



**MCGUINNESS INSTITUTE  
LIMITED**

Performance Report

YEAR ENDED 31 MARCH 2020

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# Entity Information

## McGuinness Institute Limited For the year ended 31 March 2020

### 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 25 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

Reliance on donated services, as well as 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). Donated services include occupancy cost of \$79,563 from Willis Bond and Co. Limited.

### Physical Address

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

### Postal Address

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

# Approval of Performance Report

## McGuinness Institute Limited For the year ended 31 March 2020

The Director is pleased to present the approved performance report including the historical performance report of McGuinness Institute Limited for year ended 31 March 2020.

APPROVED



\_\_\_\_\_  
Wendy McGuinness

Date **29 September 2020**  
Date .....

# Statement of Service Performance

## McGuinness Institute Limited For the year ended 31 March 2020

### 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 old's through employment

Description of Outputs	Actual 31 March 2020	Actual 31 March 2019
Number of employees between age of 18 to 25	8	9
Total number of employees	9	19
Percentage of personnel that has worked at the Institute that has subsequently been employed in public policy	50%	33.3%

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

Description of Outputs	Actual 31 March 2020	Actual 31 March 2019
Number of participants at the 3 day workshop between the age of 18 to 25	40	0
Total workshop participants (including 1 day workshops)	40	0

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

Description of Outputs	Actual 31 March 2020	Actual 31 March 2019
Number of reports published during the year	0	1
Number of workshops held during the year	1	0
Number of working papers	6	3
Number of think pieces	1	4
Number of submissions and proposals	12	6

# Statement of Financial Performance

## McGuinness Institute Limited For the year ended 31 March 2020

	NOTES	2020	2019
<b>Revenue</b>			
Donations, fundraising and other similar revenue	1	759,763	717,911
Revenue from providing goods or services	1	1,489	1,777
<b>Total Revenue</b>		<b>761,252</b>	<b>719,688</b>
<b>Expenses</b>			
Volunteer and employee related costs	2	468,537	444,685
Costs related to providing goods or service	2	328,458	207,166
Grants and donations made	2	1,400	6,850
Other Expenses	2	11,407	17,818
<b>Total Expenses</b>		<b>809,802</b>	<b>676,519</b>
<b>Surplus/(Deficit) for the Year</b>		<b>(48,550)</b>	<b>43,169</b>

# Statement of Financial Position

## McGuinness Institute Limited As at 31 March 2020

	NOTES	31 MAR 2020	31 MAR 2019
<b>Assets</b>			
<b>Current Assets</b>			
Bank accounts and cash	3	20,429	41,126
Debtors and prepayments	3	17,135	14,346
<b>Total Current Assets</b>		<b>37,564</b>	<b>55,472</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	4	40,731	41,358
<b>Total Non-Current Assets</b>		<b>40,731</b>	<b>41,358</b>
<b>Total Assets</b>		<b>78,295</b>	<b>96,830</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Creditors and accrued expenses	5	11,153	10,610
Employee costs payable	5	8,911	14,362
Loans	5	385,560	350,635
<b>Total Current Liabilities</b>		<b>405,624</b>	<b>375,607</b>
<b>Total Liabilities</b>		<b>405,624</b>	<b>375,607</b>
<b>Total Assets less Total Liabilities (Net Assets)</b>		<b>(327,329)</b>	<b>(278,777)</b>
<b>Accumulated Funds</b>			
Accumulated surpluses or deficits		(327,329)	(278,777)
<b>Total Accumulated Funds</b>		<b>(327,329)</b>	<b>(278,777)</b>

# Statement of Cash Flows

## McGuinness Institute Limited For the year ended 31 March 2020

2020 2019

### Statement of Cash Flows

#### Cash Flows from Operating Activities

Donations, fundraising and other similar receipts	759,763	717,911
Receipts from providing goods or services	1,604	2,764
Payments to suppliers and employees	(805,064)	(668,005)
Donations or grants paid	(1,400)	(6,850)
<b>Total Cash Flows from Operating Activities</b>	<b>(45,097)</b>	<b>45,820</b>

#### Cash Flows from Investing and Financing Activities

Proceeds from loans borrowed from other parties	34,926	(3,360)
Payments to acquire property, plant and equipment	(10,524)	(7,463)
<b>Total Cash Flows from Investing and Financing Activities</b>	<b>24,402</b>	<b>(10,823)</b>

