

**ROYAL SOCIETY of NEW ZEALAND
Consolidated Financial Statements
for the year ended 30 June 2016**

**Royal Society of New Zealand
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for the year ended 30 June 2016**

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**Royal Society of New Zealand
Directory
for the year ended 30 June 2016**

Society Council

Professor Richard Bedford

Professor Gaven Martin

Professor Barry Scott

Professor Dame Anne Salmond

Dr Liz Gordon

Dr Christine Jasoni

Professor Caroline Saunders

Dr Siouxsie Wiles

Professor Margaret Tennant

Dr David McNamara

Associate Professor Tahu Kukutai

Registered Office

11 Turnbull Street, Thorndon, Wellington

Nature of Business

Fostering science, technology and the humanities in New Zealand

Charities Commission registration number

CC38796

Independent Auditor

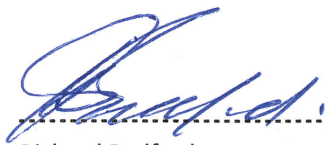
PricewaterhouseCoopers, Wellington

Royal Society of New Zealand
Councillors' report
for the year ended 30 June 2016

The Councillors have pleasure in presenting the annual report of the Royal Society of New Zealand ("the Society") incorporating the financial statements and the auditor's report for the year ended 30 June 2016

The Councillors of the Society have authorised these financial statements presented on pages 6 - 18 for issue on 22 September 2016

For and on behalf of the Council



Richard Bedford

President

22 September 2016



Gaven Martin

Councillor

22 September 2016



Independent Auditors' Report to the Council of the Royal Society of New Zealand

Report on the Financial Statements

We have audited the financial statements of the Royal Society of New Zealand ("the Society") on pages 6 to 18, which comprise the statements of financial position as at 30 June 2016, and the statements of comprehensive revenue and expenses, statements of changes in net assets and cash flow statements for the year then ended, and the notes to the financial statements that include a summary of significant accounting policies and other explanatory information for both the Society and the Group. The Group comprises the Society and the entity it controlled at 30 June 2016 or from time to time during the year.

Council's Responsibility for the Financial Statements

The Council is responsible on behalf of the Society for the preparation and fair presentation of financial statements in accordance with Public Benefit Entity Standards Reduced Disclosure Regime issued in New Zealand and for such internal controls as the Council determine are 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). These standards require that we comply with relevant 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 auditors' 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 auditors consider the internal controls 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 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.

We are independent of the Society and the Group. Other than in our capacity as auditors and providers of agreed upon procedures, we have no relationship with, or interests in, the Society and Group.



Independent Auditors' Report

Royal Society of New Zealand

Opinion

In our opinion, the financial statements on pages 6 to 18 present fairly, in all material respects, the financial position of the Society and Group as at 30 June 2016, and their financial performance and their cash flows for the year ended on that date in accordance with Public Benefit Entity Standards Reduced Disclosure Regime issued in New Zealand.

Restriction on Use of our Report

This report is made solely to the Society's Council, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state in an auditors' 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 Society's council, as a body, for our audit work, for this report or for the opinions we have formed.

PricewaterhouseCoopers

Chartered Accountants
22 September 2016

Wellington

Royal Society of New Zealand
Statement of comprehensive revenue and expenses
for the year ended 30 June 2016

