

YEAR ENDED 31 MARCH 2018



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Entity Information

The McGuinness Foundation Trust (Group) For the year ended 31 March 2018

'Who are we?', 'Why do we exist?'

Legal Name of Entity

The McGuinness Foundation Trust

Entity Type and Legal Basis

Charitable Trust

Registration Number

Charities Registration Number: CC10457

Entity's Purpose or Mission

To distribute donations in accordance with the strategic objectives set by the Trustees. Entity is a non-partisan think tank working towards a sustainable future, contributing foresight through evidence-based research and policy analysis.

Entity Structure

Trustees consisting of two members. Entity includes a subsidiary limited liability company named McGuinness Institute Limited.

Main Sources of Entity's Cash and Resources

Willis Bond is the core funder of both the entities. The subsidiary company also collaborates with many other institutions.

Main Methods Used by Entity to Raise Funds

Main methods 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

Reliance on donated services, as well as a good working relationship with a number of other parties that have an interest in a common goal. These include other organisations and individuals. Donated services include occupancy costs for McGuinness Institute Limited of \$76,922 from Willis Bond and Co. Limited.

Approval of Financial Report

The McGuinness Foundation Trust (Group) For the year ended 31 March 2018

The Trustees are pleased to present the approved financial report including the historical financial statements of The McGuinness Foundation Trust for year ended 31 March 2018.

APPROVED



Mark McGuinness

Trustee

Date 08/08/18



Wendy McGuinness

Trustee

Date 08/08/18

Statement of Service Performance

The McGuinness Foundation Trust (Group) For the year ended 31 March 2018

'What did we do?', 'When did we do it?'

Description of Entity's Outcomes

To distribute resources donated by philanthropists to individuals and organisations who's goals align with the strategic objectives set by the Trustees.

- 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

	2018	2017
Description and Quantification of the Entity's Outputs		
Dollar value of donations provided	70,807	60,075

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 ye	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

The McGuinness Foundation Trust (Group)
For the year ended 31 March 2018

'How was it funded?' and 'What did it cost?'

	NOTES	2018	2017
Revenue			
Donations, fundraising and other similar revenue	1	601,922	695,762
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		674,976	700,221
Expenses			
Volunteer and employee related costs	2	429,674	319,068
Costs related to providing goods or service	2	266,185	204,636
Grants and donations made	2	70,807	60,075
Other expenses	2	17,733	19,459
Total Expenses		784,400	603,239
Surplus/(Deficit) for the Year		(109,424)	96,982

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

The McGuinness Foundation Trust (Group)
As at 31 March 2018

'What the entity owns?' and 'What the entity owes?'

	NOTES	31 MAR 2018	31 MAR 2017
Assets			
Current Assets			
Bank accounts and cash	3	46,179	127,287
Debtors and prepayments	3	17,310	21,902
Total Current Assets		63,489	149,189
Non-Current Assets			
Property, Plant and Equipment	4	49,693	50,520
Total Non-Current Assets		49,693	50,520
Total Assets		113,182	199,709
Liabilities			
Current Liabilities			
Creditors and accrued expenses	5	25,944	4,792
Employee costs payable	5	12,836	12,814
Loans	5	357,219	355,496
Total Current Liabilities		395,999	373,102
Total Liabilities		395,999	373,102
Total Assets less Total Liabilities (Net Assets)		(282,817)	(173,393)
Accumulated Funds			
Accumulated surpluses or (deficits)		(282,817)	(173,393)
Total Accumulated Funds		(282,817)	(173,393)

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

The McGuinness Foundation Trust (Group) For the year ended 31 March 2018

	2018	2017
Statement of Cash Flows		
Cash Flows from Operating Activities		
Donations, fundraising and other similar receipts	601,922	695,762
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	(673,757)	(538,631)
Donations or grants paid	(70,807)	(60,075)
Total Cash Flows from Operating Activities	(70,222)	101,610
Cash Flows from Investing and Financing Activities		
Receipts from sale of property, plant and equipment	-	490
Proceeds from loans borrowed from other parties	1,723	7,865
Payments to acquire property, plant and equipment	(12,608)	(8,874)
Repayments of loans borrowed from other parties	-	-
Total Cash Flows from Investing and Financing Activities	(10,885)	(519)
Net increase/ (decrease) in cash	(81,107)	101,091
Cash and cash equivalents at beginning of period		
Cash balance	127,287	26,196
Total Cash and cash equivalents at beginning of period	127,287	26,196
Cash and cash equivalents at end of period		
Cash balance	46,179	127,287
Total Cash and cash equivalents at end of period	46,179	127,287
Net change in cash for period	(81,108)	101,091

Statement of Accounting Policies

The McGuinness Foundation Trust (Group) For the year ended 31 March 2018

'How did we do our accounting?'

