



Arthritis NZ
**Mateponapona
Aotearoa**

Annual Financial Statements

Arthritis New Zealand (Mateponapona Aotearoa)

For the year ended 30 June 2025

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Independent Auditor's Report

To the trustees of Arthritis New Zealand (Mateponapona Aotearoa)

Report on the audit of the financial report

Opinion

We have audited the accompanying financial report which comprises:

- the statement of financial position as at 30 June 2025;
- the statements of comprehensive revenue and expense, changes in equity and cash flows for the year then ended;
- notes, including a summary of significant accounting policies and other explanatory information; and
- the statement of service performance on pages 1 to 7.

In our opinion, the accompanying financial report of Arthritis New Zealand (Mateponapona Aotearoa) (the Trust) on pages 8 to 18 presents fairly in all material respects:

- the Trust's financial position as at 30 June 2025 and its financial performance and cash flows for the year ended on that date; and
- the service performance for year ended 30 June 2025 in that the service performance information is appropriate and meaningful and prepared in accordance with the Trust measurement bases or evaluation methods.

In accordance with Public Benefit Entity Standards Reduced Disclosure Regime (PBE Standards RDR) issued by the New Zealand Accounting Standards Board.



Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and the audit of the statement of service performance in accordance with the New Zealand Auditing Standard 1 (Revised) *The Audit of Service Performance Information (NZ AS 1 (Revised))*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of Arthritis New Zealand (Mateponapona Aotearoa) in accordance with Professional and Ethical Standard 1 International Code of Ethics for Assurance Practitioners (Including International Independence Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our responsibilities under ISAs (NZ) and NZ AS 1 (Revised) are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

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



Use of this independent auditor's report

This independent auditor's report is made solely to the trustees. Our audit work has been undertaken so that we might state to the trustees those matters we are required to state to them in the independent auditor's report and for no other purpose. To the fullest extent permitted by law, none of KPMG, any entities directly or indirectly controlled by KPMG, or any of their respective members or employees, accept or assume any responsibility and deny all liability to anyone other than the trustees for our audit work, this independent auditor's report, or any of the opinions we have formed.



Responsibilities of trustees for the financial report

The trustees, on behalf of the Trust, are responsible for:

- the preparation and fair presentation of the financial report in accordance with PBE Standards RDR issued by the New Zealand Accounting Standards Board;
- implementing the necessary internal control to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error;
- the selection of elements/aspects of service performance, performance measures and/or descriptions and measurement bases or evaluation methods that present service performance information that is appropriate and meaningful in accordance with PBE Standards RDR;
- the preparation and fair presentation of service performance information in accordance with the entity's measurement bases or evaluation methods, in accordance with PBE Standards RDR;
- overall presentation, structure and content of the service performance information in accordance with PBE Standards RDR; and
- assessing the ability of the Trust to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations or have no realistic alternative but to do so.



Auditor's responsibilities for the audit of the financial report

Our objective is:

- to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an independent auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but it is not a guarantee that an audit conducted in accordance with ISAs NZ and NZ AS 1 (Revised) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate and collectively, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the External Reporting Board (XRB) website at:

<https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-14-1/>

This description forms part of our independent auditor's report.

Arthritis New Zealand Mateponapona Aotearoa

Statement of Service Performance

For the year ended 30 June 2025

Arthritis NZ's mission is to improve the lives of everyone with arthritis.

In 2024, the Board and Senior Management Team worked together on a new strategic plan. We will work alongside the arthritis community in New Zealand so they live well with arthritis. To achieve this, we will work in a way that addresses inequity, creates innovative solutions, seeks ways to collaborate and connect with others, and uses research to inform our decision-making.

