

**Cancer Society of New Zealand Auckland Northland Division  
Incorporated**

**Financial statements  
for the year ended 31 March 2019**

<b>Contents</b>	<b>Pages</b>
Directory	1
Independent auditor's report	2-4
Statements of comprehensive revenue and expense	5
Statements of changes in net assets/equity	6
Statements of financial position	7
Statements of cash flows	8
Notes to and forming part of financial statements	9-18

**Cancer Society of New Zealand Auckland Northland Division Incorporated  
Directory  
for the year ended 31 March 2019**

---

**DATE OF INCORPORATION** 20 February 1951

**REGISTERED OFFICE** 1 Boyle Crescent  
Grafton  
Auckland

**CHARITIES REGISTRATION NUMBER** CC22556

**INCORPORATION NUMBER** 221619

**PRESIDENT** J B Koea

**INDEPENDENT AUDITOR** BDO Auckland  
Auckland

**BANKERS** ANZ Bank  
Auckland

**SOLICITORS** Simpson Grierson  
Barristers & Solicitors  
Auckland

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF CANCER SOCIETY OF NEW ZEALAND AUCKLAND NORTHLAND DIVISION  
INCORPORATED**

**Qualified Opinion**

We have audited the consolidated financial statements of Cancer Society of New Zealand Auckland Northland Division Incorporated ("the Society") and its subsidiary (together, "the Group"), which comprise the consolidated and separate statements of financial position as at 31 March 2019, the consolidated and separate statements of comprehensive revenue and expense, consolidated and separate statements of changes in net assets/equity and consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate 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 consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial positions of the Society and Group as at 31 March 2019, its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended 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**

Control over revenue from Donations, Appeals and Events Memoriam of \$1,239,833 (2018: \$1,082,891), prior to being recorded is limited, and there are no practical audit procedures to determine the effect of this limited control. Accordingly, the completeness of revenue and related cash flows is unable to be determined.

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 Consolidated and Separate Financial Statements* section of our report. We are independent of the Group 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 or its subsidiary.

**Board's Responsibilities for the Consolidated and Separate Financial Statements**

The Board is responsible on behalf of the Society and Group for the preparation and fair presentation of the consolidated and separate financial statements in accordance with PBE Standards RDR, and for such internal control as the Board determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the Board is responsible on behalf of the Society and Group for assessing the Society and Group'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 Board either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated and separate 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 consolidated and separate financial statements.

As part of an audit in accordance with ISAs (NZ), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Who we Report to**

This report is made solely to the Society's members, 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 Society and the Society's members, as a body, for our audit work, for this report or for the opinions we have formed.

*BDO Auckland*

**BDO Auckland  
Auckland  
New Zealand  
4 June 2019**

**Cancer Society of New Zealand Auckland Northland Division Incorporated**  
**Statements of comprehensive revenue and expense**  
**for the year ended 31 March 2019**

	<i>Note</i>	<b>Group 2019 \$</b>	<b>Group 2018 \$</b>	<b>Society 2019 \$</b>	<b>Society 2018 \$</b>
Revenue from non-exchange transactions	2	9,162,860	7,954,567	9,965,334	8,638,567
Revenue from exchange transactions	3	1,955,535	2,075,492	1,955,535	2,075,492
Financial income	5	1,119,348	1,783,960	558,329	582,092
Other income		1,509	10,151	1,509	10,151
<b>Total income</b>		<b>12,239,252</b>	<b>11,824,170</b>	<b>12,480,707</b>	<b>11,306,302</b>
Administration expenses	6	2,872,843	2,738,631	2,780,242	2,659,396
Research costs		2,522,788	2,642,165	2,522,788	2,642,165
Support service expenses		2,302,973	2,210,417	2,302,973	2,210,417
Domain Lodge accommodation expenses		1,335,416	1,343,012	1,335,416	1,343,012
Fundraising & promotion costs		2,670,606	2,431,750	2,670,606	2,431,750
Health promotion costs		380,671	345,944	380,671	345,944
<b>Total expenses</b>		<b>12,085,297</b>	<b>11,711,919</b>	<b>11,992,696</b>	<b>11,632,684</b>
<b>Surplus/ (deficit) for the year attributable to members</b>		<b>153,955</b>	<b>112,251</b>	<b>488,011</b>	<b>(326,382)</b>
<b>Other comprehensive revenue and expense:</b>					
Fair value movement on available for sale financial assets		1,329,906	1,408,509	341,785	81,659
Gain or loss on available for sale financial assets transferred to surplus or deficit on sale	5	(243,083)	(834,870)	(52,642)	(4,120)
<b>Other comprehensive revenue and expense</b>		<b>1,086,823</b>	<b>573,639</b>	<b>289,143</b>	<b>77,539</b>
<b>Total comprehensive revenue and expense for the period attributable to members</b>		<b>1,240,778</b>	<b>685,890</b>	<b>777,154</b>	<b>(248,843)</b>

This statement must be read in conjunction with the notes to the accounts and the audit report on pages 2-4

