

# **ANNUAL REPORT 2011**

Cancer Society of New Zealand, Otago and Southland Division Incorporated

Charities Commission Registration number: CC23699

For the year ending 31<sup>st</sup> March, 2011

The Mission Statement of the Cancer Society of New Zealand is:

***“Improving community well-being  
by reducing the incidence and impact of cancer.”***

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## **NOTICE OF MEETING**

(As published in the Otago Daily Times and the Southlands Times, 6 August 2011)

### **NOTICE OF MEETING**

The **ANNUAL GENERAL MEETING** of members will be held on **Thursday, 25 August 2011** at 4.30pm, at the **Hunter Centre, Corner Great King & Frederick Streets, Dunedin.**

For catering purposes please advise us of your attendance on (03) 477-7447.

#### **BUSINESS**

1. To receive the Annual Report
2. To elect members to the Board
3. To appoint an Auditor

**Note:** Nomination forms are available from:

Cancer Society of New Zealand,  
Otago and Southland Division Inc.  
Registered Office  
PO Box 6258, Dunedin 9059  
Phone: (03) 477 7447  
Fax: (03) 477 6669

## DIRECTORY (as at the 31<sup>st</sup> July, 2011)

### Board

Peter Hutchison (Chairman)	Dunedin
Ken Bowie	Invercargill
Trish Clark	Invercargill
Mike Horne	Dunedin
Rob McGee	Dunedin
Blair McLaren	Dunedin
Don Mowat	Invercargill
Britta Taylor	Queenstown

### Registered Office & Kowhai House

283 Great King St  
PO Box 6258, Dunedin 9059  
Email: [admin@cansoc.org.nz](mailto:admin@cansoc.org.nz)  
Telephone: (03) 477 7447  
Fax: (03) 477 6669  
[www.cancernz.org.nz](http://www.cancernz.org.nz)

### Solicitors

Anderson Lloyd Lawyers  
Private Bag 1959  
Dunedin 9054

### Honorary Life Members

Mr J H Heslop (Appointed 20/9/95)  
Mr C E Lloyd (Appointed 20/9/95)  
Mr K Dempster (Appointed 21/8/01)  
Dr D Perez (Appointed 21/8/01)

### Chief Executive Officer

Mike Kernaghan

### Health Promotion:

Penelope Scott  
Sarah Chisnall  
Diana Power  
Linda Buxton

### Kowhai House Accommodation:

Sandra Wilson

### Income Development & Promotion:

Janie Peck  
Tammy Jackman  
Nicole Hedges  
June Porter-Mills

### Support Services:

#### Otago:

Anne Sheehan, Dunedin  
Sue Pullar, Dunedin  
Audrey Hill, North Otago  
Janine McCaughan, South Otago

#### Southland:

Kathy Hopgood, Invercargill  
Annette Eunson, Invercargill  
Chris Smith, Invercargill  
Jill Dore, Eastern Southland  
Tina Tagg, Western Southland

### Volunteer Services:

Kim Clifton

### Central Otago & Queenstown-Lakes:

Marie Wales  
Jessica Staniland

### Volunteer Group Leaders:

Balclutha	Gay Howard
Cromwell	Margaret Barbour
Dunedin	Marjan Lousberg
Mosgiel	Valda Gardiner
Lawrence	Maryn Cameron
Oamaru	Monica Sullivan
Queenstown	TBC
Ranfurlly	Glenis Crutchley
Tapanui	Barb Frew
Wanaka	Michelle Rowe

### Administration:

Jenni Burrows  
Marion Dalwood  
Hilary Henderson  
Jan Wildey

*We also acknowledge;*

- *the casual and contract staff who make a valuable contribution to major projects and special events*
- *and the very many individual volunteers, without whom we could not provide the services that we do.*

## CHAIRMAN'S REPORT

The past year was particularly challenging as we continued to deal with a recessionary environment, significant change within the Otago & Southland Division of the Cancer Society's management and increased demand for our services. Financially the results were mixed with gross income up by 12.9% but overheads up by 21.6%. The increase in GST accounts for some of the increase in overheads but in main the increased activity across all of our key areas was responsible for the majority of the increased expenditure.

