

The Southland Medical Foundation (Inc) 54th

Annual Report Statement of Accounts and notice of Annual General Meeting

The Fifty – Fourth Annual General Meeting of the Foundation
will be held in Education Centre
at Southland Hospital, Kew, Invercargill
at 12.00 pm on Friday 27 November 2020
All members are urged to attend this meeting

BUSINESS

- To receive and consider the Annual Report and Statement of Accounts for the year ended 30th June 2020
- To elect three members of the Council in place of those retiring.
- To elect an auditor.
- To consider any general business.

David E Little
Secretary

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The Southland Medical Foundation Incorporated
Contents of Performance Report
For the Year Ended 30 June 2020

Entity Information	7 - 8
Statement of Service Performance	9
Statement of Financial Performance	10
Statement of Financial Position	11
Statement of Cash Flows	12
Notes to and forming part of the Performance Report	13 - 20
Audit Report	21

THE SOUTHLAND MEDICAL FOUNDATION INC.

COUNCIL 2019 - 2020

PRESIDENT

Mr C M Smith

EX-OFFICIO

MEMBERS

Mr T R Shadbolt, His Worship the Mayor of Invercargill
Mr G Tong, His Worship the Mayor of Southland District.
Mr Tracy Hicks, His Worship the Mayor of Gore.
Mr Jim Boulton, His Worship the Mayor of Queenstown Lakes District.
Mr Nicol Horrell, Chairman of Environment Southland.
A Representative of the Southern District Health Board
Dr Nigel Millar, Chief Medical Officer Southland Hospital.
Dr Nicholas Johnston, Chairman of the Southland Hospital Senior Medical Staff

APPOINTED MEMBERS

Dr P A Tomlinson, Royal Australasian College of Physicians
Mr M V Pfeifer, University of Otago.
Dr B Brown, Royal College of Obstetrics and Gynecology.
Mr G Ngaei, Fellow of the Royal Australasian College of Surgeons.
Dr A M Johri, Southland Faculty of the College of General Practitioners.
Mrs J Symons, Manager of Practice Development, Southland Hospital

ELECTED MEMBERS

Mr D J Cocker	Mrs A E McCracken	Mrs P E C Lindsay
Rev P Dunn	Mr C M Smith	Mr N MacLean MNZM
Ms J A Flutey		

SECRETARY/TREASURER

Mr D E Little

President's Report

It is with pleasure that I present the Fifty-Fourth Annual Report of the Foundation for the year ended 30th June 2020.

The Southland Medical Foundation was founded in 1966 to provide finance for medical education and research for the benefit of the people of the Southland district and this purpose remains the same today.

The beneficiaries of this funding have been nurses, doctors and other healthcare workers who have been assisted by way of grants in attending conferences and courses to update and increase knowledge of their speciality.

The Foundation has also provided funding for special medical research projects being undertaken by the University of Otago's Medical School.

General funds this year total \$384,256 and Special Funds \$1,684,218.

Special Funds are funds that have been donated to the Foundation to fund specific grant applications and are unable to be used to fund our ordinary grant requests. Grants from General Funds support medical services and training within our Southland area.

The significance of medical research is currently being showcased around the world with the race to find a COVID 19 vaccine. New Zealand has some of the world's best researchers, but funding for their work is scarce. It is only at times like this that we all realise how important this work is and the direct benefit it has on our families.

You will be aware that the COVID 19 lockdown has severely affected the activities of our Foundation as applications since March 2020 for assistance to attend conferences and workshops etc. have just not been received.

Many of the usual conferences and workshops were cancelled and or withdrawn and we are hoping that some normality will return soon.

Grants

Grants totalling \$38,126 have been approved during the year (\$101,639 last year). Of these, \$14,275 paid out from General Funds (\$31,503 last year), which are detailed later in this report.

These General Fund grants have supported nurses, doctors, and other healthcare workers to update and increase knowledge in their speciality .

Special Fund grants included \$16,410 being awarded to Professor Michael Eccles at University of Otago for Cancer Research and \$7,441 to the Wyndham & Districts Community Rest Home Inc. for the purchase of plant and equipment.

Last year Special Fund grants of \$70,136 were paid, Cancer research \$40,136 to Dr N Fleming and to Professor K Rajesh for heart research \$30,000.