	Notes	Consolidated		Parent	
		2016 \$000's	2015 \$000's	2016 \$000's	2015 \$000's
<i>Revenue from non-exchange transactions</i>					
Government contract revenue	19	500	500	500	500
Donations		-	89	-	89
		500	589	500	589
<i>Revenue from exchange transactions</i>					
Society membership		284	291	284	291
Interest income		188	232	159	183
Government contract revenue	19	4,770	5,318	4,770	5,318
Rental of investment property		570	581	570	581
Other operating revenue		761	861	761	861
		6,573	7,283	6,544	7,234
<i>Revenue from non cash transactions</i>					
Gains/(Loss) on fair value of investment property	7	431	(17)	431	(17)
Total other income		431	(17)	431	(17)
Total Revenue		7,504	7,855	7,475	7,806
<i>Expenses</i>					
Audit expense		42	37	38	37
Depreciation expense	5	157	153	157	153
Employee benefits expense		3,417	3,337	3,417	3,337
Grants		46	60	-	-
Transfer to Royal Society of New Zealand Endowment Fund Trust		-	-	735	-
Other expenses		2,882	3,223	2,882	3,220
Losses/(Reversal) on revaluation of land and buildings	5	5	(99)	5	(99)
Total Expenses		6,549	6,711	7,234	6,649
Total surplus / (deficit) for year		954	1,145	240	1,159
Other comprehensive revenue and expense					
Gains/Losses) on revaluation of land and buildings		-	-	-	-
Other comprehensive revenue and expense for the year		-	-	-	-
Total comprehensive revenue and expense for the year		954	1,145	240	1,159
Surplus (deficit) attributable to:					
Parent - Royal Society of New Zealand		240	1,159	240	1,159
Subsidiary - Royal Society Endowment Fund Trust		714	(14)	-	-
		954	1,145	240	1,159
Total comprehensive revenue and expense attributable to:					
Parent - Royal Society of New Zealand		240	1,159	240	1,159
Subsidiary - Royal Society Endowment Fund Trust		714	(14)	-	-
		954	1,145	240	1,159

The above statements of comprehensive revenue and expenses should be read in conjunction with the accompanying notes on pages 10 - 18

**Royal Society of New Zealand
Statement of changes in net assets
for the year ended 30 June 2016**

Group	Notes	Special purpose reserve \$000's	Asset revaluation reserve \$000's	Retained surplus \$000's	Total equity \$000's
Balance as at 1 July 2014		1,184	-	13,025	14,209
Surplus (deficit) for the year		-	-	1,145	1,145
Other comprehensive income		-	-	-	-
Total comprehensive income		-	-	1,145	1,145
Transfer to/(from) designated purpose reserve	8	7	-	(10) -	3
Closing equity 30 June 2015		1,191	-	14,160	15,351
Surplus (deficit) for the year		-	-	954	954
Other comprehensive income		-	-	-	-
Total comprehensive income		-	-	954	954
Transfer to/(from) designated purpose reserve	11	713	-	(713)	-
Closing equity 30 June 2016		1,904	-	14,401	16,305

Parent	Notes	Special purpose reserve \$000's	Asset revaluation reserve \$000's	Retained surplus \$000's	Total equity \$000's
Balance as at 1 July 2014		235	-	13,011	13,246
Surplus (deficit) for the year		-	-	1,159	1,159
Other comprehensive income		-	-	-	-
Total comprehensive income		235	-	14,170	14,405
Transfer to/(from) designated purpose reserve		-	-	-	-
Closing equity 30 June 2015		235	-	14,170	14,405
Surplus (deficit) for the year		-	-	240	240
Other comprehensive income		-	-	-	-
Total comprehensive income		-	-	240	240
Transfer to/(from) designated purpose reserve	11	-	-	-	-
Closing equity 30 June 2016		235	-	14,410	14,645

The above statements of changes in net assets should be read in conjunction with the accompanying notes on pages 10 - 18

Royal Society of New Zealand
Statement of financial position
as at 30 June 2016

	Notes	Group		Parent	
		2016 \$000's	2015 \$000's	2016 \$000's	2015 \$000's
ASSETS					
Current assets					
Cash and cash equivalents	9	2,290	2,193	1,569	2,171
Receivables from exchange transactions	6	190	235	185	220
Investments and other financial assets	10	4,110	3,696	3,169	2,784
Prepayments		15	42	15	42
Inventories		17	17	17	17
Total current assets		6,623	6,184	4,956	5,235
Non-current assets					
Property, plant and equipment	5	7,497	7,500	7,497	7,500
Investment Properties	7	3,460	3,029	3,460	3,029
Intangible assets	8	115	-	115	-
Total non-current assets		11,071	10,529	11,071	10,529
Total assets		17,694	16,713	16,027	15,764
LIABILITIES					
Current liabilities					
Trade and other payables	12	896	862	889	859
Income in advance	13	493	500	493	500
		1,389	1,362	1,382	1,359
Total Liabilities		1,389	1,362	1,382	1,359
Net assets		16,305	15,351	14,645	14,405
EQUITY					
Retained earnings		14,401	14,160	14,410	14,170
Designated purpose reserve	11	1,904	1,191	235	235
		16,305	15,351	14,645	14,405

