



CHRISTIAN BLIND MISSION INTERNATIONAL
(New Zealand)

trading as

cbm New Zealand

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2016**

cbm New Zealand

**FINANCIAL STATEMENTS
For the year ended 31 December 2016**

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cbm New Zealand

Directory

For the year ended 31 December 2016

Name	Christian Blind Mission International (New Zealand)	
Trading Name	cbm New Zealand	
Year of commencement	1992	
Address for service		
Postal Address	PO Box 303477 North Harbour Auckland 0751	
Street Address	Unit B, 112 Bush Road Rosedale Auckland 0632	
Nature of business	cbm New Zealand is an active member of an international Christian development organisation committed to improving the quality of life of persons with disabilities in the poorest countries of the world.	
Office holders	Raymond James Coster Stephen Craig Hunt Wayne Henry Hanna Susan Jane Willis-Hirst Tony John McLean Colin Ross Abernethy Jonathan Rae Hensman Leslie George Stephenson Helen Green	Chairperson Chief Executive Officer Trustee Trustee Trustee Trustee Trustee Appointed 12/02/2016 Trustee Appointed 08/09/2016 Chairperson Resigned 28/10/2016
Registered charity number	CC26154	
Independent auditor	RSM Hayes Audit 1 Broadway Newmarket	
Bankers	ANZ Bank	
Solicitors	Gaze Burt	

**Statement of Compliance and Responsibility for Financial Statements
For the Year Ended 31 December 2016**

Approval

The Board are pleased to present the Annual Financial Report of the **cbm** New Zealand, including the Financial Statements contained therein for the year ended 31 December 2016.

Statement of Compliance

The Board of **cbm** New Zealand confirm that all the statutory requirements in relation to these Financial Statements, as outlined in the Charities Act 2005, have been met.

Statement of Responsibility

The Board are responsible for the maintenance of adequate accounting records and the preparation and integrity of the Financial Statements and related information.

The independent external auditors, RSM Hayes Audit have audited the Financial Statements and their report appears on pages 3 to 4.

The Board are also responsible for the systems of internal control. These are designed to provide reasonable but not absolute assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability for assets, and to prevent and detect material misstatements.

Appropriate systems of internal control have been employed to ensure that all transactions have been executed in accordance with authority and correctly processed and accounted for in the financial records. The systems are implemented and monitored by suitably trained personnel with an appropriate segregation of authority and duties. Nothing has come to the attention of the Board to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The Financial Statements are prepared on a going concern basis. Nothing has come to the attention of the Board to indicate that **cbm** New Zealand will not remain a going concern in the foreseeable future.

In the opinion of the Board:

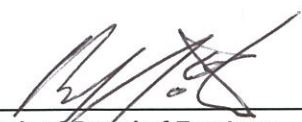



-The Statement of Comprehensive Revenue and Expense is drawn up so as to present fairly, in all material respects, the financial result of the trust for the year ended 31 December 2016;

- The Statement of Financial Position is drawn up so as to present fairly, in all material respects, the state of affairs of **cbm** New Zealand as at 31 December 2016; and

- There are reasonable grounds to believe that **cbm** New Zealand will be able to pay its debts as and when they fall due.

cbm New Zealand is committed to adhering to the Council for International Development's (CID) Code of Conduct. If you feel that **cbm** New Zealand has breached this, you can contact CID by calling 04 496 9615 or emailing code@cid.org.nz or if you wish to make a complaint to cbm New Zealand, you can do so by calling 0800 77 22 64 or emailing complaints@cbmi.org.nz

Signed for and on behalf of the Board of Trustees:

	
Chair of Board of Trustees	Date
	
Chair of Audit and Finance Committee	Date

Independent Auditor's Report

To the Trustees of cbm New Zealand

RSM Hayes Audit

PO Box 9588
Newmarket, Auckland 1149
Level 1, 1 Broadway
Newmarket, Auckland 1023

T +64 (9) 367 1656
www.rsmnz.co.nz

Opinion

We have audited the financial statements of Christian Blind Mission International (New Zealand), trading as cbm New Zealand, which comprise:

- the statement of financial position as at 31 December 2016;
- the statement of comprehensive revenue and expense for the year then ended;
- the statement of changes in net assets/equity;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies.

