



Arthritis NZ
**Mateponapona
Aotearoa**

Annual Financial Statements

Arthritis New Zealand (Mateponapona Aotearoa)
For the year ended 30 June 2023

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Audit Report

Arthritis New Zealand

For the year ended 30 June 2023



Independent Auditor's Report

To the beneficiaries of Arthritis New Zealand (Matepona Aotearoa)

Report on the audit of the financial report

Opinion

In our opinion, the financial statements of Arthritis New Zealand (Matepona Aotearoa) (the 'trust') on pages 5 to 21 present fairly, in all material respects:

- i. the trust's financial position as at 30 June 2023 and its financial performance and cash flows for the year ended on that date; and
- ii. the service performance for the year ended 30 June 2023 in accordance with the trust's service performance criteria;

in accordance with Public Benefit Entity Standards Reduced Disclosure Regime (Not For Profit) issued by the New Zealand Accounting Standards Board.

We have audited the accompanying financial report which comprise:

- the statement of financial position as at 30 June 2023;
- the statements of comprehensive revenue and expense, changes in equity and cash flows for the year then ended; and
- notes, including a summary of significant accounting policies; and
- the statement of service performance.



Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ('ISAs (NZ)'). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the trust 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) are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

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



Other matter

The statement of service performance for the year ended 30 June 2022, was not audited.



Use of this independent auditor's report

This independent auditor's report is made solely to the beneficiaries as a body. Our audit work has been undertaken so that we might state to the beneficiaries those matters we are required to state to them in the

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Audit Report



independent auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the beneficiaries as a body for our audit work, this independent auditor's report, or any of the opinions we have formed.



Responsibilities of the Trustees for the financial statements

The Trustees, on behalf of the trust, are responsible for:

- the preparation and fair presentation of the financial statements in accordance with generally accepted accounting practice in New Zealand (being Public Benefit Entity Standards Reduced Disclosure Regime (Not For Profit)) issued by the New Zealand Accounting Standards Board;
- implementing necessary internal control to enable the preparation of a set of financial statements that is free from material misstatement, whether due to fraud or error; and
- assessing the ability 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 statements

Our objective is:

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

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

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

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

<http://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-8/>

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

KPMG
Wellington

18th October 2023

Statement of Service Performance Report

Arthritis New Zealand

For the year ended 30 June 2023

Arthritis New Zealand Matepona Aotearoa

Who are we?

We are a national community-based organisation working with people affected by arthritis. We provide education, information, peer support, research, advocacy support and develop partnerships with other agencies working in the health and disability sector.

We work with a range of stakeholders including people affected by arthritis, health professionals, Māori and Pacific providers, researchers, donors and sponsors.

Why do we exist?

Our vision is to improve the lives of people affected by arthritis. This is undertaken by providing;

- Information, a range of resource material, and support services such as Arthritis Assist and both online and face to face support groups

- Education and online self-management programmes such as MyJointPain and the development of MyRA

- Research funding and development of research initiatives

- Advocacy on issues of importance to people with arthritis (such as employment, access to rheumatology services and government policies) and ensuring consumer perspectives are heard at all levels of decision making.

What did we do and how did we perform?

Our strategic plan and reported highlights below shows progress made towards improving the lives of people affected by arthritis.

Strategic Initiative 1

Arthritis New Zealand is the “go to organisation” for obtaining accurate and appropriate information, advice and advocacy for all people affected by arthritis.

Why?

So people understand arthritis and its management, and support services provided by Arthritis New Zealand and its partners

Desired Outcome from strategic plan 21	Measures 2021 / 22	Measures 2022 / 23
<ul style="list-style-type: none"> Increasing public awareness of Arthritis New Zealand is evident Increasing online education and stakeholder interaction can be demonstrated. 	<ul style="list-style-type: none"> 74,754 website users 4,090 MyJointPain users 33,854 video webinar views 11,334 social media followers (Facebook, Instagram, LinkedIn, Twitter, YouTube) 4,933 online support group members (Facebook private support groups) 	<ul style="list-style-type: none"> 90,828 website users 3,725 MyJointPain users 36,509 video/webinar views 13,029 social media followers (Facebook Page, Instagram, LinkedIn, Twitter, YouTube, TikTok) 6,442 members in nine support groups (Facebook private support groups)
<ul style="list-style-type: none"> Arthritis NZ initiates and drives partnerships with key stakeholders. 	<p>Osteoarthritis initiatives included working with</p> <ul style="list-style-type: none"> AUT and Osteoarthritis Aotearoa <p>Long term conditions initiatives included working with</p> <ul style="list-style-type: none"> Diabetes New Zealand Heart Foundation <p>Gout arthritis initiatives included working with</p> <ul style="list-style-type: none"> Mahitahi Hauora and Northland DHB Pacific Health Plus, Porirua pharmacies, Taeamanino Trust Whanganui DHB <p>Inflammatory arthritis initiative</p> <ul style="list-style-type: none"> National Pediatric Rheumatology Team- exploring how to enhance services for children and teens with arthritis. 	<p>Osteoarthritis initiatives built and extended relationships with</p> <ul style="list-style-type: none"> AUT and Osteoarthritis Aotearoa <p>Long term conditions built on 2022 with</p> <ul style="list-style-type: none"> Diabetes New Zealand Heart Foundation Mahitahi Hauora and Northland DHB <p>Gout arthritis initiatives continued and built upon relationships with</p> <ul style="list-style-type: none"> Porirua initiative – Pacific Health Plus, Porirua pharmacies, Taeamanino Trust Final year of funding Whanganui Stop Gout project with Whanganui DHB.