The Division's financial reserves have been crucial here in enabling us to cope in these difficult times. While these reserves have been called on to meet the shortfalls of the last two years this will be addressed in the good times. At the end of the day the reserves were created for this very purpose and it is entirely appropriate to use them at this time.

I would like to take this opportunity to welcome our new Chief Executive, Mike Kernaghan to the Division. Making the position full time is an important component in assisting us to achieve our strategic objectives for the coming years. That strategy includes pouring more resources into the regions and this started with establishing a new home for the division in Invercargill, by purchasing new premises in Spey Street.

A permanent office has been established in Queenstown and we are focused on significantly increasing our presence in Central Otago and Queenstown-Lakes Districts over the coming years. The support we received from the regions as a whole is fantastic and it is always a privilege to meet and work with such a committed group of people.

One of our key strategies will be to focus on rehabilitation, post-treatment, of cancer patients with a programme designed and co-ordinated in association with the local Dunedin Hospital Oncology Department and University of Otago Physical Education Department. This is an exciting project which we hope will help improve the quality of life for patients who have completed their treatments both here and eventually nationwide.

I would like to thank the Board Members for their support and hard work and Mike Kernaghan and his team for another outstanding year in the service of our communities.

Peter Hutchison  
CHAIRMAN



## CHIEF EXECUTIVE'S REPORT

I am delighted to be able to make this report to you and to acknowledge all of the people who make this organisation what it is. We are very fortunate to receive such generous support from all of the communities in which we serve; I am fortunate to have staff and a Board that are truly passionate about what they do and are totally committed to providing world class support services, health promotion programmes and events in your community.

The year ending March 31, 2011 has proved to be a very challenging one for a number of reasons, not least being the continuance of the global recession and the impact that the earthquakes in September 2010 and February 2011 in Christchurch have had within the charity sector. Financially we have reported a deficit for the year; however this is balanced by the fact that we have increased the number of support service people serving the communities of Otago and Southland. We see this as a very prudent investment for the future.

From a fundraising perspective there have been a number of new initiatives this year and I will focus on two in this report: the Relay For Life in North Otago and the WHK Gala Ball held in Invercargill.

The people of North Otago were magnificent in the support of their first ever Relay For Life. All sectors of the communities within the North Otago region were represented, local business, educational institutions and service organisations contributed massively to what was a fun 24 hours. The figure raised was truly impressive and we at the Cancer Society thank everyone involved for their enthusiasm and commitment.

We have had a successful Cancer Society Spring Ball in Dunedin for 13 years now and the people of Invercargill decided that their city should also offer the opportunity to enjoy a very special night at the same time as supporting the work that we do. We were fortunate in having a superb Ball Committee in Invercargill who worked tirelessly to bring the whole event together and the level of corporate support for the evening was staggering. I am sure that this new event will become "the" social event of the year in Invercargill, and planning is already underway for 2012.

We have continued to deliver a range of Health Promotion programmes throughout communities in Otago and Southland; our SunSmart Programme is reaching an ever increasing number of schools in the region and we are certainly gaining a lot of traction with the Smokefree Programme. We continue to advocate strongly across a range of health issues, including the Alcohol Reform Bill and the moves by the local PHO to withdraw their Health Promotion funding from the general community.

Our Support Service staff deliver a fantastic service to those people with a diagnosis and their families; as mentioned earlier we have increased numbers of staff spread right throughout Otago and Southland and we are experiencing increases in the number of referrals.

Kowhai House, our residential arm in Dunedin that services the Otago and Southland Region, has effectively been full for the entire year as people choose to stay in our very comfortable and supportive facility during their treatment at Dunedin Hospital.

The Cancer Society Social and Behavioural Research Unit at the University of Otago will be celebrating their 21<sup>st</sup> Anniversary in June 2011; they do tremendous work and contribute enormously to the growth in understanding of cancer and its impact on individuals and their families. We wish them well in their year of celebration and know that they will continue to deliver superb research.

