

Performance Report

McGuinness Institute Limited
For the year ended 31 March 2017

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Entity Information

McGuinness Institute Limited For the year ended 31 March 2017

Legal Name of Entity

McGuinness Institute Limited

Entity Type and Legal Basis

NZ Limited Company

Registration Number

Company number: 1538950

NZ Business Number: 9429035262381

Charities Registration Number: CC21440

Entity's Purpose or Mission

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

Entity Structure

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

Main Sources of Entity's Cash and Resources

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

Main Methods Used by Entity to Raise Funds

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

Entity's Reliance on Volunteers and Donated Goods or Services

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

Physical Address

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

Postal Address

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

Accountant's Review Report

McGuinness Institute Limited
For the year ended 31 March 2017

BDO Wellington Limited

50 Customhouse Quay
Wellington

Date:

Approval of Performance Report

McGuinness Institute Limited For the year ended 31 March 2017

The Director is pleased to present the approved performance report including the historical financial statements of McGuinness Institute Limited for year ended 31 March 2017.

APPROVED

Wendy McGuinness

Date

Statement of Service Performance

McGuinness Institute Limited For the year ended 31 March 2017

Description of Entity's Outcomes

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

Description and Quantification of the Entity's Outputs

To build public policy capability in 18-25 year old's through employment

Description of Outputs	Actual 31 March 2017	Actual 31 March 2016
Number of employees between age of 18 to 25	11	18
Total number of employees	14	21
Percentage of personnel that has worked at the Institute that has subsequently been employed in public policy	0%	20%

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

Description of Outputs	Actual 31 March 2017	Actual 31 March 2016
Number of participants at the 3 day workshop between the age of 18 to 25	36	96
Total workshop participants (including 1 day workshops)	422	248

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

Description of Outputs	Actual 31 March 2017	Actual 31 March 2016
Number of reports published during the year	0	112
Number of workshops held during the year	6	4

Statement of Financial Performance

McGuinness Institute Limited For the year ended 31 March 2017

	NOTES	2017	2016
Revenue			
Donations, fundraising and other similar revenue	1	523,762	549,243
Revenue from providing goods or services	1	859	27,630
Interest, dividends and other investment revenue	1	13	68
Other revenue	1	3,587	10,000
Total Revenue		528,222	586,942
Expenses			
Volunteer and employee related costs	2	319,000	348,293
Costs related to providing goods or service	2	204,636	209,694
Grants and donations made	2	2,575	5,850
Other Expenses	2	19,459	16,100
Total Expenses		545,670	579,938
Surplus/(Deficit) for the Year		(17,449)	7,004

This statement has been prepared without conducting an audit or review engagement, and should be read in conjunction with the attached Compilation Report.

Statement of Financial Position

McGuinness Institute Limited

As at 31 March 2017

	NOTES	31 MAR 2017	31 MAR 2016
Assets			
Current Assets			
Bank accounts and cash	3	12,787	26,196
Debtors and prepayments	3	21,903	22,742
Total Current Assets		34,689	48,938
Non-Current Assets			
Property, Plant and Equipment	4	50,520	56,310
Total Non-Current Assets		50,520	56,310
Total Assets		85,209	105,247
Liabilities			
Current Liabilities			
Creditors and accrued expenses	5	4,723	13,829
Employee costs payable	5	12,813	14,162
Loans	5	355,497	347,631
Total Current Liabilities		373,033	375,622
Total Liabilities		373,033	375,622
Total Assets less Total Liabilities (Net Assets)		(287,824)	(270,375)
Accumulated Funds			
Accumulated surpluses or deficits		(287,824)	(270,375)
Total Accumulated Funds		(287,824)	(270,375)

This statement has been prepared without conducting an audit or review engagement, and should be read in conjunction with the attached Compilation Report.

Statement of Cash Flows

McGuinness Institute Limited For the year ended 31 March 2017

	2017	2016
Statement of Cash Flows		
Cash Flows from Operating Activities		
Donations, fundraising and other similar receipts	523,762	549,243
Receipts from providing goods or services	954	27,105
Interest, dividends and other investment receipts	13	68
Cash receipts from other operating activities	3,587	10,000
Payments to suppliers and employees	(538,631)	(560,812)
Donations or grants paid	(2,575)	(5,850)
Total Cash Flows from Operating Activities	(12,890)	19,754
Cash Flows from Investing and Financing Activities		
Receipts from sale of property, plant and equipment	490	-
Proceeds from loans borrowed from other parties	7,865	12,708
Payments to acquire property, plant and equipment	(8,874)	(13,236)
Repayments of loans borrowed from other parties	-	(256)
Total Cash Flows from Investing and Financing Activities	(519)	(784)
Net Increase/ (Decrease) in Cash	(13,409)	18,970
Cash and cash equivalents at beginning of period		
Cash balance	26,196	7,225
Total Cash and cash equivalents at beginning of period	26,196	7,225
Cash and cash equivalents at end of period		
Cash balance	12,787	26,196
Total Cash and cash equivalents at end of period	12,787	26,196
Net change in cash for period	(13,409)	18,970

Statement of Accounting Policies

McGuinness Institute Limited

For the year ended 31 March 2017

Basis of Preparation

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

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

Presentation Currency

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

Revenue Recognition

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

Goods and Services Tax (GST)