		<p>Inflammatory initiatives continues and built upon 2022 with</p> <ul style="list-style-type: none"> • Developing and running 2 camps for children and teens with arthritis, in partnership with National Pediatric Rheumatology Team- the first camps since the outbreak of Covid in 2020. • NZRA development of service plan for rheumatology delivered Te Whatu Ora <p>New partnership developed with</p> <ul style="list-style-type: none"> • Healthify- (formerly Health Navigator)- collaboration on clinical review of resources printed and online. • Initial promotion of Arthritis Assist undertaken in Taranaki.
<ul style="list-style-type: none"> • An active group of arthritis advocates is in place and provide consumer experience on living with arthritis to decision makers 	<ul style="list-style-type: none"> • ToR for consumer reference groups established 	<ul style="list-style-type: none"> • Consumer reference groups osteoarthritis and inflammatory arthritis have been formed and members recruited and meetings held reviewing online programmes and election questions. • Pacific Community Coordinator works with Health Quality and Safety Commission as a Consumer Committee member.
<p>Commentary Digital communication has been identified as the major means of communication with stakeholders and has been a key organizational focus.</p>		

Strategic Initiative 2

We will work with partners to develop, deliver, and measure the effectiveness of programmes and services that we deliver

Why?

So we can expand our reach and improve the lives of those with arthritis

Desired Outcome	Measures 2021 / 22	Measures 2022 / 23
<ul style="list-style-type: none"> We are able to demonstrate the value created and delivered by Arthritis NZ and its partners. 	<ul style="list-style-type: none"> Development of Arthritis Assist as a new model of service delivery Development of a client survey to be used to indicate satisfaction with the service Active partnership with the Gout arthritis groups noted above 	<ul style="list-style-type: none"> Arthritis Assist set up and a Coordinator appointed in June 2022. 822 clients utilized Arthritis Assist in this first year of operation On-line surveys of Arthritis Assist clients automated so all clients received a survey from October 2023. 634 surveys sent out- 188 returned. Of these 163 indicated they were either very satisfied or satisfied (4- or 5-star rating)- giving an 87% level of satisfaction or above Evaluation of Porirua Gout Project by Ajay Kumar (underway, in alliance with groups in partnership listed in Strategic Initiative 1) MOH evaluation of Whanganui Gout Programme completed and shared with health professionals.
<ul style="list-style-type: none"> Funders recognise the value of Arthritis IQ programmes and resources and fund it appropriately 	Not achieved – program to be reviewed	On hold – revised program
Commentary The development of Arthritis Assist has been the major achievement in the reporting year with results from client surveys showing 87% of clients were satisfied or very satisfied		

Strategic Initiative 3

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.

Why?

Māori and Pacific are disproportionately affected by gout arthritis due to genetic factors. Development of equity in the treatment and management of this gout is an organizational priority because of this and Māori and Pacific providers are key partners in the development of equity in gout management.