In our opinion, the accompanying financial statements on pages 5 to 19 present fairly, in all material respects, the financial position of cbm New Zealand as at December 31, 2016, and its financial performance and its cash flows for the year then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We are independent of cbm New Zealand in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

We have assisted in the transition to the new PBE Standards. This involved providing assistance in assessing the impact, providing advice on the implementation of PBE Standards, and initially formatting financial statements from the trial balance and other information provided by cbm New Zealand. The provision of these other services has not impaired our independence as auditor of cbm New Zealand. Except in this regard, and other than in our capacity as auditor, the firm has no other relationship with, or interests in, cbm New Zealand.

Other information

The trustees are responsible for the other information. The other information comprises the Directory on page 1 and Trustees report on pages 2 (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report. Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the trustees for the financial statements

The trustees are responsible, on behalf of, for the preparation and fair presentation of the financial statements in accordance with Public Benefit Entity Standards Reduced Disclosure Regime, and for such internal control as those charged with governance determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error

In preparing the financial statements, the trustees are responsible, on behalf of the cbm New Zealand, for assessing the cbm New Zealand's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate cbm New Zealand or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are 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 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 and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these financial statements. A further description of the auditor's responsibilities for the audit of the financial statements is located at the XRB's website at:

https://xrb.govt.nz/Site/Auditing_Assurance_Standards/Current_Standards/Page8.aspx

Who we report to

This report is made solely to the board of trustees, as a body. Our audit has been undertaken so that we might state to the board of trustees those matters we are required to state to them in an 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 trust and the board of trustees as a body, for our work, for this report, or for the opinions we have formed.

A handwritten signature in blue ink, appearing to read 'RSM', is positioned above the printed name of the audit firm.

RSM Hayes Audit
Auckland

12 June 2017

**Statement of Comprehensive Revenue and Expense
For the year ended 31 December 2016**

	Notes	2016	2015
Revenue			
Revenue from non-exchange transactions			
Donations		1,999,449	1,924,542
Bequests		1,447,241	209,975
Donated Assets		-	350
Government Grant Income		930,455	701,753
		4,377,145	2,836,620
Revenue from exchange transactions			
Sale of Goods Income		6,735	6,346
Finance Income	12	49,617	16,552
		56,352	22,898
Total Revenue		4,433,497	2,859,518
Expenditure			
Programmes	15	1,593,556	1,306,580
Advocacy		68,540	28,077
Fundraising and Marketing		638,810	727,611
Management and Governance		111,265	101,705
Administration		252,599	283,858
Total expenses		2,664,770	2,447,831
Net surplus for the year		1,768,727	411,687
Other comprehensive revenue and expense		-	-
Total comprehensive revenue and expense for the year		1,768,727	411,687

These financial statements should be read in conjunction with the notes to the financial statements.

cbm New Zealand

Statement of Changes in Net Assets/Equity
For the year ended 31 December 2016

	Accumulated funds
Opening balance 1 January 2015	568,870
Total comprehensive revenue and expense	<u>411,687</u>
Closing equity 31 December 2015	980,557
Total comprehensive revenue and expense	<u>1,768,727</u>
Closing equity 31 December 2016	2,749,284

These financial statements should be read in conjunction with the notes to the financial statements.




**Statement of Financial Position
As at 31 December 2016**

	Notes	2016	2015
ASSETS			
Current assets			
Cash and cash equivalents	5	226,222	757,524
Short term investments	6	2,655,952	460,491
Receivables from exchange transactions	7	13,873	3,053
Receivables from non-exchange transactions	7	34,733	102,696
Prepayments		15,831	20,045
		<u>2,946,611</u>	<u>1,343,809</u>
Non-current assets			
Property plant and equipment	9	480,794	483,242
Intangible assets	10	1,351	2,026
		<u>482,145</u>	<u>485,268</u>
TOTAL ASSETS		<u>3,428,756</u>	<u>1,829,077</u>
LIABILITIES			
Current liabilities			
Payables (from exchange transactions)	11	63,661	55,225
Employee benefits	14	37,688	35,333
Revenue received in advance		578,123	506,092
		<u>679,472</u>	<u>596,650</u>
Non-current liabilities			
Borrowings	13	-	251,870
		<u>-</u>	<u>251,870</u>
TOTAL LIABILITIES		<u>679,472</u>	<u>848,520</u>
TOTAL NET ASSETS		<u>2,749,284</u>	<u>980,557</u>
Net assets			
Accumulated comprehensive revenue and expense		2,749,284	980,557
Total net assets attribution		<u>2,749,284</u>	<u>980,557</u>

Signed for and on behalf of the Board of the Trustees:



 Chair of the Board of Trustees 9th June 2017
Date



 Chair of Audit and Finance Committee 9th June 2017
Date

These financial statements should be read in conjunction with the notes to the financial statements.