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

Income Tax

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

Bank Accounts and Cash

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

Changes in Accounting Policies

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

Property, Plant and Equipment

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

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

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

Fixtures & Fittings 10% - 60%

Shelving & Storage 10% - 16%

The Library 20% - 24%

Computer Equipment 50%

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

Notes to the Performance Report

McGuinness Institute Limited For the year ended 31 March 2017

	2017	2016
1. Analysis of Revenue		
Donations, fundraising and other similar revenue		
Willis Bond & Co Limited	185,762	549,243
The McGuinness Foundation Trust	338,000	-
Total Donations, fundraising and other similar revenue	523,762	549,243
Revenue from providing goods or services		
Nation Dates Book - Retail	-	61
Reports sold (incl online)	859	200
Tackling Poverty Workshop	-	27,370
Total Revenue from providing goods or services	859	27,630
Interest, dividends and other investment revenue		
Interest Income	13	68
Total Interest, dividends and other investment revenue	13	68
Other revenue		
Other Revenue	3,587	10,000
Total Other revenue	3,587	10,000
	2017	2016

2. Analysis of Expenses

Volunteer and employee related costs		
ACC	1,813	2,811
Entertainment	1,057	2,271
Entertainment - Non deductible	1,195	2,465
ipayroll fees	571	1,213
Salaries	307,711	335,811
Training and Education	403	522
Travel - National	6,251	3,200
Total Volunteer and employee related costs	319,000	348,293
Costs related to providing goods or services		
Computer expenses	20,437	21,824
Conference Expenses	1,045	-
Consulting & Accounting	14,550	5,420
Cost of Publications: Editing	2,213	-
Cost of Publications: Printing	15,472	8,314
Cost of Purchasing Books and Publications	3,258	3,402
Domain Names	6,554	5,930
General Expenses	724	110
Insurance	2,309	2,264
Light, Power, Heating	3,469	4,702

Membership and Subscription Fees	5,630	5,903
Occupancy Costs	75,762	79,243
Office Expenses	8,652	7,828
Postage, Freight & Courier	1,028	260
Project : ForesightNZ	9,126	2,518
Project: Community Boards Conference	-	1,953
Project: Government Strategies Event	-	67
Project: Ocean Management	1,244	5,205
Project: Strategy NZ	1,603	-
Project: Talent NZ	67	11,876
Project: World Future Conference	-	3,893
Project:Tackling Poverty	17,934	28,462
Repairs and Maintenance	2,386	1,993
Stationery	6,026	5,988
Telephone & Internet	5,146	2,539
Total Costs related to providing goods or services	204,636	209,694

Grants and donations made

Donations	2,575	5,850
Total Grants and donations made	2,575	5,850

Other expenses

Bank Fees	174	112
Depreciation	14,174	15,988
(Gain)/Loss on Disposal of Fixed Assets	490	-
Legal expenses	4,572	-
Penalties	50	-
Total Other expenses	19,459	16,100

2017 2016

3. Analysis of Assets

Bank accounts and cash

Kiwibank 00 Account	12,071	24,750
Kiwibank 01 Account	394	1,188
Kiwibank 02 Account	2	132
Paypal Account	319	70
Petty Cash	-	55
Total Bank accounts and cash	12,787	26,196

Debtors and prepayments

Bond - iPayroll	12,000	12,000
Accounts Receivable	468	563
GST Receivable	9,435	10,161

Resident Withholding Tax	-	19
Total Debtors and prepayments	21,903	22,742

2017 2016

4. Property, Plant and Equipment

Furniture & Fixtures

Furniture and Fixtures	79,927	85,812
Less Accumulated Depreciation on Furniture and Fittings	(60,748)	(63,594)
Total Furniture & Fixtures	19,180	22,218

Shelving & Storage

Shelving & Storage	25,723	25,723
Less Accumulated Depreciation on Shelving & Storage	(11,066)	(9,309)
Total Shelving & Storage	14,657	16,414

The Library

The Library	47,584	47,584
Less Accumulated Depreciation on The Library	(33,511)	(29,907)
Total The Library	14,073	17,677

Computer Equipment

Computer Equipment	4,387	-
Less Accumulated Depreciation on Computer Equipment	(1,776)	-
Total Computer Equipment	2,610	-

Total Property, Plant and Equipment

2017 2016

5. Analysis of Liabilities

Creditors and accrued expenses

Accounts Payable	4,723	13,829
Total Creditors and accrued expenses	4,723	13,829

Employee costs payable

Accruals	12,813	14,162
Total Employee costs payable	12,813	14,162

Loans

Mackford Holdings No 5 Limited	355,497	347,631
Total Loans	355,497	347,631

2017 2016

6. Accumulated Funds

Accumulated Funds

Opening Balance	(270,375)	(277,379)
Accumulated surpluses	(17,449)	7,004
Total Accumulated Funds	(287,824)	(270,375)
Total Accumulated Funds	(287,824)	(270,375)

7. Commitments

There are no commitments as at 31 March 2017 (2016 - nil).

8. Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at 31 March 2017 (2016 - nil).

9. Going Concern

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

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

10. Related Parties

Wendy McGuinness, who is a director of this company, is also a director of Mackford Holdings No 5 Limited, which has loaned funds to McGuinness Institute Limited during the year. The loan totaling \$355,496.85 as at 31 March 2017 is interest free and repayable on demand.

Wendy McGuinness is also a trustee of the McGuinness Foundation Trust which owns 100% of this company. The McGuinness Institute received donations from the McGuinness Foundation Trust during the year totaling to \$338,000.

Wendy McGuinness' husband is a director of Willis Bond & Company Limited. The McGuinness Institute received donations from Willis Bond & Company Limited during the year totaling to \$110,000, and occupancy costs amounting to \$75,762.26.

11. Occupancy Costs

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

12. Events After the Balance Date

There were no events that occurred after balance date that would have a material impact on the Performance Report as at 31 March 2017 (2016 - nil).