Signed for and on behalf of the Council who authorised these financial statements for issue on 22 September 2016

Richard Bedford
President

Gaven Martin
Councillor

The above statements of financial position should be read in conjunction with the accompanying notes on pages 10 - 18

Royal Society of New Zealand
Cash flow statement
For the Year ended 30 June 2016

Notes	Consolidated		Parent	
	2016 \$000's	2015 \$000's	2016 \$000's	2015 \$000's
Cash flows from operating activities				
<u>Receipts</u>				
Receipts from non-exchange transactions	500	589	500	589
Receipts from exchange transactions	6,363	7,165	6,363	7,165
	<u>6,863</u>	<u>7,754</u>	<u>6,863</u>	<u>7,754</u>
<u>Payments</u>				
Payments to suppliers	2,868	3,415	2,823	3,347
Payments to employees	3,406	3,317	3,406	3,317
Transfer to Endowment Trust	-	-	735	-
	<u>6,275</u>	<u>6,732</u>	<u>6,965</u>	<u>6,664</u>
Net cashflows from operating activities	588	1,022	(102)	1,090
Cash flows from investing activities				
<u>Receipts</u>				
Sale of property, plant & equipment	-	-	-	-
Investment income	-	-	-	-
Interest received	197	251	159	196
Withdrawals of short term investments	-	-	-	-
Repayments of investments	-	257	-	257
	<u>197</u>	<u>508</u>	<u>159</u>	<u>453</u>
<u>Payments</u>				
Purchase of property plant & equipment	274	56	274	56
Purchase of short term investments	413	28	385	-
	<u>687</u>	<u>84</u>	<u>659</u>	<u>56</u>
Net cashflows from investing activities	(489)	424	(499)	397
Net cashflows from financing activities	-	-	-	-
Net increase/(decrease) in cash and cash equivalents	98	1,446	(601)	1,487
Cash and cash equivalents at 1 July 2015	2,193	747	2,171	684
Cash and cash equivalents at 30 June 2016	2,290	2,193	1,569	2,171

The above cash flow statements should be read in conjunction with the accompanying notes on pages 10 - 18

**Royal Society of New Zealand
Notes to the Financial Statements
for the year ended 30 June 2016**

Note 1. Reporting entity

The reporting entity is the Royal Society of New Zealand ("The Society"). The Society is domiciled at 11 Turnbull Street, Wellington New Zealand and is a charitable organisation incorporated under the Royal Society of New Zealand Act 1977 and the Charities Act 2005.

The financial statements comprising the Society and its controlled entity, The Royal Society of New Zealand Endowment Trust (the Trust), (together the "Group"), are presented for the year ended 30 June 2016.

These Group financial statements and accompanying notes summarise the financial results of activities carried out by the Society. All entities within the group are charitable organisations registered under the Charitable Trusts Act 1957 and the Charities Act 2005.

The Society ("the Parent") is an independent statutory body, exempt from income tax. Membership of the Society consists of fellows, ordinary members, companions, constituent organisations, regional constituent organisations, affiliate organisations, honorary members and honorary fellows. The Society Council has control of the Society.

The object of the Society and its controlled trust is the advancement and promotion of science, technology and the humanities in New Zealand. It does this by:

- fostering a culture within New Zealand that supports science, technology and the humanities (promoting public awareness, knowledge, and understanding of science, technology and the humanities; and advancing science education);
- encouraging, promoting and recognising excellence in science, technology and the humanities;
- providing an infrastructure and other support for the professional needs and development of scholars;
- establishing and administering for members a code of professional standards and ethics in science, technology and the humanities;
- providing expert advice on important public issues to the Government and the community.

