

I am the face of arthritis Annual Report 2014 in NZ



**ARTHRITIS
NEW ZEALAND**

KAIPONAPONA AOTEAROA



**and so
are we**





530,000 of us



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KAIPONAPONA AOTEAROA

*Improving the lives of people affected by arthritis
 Te whai kia pai ake te hunga kua pāngia e te kaiponapona*

Arthritis New Zealand

■ Our Mission

Improving the lives of people affected by arthritis

Te whai kia pai ake te hunga kua pāngia e te kaiponapona

Arthritis New Zealand is the trading name for the Arthritis Foundation of New Zealand, a registered New Zealand charity. We are an incorporated society that has been operating since 1966 with over 5,000 current members.

Arthritis New Zealand facilitates the provision of quality services and programmes, supporting those affected by arthritis through public awareness, information and advice, direct support, promoting the issues affecting people with arthritis and promoting research. Our National Office is based in Featherston St, Wellington with 7 offices from which we provide services throughout the country.

There are over 530,000 people in New Zealand living with a diagnosis of arthritis making it one of the leading causes of disability in New Zealand.

The World Health Organisation (WHO) global burden of disease study released in 2012 showed musculoskeletal conditions, including arthritis, are leading causes of burden of disease internationally. While not the leading cause of death the increasing rates of osteoarthritis and lower back pain and the lower age of diagnosis for these conditions means that for individuals, the community and the government these conditions have a huge impact on the life and health of people affected.

There is no cure for arthritis, but it can usually be managed, and most people with arthritis can continue to lead productive and fulfilling lives. For the person who has been diagnosed with arthritis and for the family members who support them Arthritis New Zealand provides information, advice, support and links to others in a similar situation.

■ Our Values

We are committed to working in ways that demonstrate our values of:

Putting People First

We demonstrate our commitment to being people-centred by:

- Acknowledging the personal and social impact of arthritis
- Recognising and celebrating success and achievement
- Being responsive to client, donor and member needs
- Developing our staff and volunteers
- Providing a welcoming workplace

Respect

We show respect by:

- Acknowledging all people in a culturally appropriate way
- Encouraging open and honest communication
- Recognising the diversity of contributions from our stakeholders

Integrity

We demonstrate integrity by:

- Following through commitments in a timely way
- Being accountable for all our activities
- Being totally trustworthy and honest in all our actions
- Providing clear and consistent information

Excellence

We strive to achieve excellence by:

- Providing evidence-based services and information
- Aiming for continuous improvement in all our actions
- Building on our strengths to make things happen
- * Sharing information

Our Work

Advocacy

- Advocacy programmes promote the needs of people living with arthritis
- Active engagement with policy that affects people with arthritis – e.g. health and work issues
- We work in partnership with other agencies to address issues of musculoskeletal health
- Active leader in the charity sector

Awareness

- Continue awareness campaigns “Arthritis: it could surprise you”
- Active media presence reinforces the role of Arthritis New Zealand as the first point of contact for people with arthritis
- Provide high quality information resources – in electronic and print format
- Website and other technologies meet current and future needs

Information and Advice

- Group and individual advice is provided in a timely, relevant manner
- Phone and web based services are expanded to meet needs of identified populations
- Effective programmes are delivered to priority populations
- Primary and secondary health care services are supported to meet the needs of people with arthritis

Research

- Research grants awarded supporting New Zealand based research into arthritis
- Arthritis New Zealand commissions research that demonstrates outcomes that further our strategy
- Arthritis New Zealand programmes are evaluated to demonstrate outcomes

Support Services

- A range of volunteer led support services are provided nationally
- A Peer Support programme for people newly diagnosed with arthritis
- Volunteers are supported to develop and run programmes

- Support services are provided for priority groups

Future Proof

- Review organisational and governance model
- Implement effective and sustainable funding to meet or exceed programme needs
- Develop role as umbrella for organisations with similar goals
- Organisation meets current best practice processes in financial, IT and human resource management

Improving the lives of people affected by arthritis

Arthritis New Zealand facilitates the provision of quality services and programmes, supporting those affected by arthritis through public awareness, information and advice, direct support, promoting the issues affecting people with arthritis and promoting research.



President's Report

It is pleasing to report another successful year.

We have improved our service delivery: more than 22,000 people have met with an arthritis educator and over 9,500 people have used our 0800 number. We have 30 exercise groups operating around the country each month, and over 40 support groups. There is a rise in the number of people using our website and Facebook site. The flexibility these sites offer makes Arthritis New Zealand relevant to people with arthritis regardless of age – and the message we need to continue to convey is that arthritis, in its many forms, is not just an old person's ailment.

Our profile is high and our advocacy programmes seem to be working: we believe that we can claim at least some of the credit for the increased funding for arthritis announced by the Government as part of its election campaign and for opposition policies as well. We have a leading role in the joint support initiative Fit for Work and our Vice President is, at the time of writing, representing us internationally at the World Summit of the Bone & Joint Decade. Our Mission Statement is "Improving the lives of people with arthritis" and the evidence shows that we are succeeding.

A personal highlight for me this year has been the ONZ awarded for services to arthritis to our immediate Past President, Kathie Smith, in the Queen's Birthday Honours list. It is richly deserved by Kathie but also, I believe, an acknowledgement of the achievements of Arthritis New Zealand with which she has been so closely associated.

Kathie Smith is also representative of the many people who make Arthritis New Zealand the success it is. I include in that staff and volunteers, and the people who give their time and energy to the Governing Body and Regional Liaison Groups. I also include our sponsors and many donors. I wish to take this opportunity to thank you all for your contributions.

The past year has also been another good year financially. That is a huge relief. However bequests have again been a significant contributor and we are very conscious that we may not always be able to rely on bequest income. To ensure our financial security, we need to maintain and grow our other streams of income, and this is an area of focus for the incoming Governing Body as well as the larger organisation.

Part of my role at President is to ensure that we have an effective and efficient governance structure. Under my presidency, a number of changes have been made to the Governing Body and its committees. This year sees many of those changes coming into effect. It will see changes in the Governing Body both through changes in structure and through retirements and new appointments. It is not appropriate that I single people out individually, but inevitably there is sadness that we are losing people for whom I have a high personal regard and to whom Arthritis New Zealand owes a huge debt. At the same time, change is progressive, and I look forward to working with the new Governing Body to make Arthritis New Zealand even more successful.

Last year I noted that we have no room for complacency. This is true on all fronts. Arthritis remains one of the fastest growing areas of disability in the western world. The cost of treatment continues to be a huge challenge. Arthritis New Zealand is more relevant than ever, both in terms of the support and services that it offers but also in terms of its advocacy for better public health services. The need to avoid complacency also applies to Arthritis New Zealand as an organisation. There is a saying that "to stand still is to go backwards". I am committed to making sure that that does not happen to Arthritis New Zealand and I look forward to your continuing support in the coming year.

Alan Henwood

President



Our Governing Body

The Governing Body is the legal authority for the organisation. Governing Body members are public trustees representing the interests of the organisation's members and volunteers and of the wider community, donors and supporters.