Finance

Bequests and Donations are a significant part of our income and this year the donation received from the Dick Trust, which is administered by the Guardian Trust was \$75,565.

Strategic Planning

Our strategic plan has continued to be revised and further developed. The second of what is planned to be an ongoing newsletter was released in May and has been well received.

Our website is up and running and can be found on www.southlandmedicalfoundation.org.nz

Membership

Our membership lists have been further revised to account for departed entities and also people who have passed away or resigned.

Membership of the Foundation at 30 June 2020 totalled 78, made up as follows:

Foundation Members	10
Honorary Life Members	1
Members for Life	52
Subscribing Members	15
Total	78

The Executive Committee is extremely keen on attracting more subscribing members not only to strengthen the Foundation's finances but also to raise awareness of the Foundation and what it does.

Council Membership

Ex-Officio and Appointed Members

Dr Nicholas Johnston replaced Dr Rachael Byars during this year.
(See note on Medical Committee).

Cancer Research Project

Professor Michael Eccles – Chair or Cancer Pathology, Department of Pathology at Dunedin School of Medicine was awarded \$16,410.00 and the purpose of this research is to develop a Southland and Otago Tissue, Blood, and data Biorepository for melanoma patients.

Presentation of the Thursa Kennedy Memorial Award for Excellence in Advanced Nursing Practice

The recipient of this prestigious award this year was Tania Fairbairn, a student in the Southern Institute of Technology (SIT) Postgraduate Diploma in Health Science programme.

The Barclay Prize Award

The Barclay Prize funded by the Southland Medical Foundation Inc. is awarded to the most promising young Doctor at Southland Hospital.

The recipient this year was Dr Ben Shunfenthal.

Medical Committee

We continue to be grateful for the work of the Medical Committee because, to be an effective organisation, we need to have their support.

Our Medical Committee consisting of Dr Nicholas Johnston, Dr P Tomlinson, Dr Ajit Johri and Mrs Julie Symons carefully consider, and make recommendations on the general grant applications received. The Executive and Grants Committee then consider these recommendations further before making final decisions.

During the year Dr Rachael Byars retired from her position on the Medical Committee and has been replaced by Dr Nicholas Johnston.

We would thank Dr Byars for the contribution she has made in the years that she has been involved with the committee.

Executive Grants Committee

The Executive Grants Committee was fortunate in having Ms Jackie Flutey join its ranks this year due to the vacancy resulting from the resignation last year of Mr Julian Galt who has moved from Southland. I would take this opportunity of thanking Julian for his involvement and contribution on to our committee and wish him well for a long and happy retirement.

I extend my personal thanks to this Committee and the Finance Sub-Committee for their contribution and time, both with the making of final decisions on grants, and the general administration matters requiring their input.

The Foundation is well positioned to continue making a useful contribution to medical education and research in the interests of our community, the people of Southland.

C M Smith
President

The Southland Medical Foundation Incorporated

Entity Information

As at 30 June 2020

The Southland Medical Foundation Incorporated is an incorporated society, registered under the Incorporated Societies Act 1908.

Entity's Purpose or Mission

The purpose of the Foundation is charitable and it will fund research into the nature, origin and cause of disease with the object of improving the health of the community. It will fund such enquiry, research and study in such manner and by every such means as may be thought fit. It will enable people and/or organisations, within the medical profession or any other affiliated health profession, to undertake training and professional development as thought appropriate by the Foundation. It will seek, accept and receive donations, subsidies, grants, endowments, gifts and bequests both in money, and in kind, for all of the purposes and objects of the Foundation. It will make submissions on, or representations relating to, any topics of interest as deemed appropriate by the Foundation.