These consolidated financial statements have been approved for issue by Council on 22 September 2016.

Note 2. Statement of compliance

The consolidated financial statements of the Group and financial statements of the Parent have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP). They comply with Public Benefit Entity Standards ("PBE Standards") and other applicable financial reporting standards as appropriate that have been authorised for use by the External Reporting Board for Not-for-Profit entities. For the purposes of complying with NZ GAAP, the Group is a public benefit not-for-profit entity and is eligible to apply Tier 2 Not-for-Profit PBE IPSAS on the basis that it does not have public accountability and it is not defined as large. The Council has elected to report in accordance with Tier 2 Not-for-Profit PBE Accounting Standards and in doing so has taken advantage of all applicable Reduced Disclosure Regime ("RDR") disclosure concessions. This decision results in the Group not preparing a Statement of Service Performance for both reporting periods.

Note 3. Changes in accounting policy

For the year ended 30 June 2015, the Group prepared its consolidated financial statements using the New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS") for Public benefit Entities Differential Reporting Regime. These have now been restated to Not-for-Profit PBE Standards RDR. The only change of significance from the previous years report is the separation of revenue and expenses into Exchange and Non-exchange categories. Prior year revenue has been reclassified under these two categories.

Note 4. Summary of accounting policies

The significant accounting policies used in the preparation of these financial statements as set out below have been applied consistently to both years presented in these financial statements.

4.1 Basis of measurement

These consolidated and parent financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets as identified in specific accounting policies below.

4.2 Functional and presentational currency

The consolidated and parent financial statements are presented in New Zealand dollars (\$), which is the Group's functional currency. All financial information presented in New Zealand dollars has been rounded to the nearest thousand dollars.

4.3 Basis of consolidation

The consolidated financial statements incorporate the assets and liabilities of the controlled trust of the Royal Society of New Zealand as at 30 June 2016 and the results of the controlled trust for the year then ended. The Royal Society of New Zealand and its controlled trust together are referred to in these financial statements as the Group or the consolidated entity.

Controlled trusts are all those entities over which the Society has the power to govern the financial and operating policies, generally accompanied by holding more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Society controls another entity.

Controlled trusts which form part of the Group are consolidated from the date on which control is transferred to the Society. They are de-consolidated from the date that control ceases.

Inter-trust transactions, balances and unrealised gains on transactions between Group entities are eliminated on consolidation.

Unrealised losses are also eliminated unless they result from impairment. The accounting policies of the controlled trust are consistent with the policies adopted by the Group.

4.4 Investment in controlled trust

The consolidated financial statements incorporate the assets, liabilities and results of the following controlled trust. The controlled trust is incorporated in New Zealand and has a balance date of 30 June.

Name of entity	Principal Activities	Equity Holding	
		2016	2015
Royal Society of New Zealand	Support charitable purposes of the Society	100%	100%
Endowment Fund Trust			

4.5 Revenue

Revenue from non-exchange transactions

Donations

Donations are recognised as revenue upon receipt and include donations from members and the general public.

Legacies and bequests

Revenue from legacies and estates that satisfy the definition of an asset are recognised as revenue when it is probable that future economic benefits or service potential will flow to the group, and the fair value can be measured reliably.

Bequests and donations received on trust for particular purposes are recorded as revenue on a cash received basis in the statement of comprehensive income. These monies are not available for funding the operations of the Society.

Services in Kind

The Society is provided services by volunteers. The fair value of such services cannot be reliably measured. No value is given to these services in these financial statements.

Revenue from exchange transactions

Revenue comprises the fair value of consideration received for the sale of goods and services excluding Goods and Services Tax, rebates and discounts.

Revenue is recognised as follows:

Sales of Publications

Sales of publications are recognised when the Group has delivered a publication to the customer.

Sales of services

Sales of services are recognised in the accounting period in which services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total service to be provided.

Interest Income

Interest income is recognised on a time-proportion basis using the effective interest method.

Rental Income

Rental income is recognised on an accruals basis in accordance with the substance of the relevant agreements.