Members 2013/2014

Alan Henwood (*President*)

Peter Larmer (*National Representative; Vice President*)

Laurie Breadmore (*Midland Region Representative*)

Katharine Bracey (*Central Region Representative*)

Lynne McMillan (*Southern Region Representative*)

John Pritchard (*Northern Region Representative*)

Roy Tiffin (*National Representative*)

Rebecca Grainger (*Appointed Member*)

Martin Lenart (*Appointed Member*)

Responsibilities:

- To provide strategic direction and leadership for the whole organisation
- To ensure the organisation is soundly managed
- To work in close partnership with the Chief Executive to ensure the Governing Body's goals and objectives are achieved, supporting and resourcing the Chief Executive to carry out her responsibilities
- To appoint and monitor the Chief Executive, ensuring the organisation employs the best person for the position and provides fair and appropriate terms and conditions of employment
- To develop and monitor policies, which provide direction and boundaries for both its own and the Chief Executive's functions
- To establish Governing Body Committees or working groups as it sees fit

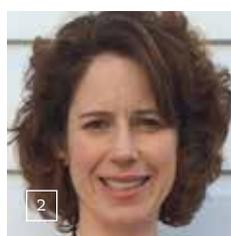
Governing Body Member Profile

Dr Rebecca Grainger is a practicing rheumatologist and researcher who was recommended as a Governing Body representative by the New Zealand Rheumatology Association. Rebecca joined the Arthritis New Zealand board in February 2014 and fits this in between her clinical work, research work and being the mother of young twins.

She undertook her postgraduate Rheumatology training in Melbourne and Wellington. After qualifying as a Rheumatologist she entered full-time research at the Malaghan Institute of Medical Research, examining inflammatory mechanisms in gout and was awarded a PhD from University of Otago in 2010.

She is passionate about providing high quality care for people with arthritis, with her own practice emphasising person-centred care

Rebecca says "Being involved with Arthritis New Zealand gives me a broad perspective on the issues that matter to people with arthritis. I am proud to be able to contribute to the great work that Arthritis New Zealand does for our community."



Arthritis New Zealand is delighted to have the continued Patronage support of His Excellency The Governor General, Lieutenant General, The Right Honourable Sir Jerry Mateparae.

1. From left: John Pritchard, Katharine Bracey, Roy Tiffin, Laurie Breadmore, Lynne McMillan, Rebecca Grainger, Peter Larmer, Alan Henwood. Absent: Martin Lenart. 2. Dr Rebecca Grainger.

Chief Executive's Review

Kia ora koutou

This report looks a little different. We have long said that the personal experiences behind the statistics are what bring our message to life. As you read through these pages you will see the faces of arthritis and the impact our work makes for people with arthritis. Arthritis can strike anyone of any age. We are not yet able to prevent or cure arthritis when it does strike. What we can do, and are doing, is improving the quality of life for people with arthritis.

It has been another busy and successful year. Someone asked me "When was the quiet time in the arthritis year?" I had to think hard – I have yet to find one, except perhaps in January. Being busy is a good sign. We know there are over 530,000 people living with arthritis. At best we meet around 10% of those people in any year. We know that while our services make a difference we have yet to be able to reach every person who might benefit. There is certainly always more we can do.

Each year we have added some new activities. A few years ago it was our camp for children with arthritis and their families. After four successive years this is now an annual fixture and an important part of the beginning of each year.

This year we have added social media to our ways of delivering services. Our Facebook, Twitter and website might not be traditional ways of people receiving information but for thousands of people this is the way they are getting in touch with us. We have seen a fourfold increase in the number of website hits over the last twelve months – a reminder that increasingly the website is the first point of contact with Arthritis New Zealand for people with arthritis.

Also this year we were able to extend our services in Northland using the income from the very generous bequest of the late Miss Ham. The "Northland waka" takes our arthritis services into all parts of the region and our services have been welcomed by many. This "waka" will continue into the foreseeable future – it will become part of our core services.

The numbers of people who are using our services is impressive. There were 9,561 calls to our 0800 telephone service – approximately 200 people each week call making this the central link to our services. Over 22,000 people had contact with an Arthritis Educator – through phone, clinic or seminar. For over 200 people each week there is a support or exercise group provided – and a number of volunteers engaged to support these. On average there are 500 visits a day to our website. Each of these services are valued – and each service is being reviewed to ensure that we continue to deliver high quality, safe, evidence based services so that we can meet that mission.

Raising awareness that arthritis can strike anyone at any age remains an international challenge. We did run a second osteoarthritis awareness campaign in this financial year – and saw the immediate increase in calls and website visits. Our staff and volunteer advocates have worked hard to raise issues of access to treatment; issues for people with arthritis and ACC and the need for arthritis to be a health priority.

My thanks to all those people who willingly share their experiences so that the many faces of arthritis are seen – and bring to light the message that these conditions do affect people regardless of age, gender or race. We have received some great coverage this year – in newspapers, magazines, websites and radio. Each time our message is heard it extends the reach of the organisations just a little bit further.

This has been another very successful year for Arthritis New Zealand. This is the result of the all our combined efforts. In the words of Halford Luccock "No one can whistle a symphony. It takes a whole orchestra to play it." Thank you.

Sandra Kirby

Chief Executive



The Year in Review

Support Services

Our team of volunteers form the backbone of our organisation. We train and support people to run a range of services at the local level for people with arthritis. Tasks undertaken vary from governance, administration support, fundraising, leading water based exercise classes to supporting our team of Arthritis Educators.

Your support is invaluable. *Thank you.*

Arthritis Volunteers Honoured

Arthritis New Zealand is delighted to report that its volunteers received three significant awards during the year.

Our volunteers were also recognised in the 2014 Minister of Health Volunteer Awards. These awards recognise and celebrate the invaluable contributions of volunteers to the health and disability sector in New Zealand, and highlight the commitment and willingness that individuals and teams of volunteers have demonstrated within that sector.

Arthritis New Zealand's Community Gout Champions won the Māori/Pacific Health Service Award. The Māori/Pacific Health Service Award honours individual or teams of volunteers who show passion and commitment to a Māori/Pacific health service. Clare Richards was runner up in the Long Service Award. Clare has contributed significantly to Arthritis New Zealand and people with arthritis. Her enthusiasm for helping people to overcome the effects of their own arthritis and to make society more accommodating have led to her involvement with various support groups and activities over many years. She has been at the forefront of many forms of advocacy activities, including campaigning for access to medicines, for more user friendly packaging, packaging, and for better seating for people with disabilities at Christchurch Airport.

Kathie Smith ONZM

Kathleen (Kathie) Smith was recognised in the Queen's Birthday Honours with the award of an ONZM. The award recognised Kathie's commitment to people with arthritis both within the health system and in the community. A former President of Arthritis New Zealand, it was under her guidance that the organisation evolved into what it is today.