Physical Address

C/- 7 McLeod Court, Rosedale, Invercargill 9810

Postal Address

P0 Box 5083, Waikiwi, Invercargill 9843

Phone/Fax Number

03 217 5320

Email Address

southlandmedicalfoundation@outlook.com

Accountants

Chris Shaw
McIntyre Dick & Partners Limited
Invercargill

Auditor

BDO Invercargill
Chartered Accountants
Invercargill

Bankers

Westpac Bank
Invercargill

Registered Charity Number

CC21244

The Southland Medical Foundation Incorporated

Entity Information (continued)

As at 30 June 2020

Entity Structure

The Foundation is controlled by a Council of ex-officio and appointed members, representatives of local bodies, hospital administration and professional organisations of doctors and nurses together with seven elected members (the Executive Committee). The Executive Committee is responsible as delegated for the day to day running of the Foundation and its business. It shall consist of seven (7) members who shall be elected by the Foundation at the general meeting. At least six of these seven persons shall not be, or have been, members of the medical profession. The Secretary and Treasurer (or combined role of Secretary/Treasurer) of the Foundation is part of the Executive Committee. The Council consists of Ex-Officio members and Appointed Members. Ex-Officio members are: The Mayor of Invercargill, the Mayor of Southland District Council, the Mayor of Gore District Council, the Mayor of Queenstown-Lakes District Council, the Chairman of Environment Southland, the Chairman of the Southland Senior Medical Staff Executive and the Chairman of the Southland Post-Graduate Committee. The Appointed Members are: an appointee of the University of Otago to be approved by the Chancellor of the University, appointees of the Southland Division of the NZ Medical Association, an appointee of the Australasian College of Physicians, a member of the Royal Australasian College of Surgeons, a member of the Southland Faculty of the College of General Practitioners and a Southland based Nurse representative. The Council meets at least once a year at the time of the AGM and at such other times as they require, and at these meetings shall raise such matters as they may determine in relation to the good governance, function and operation of the Foundation. For the avoidance of any doubt, the Executive Committee shall be answerable to the Council and where conflict between the Executive and Council exists, the view and direction of the Council shall prevail.

Main Sources of Cash and Resources The Foundation's primary sources of finance are bequests & distributions from local donors and investment income.

Main Methods Used to Raise Funds The Foundation currently does not undertake any fundraising. However, the Foundation has an investment portfolio from which interest and dividend income is derived.

Entity's Reliance on Volunteers and Donated Goods or Services Apart from the Executive Committee, the Foundation does not rely on any volunteers.

The Southland Medical Foundation Incorporated

Statement of Service Performance

For the Year Ended 30 June 2020

Description Of The Foundation's Outcomes

To provide for the financing of medical research and health education in its broadest aspects for nurses, doctors and others involved in the health sector for the benefit of the people of Southland.

Description Of Outputs

	Actual 2020	Actual 2019
Grants Paid Or Committed To From General Funds	20	34
Grants Paid Or Committed To From Special Funds (Excluding Research Grants)	3	0
Grants Paid Or Committed To For Medical Research	1	3

The Southland Medical Foundation Incorporated

Statement of Financial Performance

For the Year Ended 30 June 2020

	Note	Actual 2020 \$	Actual 2019 \$
Revenue			
Donations, Fundraising & Other Similar Receipts	2	75,640	69,104
Interest, Dividends & Other Investment Revenue	3	93,327	139,432
Fees, Subscriptions & Other Revenue From Members	4	1,225	800
Total Revenue		170,192	209,337
Less Expenses			
Employee Related Costs	5	23,979	25,512
Grants & Donations Made	6	38,126	101,639
Other Expenses	7	24,544	25,129
Total Expenses		86,649	152,279
Surplus		83,542	57,057

The accompanying notes form part of this performance report.

The Southland Medical Foundation Incorporated


Statement of Financial Position

As at 30 June 2020

	Note	2020 \$	2019 \$
Accumulated Funds			
General Funds	8	384,256	387,447
Special Funds	9	1,684,218	1,597,485
Total Accumulated Funds		2,068,475	1,984,932
Represented by:			
Current Assets			
Cash & Bank Balances	10	18,687	79,508
Accounts Receivable		1,000	-
Accrued Income		6,155	9,734
Total Current Assets		25,842	89,242
Non Current Assets			
Term Investments	11	2,054,154	1,923,930
Total Assets		2,079,996	2,013,172
Current Liabilities			
Accounts Payable		11,521	11,571
Grants Approved & Payable		-	16,668
Total Liabilities		11,521	28,239
Net Assets		2,068,475	1,984,932

This performance report has been approved by the Council, for and on behalf of The Southland Medical Foundation:


 Name: _____ President Date: 10 November 2020


 Name: _____ Treasurer Date: 10 November 2020

The Southland Medical Foundation Incorporated

Statement of Cash Flows

For the Year Ended 30 June 2020

	Note	2020 \$	2019 \$
Cash Flows from Operating Activities			
Cash was received from:			
Interest, Dividends & Other Investment Revenue		96,906	142,733
Donations, Fundraising & Other Similar Revenue		75,640	69,104
Fees, Subscriptions & Other Revenue From Members		1,225	800
		173,771	212,638
Cash was applied to:			
Payment Of Grants		69,041	116,305
Payments To Suppliers & Employees		35,327	49,808
		104,368	166,113
Net Cash Flows from Operating Activities		69,403	46,525
Cash Flows from Investing and Financial Activities			
Cash was received from:			
Disposal Of Investments		133,753	150,679
		133,753	150,679
Cash was applied to:			
Acquisition Of Investments		263,977	146,760
		263,977	146,760
Net Cash Flows from Investing and Financial Activities		(130,224)	3,919
Net Increase/(Decrease) in Cash Held		(60,821)	50,444
Cash at the Beginning of the Year		79,508	29,064
Cash at the End of the Year		18,687	79,508
This is represented by:			
Cash & Bank Balances		18,687	79,508

The Southland Medical Foundation Incorporated
Notes to and forming part of the Financial Statements
For the Year Ended 30 June 2020

1 Statement of Accounting Policies

Reporting Entity

The Southland Medical Foundation Incorporated ("The Foundation") is an incorporated society, registered under the Incorporated Societies Act 1908.

The Foundation is registered as a charity with the Charities Commission in accordance with the Charities Act 2005. Its registered charity number is CC21244.

Statement of Compliance and Basis of Preparation

The Foundation 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 Foundation 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 Foundation, unless otherwise stated in the Specific Accounting Policies.

The information is presented in New Zealand dollars. All values are rounded to the nearest \$.

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) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Foundation and revenue can be reliably measured. Revenue is measured at the fair value of the consideration received. The following specific recognition criteria must be met before revenue is recognised.

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

Donations are recognised as revenue upon receipt.

Interest revenue is recognised as it accrues, using the effective interest method.

(b) Expenses

Expenses have been classified on their business function.

(c) Income Tax

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

The Southland Medical Foundation Incorporated
Notes to and forming part of the Financial Statements (continued)
For the Year Ended 30 June 2020

(d) Investments

Investments are recorded at cost unless stated otherwise. Any gain or loss on disposal of an investment is calculated as the difference between the net proceeds from disposal and the carrying amount of the investment. The gain or loss is recognised in surplus or deficit.

(e) 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.

(f) Accounts Receivable

Accounts Receivable is recognised at estimated realisable value.

(g) 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.

2 Donations, Fundraising & Other Similar Receipts

	2020	2019
	\$	\$
Bequests & Distributions - Dick Trust	75,565	67,482
Bequests & Distributions - Ula Fosbender Trust	-	267
Donations Received - Sundry	75	35
Donations Received - Clifden Rural Women	-	570
Donations Received - Inner Wheel North Invercargill	-	750
Total Donations, Fundraising & Other Similar Receipts	<u>75,640</u>	<u>69,104</u>

3 Interest, Dividends & Other Investment Revenue

	2020	2019
	\$	\$
Dividends Received	39,261	42,891
Interest Received	48,153	52,154
Gain (Loss) On Sale Investments	5,912	44,388
Total Interest, Dividends & Other Investment Revenue	<u>93,327</u>	<u>139,432</u>

4 Fees, Subscriptions & Other Revenue From Members

	2020	2019
	\$	\$
Subscriptions	1,225	800
Total Fees, Subscriptions & Other Revenue From Members	<u>1,225</u>	<u>800</u>

The Southland Medical Foundation Incorporated
Notes to and forming part of the Financial Statements (continued)
For the Year Ended 30 June 2020