Contract Income

Contract income received from the Ministry of Business, Innovation and Employment is a primary source of income for the Society.

Government and non-government income is recognised as revenue when it becomes receivable unless there is an obligation to return the funds if conditions of the contract are not met. If there is such an obligation, the income is initially recorded as income received in advance and recognised as revenue when conditions of the contract are satisfied.

Royal Society of New Zealand
Notes to the Financial Statements
for the year ended 30 June 2016

4.6 Goods and Services Tax (GST)

The statement of comprehensive income has been prepared so that all components are stated exclusive of GST. All items in the balance sheet are stated net of GST, with the exception of receivables and payables, which include GST invoiced.

4.7 Leases

The Group is the lessee

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

The Group is the lessor.

Assets leased to third parties under operating leases are included in investment property in the balance sheet. Rental income (net of any incentives given to lessees) is recognised in surplus or deficit on a straight-line basis over the lease term.

4.8 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities 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, and bank overdrafts. Bank overdrafts, if any, are shown within borrowings in current liabilities on the Statement of Financial Position.

4.9 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the statement of revenue and expenses.

4.10 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a first in, first out basis. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

4.11 Investments and other financial assets

Financial assets within the scope of PBE IPSAS 29 *Financial Instruments: Recognition and Measurement* are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets. The classifications of the financial assets are determined at initial recognition.

Regular purchases and sales of financial assets are recognised on trade date - the date on which the Group commits to purchase or sell the asset. All financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through surplus or deficit. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

The category determines subsequent measurement and whether any resulting income and expense is recognised in surplus or deficit or in any other comprehensive revenue and expenses. The Group's financial assets are classified as financial assets at fair value through surplus or deficit, loans and receivables or as available for sale financial assets. The Group's financial assets include: cash and cash equivalents, short term deposits, receivables from non-exchange transactions, receivables from exchange transactions and investments.

All financial assets except for those at fair value through surplus or deficit are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Financial assets are derecognised when the rights to receive cash flows from the asset have expired or have been transferred and the Group has transferred substantially all risks and rewards or ownership.

Investment in controlled Trust

The investment in the controlled trust in the Parent financial statements is stated at cost less impairment.

Loans and receivables

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. "Trade and other receivables", "investments" and "cash and cash equivalents" are classified as loans and receivables in the balance sheet.

Loans and receivables are subsequently carried at amortised cost using the effective interest method.

4.12 Financial liabilities

The Group's financial liabilities include trade and other creditors. The Group's financial liabilities are initially recognised at fair value (plus transaction cost for financial liabilities not at fair value through surplus or deficit) and are measured subsequently at amortised cost using the effective interest method except for financial liabilities at fair value through surplus or deficit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. These amounts are unsecured and usually paid within 30 days of recognition.

4.13 Employee benefits

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

4.14 Investment properties

Property held to earn rent or for capital appreciation or both is classified as investment property in accordance with PBE IPSAS 16 Investment Property. Investment property is measured initially at cost, including transaction costs, and thereafter is stated at fair value, which reflects market conditions at the balance sheet date. Gains or losses arising from changes in the fair values of investment property are included in the statement of comprehensive income in the year in which they arise.

4.15 Property, plant and equipment

All property, plant and equipment excluding land and buildings is stated at historical cost less depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive revenue and expenses during the financial period in which they are incurred.

Land is not depreciated. Depreciation of property, plant and equipment is calculated on a straight line basis so as to expense the cost of the assets over their useful lives. The useful lives are as follows:

- Buildings	30 and 40 years
- Furniture	10 years
- Office equipment	5 to 10 years
- Computer equipment	3 years

Capital work in progress is not depreciated until commissioned.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of comprehensive revenue and expenses.

Land and buildings are initially recorded at cost, and subsequently are recorded at fair value, as determined by an independent valuer.

Land and buildings are valued annually at balance date. To the extent that any revaluation gain reverses a loss previously charged to the statement of comprehensive income for a class of assets, the gain is credited to the statement of comprehensive revenue and expenses.