1. Annual street appeal.
2. Volunteer and former Arthritis New Zealand President Kathie Smith ONZM.
3. Arthritis New Zealand ambassador and Olympic Champion Mahe Drysdale.

Information and Advice

We provide advice and information on all forms of arthritis to people through a range of services. This work is led by our team of trained Arthritis Educators and includes our phone services, individual and group consultations, seminars and self-management programmes. Our web based services are growing to meet the demand for innovative services. A new look website, interactive Facebook sessions and our extensive range of brochures provide evidence based information for people with arthritis and those who support them.



Peer Support

The Peer Support Group in Oamaru has been meeting since 2012. Valerie Read co-ordinates this group. There are usually about 12 people with arthritis attending each month. Val says that she tries to arrange an interesting guest speaker every second month. The alternate months are for discussing experiences around pain management techniques, complimentary therapies that they may have tried.

Peer support networks are an informal gathering of people with arthritis on an approximately monthly basis. They are often held in a local café and the attendees chat with each other about the management of their arthritis over a coffee.

Val says “We all learn from and support each other. It’s not an onerous task.

I ring everyone a couple of days before and then advise the café of approximate numbers. While the perception is that these groups are for women, there are two men who regularly attend our group in Oamaru”.

40
support groups



Exercise Classes

Water-based exercise classes have been held in Invercargill for at least 20 years. They are held on a Tuesday evening in the Hydrotherapy Pool at Kew Hospital. Rhonda Walker has been a participant in these classes for more than 15 years. For the past few years she has been co-ordinating the weekly classes with Winsome Christensen. Ryan Ledgerwood who is a Personal Trainer takes the classes. Each week between 8 and 12 people with arthritis attend these classes. They all comment positively on the benefits of the exercise.

“I enjoy going. The group is very friendly and fun.”

“I have gained great friends, a better understanding of what I am able to do when exercising and I am a lot more confident when exercising. It is great to keep the exercises up.

“I used to go to the gym but do no longer.

These exercises with walking and going to public pool keep me reasonably fit.”

Water-based exercise classes are held in various locations around New Zealand. The classes depend on pool availability, funding and sufficient interest.



30
exercise groups



1. Oamaru Peer Support Group. From left: Linda Colquhoun, Joyce Comfort, Joy Jenkins and Valerie Read (PSN Coordinator).
2. Auckland Marathon. 3. The Arthritis New Zealand Golf Challenge – using a baseball bat to putt. 4. James Lowe: professional Rugby player and Arthritis New Zealand ambassador. 5. Invercargill exercise classes’ Ryan Ledgerwood, Rhonda Walker and Winsome Christensen.

Living a Healthy Life Course

Lesley Perry's Experience

"I first learnt about the 'Living a Healthy Life' programme during my role as a dietitian in the primary health setting. As I work with many clients with long-term chronic conditions I was curious to see what my clients would learn in this programme. Furthermore, as a person with chronic post-surgical pain, I welcomed the opportunity to evaluate the programme from a more personal perspective also.

The course approach is to provide attendees with the tools to self-manage their long term condition better by making them active participants rather than passive ones. I had previously thought I was a good self-manager of my own health and would not necessarily receive advantage from the course, however I was extremely surprised with the benefits I received. The power of the course is in the facilitation of the group to provide fresh perspectives and views which in turn help shift a participant's perspective. Having a frank discussion with another person who is in a similar boat to you can have a bigger impact than hearing it from your health professional or family supports. The programme also empowers individuals to make positive behavioural changes. These lifestyle changes were made and sustained throughout the programme. The confidence of participants to engage in discussions with health providers regarding their health also supports the shift to more patient centred focused care.

The positive outcomes that I observed in the other participants and myself over the programme has made me very excited about the 'Living a Healthy Life' programme and when the opportunity was presented to train as a facilitator I jumped at it, as I do believe that this programme does change the quality of people's lives."



1



2

9,651
helpline calls



3

195,077

website hits: a 400% increase

1. Arthritis New Zealand Youth Leadership.
2. Arthritis New Zealand Children's Camp.
3. Arthritis New Zealand advocates.

Waka Northland in a Town Near You

This year Arthritis New Zealand through the support of the Ham estate has concentrated our efforts on delivering programmes and clinics in Te Tai Tokerau (Northland) with our mobile vehicle we have dubbed Waka Northland.

After several visits to the north we have identified many issues around support, information and the opportunity to have access to the services we provide as an organisation. We have also taken note of the comments which individuals have made to us during their one on one visits like “this is such a great opportunity to speak with educators” and “this pain is normal I just cope with it” through to “is this just a once off visit” or “I didnt think anything could be done to help me “

Over the last 12 months we have spent over two weeks in Northland from Te Kao down to Kaitaia across to Whangaroa and regularly to Whangarei. We are planning more visits over the next 12 months to other areas like the Hokianga, Kaikohe and Kerikeri.

Hundreds of clients have come along to the waka and we have hosted many group events providing attendees with information, support and opportunity to be referred to their local GP or specialist in the Northland area.

There are however more people who want us to come to see them in their community. This demand reminds us though of a proverb from a well-known Māori leader from the north, Sir James Henare who said this:

“Kua tawhiti ke to haerenga mai, kia kore e haere tonu. He tino nui rawa ou mahi, kia kore e mahi nui tonu.

You have come too far, not to go further. You have done too much, not to do more”.

Ta Himi Henare, Ngati Hine, 1989



1. Waka Northland.

2. Arthritis Education clinic inside the waka.

Awareness

We want New Zealanders to know that arthritis can affect anyone of any age. We also want them to know that Arthritis New Zealand provides valuable information, advice and support.

Facebook

Our live chat service held on Monday evenings allows people to have their burning questions about arthritis answered promptly in a friendly and informal manner. A key benefit of this service at that we are reaching a different demographic – perhaps those who are younger, or who would feel uncomfortable about, or are unable to, come to a community arthritis educator session. The regular nature of the service also allows for social support, and users often help one another by sharing tips and advice, within a monitored forum.

Priority Populations

For the person who has been diagnosed with arthritis and for the family members who support them Arthritis New Zealand provides information, advice, support and links to others in a similar situation.

Within the larger population there are groups of people who have been identified as needing specific emphasis due to health disparities and specific needs.

These are:

- Māori – recognising their status as tangata whenua; the high rates of gout and the high health impact of gout on these communities.
- Pacific people – due to their high rates of gout and the high health impact of gout on these communities.
- People newly diagnosed with arthritis – due to high need for information, advice and support.
- Children and young people with arthritis and their families – due to high needs for information, support and links to other families with children.
- People of working age – to assist people manage health, wellbeing and employment.

Community Gout Champions

Gout Champions are a community and whanau based group who complete a training course about the causes and management of gout and become leaders in their community to spread the word.

They encourage individuals to go to their GPs, help them to understand the importance of taking their medication, have stands at community events and get information out in the way that is best for their community.

This programme is designed to support communities to debunk the myths and stereotypes about gout and encourage individuals to learn how to manage their gout.