Reporting entity

McGuinness Foundation Trust is a public benefit entity for the purposes of financial reporting in accordance with the Financial Reporting Act (2013).

This consolidated performance report for the year ended 31 March 2018 comprise McGuinness Foundation Trust ('the controlling entity') and its controlled entity McGuinness Institute Limited (together referred to as the 'Group') and individually as 'Group entities'.

Basis of Preparation

The group 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 group will continue to operate in the foreseeable future.

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

Goods and Services Tax (GST)

The McGuinness Foundation Trust is not registered for GST, but the McGuinness Institute Limited is registered for GST. Therefore some amounts in the financial statements are stated both inclusive and exclusive of GST where appropriate, except for accounts receivable and payable, which are stated inclusive of GST

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.

Income Tax

The group is wholly exempt from New Zealand income tax having fully complied with all statutory conditions for these exemptions.

Changes in Accounting Policies

There have been no changes in accounting policies. Policies have been applied on a consistent basis with those of the previous reporting period.

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.

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

The McGuinness Foundation Trust (Group) For the year ended 31 March 2018

	2018	2017
1. Analysis of Revenue		
Donations, fundraising and other similar revenue		
Willis Bond & Co Limited	601,922	695,762
Total Donations, fundraising and other similar revenue	601,922	695,762
Revenue from providing goods and services		
Nation dates book - retail	1,051	-
Reports sold (incl online)	35,511	859
Tackling Poverty Workshop	-	-
Total Revenue from providing goods and 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	36,491	3,587
Total Analysis of Revenue	674,976	700,221
	2018	2017
2. Analysis of Expenses		
Volunteer and employee related costs		
ACC	1,344	1,813
Entertainment	7,133	2,252
ipayroll fees	1,256	571
Salaries	406,897	307,710
Training and education	1,391	403
Travel - National	11,653	6,319
Total Volunteer and employee related costs	429,674	319,068
Costs related to providing goods or services		
Client Gifts	3,937	82
Computer expenses	13,473	20,437
Conference expenses	226	1,045
Consulting and accounting	37,498	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	-	641
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	75,763

Office expenses	3,248	8,652
Postage, freight and courier	687	1,028
Project: Civics	680	-
Project: Nation Dates Book	815	-
Project: ForesightNZ	-	9,126
Project: Ocean Management	-	1,244
Project: Strategy NZ	-	1,603
Project: Talent NZ	-	67
Project: Tackling Poverty	15,000	17,934
Project: Waka NZ	29,877	-
Repairs and maintenance	-	2,386
Stationary	6,296	6,026
Telephone and internet	4,565	5,146
Total Costs related to providing goods or services	266,185	204,635

Grants and donations made

Donations made	70,807	60,075
Total Grants and donations made	70,807	60,075

Other expenses

Bank fees	227	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	17,732	19,460

Total Analysis of Expenses	784,398	603,238
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2018 2017

3. Analysis of Assets**Bank accounts and cash**

Kiwibank business edge account	40,050	114,500
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	46,179	127,287

Debtors and prepayments

Bond - iPayroll	12,000	12,000
Accounts receivable	1,102	468

GST receivable	4,208	9,435
Total Debtors and prepayments	17,310	21,902
Total Analysis of Assets	63,489	149,189
	2018	2017

4. Property, Plant and Equipment

Furniture and Fixtures		
At cost	85,036	79,927
Less Accumulated Depreciation on Furniture and Fixtures	(66,166)	(60,748)
Total Furniture and Fixtures	18,870	19,179
Shelving and Storage		
At cost	25,723	25,723
Less Accumulated Depreciation on Shelving and Storage	(12,632)	(11,066)
Total Shelving and Storage	13,091	14,657
The Library		
At cost	47,584	47,584
Less Accumulated Depreciation on The Library	(36,378)	(33,511)
Total The Library	11,207	14,073
Computer Equipment		
At cost	11,886	4,387
Less Accumulated Depreciation on Computer Equipment	(5,360)	(1,776)
Total Computer Equipment	6,526	2,611
Total Property, Plant and Equipment	49,693	50,520
	2018	2017

5. Analysis of Liabilities

Creditor and accrued expenses		
Accounts payable	25,943	4,792
Total Creditor and accrued expenses	25,943	4,792
Employee costs payable		
Accruals	12,835	12,813
Total Employee costs payable	12,835	12,813
Loans		
Mackford Holdings No.5 Limited	357,220	355,496
Total Loans	357,220	355,496
Total Analysis of Liabilities	395,999	373,102

	2018	2017
6. Accumulated Funds		
Opening balance	(173,393)	(270,375)
Accumulated surpluses	(109,424)	96,982
Total Accumulated Funds	(282,817)	(173,393)

7. Commitments

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

8. Contingent Liabilities and Guarantees

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

9. Related Parties

Mark McGuinness, who is a Trustee, is also a director of Willis Bond & Company Limited. The Trust received donations from Willis Bond & Company Limited during the year to the total of \$520,000 (2017: \$510,000).