All of this activity could not take place without the support, commitment and passion of our staff and volunteers. May I say a huge thank you to all staff and volunteers for their ongoing support of the work that we do; it is truly amazing and I am very thankful for the contribution that you make.

The Board have this year have taken the step to form an Audit and Risk Committee to oversee all issues concerning finances and policy. Both the Board and the Audit and Risk Committee have been incredibly supportive of me and all staff; in my view we are well positioned to tackle the challenges ahead and I sincerely thank those involved in a governance role for their contribution.

Mike Kernaghan  
CHIEF EXECUTIVE



*Kowhai House Lounge*



*Kowhai House Kitchen*

## HIGHLIGHTS 2010/2011



Skin cancer is New Zealand’s most common cancer. The types of sun exposure experienced under the age of 18 are significant in determining life-time skin cancer risk. New Zealand also experiences levels of ultraviolet radiation (UVR) 40% higher than similar latitudes in the northern hemisphere.

The Cancer Society’s SunSmart Schools programme aims to reduce the incidence and impact of skin cancer. There are now 23 accredited SunSmart schools in Otago and 6 in Southland. An additional 16 schools have begun the accreditation process and 13 other schools have been sent information. When a school becomes accredited they are presented with a certificate, a sign for their gate, a UV Index indicator board, some sunscreen for events like sports days, information about curriculum resources and a tree for future shade. We also acknowledge Telecom for their assistance in providing sunhats to low decile schools that have become accredited.

We congratulate all schools in this programme for their commitment to the present and future health of their students.



*Isla Bank School, North Otago*

## North Otago Relay For Life

The inaugural North Otago Relay For Life was held at Centennial Park, Oamaru on Saturday 12<sup>th</sup> and Sunday 13<sup>th</sup> March 2011. Each of the communities in the North Otago region really got in behind the event, we had an enthusiastic and talented group of volunteers on the Committee and Janie Peck did a marvellous job in pulling the event together.

Just over 50 teams raised \$90,000+ for the Cancer Society and had a fantastic time doing it. The Opening Lap of Honour and the Candlelight Ceremony were the special highlights where we celebrated with those who have survived cancer and remembered our loved ones. These two ceremonies were appreciated by all who were there; both were emotional occasions that certainly hit home the impact that cancer does have in our communities.



*Relay For Life North Otago*



*Audrey Hill and Peter Hutchison*

## Spey Street Property, Invercargill

The Board of the Otago and Southland Division made the decision to purchase our own building in Invercargill and this was achieved in January 2011 with the purchase of 149 Spey Street. The property is a superb fit for our purposes and we are excited that we now have a property in Invercargill that we can call our own.

The previous owners asked for a 12 month lease, which we granted; we will move into our new offices in February/March 2012.

This is a significant step for the Society and we look forward to continuing to provide a quality service to our many clients and friends in the greater Invercargill area.

## Inaugural WHK Gala Ball

The inaugural WHK Cancer Society Gala Ball had it all - glitz, glamour and a grand total of over \$20,000 raised. The gala nature of the event made it feel like a dream on the night but given the money raised it will have a very real impact in our community for cancer patients and their families.

Top-notch entertainment included the acclaimed New Zealand Army Band, Dunedin's Gladys Hope and Southland's own local stars, Lipstick.

The overwhelming generosity of local businesses enabled organisers to offer a range of fabulous prizes to be drawn on the night.

The Ball Committee also paid tribute to its wonderful family of sponsors.