Statement of Cash Flows
For the year ended 31 December 2016

	Notes	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from donations, bequests, grants and sales		4,523,869	2,386,235
Interest received		33,550	22,067
Cash paid to project partners, suppliers and employees		(2,624,184)	(2,427,106)
Interest paid		(3,587)	(2,448)
Net cash inflow/(outflow) from operating activities		1,929,648	(21,252)
CASH FLOWS FROM INVESTING ACTIVITIES			
(Increase)/Decrease in short term investments		(2,195,461)	429,548
Purchase of property, plant and equipment		(16,492)	(3,160)
Net cash inflow/(outflow) from investing activities		(2,211,953)	426,388
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		(248,998)	(78,598)
Net cash inflow/(outflow) from financing activities		(248,998)	(78,598)
Cash movement for the year		(531,303)	326,538
Cash and cash equivalents at 1 January		757,524	430,986
Cash and cash equivalents at 31 December	5	226,222	757,524

**Accounting Policies and Notes to the Financial Statements
For the year ended 31 December 2016**

1. REPORTING ENTITY

The financial statements relate to Christian Blind Mission International (New Zealand), operating as **cbm** New Zealand (the "Trust"). The Trust is a registered charity in New Zealand, registered under the Charities Act 2005 (CC 26154).

These financial statements were authorised for issue by the Board of Trustees on the date indicated on page 7.

2. BASIS OF PREPARATION

a) Statement of compliance

The financial statements have been prepared in accordance with the Charities Act 2005 which requires compliance with generally accepted accounting practice in New Zealand ("NZ GAAP").

The Trust is a registered charity in New Zealand. The Trust is a public benefit entity for the purpose of financial reporting as the underlying principle of any registered charity is the carrying out of a charitable purpose. They comply with Public Benefit Entity Standards. For the purposes of complying with NZ GAAP, the Trust is a public benefit not-for-profit entity and is eligible to apply Tier 2 Not-For-Profit PBE Standards Reduced Disclosure Regime on the basis that it does not have public accountability and it is not defined as large.

All reduced disclosure regime ("RDR") exemptions have been adopted.

b) Measurement basis

The financial statements have been prepared on the historical cost basis.

c) Functional and presentation currency

The financial statements are presented in New Zealand Dollars (\$), which is the functional and presentation currency, rounded to the nearest dollar.

There has been no change in the functional currency of the Trust during the year.

d) Changes in accounting policy

For the year ended 31 December 2015, the Trust prepared its financial statements using New Zealand Financial Reporting Standards and Statements of Standard Accounting Practice applying differential reporting exemptions. These have now been restated to Not-For-Profit PBE Standards – RDR. An explanation of how the transition to Tier 2 Not-For-Profit PBE Standards has affected the reporting is provided in Note 20 of the financial statements.

3. SIGNIFICANT JUDGMENTS AND ESTIMATES

The preparation of the Trust's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a) Judgements:

In the process of applying the Trust's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

- Revenue recognition: the recognition of non-exchange revenue (conditions vs restrictions);
- Classification of non-financial assets as cash generating or non-cash generating assets for the purposes of assessing impairment indicators and impairment testing; and
- Classification of leases as operating or finance leases.

The majority of property, plant and equipment held by the Trust is classified as non-cash generating assets.

b) Assumptions and estimation uncertainties

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Trust based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Trust. Such changes are reflected in the assumptions when they occur.

**Accounting Policies and Notes to the Financial Statements
For the year ended 31 December 2016**

3. SIGNIFICANT JUDGMENTS AND ESTIMATES (CONT'D)

b) Assumptions and estimation uncertainties (cont)

Useful lives and residual values

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- The condition of the asset based on the assessment by the board based on experience with similar assets;
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes;
- Availability of funding to replace the asset; and
- Changes in the market in relation to the asset.

Changes in accounting estimates

There have been no changes in the accounting estimates for the current reporting period.

GOING CONCERN

These financial statements have been prepared on a going concern basis. The continued use of the going concern assumption is dependent upon the Trust receiving ongoing support from its supporters, funding organisations and the continued success of fundraising activities. The governing body is confident of receiving this ongoing support.

