



**Waikato Medical Research Foundation (Inc)**

**Annual Report**

**For the Year Ended 31 May 2016**

# Waikato Medical Research Foundation (Inc)

## Contents of Financial Statements

For the Year Ended 31 May 2016

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# Waikato Medical Research Foundation (Inc)

## Entity Statement

As at 31 May 2016

Waikato Medical Research Foundation (Inc) is a charitable trust and registered under the Charities Act 2005.

### Entity's Purpose or Mission

Waikato Medical Research Foundation (Inc) ("the Foundation") exists to support, teach and encourage medical research within the region and to assist in the publication of the results of this research. The ultimate aim of the Foundation is to improve the medical care of people in the Waikato. Supporting research and teaching is vital to maintaining and raising the level of care of people throughout the region. Each year, the Foundation invites research proposals that are related to health and medical topics to apply for grant funding. The proposals are carefully considered by the Grants Committee and successful applications are selected in line with set criteria.

### Entity Structure

The Foundation is governed by a Board of Trustees and the Board is supported by a Patron, an Administrator, a Treasurer and an Investment Advisor. In addition, two sub-committees have been formed (the Grants Committee and the Finance Committee) to assist with the operations of the Foundation. The Grants Committee uses a sophisticated research grant ranking methodology to process, review and rank applications received for medical research funding each year. The Finance Committee oversees the investment structure and strategy for managing the Foundation's assets, which include a capital fund being managed by an appointed Investment Advisor.

**Main Sources of Cash and Resources** Grants paid to researchers are funded from the income the capital fund generates and from grants and donations received from a number of trusts, philanthropic organisations and individuals, bequests and legacies.

**Main Methods Used to Raise Funds** Payroll giving  
Website giving  
Circulation of Annual Report  
Directly approaching primary healthcare and other philanthropic organisations to support specific research applications received.

**Entity's Reliance on Volunteers and Donated Goods or Services** The Foundation relies on the volunteer time and expertise provided by the Board of Trustees and the Patron. The appointed Investment Advisor and Treasurer provide their services at a discounted rate to the Foundation.

**Accountants** Staples Rodway Waikato LP  
Chartered Accountants  
Level 4 BNZ Building, 354 Victoria Street  
Hamilton

**Registered Charity Number** CC20443

# Independent Audit Report

## Waikato Medical Research Foundation (Inc)

### For the year ending 31 May 2016

To the Board of Waikato Medical Research Foundation (Inc)

I have audited the financial statements. The financial statements provide information about the past financial performance of Waikato Medical Research Foundation (Inc) and its financial position as at 31 May 2016.

This information is stated in accordance with the accounting policies set out in the notes to the financial statements.

#### **Responsibilities of the Board**

The Board is responsible for the preparation of these financial statements that give a true and fair view of the matters to which they relate and in accordance with Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) in New Zealand and for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditors responsibilities**

It is my responsibility to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing (New Zealand).

Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material mis-statement.

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 risks of material mis-statement 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 the financial statements that give a true and fair view of 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Other than my capacity as auditor I have no relationship with, and am independent of Waikato Medical Research Foundation (Inc)

#### **Opinion**

In my opinion, the financial statements

- comply with Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) in New Zealand
- give a true and fair view of the financial position of Waikato Medical Research Foundation (Inc) as at 31 May 2016 and its financial performance for the year ended on that date.

*McCampbell*

Mark Campbell CA, B Com  
Campbell and Campbell Accounting Consultants  
Hamilton

4 August 2016

## Waikato Medical Research Foundation (Inc)

### Statement of Service Performance

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For the Year Ended 31 May 2016

#### Description of the Entity's Outcomes

- To preserve and grow the capital of the Foundation.
- To maximise investment returns within reasonable and prudent levels of risk.
- To secure grants and donations from outside organisations and individuals to assist with co-funding research applications.

#### Description and Quantification of the Entity's Outputs

- The capital of the Foundation increased by \$550,262 to \$3,052,536 this financial year.
- Total grants, donations and legacies received from outside organisations and individuals totalled \$733,381 this year.
- The Foundation funded grants totalling \$221,606 this year.