The previous strategy was built on five strategic initiatives:

- Arthritis New Zealand – Mateponapona Aotearoa is the "go-to organisation" for obtaining accurate and appropriate information, advice and advocacy for all people affected by arthritis.
- We will work with partners to develop, deliver, and measure the effectiveness of programmes and services that we deliver
- We will be a catalyst of change in the development of programmes with a focus on equity, specifically Māori communities which will then link across to our Pacific Island communities
- We will have a proactive and translational research program which includes clinical, social, and economic research
- We will generate sustainable income streams

Changing strategy happens as organisations adapt to be relevant for the future. The new strategy re-aligns the performance measures into five pou (pillars):

Voice - Ensuring the needs of people affected by arthritis are sought, heard and acted upon

Desired Outcome	Performance Measure	Results 2024 - 2025	Results 2023-2024
We seek to understand and act on what consumers want and need.	<p>Arthritis NZ conducts research seeking to understand what its consumers and clients want and need. (Target: regular surveying of consumer experience e.g via the Arthritis Confidence Index)</p> <p>Increasing public awareness of Arthritis New Zealand is evident through website visits (Target: increase in website visitors)</p>	<p>The inaugural Arthritis Confidence Index was launched on 12 October 2024. A total of 1,220 consumers completed the survey.</p> <p>Arthritis NZ's website received 123,782 visitors an increase of 15.8% from 2023-2024.</p>	<p>The Arthritis Confidence Index was launched during the current reporting period. As such, no comparative information is available.</p> <p>Arthritis NZ's website received 106,873 visits in 2023-2024.</p>
We actively seek and engage with those whose voices are often overlooked	<p>Strategies are developed to engage with segments within our consumer base. (Target: Youth Strategy completed)</p> <p>Opportunities are identified for people with lived experience of arthritis to engage with health care professionals and researchers. (Target: support at least one event to facilitate the engagement between consumers and Health care professionals)</p>	<p>Arthritis NZ's Youth Strategy was developed and adopted by the Board.</p> <p>Arthritis co-funded/co-hosted the ALARA conference with Keele University.</p>	<p>This performance measure was introduced in the current reporting period. As such, no comparative information is available.</p> <p>Arthritis NZ staff engaged with consumer reference groups and presented at the NZOA conference.</p>
We advocate effectively on behalf of the arthritis community	Opportunities are identified and acted on to provide decision makers with information about living with arthritis. (Target: Meet with key minister/s e.g. Minister of Health and Health Select Committee on an annual basis)	Submission made to Health Select Committee on 14 May 2025.	This performance measure was introduced in the current reporting period. As such, no comparative information is available.

Equity - Addressing barriers to treatment and care for all New Zealand

Desired Outcome	Performance Measure	Results 2024 - 2025	Results 2023-2024
We improve outcomes for Māori, Pasifika and other ethnicities disproportionately affected by arthritis	Increasing levels of service provision to Māori and Pasifika communities, and other ethnicities disproportionately affected by arthritis. (Target: new relationships developed, including at least one Māori or Pasifika organisations/iwi/community)	Arthritis NZ developed a new partnership with Hora Te Pai Health Services.	This performance measure was introduced in the current reporting period. As such, no comparative information is available.
We are committed to delivering service for all New Zealanders	Increasing levels of people affected by gout arthritis have access to information and support to manage their condition. (Target: increased number of visits to gout resources on website)	The number of visits to the gout topic on Arthritis NZ's website from July 2024 to June 2025 was 11,470, which was an increase from prior year.	The number of visits to the gout topic on Arthritis NZ's website from July 2023 to June 2024 was 8,335.