## ACKNOWLEDGEMENTS:

All of the aforementioned was enabled through support and generous contributions of time, goods and services, or funds. Our most grateful thanks and appreciation goes to the following individuals, businesses, organisations and funding bodies:

All our Volunteers	Community Trust Southland
	Cook Brothers Construction
ABN AMRO Craigs	Cottonsoft
Ace Suit Hire	Cruickshank Pryde
Advertising and Art	Cue TV
AJ Grant Engineering	Daffodil Day Supporters
Alex Sutherland, Lines of Sight	Dawn Ibbotson
Alexander's Marketing	de Geest Construction
Alliance Group	Deloitte
Allied Press	DELTA
Allied Security	Diacks Nurseries
Anderson Lloyd Lawyers	Document Destruction
Armstrong Prestige	Dunedin and Invercargill Ball Supporters, Sponsors & Committee
Ascot Hotel Dining Room Staff	Dunedin City Council
Astraprint	Dunedin City Council-Rates Rebate
Bachop Signs	Dunedin Convention Centre
BNZ, Dunedin, Te Anau & Winton	Dunedin Print
B-dazzled	Dunedin South Inner Wheel Club
Begg Security Group	Dunedin Spring Ball Committee
Bennetts Financial Services	Dunedin Taxis
Bio Clean Ltd	Eastern Boating and Fishing Club
Blue Water Products	Edinburgh Realty
Bluff Couriers	Brenda Edwards
Bluff Oyster Management Company Limited	Eftpos Specialists
BMW Cooke Howlison	Excelsior Club
BNZ Invercargill	Ezibuy
Bowls Southland Charity Pairs	Fabric Collections Queenstown
Breen Construction	First National Dunedin
Budget Car and Truck Rental	Fisher & Paykel
Cadensa Club	Fonterra
Canon NZ Ltd, Dunedin	Frucor Beverages
Central Otago Federation Women's Institute	Fund Managers Otago Limited
Channel 9	Fulton Hogan
Character Engraving	Gore Health Centre Ltd
Cogent Communications	Gore Hokonui Lions Club
Community Post	gowwww.biz

Guthrie Bowron Queenstown	New Zealand Army
H & J Smith	New Zealand Post couriers - Dunedin
Hanson Rental Trucks	Oamaru Trust
Harcourts, Arrowtown	Noeline and Dion Ombler
Hill City Athletics	Office Max, Dunedin & Invercargill
Hirepool	Online Computers
Holden Engineering/Mobility Solutions - Shannon Arnold	Orchid Florist
House and Garden Magazine	Otautau Medical Centre
House of Travel, Dunedin	Pakeke Lions, Gore
Hubbards	Paterson Pitts Partners
Individual donors	Patient Affairs Dunedin Hospital
Invercargill City Council	Pernod-Ricard
Invercargill Inner Wheel Clubs	Queens Park Ladies Golf Club
Invercargill Licensing Trust	Queenstown Patchwork and Quilters
Jon's Supplies Limited	Radio Network - Oamaru & Invercargill
Kayes Bakery	Ray White & Associates
Kelk Photography	Real Journey's Queenstown
Phil Kerlake	REAL Women's Series
KP Braiden Estate	Regent Cars & Tom Kilkelly
Lakes Event Centre	Relay For Life Supporters, Sponsors & Committee
Noel Leeming Invercargill	Rotary Clubs of Dunedin and Mosgiel
Dan and Amy Lewis	Rothbury
Maniototo Patchwork Group	Rural Woman's Central Otago
Mataura Pharmacy	Rural Women NZ Cushion Project
McKnight & Brown, Invercargill	Scotia Restaurant
McLeod & Associates	SBS Bank
Meadowfresh	Shipleys Audio & Visual, Queenstown
Mediaworks MOREFM	Shotover Garden Centre
Mercy Hospital	Silver Fern Farms
Metro Gرافix & Design	Soroptimists
Metro - Craig and Jill Palmer	Southern Mobility
MG Marketing	Southland Country Freight
Middle School	Southland Hospital, Medical Imaging
Millennium Queenstown	Southland Hospital, Medical Records
Millers Studio	Southland Masonic Charitable Trust
Mornington Health Centre	Southland Real Estate
Mossburn Lions	Stella Artois
Nancy's Lingerie	Stewart Island Flights
Nestle	Strawberry Sound
New World - Dunedin and Invercargill	Sunrise Events

Suzanne Lynch	Turners and Growers
Telecom NZ Ltd	University of Otago School of Physiotherapy
The Hunter Centre, Dunedin	Vidmark Productions
The National Bank	Vision NZ
The Southland Express	Waggon Wheel Square & Round Dance Club
The Stone Man	Whitestone Cheese
The Warehouse	WHK, Invercargill
Joan Toomey	YMCA Spinathon
<i>The many businesses and organisations that have supported our advertising features</i>	

