



Consolidated Financial Statements

Cancer Society of New Zealand Incorporated

For the year ended 31 March 2020

Contents

3	Directory
4	Statement of Comprehensive Revenue and Expense
6	Statement of Changes in Net Assets
7	Statement of Financial Position
9	Statement of Cash flows
10	Approval of the Financial Statements
11	Notes to the Financial Statements
20	Audit Report

Directory

Cancer Society of New Zealand Incorporated

For the year ended 31 March 2020

Nature of Business

Improving community well-being by reducing the incidence and impact of cancer.

Address

Level 6
Ranchhod Tower
39 The Terrace
Wellington 6011

IRD Number

019-351-769

Charities Number

CC30617

Charity Registration Date

30 June 2008

Auditors

BDO Wellington Audit Limited

Bankers

ANZ Bank Ltd

Solicitors

Dentons Kensington Swan

Statement of Comprehensive Revenue and Expense

Cancer Society of New Zealand Incorporated

For the year ended 31 March 2020

	Notes	2020	2019
		\$	\$
National Office operational performance			
Revenue			
Divisional levies - supporting operations		1,921,970	1,839,723
Royalties Income		739,028	628,618
Investment income		15,480	55,368
Income from sales of products and resources		63,779	174,247
Grants		66,046	71,375
Other revenue		14,203	9,283
Total revenue from operations	12	2,820,506	2,778,613
Expenditure			
Personnel costs		1,483,599	1,340,575
Kiwisaver costs		50,468	47,529
Depreciation	6	30,642	30,690
Amortisation	5	3,518	6,251
Cost of product and resources sold		55,212	191,157
Operating expenses		1,384,368	941,306
Total expenditure for operations		3,007,808	2,557,507
Net operating surplus		(187,302)	221,106
Scientific grants and scholarships programme			
Revenue			
Divisional Levies - Research		972,063	972,065
Bequests and other Donations for Research		151,404	-
Investment income		42,696	181,953
Total revenue for grants programme	12	1,166,163	1,154,018
Expenditure			
Research Grants		1,820,816	1,435,175
Support for the International Cancer Benchmarking Programme		12,102	58,918
Investment portfolio fees		13,452	14,945
Total expenditure for grants programme		1,846,370	1,509,039
Net operating deficit from grant programme		(680,207)	(355,021)

The notes to the consolidated financial statements form part of and should be read in conjunction with the consolidated financial statements.

Statement of Comprehensive Revenue and Expense (continued)

Cancer Society of New Zealand Incorporated
For the year ended 31 March 2020

	Notes	2020	2019
		\$	\$
Funding received and distributed to divisions			
Revenue			
Bequests to National Office		476,341	1,459,660
Daffodil Day income		1,307,104	1,270,406
Donations		125,551	81,780
Sponsorships (excluding Daffodil Day)		19,375	19,375
Total revenue received on behalf of divisions	12	1,928,371	2,831,221
Expenditure			
Daffodil Day expenditure		360,443	372,758
Other costs		240	275
Total expenditure related to collecting donations		360,683	373,034
Net income		1,567,688	2,458,187
Income distributed to divisions		(1,567,688)	(2,458,187)
Net result from funds received and distributed		-	-
Summary of results			
Net operating surplus		(187,302)	221,106
Net operating deficit from grant programme		(680,207)	(355,021)
Total comprehensive revenue and expense		(867,509)	(133,915)

The notes to the consolidated financial statements form part of and should be read in conjunction with the consolidated financial statements.

Statement of Changes in Net Assets

Cancer Society of New Zealand Incorporated

For the year ended 31 March 2020

	2020	2019
	\$	\$
Capital Reserve		
Opening balance	861,448	640,342
Comprehensive revenue and expenses	(867,509)	(133,915)
Transfer from research capital reserve	680,207	355,021
Closing capital reserve	674,146	861,448
Research Capital Reserve		
Opening balance	2,082,926	2,437,947
Transfer to capital reserve	(680,207)	(355,021)
Closing research capital reserve	1,402,719	2,082,926
Net assets	2,076,865	2,944,374

The notes to the consolidated financial statements form part of and should be read in conjunction with the consolidated financial statements