Support - Delivering services to meet the needs of the arthritis community

Desired Outcome	Performance Measures	Results 2024/2025	Results 2023-2024
We provide relevant and inclusive services that work	The value created and delivered by Arthritis NZ and its partners is demonstrated. (Target: over 80% satisfaction rating for Arthritis Assist customer survey)	Clients gave Arthritis an overall rating of 4.6/5, with 96% feeling that the service we provided was helpful. There were 150 respondents in 2024/2025	Clients gave Arthritis an overall rating of 4.3/5, with 89% feeling that the service we provided was helpful. There were 178 respondents in 2023/2024.
We connect people living with arthritis to a supportive community	Opportunities for those affected by arthritis to connect with each other in person and online are facilitated. (Target: growth in the number of members who are able to participate in online support groups)	There were 9,235 members in Arthritis NZ's nine Facebook groups in 2024/2025, which was an increase of 15.4% from 2023/2024.	There were 7,874 members in Arthritis' online Facebook groups in 2023/2024.
We provide information and education to empower people to live well	Increasing online education and stakeholder interaction can be demonstrated (Target: at least one new online programme developed)	New information and education initiatives launched in 2024/2025: <ul style="list-style-type: none"> - Arthritis NZ launched the Menopause and Arthritis podcast. 	New information and education initiatives launched in 2023/2024: <ul style="list-style-type: none"> - Launch of MyRA (My Rheumatoid Arthritis) at NZRA conference.

Research - Providing clinical, social and economic leadership

Desired Outcome	Performance Measures	Results 2024/2025	Results 2023-2024
We lead on arthritis research that is specific to New Zealanders	Research is reputable and reliable about arthritis and its impact for New Zealand (Target: funding provided for at least one new research project)	<p>New research projects funded in 2024/2025:</p> <ul style="list-style-type: none"> - Tamasese project carried out by the Family Centre in Porirua 	<p>New research projects funded in 2023/2024:</p> <ul style="list-style-type: none"> - Lupus/SLE Postdoctoral Fellowship continues to publish findings in several journals and conferences. - ACL injury rehabilitation research continues in partnership with AUT and ACC.
We foster the research community in New Zealand to build better understanding of arthritis and its impact	Research into arthritis and its management is actively promoted by Arthritis NZ (Target: award summer scholarships and External Research grants)	Arthritis NZ awarded \$26,000 in Summer Scholarships and \$395,854 in external grants in 2024/2025.	Six external grants worth \$395,854 in 2023/2024.

Sustainability - Ensuring future organisational and financial stability

Desired Outcome	Performance Measures	Results 2024/2025	Results 2023/2024
We strategically improve and diversify our revenue streams to secure our future	Sustainable income streams are in place to enable Arthritis NZ to achieve its kaupapa (Target: income raised through individual donations and grant income).	Individual donation income for FY25 was \$320,677. Grant income for FY25 was \$296,064.	Individual donation income for FY24 was \$329,564 Grant income for FY24 was \$338,724.
We partner and collaborate to strengthen our work	Partnerships with key stakeholders are initiated and enhanced (Target: work with other key stakeholders within the health sector)	Arthritis NZ developed the Long-Term Health qualification in partnership with Heart Foundation, Diabetes NZ and Stroke New Zealand.	Arthritis NZ built long-term conditions with Diabetes New Zealand, Heart Foundation, Mahitahi Hauora and Northland DHB.

The new strategy has changed the alignment of KPIs with the pillars/pou and there is one KPI that was included in the Statement of Service Performance for the year ended 30 June 2024, but is not present in this year's SSP.

Removed Performance Measure	Reason
Funders recognise the value of Arthritis IQ programmes and resources and fund it appropriately	This is not a specific goal in the new strategy. We are focused on working with partners to develop a NZQA accredited micro-credentialed professional development program.

Statement of Comprehensive Revenue and Expense

Arthritis New Zealand (Mateponapona Aotearoa)
For the year ended 30 June 2025

	NOTES	2025	2024
Operating income			
Contributions from the Community	6	2,918,417	2,102,788
Income from Services and Programmes	7	567,209	561,080
Profit on Sale of Assets		2,609	-
Total Operating income		3,488,235	2,663,868
Operating expenses			
Fundraising Costs	6	757,025	729,296
Expenditure on Services & Programmes	7	740,919	460,640
Administration Expenses	8	962,394	955,955
Governance		18,352	15,013
Research Grants & Expenses		550,394	331,400
Depreciation and Amortisation expenses		75,208	73,260
Total Operating expenses		3,104,293	2,565,564
Operating surplus/(deficit) before finance income		383,942	98,305
Net finance income			
Net finance Income	9	471,287	558,035
Total Net finance income		471,287	558,035
Operating surplus/(deficit) after finance income		855,228	656,340
Other Comprehensive Revenue and Expenses			
Net change in fair value of investments		612,819	(465,003)
Total Other Comprehensive Revenue and Expenses		612,819	(465,003)
Total Comprehensive Revenue and Expense for the year		1,468,047	191,337