The first group who graduated from the Community Gout Champions programme for Arthritis New Zealand was in 2012. "I didn't know gout was a form of arthritis" one of the participants said and "my father got gout all the time and I thought it was the kaimoana (sea food) he ate" was another response following this training. Since then more than 40 other graduates have joined the Community Gout Champions programme.

Over the past 12 months our Gout Champions have attended over 25 events and have had an opportunity to speak with hundreds of people about how they can manage gout for themselves and their whanau. The key message which is provided in the training is checking your uric acid levels and also taking your medication regularly not just when the gout attack occurs.



1



2

1,401
twitter
followers



3



4

13%
increase in
Educator
Services use



5



6



7

1,144
facebook likes

1. Tama Easton: the Longest Day Bike Ride.
2. Arthritis New Zealand Ambassador Nemia Tialata.
3. Arthritis New Zealand Scholarship recipient: Elizabeth Mischefski.
4. Arthritis Education clinic. 5. Christchurch City to Surf fun run.
6. Arthritis Educator. 7. Arthritis New Zealand Children's Camp.

Podiatric Rheumatology Research

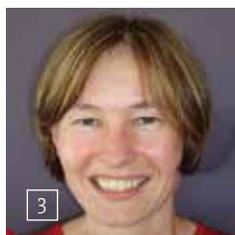
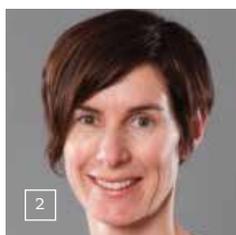
Professor of Podiatry, Keith Rome leads a team at AUT, a world-renowned provider of podiatric research in NZ. Three of the four PhD students undertaking podiatric rheumatology research are funded by Arthritis New Zealand.

The first PhD project investigates big toe changes in people with high uric acid who have not had gout. This may lead to looking at further treatment for these people. The second studies the foot and ankle changes associated with falls and the risk of falls, in people with rheumatoid arthritis (RA) which aims to identify if falls can be predicted. The final project looks at gout and the development of serious changes (tophus) in the Achilles tendon leading to instability and loss of strength.

Summer scholarships have also led to publications exploring the footwear choices of people with inflammatory arthritis and the effect of sandal wearing. A review of the incidence of falls in adults with RA completed the publications.

The results of the projects are to be presented at the Australasian Podiatry Conference in 2015.

\$231,015
given out in research grants



1. Prof Keith Rome.
2. Dr Helen Jean Harcombe.
3. Dr Rebecca Roberts.

Research

For now there is no cure for arthritis but we are working with New Zealand based researchers to change this. With our dedicated research fund we support New Zealand research into the cause and treatment of arthritis. Our own work is based on sound research and we are committed to evaluating our services.

In 2013 Arthritis New Zealand paid \$231,015 to support four research projects and two summer scholarships.

Research Grants

Prof Keith Rome (Auckland University of Technology): The effect of chronic gouty arthritis on structure and function of the Achilles tendon.

Dr Ashvin Thambyah, Dr Vijayalekshmi Sarojini and Prof Neil Broom: In search of biological markers for the pre-to-early OA state of joint degeneration.

Dr Helen Jean Harcombe: Hip and knee joint replacement surgery in New Zealand: Equity of access according to region, age, ethnicity, socio-economic status and rurality.

Dr Rebecca Roberts: Using pharmacogenetics to predict response to allopurinol.

Acknowledgements

Our work is only possible with the help of many, and those listed below are but a few of our amazing supporters. Their financial support is vital to us.

Major Sponsors

AbbVie Limited, Unichem, Life Pharmacy, Pfizer New Zealand, New Zealand Lotteries Grants Board, BUPA New Zealand, Blackmores New Zealand, The Warehouse, Douglas Pharmaceuticals.

Supporters

Orange Box, Signature Marketing –‘easy hold’, Z ‘Good in the Hood’.

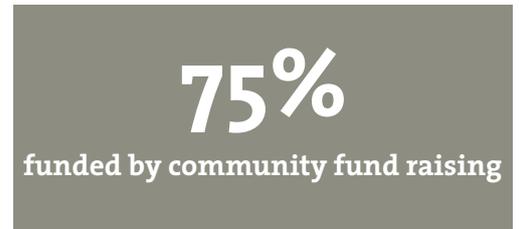
Partnerships In Action

In 2013 we became the Community Partner of Region 4 of the Warehouse. At the time there were 11 stores in this group (New Plymouth, Bell Block, Hastings, Napier, Dannevirke, Palmerston North, Feilding, Inglewood, Hawera, Levin and Masterton. The region has been adjusted slightly and we lost Napier and Hastings but gained Paraparaumu.

This is a true partnership with managers and staff from all the stores supporting Arthritis New Zealand and children with arthritis in their communities and their family to get to our Annual Camp.

Stores have held: Add a dollar, sale of kiwis, get a gerbera and staff bake-offs. Posters on our work and their financial support have been displayed in all stores.

The Warehouse, Region 4 is one of our many wonderful partners and with their support we continue to raise awareness of arthritis in local communities.



1. Staff at The Warehouse Palmerston North bake off.
2. Donation from the Christchurch Airport Community Fund.
3. Christine Mabon: 10km Run.
4. Z 'Good in the Hood'.

Finance Report: 2014

For the year ended 30 June 2014, Arthritis New Zealand recorded a net operating surplus of \$1,009,512 compared with a surplus of \$1,342,482 in the previous year.

This is another great result and we are extremely grateful for a generous bequest from the Late R. A. Howie which has made this result possible.

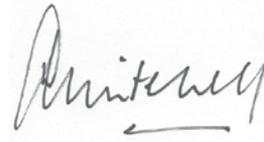
Notwithstanding the impact of this bequest, a good result was achieved on the back of other bequest revenue, operating expenses being contained and despite grant revenue falling slightly.

The surplus for this year has once again contributed to an improved net asset position and has allowed the organisation to make a further appropriation to the Endowment Fund, established last year to provide a long-term facility to accumulate reserves and ensure financial stability.

Arthritis New Zealand is still well-positioned to face the challenges of the next few years as we focus on the strategic priorities for the organisation. We continue to focus attention on the need to find new sources of regular income to meet the rising costs of delivering the quality services we aspire to.

Rob Mitchell

Corporate Services Manager




Operating Surplus
\$1,009,000



Independent Auditor's Report

To the members of Arthritis New Zealand

Report on the Financial Statements

We have audited the accompanying financial statements of Arthritis New Zealand ("the incorporated society") on pages 16 to 28. The financial statements comprise the statement of financial position as at 30 June 2014, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Governing body's responsibility for the financial statements

The members of the governing body are responsible for the preparation of financial statements in accordance with generally accepted accounting practice in New Zealand that give a true and fair view of the matters to which they relate, and for such internal control as the committee determines is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the incorporated society's preparation of the financial statements that give a true and fair view of the matters to which they relate in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the incorporated society's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our firm has also provided other services to the scheme in relation to taxation. This has not impaired our independence as auditor of the incorporated society. The firm has no other relationship with, or interest in, the incorporated society.

