



New Zealand AIDS Foundation
Te Tūāpapa Mate Āraikore o Aotearoa

Financial Statements 2020



Financial Statements

For the year ended 30 June 2020

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Our Vision

Moemoea

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

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

Our Mission

Whakatakanga

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

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

Our Values

Whanonga Tika

Manukura Leadership

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

Mātauranga Knowledge

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

Kotahitanga Inclusiveness

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

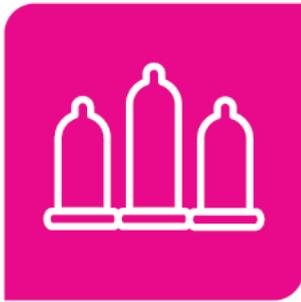
Tika Integrity

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

Aroha Compassion

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

What We Do



Prevent HIV and STI transmission

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



Increase HIV and STI testing

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



Maximise the wellbeing of people living with HIV

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



Enable ongoing organisational success

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

Our Strategy

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

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

Outcomes and results in FY2019/20

Prevent HIV and STI transmission	2019-20	2018-19
Condoms distributed	600,000	792,000
Percentage of target audience who understand condoms are the most effective way to prevent HIV and other STIs	97%	97%
Percentage of target audience that understands that PrEP prevents the acquisition of HIV	84%	80%

At a population level, our work contributed to another decrease in the number of locally acquired HIV infections in Aotearoa in 2019 - down 30.9% from 2016. This continued decline is evidence that a combination HIV prevention strategy is yielding results.

Increase HIV and STI testing	2019-20	2018-19
HIV home tests distributed	3,450	1,774
HIV tests at NZAF health centres and outreach	3,348	4,398
STI tests	2,516	2,728
Percentage of testing clients who report satisfaction with this service	99%	99%

As we continue to provide more tests and more targeted avenues to be able to test, we're glad to see that the percentage of MSM reporting testing for HIV in the previous 12 months is increasing – 61% in 2018/19 to 63% 2019/20.

Maximise the wellbeing of people living with HIV	2019-20	2018-19
Counselling sessions	879	776
Percentage of counselling clients who report feeling better equipped to manage living with HIV	92%	85%

Enable ongoing organisational success	2019-20	2018-19
Total fundraising income	\$728,239	\$625,765
Staff turnover	0%	32%
Percentage of staff who report being proud to work for NZAF	97%	97%

Highlights



We secured funding for crucial research

In order to effectively target and evaluate the HIV response in Aotearoa, there needs to be in depth and appropriate behavioural surveillance of the communities most at risk. Since 2014 this type of research has been defunded and NZAF has been advocating to reinstate funding to ensure the best public health response possible. In the lead up to the **Ending HIV Big Gay Out 2020**, NZAF again issued the challenge to Government, pushing them to allocate funding to carry out this desperately needed study. On the Big Gay Out mainstage in February 2020, Prime Minister Jacinda Ardern announced \$300,000 in research funding for NZAF.



We challenged HIV stigma

The theme for **RED Friday 2019** was Tackle Stigma – using our peer to peer fundraising event to raise awareness of HIV stigma and encourage all Kiwis to actively tackle it instead of letting it spread unchecked. 2019's efforts exceeded projected targets with 115 fundraisers hosting events across Aotearoa and raising over \$25,000 for World AIDS Day. This represents a 57% growth in income and a 187% increase in participation from the previous year's event. There was an encouraging level of participation from both individuals and corporates; with large companies such as ANZ, Air New Zealand, Chorus, Estée Lauder and IAG all holding events to get behind this cause.

Around World AIDS Day, NZAF also partnered with Body Positive and Positive Women Inc. to deliver a groundbreaking anti stigma campaign, launching the world's first HIV positive sperm bank. **Sperm Positive** was a way for us to tell the world that if people living with HIV, who are on effective treatment, cannot even transmit HIV when conceiving and giving birth to children - then the misconceptions people perpetuate about HIV transmission that cause stigma surely couldn't hold up. As a press-focused campaign, Sperm Positive resulted in 270 news stories around the globe and a huge amount of public comment from people learning the truth about HIV transmission and shedding their misconceptions.