**CANCER SOCIETY OF NEW ZEALAND,  
OTAGO AND SOUTHLAND DIVISION INCORPORATED**

**AUDIT REPORT**

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*To the Members of the Cancer Society of New Zealand,  
Otago and Southland Division Incorporated*

We have audited the accompanying financial statements of the Cancer Society of New Zealand Otago and Southland Division on pages 3 to 10, which comprise the Statement of Financial Position as at 31 March 2011, and the Statement of Financial Performance, and the Statement of Movements in Equity, and the Statement of Accounting Policies and Notes to the Financial Statements.

***Boards' Responsibility for the Financial Statements***

The Board is responsible for the preparation and fair presentation of these financial statements in accordance with generally accepted accounting practice in New Zealand, and for such internal control as the board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditors' Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements in the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In addition to our capacity as auditors we compiled the financial statements. Apart from this we have no relationship or interests in the society.

***Qualified Opinion***

In common with other organisations of similar nature, control over donations and appeal income prior to being recorded is limited, and there are no practical audit procedures to determine the effect of this limited control.

In this respect alone we have not obtained all the information and explanations that we have required.

In our opinion, except for the adjustments that might have been found to be necessary had we been able to obtain sufficient evidence concerning donations and appeal income, the financial reports on pages 3 to 10 fairly reflects the results of its operations for the year ended 31 March 2011.

In our opinion the financial reports on pages 3 to 10 fairly reflects the financial position of the society as at 31 March 2011.

Our audit report was completed on 8th July 2011 and our qualified opinion is expressed at that date.

A handwritten signature in blue ink that reads "J W Smeaton & Co." with a stylized flourish at the end.

**J W Smeaton & Co.**  
**Dunedin**

**CANCER SOCIETY OF NEW ZEALAND  
OTAGO AND SOUTHLAND DIVISION INCORPORATED  
STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED 31 MARCH 2011**

	<u>Notes</u>	<u>Otago</u> \$	<u>Southland</u> \$	<u>Total</u> <u>2011</u> \$	<u>Total</u> <u>2010</u> \$
<b>INCOME</b>					
Fundraising					
- Donations & Grants incl. Daffodil Day	5	513,875	179,697	693,572	674,031
- Events incl. Relay For Life		401,900	81,664	483,565	282,752
- Legacies & Bequests		322,032	168,967	490,999	453,865
		<u>1,237,807</u>	<u>430,328</u>	<u>1,668,135</u>	<u>1,410,648</u>
Book Sales		3,102	0	3,102	0
Breast Cancer Support		33,852	24,565	58,417	75,063
Health Promotion		4,407	0	4,407	1,190
Accommodation		185,095	0	185,095	186,911
Rental Income		0	6,210	6,210	0
Subscriptions		2,231	0	2,231	1,716
Investments	1	107,186	53,593	160,779	174,327
<b>TOTAL INCOME</b>		<u><b>1,573,680</b></u>	<u><b>514,695</b></u>	<u><b>2,088,375</b></u>	<u><b>1,849,855</b></u>
<b>EXPENDITURE</b>					
Support to patients & families		528,869	210,117	738,986	578,289
Health Promotion		168,833	65,413	234,246	168,306
Research		207,205	55,002	262,207	199,488
Fundraising		422,240	109,674	531,914	438,798
Communications & Consumables		29,088	23,920	53,008	51,506
Training & Development		13,023	3,459	16,482	33,315
Premises & Insurance		71,690	32,305	103,994	105,378
Management, planning & reporting		304,270	28,720	332,990	262,359
Professional services		60,578	31,189	91,767	87,447
Audit fee		5,333	2,667	8,000	8,000
		<u>1,811,129</u>	<u>562,466</u>	<u>2,373,594</u>	<u>1,932,885</u>
Depreciation & loss on disposals		66,988	32,994	99,982	101,672
<b>TOTAL EXPENDITURE</b>		<u><b>1,878,117</b></u>	<u><b>595,460</b></u>	<u><b>2,473,576</b></u>	<u><b>2,034,557</b></u>
<b>OPERATING SURPLUS / (DEFICIT)</b>		<u><b>(304,437)</b></u>	<u><b>(80,765)</b></u>	<u><b>(385,201)</b></u>	<u><b>(184,702)</b></u>