**Cancer Society of New Zealand Auckland Northland Division Incorporated**  
**Statements of changes in net assets/equity**  
**for the year ended 31 March 2019**

	<i>Note</i>	Available for sale assets reserve \$	Accumulated funds \$	Total \$
<b>Society</b>				
<b>2018</b>				
Balance at 1 April 2017		170,290	26,050,583	26,220,873
Comprehensive revenue and expense:				
Fair value movement - available for sale financial assets		81,659	-	81,659
Gain or loss on available for sale financial assets transferred to surplus or deficit on sale		(4,120)	-	(4,120)
Surplus (deficit) for the year		-	(326,382)	(326,382)
Total comprehensive revenue and expense		77,539	(326,382)	(248,843)
<b>Balance at 31 March 2018</b>		<b>247,829</b>	<b>25,724,201</b>	<b>25,972,030</b>
<b>Society</b>				
<b>2019</b>				
Balance at 1 April 2018		247,829	25,724,201	25,972,030
Comprehensive revenue and expense:				
Fair value movement - available for sale financial assets		341,785	-	341,785
Gain or loss on available for sale financial assets transferred to surplus or deficit on sale		(52,642)	-	(52,642)
Surplus (deficit) for the year		-	488,011	488,011
Total comprehensive revenue and expense		289,143	488,011	777,154
<b>Balance at 31 March 2019</b>		<b>536,972</b>	<b>26,212,212</b>	<b>26,749,184</b>
<b>Group</b>				
<b>2018</b>				
Balance at 1 April 2017		2,961,605	36,767,402	39,729,007
Comprehensive revenue and expense:				
Fair value movement - available for sale financial assets		1,408,509	-	1,408,509
Gain or loss on available for sale financial assets transferred to surplus or deficit on sale		(834,870)	-	(834,870)
Surplus (deficit) for the year		-	112,251	112,251
Total comprehensive revenue and expense		573,639	112,251	685,890
<b>Balance at 31 March 2018</b>		<b>3,535,244</b>	<b>36,879,653</b>	<b>40,414,897</b>
<b>Group</b>				
<b>2019</b>				
Balance at 1 April 2018		3,535,244	36,879,653	40,414,897
Comprehensive revenue and expense:				
Fair value movement - available for sale financial assets		1,329,906	-	1,329,906
Gain or loss on available for sale financial assets transferred to surplus or deficit on sale		(243,083)	-	(243,083)
Surplus (deficit) for the year		-	153,955	153,955
Total comprehensive revenue and expense		1,086,823	153,955	1,240,778
<b>Balance at 31 March 2019</b>		<b>4,622,067</b>	<b>37,033,608</b>	<b>41,655,675</b>

**Cancer Society of New Zealand Auckland Northland Division Incorporated**  
**Statements of financial position**  
**as at 31 March 2019**

	<i>Note</i>	<b>Group 2019 \$</b>	<b>Group 2018 \$</b>	<b>Society 2019 \$</b>	<b>Society 2018 \$</b>
<b>Equity</b>					
Accumulated funds		37,033,608	36,879,653	26,212,212	25,724,201
Available for sale assets reserve		4,622,067	3,535,244	536,972	247,829
<b>Total Equity</b>		<b>41,655,675</b>	<b>40,414,897</b>	<b>26,749,184</b>	<b>25,972,030</b>
<b>Non-current liabilities</b>					
Employee benefits	14	83,868	90,946	83,868	90,946
<b>Total non-current liabilities</b>		<b>83,868</b>	<b>90,946</b>	<b>83,868</b>	<b>90,946</b>
<b>Current liabilities</b>					
Trade payables - exchange transactions	13	614,204	423,374	584,198	384,399
Payables - non exchange transactions		187,838	475,662	187,838	475,662
Income in advance		136,556	-	136,556	-
Employee benefits	14	239,653	260,119	239,653	260,119
<b>Total current liabilities</b>		<b>1,178,251</b>	<b>1,159,155</b>	<b>1,148,245</b>	<b>1,120,180</b>
<b>Total liabilities</b>		<b>1,262,119</b>	<b>1,250,101</b>	<b>1,232,113</b>	<b>1,211,126</b>
<b>Total equity and liabilities</b>		<b>42,917,794</b>	<b>41,664,998</b>	<b>27,981,297</b>	<b>27,183,156</b>
<b>Non-current assets</b>					
Investments	10	26,925,356	20,620,893	11,885,403	6,139,074
Property, plant and equipment	11	4,930,263	5,375,205	4,930,263	5,375,205
Properties held for strategic purposes	12	5,378,028	5,447,953	5,378,028	5,447,953
<b>Total non-current assets</b>		<b>37,233,647</b>	<b>31,444,051</b>	<b>22,193,694</b>	<b>16,962,232</b>
<b>Current assets</b>					
Cash and cash equivalents	7	1,188,302	2,465,056	1,188,302	2,465,056
Investments	10	4,207,860	7,610,530	4,207,860	7,610,530
Receivables - exchange transactions	8	93,511	61,507	93,493	61,484
Receivables - non exchange transactions	9	-	-	103,474	-
GST receivable		194,474	83,854	194,474	83,854
<b>Total current assets</b>		<b>5,684,147</b>	<b>10,220,947</b>	<b>5,787,603</b>	<b>10,220,924</b>
<b>Total assets</b>		<b>42,917,794</b>	<b>41,664,998</b>	<b>27,981,297</b>	<b>27,183,156</b>