We ensured our communities could test during COVID

The COVID-19 pandemic provided a number of challenges beyond the threat of widespread illness. As we entered national lockdown, NZAF had to pivot quickly and optimise its online offerings to ensure the communities we serve could still access important services like testing and counselling. Clients were able to book home tests to be sent to their addresses and remote counselling sessions were carried out via video chat or phone call. During Alert Levels 3 and 4 NZAF distributed 850 home test kits – an average of 120 per week, compared to the usual average of 50 units per week, a 140% increase. NZAF also facilitated 94 remote counselling sessions throughout lockdown.

COVID-19 Alert Levels 1 and 2 also became an essential opportunity to inform our at-risk communities about the chance Aotearoa had to actually permanently break the chain of transmission of HIV and other STIs. As the entire country was in lockdown for several months, there will have been little to no instances of unprotected casual sex - meaning that, as we emerged from isolation, being tested before reconnecting to any sexual networks would give NZ the opportunity to diagnose and treat any HIV infections before people began to mingle again. NZAF looks forward to seeing what impact this period had on transmission rates as data is released in 2021.

**During Alert Levels 3 and 4 NZAF
distributed 850 home test kits
– an average of 120 per week.**

Real impact

The work NZAF does is really about people. Supporting, educating, testing, raising-up, equipping and leading people. Our feedback shows the direct impact of the services, messages and work in the communities most affected by HIV in Aotearoa.

Counselling clients



“When I was lost, my counsellor gave me hope. I was struggling to comprehend my situation. I was given some tools to implement, and some food for thought. It has helped me save my relationship and given me a more positive outlook on life. Thank you so much.”

– Anon



“Excellent counselling service to help deal with difficult life issues that also impact on keeping well. I trust that this will continue to be offered, as it’s comforting to know it’s available when required.”

– Anon

Testing clients



“One of the best services I’ve been to. Very informative and found out and learnt a lot about PrEP. A lot of times I feel very embarrassed to ask about the medication, but I felt very comfortable and got heaps of knowledge out of the time here.”

– Anon



“This was the best experience ever at any test clinic. [The staff member] who conducted the test was not only very knowledgeable but also super welcoming and with a great sense of humour. You feel immediately relaxed which helps talking honestly about risks encountered.”

– Anon

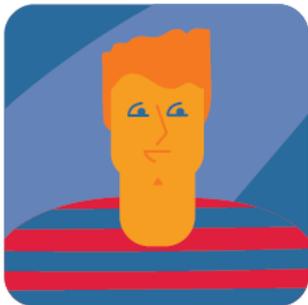
Real impact continued

Our community



“My school never offered me any gay sexual health education. Most of my sexual health knowledge is self-taught from the NZAF website. I never knew many gay people growing up and finding a gay support network of friends has been difficult for me. Most of my connections come from NZAF-sponsored events like the Big Gay Out or NZAF-operated groups like Gay IRL. Even though some guys my age may not realise it, the NZAF is the heart of our community, our culture and our history as gay, queer, bisexual and takatāpui men in New Zealand. Thank you to the NZAF for doing what you do.”

– **Josh McCormack**



“Whilst not the only resource for LGBTQIA people, NZAF offers a uniquely Kiwi take on this virus. As a volunteer I was attracted to the enthusiasm of the project leaders and the fact they had used imaginative ways of interacting with older and harder to reach members of our community in an unpatronising and judgement-free way.”

“The education I got and the confidence it gave me to talk about new findings with HIV have proved invaluable. I also feel that the Grindr outreach project has definitely helped people that have approached me for information and, more often, mental health advice, that they would only have sought in that anonymous online environment.”

– **Dominic Smith**



“Earlier this year, after 3 years of being HIV positive, I finally came to terms with my status with the help of NZAF. I really wanted to meet new people that had gone through the same experience as me, as well as try and help those who are struggling. Now I am on the right track to being able to do this, thanks to the amazing support and help I have received from NZAF. From their awesome retreat, to offering me a position as a youth ambassador (which I can't wait to begin), NZAF has made me feel like I have a purpose and am part of a family. Needless to say, NZAF has helped me in so many ways and I feel so blessed to be a part of the team. I have so much love and respect for the family that is NZAF.”

