



Consolidated Financial Statements

Cancer Society of New Zealand Incorporated

For the year ended 31 March 2022

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Directory

Cancer Society of New Zealand Incorporated
For the year ended 31 March 2022

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

NZ Business Number

9429042855873

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 2022

	Notes	2022	2021
		\$	\$
National Office operational performance			
Revenue			
Divisional levies - supporting operations		2,409,808	2,147,073
Royalties Income		375,014	284,587
Investment income		12,557	132,673
Income from sales of products, resources and services		126,726	106,457
Grants		240,543	40,000
Covid-19 Wage and Salary Subsidy		-	123,703
Secondment cost recoveries		11,964	71,965
Other revenue		2,830	72,978
Total revenue from operations	14	3,179,443	2,979,437
Expenditure			
Personnel costs		1,911,402	1,516,563
Kiwisaver costs		65,427	49,468
Depreciation	7	9,710	16,096
Amortisation	6	112,070	2,402
Cost of product and resources sold		138,668	42,832
Operating expenses		1,304,459	800,209
Total expenditure for operations		3,541,736	2,427,569
Net surplus / (deficit) from operations		(362,293)	551,868
Research grants and scholarships programme			
Revenue			
Divisional Levies - Research		1,165,052	899,988
Bequests and other Donations for Research		32,285	141,404
Investment income		9,867	272,920
Total revenue for grants programme	14	1,207,204	1,314,312
Expenditure			
Research Grants		812,147	1,281,164
Support for the International Cancer Benchmarking Programme		-	-
Investment portfolio fees		8,518	13,598
Total expenditure for grants programme		820,664	1,294,761
Net surplus / (deficit) from research grant programme		386,540	19,550

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 2022

	Notes	2022	2021
		\$	\$
Net Funding received on behalf of divisions after distributions			
Revenue			
Bequests to National Office		388,138	132,461
Daffodil Day income		1,952,734	1,519,957
Donations		413,973	93,749
Contracts for Service (delivered by Divisions)		250,000	749,000
Sponsorships (excluding Daffodil Day)		7,000	29,375
Total revenue received on behalf of divisions	14	3,011,845	2,524,541
Expenditure			
Daffodil Day expenditure		552,128	384,976
Other costs		1,105	20
Total expenditure related to collecting donations		553,233	384,996
Net income		2,458,611	2,139,545
Income distributed to divisions		(2,140,098)	(2,139,545)
Net surplus / (deficit) from funding received on behalf of divisions after distributions		318,513	-
Summary of results			
Net surplus / (deficit) from operations		(362,293)	551,868
Net surplus / (deficit) from research grant programme		386,540	19,550
Net surplus / (deficit) from funding received on behalf of divisions after distributions		318,513	-
Total comprehensive revenue and expense		342,760	571,418

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 2022

	2022	2021
	\$	\$
Capital Reserve		
Opening balance	1,226,014	674,146
Comprehensive revenue and expenses	342,760	571,418
Transfer from / (to) research capital reserve	(386,540)	(19,550)
Closing capital reserve	1,182,234	1,226,014
Research Capital Reserve		
Opening balance	1,422,269	1,402,719
Transfer from / (to) capital reserve	386,540	19,550
Closing research capital reserve	1,808,809	1,422,269
Net assets	2,991,043	2,648,283

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 2022

	Notes	2022	2021
		\$	\$
Assets			
Current assets			
Cash and cash equivalents		1,925,710	1,244,636
ANZ PB investment portfolio	5	3,025,926	3,777,393
Receivables from exchange transactions		43,194	63,137
Receivables from non-exchange transactions		72,400	-
Inventories		30,586	16,773
GST receivable		18,264	-
Prepayments		21,057	20,030
Total current assets		5,137,137	5,121,969
Non-current assets			
Property, plant and equipment	7	31,376	26,369
Intangibles	6	239,321	251,154
Total non-current assets		270,697	277,523
Total assets		5,407,834	5,399,492
Liabilities			
Current liabilities			
Trade and other payables		854,097	546,229
Employee entitlements		106,049	92,441
Income in advance		2,500	-
GST payable		-	25,117
Payable to Divisions		43,345	48,682
Research funds advanced by Central Districts Division		178,894	243,946
Scientific research grants committed		742,462	992,620
Total current liabilities		1,927,347	1,949,035
Non-current liabilities			
Long term portion of research funds advanced by Central Districts Division		389,013	567,907
Scientific research grants committed		100,431	234,267
Total non-current liabilities		489,444	802,174
Total liabilities		2,416,791	2,751,209
Net assets		2,991,043	2,648,283

