



MCGUINNESS INSTITUTE LIMITED

Performance Report

YEAR ENDED 31 MARCH 2018

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Entity Information

McGuinness Institute Limited For the year ended 31 March 2018

Legal Name of Entity

McGuinness Institute Limited

Entity Type and Legal Basis

NZ Limited Company

Registration Number

Company number: 1538950

NZ Business Number: 9429035262381

Charities Registration Number: CC21440

Entity's Purpose or Mission

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

Entity Structure

Chief Executive is Wendy McGuinness. Reporting to the CE is the Head of Research, Head of Events Management, Head of Design and Head of Administration. There are between 7 and 25 staff employed by the Institute at any one time.

Main Sources of Entity's Cash and Resources

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

Main Methods Used by Entity to Raise Funds

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

Entity's Reliance on Volunteers and Donated Goods or Services

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

Approval of Performance Report

McGuinness Institute Limited For the year ended 31 March 2018

The Director is pleased to present the approved performance report including the historical performance report of McGuinness Institute Limited for year ended 31 March 2018.

APPROVED

Wendy McGuinness

Date

Statement of Service Performance

McGuinness Institute Limited For the year ended 31 March 2018

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 2018	Actual 31 March 2017
Number of employees between age of 18 to 25	20	11
Total number of employees	21	14
Percentage of personnel that has worked at the Institute that has subsequently been employed in public policy	9.5%	0%

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

Description of Outputs	Actual 31 March 2018	Actual 31 March 2017
Number of participants at the 3 day workshop between the age of 18 to 25	34	36
Total workshop participants (including 1 day workshops)	34	422

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

Description of Outputs	Actual 31 March 2018	Actual 31 March 2017
Number of reports published during the year	0	0
Number of workshops held during the year	1	6
Number of working papers	4	4
Number of think pieces	2	1
Number of submissions and proposals	4	8

Statement of Financial Performance

McGuinness Institute Limited For the year ended 31 March 2018

	NOTES	2018	2017
Revenue			
Donations, fundraising and other similar revenue	1	616,372	523,762
Revenue from providing goods or services	1	36,562	859
Interest, dividends and other investment revenue	1	1	13
Other revenue	1	36,491	3,587
Total Revenue		689,426	528,222
Expenses			
Volunteer and employee related costs	2	429,743	319,000
Costs related to providing goods or service	2	265,265	204,636
Grants and donations made	2	10,807	2,575
Other Expenses	2	17,733	19,459
Total Expenses		723,548	545,670
Surplus/(Deficit) for the Year		(34,122)	(17,449)

Statement of Financial Position

McGuinness Institute Limited As at 31 March 2018

	NOTES	31 MAR 2018	31 MAR 2017
Assets			
Current Assets			
Bank accounts and cash	3	6,129	12,787
Debtors and prepayments	3	17,628	21,903
Total Current Assets		23,757	34,689
Non-Current Assets			
Property, Plant and Equipment	4	49,693	50,520
Total Non-Current Assets		49,693	50,520
Total Assets		73,450	85,209
Liabilities			
Current Liabilities			
Creditors and accrued expenses	5	28,383	4,723
Employee costs payable	5	12,835	12,813
Loans	5	354,178	355,497
Total Current Liabilities		395,396	373,033
Total Liabilities		395,396	373,033
Total Assets less Total Liabilities (Net Assets)		(321,946)	(287,824)
Accumulated Funds			
Accumulated surpluses or deficits		(321,946)	(287,824)
Total Accumulated Funds		(321,946)	(287,824)

Statement of Cash Flows

McGuinness Institute Limited For the year ended 31 March 2018

	2018	2017
Statement of Cash Flows		
Cash Flows from Operating Activities		
Donations, fundraising and other similar receipts	616,372	523,762
Receipts from providing goods or services	35,928	954
Interest, dividends and other investment receipts	1	13
Cash receipts from other operating activities	36,491	3,587
Payments to suppliers and employees	(670,716)	(538,631)
Donations or grants paid	(10,807)	(2,575)
Total Cash Flows from Operating Activities	7,269	(12,890)
Cash Flows from Investing and Financing Activities		
Receipts from sale of property, plant and equipment	-	490
Proceeds from loans borrowed from other parties	(1,319)	7,865
Payments to acquire property, plant and equipment	(12,608)	(8,874)
Total Cash Flows from Investing and Financing Activities	(13,927)	(519)
Net Increase/ (Decrease) in Cash	(6,658)	(13,409)
Cash and cash equivalents at beginning of period		
Cash balance	12,787	26,196
Total Cash and cash equivalents at beginning of period	12,787	26,196
Cash and cash equivalents at end of period		
Cash balance	6,129	12,787
Total Cash and cash equivalents at end of period	6,129	12,787
Net change in cash for period	(6,658)	(13,409)

Statement of Accounting Policies

McGuinness Institute Limited For the year ended 31 March 2018

Basis of Preparation

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

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

Presentation Currency

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

Revenue Recognition

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

Goods and Services Tax (GST)

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

Income Tax

As per the Income Tax Act 2007, and as the company holds the status of a registered charity, McGuinness Institute Limited is wholly exempt from New Zealand income tax having fully complied with all statutory conditions for these exemptions.

Bank Accounts and Cash

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

Changes in Accounting Policies

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

Property, Plant and Equipment

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

All other repairs and maintenance expenditure is recognised in the statement of financial performance as incurred.

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

Fixtures & Fittings 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 the statement of financial performance in the year the asset is derecognised.