5 Employee Related Costs	2020	2019
	\$	\$
Secretarial Fees	23,979	25,512
Total Employee Related Costs	23,979	25,512
6 Grants & Donations Made	2020	2019
	\$	\$
Grants Paid From General Funds	14,275	31,503
Grants Paid From Special Funds	23,851	70,136
Total Grants & Donations Made	38,126	101,639
7 Other Expenses	2020	2019
	\$	\$
Accountancy Fees	3,623	3,623
Audit Fees	4,658	5,060
Bank Fees & Charges	50	55
General Expenses	1,068	1,707
Portfolio Management Fees	13,247	13,085
Postage, Printing & Stationery	1,898	1,600
Total Other Expenses	24,544	25,129
8 General Funds	2020	2019
	\$	\$
Opening Balance	387,447	366,230
Plus:		
Surplus for the Year	83,542	57,057
Grants Paid From Special Funds	23,851	70,136
	107,394	127,193
Less:		
Bequests & Distributions Transferred To Special Funds - Dick Trust (W & G S Dick Trust)	75,565	67,482
Transfer To Special Funds - Share Of Investment Income	35,019	38,495
	110,584	105,977
Total General Funds	384,256	387,447

The Southland Medical Foundation Incorporated
Notes to and forming part of the Financial Statements (continued)
For the Year Ended 30 June 2020

9 Reserves	2020	2019
	\$	\$
Special Funds		
Opening Balance	1,597,485	1,561,645
Plus:		
Transfer From General Funds - Share Of Investment Income	35,019	38,495
Bequests & Distributions Transferred To Special Funds - Dick Trust (W & G S Dick Trust)	75,565	67,482
	<u>110,584</u>	<u>105,977</u>
Less:		
Grants Paid From Special Funds	23,851	70,136
Closing Balance	<u>1,684,218</u>	<u>1,597,485</u>
 Total Reserves	 <u><u>1,684,218</u></u>	 <u><u>1,597,485</u></u>
 10 Cash & Bank Balances	 2020	 2019
	\$	\$
Bank Account Balances		
Westpac Cheque Account	7,906	29,238
Westpac Bank - Online Saver Account	121	121
Craigs Investment Portfolio Cash at Call	10,660	50,149
Total Cash & Bank Balances	<u>18,687</u>	<u>79,508</u>
 11 Term Investments	 2020	 2019
	\$	\$
Investment Portfolio		
Craigs Investment Portfolio	2,054,154	1,923,930
 The market valuation of the Craigs Investment Portfolio at 30 June 2020 is \$2,339,431. The market valuation of the Craigs Investment Portfolio at 30 June 2019 was \$2,182,525.		
 Total Term Investments	 <u>2,054,154</u>	 <u>1,923,930</u>

The Southland Medical Foundation Incorporated
Notes to and forming part of the Financial Statements (continued)
For the Year Ended 30 June 2020

12 Special Funds	2020	2019
	\$	\$
Cancer Research	177,166	173,482
Coronary Care Unit	3,315	3,247
W A Anderson Memorial Library Fund	13,220	12,945
Estate T M Greaney - District Nurse Fund	73,622	72,092
W & G S Dick Trust Fund	644,481	555,515
Gibson Fund	50,960	49,901
Sorenson Estate	181,951	178,168
Estate Margaret Gertrude Wheelan	88,360	93,964
Bertha & Matt Henderson Memorial Trust	223,276	235,043
Southland Mammography Services Trust	115,020	112,628
Southland Mammography Services Trust - Jenny Lemin Memorial Scholarship	112,847	110,500
Total Special Funds	1,684,218	1,597,485

Special Fund Conditions

Estate T M Greaney - District Nurse Fund
The fund is primarily for educational purposes for the District Nurses.

W & G S Dick Trust
The fund is for research into cardiac complaints and its diseases and the purchase of any machines appliances or equipment deemed useful for such research or treatment.

Gibson Fund
Opinion provided by Scholefield Cockroft Lloyd that this request is for general purposes.

Sorenson Estate
Fund established for research work on cancer and heart diseases and deficiencies.

Estate Margaret Gertrude Wheelan
Promotion of general medical service in the Wyndham and Edendale districts.

Bertha & Matt Henderson Memorial Trust
Fund established for the purpose of research or equipment for research or treatment of cancer, kidney disease or heart disease, arthritis or as nearly as practical to the said subject.

Southland Mammography Services Trust
Fund established for the purpose of training and assisting in the attendances at conferences for Breast Care Nurses and Medical Radiation technologists and Mammography Screening.

Southland Mammography Services Trust - Jenny Lemin Memorial Scholarship
Fund established with the interest from the fund being available as grants to persons from Southland and Queenstown who are intent on training to work in the breast care or radiography field.