For and on behalf of the board:

Dated: 4 June 2019



Acting Chief Executive



President

**Cancer Society of New Zealand Auckland Northland Division Incorporated**  
**Statements of cash flows**  
**for the year ended 31 March 2019**

	<i>Note</i>	<b>Group 2019 \$</b>	<b>Group 2018 \$</b>	<b>Society 2019 \$</b>	<b>Society 2018 \$</b>
<b>Cash flows from operating activities</b>					
Cash provided from:					
Receipts from public, services and other sources		11,226,623	10,134,455	11,915,614	10,797,888
Interest received		505,817	940,689	503,821	569,571
Dividends received		9,703	8,401	9,703	8,401
		<u>11,742,143</u>	<u>11,083,545</u>	<u>12,429,138</u>	<u>11,375,860</u>
Cash applied to:					
Payments to suppliers and to employees		(11,675,684)	(11,108,109)	(11,562,113)	(11,036,733)
<b>Net cash from operating activities</b>		<u>66,459</u>	<u>(24,564)</u>	<u>867,025</u>	<u>339,127</u>
<b>Cash flows from investing activities</b>					
Cash provided from:					
Proceeds from sale of property, plant & equipment		53,479	8,696	53,479	8,696
Proceeds from sale of investments		6,411,570	299,131	5,600,000	299,131
Cash applied to:					
Purchase of investments		(7,611,004)	(735,441)	(7,600,000)	(1,099,132)
Purchase of property, plant & equipment		(197,258)	(76,864)	(197,258)	(76,864)
<b>Net cash from investing activities</b>		<u>(1,343,213)</u>	<u>(504,478)</u>	<u>(2,143,779)</u>	<u>(868,169)</u>
<b>Net increase in cash, and cash equivalents</b>		(1,276,754)	(529,042)	(1,276,754)	(529,042)
Cash and cash equivalents at the beginning of the year		2,465,056	2,994,098	2,465,056	2,994,098
<b>Cash and cash equivalents at the end of the year</b>	7	<u>1,188,302</u>	<u>2,465,056</u>	<u>1,188,302</u>	<u>2,465,056</u>

**1. Statement of significant accounting policies for the year**

**Reporting entity**

The Cancer Society of New Zealand Auckland Northland Division Incorporated ("the Society") is an incorporated society incorporated in New Zealand under the Incorporated Societies Act 1908 and registered under the Charities Act 2005. The Society is a public benefit entity for the purposes of financial reporting.

The Society is domiciled and operates in New Zealand. The primary objective of the Society is to provide support and counselling services for cancer patients. The Society also supports research into the causes and treatment of cancer.

**Group**

The group consolidated financial statements include the Society and the Davis Carr Cancer Society Endowment Trust as described in note 15.

**Statement of compliance and basis of preparation**

The financial statements have been prepared in accordance with the Charities Act 2005 and 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 for Tier 2 not-for-profit public benefit entities ("Tier2 PBE Standards"), for which all reduced disclosure regime exemptions have been adopted. The Group and Society are eligible to apply Tier 2 PBE Standards because they both have annual expenditure less than \$30 million and they are not publically accountable

These financial statements have been prepared under the historical cost basis except for the following material items in the statement of financial position, which are measured at fair value:

- Available for sale financial instruments

The financial statements are presented in New Zealand dollars (\$), which is the functional currency of the Society and Group's presentation currency, rounded to the nearest dollar. There has been no change in the functional currency of the Society during the year.

All accounting policies were applied consistently to all periods presented.

**Critical accounting estimates and assumptions**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period which the estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is noted below:

- The Board have judged that the Society and Group's investment properties are held for strategic purpose and therefore the properties are accounted for under PBE IPSAS 17 Property, Plant and Equipment and not PBE IPSAS 16 Investment Property (refer to note 12). The Society has adopted a strategy of purchasing properties adjacent to its Domain Lodge property, as they become available for sale, for the purpose of providing for the future development of Domain Lodge. It is anticipated the demand for the patient accommodation will steadily increase and it will become necessary to expand the accommodation facilities. Given the close proximity of the Domain Lodge to the Auckland Public Hospital it is expected any future development will take place adjacent to and in conjunction with the existing Domain Lodge building.
- The Board have judged that the Davis Carr Cancer Society Endowment Trust (Trust) is a special purpose entity controlled by the Society as the board appoints the trustees and the Society is the beneficiary of the Trust (refer to note 15).
- Revenue from bequests and legacies: Where there is a life interest associated with the bequest or legacy or the bequest or the legacy is being contested, the revenue from the bequest and legacy is not recognised until the revenue is measurable and probable.