# Waikato Medical Research Foundation (Inc)

## Statement of Financial Performance

For the Year Ended 31 May 2016

	Note	Actual 2016 \$	Actual 2015 \$
<b>Revenue</b>			
Donations, fund raising and other similar revenue	2	733,381	385,661
Interest, dividends and other investment revenue	3	115,062	134,904
<b>Total Revenue</b>		<u>848,442</u>	<u>520,565</u>
<b>Less Expenses</b>			
Expenses related to public fundraising	4	-	63,000
Grants and donations	5	247,606	1,000
Other expenses	6	50,574	46,529
<b>Total Expenses</b>		<u>298,180</u>	<u>110,529</u>
<b>Surplus</b>		<u>550,262</u>	<u>410,036</u>

# Waikato Medical Research Foundation (Inc)

## Statement of Financial Position

As at 31 May 2016

	Note	2016	2015
		\$	\$
<b>Current Assets</b>			
Cash & Bank Balances	2	803,377	414,008
GST Receivable		-	1,785
Prepayments		-	6,708
Term Deposits		1,508,170	1,803,429
<b>Total Current Assets</b>		2,311,548	2,225,930
<b>Non Current Assets</b>			
Term Investments	3	797,676	344,822
<b>Total Assets</b>		3,109,224	2,570,752
<b>Current Liabilities</b>			
Bank Overdraft	5	-	-
Accounts Payable		16,176	48,478
Related Party Payables		506	-
Grant Funds Not Yet Spent		40,000	20,000
<b>Total Liabilities</b>		56,687	68,478
<b>Net Assets</b>		3,052,536	2,502,274
<b>Accumulated Funds</b>			
Capital	4	3,052,536	2,502,274
<b>Total Accumulated Funds</b>		3,052,536	2,502,274

*Margaret Jester*

Chair

Date 04/08/2016.

# Waikato Medical Research Foundation (Inc)

## Statement of Cash Flows

For the Year Ended 31 May 2016

Note	2016	2015
	\$	\$
<b>Cash Flows from Operating Activities</b>		
<b>Cash was received from:</b>		
Donations, fundraising and other similar receipts	729,014	399,783
Grants refunded	24,368	5,878
Interest, dividends and other investment receipts	110,435	87,335
GST Received	1,785	1,212
	<u>865,602</u>	<u>494,208</u>
<b>Cash was applied to:</b>		
Payments to suppliers	38,865	259,743
Donations or grants paid	284,404	1,000
	<u>323,269</u>	<u>260,743</u>
<b>Net Cash Flows from Operating Activities</b>	<u>542,333</u>	<u>233,465</u>
<b>Cash Flows from Investing Activities</b>		
<b>Cash was received from:</b>		
Receipts from the sale of investments	295,259	148,857
	<u>295,259</u>	<u>148,857</u>
<b>Cash was applied to:</b>		
Payments to purchase investments	448,227	1,152,487
	<u>448,227</u>	<u>1,152,487</u>
<b>Net Cash Flows from Investing Activities</b>	<u>(152,968)</u>	<u>(1,003,630)</u>
Net Increase in Cash Held	389,365	(770,165)
Cash at the Beginning of the Year	414,008	1,184,173
<b>Cash at the End of the Year</b>	<u>803,373</u>	<u>414,008</u>
<b>This is represented by:</b>		
Cash & Bank Balances	803,373	414,008

# Waikato Medical Research Foundation (Inc)

## Notes to and forming part of the Financial Statements

For the Year Ended 31 May 2016

### 1 Statement of Accounting Policies

#### Reporting Entity

Waikato Medical Research Foundation (Inc) is a charitable trust and registered under the Charities Act 2005.

The performance report of Waikato Medical Research Foundation (Inc) has been prepared according to generally accepted accounting practice in New Zealand as determined by the External Reporting Board.

#### Statement of Compliance and Basis of Preparation

Waikato Medical Research Foundation (Inc) is eligible to apply Tier 3 PBE Accounting Standards : PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit), on the basis that it does not have public accountability and has total annual expenses of equal to or less than \$2,000,000. The charitable trust has elected to report in accordance with PBE SFR-A (NFP). All transactions in the Performance Report are reported using the accrual basis of accounting.

The accounting principles recognised as appropriate for the measurement and reporting of the Statement of Financial Performance and Statement of Financial Position on a historical cost basis are followed by the charitable trust, unless otherwise stated in the Specific Accounting Policies.

The information is presented in New Zealand dollars.

The Performance Report is prepared under the assumption that the entity will continue to operate in the foreseeable future.

#### Specific Accounting Policies

The following specific accounting policies which materially affect the measurement of the Statement of Financial Performance and Statement of Financial Position have been applied:

(a) Income Tax

The Foundation has charitable status and is exempt from income tax.

