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## Entity Information

### McGuinness Institute Limited For the year ended 31 March 2016

#### Legal Name of Entity

McGuinness Institute Limited

#### Entity Type and Legal Basis

NZ Limited Company

#### Registration Number

Company number: 1538950  
NZ Business Number: 9429035262381  
Charities Registration Number: CC21440

#### Entity's Purpose or Mission

A non-partisan think tank working towards a sustainable future, contributing foresight through evidence-based research and policy analysis.

#### Entity Structure

Chief Executive is Wendy McGuinness. Reporting to the CE is the Head of Research, Head of Events Management, Head of Design and Head of Administration. There are between 7 and 15 staff employed by the Institute at any one time.

#### Main Sources of Entity's Cash and Resources

Willis Bond and Company Limited is the core funder, but the Institute also collaborates with many other institutions.

#### Main Methods Used by Entity to Raise Funds

Main methods used to gather funds is through donations or cost-recovery of direct costs of workshops and other events.

#### Entity's Reliance on Volunteers and Donated Goods or Services

The Institute is dependent on a good working relationship with a number of other parties that have an interest in a common goal. These include organisations and individuals (such as those that have attended workshops).

#### Physical Address

Level 2, 5 Cable Street, Wellington, New Zealand, 6011

#### Postal Address

PO BOX 24222, Manners Street, Wellington, New Zealand, 6142

**INDEPENDENT ASSURANCE PRACTITIONER'S REVIEW REPORT**  
To the Shareholder of McGuinness Institute Limited ("the Company")

We have reviewed the accompanying performance report of McGuinness Institute Limited on pages 6 to 15, which comprise the entity information, statement of financial position as at 31 March 2016, the statement of service performance, the statement of financial performance, statement of movements in equity and the statement of cash flows for the year ended 31 March 2016, and the statement of accounting policies and other explanatory information.

**Director's Responsibility for the Financial Statements**

The Director is responsible on behalf of the entity for:

- a) Identifying outcomes and outputs, and quantifying the outputs to the extent practicable, that are relevant, reliable, comparable and understandable, to report in the statement of service performance;
- b) the preparation and fair presentation of the performance report which comprises:
  - the entity information;
  - the statement of service performance; and
  - the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report

in accordance with Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) issued in New Zealand by the New Zealand Accounting Standards Board, and

- c) for such internal control as the director determine is necessary to enable the preparation of the performance report that is free from material misstatement, whether due to fraud or error.

**Assurance Practitioner's Responsibility**

Our responsibility is to express a conclusion on the performance report. We conducted our review of the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report in accordance with International Standard on Review Engagements (New Zealand) (ISRE (NZ)) 2400 (Revised) *Review of Historical Financial Statements Performed by an Assurance Practitioner who is not the Auditor of the Entity*, and the review of the entity information and the statement of service performance in accordance with the International Standard on Assurance Engagements (New Zealand) (ISAE (NZ) 3000 (Revised)). Those standards require us to conclude whether anything has come to our attention that causes us to believe that the performance report, taken as a whole, is not prepared in all material respects in accordance with the Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit). Those standards also require that we comply with ethical requirements.

A review of the performance reporting accordance with ISRE (NZ) 2400 (Revised) and ISAE (NZ) 3000 (Revised) is a limited assurance engagement. The assurance practitioner performs procedures, primarily consisting of making enquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures selected depend on our judgement, including the areas identified where a material misstatement is likely to arise and includes performing procedures to obtain evidence and evaluating whether the reported outcomes and outputs, and quantification of the outputs to the extent practicable, are relevant, reliable, comparable and understandable.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand) and ISAE (NZ) 3000 (Revised). Accordingly, we do not express an audit opinion on the performance report.

In addition to assurance services, our firm provides other services in the area of business services. We have no other relationship with or interests in the Company.

#### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that:

- a) the reported outcomes and outputs, and quantification of the outputs to the extent practicable, are not suitable;
- b) the performance on pages 6 to 15 does not present fairly, in all material respects,
  - the financial position of the Company as at 31 March 2016, and its financial performance and cash flows for the year then ended; and
  - the entity information and its service performance for the year then ended

in accordance with Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit).

Our review was completed on 29 June 2016 and our conclusion is expressed as at that date.



**BDO WELLINGTON**  
Chartered Accountants

## Approval of Performance Report

McGuinness Institute Limited  
For the year ended 31 March 2016

The Director is pleased to present the approved performance report including the historical financial statements of McGuinness Institute Limited for year ended 31 March 2016.