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 2022

	Notes	2022	2021
		\$	\$
Net assets attributable to the owners of the controlling entity			
Capital Reserve		1,182,234	1,226,014
Research Capital Reserve		1,808,809	1,422,269
Total Net assets attributable to the owners of the controlling entity		2,991,043	2,648,283

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 2022

	2022	2021
	\$	\$
Cashflow from Operating Activities		
Cash was provided from:		
Receipts from exchange and non-exchange transactions	7,326,113	6,477,285
Investments and interest	23,888	21,387
Dividends	-	-
Total cash provided	7,350,001	6,498,672
Cash was applied to:		
Payments to suppliers and employees	(3,761,149)	(2,591,261)
Grants and scholarships paid	(1,153,443)	(1,623,660)
Payments to divisions for bequests, donations and sponsorships	(2,140,098)	(2,139,545)
Total cash applied	(7,054,690)	(6,354,465)
Net cashflow from operating activities	295,311	144,206
Cashflow from Investing Activities		
Cash was provided from:		
Sale of investments	750,000	-
Total cash provided	750,000	-
Cash was applied to:		
Purchase of investments	-	-
Purchase of property, plant & equipment	(14,717)	(6,943)
Purchase of intangible assets	(100,237)	(248,330)
Total cash applied	(114,954)	(255,273)
Net cashflow from investing activities	635,046	(255,273)

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

Statement of Cashflows (continued)

Cancer Society of New Zealand Incorporated
For the year ended 31 March 2022

	2022	2021
	\$	\$
Cashflow from Financing Activities		
Cash was provided from:		
Research advance from Central Districts Division	-	811,853
Total cash provided	-	811,853
Cash was applied to:		
Research advance from Central Districts Division applied to Research levies	249,283	-
Total cash applied	249,283	-
Net cashflow from financing activities	(249,283)	-
Net increase/(decrease) in cash held	681,074	700,786
Add opening cash brought forward	1,244,636	543,850
Ending cash to carry forward	1,925,710	1,244,636

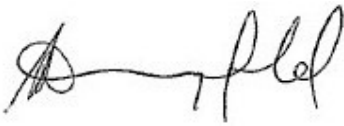
The notes to the consolidated financial statements form part of and should be read in conjunction with the consolidated financial statements.

Approval of the Financial Statements

Approved By:



President
Alister Argyle



Chair Finance, Audit and Risk Advisory Committee
Nicholas Dangerfield

Date: 2 August 2022

Notes to the Financial Statements

Cancer Society of New Zealand Incorporated For the year ended 31 March 2022

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 2022.

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 including software

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.

Software and websites acquired or developed internally is measured at cost less accumulated amortisation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition or development of the software or website. Where the asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

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

- Software and websites 20% to 40%

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.

Notes to the Financial Statements (continued)

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.

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.

Notes to the Financial Statements (continued)

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 3.8 and 3.9.

5. ANZ PB Investment Portfolio

The ANZ PB Investment Portfolio is classified as a current asset on the basis that this investment is maintained to provide liquidity to meet significant cash demands as needed to meet research or operating commitments beyond the expected annual income of the Group.

6. Intangibles

	2022	2021
Trademarks	1,908	1,908
Websites and software	237,413	249,246
Total Intangibles	239,321	251,154

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

	2022	2021
Trademarks		
Opening balance	1,908	1,907
Additions	-	1
Impairment of trademarks	-	-
Amortisation	-	-
Disposals	-	-
Total trademarks	1,908	1,908
Websites and software		
Opening balance	249,246	3,294
Additions	100,238	248,355
Amortisation	(112,070)	(2,402)
Disposals	-	-
Total websites and software	237,413	249,246
Total intangibles	239,321	251,154

Notes to the Financial Statements (continued)

7. Property, plant and equipment

	Computer equipment	Furniture and fittings	Office equipment	Total
Cost or valuation				
Balance as at 1 April 2021	128,848	51,423	36,105	216,376
Additions	10,459	3,650	608	14,717
Disposals			(1,231)	(1,231)
Balance as at 31 March 2022	139,307	55,073	35,482	229,862
Depreciation				
Balance as at 1 April 2021	(118,120)	(41,087)	(30,800)	(190,008)
Depreciation	(6,252)	(1,870)	(1,588)	(9,710)
Disposals		-	1,231	1,231
Balance as at 31 March 2022	(124,372)	(42,956)	(31,157)	(198,486)
Net book value				
As at 31 March 2021	10,728	10,336	5,305	26,369
As at 31 March 2022	14,935	12,117	4,325	31,376

8. Operating Leases

The Group has operating lease commitments that expire:

	2022	2021
Not later than one year	152,768	153,276
Later than one year and not later than five years	107,975	213,815
Later than five years	-	-
Total Operating leases	260,743	367,091

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 \$144,640).