**Foreign currency**

Transactions in foreign currencies are converted at the New Zealand rate of exchange at the date of transaction. At the reporting date, any foreign currency monetary assets and liabilities are translated at the exchange rate at that date and any resulting exchange variations are included in surplus or deficit.

Foreign currency differences arising on retranslation are recognised in surplus or deficit, except for differences arising on the retranslation of available-for-sale equity investments (except on impairment in which case foreign currency differences that have been recognised in other comprehensive revenue and expense are reclassified to surplus or deficit), which are recognised in other comprehensive revenue and expense.

**2 Revenue from non-exchange transactions**

	<b>Group 2019</b>	<b>Group 2018</b>	<b>Society 2019</b>	<b>Society 2018</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Bequest and legacies				
- For general purposes	3,397,984	2,325,778	3,397,984	2,325,778
- For research	227,240	971,385	227,240	971,385
Donations, appeals, grants & events and memoriam	5,537,636	4,657,404	5,536,636	4,641,404
Grant from Davis Carr Cancer Society Endowment Trust	-	-	803,474	700,000
<b>Total revenue from non-exchange transactions</b>	<b>9,162,860</b>	<b>7,954,567</b>	<b>9,965,334</b>	<b>8,638,567</b>

Note 16

**2 Revenue from non-exchange transactions (continued)**

Non-exchange transactions are those where the Group receives an inflow of resources (i.e. cash and other tangible or intangible items) but provides no (or nominal) direct consideration in return.

The following specific recognition criteria in relation to the Group's non-exchange transaction revenue streams must also be met before revenue is recognised.

Fundraising

The Group's fundraising activities involve public cash collections. Fundraising non-exchange revenue is recognised at the point at which cash is received.

Volunteer service

The Society would be unable to operate without the extensive volunteer service it receives from members, supporters, service groups and the general public. These services relate to both raising revenue and service delivery. Principal volunteer services include street collectors for Daffodil Day, entrants and organisers of Relay for Life events, numerous small fund raising events sponsored by individuals and service clubs, board members who provide governance to the Group, drivers who transport cancer patients to their treatment and meal service providers who deliver meals to cancer patients homes. Generally, the contributions made by individuals is not recorded in detail. No complete record of hours is available and the diverse nature of contribution and individuals involved means it is not possible to reliably value the services they provide. For this reason the value of volunteer services is not recognised as revenue.

Grants, donations, legacies and bequests

The recognition of non-exchange revenue from grants, donations, legacies and bequests depends on the nature of any stipulations attached to the inflow of resources received, and whether this creates a liability (i.e. present obligation) rather than the recognition of revenue.

Stipulations that are 'conditions' specifically require the Group to return the inflow of resources received if they are not utilised in the way stipulated, resulting in the recognition of a non-exchange liability that is subsequently recognised as non-exchange revenue as and when the 'conditions' are satisfied.

Stipulations that are 'restrictions' do not specifically require the Group to return the inflow of resources received if they are not utilised in the way stipulated, and therefore do not result in the recognition of a non-exchange liability, which results in the immediate recognition of non-exchange revenue.

**3 Revenue from exchange transactions**

	<b>Group 2018</b>	<b>Group 2017</b>	<b>Society 2018</b>	<b>Society 2017</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Information services income	40,415	37,725	40,415	37,725
Health promotion income	-	9,460	-	9,460
Revenue from property rentals	344,055	329,088	344,055	329,088
Revenue from Domain Lodge accommodation	1,571,065	1,699,219	1,571,065	1,699,219
<b>Total revenue from exchange transactions</b>	<b>1,955,535</b>	<b>2,075,492</b>	<b>1,955,535</b>	<b>2,075,492</b>

Rendering of services

The Group's services includes information and health promotion services provided.

Revenue from services rendered is recognised in surplus or deficit in proportion to the stage-of-completion of the transaction at the reporting date. The stage of completion is assessed by reference to work performed at reporting date for both service related income streams.

Amounts received in advance for services to be provided in future periods are recognised as a liability until such time as the service is provided.

Rental income on properties held for strategic purposes

Rental income from properties held for strategic purposes is recognised in surplus or deficit on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

Revenue from Domain Lodge accommodation

Revenue from Domain Lodge accommodation (rental of rooms) is recognised in surplus or deficit when rooms are occupied.