Statement of Financial Position

Cancer Society of New Zealand Incorporated
As at 31 March 2020

	Notes	2020	2019
		\$	\$
Assets			
Current assets			
Cash and cash equivalents		543,850	1,042,007
Receivables from exchange transactions		127,726	120,303
Inventories		17,546	30,020
Prepayments		26,971	35,458
Total current assets		716,093	1,227,788
Non-current assets			
Property, plant and equipment	6	35,548	54,622
Intangibles	5	5,201	8,719
ANZ PB investment portfolio		3,393,186	3,357,719
Total non-current assets		3,433,935	3,421,060
Total assets		4,150,028	4,648,848
Liabilities			
Current liabilities			
Trade and other payables		407,830	433,964
Employee entitlements		49,157	97,448
Income in advance		-	40,000
GST payable		11,708	8,010
Payable to Divisions		9,831	23,427
Scientific research grants committed		1,536,815	1,078,625
Total current liabilities		2,015,341	1,681,474
Non-current liabilities			
Scientific research grants committed		57,822	23,000
Total non-current liabilities		57,822	23,000
Total liabilities		2,073,162	1,704,474
Net assets		2,076,865	2,944,374

The notes to the consolidated financial statements form part of and should be read in conjunction with the consolidated financial statements

Statement of Financial Position (continued)

Cancer Society of New Zealand Incorporated
As at 31 March 2020

	Notes	2020	2019
		\$	\$
Net assets attributable to the owners of the controlling entity			
Capital Reserve		674,146	861,448
Research Capital Reserve		1,402,719	2,082,926
Total Net assets attributable to the owners of the controlling entity		2,076,865	2,944,374

The notes to the consolidated financial statements form part of and should be read in conjunction with the consolidated financial statements

Statement of Cashflows

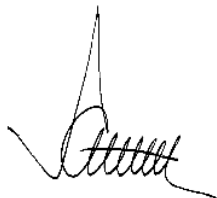
Cancer Society of New Zealand Incorporated For the year ended 31 March 2020

	2020	2019
	\$	\$
Cashflow from Operating Activities		
Cash was provided from:		
Receipts from exchange and non-exchange transactions	5,806,628	6,465,849
Investments and interest	12,263	17,327
Dividends	10,446	10,446
Total cash provided	5,829,337	6,493,622
Cash was applied to:		
Payments to suppliers and employees	(6,516,659)	(7,536,565)
Grants and scholarships paid	(1,366,955)	(1,643,765)
Payments to divisions for bequests, donations and sponsorships	1,567,688	2,458,187
Total cash applied	(6,315,926)	(6,722,143)
Net cashflow from operating activities	(486,589)	(228,521)
Cashflow from Investing Activities		
Cash was provided from:		
Proceeds from sale of investments	-	600,000
Proceeds from sale of property, plant & equipment	-	-
Total cash provided	-	600,000
Cash was applied to:		
Purchase of investments	-	-
Purchase of property, plant & equipment	(11,568)	(17,936)
Total cash applied	(11,568)	(17,936)
Net cashflow from investing activities	(11,568)	582,064
Net increase/(decrease) in cash held	(498,157)	353,543
Add opening cash brought forward	1,042,007	688,464
Ending cash to carry forward	543,850	1,042,007


The notes to the consolidated financial statements form part of and should be read in conjunction with the consolidated financial statements.

Approval of the Financial Statements

Approved By:



President
Peter Hutchison



Chair Finance, Audit and Risk Advisory Committee
Nicholas Dangerfield

Date: 18 August 2020

The notes to the consolidated financial statements form part of and should be read in conjunction with the consolidated financial statements.

Notes to the Financial Statements

Cancer Society of New Zealand Incorporated For the year ended 31 March 2020

1. Reporting entity

The reporting entity is Cancer Society of New Zealand Incorporated (the Society). The Society is domiciled in New Zealand and is a charitable organisation registered under the Incorporated Societies Act 1908 and the Charities Act 2005.

The financial statements comprising of Cancer Society of New Zealand Incorporated and its controlled entity, Daffodil Enterprises Limited, together the ("Group"), are presented for the year ended 31 March 2020.

These Group financial statements and the accompanying notes summarise the financial results of activities carried out by Cancer Society of New Zealand Incorporated. The Group aims to improve community well-being by reducing the incidence and impact of cancer. All entities within the Group are charitable organisations registered under the Charitable Trusts Act 1957 and the Charities Act 2005.

For clarity, the Group operates to provide support services for the federation of independent charities that are the Divisions of the Cancer Society throughout New Zealand. The Divisions are each made up of independent legal and financial entities. Their results and financial positions are not included in these consolidated financial statements.