**CANCER SOCIETY OF NEW ZEALAND  
OTAGO AND SOUTHLAND DIVISION INCORPORATED  
STATEMENT OF MOVEMENTS IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2011**

	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
Equity as at 1 April	5,162,658	5,347,360
Surplus/(deficit)	(385,201)	(184,702)
	4,777,457	5,162,658
Equity as at 31 March	4,777,457	5,162,658

A Summary of movement by fund is as follows (see note 2):

	Balance 1 April 2010	Share of Surplus / (Deficit)	Transfers	Balance 31 March 2011
Accumulated funds	3,872,788	(386,509)	475,000	3,961,279
Building Project Fund	570,780		(475,000)	95,780
Land Revaluation Reserve	658,448			658,448
Children's Support Fund – Otago	25,645			25,645
Queenstown Support Fund	17,445	1,308		18,753
Children's Support Fund – Southland	8,993			8,993
Upper Clutha Support Fund	3,836			3,836
Children's Support Fund – South Otago	1,800			1,800
Gore Support Fund	2,924			2,924
	5,162,658	(385,201)	0	4,777,457
	5,162,658	(385,201)	0	4,777,457

**CANCER SOCIETY OF NEW ZEALAND  
OTAGO AND SOUTHLAND DIVISION INCORPORATED  
STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2011**

	Note	2011 \$	2010 \$
<b>Equity</b>	2	<u>4,777,457</u>	<u>5,162,658</u>
<b>Represented by:</b>			
Current Assets			
Cash & short term deposits		191,632	368,978
Prepayments		13,184	0
Stock		23,930	22,905
		<u>228,746</u>	<u>391,883</u>
Current Liabilities			
Accounts payable		204,622	197,307
<b>Working Capital</b>		<u>24,124</u>	<u>194,576</u>
<b>Fixed Assets</b> (book value)	3	3,189,036	2,759,707
<b>Investments</b> (at cost)	1	1,564,297	2,208,375
<b>Net Assets</b>		<u><u>4,777,457</u></u>	<u><u>5,162,658</u></u>

\_\_\_\_\_  
Peter Hutchison, Chairman

**CANCER SOCIETY OF NEW ZEALAND  
OTAGO AND SOUTHLAND DIVISION INCORPORATED  
STATEMENT OF ACCOUNTING POLICIES  
FOR THE YEAR ENDED 31 MARCH 2011**

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**Reporting Entity**

The Cancer Society of New Zealand, Otago and Southland Division Incorporated is an Incorporated Society incorporated under the Incorporated Societies Act, 1908. The Society has registered with the Charities Commission under the Charities Act 2005.

The financial statements of the Cancer Society of New Zealand, Otago and Southland Division Incorporated are a general-purpose report that has been prepared in accordance with generally accepted accounting practice.

**Measurement Base**

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on an historical cost basis are followed by the Division, except that Cancer Centre land, buildings and chattels are recorded at valuation.

**Specific Accounting Policies**

The following specific accounting policies, which materially affect the measurement of financial performance and financial position, have been applied.

**Accounts Receivable**

Receivables are stated at their estimated net realisable value.

**Investments**

Interest bearing investments purchased prior to 31 March 1997 are recognised at cost. Interest bearing investments purchased from 1 April, 1997 are initially recorded at cost with the premium or discount between cost and maturity value being recognised equally over the term of holding the investment from purchase to maturity and recorded as an adjustment to interest income for reporting purposes.

Other investments are recorded at cost, or if gifted to the Division in specie, at probate value.

