



Financial Statements

For the year ended 30 September 2015

TABLE OF CONTENTS

DIRECTORY	3
AUDITORS' REPORT	4 – 5
STATEMENT OF FINANCIAL PERFORMANCE	6
STATEMENT OF MOVEMENTS IN EQUITY	7
STATEMENT OF FINANCIAL POSITION	8
NOTES TO THE FINANCIAL STATEMENTS	9

DIRECTORY

Chair	Roly Frost
Trustees	John Boshier Carol Caldwell Tiina Hall-Turner Peter Jackson Neville Jordan (to 25 February 2015)
Secretary	Susan Freeman-Greene
Executive Officer	Linden Williams
Auditors	Grant Thornton
Bankers	Westpac
Solicitors	Chapman Tripp
Business Address	Level 3 50 Customhouse Quay P O Box 12 241 Wellington 6144



Independent Auditor's Report

Audit

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To the Trustees of the IPENZ Foundation

Report on the financial statements

We have audited the financial statements of the IPENZ Foundation on pages 6 to 13, which comprise the statement of financial position as at 30 September, and the statement of financial performance and statement of movements in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Trustees responsibilities

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

Auditor's responsibilities

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 judgement, including the assessment of the risks of material misstatement of 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 of financial statements that present fairly the matters to which they relate 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 appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the 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.

Other than in our capacity as auditor we have no relationship with, or interests in the IPENZ Foundation.

Opinion

In our opinion, the financial statements on pages 6 to 13 present fairly, in all material respects, the financial position of the IPENZ Foundation as at 30 September 2015, and its financial performance, for the year then ended in accordance with generally accepted accounting practice in New Zealand.



Grant Thornton New Zealand Audit Partnership
Wellington, New Zealand
7 December 2015

IPENZ FOUNDATION
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 SEPTEMBER 2015

	Notes	2015 \$	2014 \$
INCOME			
Investment Income			
Dividends Received		35,353	34,741
Interest Received		18,013	17,950
Realised Investment Gains (Losses)		(5,828)	851
Exchange Gains (Losses)		3,892	(25)
Total Investment Income		51,430	53,517
Donations and Sundry			
Commission – American Express		-	2,857
Donations - Insurance		2,000	-
Donations – IPENZ Members		3,442	5,474
Donations – Hawkes Bay		3,841	2,500
Donations - Wellington		-	100
Donations – Tauranga		2,687	3,895
Donations – South Canterbury		595	350
Total Donations and Sundry		12,565	15,176
TOTAL OPERATING INCOME		63,995	68,693
EXPENDITURE			
Foundation Scholarships			
Foundation's National Scholarships		4,000	-
Foundation's Share of Branch Scholarships		10,000	-
Scholarship – Auckland Branch		4,000	5,000
Scholarship – Canterbury Branch		2,000	5,000
Scholarship – Tauranga		-	5,000
Scholarship – Waikato/BOP		2,000	5,000
Scholarship – Nelson Marlborough		-	5,000
Scholarship – Hawkes Bay Branch		2,000	5,000
Total Foundation Scholarships		24,000	30,000
Branch Only Scholarships			
Scholarship – Waikato BOP		-	1,000
Total Branch Only Scholarships		-	1,000
Total Scholarships		24,000	31,000
Other Expenditure			
Audit Fees		3,062	2,875
Scholarship Application Assessment Fee		4,073	6,555
Benevolent Payment		918	-
Sponsorship – NZ Excellence Awards		8,000	9,200
Grant Heritage Plaques		1,386	-
Management Fees		5,000	4,990
Sundry Expenses		7,492	7,037
Total Other Expenditure		29,931	30,657
TOTAL EXPENDITURE		53,931	61,657
Net Income Before Unrealised Gains(Losses)		10,064	7,036
Unrealised Gains(Losses)		49,048	33,008
Net Surplus/(Deficit)		59,112	40,044

The accompanying notes form part of these financial statements.



IPENZ FOUNDATION

STATEMENT OF MOVEMENTS IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2015

	Notes	2015 \$	2014 \$
Accumulated Funds			
Opening Balance		800,833	751,634
Transfer to Branch Reserves		(7,123)	(6,845)
Transfer from Branch Reserves		10,000	16,000
Net Surplus /(Deficit)		59,112	40,044
		862,822	800,833
Branch Reserves			
Opening Balance		108,920	118,075
Transfer from Accumulated Funds		7,123	6,845
Transfer from Accumulated Funds		(10,000)	(16,000)
		106,043	108,920
Total Equity		968,865	909,753

The accompanying notes form part of these financial statements.