2. Statement of compliance

The Group 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 Reduced Disclosure Regime ("PBE IPSAS RDR") 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 purposes of complying with NZ GAAP, the Group is a public benefit not-for-profit entity and qualifies 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 Group qualifies as a Tier 2 reporting entity as, for the current and prior periods, it has had between \$2m and \$30m operating expenditure.

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

3. Summary of accounting policies

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

3.1 Basis of preparation

These consolidated financial statements have been prepared on the basis of historical cost, except for the ANZ Investment Portfolio, which is measured at fair value.

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

3.2 Functional and presentational currency

The consolidated financial statements are presented in New Zealand dollars (\$), which is the Group's functional currency. The financial statements are rounded to the nearest dollar.

3.3 Basis of consolidation

The Society owns 100% of Daffodil Enterprises Ltd. and therefore controls Daffodil Enterprises Ltd. The consolidated figures represent Cancer Society of New Zealand Incorporated and Daffodil Enterprises Ltd. All inter entity transactions are eliminated on consolidation.

Notes to the Financial Statements (continued)

3.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Group 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.

Revenue from non-exchange transactions

A non-exchange transaction is one in which the Group either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

Donations

Donations are recognised as revenue upon receipt and include donations from the general public.

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 attached to the grant, the amount relating to the unfulfilled condition is recognised as a liability and released to revenue as the conditions are fulfilled.

Legacies and bequests

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

Revenue from exchange transactions

An exchange transaction is one in which the Group receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services or use of assets) to another entity in exchange.

Divisional Levies

- Divisional operating levies are charged to the six Divisions of the Society to cover the operating and salary costs of the National Office.
- Divisional research levies are charged to the six Divisions of the Society to contribute to the research grants and scholarship programme administered by National Office.

Interest and dividend revenue

Interest revenue is recognised as it accrues, using the effective interest method. Dividend revenue is recognised when the dividend is declared.

3.5 Financial instruments

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

Financial assets

The Group derecognises a financial asset or, where applicable, a part of a financial asset or part of a group of similar financial assets, when the rights to receive cash flows from the asset have expired or are waived, or the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party; and either:

- the Group has transferred substantially all the risks and rewards of the asset; or
- the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

The categorisation determines subsequent measurement and whether any resulting revenue and expense is recognised in surplus or deficit or in other comprehensive revenue and expenses. The Group's financial assets are classified as either financial assets at fair value through surplus or deficit, or loans and receivables. The Group's financial assets include: cash and cash equivalents and the ANZ PB Investment Portfolio.

Notes to the Financial Statements (continued)

All financial assets except for those at fair value through surplus or deficit are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

Financial assets at fair value through surplus or deficit

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

Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less any allowance for impairment.

The Group's cash and cash equivalents, short-term investments and receivables from exchange transactions fall into this category of financial instruments.

Impairment of financial assets

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

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

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

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

Financial liabilities

The Group's financial liabilities include trade and other creditors (excluding GST, PAYE and employee entitlements), community fund raising for Divisions and deferred revenue (in respect to grants whose conditions are yet to be complied with).

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

Cash and cash equivalents

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

3.6 Short term investments

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

Notes to the Financial Statements (continued)

3.7 Inventories

Inventories held for consumption in the provision of services that are not sold on a commercial basis are measured at the lower of cost and net realisable value.

Inventory is valued at the lower of cost or net realisable value on an average cost basis, after making due allowances for damaged and obsolete stock. Inventory has been assessed for impairment as at 31 March 2018 and it was determined that the value of the resources should not be impaired this year.

For inventory that was acquired through non-exchange transactions, the cost of the inventory is its fair value at the date of acquisition. For inventory held for distribution or consumption in providing goods and services to be distributed at no charge or for nominal charge, these are measured at cost adjusted for any loss of service potential.

3.8 Property, plant, equipment and depreciation

Items of property, plant and equipment are measured at cost 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, its cost is measured at its fair value as at the date of acquisition.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit.

The costs of day-to-day servicing of property, plant, and equipment are recognised in the surplus or deficit as they are incurred.

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

- Computer equipment 25% to 40%
- Furniture and Fittings 9.6% to 20%
- Office Equipment 9.6% to 48%

Depreciation methods, useful lives and residual values are reviewed at each reporting date and are adjusted if there is a change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset.

3.9 Intangible assets

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

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. The Group has assessed its intangible assets to have indefinite lives as there is no foreseeable limit to the period which the asset is expected to generate cash inflows or provide service potential to the entity.

3.10 Leases

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

3.11 Employee benefits

Wages, salaries and annual leave

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

Employee benefits expected to be settled within twelve months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay.