Statement of Changes in Equity

Arthritis New Zealand (Mateponapona Aotearoa)
For the year ended 30 June 2025

	2025	2024
Statement of Movements in Equity		
Research Funds		
Opening Balance	6,964,071	6,973,802
Share of surplus/deficit for the period - Research Funds	140,606	106,549
Transfers between funds	(116,000)	(116,280)
Total Research Funds	6,988,677	6,964,071
Trustees Funds		
Opening Balance	1,064,420	413,149
Share of Surplus/(Deficit) for the period	650,071	456,398
Transfers between funds	328,104	194,873
Total Trustees Funds	2,042,595	1,064,420
Special Purpose Funds		
Opening Balance	1,501,138	1,486,338
Share of surplus/deficit for the period - Special Purpose Funds	64,551	93,393
Transfers between funds	(212,104)	(78,593)
Total Special Purpose Funds	1,353,585	1,501,138
Investment Revaluation Reserve		
Opening Balance	1,433,502	1,898,505
Unrealised gain/(loss) on revaluation of investments	612,819	(356,682)
Cumulative gain on investments sold transferred to Statement of Comprehensive Revenue and Expense	(108,322)	
Total Investment Revaluation Reserve	2,046,321	1,433,502
Total Equity	12,431,178	10,963,131
	2025	2024
Summary of movements in equity		
E uit		
Opening balance	10,963,131	10,771,795
Surplus/deficit for the period	855,228	656,340
Unrealised gain/(loss) on revaluation of investments	612,819	(356,682)
Cumulative gain on investments sold transferred to Statement of Comprehensive Revenue and Expense	(108,322)	
Total Equity	12,431,178	10,963,131

Statement of Financial Position

Arthritis New Zealand (Mateponapona Aotearoa)

As at 30 June 2025

	NOTES	30 JUN 2025	30 JUN 2024
Assets			
Property, Plant, Equipment & Motor Vehicles		311,386	344,661
Intangible Assets		56,547	91,431
Investments	10	12,046,241	10,188,324
Trade & Other Receivables		68,843	62,822
Cash & Cash Equivalents		306,256	570,150
Total Assets		12,789,273	11,257,389
Equity			
Trustees Funds	11	2,042,595	1,064,420
Research Funds	11	6,988,677	6,964,071
Special Purpose Funds	11	1,353,585	1,501,138
Investment Revaluation Reserve		2,046,321	1,433,502
Total Equity		12,431,178	10,963,131
Liabilities			
Employee Entitlements		156,173	170,789
Trade & Other Payables		201,922	123,469
Total Liabilities		358,095	294,258
Total Equity and Liabilities		12,789,273	11,257,389

Signed by:



Philip Kearney

Chief Executive

Date: 2 October 2025



Rebecca Roberts

Chairperson

Date: 2 October 2025

Statement of Cashflows

Arthritis New Zealand (Mateponapona Aotearoa)
For the year ended 30 June 2025

	2025	2024
Cash Analysis		
Cash Flows from Operating Activities		
Cash was provided from:		
Contributions from the community	2,918,417	2,102,788
Sales, Services & Programmes	561,188	566,846
Members Subscriptions	-	-
Total cash provided	3,479,605	2,669,634
Cash was applied to:		
Payments to suppliers	(849,960)	(761,445)
Payments to employees	(1,655,935)	(1,452,487)
Research Expenditure	(459,352)	(244,901)
Total cash applied	(2,965,247)	(2,458,833)
Net Cash Inflow/ (Outflow) from Operating Activities	514,358	210,801
Cash Flows from Investing Activities		
Cash was provided from:		
Sale of property, furniture and equipment	2,609	-
Interest & Dividends Received	471,286	449,713
Sale of Investments	-	373,093
Total cash provided	473,895	822,806
Cash was applied to:		
Purchase of property, furniture and equipment	(7,048)	(14,088)
Purchase of Investments	(1,245,099)	(790,784)
Total cash applied	(1,252,147)	(804,872)
Net Cash Inflow/(Outflow) from Investing Activities	(778,252)	17,934
Net increase/(decrease) in cash and cash equivalents	(263,894)	228,735
Cash and cash equivalents at 1 July		
Cash and cash equivalents at 1 July	570,150	341,415
Cash and cash equivalents at 30 June	306,256	570,150

Notes to the Financial Statements

Arthritis New Zealand (Mateponapona Aotearoa)

For the year ended 30 June 2025

1. Reporting Entity

Arthritis New Zealand (Mateponapona Aotearoa) (the "Trust") is an incorporated charitable trust registered under the Charitable Trusts Act 1957 and the Charities Act 2005 and is domiciled in New Zealand. It operates under the name Arthritis New Zealand.

The principal activity of the Trust is to raise awareness and provide advocacy, information, education and support services for people affected by arthritis.

The financial statements were authorised for issue by the Board of Trustees on 2 October 2025.

2. Basis of Preparation

Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with Public Benefit Entity International Public Sector Accounting Standards (PBE Standards) Reduced Disclosure Regime, as appropriate for Tier 2 not-for-profit public benefit entities. The Trust is a public benefit not-for-profit entity and is eligible to apply PBE Standards RDR on the basis that it does not have public accountability and is not defined as large.

The going concern basis of preparing the financial statements has been used.

Basis of measurement

The financial statements are presented in New Zealand dollars (\$) and prepared on the historical cost basis except for financial instruments that are classified as available-for-sale which are stated at their fair value.

3. Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements. Certain comparative amounts have been reclassified to conform with the current year's presentation.

Taxation

Income tax

The Trust is registered as a Charitable Trust and is exempt from Income Tax

Goods and Services Tax

All amounts are shown exclusive of Goods and Services Tax (GST), except for receivables and payables that are stated inclusive of GST.

Property, plant and equipment

Items of property, plant and equipment, are stated at cost, less accumulated depreciation and impairment losses. Depreciation is charged to the Statement of Comprehensive Revenue and Expense using the straight-line method. Depreciation is set at rates that will write off the cost or fair value of the assets, less their estimated residual values, over their useful lives. The residual value of assets is reassessed annually. The estimated useful lives of major classes of assets and resulting rates of depreciation are as follows:

- Office Furniture & Equipment: 10 - 30% SL
- Motor Vehicles: 33.3% SL
- IT Equipment: 33.3%SL
- Improvements to Leasehold Premises: 10-16.7% SL
- Buildings: 3% SL

Intangible Assets

Intangible assets, including capitalised software development costs, where Arthritis controls the underlying asset, are stated at cost less accumulated amortisation and any accumulated impairment losses. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. Amortisation is calculated to write off the cost of the intangible assets less their estimated residual value using the straight-line method over their estimated useful lives and is generally recognised in surplus or deficit. The estimate useful lives for software intangibles are 5 years. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Financial Instruments

Financial instruments consist principally of investments in New Zealand and Australian equities and managed bond funds. These assets are measured at fair value. Dividends and interest are recognised as income in surplus or deficit unless dividends clearly represent a recovery of part of the cost of the investment. Other net gains and losses are recognised in Other Comprehensive Revenue and Expenses and are never reclassified to surplus or deficit.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances, foreign exchange call accounts and short-term deposits with a maturity of 3 months or less from acquisition date.