**Fixed Assets**

Fixed assets are stated at cost less aggregate depreciation with the exception that land and buildings were revalued in 2006 in accordance with a registered valuation, for the purpose of a part sale.

**Depreciation**

Depreciation is calculated at the following rates:

Cancer Centre, Dunedin & Spey St, Invercargill		
- Building	2% CP	
- Chattels & furniture	10% DV	
Computer equipment	9.60% - 36% CP	
Films & Video Tapes	33.33% CP	On stock held 31/3/89. Replacements and new stock are written off.
Leasehold – alterations	20% CP	
Managers office	9.50% DV	
Motor vehicles	20% DV	
Office and video equipment	15% - 20% DV	
Welfare equipment	20% DV	

**CANCER SOCIETY OF NEW ZEALAND  
OTAGO AND SOUTHLAND DIVISION INCORPORATED  
STATEMENT OF ACCOUNTING POLICIES  
FOR THE YEAR ENDED 31 MARCH 2011**

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**Goods and Services Tax**

The financial statements have been prepared with both income and expenditure items exclusive of GST. In the Statement of Financial Position, accounts receivable and accounts payable are both inclusive of GST. Other assets and liabilities are exclusive of GST.

**Stock**

Stocks of prostheses and tote bags are valued at lower of cost or net realisable value. In determining cost, the "first in first out" basis of stock movement has been adopted.

**Taxation**

The Otago and Southland Division of the Cancer Society of New Zealand Incorporated is exempt from tax due to organisations which exist exclusively for charitable purposes.

**Voluntary contributions, major discounts, free services and donations in kind**

The Division has benefited from significant donations of services by volunteers. Although recognised as a major contribution to the Division's operations, these contributions are not recognised in these financial statements because of the difficulty in determining their value with reliability.

**Differential reporting**

The Division qualifies for differential reporting as it is not publicly accountable and is not large as defined in the "Framework for Differential Reporting". The Division has taken advantage of all available differential reporting exemptions.

**Changes in accounting policies**

This year some costs have been accounted for as prepayments. This has had the effect of reducing this year's loss by \$13,184. Apart from this there have been no changes in accounting policies. All policies have been applied on bases consistent with those used in previous years.

**CANCER SOCIETY OF NEW ZEALAND  
OTAGO AND SOUTHLAND DIVISION INCORPORATED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2011**

**1 Investments & investment income**

	<i>Book Value</i>		Income	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Debentures, convertible notes & bonds	1,423,297	2,077,093	156,161	159,298
Term deposits & other	141,000	131,282	4,618	15,029
	<u>1,564,297</u>	<u>2,208,375</u>	<u>160,779</u>	<u>174,327</u>

**2 Equity**

	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
<b>Accumulated Funds</b>		
Balance 1 April	3,872,788	3,997,103
Surplus/(deficit) for year	(386,509)	(181,886)
Capital items purchased from special funds	475,000	57,571
<b>Balance 31 March</b>	<u>3,961,279</u>	<u>3,872,788</u>
<b>Building Project Fund (Refer to note 4.)</b>		
Balance 1 April	570,780	632,141
Expenditure	0	(3,790)
Capital Expenditure	(475,000)	(57,571)
<b>Balance 31 March</b>	<u>95,780</u>	<u>570,780</u>
<b>Land revaluation Reserve</b>		
Balance 1 April	658,448	658,448
Revaluation Cancer Centre	0	0
<b>Balance 31 March</b>	<u>658,448</u>	<u>658,448</u>
<b>Children's Support Fund – Otago</b>		
Balance 1 April	25,645	26,475
Expenditure & grants	0	(830)
<b>Balance 31 March</b>	<u>25,645</u>	<u>25,645</u>
<b>Queenstown Support Fund</b>		
Balance 1 April	17,445	16,228
Income received	1,308	1,217
<b>Balance 31 March</b>	<u>18,753</u>	<u>17,445</u>
<b>Children's Support Fund - Southland</b>		
Balance 1 April	8,993	7,406
Income	0	3,257
Expenditure	0	(1,670)
<b>Balance 31 March</b>	<u>8,993</u>	<u>8,993</u>

