



**Waikato Medical Research
Foundation**

Annual Report

For the Year Ended 31 May 2017

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Waikato Medical Research Foundation

Directory

As at 31 May 2017

Waikato Medical Research Foundation is a charitable trust registered under the Charities Act 2005.

Entity's Purpose or Mission

Waikato Medical Research Foundation ("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 Auditor's Report

Waikato Medical Research Foundation (Inc.)

For the year ending 31 May 2017

Campbell & Campbell Accounting Consultants

To the Board of Waikato Medical Research Foundation (Inc.)

Opinion

I have audited the performance report. The performance report provides information about the past financial performance of Waikato Medical Research Foundation (Inc.) and its financial position as at 31 May 2017.

In my opinion, the accompanying performance report

- complies with Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) in New Zealand.
- gives a true and fair view of the financial position of Waikato Medical Research Foundation (Inc.) as at 31 May 2017 and its financial performance for the year ended on that date.

The performance report in the above opinion includes:

- the statement of financial position as at 31 May 2017.
- the entity statement, the service performance, statement of financial performance, statement of cash flows, statement of accounting policies and notes to the performance report for the year ending 31 May 2017.

Additionally, In my opinion

- the reported outcomes and outputs, and quantification of the outputs to the extent practicable, in the statement of service performance are suitable.

Basis of Opinion

I conducted my audit in accordance with International Standards on Auditing (New Zealand). My responsibilities under those standards are further described in the Auditor's Responsibility section of this audit report.

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

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

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

Responsibilities of the Board

The Board is responsible for the preparation of the performance report 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 the performance report that is free from material misstatement, whether due to fraud or error.

In preparing the performance report the Board is responsible on behalf of Waikato Medical Research Foundation (Inc.) for assessing the ability of Waikato Medical Research Foundation (Inc.) to operate as a going concern, disclosing as applicable, matters relating to going concern and using the going concern basis of accounting.

Auditor's Responsibility

My objective is to obtain reasonable assurance about whether the performance report as a whole is free from material misstatement whether due to fraud or error, and to issue an auditor's report that includes my opinion.

Reasonable assurance is a high level of assurance, but not a guarantee that an audit conducted in accordance with International Standard on Auditing (New Zealand) 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 decision of users taken on the basis of the performance report.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the performance report. The procedures selected depend on the auditor's judgement, including the assessment of risks of material mis-statement of the performance report, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the performance report 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.

The audit includes performing procedures to obtain evidence about evaluating whether the reported outcomes and outputs and quantification of the outputs to the extent practicable, are relevant, reliable, comparable and understandable.

An audit includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the overall presentation, structure and content of the performance report, including the disclosures, and whether the performance report represent the underlying transactions and events in a manner that achieves fair presentation.

I conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, determine whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern.

I communicate with management and the governing body regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.

McCampbell

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

7 September 2017



Waikato Medical Research Foundation

Statement of Service Performance

For the Year Ended 31 May 2017

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 \$76,446 to \$3,128,982 this financial year (2016: increased by \$550,262 to \$3,052,536).
- Total grants, donations and legacies received from outside organisations and individuals totalled \$226,119 this year (2016: \$733,381).
- The Foundation funded grants totalling \$198,770 this year (2016: \$221,606).

Waikato Medical Research Foundation

Statement of Financial Performance

For the Year Ended 31 May 2017

	Note	2017	2016
		\$	\$
Revenue			
Donations, fund raising and other similar revenue	2	226,119	733,381
Interest, dividends and other investment revenue	3	106,370	115,062
Total Revenue		<u>332,489</u>	<u>848,442</u>
Less Expenses			
Grants and donations	4	202,780	247,606
Other expenses	5	53,264	50,574
Total Expenses		<u>256,044</u>	<u>298,180</u>
Surplus		<u><u>76,446</u></u>	<u><u>550,262</u></u>



Waikato Medical Research Foundation

Statement of Financial Position

As at 31 May 2017

	Note	2017	2016
		\$	\$
Current Assets			
Cash & Bank Balances	6	1,464,881	803,377
Prepayments		6,708	-
Term Deposits		777,292	1,508,170
Total Current Assets		2,248,881	2,311,547
Non-Current Assets			
Term Investments	7	884,155	797,676
Total Assets		3,133,036	3,109,223
Current Liabilities			
Bank Overdraft		-	5
Accounts Payable		3,669	16,176
Related Party Payables		385	506
Grant Funds Not Yet Spent		-	40,000
Total Liabilities		4,054	56,687
Net Assets		3,128,982	3,052,536
Accumulated Funds			
Capital	8	3,128,982	3,052,536
Total Accumulated Funds		3,128,982	3,052,536