Otherwise, revaluation gains are credited to a revaluation reserve in other comprehensive revenue and expenses for that class of asset. To the extent that any revaluation loss reverses a gain previously credited to an asset revaluation reserve for the asset class, the loss is debited to the asset revaluation reserve. Otherwise, revaluation losses are recognised in the statement of comprehensive revenue and expenses.

On revaluation any accumulated depreciation is eliminated against the gross carrying amount of the asset.

4.16 Special Purpose Reserve (SPR)

In order to provide funds that can be distributed to winners of Awards, a separate Special Purpose Reserve has been created with amounts transferred from the retained surplus to the SPR. The Group's policy is to invest the funds in term deposits until the amounts are utilised.

Royal Society of New Zealand
Notes to the Financial Statements
for the year ended 30 June 2016

Note 5. Property, plant and equipment
As at 30 June 2015

	Consolidated and Parent					Net Book amount \$000's
	At Cost or valuation \$000's	Acquisitions (Transfers) (Disposals) \$000's	Revaluation Mvmts \$000's	Depreciation		
				2015 year \$000's	Acc Depreciation \$000's	
Furniture & equipment	407	20	-	41	193	234
Computer equipment	183	-	-	30	138	45
Land & buildings	7,204	-	99	82	-	7,221
	7,793	20	99	154	331	7,500

As at 30 June 2016	At Cost or valuation \$000's	Acquisitions (Transfers) (Disposals) \$000's	Revaluation Mvmts \$000's	Depreciation		Net Book amount \$000's
				2016 year \$000's	Acc Depreciation \$000's	
	Furniture & equipment	427	44	-	41	233
Computer equipment	183	10	-	33	123	70
Land & buildings	7,221	57	(5)	83	-	7,190
	7,830	111	(5)	157	356	7,498

The Group's freehold land and buildings are stated at their 30 June 2016 valuation as determined by an independent registered valuer, Duncan Watts of CBRE Ltd. Duncan Watts B.Comm (VAPM MPINZ), is a Public Valuer, registered in terms of the Valuers Act 1948 and is the holder of a current Annual Practising Certificate.

The basis of valuation is Direct Comparison (for redevelopment land), Capitalisation and Discounted Cashflow approaches for Investment value.

Land is not depreciated. Depreciation of property, plant and equipment is calculated on a straight line basis so as to expense the cost of the assets over their useful lives.

Note 6. Trade and other receivables

	2016 \$000's		2015 \$000's	
	Consolidated	Parent	Consolidated	Parent
Gross accounts receivable	212	207	254	239
Provision for accounts receivable	(22)	(22)	(19)	(19)
	190	185	235	220

Note 7. Investment properties

	2016 \$000's		2015 \$000's	
	Consolidated	Parent	Consolidated	Parent
Land - Fair value opening balance	3,029	3,029	3,046	3,046
Valuation movements	431	431	(17)	(17)
Land - Fair value closing balance	3,460	3,460	3,029	3,029

The Society's investment properties are stated at their 30 June 2016 valuation as determined by an independent registered valuer, Duncan Watts of CBRE Ltd. Duncan Watts B.Comm (VAPM), MPINZ is a Public Valuer, registered in terms of the Valuers Act 1948 and is the holder of a current Annual Practising Certificate. The assessment of fair value is supported by external market evidence.

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Notes to the Financial Statements
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Note 8. Intangible assets	2016		2015	
	\$000's		\$000's	
	Consolidated	Parent	Consolidated	Parent
Opening balance	-	-	-	-
Movements	115	115	-	-
Closing balance	<u>115</u>	<u>115</u>	<u>-</u>	<u>-</u>

The Society is developing a Master Identity Record system. The balance represents the costs incurred during the financial year. The project is ongoing therefore no amortisation has been applied.

Note 9. Cash and cash equivalents

	2016		2015	
	\$000's		\$000's	
	Consolidated	Parent	Consolidated	Parent
Current accounts	29	15	36	14
Treasury call accounts	1,361	654	531	531
Short term deposits (mature within 3 months)	900	900	1,626	1,626
	<u>2,290</u>	<u>1,569</u>	<u>2,193</u>	<u>2,171</u>

In the 2016 year, term deposits are held by BNZ and Rabodirect.