– **Matt Cooper**

Supporters

NZAF values the generosity, in both time and money, of the dedicated supporters of our work. Hundreds of individual Kiwis and organisations donate, volunteer and issue grants to help ensure we continue to make the most impact.

Adam Szentes, consultant at Porter Novelli, part of the Clemenger Group - RED Friday participants

RED Friday is our opportunity to raise awareness of, and combat, HIV stigma while engaging businesses, organisations and individuals to fundraise on our behalf. As it is a peer-to-peer event, it is the hard work and generosity of our participants and their friends, colleagues and families that get to make a difference in the lives of those living with and affected by HIV.

“While we’ve come a long way, in large part because of the work of volunteers and organisations like NZAF, conversation about HIV still carries unfounded stigma in New Zealand. I believe this impacts our whole society. We at Clemenger Group greatly appreciate NZAF’s work to bust the myths and raise awareness about prevention of, and living with, HIV. Since Clemenger Group’s ‘Unite’ Rainbow network ramped-up involvement in RED Friday a couple years ago, we’ve seen enthusiastic involvement across the Group. It’s a cause we’re really passionate about, and we’re looking forward to supporting it again this year!”

Martin Bradley, Grassroots Trust Executive Chairman

Grassroots Trust has generously awarded NZAF \$18,737 for its Lube and Condom distribution programmes, and \$30,637 to support the delivery of Ending HIV Big Gay Out 2020.

“Grassroots Trust are fortunate to have a long-standing relationship with the New Zealand AIDS Foundation and have been proud supporters of the Condom + Lube nationwide distribution programme and the Ending HIV Big Gay Out event. This support is another great example of how Gaming Trust funding can bring benefit to the lives of thousands of people across the country.”

Liam Reid, Ambassador and Mr Gay New Zealand

NZAF and Ending HIV Ambassadors are key volunteer community members who are recognised for their significant contribution and alignment to the Foundation. They help share information about prevention, testing, treatment and HIV stigma, support the facilitation of events and act as an approachable face in our wider community engagement work.

“Being an ambassador for NZAF has shown me just how heavily involved the NZAF is within the rainbow community and wider communities it serves. As an ambassador we are given the skills and tools to facilitate open conversations and educate people on topics surrounding HIV transmission, forms of protection, the stigma experienced by many groups within the LGBTQIA+ community, and how to be aware of actions that can perpetuate stigma. I really appreciate being a part of the ambassador programme, because it has given me the confidence to speak about and tackle issues that face people who are living with HIV and those that have passed on, as well as be grateful for the sacrifices they have made.”



“I also want to mention my experiences fundraising for the NZAF. Everyone that I talked to about the New Zealand AIDS Foundation said that they were happy to support this organisation. It shows that NZAF represents a really relevant and just cause within society today and the way NZAF conducts itself and its campaigns is highly supported within the community.”

Heath, Volunteer

Our volunteer network is an important part of being able to deliver some of our bigger pieces of work. A massive thank you to every person who donated their time this year to pack condoms, collect donations on World AIDS Day and at Big Gay Out, or support events in any other way.



“NZAF is a great environment where we feel like not only part of a community, but part of a family! We are honored to be part of the volunteers at condom-packing and we have built lifelong friendships here.”