The Southland Medical Foundation Incorporated
Notes to and forming part of the Financial Statements (continued)
For the Year Ended 30 June 2020

13 Investment Income Transfers	2020	2019
	\$	\$
Transfer To Special Funds	35,019	38,495
Total Investment Income Transfers	35,019	38,495

The Council has authorised the allocation of 50% of interest and dividends derived from Special Funds to General Funds, to assist the funding of general grants. This is achieved by an allocation of 50% of the total interest & dividend income attributable to Special Funds funded investments on a proportional basis to Special Funds.

14 Grants Paid From Special Funds	2020	2019
	\$	\$
Wyndam Rest Home	7,441	-
Prof M Eccles, Professor Cancer Pathology, University of Otago	16,410	-
Dr Sommerfeldt, Medical Director, Southland Hospice	-	2,053
Dr Fleming & Others, Research Fellow, University of Otago	-	38,083
K Rajesh, Associate Professor, University of Otago	-	30,000
Total Grants Paid From Special Funds	23,851	70,136

The grant to Wyndam Rest Home was paid from the Special Funds of the Est Wheelan Trust for assistance to purchase equipment at the home.

The grant to Professor Eccles was paid from the Special Funds of the Henderson memorial Trust to assist the research and setting up of a Southland & Otago Tissue, Blood & Data Biorepository.

15 Grants Paid From General Funds
Dr K McNaughton, General Practitioner, Bluff Medical Practice
Mrs E Horsburgh, Speech Language Therapist, Southland Hospital
Mrs R Walker, Anaesthetic Technician, Southland Hospital
Mrs J Boniface, Clinical Nurse Coordinator, Southland Hospital
Miss S Hewson, Registered Nurse ED, Southland Hospital
Mrs H Hammond, District Nurse, Waiau Health Trust
Mrs J Church, District Nurse, Waiau Health Trust
Mrs H Anderson, Palliative Care Nurse, Southland Hospital
Mrs S Taylor, Associate Clinical Nurse Manager, Southland Hospital
Dr T Luecker, General Practitioner, Queens Park Medical Practice
Dr A Anglemeyer, Snr Research Fellow
Miss N Hancox, Registered Nurse
Miss R Curtis, Public Health Nurse
Ms K Spooner, Registered Nurse
Ms K Hoogeveen, Counsellor & Educator, Hospice Southland
Dr J Walker, General Practitioner - Registrar, Cath Street Medical Centre
Mrs E De La Cruz, Registered Staff Nurse - Critical Care, Southland Hospital
Ms C Barber, Occupational Health Nurse, Health South
SIT Thursa Kennedy Memorial Grant
Dr B Shunfenthal, Barclay Prize Recipient

The Southland Medical Foundation Incorporated

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

For the Year Ended 30 June 2020

16 Related Parties

There are no significant transaction that were on terms and conditions that are likely to be different from the terms and conditions of transactions in similar circumstances, involving related parties during the financial year. (Last year - Nil)

17 Commitments

The incorporated society has no commitments as at 30 June 2020, (2019 \$16,668),

18 Contingent Liabilities and Guarantees

The incorporated society has no contingent liabilities and no guarantees as at 30 June 2020. (2019: Contingent Liabilities Nil. Guarantees Nil.)

19 Events Occurring After Balance Date

As outlined in note 20, as a result of the COVID-19 pandemic, the New Zealand Government ordered a four-week lockdown from late March to late April 2020, during which non-essential businesses and organisations were not allowed to operate. As a result of the lockdown, community transmission of COVID-19 was eliminated. Following the lockdown, restrictions were gradually eased within New Zealand, although restrictions remained at the border.

In mid-August 2020, community transmission of COVID-19 was detected in Auckland. As a result, the new Zealand Government placed:

- Auckland into lockdown, with non-essential businesses and organisations not allowed to open their premises to the public and permitted to operate only if they could do so in a contactless manner.
- Restrictions on public gatherings for the remainder of New Zealand, with non-essential businesses and organisations allowed to open their premises to customers only if they could maintain social distancing.

In addition, travel between Auckland and the rest of New Zealand was limited.