APPROVED



Wendy McGuinness

Date ..... 29 June 2016



## Statement of Service Performance

### McGuinness Institute Limited For the year ended 31 March 2016

#### Description of Entity's Outcomes

- To build public policy capability in 18-25 year olds through employment
- To build public policy capability in 18-25 year olds through workshops
- To prepare non-partisan research and policy advice on NZ's long term future

#### Description and Quantification of the Entity's Outputs

To build public policy capability in 18-25 year olds through employment

Description of Outputs	Actual 31 March 2016	Actual 31 March 2015
Number of employees between age of 18 to 25	18	12
Total number of employees	21	15
Percentage of personnel that has worked at the Institute that has subsequently been employed in public policy	20%	10%

To build public policy capability in 18-25 year olds through workshops

Description of Outputs	Actual 31 March 2016	Actual 31 March 2015
Number of workshop participants between the age of 18 to 25	96	35
Total workshop participants	248	35

To prepare non-partisan research and policy advice on New Zealand's long term future

Description of Outputs	Actual 31 March 2016	Actual 31 March 2015
Number of reports published during the year	112	124
Number of workshops held during the year	4	1

## Statement of Financial Performance

McGuinness Institute Limited  
For the year ended 31 March 2016

	NOTES	2016	2015
<b>Revenue</b>			
Donations, fundraising and other similar revenue	1	549,243	542,589
Revenue from providing goods or services	1	27,630	197
Interest, dividends and other investment revenue	1	68	28
Other revenue	1	10,000	39,597
<b>Total Revenue</b>		<b>586,942</b>	<b>582,412</b>
<b>Expenses</b>			
Volunteer and employee related costs	2	348,293	341,726
Costs related to providing goods or service	2	209,694	199,410
Grants and donations made	2	5,850	1,000
Other Expenses	2	16,100	18,452
<b>Total Expenses</b>		<b>579,938</b>	<b>560,588</b>
<b>Surplus/(Deficit) for the Year</b>		<b>7,004</b>	<b>21,824</b>



## Statement of Financial Position

McGuinness Institute Limited  
As at 31 March 2016

	NOTES	31 MAR 2016	31 MAR 2015
<b>Assets</b>			
<b>Current Assets</b>			
Bank accounts and cash	3	26,196	7,225
Debtors and prepayments	3	22,742	12,118
<b>Total Current Assets</b>		<b>48,938</b>	<b>19,343</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	4	56,310	59,062
<b>Total Non-Current Assets</b>		<b>56,310</b>	<b>59,062</b>
<b>Total Assets</b>		<b>105,247</b>	<b>78,405</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Creditors and accrued expenses	5	13,829	9,015
Employee costs payable	5	14,162	11,589
Loans	5	347,631	335,180
<b>Total Current Liabilities</b>		<b>375,622</b>	<b>355,784</b>
<b>Total Liabilities</b>		<b>375,622</b>	<b>355,784</b>
<b>Total Assets less Total Liabilities (Net Assets)</b>		<b>(270,375)</b>	<b>(277,379)</b>
<b>Accumulated Funds</b>			
Accumulated surpluses or deficits		(270,375)	(277,379)
<b>Total Accumulated Funds</b>		<b>(270,375)</b>	<b>(277,379)</b>

## Statement of Cash Flows

McGuinness Institute Limited  
For the year ended 31 March 2016

2016 2015

### Statement of Cash Flows

#### Cash Flows from Operating Activities

Donations, fundraising and other similar receipts	549,243	542,589
Receipts from providing goods or services	27,105	1,742
Interest, dividends and other investment receipts	68	28
Cash receipts from other operating activities	10,000	39,597
Payments to suppliers and employees	(560,812)	(584,200)
Donations or grants paid	(5,850)	(1,000)
<b>Total Cash Flows from Operating Activities</b>	<b>19,754</b>	<b>(1,244)</b>

#### Cash Flows from Investing and Financing Activities

Receipts from sale of property, plant and equipment	-	92
Proceeds from loans borrowed from other parties	12,708	19,663
Payments to acquire property, plant and equipment	(13,236)	(2,032)
Repayments of loans borrowed from other parties	(256)	(11,459)
<b>Total Cash Flows from Investing and Financing Activities</b>	<b>(784)</b>	<b>6,264</b>

**Net Increase/ (Decrease) in Cash** 18,970 5,020

#### Cash and cash equivalents at beginning of period

Cash balance	7,225	2,204
<b>Total Cash and cash equivalents at beginning of period</b>	<b>7,225</b>	<b>2,204</b>

#### Cash and cash equivalents at end of period

Cash balance	26,196	7,225
<b>Total Cash and cash equivalents at end of period</b>	<b>26,196</b>	<b>7,225</b>

**Net change in cash for period** 18,970 5,021

# Statement of Accounting Policies

## McGuinness Institute Limited For the year ended 31 March 2016

### Basis of Preparation

The entity has elected to apply PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) on the basis that it does not have public accountability and has total annual expenses equal to or less than \$2,000,000. All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the entity will continue to operate in the foreseeable future.