The Society has a \$525,000 facility by way of BNZ Business Visa. (2015: \$525,000).

Note10. Investments and other financial assets.

	2016		2015	
	\$000's		\$000's	
	Consolidated	Parent	Consolidated	Parent
Term deposits - current	4,086	3,145	3,672	2,760
Corporate bond	24	24	24	24
	<u>4,110</u>	<u>3,169</u>	<u>3,696</u>	<u>2,784</u>

Term deposits are held with the Bank of New Zealand and RaboDirect.

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Note 11. Designated purpose reserves

Consolidated 2015 Financial year	2015	Contributions	Disbursements	2015
	\$000's	\$000's	\$000's	\$000's
Designated Fund	235	-	-	235
Bates Memorial Scholarship	71	5	(6)	70
Hatherton Fund	37	3	(1)	39
Charles Fleming Fund	457	32	(32)	457
Manawatu Fund	12	1	0	13
Benson, Hutton & Mappin Funds	82	6	(15)	73
Skinner Fund	161	11	(5)	167
T K Sidey Summertime Fund	27	2	0	29
Hamilton Memorial Prize	31	2	(1)	32
Leonard Cockayne Memorial Lecture	71	5	-	76
	1,184	67	(60)	1,191

Parent 2015 Financial year	2014	Contributions	Disbursements	2015
	\$000's	\$000's	\$000's	\$000's
Designated Fund	235	-	-	235
	235	-	-	235

Consolidated 2016 Financial year	2016	Contributions	Disbursements	Balance 2016
	\$000's	\$000's	\$000's	\$000's
Designated Fund	235	735	-	970
Bates Memorial Scholarship	70	2	(6)	66
Hatherton Fund	39	1	(1)	39
Charles Fleming Fund	457	12	(18)	451
Manawatu Fund	13	-	-	13
Benson, Hutton & Mappin Funds	73	2	(11)	64
Skinner Fund	167	4	(8)	163
T K Sidey Summertime Fund	29	1	-	30
Hamilton Memorial Prize	32	1	(2)	31
Leonard Cockayne Memorial Lecture	76	2	(1)	77
	1,191	760	(47)	1,904

Parent 2016 Financial year	Balance 2015	Contributions	Disbursements	Balance 2016
	\$000's	\$000's	\$000's	\$000's
Designated Fund	235	-	-	235
	235	-	-	235

The Group has a number of designated purpose funds.

Note 12 Trade and other payables

	2016		2015	
	Consolidated	Parent	Consolidated	Parent
	\$000's		\$000's	
<i>Current liabilities</i>				
Creditors	384	378	431	429
Employee entitlements	264	264	255	255
Other accruals	245	245	185	185
GST payable/(receivable)	3	3	(9)	(9)
	896	889	861	861

Note 13 Income in advance

	2016		2015	
	Consolidated	Parent	Consolidated	Parent
	\$000's		\$000's	
Journal income	102	102	76	76
Membership subscriptions	110	110	91	91
Other	281	281	333	333
	493	493	500	500

Membership subscriptions are paid 12 months in advance and the balance relates to member's future entitlement to benefits. Other income in advance represents all other contract revenue paid to the Group which is attributable to work still to be performed after 30 June.

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Note 14 Contestable funds

	2016 \$000's		2015 \$000's	
	Consolidated	Parent	Consolidated	Parent
Opening contestable funds	19,033	19,033	15,539	15,539
Receipts	78,728	78,728	75,964	75,964
Interest earned & accrued	324	324	608	608
Payments	(76,974)	(76,974)	(73,078)	(73,078)
Closing contestable funds	21,111	21,111	19,033	19,033

The group managed nine contestable funds on behalf of government in the year ended 30 June 2016. (2015: nineteen). The fund monies shown in this note are not included in the group's Statements of comprehensive income or Balance Sheets, as ownership of the monies is not vested in the Group.