(b) Investments

Investments are valued at market value in New Zealand dollars.

(c) Foreign Currencies

Transactions in foreign currencies are converted 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 arising from these translations are recognised in the Statement of Financial Performance.

(d) Goods and Services Taxation (GST)

The amounts recorded in the performance report are inclusive of GST (if any). The Foundation is not registered for GST. The Foundation deregistered from GST on 31 May 2015.

(e) Changes in Accounting Policies

There have been no changes in accounting policies. All policies have been applied on a basis consistent with those from previous performance report.

## Waikato Medical Research Foundation (Inc)

## Notes to and forming part of the Financial Statements (continued)

For the Year Ended 31 May 2016

2 Donations, fund raising and other similar revenue	2016	2015
	\$	\$
Legacies Received	450,000	10,488
Grants Refunded	24,368	5,878
Donations and Grants	259,013	369,295
<b>Total Donations, fund raising and other similar revenue</b>	<b>733,381</b>	<b>385,661</b>
3 Interest, dividends and other investment revenue	2016	2015
	\$	\$
Dividends Received	20,655	16,380
Interest Received	90,078	91,982
Income on Realisation of Investments	-	60
Unrealised Gain on Investments	4,329	25,649
Foreign Currency Gains	-	833
<b>Total Interest, dividends and other investment revenue</b>	<b>115,062</b>	<b>134,904</b>
4 Expenses related to public fundraising	2016	2015
	\$	\$
Fundraising Expenses	-	63,000
<b>Total Expenses related to public fundraising</b>	<b>-</b>	<b>63,000</b>
5 Grants and donations	2016	2015
	\$	\$
Grants Paid	221,606	1,000
Grants Refunded	26,000	-
<b>Total Grants and donations</b>	<b>247,606</b>	<b>1,000</b>
6 Other expenses	2016	2015
	\$	\$
Accountancy Fees	10,356	9,288
Administration Expenses	18,958	20,621
Advertising	2,877	4,006
Audit Fees	2,772	4,550
Bank Fees and Charges	272	353
Foreign Currency Loss	74	-
Loss on Disposal of Investments	-	218
Management Fees	14,171	6,490
Printing, Stationery and Postage	1,094	1,003
<b>Total Other expenses</b>	<b>50,574</b>	<b>46,529</b>

**Waikato Medical Research Foundation (Inc)****Notes to and forming part of the Financial Statements (continued)****For the Year Ended 31 May 2016****7 Cash & Bank Balances****Bank Account Balances**

Westpac Current Account

ASB

British Pounds Account

ASB Australian Dollars Account

Public Trust - NZD Call Account

BNZ Online Account

Westpac Appeal Account

Westpac Bonus Saver Account

ASB On Call Account

Public Trust - AUD Call Account

**Total Cash & Bank Balances**

2016	2015
\$	\$
39,310	3,329
-	1
-	1
-	549
682,202	387,018
4,328	3,961
181	1
72,311	15,055
-	417
5,045	3,676
<u>803,377</u>	<u>414,008</u>

**8 Term Investments**

NZ Equities

NZ Fixed Interest

NZ Listed Property

Australian Investments

**Total Term Investments**

2016	2015
\$	\$
74,691	10,349
354,967	6,000
139,280	118,820
228,738	209,653
<u>797,676</u>	<u>344,822</u>

**9 Capital**

Opening Balance

**Plus:**

Net Surplus

**Total Capital**

2016	2015
\$	\$
2,502,274	2,092,238
550,262	410,036
<u>3,052,536</u>	<u>2,502,274</u>

**10 Related Parties**

During the year ended 31 May 2016, Waikato Medical Research Foundation (Inc) paid accounting fees to Staples Rodway Waikato LP of which Rosanna Baird (a Trustee of the Foundation) is a Director.

Total accounting fees paid or payable to Staples Rodway Waikato LP for the year ended 31 May 2016 was \$10,356 (2015: 9,288), of which \$506 was outstanding as at year end (2015: Nil).

**11 Contingent Liabilities**

The Trust has no contingent liabilities as at 31 May 2016, (2015 Nil).

## Waikato Medical Research Foundation (Inc)

### Notes to and forming part of the Financial Statements (continued)

For the Year Ended 31 May 2016

#### 12 Commitments

The charitable trust has no commitments as at 31 May 2016, (2015 Nil).