Statement of Comprehensive Revenue and Expense

New Zealand AIDS Foundation for year ended 30 June 2020

	Notes	2020	2019
		\$	\$
Revenue from exchange transactions			
Ministry of Health		2,104,757	2,104,757
Fundraising NZAF Events		34,040	35,170
Other Income		76,452	92,707
Interest income		408	7,500
		<u>2,215,657</u>	<u>2,240,134</u>
Revenue from non-exchange transactions			
Ministry of Health		2,165,630	2,145,630
Grants - Operating		115,587	95,888
Fundraising NZAF Events		218,124	188,228
Donations / Bequests		360,489	306,479
Funding from Pharmac		67,305	73,480
Other Income		1,125	1,140
		<u>2,928,260</u>	<u>2,810,845</u>
Total Revenue		<u>5,143,916</u>	<u>5,050,979</u>
Office Resourcing			
Office Resourcing	8	358,024	390,974
Board Expenses		24,161	24,299
Communications, Fundraising & Events		553,947	509,021
Depreciation	10, 11	65,055	66,640
HIV Prevention		962,777	1,018,477
Health Services		181,222	149,868
Policy and Science		53,419	138,163
Personnel	8	2,563,923	2,340,460
National Support Services		86,153	56,888
Travel	8	67,625	99,357
Total Expense		<u>4,916,307</u>	<u>4,794,147</u>
Total surplus for the year		<u>227,609</u>	<u>256,831</u>
Total comprehensive revenue and expense for the year		<u>227,609</u>	<u>256,831</u>

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

Statement of Changes in Net Assets/Equity

New Zealand AIDS Foundation for year ended 30 June 2020

	Notes	2020	2019
		\$	\$
Accumulated comprehensive revenue and expense			
Opening balance at start of year 01 July		2,177,694	1,920,863
Net surplus / (deficit) for the year		227,609	256,831
Total recognised revenue and expense		227,609	256,831
Total closing equity at the end of year 30 June		2,405,304	2,177,694
Closing equity 30 June		2,405,304	2,177,694

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

Statement of Financial Position

New Zealand AIDS Foundation as at 30 June 2020

	Notes	2020	2019
		\$	\$
Current Assets			
Cash and cash equivalents	9	536,164	233,768
Receivables from exchange transactions		7,475	278
Prepayments		29,661	50,525
GST Receivable		60,284	57,918
		633,584	342,489
Non-Current Assets			
Property, Plant & Equipment	11	2,290,679	2,278,514
Intangible Assets	10	10,743	18,590
Work in Progress	10	2,400	-
		2,303,822	2,297,104
Total Assets		2,937,406	2,639,593
Current Liabilities			
Trade and other creditors from exchange transactions		335,552	304,812
Employee benefits		103,180	86,762
Accrued Expenditure		52,935	34,048
Income in Advance	12	40,435	36,276
Total Liabilities		532,102	461,898
Net Assets		2,405,304	2,177,695
Equity			
Accumulated comprehensive revenue and expense		2,405,304	2,177,695
Total		2,405,304	2,177,695

These financial statements have been approved by the Board Finance Sub-committee and will be approved for issue by the Board of Trustees on 26 September 2020.



Anthony Fallon - Chair

14/09/2020

Date



Benjamin Mander - Trustee

14/09/2020

Date

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

Statement of Cash Flow

New Zealand AIDS Foundation for year ended 30 June 2020

	Notes	2020	2019
		\$	\$
Cash flows from operating activities			
<i>Receipts</i>			
Ministry of Health		4,270,387	4,250,387
Fundraising NZAF Events		252,164	223,398
Donations & Grants		461,055	405,034
Interest received		408	7,500
Other Income		70,380	61,328
Net GST Received		(2,366)	(9,702)
		5,052,027	4,937,945
Payments			
<i>Suppliers</i>			
Suppliers		2,141,282	2,228,199
Employees		2,527,933	2,338,216
Interest paid		8,643	12,790
		4,677,858	4,579,205
		374,169	358,740
Net cash inflow from operating activities			
Cash flows from financing activities			
<i>Receipts</i>			
Funds (repaid) from borrowings		-	(200,000)
		-	(200,000)
Net cash (outflow) from financing activities			
Cash flows from investing activities			
<i>Payments</i>			
Purchase of property, plant and equipment		70,693	33,594
Purchase of intangible assets		1,080	10,560
		71,773	44,154
Net cash (outflow) from investing activities			
		(71,773)	(44,154)
Net increase in cash and cash equivalents		302,396	114,586
Cash and cash equivalents at 01 July		233,768	119,182
Cash and cash equivalents at 30 June	9	536,164	233,768

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

Notes to the Financial Statements

New Zealand AIDS Foundation for year ended 30 June 2020

1. Reporting entity

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

These financial statements and the accompanying notes summarise the financial results of activities carried out by the NZAF. The purpose of the New Zealand AIDS Foundation is to prevent the transmission of HIV and to support people affected by HIV and AIDS to maximise their health and wellbeing.