Opinion

In our opinion the financial statements on pages 16 to 28

- comply with generally accepted accounting practice in New Zealand;
- give a true and fair view of the financial position of the incorporated society as at 30 June 2014 and of its financial performance and cash flows for the year then ended.

22 September 2014, Wellington

Statement of Financial Position

As at 30 June 2014

<i>in New Zealand Dollars</i>	<i>Note</i>	2014	2013
Assets			
Property, furniture and equipment	5	672,806	698,456
Investments	6	6,943,511	5,173,303
Trade and other receivables	7	170,939	139,489
Cash and cash equivalents	8	757,721	1,184,276
Total Assets		8,544,977	7,195,524
Equity			
General Funds		1,416,769	1,219,970
Research Funds		2,362,635	2,496,438
Other Special Purpose Funds		1,403,354	1,390,547
Endowment Fund		1,148,432	334,935
Revaluation Reserves		1,327,218	892,916
Total Equity	9	7,658,408	6,334,806
Liabilities			
Managed Funds	8	185,884	184,729
Employee Benefits	10	188,281	189,542
Trade and other payables	11	151,242	251,660
Revenue in Advance	12	361,162	234,787
Total Liabilities		886,569	860,718
Total Equity and Liabilities		8,544,977	7,195,524

The accompanying notes on pages 20 to 28 form part of and should be read in conjunction with these financial statements.

Authorised for issue for and on behalf of the Governing Body

Chief Executive: 

President: 

Date: 22 September 2014

Statement of Comprehensive Income

For the year ended 30 June 2014

<i>in New Zealand Dollars</i>	<i>Note</i>	2014	2013
Revenue			
Contributions from the Community	13	4,069,224	4,052,362
Income from Services & Programmes	14	810,697	837,948
Members Subscriptions		93,152	110,059
Total Operating Income		4,973,073	5,000,369
Expenditure			
Fundraising Expenses	13	576,720	670,312
Expenditure on Services & Programmes	14	1,954,948	1,760,616
Administration Expenses	15	1,371,502	1,322,316
Governance Costs		54,850	64,210
Research Grants Awarded		210,688	159,861
Depreciation	5	72,019	66,231
Loss on Disposal of Fixed Assets		953	744
Total Operating Expenses		4,241,680	4,044,290
Operating surplus/(deficit) before finance income		731,393	956,079
Net finance income	16	278,119	386,403
Operating surplus after finance income		1,009,512	1,342,482
Impairment of investments	17	120,212	–
Surplus for the year	18	889,300	1,342,482
Other Comprehensive Income			
Net change in fair value of investments		434,302	309,008
Total Comprehensive Income for the year		1,323,602	1,651,490

The accompanying notes on pages 20 to 28 form part of and should be read in conjunction with these financial statements.

Statement of Changes in Equity

For the year ended 30 June 2014

<i>in New Zealand Dollars</i>	Note	Research Funds	General Funds	Special Purpose Funds	Endowment Fund	Investment Fair Value Reserve	Total Equity
Balance at 1 July 2012		2,403,759	1,324,089	371,560	–	583,908	4,683,316
Total Comprehensive Income for the year							
Total recognised income and expense		92,679	1,249,803	–	–	–	1,342,482
Other Comprehensive Income							
Change in fair value of investments		–	–	–	–	402,897	402,897
Fair value of investments transferred to Statement of Comprehensive Income on disposal	16	–	–	–	–	(93,889)	(93,889)
Transactions recorded directly in Equity							
Appropriations	9	–	(1,353,922)	1,018,987	334,935	–	–
Balance at 30 June 2013		2,496,438	1,219,970	1,390,547	334,935	892,916	6,334,806
Balance at 1 July 2013		2,496,438	1,219,970	1,390,547	334,935	892,916	6,334,806
Total Comprehensive Income for the year							
Total recognised income & expense		(133,803)	1,023,103	–	–	–	889,300
Other Comprehensive Income							
Change in fair value of investments (prior to disposals)		–	–	–	–	451,565	451,565
Fair value of investments transferred to Statement of Comprehensive Income on disposal	16	–	–	–	–	(17,263)	(17,263)
Transactions recorded directly in Equity							
Appropriations	9	–	(826,304)	12,807	813,497	–	–
Balance at 30 June 2014	9	2,362,635	1,416,769	1,403,354	1,148,432	1,327,218	7,658,408

The accompanying notes on pages 20 to 28 form part of and should be read in conjunction with these financial statements.

Statement of Cash Flows

For the year ended 30 June 2014

in New Zealand Dollars

	Note	2014	2013
Cash Flows from Operating Activities			
Cash was provided from:			
Contributions from the community		4,193,036	3,818,942
Income from Services & Programmes		779,246	991,109
Members Subscriptions		95,713	84,972
		5,067,995	4,895,023
Cash was applied to:			
Payments to suppliers		1,828,879	1,622,100
Payments to employees & volunteers		2,207,160	2,202,094
Research Grants paid		233,189	159,861
		4,269,228	3,984,055
Net Cash Inflow from Operating Activities	8	798,767	910,968
Cash Flows from Investing Activities			
Cash was provided from:			
Sale of Property, furniture & equipment		–	36
Interest & Dividends received		257,122	292,513
Sale of Investments		2,066,195	694,655
		2,323,317	987,204
Cash was applied to:			
Purchase of property, plant and equipment		47,322	34,112
Purchase of Investments		3,501,317	1,983,598
		3,548,639	2,017,710
Net Cash (Outflow) from Investing Activities		(1,225,322)	(1,030,506)
Net Increase/(Decrease) in cash and cash equivalents		(426,555)	(119,538)
Cash and cash equivalents at 1 July		1,184,276	1,303,814
Cash and cash equivalents at 30 June	8	757,721	1,184,276

The accompanying notes on pages 20 to 28 form part of and should be read in conjunction with these financial statements

Notes to the Financial Statements

For the year ended 30 June 2014

1. Reporting Entity

The Arthritis Foundation of New Zealand Inc (the Foundation) is registered under the Incorporated Societies Act 1908 & the Charities Act 2005 and is domiciled in New Zealand. It operates under the name Arthritis New Zealand.

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

The financial statements of the Foundation are for the year ended 30 June 2014. The financial statements were authorised for issue by the Governing Body on 22nd September 2014.

2. Basis of Preparation

Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZGAAP). They comply with New Zealand equivalents to International Financial Reporting Standards (NZIFRS). The Foundation has applied the Framework for Differential Reporting for entities adopting NZIFRS and its interpretations.

The Foundation is a public benefit entity, as defined under NZ IAS 1.

The Foundation qualifies for differential reporting exemptions as it has no public accountability and the Foundation is small in terms of the size criteria specified in Framework for Differential Reporting. All available reporting exemptions allowed under the Framework for Differential Reporting have been adopted, except for NZ IAS 7, Statement of Cash Flows.