4. Financial Risk Management

The Trust is subject to market risk (including currency and price risk), credit risk, cash flow interest rate risk and liquidity risk. The Trust does not have any derivatives.

Market risk

The Trust invests cash in bank accounts, fixed interest investments and equities. Investments are constantly monitored by the Trust. There has been no change to the Trust's exposure to market risks or the manner in which it manages and measures the risk.

Foreign currency risk

The Trust is exposed to currency risk on its Australian investments. The Board of Trustees does not consider this to be a significant financial risk for the Trust and accordingly, no sensitivity analysis is provided. The Trust has no other exposure to foreign currency risk.

Price risk

The Trust has moderate exposure to price risk through its investments in New Zealand and Australian equities. The risk is managed by holding a diversified portfolio across a broad range of companies. The Trust has no other exposure to price risk. A 10% change in price will increase/decrease the value of investments held at reporting date by \$614,749 (2024: \$566,868) with a corresponding increase/decrease in the reserves.

Interest rate risk

The Trust has minimal exposure to interest rate risk on financial liabilities as it does not have borrowings which are subject to interest charge. The sensitivity below has been determined based on the exposure to interest rates on the book value of interest bearing financial instruments at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period. A 50 basis points increase or decrease in interest rate is used. At reporting date, if the interest rate had been 50 basis points higher or lower and all other variables held constant, the surplus would increase/decrease by \$27,682 (2024: \$22,847).

Credit risk

Credit risk is the risk that the counter party to a transaction with the Trust will fail to discharge its obligations, causing the Trust to incur a financial loss. Financial instruments, which potentially subject the Trust to credit risk, consist principally of bank balances, trade and other receivables, and managed bond funds. The carrying amounts of these terms reflected in the Statement of Financial Position represent the Trust's maximum exposure to credit risk for such loans and receivables. The Trust does not have any guarantees. The Trust continuously monitors its exposure to credit risk.

Liquidity risk

Liquidity risk is the risk that the Trust will have insufficient funds on hand to meet its commitments. The Trust actively monitors its liquid position to ensure that sufficient funds are available to meet its liabilities as they arise. The Trust deems that exposure to liquidity risk is minimal due to minimal long-term liabilities. Short term liquidity risk is managed through maintaining adequate reserves and cash to match financial liabilities. The Trust continuously monitors forecast and actual cash flows and matches the maturity profiles of financial assets and obligations.

	2025	2024
5. Reconciliation of Surplus/(Deficit) to Net Cash Flows from Operating Activities		
Surplus/(Deficit) for the year	855,228	656,340
Adjustments		
Depreciation and Amortisation	75,208	73,260
Depreciation recovered	(2,609)	-
Net finance income	(471,287)	(558,035)
Total Adjustments	(398,688)	(484,775)
Movements in working capital and liabilities		
(Increase)/Decrease in trade and other receivables	(6,021)	5,765
Increase/(Decrease) in liabilities	63,839	33,471
Total Movements in working capital and liabilities	57,818	39,236
Net cash inflow/(outflow) from operating activities	514,358	210,801
	2025	2024
6. Contributions from the Community		
Revenue		
Bequests - Specified Purpose	333,425	-
Donations, appeals and fundraising	340,811	345,959
General purpose bequests	1,918,659	1,397,739
Grants from community trusts	251,064	293,724
Grants from NZ Lottery Grants Board	45,000	45,000
Sponsorship Income	29,458	20,366
Total contributions from the community	2,918,417	2,102,788
Expenses		
Employee benefits	576,004	569,306
Advertising and direct marketing	95,132	57,456
Other fundraising costs	85,889	102,534
Total Expenses	757,025	729,296
Net contributions from the community	2,161,392	1,373,493

Revenue from non-exchange transactions

Grant funding

Grant revenue includes grants given by other charitable organisations, philanthropic organisations and businesses. Grant revenue is recognised when the conditions attached to the grant have been complied with. Where there are unfulfilled conditions attaching to the grant, the amount relating to the unfulfilled condition is recognised as a liability and released to revenue as the conditions are fulfilled.