**Cancer Society of New Zealand Auckland Northland Division Incorporated**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 31 March 2019**

**4 Employee benefit costs**

	<b>Group 2019</b>	<b>Group 2018</b>	<b>Society 2019</b>	<b>Society 2018</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Salaries and wages	4,262,917	4,272,200	4,262,917	4,272,200
Contributions to defined contribution plans	10,739	15,909	10,739	15,909
Contributions to medical insurance	57,953	56,447	57,953	56,447
<b>Total employee benefit costs</b>	<b>4,331,609</b>	<b>4,344,556</b>	<b>4,331,609</b>	<b>4,344,556</b>

**5 Financial income**

<b>Recognised in revenue</b>	<b>Group 2019</b>	<b>Group 2018</b>	<b>Society 2019</b>	<b>Society 2018</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<i>Dividend income on available for sale financial assets</i>				
Dividends	9,703	8,401	9,703	8,401
<i>Interest income on loans and receivables</i>				
Interest on term deposits and bank balance	434,481	508,191	434,481	508,191
<i>Interest/distribution income on available for sale financial assets</i>				
Interest/distribution income on available for sale financial assets	432,081	432,499	61,503	61,380
<i>Income from available for sale financial assets on disposal</i>				
Realised gain or loss transferred from other comprehensive revenue and expense	243,083	834,869	52,642	4,120
<b>Total financial income</b>	<b>1,119,348</b>	<b>1,783,960</b>	<b>558,329</b>	<b>582,092</b>

Finance income comprises interest income on financial assets, gains on the disposal of available-for-sale financial assets and dividend income. Interest income is recognised as it accrues in surplus or deficit, using the effective interest method. Income from dividends is recognised when the Group's right to receive payment is established, and the amount can be reliably measured.

Finance costs comprise interest expense on financial liabilities and losses on disposal of available-for-sale financial assets.

**6 Administration expenses**

	<b>Group 2019</b>	<b>Group 2018</b>	<b>Society 2019</b>	<b>Society 2018</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<i>Administration expenses include the following:</i>				
Audit fee (for the audit of the financial statements)	30,982	30,190	23,529	21,203
Depreciation on property, plant & equipment (note 11)	585,472	587,506	585,472	587,506
Depreciation on properties held for strategic purposes (note 12)	69,925	69,925	69,925	69,925
Cancer Society Levy	561,162	561,162	561,162	561,162
Salaries and wages	588,285	561,076	588,285	561,076
Computer costs	371,398	232,713	371,398	232,713
Other administration expenses	665,619	696,059	580,471	625,811
<b>Total administration expenses</b>	<b>2,872,843</b>	<b>2,738,631</b>	<b>2,780,242</b>	<b>2,659,396</b>

**7 Cash and cash equivalents**

	<b>Group 2019</b>	<b>Group 2018</b>	<b>Society 2019</b>	<b>Society 2018</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Cash on hand	1,050	1,050	1,050	1,050
Cash at bank on call	1,187,252	2,464,006	1,187,252	2,464,006
Short term deposits	-	-	-	-
<b>Total cash and cash equivalents</b>	<b>1,188,302</b>	<b>2,465,056</b>	<b>1,188,302</b>	<b>2,465,056</b>

**8 Receivables - exchange transactions**

	<b>Group 2019</b>	<b>Group 2018</b>	<b>Society 2019</b>	<b>Society 2018</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Accounts receivable	74,271	34,430	74,253	34,407
Other receivable	5,294	5,294	5,294	5,294
Accrued bank interest	13,946	21,783	13,946	21,783
<b>Total receivable - exchange transactions</b>	<b>93,511</b>	<b>61,507</b>	<b>93,493</b>	<b>61,484</b>

As at 31 March 2019 and 2018 there were no impairment allowances.

**Cancer Society of New Zealand Auckland Northland Division Incorporated**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 31 March 2019**

**9 Receivable - non exchange transactions**

	Group 2019 \$	Group 2018 \$	Society 2019 \$	Society 2018 \$
Monetary legacies, bequests and grants	-	-	103,474	-
<b>Total receivable - non exchange transactions</b>	<b>-</b>	<b>-</b>	<b>103,474</b>	<b>-</b>

**10 Investments**

	Group 2019 \$	Group 2018 \$	Society 2019 \$	Society 2018 \$
<i>Current investments</i>				
Loans and receivables - term deposits with maturity under 12 months	3,700,000	7,300,000	3,700,000	7,300,000
Available for sale financial assets - bonds	507,860	310,530	507,860	310,530
	<u>4,207,860</u>	<u>7,610,530</u>	<u>4,207,860</u>	<u>7,610,530</u>
<i>Term investments</i>				
Loans and receivables - term deposits with maturity over 12 months	3,200,000	4,900,000	3,200,000	4,900,000
Available for sale financial assets - bonds	205,940	722,260	205,940	722,260
Available for sale financial assets - shares	549,252	516,814	549,252	516,814
Available for sale financial assets - managed funds	22,970,164	14,481,819	7,930,211	-
	<u>26,925,356</u>	<u>20,620,893</u>	<u>11,885,403</u>	<u>6,139,074</u>

The investments held by the Society and Trust in unit funds are managed respectively by ANZ Investments and Nikko Asset Management New Zealand Limited and the Trust Board in accordance with the Statement of Investment Policy and Objectives.

**Available for sale financial assets - bonds**

**Group and Society**

Interest-bearing available for sale financial assets with a carrying amount of \$713,800 as at 31 March 2019 (2018: \$1,032,790) have stated interest rates of 6 to 7 percent (2018: 6 to 7 percent) and mature between 0.12 and 3.66 years. The bonds are listed on the New Zealand stock exchange.