IPENZ FOUNDATION

STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2015

	Notes	2015 \$	2014 \$
ASSETS			
Current			
Cash and Bank	3	77,751	104,980
Investments	4	38,622	37,807
IPENZ Current Account	2	10,041	8,458
Accounts Receivable		-	2,500
Total Current Assets		126,414	153,745
Non-Current Assets			
Investments	5	846,662	760,133
TOTAL ASSETS		973,076	913,878
LIABILITIES			
Current			
Accounts Payable		4,211	4,125
NET ASSETS		968,865	909,753
Represented by:			
Accumulated Funds		862,822	800,833
Branch Funds Reserve	6	106,043	108,920
TOTAL EQUITY		968,865	909,753

For and on behalf of the IPENZ Foundation

Chairperson

Trustee

Date **7** December 2015

The accompanying notes form part of these financial statements.



IPENZ FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2015

1. STATEMENT OF ACCOUNTING POLICIES

REPORTING ENTITY

The financial statements presented here are for the reporting entity IPENZ Foundation. IPENZ Foundation is a Charitable Trust registered under the Charitable Trusts Act 1957.

The purpose of the Foundation is to educate New Zealanders on the role and the significant achievements of engineering and technology and to encourage tertiary education in engineering and technology. It is also to assist members suffering from hardship.

REPORTING BASIS

The financial statements have been prepared in accordance with generally accepted accounting principles, in accordance with New Zealand Financial Reporting Standards.

DIFFERENTIAL REPORTING

The Foundation is a qualifying entity within the New Zealand Institute of Chartered Accountants Differential Reporting Framework. The Foundation qualifies under the size criteria and because it is not publicly accountable. The Foundation has taken advantage of all differential reporting exemptions available to it.

MEASUREMENT BASE

The measurement base adopted is historical cost, except for Investments which are recorded on the Statement of Financial Position at market value. Both realised gains and losses, and unrealised gains and losses are recorded on the Statement of Financial Performance.

INVESTMENTS

Equity Investments are stated at market value as quoted by the relevant exchange at balance date. Other investments are recorded at values determined by the investment manager at balance date. The market valuations do not include an allowance for selling costs.

FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currencies are translated at the New Zealand rate of exchange ruling at the date of the transaction. At balance date, foreign monetary assets and liabilities are translated at the closing rate and exchange variations from these translations are included in the Statement of Financial Performance. Unrealised foreign exchange gains and losses represent the translation of foreign denominated assets and liabilities.

INCOME TAX

The Foundation is a charitable organisation registered under the Charities Act 2005 with the Charities Commission. It is not subject to Income Tax.

GOODS AND SERVICES TAX

These financials are prepared on a Goods and Services Tax (GST) inclusive basis as the Foundation is not registered for GST.

REVENUE RECOGNITION POLICY

Income from donations is recognised when received or accrued. Dividend and investment income is recognised on receipt of quarterly returns from the Investment Manager.

CHANGES IN ACCOUNTING POLICIES



There have been no changes in accounting policies. The accounting policies adopted and applied are consistent with those of the previous financial years.

2. RELATED PARTY TRANSACTIONS

The Institution of Professional Engineers New Zealand Inc (the Institution) provides accounting and administration services to the Foundation free of charge.

The current account balance held with the Institution is \$10,041 (2014 (\$8,458)). There were no other related party transactions during the year ended 30 September 2015. (2014 Nil)

3. CASH AND BANK

	2015 \$	2014 \$
Cash and Short Term Deposits Managed by Craigs Investment Partners		
CIP Ltd CCM – NZD Call Account	20,595	37,326
Cash Man BNZ Term Deposit	50,629	60,341
CIP Ltd CCM – AUD Call Account	1,632	4,613
CIP Ltd CCM – GPD Call Account	4,057	2,384
CIP Ltd CCM – USD Call Account	838	316
TOTAL CASH AND BANK	77,751	104,980

4. CURRENT INVESTMENTS

	2015 \$	2014 \$
Managed by Craigs Investment Partners		
Rabobank Nederland	38,622	37,807
TOTAL CURRENT INVESTMENTS	38,622	37,807