Bequests

Revenue from bequests is recognised when the bequest funds are received unless there is an attached condition. Where a bequest is given with specified restrictions, the funds received are placed in an appropriate reserve fund and applied to expenditure that meets the specified restriction.

Cash contributions from the community

Cash contributions from the community in the form of general donations and appeals are recognised in the Statement of Comprehensive Revenue and Expense at the point at which they are receipted into the Trust's bank account.

Contributions from the community to support the Trust in pursuit of its mission are gratefully acknowledged. Gifts of money and property are included in the financial statements. Support is also given through the provision of services at special or discounted rates.

The Trust gratefully acknowledges all bequests from deceased estates.

The Trust also relies on gifts of volunteer time and expertise to complete work in many essential roles such as national governance (Board and committees), regional liaison groups, promotion, fundraising, investments, administration, accounting, awards and grants. No attempt has been made to record the value of these contributions.

Sponsorship income is received as part of cooperative projects completed with other organisations.

	2025	2024
7. Services and Programmes		
Revenue		
National health contract income	502,146	447,629
Other contract income	56,537	104,128
Client service charges	8,402	9,322
Other income	125	
Total Revenue	567,209	561,080
Expenses		
Employee benefits	424,161	294,820
Arthritis Information Resources	9,365	5,090
National Conference	1,841	2,763
General awareness and newsletters	142,664	22,980
Service delivery direct costs	88,659	108,066
Service delivery support	74,229	26,921
Total Expenses	740,919	460,640
Total Services and Programmes	(173,711)	100,440

Revenue from services rendered is recognised in the Statement of Comprehensive Revenue and Expense as services are provided.

The Trust is contracted nationally to the Ministry of Health/Te Whatu Ora through the Capital & Coast DHB, West Coast DHB and APEPSI Trust to provide arthritis services.

	2025	2024
8. Administration Expenses		
Audit Fees	35,860	40,950
Employee Benefits	602,980	569,539
Property and Office Expenses	173,954	187,531
Information Technology & Communication Expenses	115,264	101,831
Travel & Meeting Expenses	28,030	46,531
General Expenses	6,305	9,573
Total Administration Expenses	962,394	955,955

	2025	2024
9. Net Finance Income		
Dividends	224,760	224,292
Interest	246,527	225,290
Profit/(Loss) on Sale of Investments	-	108,453
Total Net Finance Income	471,287	558,035

Interest income is recognised as it accrues, using the effective interest method. Dividend income is recognized when dividends are received.

	2025	2024
10. Investments		
General and special purpose funds		
Shares	1,210,596	1,101,030
Units in managed bond funds	2,567,439	1,459,704
Total General and special purpose funds	3,778,035	2,560,734
Research funds		
Shares	4,936,892	4,567,648
Units in managed bond funds	3,331,314	3,059,942
Total Research funds	8,268,206	7,627,590
Total Investments - non current	12,046,241	10,188,324

The Trust holds investments in listed New Zealand and Australian companies and managed bond funds. These investments are held as available-for-sale investments which means that they are recorded at fair value which is the market price at balance date.

Share investments are considered to be Level 1 in the fair value hierarchy, whereby market prices are readily available. The Trust's investments in shares are classified as available-for-sale financial assets. Subsequent to initial recognition, they are measured at fair value which is based on the listed market information. The fair value of these investments is their quoted bid price at the end of the reporting period.

Managed bond funds are considered to be Level 2 in the fair value hierarchy, as they are not traded in an active market. The Trust's investments in managed bond funds are classified as available-for-sale financial assets. Subsequent to initial recognition, they are measured at fair value. The fair value of financial assets that are not traded in an active market is

determined using valuation techniques for which all significant inputs are based on observable market date. The fair value of these investments is based on the latest available redemption prices of the units in each respective underlying fund.