This is the Entity's first set of financial statements presented in accordance with PBESFR A (NFP) *Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit)* (Tier 3 Framework).

Upon transition to these Standards the entity has complied with the General Provisions set out in Appendix B (transitional arrangements) of the Tier 3 Framework and restated the comparative period figures.

### Presentation Currency

The financial statements are presented in New Zealand dollars (NZ\$) and all values are rounded to the nearest NZ\$, except where otherwise indicated.

### Revenue Recognition

Donations are recorded as revenue when cash is received.  
Sale of goods or services are recorded when the goods or services are sold.  
Interest income is recorded as it is earned.  
Other income is recorded as it is earned.

### Goods and Services Tax (GST)

The entity is registered for GST. All amounts are stated exclusive of goods and services tax (GST) except for accounts payable and accounts receivable which are stated inclusive of GST.

### Income Tax

McGuinness Institute Limited is wholly exempt from New Zealand income tax having fully complied with all statutory conditions for these exemptions.

### Bank Accounts and Cash

Bank accounts and cash in the Statement of Cash Flows comprise cash balances and bank balances (including short term deposits) with original maturities of 90 days or less.

### Changes in Accounting Policies

This is the first year the entity has applied the Tier 3 Framework and related Accounting Policies. Upon transition, there were no material adjustments to the entity's accounting policies.



### Property, Plant and Equipment

Property, plant and equipment is stated at historical cost less any accumulated depreciation and impairment losses. Historical cost includes expenditure directly attributable to the acquisition of assets and includes the cost of replacements that are eligible for capitalisation when these are incurred.

All other repairs and maintenance expenditure is recognised in profit or loss as incurred.

Depreciation is calculated on a diminishing value basis over the estimated useful life of the asset. The following estimated depreciation rates have been used:

Fixtures & Fittings 10% - 60%  
Shelving & Storage 10% - 16%  
The Library 20% - 24%

An item of property, plant and equipment or investment property is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

# Notes to the Performance Report

## McGuinness Institute Limited For the year ended 31 March 2016

	2016	2015
<b>1. Analysis of Revenue</b>		
<b>Donations, fundraising and other similar revenue</b>		
Donation - Willis Bond & Co Limited (4-1300)	549,243	542,589
<b>Total Donations, fundraising and other similar revenue</b>	<b>549,243</b>	<b>542,589</b>
<b>Revenue from providing goods or services</b>		
Nation Dates Book - Retail	61	152
Nation Dates Book - Wholesale	-	45
Reports sold (incl online)	200	-
Tackling Poverty Workshop	27,370	-
<b>Total Revenue from providing goods or services</b>	<b>27,630</b>	<b>197</b>
<b>Interest, dividends and other investment revenue</b>		
Interest Income	68	28
<b>Total Interest, dividends and other investment revenue</b>	<b>68</b>	<b>28</b>
<b>Other revenue</b>		
Other Revenue	10,000	39,597
<b>Total Other revenue</b>	<b>10,000</b>	<b>39,597</b>
	2016	2015

## 2. Analysis of Expenses

<b>Volunteer and employee related costs</b>		
ACC	2,811	2,175
Entertainment	2,271	1,379
Entertainment - Non deductible	2,465	1,355
Payroll fees	1,213	687
Salaries	335,811	331,922
Training and Education	522	1,662
Travel - National	3,200	2,547
<b>Total Volunteer and employee related costs</b>	<b>348,293</b>	<b>341,726</b>
<b>Costs related to providing goods or services</b>		
Bad Debts	-	805
Computer expenses	21,824	18,462
Consulting & Accounting	5,420	5,765
Cost of Publications: Editing	-	289
Cost of Publications: Printing	8,314	6,229
Cost of Purchasing Books and Publications	3,402	3,055
Domain Names	5,930	3,001
General Expenses	110	567
Insurance	2,264	2,414
Light, Power, Heating	4,702	5,345

Membership and Subscription Fees	5,903	4,766
Occupancy Costs	79,243	77,589
Office Expenses	7,828	10,637
Postage, Freight & Courier	260	1,919
Project : ForesightNZ	2,518	-
Project: Community Boards Conference	1,953	-
Project: Government Strategies Event	67	-
Project: Ocean Management	5,205	4,536
Project: Strategy NZ	-	3,036
Project: Talent NZ	11,876	5,103
Project: Talent NZ Journal	-	200
Project: Talent NZ tour	-	4,379
Project: World Future Conference	3,893	-
Project:Tackling Poverty	28,462	-
Repairs and Maintenance	1,993	1,062
Stationery	5,988	7,077
Telephone & Internet	2,539	2,750
Workshop: Local NZ	-	24,398
Youth Scholarships - New Zealand	-	5,000
<b>Total Costs related to providing goods or services</b>	<b>209,694</b>	<b>198,385</b>