The Group's commitments include a new 5 year agreement with Canon for the supply and use of printers.

9. 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.

Notes to the Financial Statements (continued)

Key management personnel

The key management personnel are considered to be the Board of Trustees, together with the Chief Executive and the Management team 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 individuals	Remuneration	No of individuals
	2022		2021	
Board of trustees	52,500	10	30,000	9
Remuneration	435,803	2.2 FTE	296,503	1.43 FTE
Other benefits	3,640		3,640	
Total	491,943		330,143	

Remuneration includes salaries paid and Kiwisaver Employer contributions.

No remuneration is paid to members of the Board of Trustees, except for the following appointed positions:

- Dr Chris Jackson (Medical Director to 31 August 2021) received a stipend of \$12,500 (2021 \$30,000).
- Dr Kate Gregory (Medical Director from 1 September 2021) received a stipend of \$17,500 (2021 \$nil).
- Keri Milne-Ihimaera (Manu Taki from 1 May 2021) received a stipend of \$27,500 (2021 \$nil).

No remuneration or loan advance is or has been paid to any close family members of key management personnel.

10. Research Funds Advanced by Central Districts Division

In September 2020 the Cancer Society was notified of a large donation to be used for cancer research from a benefactor in Hawkes Bay. Usual practice would have been for the donation to be paid to the Central Districts Division and it would then be paid into the Cancer Society's research programme as part of annual research levies over time. Due to the size of this donation it was agreed that the total funds (\$811,853) would be held and invested by the Cancer Society and used to fund the Central Districts Research Levies or specific research projects as agreed from year to year until the funds were fully utilised. The advance is interest free.

In the 2021-22 year the Central Districts Research Levy of \$243,946 was paid from this balance leaving a balance of \$567,907 owing at 31 March 2022. The amount in excess of that required to settle the Central Districts Research Levy in the 2022-23 year (\$398,013) is disclosed as repayable after more than one year.

11. Categories of financial assets and liabilities

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

	2022	2021
Financial assets at fair value through surplus or deficit		
ANZ PB investment portfolio	3,025,928	3,777,393
Total financial assets at fair value through surplus or deficit	3,025,928	3,777,393
Loans and receivables		
Trade receivables	43,194	63,137
Donations receivable	72,400	-
Cash and cash equivalents	1,925,710	1,244,636
Total loans and receivables	2,041,303	1,307,774
Financial liabilities measured at amortised cost		
Trade and other payables	854,097	546,229
Total financial liabilities measured at amortised cost	854,097	546,229

Notes to the Financial Statements (continued)

12. Capital commitments

There are no capital commitments at balance date. (2021: none)

13. Contingent assets and liabilities

In addition to the research grant liability of \$894,108 (2021: \$1,226,887) recognised in the statement of financial position, the Board have approved a further \$1,481,147 (2021: \$837,024) 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.

14. Revenue from non-exchange transactions

Revenue from non-exchange transactions includes the following items:

	2022	2021
Bequests	388,138	132,461
Donations	416,465	112,359
Grants	240,543	40,000
Daffodil Day Donations	1,616,397	1,139,290
Total Revenue from non-exchange transactions	2,661,543	1,424,110

The total Daffodil Day Revenue stated in the Statement of Comprehensive Revenue and Expense is \$1,880,334 (2021 \$1,519,957). 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.

15. 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 (2021 none).

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

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Cancer Society of New Zealand Incorporated and its subsidiary (together, "the Group"), which comprise the consolidated statement of financial position as at 31 March 2022, 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 2022, 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 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* 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.

A further description of our responsibilities for the audit of the financial statements is located at the External Reporting Board's website at: <https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-7/>.

This description forms part of our auditor's report.

Report on Other Legal and Regulatory Requirements

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

02 August 2022