Wendy McGuinness, who is a Trustee, is also a director of the company McGuinness Institute Limited that is 100% owned by the Trust.

McGuinness Institute Limited did not receive donations from Willis Bond & Company Limited during the year (2017: \$110,000), and paid occupancy costs amounting to \$76,922.35 (2017: \$75,762.26).

The Trustees' Mark McGuinness and Wendy McGuinness are also Directors of Mackford Holdings No.5 Limited. Mackford Holdings No.5 Limited has loaned funds to McGuinness Institute Limited during the year. The loan totaling \$357,219.77 as at 31 March 2018 (2017: \$355,496.40) is interest free and repayable on demand.

10. Occupancy Costs

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

11. Events After the Balance Date

There were no events that have occurred after the balance date that would have a material impact on the Performance Report (Last year - nil).

12. Ability to continue operating

The Trust has made a loss in the year of \$109,424 and has net liabilities of \$282,817.

The validity of the going concern assumption on which this performance report is prepared depends on the continued financial support 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 Foundation Trust, and will not call the loan unless they know that McGuinness Foundation Trust 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 Trust may have to provide for further liabilities that may arise.

INDEPENDENT ASSURANCE PRACTITIONER'S REVIEW REPORT
To the Trustees of The McGuinness Foundation Trust ("the Trust")

We have reviewed the accompanying performance report of The McGuinness Foundation Trust (the "Trust") and its controlled entity McGuinness Institute Limited (together referred to as the "Group"), which comprise the entity information, consolidated statement of financial position as at 31 March 2018, the consolidated statement of service performance, the consolidated statement of financial performance, and the consolidated statement of cash flows for the year ended 31 March 2018, and the statement of accounting policies and other explanatory information.

Trustees' Responsibility for the Performance Report

The Trustees' are responsible on behalf of the Group for:

- a) Identifying outcomes and outputs, and quantifying the outputs to the extent practicable, that are relevant, reliable, comparable and understandable, to report in the statement of service performance;
- b) the preparation and fair presentation of the performance report which comprises:
 - the entity information;
 - the statement of service performance; and
 - the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance reportin accordance with Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) issued in New Zealand by the New Zealand Accounting Standards Board, and
- c) for such internal control as the Trustees determine is necessary to enable the preparation of the performance report that is free from material misstatement, whether due to fraud or error.

Assurance Practitioner's Responsibility

Our responsibility is to express a conclusion on the performance report. We conducted our review of the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report in accordance with International Standard on Review Engagements (New Zealand) (ISRE (NZ)) 2400 (Revised) *Review of Historical Financial Statements Performed by an Assurance Practitioner who is not the Auditor of the Entity*, and the review of the entity information and the statement of service performance in accordance with the International Standard on Assurance Engagements (New Zealand) (ISAE (NZ) 3000 (Revised). Those standards require us to conclude whether anything has come to our attention that causes us to believe that the performance report, taken as a whole, is not prepared in all material respects in accordance with the Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit). Those standards also require that we comply with ethical requirements.

A review of the performance reporting accordance with ISRE (NZ) 2400 (Revised) and ISAE (NZ) 3000 (Revised) is a limited assurance engagement. The assurance practitioner performs procedures, primarily consisting of making enquiries of management and others within the Group, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures selected depend on our judgement, including the areas identified where a material misstatement is likely to arise and includes performing procedures to obtain evidence and evaluating whether the reported outcomes and outputs, and quantification of the outputs to the extent practicable, are relevant, reliable, comparable and understandable.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand) and ISAE (NZ) 3000 (Revised). Accordingly, we do not express an audit opinion on the performance report.

In addition to assurance services, our firm provides other services in the area of business advisory services. We have no other relationship with or interests in the Group.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that:

- a) the reported outcomes and outputs, and quantification of the outputs to the extent practicable, are not suitable;
- b) the performance report does not present fairly, in all material respects,
 - the financial position of the Group as at 31 March 2018, and its financial performance and cash flows for the year then ended; and
 - the entity information and its service performance for the year then ended

in accordance with Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit).

Our review was completed on 8 August 2018 and our conclusion is expressed as at that date.

BDO Wellington Audit Limited

BDO Wellington Audit Limited
Wellington
New Zealand