At the time of signing these financial statements, the measures outlined above have eased, with all of New Zealand now being back to Level 1. The Society, which is not an essential service, has been able to continue with its revenue continuing to be generated through investments held albeit at a lower level than the comparable period in the prior year.

The Southland Medical Foundation Incorporated
Notes to and forming part of the Financial Statements (continued)
For the Year Ended 30 June 2020

20 COVID-19 Pandemic

A new virus, COVID-19, arose in China in December 2019 and became a global pandemic by March 2020.

In response to the pandemic, in late March 2020 the New Zealand Government ordered a four-week lockdown, during which non-essential businesses and organisations were not allowed to operate and individuals (other than essential workers or those undertaking essential business) were required to stay at home.

As a result of the lockdown, community transmission of COVID-19 was eliminated. In late April 2020, the lockdown period ended and the New Zealand Government started gradually easing the restrictions that had been placed on businesses, organisations and individuals, although substantial restrictions remained at the border.

In mid-August 2020, community transmission of COVID-19 was detected in Auckland, and the New Zealand Government again placed restrictions on businesses, organisations and individuals within New Zealand. At the time of signing these financial statements, the measures outlined above have eased, with all of New Zealand now being back to Level 1.

The Society was not directly impacted by the Covid-19 pandemic due to its revenue being predominantly received through investments held. Covid-19 could impact on investments held and the returns that are achieved. The impacts are not considered to be significant with the Council confident it will not have a major effect on the Society.

Although the Society has been impacted by COVID-19, the Council have concluded that the Society will be able to continue operating for at least 12 months from the date of signing these financial statements. That conclusion has been reached because:

- the Society has significant term investments through its managed portfolio;
- the Society receives significant funding from passive investments; and
- there are sufficient cash reserves in place to mitigate any downturn in financial results.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SOUTHLAND MEDICAL FOUNDATION INCORPORATED

Opinion

We have audited the performance report of The Southland Medical Foundation Incorporated (“the Society”), which comprises the entity information, the statement of service performance, the statement of financial performance, and statement of cash flows for the year ended 30 June 2020, the statement of financial position as at 30 June 2020, and the statement of accounting policies and other explanatory information.

In our opinion:

- a) the reported outcomes and outputs, and quantification of the outputs to the extent practicable, in the statement of service performance are suitable;
- b) the accompanying performance report presents fairly, in all material respects:
 - the entity information for the year ended 30 June 2020;
 - the statement of service performance; and
 - the financial position of the Society as at 30 June 2020, and its financial performance, and cash flows for the year then ended

in accordance with Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) issued by the New Zealand Accounting Standards Board.

Basis for Opinion

We conducted our audit of the statement of financial performance, statement of financial position, statement of cash flows, statement of changes in accumulated funds, and statement of accounting policies and notes to the performance report in accordance with International Standards on Auditing (New Zealand) (“ISAs (NZ)”), and the audit of the entity information and statement of service performance in accordance with the International Standard on Assurance Engagements (New Zealand) ISAE (NZ) 3000 (Revised) *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* (“ISAE (NZ) 3000 (Revised)”). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Performance Report* section of our report. We are independent of the Trust 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.

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

Other Information

The Elected Council is responsible for the other information. The other information obtained at the date of this auditor's report is the presidents report, membership listing and subscriptions which are included in the performance report.

Our opinion on the financial information in the performance report 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 information in the performance report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial information in the performance report 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 obtained prior to the date of the 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 Elected Council for the Performance Report

The Elected Council are responsible for:

- a) Identifying outcomes and outputs, and quantifying the outputs to the extent practicable, that are relevant, reliable, comparable and understandable, to report in the statement of service performance;
- b) the preparation and fair presentation of the performance report on behalf of the Society which comprises:
 - the entity information;
 - the statement of service performance; and
 - the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report

in accordance with Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) issued by the New Zealand Accounting Standards Board; and

- c) such internal control as the Elected Council determine 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 Elected Council are responsible on behalf of the Society for assessing the Society'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 Elected Council either intend to liquidate the Society or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Performance Report

Our objectives are to obtain reasonable assurance about whether the performance report is 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) and ISAE (NZ) 3000 (Revised) 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 economic decisions of users taken on the basis of this performance report.