The principles of Te Tiriti o Waitangi underpin this work

- Partnership
- Participation
- Protection

Desired Outcome	Measures 2021 / 22	Measures 2022 / 23
• Outcomes show evidence that the principles of Te Tiriti o Waitangi are being implemented.	<ul style="list-style-type: none">• Appointment of Health Equity Manager (HEM)	<ul style="list-style-type: none">• Te Kawa program has been developed – staff survey results showed positive response to the programme.
• All relevant agencies are working collaboratively and creating active partnerships	<ul style="list-style-type: none">• Partnerships with Mahitahi / Whanganui, Canons Creek Pharmacy, Waitangirua Pharmacy in Porirua• Partnership with NZRA on development of a service plan for inflammatory arthritis	<ul style="list-style-type: none">• Porirua – partnerships with key agencies as outlined above• Discussions with The Fono, re Gout programs in South Auckland in the 2023 - 24 year
Cultural awareness is embedded in the organisation	<ul style="list-style-type: none">• Te Kawa programme developed as first step in organisational embedding	<ul style="list-style-type: none">• Te Kawa program rolled out by Health Equity Manager to all staff and Board members and values identified and used as a guide for future activities.• Staff hui focus on Te Kawa and ongoing staff training.
Commentary The development of Te Kawa as a key organisational initiative with staff as a first step in embedding the values of Te Tiriti and working in partnership with other agencies.		

Strategic Initiative 4

We will have a proactive and translational research program which includes clinical, social and economic research.

Why?

So we have the evidence to inform the development and delivery of programs, services, and awareness

Desired Outcome	Measures 2021 / 22	Measures 2022 / 23
Research is reputable and reliable about arthritis and its impact	<ul style="list-style-type: none"> • Re-establishment of External Grants programmes – 11 applications with 3 funded (\$76,026). • Establishing an internal evaluation programme for client services • Commissioned and funded NZIER research on DHB rheumatology services, non-surgical models of care for osteoarthritis of the hip and knee. 	<ul style="list-style-type: none"> • 21 grant applications received – 6 granted (\$405,706). The grant holders are recognized as leaders within Arthritis sector (based on publications, research conducted and peer recognition) • Summer scholarship recipients publish findings.
Research is actively being used to inform the development and delivery of programs, services and awareness	<ul style="list-style-type: none"> • Organisational Research plan developed with clear outcomes • Inaugural appointment of New Zealand Lupus / SLE Postdoctoral Fellowship 	<ul style="list-style-type: none"> • Initiated evaluation of Porirua Gout Education project • Publications from Lupus/SLE Postdoctoral Fellowship • ACL injury rehabilitation – partnership with AUT and ACC. Rapid response grant (\$10k) awarded to AUT.
Commentary Research is a growth area of our work and has facilitated formation of significant partnerships that will have long lived benefits for people who live with arthritis.		

Strategic Initiative 5

We will generate sustainable income streams

Why?

So we can ensure the continuity of the organisation and its purpose

Desired Outcome	Measures 2021 / 22	Measures 2022 / 23
<ul style="list-style-type: none">• Sustainable income streams are in place to enable Arthritis NZ to achieve its kaupapa	<ul style="list-style-type: none">• Appointment of new Funding Manager• Following the announcement that New Zealand banks would no longer accept cheques, initiatives were developed to promote cheque donors to consider other supporting methods of donating. This was implemented to minimize the impact this announcement would have on the Trust's fundraising income.• In response to the risks presented by the Covid-19 pandemic, digital fundraising campaigns were developed and implemented as an alternative to fundraising through Street Appeals.• Move from Street Appeal to digital campaign - included a slot on The Project and Stuff feature	<ul style="list-style-type: none">• Increase in grant income to \$463,779 (72% increase on YE 2022).• Board have agreed to increase the upper limit for contracting income from 20% to 35% in order to take advantage of contracting opportunities under the new health reforms.• Development and implementation of a Challenge- intended to raise awareness of issues that people with arthritis face.
Commentary Diversification of funding income continues to be a driving factor in funding campaigns and planning.		

Statement of Comprehensive Revenue and Expense

Arthritis New Zealand

For the year ended 30 June 2023

	NOTES	2023	2022
Revenue			
Contributions from the Community	6	1,131,422	1,543,098
Income from Services and Programmes	7	593,832	576,302
Depreciation Recovered		-	630
Total operating income		1,725,254	2,120,030
Expenditure			
Fundraising Costs	6	309,073	323,813
Expenditure on Services and Programmes	7	965,645	1,058,271
Administration Expenses	8	938,596	901,393
Governance costs		8,950	6,984
Research expenses		289,156	131,863
Depreciation and amortisation expenses		66,672	69,050
Total operating expenses		2,578,092	2,491,374
Finance Income			
Net Finance Income	9	349,977	332,829
Operating (deficit)/surplus after finance income		(502,861)	(38,515)
Other Comprehensive Revenue and Expenses			
Net change in fair value of investments		248,914	(1,289,038)
Total Other Comprehensive Revenue and Expenses		248,914	(1,289,038)
Total Comprehensive Revenue and Expense for the year		(253,947)	(1,327,553)