3.12 Income tax

Due to its charitable status, the Group is exempt from income tax.

Notes to the Financial Statements (continued)

3.13 Goods and services tax (GST)

Revenues, expenses and assets are recognised exclusive of GST except for receivables and payables, which are stated with the amount of GST included. Cash flows are included in the statement of cash flows on a net basis.

3.14 Equity

Equity is measured as the difference between total assets and total liabilities. Equity is made up of the following components:

Capital Reserve

The Capital Reserve is the Group's accumulated surplus or deficit since its formation, adjusted for transfers to/from the Research Capital Reserve.

Research Capital Reserve

This is a restricted equity reserve created by the Group for the purpose of financing scientific research. The increase/decrease in the reserve balance each year is calculated as the difference between research grant levies and the research grant expense.

4. Significant accounting judgements, estimates and assumptions

The preparation of the Group consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

4.1 Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Operating lease commitments

The Group has entered into a number of leases. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a substantial portion of the economic life of the equipment, that it does not retain all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

4.2 Estimates and assumptions

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

Useful lives and residual values

The useful lives and residual values of assets are assessed using the following indicators to determine potential future use and value from disposal:

- the condition of the asset
- the nature of the asset, its susceptibility and adaptability to changes in technology and processes
- the nature of the processes in which the asset is deployed
- availability of funding to replace the asset
- changes in the market in relation to the asset

The estimated useful lives of the asset classes held by the Group are listed in notes 3.9 and 3.10.

Notes to the Financial Statements (continued)

5. Intangibles

	2020	2019
Trademarks	1,907	1,907
Website development	3,294	6,811
Total Intangibles	5,201	8,719

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

	2020	2019
Trademarks		
Opening balance	1,907	1,907
Impairment of trademarks	-	-
Amortisation	-	-
Disposals	-	-
Total trademarks	1,907	1,907
Website and software		
Opening balance	6,811	7,718
Additions	-	5,344
Amortisation	(3,518)	(6,251)
Disposals	-	-
Total website	3,294	6,811
Total intangibles	5,201	8,719

6. Property, plant and equipment

	Computer equipment	Furniture and fittings	Office equipment	Total
<u>Cost or valuation</u>				
Balance as at 1 April 2019	116,981	48,296	32,639	197,916
Additions	5,686	3,127	3,466	12,279
Disposals	(735)	-	-	(735)
Balance as at 31 March 2020	121,932	51,423	36,105	209,460
<u>Depreciation</u>				
Balance as at 1 April 2019	(82,234)	(37,385)	(23,675)	(143,294)
Depreciation	(24,052)	(1,776)	(4,814)	(30,642)
Disposals	24	-	-	24
Balance as at 31 March 2020	(106,261)	(39,161)	(28,489)	(173,912)
<u>Net book value</u>				
As at 31 March 2019	34,747	10,911	8,964	54,622
As at 31 March 2020	15,671	12,261	7,616	35,548

Notes to the Financial Statements (continued)

7. Operating Leases

	2020	2019
Not later than one year	273,335	279,624
Later than one year and not later than five years	404,824	684,447
Later than five years	-	-
Total Operating leases	678,159	964,071

The Cancer Society entered into a seven year and seven month office lease beginning on 1 May 2016, with a six month rent holiday until 1 December 2016, rent is paid on a monthly basis. The current lease is due to expire on 30 November 2023. There are no exclusion clauses in the current lease. During the year, Cancer Society paid \$150,275 in rent (prior year \$150,275).

These commitments also include \$122,008 (prior year \$244,016) for a Nationwide Fuji Xerox agreement for the supply and use of printers. This agreement was signed in the name of the Cancer Society of New Zealand Incorporated but the commitment would be shared between the other Divisions of the Cancer Society, should the agreement need to be terminated.

8. Related parties

The Group transacts on a regular basis with the regional Cancer Society Divisions. Transactions include the payment of levies by the Divisions and the distribution of revenue from donations and Daffodil Day back to the Divisions by National Office.

The Group also awards grants for research conducted by individuals connected to various tertiary and research institutions. From time to time, due to the expertise required, members of these institutions may sit of the scientific committee responsible for awarding of such grants. The Group has safeguards in place to ensure the process of awarding grants remains independent and funding is not awarded specifically to those who sit on the committee.

Subsidiaries

Daffodil Enterprises Limited is 100% owned by the Cancer Society of New Zealand Incorporated.