5. NON CURRENT INVESTMENTS

	2015 \$	2014 \$
Managed by Craigs Investment Partners		
Fixed Interest		
Transpower Finance Ltd	21,412	20,637
Insurance Australia Bonds	20,650	20,900
Credit Agricole	17,260	16,200
ANZ Bank Perpetual	20,779	20,299
ANZ Bank Fixed Rate Bonds	32,731	31,572
Infratil Bond	32,214	31,187
ASB Bank Ltd Notes (call 2019)	21,518	20,795
ASB Bank Float Rate	9,994	-
ASB Bank Ltd Notes	10,274	-
Auckland International Airport	16,545	15,592
Mighty River Power Ltd Bonds	16,340	15,756
Total Fixed Interest Investments	219,717	192,938



	2015 \$	2014 \$
NZ Equities		
Auckland International Airport	39,660	31,288
Contact Energy	15,543	18,777
Fisher & Paykel Healthcare Ltd	27,335	19,982
Fletcher Building Ltd	14,280	18,438
Infratil Ltd	18,360	16,980
Mainfreight Ltd	22,725	22,395
Meridian Energy Ltd	23,625	16,088
Mighty River Power	19,617	19,494
The New Zealand Refining Ltd	18,700	-
NZ Social Infrastructure Fund Ltd	10,600	7,600
Pohutukawa Private Equity	10,000	9,000
Port of Tauranga Ltd	27,370	25,599
Ryman Healthcare Ltd	16,448	17,573
Scott Technology	8,432	9,920
Sky Network Television	-	13,860
Barramundi Ltd	57	-
Trade Me Group Ltd	9,516	9,100
Total NZ Equities Investments	282,268	256,094
Australian Equities		
AGL Energy Ltd	19,373	16,775
APA Group Stapled Securities	33,761	22,504
Barramundi Ltd	7,272	7,158
BHP Billiton Ltd	11,699	18,212
Commonwealth Bank of Australia	17,149	18,133
CSL Ltd	31,309	26,587
Orica Ltd	6,186	7,939
QBE Insurance Group Ltd	7,889	7,288
Sydney Airport Stapled	28,764	21,046
Estia Health Ltd	14,150	-
Total Australian Equities Investments	177,552	145,642
International Equities		
British Empire Securities	-	10,683
Henderson Far East Income Trust plc	-	10,084
HSBC Holdings plc	9,514	10,491
Bankers Investment Trust	11,253	-
Ishares MSCI Emerging Market	-	5,057
SPDR Dow Jones Industrial	13,723	11,762
SPDR S&P	14,002	11,495
Templeton Emerging Markets	-	10,030



Tesco plc	5,197	4,640
The City of London Investment Trust	12,478	10,805
Fidelity European Values Inv Tr	10,912	-
Total International Equities Investments	77,079	85,047

Property

	2015 \$	2014 \$
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New Zealand Property

DNZ Property Fund	-	12,938
Kiwi Property Group	29,664	-
Stride Property Ltd	14,963	-
Kiwi Income Property Trust – New Zealand	-	27,810
Precinct Properties NZ Ltd	19,677	18,811
Total New Zealand Property	64,304	59,558

Australia Property

Scentre Group REIT	12,619	10,839
Westfield Corp(Stapled)	13,123	10,015
Total Australia Property	25,742	20,854

TOTAL NON CURRENT ASSETS	846,662	760,133
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6. BRANCH FUND RESERVES

	2015 \$	2014 \$
Opening Balance	108,920	118,075
Funds transferred from/(to) equity	7,123	6,845
Allocated to sponsorship from Statement of Financial Performance	(10,000)	(16,000)
	106,043	108,920
Auckland	17,352	21,352
Canterbury	19,397	21,397
East Coast	2,707	2,707
Hawkes Bay	1,970	129
Manawatu	4,864	4,864
Nelson Marlborough	4,717	4,717
Northland	312	312
Otago	91	91
South Canterbury	3,695	3,100
Southland	6,202	6,202
Tauranga Branch	4,251	1,564
Taranaki	7,000	7,000
Waikato	22,845	24,845
Wanganui	4,064	4,064



Wellington	4,954	4,954
West Coast	1,622	1,622
TOTAL BRANCHES	106,043	108,920

7. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

The Foundation has no capital commitments (2014: Nil). The Foundation has no contingent liabilities at balance date (2014:Nil).

8. SUBSEQUENT EVENTS

There were no events after balance date requiring reporting or adjustment in the financial statements (2014: Nil).



IPENZ Foundation

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