Net Increase/ (Decrease) in Cash (20,696) 34,997

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

Cash balance	41,126	6,129
<b>Total Cash and cash equivalents at beginning of period</b>	<b>41,126</b>	<b>6,129</b>

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

Cash balance	20,429	41,126
<b>Total Cash and cash equivalents at end of period</b>	<b>20,429</b>	<b>41,126</b>

Net change in cash for period (20,697) 34,997



# Statement of Accounting Policies

## McGuinness Institute Limited For the year ended 31 March 2020

### 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.

The Entity's performance report is presented in accordance with PBESFR A (NFP) *Public Benefit Entity Simple Format Reporting - Accrual(Not-For-Profit)* (Tier 3 Framework).

### Presentation Currency

The performance report is 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

As per the Income Tax Act 2007, and as the company holds the status of a registered charity, 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

There have been no changes in accounting policies. All policies have been applied on bases consistent with those used in previous years.

### 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 the statement of financial performance 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 0% - 60%

Shelving & Storage 10% - 16%

The Library 20% - 24%

Computer Equipment 50% - 67%

An item of property, plant and equipment 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 the statement of financial performance in the year the asset is derecognised.

# Notes to the Performance Report

## McGuinness Institute Limited For the year ended 31 March 2020

	2020	2019
<b>1. Analysis of Revenue</b>		
<b>Donations, fundraising and other similar revenue</b>		
Willis Bond & Co Limited	79,563	77,911
The McGuinness Foundation Trust	680,200	640,000
<b>Total Donations, fundraising and other similar revenue</b>	<b>759,763</b>	<b>717,911</b>
<b>Revenue from providing goods or services</b>		
Nation Dates Book Sales	35	695
Reports sold (incl online)	25	-
Other Revenue from providing goods or services	1,429	1,082
<b>Total Revenue from providing goods or services</b>	<b>1,489</b>	<b>1,777</b>
	<b>2020</b>	<b>2019</b>

## 2. Analysis of Expenses

<b>Volunteer and employee related costs</b>		
ACC	1,961	2,227
Clothing expenses	200	-
Entertainment	3,538	3,060
Entertainment - Non deductible	4,068	3,519
i-payroll fees	1,554	1,565
Salaries	440,420	401,555
Staff gift	2,003	-
Training and Education	209	11,937
Travel - International	3,005	16,503
Travel - National	11,579	4,319
<b>Total Volunteer and employee related costs</b>	<b>468,537</b>	<b>444,685</b>
<b>Costs related to providing goods or services</b>		
Bad Debts	100	548
Client Gifts	1,183	1,476
Computer expenses	23,807	17,665
Conference Expenses	2,223	-
Consulting & Accounting	24,809	16,972
Cost of Publication	48,849	55,504
Domain Names	6,637	7,981
Event - Navigating with Foresight	11,444	-
Event - Vanishing Stability	11,187	-
KiMuaNZ	78,010	-
Insurance	2,678	2,621
Light, Power, Heating	3,794	3,405
Membership and Subscription Fees	7,665	2,571
Occupancy Costs	79,563	77,911

	2020	2019
Office Expenses	8,731	8,197
Postage, Freight & Courier	3,356	2,596
Repairs and Maintenance	3,923	-
Stationery	5,879	5,148
Telephone & Internet	4,621	4,572
<b>Total Costs related to providing goods or services</b>	<b>328,458</b>	<b>207,166</b>

**Grants and donations made**

Donations	400	6,850
Donations - International	1,000	-
<b>Total Grants and donations made</b>	<b>1,400</b>	<b>6,850</b>

**Other expenses**

Bank Fees	206	238
Depreciation	11,150	10,425
(Gain)/Loss on Disposal of Fixed Assets	-	5,373
Legal expenses	-	1,782
Penalties	50	-
<b>Total Other expenses</b>	<b>11,407</b>	<b>17,818</b>

	2020	2019
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**3. Analysis of Assets****Bank accounts and cash**

Kiwibank 00 Account	16,617	38,623
Petty Cash Kiwibank 01 Account	1,203	1,674
Paypal Account	1,595	828
Petty Cash	1,014	-
<b>Total Bank accounts and cash</b>	<b>20,429</b>	<b>41,126</b>