Key management personnel

The key management personnel are considered to be the Board of Trustees, together with the Chief Executive and the General Manager of Daffodil Enterprises Limited. The aggregate remuneration of key management personnel and the number of individuals, determined on a full-time equivalent basis, receiving remuneration is as follows:

Category	Remuneration	No of	Remuneration	No of
	2020	individuals	2019	individuals
Board of trustees	22,500	9	30,000	9
Remuneration	290,802	1.33 FTE	319,840	2 FTE
Other benefits	<u>26,443</u>		<u>26,016</u>	
Total	<u>339,745</u>		<u>375,856</u>	

Remuneration includes salaries paid and Kiwisaver Employer contributions.

"No remuneration is paid to members of the Board of Trustees, apart from Chris Jackson (Medical Director) who received a stipend of \$22,500 (PY \$30,000). No remuneration or loan advance is or has been paid to any close family members of key management personnel.

Notes to the Financial Statements (continued)

9. 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:

	2020	2019
Financial assets at fair value through surplus or deficit		
ANZ PB investment portfolio	3,393,186	3,357,719
Total financial assets at fair value through surplus or deficit	3,393,186	3,357,719
Loans and receivables		
Trade receivables	127,726	120,305
Cash and cash equivalents	543,850	1,042,007
Total loans and receivables	671,576	1,162,312
Financial liabilities measured at amortised cost		
Trade and other payables	407,830	433,965
Total financial liabilities measured at amortised cost	407,830	433,965

10. Capital commitments

There are no capital commitments at balance date. (2019: none)

11. Contingent assets and liabilities

In addition to the research grant liability of \$1,594,636 (2019: \$1,101,625) recognised in the statement of financial position, the Board have approved a further \$1,120,845 (2019: \$837,237) of grants which are contingent on the recipients meeting certain conditions and therefore have not been recognised as a liability.

There are no other contingent assets or liabilities at balance date.

12. Revenue from non-exchange transactions

Revenue from non-exchange transactions includes the following items:

	2020	2019
Bequests	476,341	1,459,660
Donations	127,628	88,788
Grants	66,046	71,375
Daffodil Day Donations	982,828	973,663
Total Revenue from non-exchange transactions	1,652,842	2,593,485

The total Daffodil Day Revenue stated in the Statement of Comprehensive Revenue and Expense is \$1,307,104 (2019 \$1,270,406). This value is a combination of exchange transactions (where goods or services are received by the payer in exchange for the revenue) and non exchange transactions (donations with no value returned to the payer). The amount disclosed in this note relates to the non exchange part of this revenue item.

All other revenue is from exchange transactions.

Notes to the Financial Statements (continued)

13. Events after the reporting date

The Board and management are not aware of any matters or circumstances since the end of the reporting period, not otherwise dealt with in these financial statements that have significantly or may significantly affect the operations of Cancer Society of New Zealand Incorporated (2019 none).

14. Covid-19 Virus Impact

In response to the growing worldwide Covid-19 pandemic, on 23 March 2020 the New Zealand Government placed the country in Level 4 lockdown. This substantially constrained the Cancer Society's operational capability, flexibility and sources of revenue. As these changes were so close to Balance Date, there was no significant impact on the performance or financial position for year to 31 March 2020 except for the impact of financial markets on the value of investments. In accordance with the stated accounting policies, Investments have been stated at the market value at 31 March 2020

The Society has reviewed its operating plans for the coming year to accommodate reduced levy income from the Divisions and other expected reductions in discretionary income. These financial constraints have forced some significant changes to plans and budgets but the Board are confident that the changes can be managed to ensure continued delivery of services and achievement of strategic objectives. It is expected that the Society's reserves will be adequate to maintain operations throughout this period.

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

Opinion

We have audited the consolidated financial statements of Cancer Society New Zealand Incorporated and its subsidiary (together, "the Group"), which comprise the consolidated statement of financial position as at 31 March 2020 and the consolidated statement of comprehensive revenue and expense, consolidated statement of changes in net assets/equity and consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2020, and its consolidated financial performance and its consolidated 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 Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ("ISAs (NZ)"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated 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 opinion.

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

Board's Responsibilities for the Consolidated Financial Statements

The Board is responsible on behalf of the Group for the preparation and fair presentation of the consolidated 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 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 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 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 financial statements, including the disclosures, and whether the consolidated 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 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 Group'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 Group and the Group's members, as a body, for our audit work, for this report or for the opinions we have formed.

BDO Wellington Audit Limited

BDO Wellington Audit Limited
Wellington
New Zealand
18 August 2020