From 1 April 2014, the new Financial Reporting Act 2013 ("FRA 2013") has come into force replacing the Financial Reporting Act 1993, [this is effective for entities reporting under the Charities Act 2005 with reporting periods beginning on or after 1 April 2015]. This will be effective for the Foundation's 30 June 2015 year end. It is expected that the change in legislation will have no material impact on the Foundation's obligation to prepare general purpose financial statements.

In addition to the change in legislation the External Reporting Board of New Zealand ("XRB") has released a new accounting standards framework which establishes the financial standards to be applied to entities with statutory financial reporting obligations. The Foundation is currently reporting under NZ IFRS Differential Reporting. Under the new XRB

framework, management expects that the Foundation will be reporting under the PBE Standards as applicable for not-for-profit entities. Management does not expect that this will materially impact the preparation and disclosures included in the financial statements. This will be applicable for the Foundation's 30 June 2016 year end.

Basis of measurement

The financial statements are prepared on the historical cost basis, except for financial instruments that are classified as available-for-sale which are stated at their fair value.

Presentation currency

These financial statements are presented in New Zealand dollars (\$).

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.

Revenue

Grant funding

The Foundation's activities are supported by grants, sponsorship and donations. Grants received that are subject to conditions are initially recognised as a liability and revenue is recognised only when the services are performed or conditions are fulfilled.

Bequests

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

Services provided

Revenue from services rendered is recognised in profit or loss as the services are provided.

Members Subscriptions

Members Subscriptions are recognised in the membership period to which they relate.

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 Income at the point at which they are received into the Foundation's bank account.

Expenses

Operating lease payments

Payments made under operating leases are recognised in the Statement of Comprehensive Income on a straight-line basis over the term of the lease. Lease incentives received are recognised in the Statement of Comprehensive Income over the lease term as an integral part of the total lease expense.

Finance Income

Finance income comprises dividend and interest income. Interest income is recognised as it accrues, using the effective interest method.

Income tax

The Foundation is registered as a Charitable Foundation and is exempt from Income Tax. The Foundation is not exempt from indirect tax legislation such as Goods and Services Tax, Fringe Benefit Tax, PAYE or ACC and accordingly it is required to comply with these regulations.

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.

Investments

Shares, Bonds and Capital Notes

The Foundation's investments in shares, bonds and capital notes are classified as available-for-sale financial assets. Subsequent to initial recognition, they are measured at fair value which is based on listed market information. The fair value of the shares is their quoted bid price at the end of the reporting period.

Changes in fair value, other than impairment losses, are recognised within reserves in equity. An equity investment is considered impaired when its fair value has decreased by more than 20% of its cost or its fair value has been below its cost for a prolonged period exceeding 9 months. Such loss is recorded in the Statement of Comprehensive Income. When an investment is sold, the cumulative gain or loss previously recognised in equity is transferred to profit or loss.

Term Deposits

The Foundation's investments in term deposits are classified as held-to-maturity investments. They are measured at amortised cost and it is the Foundation's policy to hold these investments until maturity date.

Property, furniture and equipment

Items of property, furniture and equipment are stated at cost, less accumulated depreciation and impairment losses. Depreciation is charged to the

Statement of Comprehensive Income 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.

Cash and cash equivalents

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

Impairment

The carrying amounts of the Foundation's assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses directly reduce the carrying amount of assets and are recognised in the Statement of Comprehensive Income.

Estimated recoverable amount of other assets, e.g. property, furniture and equipment, is the greater of their fair value less costs to sell and value in use. Value in use is determined by estimating future cash flows from the use and ultimate disposal of the asset and discounting these to their present value using a pre-tax discount rate that reflects current market rates and the risks specific to the asset. The assets of the Foundation are used in providing the Foundation services and are therefore considered for impairment on the overall performance of the Foundation.

Employee benefits

Long service leave

The Foundation's net obligation in respect of long service leave is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using the employees' current salary and a probability factor related to the number of years until the date of the employees' eligibility for long service leave.

Provisions

A provision is recognised when the Foundation has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax discount rate that reflects current market rates and, where appropriate, the risks specific to the liability.

Notes to the Financial Statements

For the year ended 30 June 2014

New standards issued but not yet effective

The Foundation has elected not to early adopt the new standards and amendments that have been published but are not yet effective. These new standards are not considered to have a material impact on the Foundation.

Changes to Comparatives

In order to comply with current accounting policies, short-term deposits with a maturity of more than 3 months but less than 12 months, which in previous years were classified as cash and cash equivalents, have been reclassified as current asset Investments. Comparatives for 2013 have been restated to recognise this change.

4. Financial risk management

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

Market risk

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

Foreign currency risk

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

Price Risk

The Foundation has moderate exposure to price risk through its investments in New Zealand and Australian equities. This risk is managed by holding a diversified portfolio across a broad range of companies. The Foundation has no other exposure to price risk. A 10% change in price will increase/decrease the value of investments held at reporting date by \$352,170 (2013: \$309,402) with corresponding increase/decrease in the reserves.

Interest rate risk

The Foundation 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 point 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 \$19,715 (2013: \$16,310).

Credit Risk

Credit risk is the risk that the counterparty to a transaction with the Foundation will fail to discharge its obligations, causing the Foundation to incur a financial loss.

Financial Instruments, which potentially subject the Foundation to credit risk, consist principally of bank balances, trade and other receivables, bonds and capital notes. The carrying amounts of these items reflected in the Statement of Financial Position represent the Foundation's maximum exposure to credit risk for such loans and receivables. The Foundation does not have any guarantees. The Foundation continuously monitors its exposure to credit risk.

Liquidity Risk

Liquidity risk is the risk that the Foundation will have insufficient funds on hand to meet its commitments. The Foundation actively monitors its liquidity position to ensure that sufficient funds are available to meet its liabilities as they arise.

The Foundation 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 Foundation continuously monitors forecast and actual cash flows and matches the maturity profiles of financial assets and obligations

5. Property, Furniture and Equipment

	Furniture and Equipment	Land and Buildings	Total
Balance at 30 June 2014			
Cost	543,321	650,000	1,193,321
Accumulated depreciation	379,140	141,375	520,515
Carrying value	164,181	508,625	672,806
Current year depreciation	52,519	19,500	72,019
Balance at 30 June 2013			
Cost	591,491	650,000	1,241,491
Accumulated depreciation	421,160	121,875	543,035
Carrying value	170,331	528,125	698,456
Current year depreciation	46,731	19,500	66,231

The estimated useful lives of major classes of assets and resulting rates of depreciation are as follows:

- Office furniture and equipment: 10-30% SL
- Buildings: 3% SL

6. Investments

	2014	2013
General and Special Purpose Funds		
Shares	1,309,668	1,133,151
Bonds	2,179,412	178,957
Capital Notes	21,200	20,600
	3,510,280	1,332,708
Research funds		
Shares	2,212,034	1,960,866
Bonds	632,689	263,286
Capital Notes	21,200	35,280
	2,865,923	2,259,432
Total Investments – non-current	6,376,203	3,592,140
General & Special Purpose funds		
Term Deposits	159,083	866,376
Research funds		
Term Deposits	408,225	714,787
Total Investments – current	567,308	1,581,163

The Foundation holds investments in listed New Zealand and Australian companies. These investments are held as available-for-sale investments which mean that they are recorded at fair value which is the market price at balance date. These investments are considered to be Level One in the fair value hierarchy, whereby market prices are readily

available. The Foundation holds listed bonds and capital notes returning between 3.0% and 8.95% per annum (2013: 3.0% and 8.95%) and term deposits with a maturity term of more than 3 months returning between 3.25% and 4.0% (2013: 3.0% and 4.3%). The bonds, capital notes and term deposits are valued at fair value, which is the market value at balance date.