As part of an audit in accordance with ISAs (NZ) and ISAE (NZ) 3000 (Revised), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the performance report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the Elected Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the performance report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the performance report, including the disclosures, and whether the performance report represents the underlying transactions and events in a manner that achieves fair presentation.
- Perform procedures to obtain evidence about and evaluate whether the reported outcomes and outputs, and quantification of the outputs to the extent practicable, are relevant, reliable, comparable and understandable.

We communicate with the Elected Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Who we Report to

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

BDO Invercargill

BDO Invercargill
Invercargill
New Zealand
10 November 2020

THE SOUTHLAND MEDICAL FOUNDATION (Inc)

Membership as at 30 June 2020

HONORARY LIFE MEMBERS

Norman Edgar MacLean MNZIM Invercargill

FOUNDATION MEMBERSHIP

Alliance Group Limited	Invercargill
Federated Farmers Otautau Branch	Otautau
Gore District Council	Gore
GWD Motor Group	Invercargill
Invercargill Licensing Trust	Invercargill
Waikiwi Lions Club	Invercargill
Otautau Lions Club	Otautau
Shell Oil (NZ) Ltd	Wellington
Southland District Council	Invercargill
Tripp C W H	Gore

MEMBERS FOR LIFE

D G Allan	Invercargill
J A Allan	Invercargill
A W S Legal	Invercargill
Dr R A Baillie	Invercargill
Bester, Dr R A	Invercargill
Cruickshank Pryde & Company	Invercargill
Deloitte Touche Tohmatsu	Dunedin
Dr R Deacon	Invercargill
Dykes, Mr R G	Alexandra
F M G - Invercargill	Invercargill
Findex Invercargill	Invercargill
Fraser, J & Sons Ltd	Invercargill
Harris, Mr T E	Lower Hutt
Mrs A R Henderson	Christchurch
Hunt, Dr Hardy	Wanaka
Inner Wheel Club of Invercargill North	Invercargill
Invercargill City Council	Invercargill
Jackson & Wills	Invercargill
Johri, Dr A M	Invercargill
Lindsay P E C	Invercargill
MacLean, Mr N E MNZIM	Invercargill
Malloch McClean	Invercargill
Maslin, Dr K F	Wellington
McCracken, Mrs A E	Invercargill
McCulloch & Partners	Invercargill
Millar, A A	Queenstown
Mobil Oil New Zealand Ltd	Wellington
Mortimer, Dr J G	Dunedin
Pears, Dr R K	Christchurch
Pfeifer M V	Invercargill
Presbyterian Support Southland	Invercargill
Preston Russell Law	Invercargill
Rogers, Dr B L	Invercargill
Rotary Club of Winton	Winton
RSA Gore	Gore
Russell R A	Invercargill

Sherriff, Dr J J H	Invercargill
Smith C M	Invercargill
South Port Ltd	Bluff
Southland Building Society	Invercargill
Southland District Health Board	Invercargill
Southland Times Company Ltd	Invercargill
Steel & Tube New Zealand	Invercargill
Stewarts Pharmacy Ltd	Invercargill
Tomlinson, Dr P A	Invercargill
Veale, Gordon	Invercargill
Wadworth, Mrs G J	Queenstown
Warburton, Mr & Mrs W G	Invercargill
Waihopai Health Services 2012	Invercargill
Wayland Trust	Gore
Westpac	Invercargill
Whitcoulls Ltd	Invercargill
Williams, Dr M J A	Dunedin

SUBSCRIBING MEMBERS

Alsweiler, Mrs Y D	Invercargill
Clifden Rural Women NZ	Tuatapere
Cocker, D J	Invercargill
Cook, K C	Alexandra
Dunn Rev P J	Invercargill
Jensen, F	Invercargill
Knowler, J H	Tuatapere
Little, D E	Invercargill
National Heart Foundation,	Invercargill
Pagan, Ms Mandy	Invercargill
Poole, W A	Invercargill
Rees, Grant	Invercargill
Southland Multiple Sclerosis Soc.	Invercargill
Wensley, Mr & Mrs R M	Invercargill
Wyeth, N L	Invercargill

The Southland Medical Foundation (Inc)

Subscriptions

Membership for Life \$250.00

Annual subscription \$15.00

Please apply to

The Secretary/Treasurer
P O Box 5083
Waikiwi
Invercargill 9810