**Debtors and prepayments**

Accounts Receivable	-	115
Bond - iPayroll	12,000	12,000
GST Receivable	5,135	2,231
<b>Total Debtors and prepayments</b>	<b>17,135</b>	<b>14,346</b>

	2020	2019
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**4. Property, Plant and Equipment****Furniture & Fixtures**

Furniture and Fixtures	63,238	62,223
Less Accumulated Depreciation on Furniture and Fittings	(50,697)	(48,399)
<b>Total Furniture &amp; Fixtures</b>	<b>12,541</b>	<b>13,824</b>

**Shelving & Storage**

Shelving & Storage	24,583	24,583
Less Accumulated Depreciation on Shelving & Storage	(14,480)	(13,301)
<b>Total Shelving &amp; Storage</b>	<b>10,103</b>	<b>11,282</b>

**The Library**

The Library	47,584	47,584
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	2020	2019
Less Accumulated Depreciation on The Library	(40,474)	(38,659)
<b>Total The Library</b>	<b>7,110</b>	<b>8,926</b>
<b>Computer Equipment</b>		
Computer Equipment	23,338	13,829
Less Accumulated Depreciation on Computer Equipment	(12,361)	(6,503)
<b>Total Computer Equipment</b>	<b>10,977</b>	<b>7,326</b>
<b>Total Property, Plant and Equipment</b>	<b>40,731</b>	<b>41,358</b>
	2020	2019

## 5. Analysis of Liabilities

<b>Creditors and accrued expenses</b>		
Accounts Payable	11,153	10,610
<b>Total Creditors and accrued expenses</b>	<b>11,153</b>	<b>10,610</b>
<b>Employee costs payable</b>		
Accruals	8,911	14,362
<b>Total Employee costs payable</b>	<b>8,911</b>	<b>14,362</b>
<b>Loans</b>		
Mackford Holdings No 5 Limited	393,761	355,084
McGuinness Foundation Trust	(8,201)	(4,449)
<b>Total Loans</b>	<b>385,560</b>	<b>350,635</b>
	2020	2019

## 6. Accumulated Funds

<b>Accumulated Funds</b>		
Opening Balance	(278,777)	(321,946)
Accumulated surpluses	(48,550)	43,169
<b>Total Accumulated Funds</b>	<b>(327,327)</b>	<b>(278,777)</b>
<b>Total Accumulated Funds</b>	<b>(327,327)</b>	<b>(278,777)</b>

## 7. Commitments

There are no commitments as at 31 March 2020 (2019 - nil).

## 8. Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at 31 March 2020 (2019 - nil).

## 9. Going Concern

The Company has made a loss in the year of \$48,429 and has net liabilities of \$327,221.

The validity of the going concern assumption on which this performance report is prepared depends on the continued financial support of the shareholder and of Mackford Holdings No.5 Limited.

A letter of support has also been received from Mackford Holdings No.5 Limited confirming that they will continue to support McGuinness Institute Limited, and will not call the loan unless they know that McGuinness Institute Limited is in a position to pay the loan and their creditors as they fall due within the foreseeable future.

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 totalling \$393,760 as at 31 March 2020 (2019: \$355,084) is interest free and repayable on demand.

Wendy McGuinness is also a trustee of the McGuinness Foundation Trust which owns 100% of this company. The McGuinness Institute received donations from the McGuinness Foundation Trust during the year totalling to \$680,200 (2019: \$640,000). The McGuinness Institute paid for expenses of the McGuinness Foundation Trust during the year totalling to \$1,877 (2019: \$1,408).

Wendy McGuinness' husband is a director of Willis Bond & Company Limited. The McGuinness Institute received nil donations from Willis Bond & Company Limited during the year (2019: nil), and occupancy costs amounting to \$79,563 (2019: \$77,911).

## 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 occurred after balance date that would have a material impact on the Performance Report as at 31 March 2020 (2019 - nil).

## 13. COVID-19

COVID-19 has been a significant event for almost all entities in New Zealand. However, at balance date the Company is not aware of any material threat to its validity as a going concern and has not experienced any significant impact to its financial position. As a precautionary action the Company is deciding to not hire any further employees until 2021 unless necessary.