Notes to the Performance Report

McGuinness Institute Limited For the year ended 31 March 2018

	2018	2017
1. Analysis of Revenue		
Donations, fundraising and other similar revenue		
Willis Bond & Co Limited	76,922	185,762
The McGuinness Foundation Trust	539,450	338,000
Total Donations, fundraising and other similar revenue	616,372	523,762
Revenue from providing goods or services		
Nation Dates Book Sales	1,051	-
Reports sold (incl online)	35,511	859
Total Revenue from providing goods or services	36,562	859
Interest, dividends and other investment revenue		
Interest Income	1	13
Total Interest, dividends and other investment revenue	1	13
Other revenue		
Other revenue	36,491	3,587
Total Other revenue	36,491	3,587
	2018	2017
2. Analysis of Expenses		
Volunteer and employee related costs		
ACC	1,344	1,813
Entertainment	3,348	1,057
Entertainment - Non deductible	3,785	1,195
ipayroll fees	1,256	571
Salaries	406,897	307,711
Training and Education	1,391	403
Travel - National	11,723	6,251
Total Volunteer and employee related costs	429,743	319,000
Costs related to providing goods or services		
Client Gifts	3,937	82
Computer expenses	15,594	20,437
Conference Expenses	226	1,045
Consulting & Accounting	34,456	14,550
Cost of Publications: Editing	787	2,213
Cost of Publications: Printing	50,225	15,472
Cost of Purchasing Books and Publications	2,905	3,258
Domain Names	6,962	6,554
General Expenses	-	642
Insurance	2,432	2,309
Light, Power, Heating	3,918	3,469

Membership and Subscription Fees	5,695	5,630
Motor Vehicle Expenses	37	-
Occupancy Costs	76,922	75,762
Office Expenses	3,248	8,652
Postage, Freight & Courier	687	1,028
Project: Civics	680	-
Project : ForesightNZ	-	9,126
Project: Nation Dates Book	815	-
Project: Ocean Management	-	1,244
Project: Strategy NZ	-	1,603
Project: Talent NZ	-	67
Project: Waka NZ	29,877	-
Project:Tackling Poverty	15,000	17,934
Repairs and Maintenance	-	2,386
Stationery	6,296	6,026
Telephone & Internet	4,565	5,146
Total Costs related to providing goods or services	265,265	204,636

Grants and donations made

Donations	10,700	2,575
Donations - International	107	-
Total Grants and donations made	10,807	2,575

Other expenses

Bank Fees	228	174
Depreciation	13,435	14,174
(Gain)/Loss on Disposal of Fixed Assets	-	490
Interest Expense	10	-
Legal expenses	3,960	4,572
Penalties	100	50
Total Other expenses	17,733	19,459

2018 2017

3. Analysis of Assets

Bank accounts and cash

Kiwibank 00 Account	3,992	12,071
Kiwibank 01 Account	1,820	394
Kiwibank 02 Account	2	2
Paypal Account	315	319
Petty Cash	-	-
Total Bank accounts and cash	6,129	12,787

Debtors and prepayments

Bond - iPayroll	12,000	12,000
Accounts Receivable	1,102	468
GST Receivable	4,526	9,435
Total Debtors and prepayments	17,628	21,903

2018 2017

4. Property, Plant and Equipment
Furniture & Fixtures

Furniture and Fixtures	85,036	79,927
Less Accumulated Depreciation on Furniture and Fittings	(66,166)	(60,748)
Total Furniture & Fixtures	18,870	19,180

Shelving & Storage

Shelving & Storage	25,723	25,723
Less Accumulated Depreciation on Shelving & Storage	(12,632)	(11,066)
Total Shelving & Storage	13,091	14,657

The Library

The Library	47,584	47,584
Less Accumulated Depreciation on The Library	(36,378)	(33,511)
Total The Library	11,207	14,073

Computer Equipment

Computer Equipment	11,886	4,387
Less Accumulated Depreciation on Computer Equipment	(5,360)	(1,776)
Total Computer Equipment	6,525	2,610

Total Property, Plant and Equipment

2018 2017

5. Analysis of Liabilities
Creditors and accrued expenses

Accounts Payable	28,383	4,723
Total Creditors and accrued expenses	28,383	4,723

Employee costs payable

Accruals	12,835	12,813
Total Employee costs payable	12,835	12,813

Loans

Mackford Holdings No 5 Limited	357,220	355,497
McGuinness Foundation Trust	(3,042)	-
Total Loans	354,178	355,497

2018

2017

6. Accumulated Funds

Accumulated Funds		
Opening Balance	(287,824)	(270,375)
Accumulated surpluses	(34,122)	(17,449)
Total Accumulated Funds	(321,946)	(287,824)
Total Accumulated Funds	(321,946)	(287,824)

7. Commitments

There are no commitments as at 31 March 2018 (2017 - nil).

8. Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at 31 March 2018 (2017 - nil).

9. Going Concern

The Company has made a loss in the year of \$34,122 and has net liabilities of \$321,946

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

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

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

10. Related Parties

Wendy McGuinness, who is a director of this company, is also a director of Mackford Holdings No 5 Limited, which has loaned funds to McGuinness Institute Limited during the year. The loan totalling \$357,220 as at 31 March 2018 (2017: \$355,497) is interest free and repayable on demand.

Wendy McGuinness is also a trustee of the McGuinness Foundation Trust which owns 100% of this company. The McGuinness Institute received donations from the McGuinness Foundation Trust during the year totalling to \$539,450 (2017: \$338,000). The McGuinness Institute paid for expenses of the McGuinness Foundation Trust during the year totalling to \$3,042 (2017: Nil).

Wendy McGuinness' husband is a director of Willis Bond & Company Limited. The McGuinness Institute received Nil donations from Willis Bond & Company Limited during the year (2017: \$110,000), and occupancy costs amounting to \$76,922 (2017: \$75,762).

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 2018 (2017 - nil).