4. SIGNIFICANT ACCOUNTING POLICIES

a) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits or service potential will flow to the Trust and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

The specific recognition criteria described below must also be met before revenue is recognised.

i) Revenue from non-exchange transactions

Non-exchange transactions are those where the Trust receives an inflow of resources (i.e. cash and other tangible or intangible items) but provides no (or nominal) direct consideration in return.

With the exception of services-in-kind, inflows of resources from non-exchange transactions are only recognised as assets where both:

- It is probable that the associated future economic benefit or service potential will flow to the entity; and
- Fair value is reliably measurable.

Inflows of resources from non-exchange transactions that are recognised as assets are recognised as non exchange revenue, to the extent that a liability is not recognised in respect to the same inflow.

Liabilities are recognised in relation to inflows of resources from non-exchange transactions when there is a resulting present obligation as a result of the non-exchange transactions, where both:

- It is probable that an outflow of resources embodying future economic benefit or service potential will be required to settle the obligation; and
- The amount of the obligation can be reliably estimated.

Grants, Donations and Bequests

The recognition of non-exchange revenue from government and private grants depends on the nature of any stipulations attached to the inflow of resources received and whether this creates a liability (i.e. present obligation), rather than the recognition of revenue.

Stipulations that are 'conditions' specifically require the Trust to return the inflow of resources received if they are not utilised in the way stipulated, resulting in the recognition of a non-exchange liability that is subsequently recognised as non-exchange revenue as and when the 'conditions' are satisfied.

Stipulations that are 'restrictions' do not specifically require the Trust to return the inflow of resources received if they are not utilised in the way stipulated and therefore, do not result in the recognition of a non-exchange liability, which results in the immediate recognition of non-exchange revenue.

Income from government and private grants are recognised when it is probable that the associated future economic benefit or service potential will flow to the entity, the fair value is reliably measurable, and there is no associated liability in respect of the same inflow.

**Accounting Policies and Notes to the Financial Statements
For the year ended 31 December 2016**

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

i) Revenue from non-exchange transactions (cont'd)

Grants, Donations and Bequests (con't)

Revenue from donations and bequests are recognised when the donation or bequest is received.

Fundraising activities are recognised at the point where cash is received.

ii) Revenue from exchange transactions

Exchange transactions are those where the Trust receives an inflow of resources (i.e. cash and other tangible or intangible items) and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

Interest received

Interest income is recognised as it accrues using the effective interest rate. Effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability.

Interest income is included in finance income in the Statement of Comprehensive Revenue and Expense.

b) Employee benefits

i) Short term employee benefits

Short-term employee benefit liabilities are recognised when the Trust has a legal or constructive obligation to remunerate employees for services provided within 12 months of reporting date, and is measured on an undiscounted basis and expensed in the period in which employment services are provided.

c) Financial instruments

Financial assets and financial liabilities are recognised when the Trust becomes a party to the contractual provisions of the financial instrument.

The Trust derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Trust is recognised as a separate asset or liability.

The Trust derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire.

The Trust also derecognises financial assets and financial liabilities when there have been significant changes to the terms and/or the amount of contractual payments to be received/paid.

Financial assets and liabilities are offset and the net amount presented in the Statement of Financial Position when, and only when, the Trust has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Trust classifies financial assets as loans and receivables and cash and cash equivalents.

The Trust classifies financial liabilities as at amortised cost.

Financial instruments are initially measured at fair value, plus for those financial instruments not subsequently measured at fair value through surplus or deficit, directly attributable transaction costs.

Subsequent measurement is dependent on the classification of the financial instrument, and is specifically detailed in the accounting policies below.

i) Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market.

Loans and receivables are subsequently measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents and trade receivables, excluding prepayments.

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

**Accounting Policies and Notes to the Financial Statements
For the year ended 31 December 2016**

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

c) Financial instruments (cont)

Financial liabilities classified as amortised cost are non-derivative financial liabilities that are not classified as fair value through surplus or deficit financial liabilities.

Financial liabilities classified as amortised cost are subsequently measured at amortised cost using the effective interest method.

Financial liabilities classified as amortised cost comprise payables.

d) Impairment of non-derivative financial assets

A financial asset not subsequently measured at fair value through surplus or deficit is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that the loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency by a counterparty, restructuring of an amount due to the Trust on terms that the Trust would not consider otherwise, indications that a counterparty or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers, economic conditions that correlate with defaults or the disappearance of an active market for a security.

i) Financial assets classified as loans and receivables

The Trust considers evidence of impairment for financial assets measured at amortised cost (loans and receivables) at both a specific asset and collective level.