These financial statements have been approved by the Board Finance Sub-committee and will be approved for issue by the Board of Trustees on the date indicated on page 6.

2. Statement of compliance

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

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

3. COVID-19

Towards the end of March 2020, COVID-19, a virus, became globally widespread and was declared a pandemic by the World Health Organization. As a result of this pandemic there was a substantial reduction in economic activity throughout the world as governments have introduced measures in a bid to slow transmission of the virus.

In New Zealand, a five-week lockdown of all non-essential businesses commenced in late March 2020. Although some restrictions were lifted at the end of the five-week lockdown period there is considerable uncertainty about how much further economic activity will fall and how long the period of reduced economic activity will last.

The Board has considered the impacts of COVID-19 including subsequent events and note that there are no material impacts on these financial statements.

4. Changes in accounting policy

There have not been any changes to the accounting policy in the year ending 30 June 2020. Certain prior year account classifications have been adjusted to align with current year presentation including Ministry of Health revenue which is explained in Note 6.

5. Significant accounting policies

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

The significant accounting policies of the NZAF are detailed below:

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

5.1 Basis of measurement

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

5.2 Functional and presentational currency

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

5.3 Revenue

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

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

Notes to the Financial Statements

New Zealand AIDS Foundation for year ended 30 June 2020

5. Significant accounting policies continued

Revenue from exchange transactions

Rendering of Services Ministry of Health

The NZAF provides a range of HIV and AIDS related services including HIV testing, counselling and support. Revenue from contracted services rendered is recognised in surplus or deficit in proportion to the stage-of-completion of the transactions at the reporting date.

The stage of completion is assessed by reference to:

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

Fundraising Events

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

Other revenue

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

Interest revenue

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

Revenue from non-exchange transactions

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

Other funding Ministry of Health

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

Grants Revenue

Grant revenue includes grants given by other charitable organisations, philanthropic organisations and businesses.

Where there are unfulfilled conditions attached to the grant and only where there are use or return clauses, the amount relating to the unfulfilled condition is recognised as a liability and released to revenue as the conditions are fulfilled.

Fundraising Events

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

Donations

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

Bequests

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

Pharmac

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

Other revenue

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

Notes to the Financial Statements

New Zealand AIDS Foundation for year ended 30 June 2020

5. Significant accounting policies continued

5.4 Financial instruments

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

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

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

Financial Assets

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

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

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

Fair value through surplus or deficit

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

Loans and receivables

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

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

Impairment of financial assets

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

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

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

Notes to the Financial Statements

New Zealand AIDS Foundation for year ended 30 June 2020

5. Significant accounting policies continued

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

Financial liabilities

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

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

5.5 Cash and cash equivalents

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

5.6 Short term investments

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

5.7 Loans Payable

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

5.8 Property, plant and equipment

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

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

Assets are depreciated as follows:

Office Furniture	11 – 26% DV
Office Equipment	11 – 67% DV
Clinic Equipment	12 – 33% DV
Leasehold Alterations	3 – 20% DV
Land and Building	3 – 25% DV

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

5.9 Intangible assets

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

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

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

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

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

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

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

The amortisation period for the NZAF assets are as follows:

Databases / Software	48% DV (2019: 48% DV)
----------------------	-----------------------

5.10 Leases

(i) NZAF as a lessee

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

(ii) NZAF as a lessor

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

Rent received from an operating lease is recognised as income on a straight-line basis over the lease term. Contingent rents are recognised as revenue in the period in which they are earned.