Changes in fair value are recognised within reserves in equity.

11. Equity

Trustees Fund

This fund comprises the accumulated net surpluses of the Trust that have not been restricted by donors or designated by the Board of Trustees for specified purposes. It provides:

- Working capital for the Trust's operations
- A source of income to contribute to financing the work of the Trust
- Assurance of the financial stability to complete major projects

Research Funds

These funds comprise the National and Auckland General Research Funds, the Wellington Osteoporosis Research Fund and the Lupus Bequest Fund and are maintained to ensure a continuing source of financial contribution toward the cost of grants provided by the Trust for quantitative and qualitative research studies in the field of arthritis. The Lupus Bequest Fund is specifically for research studies on Lupus.

The funds receive contributions from specified bequests, donations and income earned on the capital sum invested. Grants from the funds are considered by the Board of Trustees each year following an advertising, review and recommendation process completed by the Research Grants Committee. Expenditure incurred in the administration of research activity is paid from the fund.

Other Special Purpose Funds

- *Irwin Isdale Memorial Fund* - this fund commemorates the work of the late Dr Irwin Isdale in the field of rheumatology by providing support for rheumatology trainees to attend rheumatology conferences in Australia and New Zealand.
- *Whitwell Bequest Fund* - this fund originated in 1983 from a bequest from the estate of the late Mrs. Whitwell and is held to support the Trust's services in the Canterbury/Westland region.
- *Pierce Bequest Fund* - this fund was established from a bequest from the estate of the late Mr. Pierce and is held to support the Trust's services in the Waikato region.
- *Ham Bequest Fund* - this fund has been established from the estate of the late Ms. H.B. Ham and is held to support the Trust's services in the Northland region.
- *Taranaki Education Fund* - this fund was established by the previous Taranaki Division to assist young arthritis sufferers from the Taranaki region with their education. It has been repurposed to include supporting the Trust's services in the Taranaki region.
- *Wellington Education Fund* - this fund was established by the previous Wellington Division to assist young arthritis sufferers from the Wellington region with their education. It has been repurposed to include supporting the Trust's services in the Wellington region.

	2025	2024
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Appropriations (to)/from Trustees Funds

<u>Appropriations to/(from) Special Purpose Funds:</u>		
Share of investment returns for the year	64,551	93,393
Appropriation from Ham Bequest Fund	(139,807)	(53,962)
Appropriation from Whitwell Bequest Fund	(59,323)	(11,969)
Appropriations from other funds	(12,974)	(12,662)
Net Appropriations to/(from) Special Purpose Funds	(147,553)	14,800
<u>Appropriations to/(from) Research Funds:</u>		
Appropriations from National Research Fund	(87,000)	(53,628)
Appropriations from Lupus Bequest Fund	(29,000)	(62,652)
Net Appropriations to/(from) Research Funds	(116,000)	(116,280)
Total Appropriations (to)/from Trustees Funds	(263,553)	(101,480)

Appropriations from Special Purpose Funds and Research Funds to Trustees Funds include a contribution to operating overhead expenditure.

	2025	2024
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12. Operating Leases

<u>Non-cancellable property lease rentals are payable as follows:</u>		
Less than one year	74,676	66,500
Later than one year and no later than five years	-	-
Later than five years	-	-

13. Related Party Disclosure

Key Management Remuneration

The total remuneration of the senior management group and the number of managers, on a full-time equivalent basis, receiving remuneration on this basis is:

	2025	2024
Related Party Disclosure		
Senior Managers	518,808	440,739
Number of Persons (FTE)	4	3

A Trustee of the Trust is also a trustee of the Sutherland Self-Help Trust. During the 2025 year the Trust received a grant of \$30,000 from the Sutherland Self-Help Trust. (2024: No related party transactions.)

14. Contingencies

There are no material contingent liabilities at the end of the reporting period.

15. Subsequent Events

There have been no significant events after the end of the reporting period that have affected the accuracy of these financial statements.