All individually significant assets are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified.

Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

In assessing collective impairment the Trust uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in surplus or deficit and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised.

When an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through surplus or deficit.

e) Property, plant and equipment

i) Recognition and measurement

Items of property, plant and equipment are initially measured at cost, except those acquired through non exchange transactions which are instead measured at fair value as their deemed cost at initial recognition.

Items of property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in surplus or deficit.

Upon disposal of revalued items of property, plant and equipment, any associated gain or losses on revaluation to that item are transferred from the revaluation surplus to accumulated surplus.

ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Trust. Ongoing repairs and maintenance is expensed as incurred.

**Accounting Policies and Notes to the Financial Statements
For the year ended 31 December 2016**

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

e) Property, plant and equipment (con't)

iii) Depreciation

For property, plant and equipment, depreciation is based on the cost of an asset less its residual value.

Depreciation is recognised in surplus or deficit on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Depreciation methods, useful lives, and residual values are reviewed at reporting date and adjusted if appropriate.

The current rates of depreciation applied are:

<u>Asset Class</u>	<u>Rate</u>	<u>Estimated Life</u>
Building	3%	33½ years
Property improvements	10%	10 years
Computer equipment and software	33.3%	3 years
Office furniture and equipment	12.5%	8 years
Motor vehicle	33.3%	3 years

f) Intangible assets

i. Recognition and measurement

Intangible assets are initially measured at cost.

All of the Trust's intangible assets are subsequently measured in accordance with the cost model, being cost (or fair value for items acquired through non-exchange transactions) less accumulated amortisation and impairment.

The Trust has no intangible assets with indefinite useful lives.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in surplus or deficit as incurred.

iii. Amortisation

Amortisation is recognised in surplus or deficit on a straight-line basis over the estimated useful lives of each amortisable intangible asset.

The current amortisation rate applied is:

<u>Asset Class</u>	<u>Rate</u>	<u>Estimated Life</u>
Trademark	10%	10 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

g) Impairment of non-financial assets

The carrying amounts of the Trust's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of cash generating asset or non-cash generating asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the future remaining service potential (for non-cash generating assets) is discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses are recognised in surplus or deficit. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

h) Equity

Equity is measured as the difference between total assets and total liabilities. Equity is made up of the following components:

Accumulated comprehensive revenue and expense

Accumulated comprehensive revenue and expense is the Trust's accumulated surplus or deficit since the formation of the Trust adjusted for transfers to/from specific reserves.

**Accounting Policies and Notes to the Financial Statements
For the year ended 31 December 2016**

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

i) Income Tax

Due to its charitable status, the Trust is exempt from income tax.

j) 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.

k) Leases

i) Classification and treatment

Leases in terms of which the Trust assumes substantially all the risks and rewards of ownership are classified as finance leases.

Finance leases

Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

The Trust does not have finance leases.

Operating leases

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Trust. Operating lease payments are recognised as an operating expense in surplus or deficit on a straight-line basis over the lease term.

l) Volunteer Services

The Trust gratefully acknowledges all the volunteers who donate their time to support the organisation. In addition to the Board of Trustees, the Trust is assisted by additional volunteers who complement other areas of the organisations activities. As there is no identifiable fair and objective means of valuing their time, the efforts of the volunteers are not reflected in the Financial Statements.

**Accounting Policies and Notes to the Financial Statements
For the year ended 31 December 2016**

	2016	2015
5. CASH AND CASH EQUIVALENTS		
Cash and cash equivalents include the following components:		
Cash at bank	226,222	427,524
Term deposits less than 3 months - Restricted		
Government Funds received in Advance	-	120,000
Term deposits less than 3 months - Other	-	210,000
	226,222	757,524

6. SHORT TERM INVESTMENTS

2016

Current	Interest rate	Original maturity	2016
Term deposits - Restricted funds			
Dawnian Trust	3.35%	12 months	161,980
Government Funds received in Advance	3.00%	6 months	405,338
Bequest Fund	3.70%	12 months	1,000,000
Term deposits - Other	3%-3.55%	4-9 months	1,088,634
			2,655,952

2015

Current	Interest rate	Original maturity	2015
Term deposits - Restricted funds			
Dawnian Trust	3.3%-3.75%	4-12 months	156,692
Government Funds received in Advance	3.3%	6 months	100,000
Bequest Fund			-
Term deposits - Other	2.9%-3.75%	4-5 months	203,799
			460,491

Dawnian Trust funds are placed on Term Deposit separately and at the request of the original fund donors, 60% of the interest is allocated to funding sight related programmes and the remaining 40% of the interest is reinvested.