**Available for sale financial assets - shares**

**Group and Society**

The shares are listed on the New Zealand and London stock exchanges.

**Available for sale financial assets - investments in managed funds**

**Group**

The fair value for the various managed funds available for sale financial assets is determined as follows:

Cash funds - at face value of the amounts held

Listed government and semi government securities - by reference to quoted bid price;

Unlisted investments - at valuation based on arm's length transactions, reference to other instruments that have substantially the same characteristics, discounted cash flow analysis and other pricing models;

Unit trusts - by reference to the quoted bid price.

Cancer Society of New Zealand Auckland Northland Division Incorporated  
Notes to and forming part of the Financial Statements  
for the year ended 31 March 2019

11 Property, plant and equipment

	Land	Building	Plant & Equipment	Computers	Motor Vehicles	Total
	\$	\$	\$		\$	\$
<b>Group &amp; Society Cost</b>						
<b>Balance at 1 April 2018</b>	300,944	12,241,748	287,009	324,316	464,712	13,618,729
Additions	-	-	-	89,430	107,828	197,258
Disposals	-	-	(104,734)	(86,090)	(125,015)	(315,839)
<b>Balance at 31 March 2019</b>	<u>300,944</u>	<u>12,241,748</u>	<u>182,275</u>	<u>327,656</u>	<u>447,525</u>	<u>13,500,148</u>
<b>Accumulated depreciation</b>						
<b>Balance at 1 April 2018</b>	-	7,501,246	213,036	245,085	284,157	8,243,524
Depreciation for the year	-	408,058	33,288	95,445	48,681	585,472
Release on disposal	-	-	(104,734)	(86,090)	(68,287)	(259,111)
<b>Balance at 31 March 2019</b>	<u>-</u>	<u>7,909,304</u>	<u>141,590</u>	<u>254,440</u>	<u>264,551</u>	<u>8,569,885</u>
<b>Carrying amounts</b>						
<b>At 31 March 2018</b>	300,944	4,740,502	73,973	79,231	180,555	5,375,205
<b>At 31 March 2019</b>	<u>300,944</u>	<u>4,332,444</u>	<u>40,685</u>	<u>73,216</u>	<u>182,974</u>	<u>4,930,263</u>

Items of property plant and equipment are initially measured at cost, except those acquired through non-exchange transactions which are instead measured at fair value as their deemed cost at initial recognition.

Property, plant and equipment are shown at cost, less accumulated depreciation and impairment losses. All of the Group's items of property plant and equipment are subsequently measured in accordance with the cost model.

*Subsequent costs*

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance is expensed as incurred.

*Depreciation*

Depreciation is provided on a straight-line basis on all property, plant and equipment at rates that will write off the cost of the assets to their estimated residual values over their useful lives. Depreciation is charged to surplus or deficit. Land is not depreciated. The useful lives and associated depreciation rates of major classes of assets have been estimated for current and prior period as follows:

Asset	Economic Life
Plant and Equipment	5 years
Computer equipment	3 years
Motor vehicles	6.7 years
Buildings	30 years

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

**Cancer Society of New Zealand Auckland Northland Division Incorporated**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 31 March 2019**

**12 Properties held for strategic purposes**

	Land	Buildings	Total
<b>Group &amp; Society</b>			
<b>Cost</b>			
Balance at 1 April 2018	4,175,651	2,097,760	6,273,411
Additions	-	-	-
<b>Balance at 31 March 2019</b>	<u>4,175,651</u>	<u>2,097,760</u>	<u>6,273,411</u>
<b>Accumulated depreciation</b>			
Balance at 1 April 2018	-	825,458	825,458
Depreciation for the year	-	69,925	69,925
<b>Balance at 31 March 2019</b>	<u>-</u>	<u>895,383</u>	<u>895,383</u>
<b>Carrying amounts</b>			
At 31 March 2018	<u>4,175,651</u>	<u>1,272,302</u>	<u>5,447,953</u>
At 31 March 2019	<u>4,175,651</u>	<u>1,202,377</u>	<u>5,378,028</u>

Properties held for strategic purposes comprises a number of domestic properties that are leased to third parties. Subsequent renewals are negotiated with the lessees. No contingent rents are charged.

Properties which are held for strategic purposes are held to meet service delivery objectives and are accounted for under PBE IPSAS 17 Property, Plant and Equipment. Refer to "property, plant and equipment" above.

Asset	Economic Life	
Buildings	30 years	Straight Line Method

The residual value, depreciation method and useful life of buildings is reviewed, and adjusted if applicable, at each financial year-end.