**CANCER SOCIETY OF NEW ZEALAND  
OTAGO AND SOUTHLAND DIVISION INCORPORATED  
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	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
<b><i>Upper Clutha Support Fund</i></b>		
Balance 1 April	3,836	3,836
Expenditure	0	0
Balance 31 March	3,836	3,836
<b><i>Children's Support Fund – South Otago</i></b>		
Balance 1 April	1,800	2,800
Expenditure	0	(1,000)
Balance 31 March	1,800	1,800
<b><i>Gore Support Fund</i></b>		
Balance 1 April	2,924	2,924
Balance 31 March	2,924	2,924

**3 Fixed assets**

	<b>Cost/Valuation</b>		<b>Accumulated Depreciation</b>		<b>Book Value</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Land	893,281	730,000	0	0	893,281	730,000
Improvements	2,235,099	1,923,380	101,874	75,226	2,133,225	1,848,154
Chattels	20,000	20,000	5,566	3,962	14,434	16,038
	3,148,380	2,673,380	107,440	79,188	3,040,940	2,594,192
Computer equipment	297,836	282,108	274,262	231,683	23,574	50,425
Films	5,788	5,788	5,771	5,771	17	17
Journals	650	650	0	0	650	650
Leasehold alterations	5,795	5,795	5,494	5,419	301	376
Managers office	5,954	5,954	4,328	4,157	1,626	1,797
Motor vehicles	65,991	58,221	31,502	41,901	34,489	16,320
Office & video equipment	226,022	216,054	159,845	143,802	66,177	72,252
Welfare equipment	119,747	117,258	98,484	93,580	21,263	23,678
	3,876,163	3,365,208	687,126	605,501	3,189,037	2,759,707

**CANCER SOCIETY OF NEW ZEALAND  
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A summary of the movement during the year is as follows:

	<b>Book Value 31 March 2010 \$</b>	<b>Additions \$</b>	<b>Disposals \$</b>	<b>Deprecation \$</b>	<b>Book Value 31 March 2011 \$</b>
Land	730,000	163,281	0	0	893,281
Improvements	1,848,154	311,719	0	26,648	2,133,225
Chattels	16,038	0	0	1,604	14,434
	<u>2,594,192</u>	<u>475,000</u>	<u>0</u>	<u>28,252</u>	<u>3,040,940</u>
Computer equipment	50,425	15,729	0	42,580	23,574
Films	17	0	0	0	17
Journals	650	0	0	0	650
Leasehold alterations	376	0	0	75	301
Managers office	1,797	0	0	171	1,626
Motor vehicles	16,320	27,325	1,198	7,958	34,489
Office & video equipment	72,252	9,968	0	16,043	66,177
Welfare equipment	23,678	2,489	0	4,904	21,263
	<u><u>2,759,707</u></u>	<u><u>530,511</u></u>	<u><u>1,198</u></u>	<u><u>99,983</u></u>	<u><u>3,189,037</u></u>

#### **4 Building Project Fund**

The balance of the Cancer Centre was purchased in December 2006. Alterations to this building commenced early April 2008. A fund has been established for this purpose. This fund has been used to purchase a building in Spey Street, Invercargill.

#### **5 Donations, Grants, Legacies & Bequests**

We would like to thank members of our wider community for their generous responses to our many fundraising events and activities including Daffodil Day. We are also fortunate to attract considerable support for our work in the form of free services, discounts, and donations in kind. We acknowledge all this support with much gratitude.

#### **6 Related Party Transactions**

Mr Michael Horne is on the board of the Cancer Society of New Zealand Otago and Southland Division Incorporated. Mr Michael Horne is a partner in Deloitte, and a shareholder in Professional Data Services.

Deloitte provided services to Cancer Society of New Zealand Otago and Southland Division Incorporated, including payroll services. A total of \$75,015 (GST exclusive) is included in these financial statements.

Professional Data Services provided computer support, including hardware to Cancer Society of New Zealand Otago and Southland Division Incorporated. A total of \$10,391 (GST exclusive) is included in these financial statements.