Notes to the Financial Statements

New Zealand AIDS Foundation for year ended 30 June 2020

5. Significant accounting policies continued

5.11 Employee Benefits

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

Salaries, annual leave and sick leave

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

Long Service Leave

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

5.12 Income tax

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

5.13 Goods and services tax (GST)

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

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

5.14 Statement of cash flow

Basis of preparation

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

Cash and cash equivalents

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

Split of activities

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

Financing activities are those activities which result in changes in the size of and composition of the capital structure of NZAF. This includes cash proceeds from, and repayments of, bank borrowings and inter-company debt, and cash payments to owners to acquire the entity's shares.

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

5.15 Equity

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

Accumulated comprehensive revenue and expense

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

6. Significant accounting judgements, estimates and assumptions

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

6.1 Judgements

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

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

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

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

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

Notes to the Financial Statements

New Zealand AIDS Foundation for year ended 30 June 2020

6. Significant accounting judgements, estimates and assumptions continued

- Operating lease commitments – as lessor

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

6.2 Estimates and assumptions

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

Useful lives and residual values

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

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

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

Donated goods

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

- 5,000 Durex lube sachets and condoms valued at \$4,184 donated by Reckitt Benckiser; and
- Pharmac supplied 4,500 packs of the 144 pack size condoms for distribution valued at \$67,305; and
- Google Ad Grants programme for registered non-profit used to the value of \$11,473; and
- 2,500 DLE NZ Community Post envelopes valued at \$2,826; and
- Countdown provided vouchers at the value of \$1,698; and
- Vodafone pay it forward phone credit valued at \$696.

7 Components of net profit

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

	2020	2019
	\$	\$
Depreciation	65,055	66,640
Employer Costs	2,563,923	2,340,460

8 Programme shared costs

	Office resourcing	Personnel	Travel
	\$	\$	\$
2020			
HIV Prevention	78,426	771,401	29,704
Health Services	139,863	683,114	17,988
Communications, Fundraising and Policy & Science	32,978	550,334	6,539
National Support Services	106,757	559,074	13,394
	358,024	2,563,923	67,625
2019			
HIV Prevention	94,605	734,052	41,951
Health Services	162,468	678,066	27,451
Communications, Fundraising and Policy & Science	30,212	363,810	6,598
National Support Services	103,689	564,532	23,357
	390,974	2,340,460	99,357

Notes to the Financial Statements

New Zealand AIDS Foundation for year ended 30 June 2020

9 Cash and cash equivalents

Cash and cash equivalents include the following components:

	2020	2019
	\$	\$
Cash at bank	536,164	233,768
Total cash and cash equivalents	536,164	233,768

No restrictions on cash held.

10 Intangible Assets

	2020	2019
	\$	\$
Cost / Valuation	232,030	228,550
Accumulated depreciation	(218,887)	(209,960)
Net book value	13,143	18,590

Intangible assets comprise the Fundraising & Health Services Databases and Fundraising software/licence.

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

	2020	2019
	\$	\$
Opening balance	18,590	18,691
Additions	1,080	10,560
Disposals	-	-
Amortisation	(8,927)	(10,661)
Work in progress	2,400	-
Closing balance	13,143	18,590

11 Property, plant and equipment

	Office Furniture	Office Equipment	Leasehold Alterations	Land	Building	Total
	\$	\$	\$	\$	\$	\$
2020						
Cost / Valuation	93,137	301,740	27,611	1,525,327	1,064,084	3,011,899
Accumulated depreciation	60,259	256,559	10,925	-	393,477	721,220
Net book value	32,878	45,181	16,686	1,525,327	670,607	2,290,679
2019						
Cost / Valuation	83,149	262,506	14,038	1,525,327	1,059,339	2,944,359
Accumulated depreciation	56,692	240,884	10,228	-	358,041	665,845
Net book value	26,457	21,622	3,810	1,525,327	701,298	2,278,514

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

	Office Furniture	Office Equipment	Leasehold Alterations	Land	Building	Total
	\$	\$	\$	\$	\$	\$
2020						
Opening balance	26,457	21,622	3,810	1,525,327	701,298	2,278,514
Additions	10,890	44,025	13,573	-	4,746	73,234
Disposals	(903)	-	-	-	-	(903)
Accumulated Depreciation on Disposals	748	-	-	-	-	748
Depreciation	(4,315)	(15,675)	(697)	-	(35,436)	(56,123)
Work in Progress	-	(4,791)	-	-	-	(4,791)
	32,877	45,181	16,686	1,525,327	670,608	2,290,679