Government Funds received in Advance are invested in Term Deposits with maturity dates corresponding with the expected expenditure dates. The interest is transferred to the Government Funds received in Advance for use in accordance with the MFAT rules.

During 2016, the Board of Trustees resolved to invest \$1 million for 12 months. The future use of the Bequest Fund will be for the charitable purposes of the Trust.

7. RECEIVABLES

Receivables from exchange transactions

Interest receivable	13,873	3,053
	13,873	3,053

Receivables from non-exchange transactions

GST	19,005	15,748
Sundry debtors	15,728	86,947
	34,733	102,696

**Accounting Policies and Notes to the Financial Statements
For the year ended 31 December 2016**

8. RELATED PARTY TRANSACTIONS AND BALANCES

Related party transactions

During 2016, members of the Board of Trustees made cash donations to cbm New Zealand to the value of \$42,805 (2015: \$71,250) and donated approximately 1384 hours of time (2015: 1368 hours).

Key management personnel compensation

The total remuneration to key management personnel for the year was as follows

Senior Management	2016	2015
Number of Personnel (Full Time Equivalents)	1.0	1.0
Remuneration	\$ 126,335	\$ 116,545

9. PROPERTY, PLANT AND EQUIPMENT

Reconciliation of property, plant and equipment - December 2016

	Opening balance	Additions	Disposals	Depreciation	Closing balance
Land	243,242	-	-	-	243,242
Buildings	221,763	-	-	8,678	213,085
Office improvements	3,923	-	-	1,744	2,179
Furniture and equipment	6,784	1,163	-	2,701	5,247
Computer equipment	7,530	15,318	-	5,807	17,041
Motor vehicle	-	-	-	-	-
	483,242	16,481	-	18,930	480,794

	2016		
	Cost	Accumulated depreciation	Total
Land	243,242	-	243,242
Buildings	289,258	76,172	213,085
Office improvements	17,437	15,258	2,179
Furniture and equipment	46,221	40,974	5,247
Computer equipment	148,192	131,151	17,041
Motor vehicle	19,996	19,996	-
	764,346	283,551	480,794

	1 January 2015			2015		
	Cost	Accumulated Depreciation	Total	Cost	Accumulated depreciation	Total
Land	243,242	-	243,242	243,242	-	243,242
Buildings	289,258	58,817	230,441	289,258	67,495	221,763
Office improvements	17,437	11,770	5,667	17,437	13,514	3,923
Furniture and equipment	45,027	34,175	10,852	45,027	38,243	6,784
Computer equipment	129,363	110,837	18,526	132,873	125,343	7,530
Motor vehicle	19,996	19,144	852	19,996	19,996	-
	744,323	234,743	509,580	747,833	264,591	483,242

**Accounting Policies and Notes to the Financial Statements
For the year ended 31 December 2016**
10. INTANGIBLE ASSETS**Reconciliation of intangible assets - December 2016**

	Opening balance	Additions	Disposals	Amortisation	Closing balance
Trade mark	2,026	-	-	675	1,351
	<u>2,026</u>	<u>-</u>	<u>-</u>	<u>675</u>	<u>1,351</u>

	2014		2015		2016	
	Cost	Accumulated amortisation	Cost	Accumulated amortisation	Cost	Accumulated amortisation
Trade mark	6,752	4,051	6,752	4,726	6,752	5,401

11. PAYABLES

	2016	2015
Trade creditors	47,451	42,753
Accrued expenses	16,210	12,471
	<u>63,661</u>	<u>55,224</u>

12. REVENUE**Revenue from exchange transactions**

Sale of goods	6,735	6,346
Finance Income		
Interest Income	44,370	16,552
Currency Fluctuation	5,247	-
	<u>56,352</u>	<u>22,898</u>

13. BORROWINGS

	2016		2015	
	Current	Non-current	Current	Non-current
Loan from Christian Blind Mission International	-	-	-	251,870

Terms

Interest was charged on the amount drawn down at a fixed rate of 1% per annum.

