	Closing Book Value
<b>9 Property, Plant and Equipment 2022</b>					
Land	1,531,734	-	-	-	1,531,734
Buildings	11,144,371	3,514	-	(303,932)	10,843,953
Furniture, Fittings, Equipment	14,047	1,850	-	(4,584)	11,314
Lodge Furniture and Fittings	186,619	74,630	-	(44,884)	216,365
Motor Vehicles	91,775	22,609	-	(48,130)	66,254
Technology Equipment	98,330	32,742	(4,094)	(39,247)	87,731
	<u>13,066,876</u>	<u>135,345</u>	<u>(4,094)</u>	<u>(440,777)</u>	<u>12,757,350</u>

### 10 Operating Lease Commitments

Lease commitments exist for leased premises in Tauranga under non-cancellable operating leases as follows:

	2022	2021
	\$	\$
<b>Operating Lease Liability</b>		
Current	90,265	79,650
Non-Current	89,989	146,025
	<u>180,254</u>	<u>225,675</u>

## NOTES TO AND FORMING PART OF THE PERFORMANCE REPORT (continued)

		2022	2021
		\$	\$
<b>11 Borrowings</b>			
Current		-	3,000,000
		-	3,000,000

In 2011, the late David Hold of Taupo left the residue of his Estate to the Waikato/Bay of Plenty Division of the Cancer Society of New Zealand (Inc). The Estate indicated that the total distribution to the Division would be in the vicinity of \$3.6M. The Trustee took legal advice regarding the distribution of the Estate which indicated that he should not distribute the whole of the Estate until late 2021. As at 31 March 2022 distributions of \$3.67M have been made to the Division from the Estate and the mortgages over the property of the Division have been released.

		2022	2021
		\$	\$
<b>12 Accumulated Funds</b>			
Opening Balance		15,988,013	16,375,881
Surplus/(Deficit) for the year		2,503,509	(121,668)
Net Transfers from Reserves		200,603	(266,200)
		18,692,125	15,988,013

		2022	2021
		\$	\$
<b>13 Endowment Reserves</b>			
<b>Geoffrey Hindle Lung Cancer Research Fund</b>			
Opening Balance		302,650	-
Research Donations		-	330,150
Research Grants		(6,000)	(27,500)
Closing Balance		296,650	302,650

The Geoffrey Hindle Lung Cancer Research Fund was established in 2021 through a bequest from the Estate of Geoffrey Hindle. The conditions of the bequest are that the Division utilises the bequest to support lung cancer research projects into the nature, control and prevention of lung cancer.

#### **Lawrence Jones Research Fund**

Opening Balance	822,728	812,295
Interest received	41,946	35,433
Research grants awarded	-	(25,000)
Closing Balance	864,674	822,728

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

#### **Megan Patchell Education Fund**

Opening Balance	41,517	39,765
Interest received	1,936	1,752
Education grants awarded	(3,532)	-
Closing Balance	39,921	41,517

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

#### **Mona Lickfold Memorial Fund**

Opening Balance	55,002	48,952
Donations Received	-	10,000
Interest received	438	1,250
Welfare Grants	(20,240)	(5,200)
Closing Balance	35,200	55,002

## NOTES TO AND FORMING PART OF THE PERFORMANCE REPORT (continued)

### 13 Endowment Funds (continued)

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

<b>Total Endowment Reserves</b>	1,236,444	1,221,897
	<b>2022</b>	<b>2021</b>
	\$	\$
<b>14 Research &amp; Overseas Travel Reserve Fund</b>		
Opening Balance	215,150	269,835
Research Donations	500	137,150
Research Funded	(215,650)	(191,835)
Closing Balance	-	215,150

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

### 15 Related Parties Transactions

The entity, nature of relationship, and the type and amount of transactions with which the Division entered into related party transactions during the year are detailed below:

Name	Relationship	Type of Transaction	2022 \$	2021 \$
Consulting (New Zealand) LP (PwC)	PwC Partner on Division Board	Contract for consultancy services	124,656	-

At 31 March 2022 there were no related party balances receivable (2021: Nil). There was a related party balance payable of \$143,354 (2021: nil).

### Key Management Personnel

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

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

Remuneration paid to key management personnel	409,240	396,607
Number of persons (EFT)	3	3

### 16 Capital Commitments

There were no capital commitments as at 31 March 2022 (2021: Nil)

### 17 Contingent Assets and Liabilities

There are no contingent liabilities as at 31 March 2022 (2021: Nil).

The Division had a contingent asset relating to \$600,000 of funds (together with accrued interest) held by the Trustee of the Hold Estate. Refer to Note 11 for further details. A distribution of \$670,000 was paid to the Division in March 2022.

### 18 Events Subsequent to Balance Date

There were no events that have occurred subsequent to balance date that would have a material impact on the Financial Statements (2021: Nil).

**INDEPENDENT AUDITOR'S REPORT  
TO THE BOARD OF  
WAIKATO/BAY OF PLENTY DIVISION CANCER SOCIETY OF NEW ZEALAND INC.**

**Opinion**

We have audited the performance report of Waikato/Bay of Plenty Division Cancer Society of New Zealand Inc. ("the Society"), which comprise the financial statements on pages 6 to 19 and the statement of service performance on page 4 to 5. The complete set of financial statements comprises the statement of financial position as at 31 March 2022, the statement of comprehensive revenue and expenses, the statement of changes in net assets, the cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects:

- the financial position of the Society as at 31 March 2022, and its financial performance and its cash flows for the year then ended; and
- the service performance for the year ended 31 March 2022, in accordance with the entity's service performance criteria,

in accordance with Public Benefit Entity Standards Reduced Disclosure Regime ("PBE Standards RDR") issued by the New Zealand Accounting Standards Board.

**Basis for Qualified Opinion**

As is common with other organisations of a similar nature, a portion of income is derived from donations and other fundraising activities. Controls over income from the Daffodil day, Appeal donations and other fundraising activities, prior to being recorded is limited and there are no practical audit procedures to determine the effect of this limitation. Given the limited controls to confirm the completeness of this income, total donations and other fundraising income may be higher than stated. This would have increased the operating surplus, equity and cash receipts associated with donation and fundraising income.

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ("ISAs (NZ)"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Division in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board, and 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 qualified opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, the Society.

**Board Responsibilities for the Performance Report**

Those charged with governance are responsible on behalf of the Society for:

- (a) the preparation and fair presentation of the financial statements and statement of service performance in accordance with PBE Standards RDR issued by the New Zealand Accounting Standards Board;
- (b) service performance criteria that are suitable in order to prepare service performance information in accordance with PBE Standards RDR; and

- (c) such internal control as those charged with governance determine is necessary to enable the preparation of the financial statements and statement of service performance that are free from material misstatement, whether due to fraud or error.

In preparing the performance report, those charged with governance are responsible for assessing the Society'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 those charged with governance either intend to liquidate the Society or to cease operations, or have no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Performance Report**

Our objectives are to obtain reasonable assurance about whether the statement of service performance and 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) and NZ AS 1 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, or collectively, they could reasonably be expected to influence the decisions of users taken on the basis of this performance report.

A further description of the auditor's responsibilities for the audit of the financial statements is located at the External Reporting Board's website at:

<https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-14/>

### **Who we Report to**

This report is made solely to the Division's Board as a body. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Division and the Division's Board, as a body, for our audit work, for this report or for the opinions we have formed.



Director  
PKF Hamilton Audit Limited  
Hamilton  
New Zealand  
13 July 2022