**13 Trade payables - exchange transactions**

	Group 2019	Group 2018	Society 2019	Society 2018
	\$	\$	\$	\$
Trade payables from exchange transactions	802,042	899,036	772,036	860,061
<b>Total trade payables - exchange transactions</b>	<u>802,042</u>	<u>899,036</u>	<u>772,036</u>	<u>860,061</u>

**14 Employee benefit liabilities**

	Group 2019	Group 2018	Society 2019	Society 2018
	\$	\$	\$	\$
<i>Current</i>				
Current portion of long-service leave (long term employee benefit)	9,390	15,127	9,390	15,127
Holiday pay accrual (short term employee benefit)	186,917	195,765	186,917	195,765
Accrued expense (short term employee benefit)	43,346	49,227	43,346	49,227
<b>Total current employee benefit liabilities</b>	<u>239,653</u>	<u>260,119</u>	<u>239,653</u>	<u>260,119</u>
<i>Non-current</i>				
Non current portion of long-service leave	83,868	90,946	83,868	90,946
<b>Total non-current employee benefit liabilities</b>	<u>83,868</u>	<u>90,946</u>	<u>83,868</u>	<u>90,946</u>
<b>Total employee benefit liabilities</b>	<u>323,521</u>	<u>351,065</u>	<u>323,521</u>	<u>351,065</u>

Short-term employee benefits

Employee benefits that the Group expects to be settled within 12 months of reporting date are measured at nominal values based on accrued entitlements at current rates of pay on an undiscounted basis.

These include salaries and wages accrued up to reporting date, annual leave earned to, but not yet taken at reporting date, expected to be settled within 12 months.

**14 Employee benefit liabilities (continued)**

Long-term employee benefits

Other employee benefits that are not expected to be settled wholly within 12 months after the end of the reporting period are presented as non-current liabilities.

Provision is made for benefits accruing to employees in respect of long service leave based on the probability that settlement will be required.

Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date.

**15 Group entity**

The Society established the Davis Carr Cancer Society Endowment Trust (the Trust) on 31 March 2008 to maintain and develop Domain Lodge, assist with the work and activities of the Society and provide funds for cancer research and treatment and assistance to those with cancer. The Society has the power to govern the financial and operating policies of the Trust so as to benefit from the Trust's activities. The Board have judged that the Trust is a Group entity controlled by the Society as the Board appoints the trustees and the Society is the beneficiary of the Trust.

The reporting date for the Trust is 31 March. The principal activity of the Trust is investment.

**Basis of consolidation**

*Controlled entities*

Controlled entities are entities controlled by the Group, being where the Group has power to govern the financial and operating policies of another entity so as to benefit from that entity's activities. The financial statements of the Group's controlled entities are included in the financial statements from the date that control commences until the date that control ceases.

Subsequent changes in a controlled entity that do not result in a loss of control are accounted for as transactions with controllers of the controlling entity in their capacity as controllers, within net assets/equity.

*Transactions eliminated on consolidation*

Intra-group balances, and any unrealised income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

**16 Related party transactions**

*The following transactions were carried out with related parties during the year.*

(1) Two of the board members of the Society are also members of the steering committee for Cancer Trials New Zealand. Professor Michael Findlay is a Director of Cancer Trials NZ and Associate Professor Jonathan Koea is a surgeon at Auckland City Hospital. The Society is a sponsor of Cancer Trials NZ and it funded \$243,000 in the 2019 financial year (2018: \$243,000).

(2) Cancer Society of New Zealand Incorporated is partly funded by the Society. The Society is entitled to representation on the board of the Cancer Society of New Zealand Incorporated. In 2019 the Society paid administration and research levies of \$772,827 which is equal to 35% of the total divisional levy (2018: \$695,127). There was \$18,788 owing to Cancer Society of New Zealand Incorporated at year end (2018: nil)

(3) In 2019, the Davis Carr Cancer Society Endowment Trust agreed a grant of \$803,474 to the Society to assist with the maintenance of Domain Lodge and the day to day work of the Society (2018 \$700,000). There was \$103,474 due from Davis Carr Cancer Society Endowment Trust at year end (2018: nil).

(4) In the current year, the Waikato/ Bay Of Plenty Division Cancer Society of New Zealand (Incorporated) paid the Society \$20,742 (2018: \$21,945) to assist in the costs of providing the 0800 telephone support service to the Auckland/Waikato region.

There are no fees paid to any board member.

**Key management personnel**

The Directors and executive team are considered to be the key management personnel of the Group and Society. Directors of the Society receive no remuneration.

<b>Group and Society</b>	<b>2019</b>	<b>Number of</b>	<b>2018</b>	<b>Number of</b>
	<b>\$</b>	<b>individuals</b>	<b>\$</b>	<b>individuals</b>
Compensation to key management personnel:				
Short term employee benefits	725,375	7	783,063	7
	<u>725,375</u>		<u>783,063</u>	

## 17 Financial instruments

### Fair values

All financial instruments are recognised in the statement of financial position and are stated at carrying amounts that are also a reasonable approximation of their fair values.