The loan was repaid in total during 2016. \$87,370 was repaid on 23rd February 2016 and the remaining amount was repaid on 4th August 2016, with the final interest outstanding repaid on 8th August 2016.

Security held

No security was held.

There were no defaults or breaches

There was no loan forgiveness

14. EMPLOYEE BENEFITS

	2016	2015
Leave accrual	31,440	35,333
Owing to Key Personnel	6,248	-
	<u>37,688</u>	<u>35,333</u>

15. PROGRAMMES

Further details regarding the International Programmes work of the Trust can be found in the Trust's Impact Report which is available on the website www.cbmz.org.nz

16. CAPITAL COMMITMENTS

There are no capital commitments at the reporting date. (2015: Nil).

17. CONTINGENT ASSETS AND LIABILITIES

There are no contingent assets or liabilities at the reporting date. (2015: \$Nil).

18. EVENTS AFTER THE REPORTING DATE

The Trustees are not aware of any other matters or circumstances since the end of the reporting period, not otherwise dealt with in these financial statements that have significantly or may significantly affect the operations of the Trust (2015: \$Nil).

**Accounting Policies and Notes to the Financial Statements
For the year ended 31 December 2016**

19. OPERATING LEASE COMMITMENTS

The Trust has an operating lease for a photocopier.

Future minimum rentals payable under non-cancellable operating leases are as follows:

	<u>2016</u>	<u>2015</u>
Within one year	4,774	4,635
After one year but not more than five years	5,569	10,042
More than five years	-	-
	<u>10,343</u>	<u>14,677</u>

20. FINANCIAL INSTRUMENTS

The table below shows the carrying amounts of the Trust's financial assets and financial liabilities.

Classification and fair values of financial instruments

31-Dec-16

	Financial Assets Loans and receivables	Financial liabilities Amortised cost
Cash and cash equivalents	226,222	-
Short term investments	2,655,952	-
Receivables	48,606	-
Payables	-	63,661
Borrowings	-	-
	<u>2,930,779</u>	<u>63,661</u>

31-Dec-15

	Financial Assets Loans and receivables	Financial liabilities Amortised cost
Cash and cash equivalents	757,524	-
Term deposits	460,491	-
Receivables	105,749	-
Payables	-	55,225
Borrowings	-	251,870
	<u>1,323,764</u>	<u>307,095</u>

**Accounting Policies and Notes to the Financial Statements
For the year ended 31 December 2016**

21. CHANGES IN ACCOUNTING POLICY

a) Changes due to the initial application of a new, revised and amended PBE Standards

This is the first set of Financial Statements of the Trust that is presented in accordance with PBE Standards. The Trust has previously reported in accordance with New Zealand Financial Reporting Standards and Statements of Standard Accounting Practice applying differential reporting exemptions

The accounting policies adopted in these Financial Statements are consistent with those of the previous year, except for instances when the accounting or reporting requirements of a PBE Standard are different to requirements under the previous GAAP as outlined below.

The changes to accounting policies and disclosures caused by first time application of PBE accounting standards are as follows:

PBE IPSAS 1: Presentation of Financial Statements

There are minor differences between PBE IPSAS 1 and the equivalent standard in the previous GAAP. These differences have an effect on disclosure only. The main changes in disclosure resulting from application of PBE IPSAS 1 are the following:

Receivables from exchange and non-exchange transactions:

In the Financial Statements of the previous financial year, receivables were presented as a single total in the statement of financial position. However, PBE IPSAS 1 requires receivables from non-exchange transactions and receivables from exchange transactions to be presented separately in the Statement of Financial Position. This requirement affected the presentation of both current and comparative receivables figures.

PBE IPSAS 2: Cash flow statements

A Statement of Cash Flows has been prepared.

PBE IPSAS 25: Employee benefits

The Trust is required to recognise the expected cost of short-term, accumulating compensated absences when the employee renders the service that increases their entitlement to future compensated absences. These obligations exist whether they are vesting or not. The Trust has made an estimate of sick leave, this is not considered material and hence no adjustment made.

IPSAS 29: Financial Instruments Recognition and Measurement

Term deposits

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Term deposits with original maturity dates of over 3 months were reclassified to Short Term Investments. The effect on the disclosure is as follows:

	31-Dec-15	01-Jan-15
Cash and cash equivalents	757,524	1,321,025
Short term deposits	460,491	-