Notes to the Financial Statements

For the year ended 30 June 2014

7. Trade and other receivables

	2014	2013
Accounts receivable	152,934	98,019
Prepayments	8,817	6,333
Sundry receivables	9,188	35,137
	170,939	139,489

8. Cash and cash equivalents

General & Special Purpose funds

Bank balances	747,992	922,865
Short-term deposits	–	153,031
	747,992	1,075,896

Research funds

Bank balances	9,729	108,380
Total Cash and cash equivalents	757,721	1,184,276

Cash and cash equivalents comprise cash balances and short-term deposits with a maturity of 3 months or less. The Foundation manages funds on behalf of the Wellington Rheumatology Trust Board. These funds are held in trust and applied to payment of

expenses as authorised by the trustees of the Wellington Rheumatology Trust Board from time-to-time. The Managed Funds liability of \$185,884 (2013: \$184,729) is equivalent to the amount of cash not available for general use by the Foundation.

9. Equity

Research Fund

This Fund comprises the National and Auckland General Research Funds and the Wellington Osteoporosis Research Fund and is maintained to ensure a continuing source of financial contribution toward the cost of grants provided by the Foundation for quantitative and qualitative research studies in the field of arthritis. The Fund receives contributions from specified bequests, donations and income earned on the capital sum invested. Grants from the Fund are considered by the Governing Body each year following an advertising, review and recommendation process

Appropriations to/(from) Special Purposes Funds:

	2014	2013
Share of Investment returns for the year	52,807	18,987
Appropriation from Ham Bequest Fund for services in Northland	(40,000)	–
Proceeds from Ham Bequest	–	1,000,000
	12,807	1,018,987

Appropriations to Endowment Fund:

Profit on Sale of Property in 2013	–	191,867
Share of Investment returns for the year	13,497	–
Appropriation from Surplus for the year	800,000	143,068
	813,497	334,935

Total Appropriations from General Fund

	826,304	1,353,922
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completed by a Research Grants Committee.

General Fund

This Fund comprises the accumulated net surpluses of the Foundation that have not been restricted by donors or designated by the Governing Body for specified purposes. It provides:

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

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 help them attend Rheumatology conferences and meetings in Australia and New Zealand.
- **Whitwell Bequest Fund** – This fund originated in 1983 from a bequest from the Estate of Mrs. Whitwell and is held for the purpose of the Foundation's services in the Canterbury/Westland region.
- **Pierce Bequest Fund** – This fund was established from a bequest from the Estate of Mr. A. G. Pierce and is held for the purpose of the Foundation's services in the Putaruru region.

- **Taranaki Youth Scholarship Fund** – This fund was established by the previous Taranaki Division to assist young arthritis sufferers from the Taranaki region with their education.
- **Wellington Education Fund** – This fund was established by the previous Wellington Division to assist young arthritis sufferers from the Wellington region with their education.
- **Ham Bequest Fund** – This fund has been established from a bequest from the Estate of Ms H.B. Ham and is held for the purpose of the Foundation's services in the Northland region.

Endowment Fund

This fund has been established by the Governing Body to provide a long-term facility to accumulate reserves and ensure financial stability for the Foundation

10. Employee Benefits

Current

Payroll accruals
Liability for holiday pay

	2014	2013
Payroll accruals	94,968	81,555
Liability for holiday pay	87,687	105,515
	182,655	187,070

Non-current

Liability for long-service leave

Liability for long-service leave	5,626	2,472
	188,281	189,542

11. Trade and other payables

Trade payables
Non-trade payables and accrued expenses
GST Payable/(Receivable)

	2014	2013
Trade payables	110,223	128,536
Non-trade payables and accrued expenses	38,414	133,710
GST Payable/(Receivable)	2,605	(10,586)
	151,242	251,660

12. Revenue in Advance

Grants from the Community
Grants from New Zealand Lottery Grants Board
Grants from other Government Agencies
Membership Subscriptions

	2014	2013
Grants from the Community	20,000	56,730
Grants from New Zealand Lottery Grants Board	290,962	160,419
Grants from other Government Agencies	30,000	–
Membership Subscriptions	20,200	17,638
	361,162	234,787

Revenue in Advance includes grants awarded for specific purposes. Due to conditions of these grants being unfulfilled at 30 June 2014, in that the expenditure to which they relate is yet to be incurred, the amount is recorded as revenue in advance at 30 June 2014.

Notes to the Financial Statements

For the year ended 30 June 2014

13. Contributions from the Community

	2014	2013
Revenue		
Donations, appeals and fundraising	852,173	848,252
General purpose bequests	2,284,779	989,486
Special purpose bequests	–	1,000,000
Special Purpose Grants – Public Awareness Campaigns	208,089	129,720
Grants from Community Trusts	341,415	713,406
Grants from New Zealand Lottery Grants Board	225,457	224,581
Grants from Community Organisation Grants Schemes	31,500	32,200
Grants from other Government Agencies	27,164	24,900
Sponsorship income	98,647	89,817
Total Contributions from the Community	4,069,224	4,052,362
Expenses		
Employee Benefits	345,880	365,632
Advertising and Direct Marketing	163,615	172,129
Lottery Prizes	–	41,974
Other Fundraising Costs	67,225	90,577
Total Fundraising Costs	576,720	670,312
Net Contributions from the Community	3,492,504	3,382,050

Contributions from the community to support the Foundation 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 Foundation gratefully acknowledges a general purpose bequest of \$800,000 from the Estate of the late R.A. Howie.

In the previous year, the Foundation acknowledged a Special Purpose Bequest of \$1,000,000 from the Estate of the late H.B. Ham, the proceeds of which were appropriated to the Ham Estate Bequest Fund and the

funds invested. Income from these investments has been used for the purpose of the Foundation's services in the Northland region.