Statement of Changes in Equity

Arthritis New Zealand

For the year ended 30 June 2023

	Research Funds	Trustees Funds	Special Purpose Funds	Investment Revaluation Reserve	Total Equity
Balance at 30 June 2021	7,068,605	786,711	1,559,349	2,938,629	12,353,294
Surplus/(Deficit) for the period	134,021	(216,261)	43,725	-	(38,515)
Unrealised gain/(loss) on revaluation of investments	-	-	-	(1,272,026)	(1,272,026)
Cumulative gain on investments sold transferred to Statement of Comprehensive Revenue and Expense	-	-	-	(17,012)	(17,012)
Transfers between funds	(109,973)	254,909	(144,936)	-	-
Balance at 30 June 2022	7,092,653	825,359	1,458,138	1,649,591	11,025,741
Balance at 30 June 2022	7,092,653	825,359	1,458,138	1,649,591	11,025,741
Surplus/(Deficit) for the period	19,332	(553,549)	31,357	-	(502,860)
Subtotal	7,111,985	271,810	1,489,495	1,649,591	10,522,881
Unrealised gain/(loss) on revaluation of investments	-	-	-	291,781	291,781
Cumulative gain on investments sold transferred to Statement of Comprehensive Revenue and Expense	-	-	-	(42,867)	(42,867)
Transfers between funds	(138,183)	141,340	(3,157)	-	-
Balance at 30 June 2023	6,973,801	413,150	1,486,338	1,898,505	10,771,794

Statement of Financial Position

Arthritis New Zealand

As at 30 June 2023

	NOTES	30 JUN 2023	30 JUN 2022
Assets			
Property, Plant and Equipment		368,949	368,599
Intangible Assets		126,315	161,199
Investments	10	10,127,314	10,444,707
Trade and Other Receivables from Exchange Transactions		68,588	103,988
Cash and Cash Equivalents		341,415	260,424
Total Assets		11,032,581	11,338,917
Equity			
Trustees Funds	11	413,150	825,359
Research Funds	11	6,973,801	7,092,653
Other Special Purpose Funds	11	1,486,338	1,458,138
Investment Fair Value Reserve		1,898,505	1,649,591
Total Equity		10,771,794	11,025,741
Liabilities			
Employee Benefits		135,996	155,749
Trade and Other Payables from Exchange Transactions		124,791	126,427
Revenue in Advance	12	-	31,000
Total Liabilities		260,787	313,176
Total Equity and Liabilities		11,032,581	11,338,917

Signed By:



Philip Kearney
Chief Executive

Date: 18 October 2023



Rebecca Roberts
Chairperson

Date: 18 October 2023

Statement of Cashflows

Arthritis New Zealand

For the year ended 30 June 2023

2023

2022

Cashflow

Cash flows from Operating Activities

Cash was provided from:

Contributions from the community	1,160,422	1,516,652
Income from services and programmes	566,333	600,583
Total Cash provided	1,726,755	2,117,236

Cash was applied to:

Payments to suppliers	(719,731)	(760,143)
Payments to employees and volunteers	(1,612,476)	(1,702,581)
Research expenditure	(197,705)	(49,401)
Total Cash applied	(2,529,912)	(2,512,125)
Net cash inflow/(outflow) from operating activities	(803,157)	(394,889)

Cash flows from Investing Activities

Cash was Provided from:

Sale of property, furniture and equipment	-	2,870
Interest and dividends received	396,838	314,475
Sale of investments	620,000	1,540,000
Total Cash Provided	1,016,838	1,857,345

Cash was applied to:

Purchase of property, plant & equipment	(32,137)	(175,201)
Purchase of investments	(100,553)	(1,286,730)
Total Cash Applied	(132,690)	(1,443,931)
Net cash inflow/(outflow) from investing activities	884,148	413,414
Net increase/(decrease) in cash and cash equivalents	80,991	18,525

Cash and cash equivalents at 1 July

Cash and cash equivalents at 1 July	260,424	241,899
Cash and cash equivalents at 30 June	341,415	260,424

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 17 October 2023.

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 (incurred in 2021/2022 financial year), 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.

3. Significant Accounting Policies (continued)

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 \$606,461 (2022: \$567,250) 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 \$24,876 (2022: \$23,861).

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.