Notes to the Financial Statements

New Zealand AIDS Foundation for year ended 30 June 2020

12 Income in Advance / Operational Grants

Grants / Funding		2020	2019
		\$	\$
		-	10,850
Grassroots Trust	Peer Tester Salary	4,592	3,505
Milestone Foundation	Testing Equipment	10,000	5,000
ProCare Trust	Vending Machines	25,843	16,921
Total Grants		40,435	36,276

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

Operational Grants

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

Operational	2020	2019
	\$	\$
American Embassy	-	7,671
ANZ Bank NZ Ltd	3,000	3,000
ASB Bank	3,000	3,000
Auckland Council (Albert/Eden & Regional)	27,750	28,250
AUT	7,750	5,250
Bluesky Community Trust Ltd	-	1,880
BNZ Bank	3,000	3,000
CERT Gaming Trust	10,000	-
Central Lakes District	-	6,343
Chorus NZ	-	5,250
Dragon Community Trust	-	1,000
Fletcher Building	-	5,250
Foundation North	10,000	10,000
GlaxoSmithKline	6,500	-
Grassroots Trust Ltd	54,374	10,350
Kiwibank	3,000	-
Lion Foundation	-	17,450
Lottery Grants Board	20,000	20,000
Milestone Foundation	10,000	-
MediaWorks	-	1,739
Mt Wellington Foundation	4,962	-
NZ Community Trust	6,100	-
One Foundation (formerly First Sovereign)	-	10,000
Oxford Sports Trust	-	5,000
Pelorus Trust	-	1,000
ProCare Charitable Foundation (Public Trust)	26,100	-
Pub Charity	19,963	8,000
Raiser NZ (Uber Scooters)	7,750	-
Rata Foundation (formerly The Canterbury Community Trust)	20,000	-
Reckitt Benckiser (NZ) Ltd (Durex)	10,000	40,000
The Southern Trust	-	50,000
The Warehouse Group	7,750	5,250
Vodafone	7,750	5,250
Wellington City Council (Betty Campbell)	5,316	-
Westpac Bank	3,000	3,000
Total	277,065	256,933

Notes to the Financial Statements

New Zealand AIDS Foundation for year ended 30 June 2020

Movements during the year:

Operational Grants	2020	2019
	\$	\$
Operational grants from income in advance released with conditions completed with return specified	36,276	7,700
Operational Grants received throughout the year	211,407	171,694
Sponsorships received throughout the year	63,750	85,239
Operational grants income in advance with conditions not completed with return specified	(40,435)	(36,276)
Total	270,999	228,357

13 Borrowings

Flexible Credit Facility

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

Summary of Facility;

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

As at 30 June 2020 NZAF has banking facilities with ANZ Bank New Zealand Limited in place, until 30 November 2023.

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

Balance;

	2020	2019
	\$	\$
Flexible Credit Facility	-	-
Total	-	-

Interest;

2020 Facility balance had no tranche drawdowns \$0.00

2019 Facility balance had no tranche drawdowns \$0.00

Financial Covenant;

For the year ended 30 June 2020 all covenants imposed on NZAF by ANZ Bank New Zealand Limited were met.

14 Reserves

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

Notes to the Financial Statements

New Zealand AIDS Foundation for year ended 30 June 2020

15 Related Parties

Related Parties

- 16 November 2019 – AGM: Board Chair Anthony Fallon was elected for a second two-year term as Trustee.
- 15 February 2020 – Trust Board meeting: Anthony Fallon was re-elected as Board Chair for a 12-month term. Samuel Humphrey was re-elected as Board Deputy Chair for a 12-month term. Virginia Cattell was re-appointed as non-voting Board Secretary for a further 12 months. Guy Alexander was re-appointed as a General Trustee for a two-year term commencing 11 April 2020.