#### Grants and donations made

Donation	5,850	1,000
<b>Total Grants and donations made</b>	<b>5,850</b>	<b>1,000</b>

#### Other expenses

Bank Fees	112	134
Depreciation	15,988	16,634
(Gain)/Loss on Disposal of Fixed Assets	-	92
Interest Expense	-	1,591
Legal expenses	-	1,025
<b>Total Other expenses</b>	<b>16,100</b>	<b>19,477</b>

2016                      2015

### 3. Analysis of Assets

#### Bank accounts and cash

Kiwibank 00 Account	24,750	5,954
Kiwibank 01 Account	1,188	1,029
Kiwibank 02 Account	132	84
McGuinness Institute Paypal Ac	70	148
Petty Cash	55	10
<b>Total Bank accounts and cash</b>	<b>26,196</b>	<b>7,225</b>



**Debtors and prepayments**

Bond - IPayroll	12,000	12,000
Accounts Receivable	563	37
GST (2-1310)	10,161	72
Resident Withholding Tax	19	8
<b>Total Debtors and prepayments</b>	<b>22,742</b>	<b>12,118</b>

2016                      2015

**4. Property, Plant and Equipment**
**Furniture & Fixtures**

Furniture and Fixtures	85,812	73,333
Less Accumulated Depreciation on Furniture and Fittings	(63,594)	(54,094)
<b>Total Furniture &amp; Fixtures</b>	<b>22,218</b>	<b>19,239</b>

**Shelving & Storage**

Shelving & Storage	25,723	25,723
Less Accumulated Depreciation on Shelving & Storage	(9,309)	(7,336)
<b>Total Shelving &amp; Storage</b>	<b>16,414</b>	<b>18,386</b>

**The Library**

The Library	47,584	46,828
Less Accumulated Depreciation on The Library	(29,907)	(25,392)
<b>Total The Library</b>	<b>17,677</b>	<b>21,436</b>

**Total Property, Plant and Equipment**

2016                      2015

**5. Analysis of Liabilities**
**Creditors and accrued expenses**

Accounts Payable	13,829	9,015
<b>Total Creditors and accrued expenses</b>	<b>13,829</b>	<b>9,015</b>

**Employee costs payable**

Accruals	14,162	11,589
<b>Total Employee costs payable</b>	<b>14,162</b>	<b>11,589</b>

**Loans**

Mackford Holdings No 5 Limited	347,631	335,180
<b>Total Loans</b>	<b>347,631</b>	<b>335,180</b>

	2016	2015
<b>6. Accumulated Funds</b>		
<b>Accumulated Funds</b>		
Opening Balance	(277,379)	(299,203)
Accumulated surpluses	7,004	21,824
<b>Total Accumulated Funds</b>	<b>(270,375)</b>	<b>(277,379)</b>
<b>Total Accumulated Funds</b>	<b>(270,375)</b>	<b>(277,379)</b>

### 7. Commitments

There are no commitments as at 31 March 2016 (2015 - nil).

### 8. Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at 31 March 2016 (2015 - nil).

### 9. Going Concern

The validity of the going concern assumption on which this financial report is prepared depends on the continued financial support of the shareholder.

If the support is withdrawn, adjustments may have to be made to reflect the situation that assets may need to be realised other than in the amounts at which they are currently recorded in the Statement of Financial Position. In addition, the company may have to provide for further liabilities that may arise.

### 10. Related Parties

Wendy McGuinness, who is a director of this company, is also a director of Mackford Holdings No 5 Limited, which has loaned funds to McGuinness Institute Limited during the year. The loan totaling \$347,631.44 at 31 March 2016 is interest free and repayable on demand.

Wendy McGuinness is also a trustee of the McGuinness Foundation Trust which owns 100% of this company.

Wendy McGuinness' husband is a director of Willis Bond & Company Limited. The McGuinness Institute received donations from Willis Bond & Company Limited during the year totaling to \$470,000, and occupancy costs amounting to \$79,243.26.

### 11. Occupancy Costs

During the year, as per prior years, Willis Bond & Company Limited made payments on behalf of the Institute for occupancy costs encompassing rent, rates, landline and water cooler rental charges. These contributions by Willis Bond & Company Limited have been recognised as donation to the Institute and the 'Occupancy Costs' reported as a separate line item.

## 12. Events After the Balance Date

There were no events that have occurred after the balance date that would have a material impact on the Performance Report (2015 - nil).