5. Reconciliation of Surplus/(Deficit) to Net Cash Flows from Operating Activities

Surplus/(Deficit) for the year	(502,861)	(38,515)
Adjustments		
Depreciation and amortisation expenses	66,672	69,050
Depreciation Recovered	-	(630)
Impairment of investments	-	-
Net finance income	(349,977)	(332,829)
Total Adjustments	(283,305)	(264,409)
Movements in working capital and liabilities		
(Increase)/Decrease in trade and other receivables	35,400	38,484
Increase/(Decrease) in liabilities	(59,598)	(130,448)
Total Movements in working capital and liabilities	(24,199)	(91,965)
Net cash inflow/(outflow) from operating activities	(810,365)	(394,889)

6. Contributions from the Community

Revenue

Donations, appeals and fundraising	320,813	365,677
General purpose bequests	331,138	763,005
Special purpose bequest – lupus research	-	-
Other special purpose bequest	-	-
Grants from community trusts	343,779	287,344
Grants from NZ Lottery Grants Board	90,000	100,000
Grants from Community Organisation Grants Schemes	-	-
Grants from other government agencies	-	-
Sponsorship Income	45,692	27,072
Total contributions from the community	1,131,422	1,543,098

Expenses

Employee benefits	232,844	227,463
Advertising and direct marketing	45,179	51,210
Other fundraising costs	31,050	45,140
Total fundraising costs	309,073	323,813
Net contributions from the community	822,349	1,219,285

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.

	2023	2022
7. Services and Programmes		
Revenue		
National health contract income	424,461	411,062
Other contract income	124,695	145,926
Client Service charges	13,391	18,140
Grant Income Teens/Children's Camps	30,000	-
Other income	1,285	1,174
Total income from services and programmes	593,832	576,302
Expenses		
Employee benefits	731,254	829,119
Arthritis Information Resources	11,254	3,819
Volunteer coordination and development	479	790
National Conference	3,130	7,000
General awareness and newsletters	119,047	69,434
Service delivery direct costs	75,706	97,986
Service delivery support	24,775	50,123
Total cost of services and programmes	965,645	1,058,271
Net cost of arthritis services and programmes	(371,813)	(481,969)

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.

8. Administration Expenses

Audit fees	34,210	25,000
Advisory fees	-	1,344
Employee benefits	543,657	564,542
Legal expenses	7,677	200
Property and office expenses	150,863	153,146
Information Technology and Communications expenses	160,141	130,914
Travelling expenses	35,311	18,413
General administration expenses	6,737	7,834
Total Administration Expenses	938,596	901,393

9. Net Finance Income

Dividends	220,207	194,550
Interest	182,534	127,185
Profit/(Loss) on disposal of Investments	(52,764)	11,094
Net finance income	349,977	332,829

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

10. Investments

General and special purpose funds

Shares	1,352,041	1,242,963
Units in managed bond funds	613,843	1,039,566
Total General and special purpose funds	1,965,884	2,282,529

Research funds

Shares	4,716,617	4,429,536
Units in managed bond funds	3,444,813	3,732,643
Total Research funds	8,161,430	8,162,179

Total Investments - non current	10,127,314	10,444,708
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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. These investments are considered to be Level 1 in the fair value hierarchy, whereby market prices are readily available.

The Trust's investments in shares and managed bond funds 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.

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.

Appropriations (to)/from Trustees Funds**Appropriations to/(from) Special Purpose Funds:**

Share of investment returns for the year	31,357	43,725
Appropriation from Ham Bequest Fund	(12,707)	(33,331)
Appropriation from Whitwell Bequest Fund	20,757	(36,282)
Appropriations from other funds	(11,207)	(75,323)
Net Appropriations to/(from) Special Purpose Funds	28,200	(101,211)

Appropriations to/(from) Research Funds:

Appropriations from National Research Fund	(92,122)	(73,315)
Appropriations from Lupus Bequest Fund	(46,061)	(36,658)
Net Appropriations to/(from) Research Funds	(138,183)	(109,973)
Total Appropriations (to)/from Trustees Fund	(109,983)	(211,184)

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

12. Revenue in Advance

Grants from the community	-	31,000
Total Revenue in Advance		31,000

Revenue in advance includes grants awarded for specific purposes. Due to the conditions of these grants being unfulfilled at 30 June 2022, in that the expenditure to which they relate had not been incurred, the amount is recorded as revenue in advance at 30 June 2022.

13. Operating Leases**Non-cancellable property lease rentals are payable as follows:**

Less than one year	66,500	66,500
Later than one year and no later than five years	66,500	127,717
Later than five years	-	-

14. 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:

	2023	2022
Senior Managers	705,054	630,712
Number of Persons (FTE)	5	4.4

A Trustee of the Trust is also a Trustee of the Sutherland Self-Help Trust. During the 2021 financial year, the Trust received a grant of \$30,000 from the Sutherland Self-Help Trust which was carried forward as income in advance at 30 June 2022. This was recognised in revenue in 2023.

15. Contingencies

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

16. Subsequent Events

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