The Foundation 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 co-operative projects completed with other organisations

14. Services and Programmes

	2014	2013
Revenue		
National Health Contract Income	375,885	384,797
Other Contract Income	306,161	311,284
Client Service Charges	73,964	84,001
Other income	54,687	57,866
Total Income from Services and Programmes	810,697	837,948
Expenses		
Employee Benefits	1,016,013	984,977
Arthritis Information Resources	58,319	40,575
Volunteer Coordination and Development	36,923	34,149
Public Awareness Campaigns (fully-funded)	208,089	129,720
General Awareness and Newsletters	102,687	100,242
Service Delivery Direct Costs	304,265	323,858
National Conference	53,171	–
Service Delivery Support	175,481	147,095
Total Cost of Services and Programmes	1,954,948	1,760,616
Net Cost of Arthritis Services and Programmes	(1,144,251)	(922,668)

The Foundation is contracted nationally to the Ministry of Health through the Capital & Coast DHB to provide arthritis information services.

15. Administration Expenses

	2014	2013
Audit Fees	23,665	28,665
Tax Consultancy Fees - KPMG	1,955	2,000
Employee Benefits	844,010	866,908
Legal Expenses	4,247	5,932
Property and Office Expenses	326,701	288,115
Communications Expenses	72,560	44,907
Travelling Expenses	30,121	30,530
General Administration Expenses	68,243	55,259
	1,371,502	1,322,316

16. Net Finance Income

	2014	2013
General Funds		
Dividends	60,187	60,727
Interest income	64,234	72,947
Profit on disposal of investments	7,574	–
	131,995	133,674
Research Funds		
Dividends	94,526	113,617
Interest income	38,176	45,223
Profit on disposal of investments	13,422	93,889
	146,124	252,729
Net Finance Income	278,119	386,403

Notes to the Financial Statements

For the year ended 30 June 2014

17. Impairment of Investments

	2014	2013
General Fund	51,885	–
Research Fund	68,327	–
Total Impairment of Investments	120,212	–

18. Reconciliation of Operating Surplus to Net Cash Flows from Operating Activities

	2014	2013
Operating Surplus for the Year	889,300	1,342,482
Adjustments:		
Depreciation	72,019	66,231
Impairment of Investments	120,212	–
Net Finance Income	(278,118)	(386,403)
Loss on Disposal of Property, Furniture and Equipment	953	744
	(84,934)	(319,428)
Movements in Working Capital and Liabilities:		
(Increase)/Decrease in Trade & Other Receivables	(31,450)	153,162
Increase/(Decrease) in Liabilities	25,851	(265,248)
	(5,599)	(112,086)
Net Cash Inflow/(Outflow) from Operating Activities	798,767	910,968

19. Operating leases

Leases as Lessee

Non-cancellable property lease rentals are payable as follows:

	2014	2013
Less than one year	126,228	114,852
Between one and five years	154,140	233,693

20. Contingencies

The Foundation has indemnified the trustees of the Estate of the Late R.A. Howie for any losses that may arise from any successful claim against the Estate following the interim distribution from that Estate.

The Foundation's contingent liability in this respect is limited to the amount received, being \$800,000.

(2013: \$Nil)

21. Subsequent Events

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

Grants and Bequests

Grants

Received from the many Trust and Foundations who support our work in the community.

2904 Charitable Trust
 33 Club Trust Board Inc
 A D Hally Trust
 Air Rescue Services Ltd
 Ara Lodge No 348 Charitable Trust Board
 Ashburton Trust Charitable Foundation
 Bendigo Valley Sports And Charity Foundation
 Bill Blackadder Trust
 Bluegrass Holdings Ltd (Trust)
 BlueSky Community Trust
 Canterbury Arthritis Support Trust
 Carsin Trust
 Christchurch City Council
 - Strengthening Communities
 COGS - Aoraki
 COGS - Central Otago
 COGS - Coastal Otago/Waitaki
 COGS - Hauraki
 COGS - Kahungunu Ki Heretaunga
 COGS - Kirikiriroa/Hamilton City
 COGS - Manukau
 COGS - Marlborough
 COGS - Mataatua
 COGS - Nelson/Bays
 COGS - North Taranaki
 COGS - Papakura/Franklin
 COGS - South Taranaki
 COGS - South Waikato
 COGS - Southland
 COGS - Tairāwhiti
 COGS - Tongariro
 COGS - Waikato West
 COGS - Wairarapa
 COGS - Waitakere City
 COGS - Whanganui/Waimarina/Rangitikei
 COGS - Whangarei/Kaipara
 COGS - Whitireia
 Community Trust of Mid
 & South Canterbury Inc
 Community Trust of Southland
 Donny Charitable Trust
 Doris M Partridge Charitable Trust
 Dunedin City Council Community Grants
 E E J Coxon Charitable Trust
 Eastern & Central Community Trust
 Endeavour Community Foundation
 Fenix Foundation
 First Sovereign Trust
 Four Winds Foundation
 Frances Skeet Charitable Trust
 Gaineville Charitable Trust
 Gallagher Charitable Trust
 Greymouth Riverside Lions Club
 Charitable Trust
 Heathcote Trust
 Hilda Curtis Charitable Trust

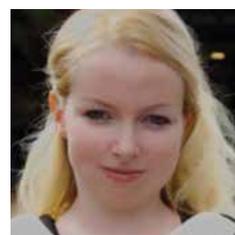
Hutt City Council Community
 Development Fund
 Independent Living Services Inc
 Infinity Foundation Ltd
 Infinity Foundation Ltd
 Irene Munro Charitable Trust
 J N Williams Memorial Trust
 Jack Jeffs Charitable Trust
 Jim & Tom Hickey Charitable Trust
 John Beresford Swan Dudding Trust
 Joyce Fisher Charitable Trust
 Kaiapoi Community Board
 L W Nelson Trust
 Leys Charitable Trust
 Mainland Foundation
 Mana Community Grants Foundation (Inc)
 Marjorie Goble - Alexander Trust
 Marlborough District Council
 Community Grants
 MSD Making a Difference Fund
 Mt Wellington Foundation
 New Life Trust
 North and South Trust
 New Zealand Lottery Grants Board
 Ocean View Trust
 Organisation Name
 Pelorus Trust
 Polmadie Charitable Trust
 Pub Charity Inc
 R & G Charitable Trust
 R G & E F MacDonald Trust Board
 Redwood Trust Inc
 Rehabilitation Welfare Trust
 Rotorua District Council Community Grants
 Rotorua Energy Charitable Trust
 Rotorua Energy Charitable Trust
 South Waikato District Council Community
 Development
 T G Macarthy Trust
 Tawa Community Grants
 Te Atatu Returned Services Association (inc.)
 The Akarana Community Trust Ltd
 The Canterbury Community Trust
 The Lion Foundation
 The Oxford Sports Trust
 The Southern Trust
 The Torhaven Trust
 The Trusts Community Foundation
 The Von Burns Charitable Trust
 Timaru District Council Grants Scheme
 Trinsley Charitable Trust
 Trust House Foundation
 Trust Waikato
 W Duncan Bickley Trust Fund
 Waikato-Tainui Te Kauhanganui Inc.
 Waimate District Council Community
 Grants Fund
 Waiora Community Trust (Taupo) Inc
 Waipa District Council Community Grants
 WEL Energy Trust
 West Coast Community Trust

Bequests

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 George B Vincent
 John & Elsie Walsh Trust
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 Memorial Trust
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