This note serves to highlight the significant funding administered by the Group. The Group received \$5.2m in administration fees from MBIE in the 2016 financial year. (2015 \$5.4m).

Note 15 Deposits held on behalf of third parties.

	2016 \$000's		2015 \$000's	
	Consolidated	Parent	Consolidated	Parent
Term deposits on behalf - Rutherford Foundation Trust	2,098	2,098	2,060	2,060
Term deposits on behalf - James Hay	52	52	50	50
Term deposits on behalf - Ecohydraulics	26	26	25	25
	2,176	2,176	2,135	2,135

Ownership of these funds does not rest with the Group. These deposits are not included within the assets of the Group.

Note 16 Commitments

The group has entered into an agreement with Sharp Corporation Ltd which commits it to a guaranteed spend on copying over a four year period.

The potential commitment is based on targeted volumes

	2016 \$000's		2015 \$000's	
	Consolidated	Parent	Consolidated	Parent
	55	55	32	32
	55	55	32	32

Note 17 Contingent Liabilities

There were no significant contingent liabilities at 30 June 2016. (2015: nil)

Note 18 Events occurring after balance date

There are no significant events subsequent to balance date.

Note 19 Income

	2016 \$000's		2015 \$000's	
	Consolidated	Parent	Consolidated	Parent
Non-exchange transactions				
Income from Government Contracts	500	500	500	500
Donations	-	-	-	-
Exchange transactions				
Income from Government Contracts	4,770	4,770	5,546	5,546
Other products and services	391	391	418	418
	5,661	5,661	6,464	6,464

Contractual payments received from the Ministry of Business, Innovation and Employment are the primary source of income earned by the Society and are restricted for the purposes of the Society meeting its objectives as specified in the Royal Society of New Zealand Act 1997.

Government and non-government receipts are recognised as revenue when they become receivable unless there is an obligation to return the funds if conditions of the contract are not met. If there is such an obligation, the receipts are initially recorded as income in advance and recognised as revenue when conditions of the contract are satisfied.

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Note 20 Related parties

The Society has no significant transactions with related parties.

The Society made a \$735,000 donation payment to the Royal Society of New Zealand Endowment Fund Trust during the year. This transaction is eliminated on consolidation. No other significant related party transactions occurred during the financial year. (2015 \$Nil).

Note 21 Key management personnel

The key management personnel, as defined by PBE IPSAS 20 are the members of the governing body which is comprised of the Council, the Chief Executive, the Chief Operating Officer and the Directors. No remuneration is paid to members of Council. The aggregate remuneration of key management personnel and the number of individuals, determined on a full-time equivalent basis, receiving remuneration is as follows:

	2016 \$000's		2015 \$000's	
	Consolidated	Parent	Consolidated	Parent
Total remuneration	1,190	1,190	1,086	1,086
Number of persons	7	7	6	6

Note 22 Financial Instrument Classification

Financial instruments were classified for the purpose of measurement into the following categories.

Consolidated

	Other liabilities		Total \$000's
	Loans and receivables \$000's	at amortised cost \$000's	
As at 30 June 2015			
Cash and cash equivalents	2,443	-	2,443
Trade and other receivables	235	-	235
Investments	3,446	-	3,446
Trade and other payables	-	(861)	(861)
	6,124	(861)	5,262
As at 30 June 2016			
Cash and cash equivalents	2,290	-	2,290
Trade and other receivables	190	-	190
Investments	4,110	-	4,110
Trade and other payables	-	(896)	(896)
	6,591	(896)	5,694

Parent

	Other liabilities		Total \$000's
	Loans and receivables \$000's	at amortised cost \$000's	
As at 30 June 2015			
Cash and cash equivalents	2,171	-	2,171
Trade and other receivables	220	-	220
Investments	2,784	-	2,784
Trade and other payables	-	(861)	(861)
	5,175	(861)	4,314
As at 30 June 2016			
Cash and cash equivalents	1,569	-	1,569
Trade and other receivables	185	-	185
Investments	3,169	-	3,169
Trade and other payables	-	(889)	(889)
	4,923	(889)	4,034