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

Key Management Personnel

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

Category	Number of FTEs		2020	2019
	2020	2019	\$	\$
Board of Trustees	7	7	-	-
Senior Management	3	3	429,426	412,652
			429,426	412,652

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

During the reporting period, total remuneration and compensation of \$ ████████^{*} (2019: \$ ████████) was provided by the NZAF to employees who are close family members of key management personnel. There have been no other remuneration or loan advances paid to any other close family members of key management personnel.

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

* Charities Services has approved to restrict and withhold sensitive information in disclosure note 15

Notes to the Financial Statements

New Zealand AIDS Foundation for year ended 30 June 2020

16 Operating Leases

Operating Leases as lessee

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

Future minimum rentals payable under non-cancellable operating leases as at 30 June 2020 and 2019 are as follows;

	2020	2019
	\$	\$
Less than one year	125,879	155,011
Between one and five years	154,940	14,200
Total non-cancellable operating leases payments	280,819	169,211

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

	2020	2019
	\$	\$
Premises - Rental	118,203	118,563
IT Contract & Online database subscription	58,620	49,146
Photocopiers	8,985	9,852
Telephone System	-	7,727
Mobile phones	10,930	11,375
	196,738	196,663

Operating Leases as lessor

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

Future minimum rentals receivable under non-cancellable operating leases as at 30 June 2020 and 2019 are as follows:

	2020	2019
	\$	\$
Less than one year	40,200	37,550
Between one and five years	27,392	34,050
Total non-cancellable operating lessor revenue	67,592	71,600

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

	2020	2019
	\$	\$
Premises – Rental	54,006	44,677
	54,006	44,677

Notes to the Financial Statements

New Zealand AIDS Foundation for year ended 30 June 2020

17 Categories of financial assets and liabilities

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

	2020	2019
	\$	\$
Loans and receivables at amortised cost		
Cash and cash equivalents	536,164	233,768
Receivables from exchange transactions	29,661	50,525
Receivable from non-exchange transactions	7,475	278
	573,300	284,570
Financial Liabilities at amortised cost		
Trade and other creditors	335,552	304,812
Accrued Expenditure	52,935	34,047
	388,487	338,859

18 Capital commitments

At reporting date, the NZAF capital commitments are \$Nil (2019: \$Nil)

19 Contingent assets and liabilities

There are no contingent assets or liabilities at reporting date (2019: \$Nil). The NZAF has not granted any securities in respect of liabilities payable by any other party.

20 Events after the reporting date

Subsequent to balance date, the COVID-19 pandemic has resulted in the New Zealand Government announcing a number of measures to contain the spread of the virus. The NZAF has assessed that the disruption caused by the COVID-19 pandemic is limited due to the continued funding provided by the Ministry of Health, however there may be a reduction of revenue in the short term for other revenue streams. At the time of authorising the financial statements the NZAF are unable to quantify the extent of that reduction.

Independent Auditor's Report

To the trustees of New Zealand AIDS Foundation

Opinion

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

- the statement of financial position as at 30 June 2020;
- the statement of comprehensive revenue and expense for the year then ended;
- the statement of changes in net assets/equity for the year then ended;
- the statement of cash flow for the year then ended; and
- the notes to the financial statements, which include significant accounting policies.

In our opinion, the accompanying financial statements on pages 14 to 29 present fairly, in all material respects, the financial position of New Zealand AIDS Foundation as at 30 June 2020, and its financial performance and its cash flows for the year then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We are independent of the Foundation in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, the New Zealand AIDS Foundation.

Responsibilities of the trustees for the financial statements

The trustees are responsible, on behalf of New Zealand AIDS Foundation, for the preparation and fair presentation of the financial statements in accordance with Public Benefit Entity Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board, and for such internal control as those charged with governance determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible, on behalf of the Foundation, for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the Foundation or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these financial statements. A further description of the auditor's responsibilities for the audit of the financial statements is located at the XRB's website at:

https://xrb.govt.nz/Site/Auditing_Assurance_Standards/Current_Standards/Page8.aspx

Who we report to

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

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

RSM Hayes Audit
Auckland

14 September 2020