Margaret Fisher
Chair

Date 6/9/17

Waikato Medical Research Foundation

Statement of Cash Flows

For the Year Ended 31 May 2017

	Note	2017	2016
		\$	\$
Cash Flows from Operating Activities			
Cash was received from:			
Donations, fundraising and other similar receipts		174,109	729,014
Grants refunded		12,010	24,368
Interest, dividends and other investment receipts		107,121	110,435
GST received		-	1,785
		293,240	865,602
Cash was applied to:			
Payments to suppliers		64,316	38,865
Donations or grants paid		206,770	284,404
Grants returned to funder		4,010	-
Foreign currency translation losses		280	-
		275,376	323,269
Net Cash Flows from Operating Activities		17,864	542,333
Cash Flows from Investing Activities			
Cash was received from:			
Receipts from the sale of investments and term deposits		725,000	295,259
		725,000	295,259
Cash was applied to:			
Payments to purchase investments and term deposits		81,355	448,227
		81,355	448,227
Net Cash Flows from Investing Activities		643,645	(152,968)
Net Increase in Cash Held		661,509	389,365
Cash at the Beginning of the Year		803,372	414,008
Cash at the End of the Year		1,464,881	803,373
This is represented by:			
Cash & Bank Balances	6	1,464,881	803,372

Waikato Medical Research Foundation

Notes to and forming part of the Financial Statements

For the Year Ended 31 May 2017

1 Statement of Accounting Policies

Reporting Entity

Waikato Medical Research Foundation is a charitable trust registered under the Charities Act 2005.

The performance report of Waikato Medical Research Foundation 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 is eligible to apply Tier 3 PBE Accounting Requirements : 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.

(e) Changes in Accounting Policies

There have been no changes in accounting policies during the year. All policies have been applied on a basis consistent with those used in the previous year's performance report.

Waikato Medical Research Foundation

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

For the Year Ended 31 May 2017

2 Donations, fund raising and other similar revenue

	2017	2016
	\$	\$
Donations and Grants	214,109	259,013
Grants Refunded	12,010	24,368
Legacies Received	-	450,000
Total Donations, fund raising and other similar revenue	226,119	733,381

3 Interest, dividends and other investment revenue

	2017	2016
	\$	\$
Dividends Received	21,489	14,814
Interest Received	92,366	87,249
Unrealised Gain/(Loss) on Investments	(15,218)	4,330
PIE Income	7,733	8,669
Total Interest, dividends and other investment revenue	106,370	115,062

4 Grants and donations

	2017	2016
	\$	\$
Grants Paid	198,770	221,606
Grants Returned to Funder	4,010	26,000
Total Grants and donations	202,780	247,606

5 Other expenses

	2017	2016
	\$	\$
Accountancy Fees	11,270	10,357
Administration Expenses	18,279	18,957
Advertising	2,800	2,877
Audit Fees	3,567	2,772
Bank Fees and Charges	316	272
Foreign Currency Loss	280	74
Management Fees	15,652	14,171
Printing, Stationery and Postage	1,100	1,094
Total Other expenses	53,264	50,574

6 Cash & Bank Balances

	2017	2016
	\$	\$
Bank Account Balances		
Westpac Current Account	34,585	39,310
Public Trust - NZD Call Account	1,354,501	682,202
BNZ Online Account	5,229	4,328
Westpac Appeal Account	21	181
Westpac Bonus Saver Account	54,279	72,311
Public Trust - AUD Call Account	16,266	5,045
Total Cash & Bank Balances	1,464,881	803,377

Waikato Medical Research Foundation

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

For the Year Ended 31 May 2017

7 Term Investments

	2017	2016
	\$	\$
NZ Equities	355,246	353,813
NZ Fixed Interest	152,295	75,845
NZ Listed Property	130,115	139,280
Australian Investments	246,499	228,738
Total Term Investments	884,155	797,676

8 Capital

	2017	2016
	\$	\$
Opening Balance	3,052,536	2,502,274
Plus:		
Net Surplus	76,446	550,262
Total Capital	3,128,982	3,052,536

9 Related Parties

During the year, the Foundation 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 was \$11,270 (2016: \$10,356), of which \$385 was outstanding as at year end (2016: \$506).

10 Commitments

The Foundation has no commitments as at 31 May 2017, (2016 Nil).

11 Contingent Liabilities

The Foundation has no contingent liabilities as at 31 May 2017, (2016 Nil).

12 Events Occurring After Balance Date

There were no events that have occurred after the balance date that would have a significant impact on the Performance Report. (Last Year - Nil).