### Classification of financial instruments

	Group 2019 \$	Group 2018 \$	Society 2019 \$	Society 2018 \$
<b>Current financial assets</b>				
<i>Loans and receivables</i>				
Cash and cash equivalents	-	2,465,056	-	2,465,056
Loans and receivables - term deposits with maturity under 12 months	3,700,000	7,300,000	3,700,000	7,300,000
Accounts receivable	74,271	34,430	74,253	34,407
Other receivables	5,294	5,294	5,294	5,294
Accrued bank interest	13,946	21,783	13,946	21,783
<i>Available for sale financial assets</i>				
Available for sale financial assets - bonds	507,860	310,530	507,860	310,530
<b>Non current financial assets</b>				
<i>Loans and receivables</i>				
Loans and receivables - term deposits with maturity over 12 months	3,200,000	4,900,000	3,200,000	4,900,000
<i>Available for sale financial assets</i>				
Available for sale financial assets - bonds	205,940	722,260	205,940	722,260
Available for sale financial assets - shares	549,252	516,814	549,252	516,814
Available for sale financial assets - managed funds	22,970,164	14,481,819	7,930,211	-
<b>Current financial liabilities</b>				
<i>Financial liabilities measured at amortised cost</i>				
Trade Payables	802,042	899,036	772,036	860,061

The Group initially recognises financial instruments when the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire.

The Group also derecognises financial assets and financial liabilities when there has been significant changes to the terms and/or the amount of contractual payments to be received/paid.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies financial assets into the following categories: *loans and receivables*, and *available-for-sale*.

The Group classifies financial liabilities into the following category: *amortised cost*.

Financial instruments are initially measured at fair value, plus for those financial instruments not subsequently measured at fair value through surplus or deficit, directly attributable transaction costs.

Subsequent measurement is dependent on the classification of the financial instrument, and is specifically detailed in the accounting policies below.

### *Loans and receivables*

*Loans and receivables* are financial assets with fixed or determinable payments that are not quoted in an active market.

*Loans and receivables* are subsequently measured at amortised cost using the effective interest method, less any impairment losses (refer Impairment of non-derivative financial assets).

*Loans and receivables* comprise cash and cash equivalents, receivables and term deposits.

*Cash and cash equivalents* represent highly liquid investments that are readily convertible into a known amount of cash with an insignificant risk of changes in value, with maturities of 3 months or less.

## 17 Financial Instruments (continued)

### *Available-for-sale financial assets*

*Available-for-sale* financial assets are non-derivative financial assets that are designated as available-for-sale or are not classified in any of the above categories of financial assets.

*Available-for-sale* financial assets are subsequently measured at fair value with gains or losses (other than foreign exchange gains or losses) recognised in other comprehensive revenue and expense and presented in the AFS fair value reserve within net assets/equity, less impairment (refer Impairment of non-derivative financial assets).

Upon derecognition, the accumulated gain or loss within net assets/equity is reclassified to surplus or deficit.

*Available-for-sale* financial assets comprise shares, bonds and investments in managed funds.

### *Amortised cost 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.

Financial liabilities classified as *amortised cost* are subsequently measured at amortised cost using the effective interest method.

Financial liabilities classified as *amortised cost* comprise payables.

### **Impairment of non-derivative financial assets**

A financial asset not subsequently measured at fair value through surplus or deficit is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that the loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency by a counterparty, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a counterparty or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in the Group, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an equity security classified as an *available-for-sale* financial asset, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

### *Financial assets classified as loans and receivables*

The Group considers evidence of impairment for financial assets measured at amortised cost (*loans and receivables*) at both a specific asset and collective level.

All individually significant assets are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified.

Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

### *Financial assets classified as available-for-sale*

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.

The cumulative loss that is reclassified from net assets/equity to surplus or deficit is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss recognised previously in surplus or deficit.

Changes in impairment provisions attributable to application of the effective interest method are reflected as a component of interest income. 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 loss 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 other comprehensive revenue and expense.

**18 Financial commitments and operating leases**

**Leases as lessee**

At balance date the Group and Society had operating lease commitments of \$nil (2017 - \$nil).

**Financial commitments:**

	<b>Next 12 months</b>	<b>Between 1 - 5 years</b>	<b>Beyond 5 years</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Group and Society 2019</b>			
Cancer Trials NZ - clinical trials	243,000	-	-
Travel grants	10,200	-	-
ACS Research Centre funding and other fundraising costs	2,298,000	-	-
	<u>2,551,200</u>	<u>-</u>	<u>-</u>
	<b>Next 12 months</b>	<b>Between 1 - 5 years</b>	<b>Beyond 5 years</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Group and Society 2018</b>			
Cancer Trials NZ - clinical trials	243,000	-	-
Travel grants	9,000	-	-
ACS Research Centre funding and other fundraising costs	2,348,000	-	-
	<u>2,600,000</u>	<u>-</u>	<u>-</u>

**19 Contingencies**

**Contingent liability**

The Group and Society have no contingent liabilities as at 31 March 2019 (2018 - \$nil).

**Contingent assets**

At reporting date the Group and Society has received intimation concerning bequests which will be received in the future. These bequests cannot be quantified by the Group and Society as at reporting date due to fact that they cannot be reliably measured. A register is maintained of all the future bequests receivable.

This is available from the Domain Lodge, 1 Boyle Crescent, Grafton.

**20 Events after the reporting date**

There were no significant events after the reporting date.