

Kidney Health New Zealand Incorporated

Performance Report

For the year ended
31 March 2019

Contents

	Page
Non-Financial Information:	
Entity Information	1
Statement of Service Performance	3
Financial Information:	
Statement of Financial Performance	4
Statement of Financial Position	5
Statement of Cash Flows	6
Statement of Accounting Policies	7
Notes to the Performance Report	8
Independent Auditor's Report	

Kidney Health New Zealand Incorporated

Entity Information

"Who are we?", "Why do we exist?"

For the year ended
31 March 2019

Legal Name of Entity:*	Kidney Health New Zealand Incorporated
Type of Entity and Legal Basis (if any):*	Incorporated Society and Registered Charity
Registration Number:	CC11348

Entity's Purpose or Mission: *

- a. To be the national voice for people with kidney disease and their families;
- b. To establish Kidney Health NZ as a primary source of reliable and relevant information on the prevention and management of kidney disease;
- c. To be a leading advocate for world class kidney healthcare in New Zealand;
- d. To commission, fund and/or disseminate research in support of a-c above;

Entity Structure: *

The Board is responsible for the governance of Kidney Health NZ and the exercise of all powers of Kidney Health NZ (except those that are restricted by this Constitution).

KHNZ's governance rests with an elected Board comprising:

- a. Up to seven elected Board members nominated and elected by the Board and approved at an Annual General Meeting of the Board
- The role and responsibilities of the Board shall be to provide good governance to Kidney Health NZ including:
- b. Establishing a strategic plan for Kidney Health NZ;
 - b. Monitoring and reviewing the performance of Kidney Health NZ against the strategic plan;
 - c. Receiving, reviewing and approving the annual business plan and financial budget;
 - d. Monitoring Kidney Health NZ performance against the annual business plan and financial budget;
 - e. Approving annual financial statements;
 - f. Addressing the ongoing viability and sustainability of Kidney Health NZ;
 - g. Establishing, reviewing, and monitoring such policies as may be required for the good governance and guidance of Kidney Health NZ;
 - h. Fostering interaction and communication across the Kidney Health NZ family and others involved with Kidney Health NZ;
 - i. Appointing, monitoring and reviewing the CEO and setting performance and remuneration policy for Kidney Health NZ employees;
 - j. Recognising and supporting the role of the Consumer Council;
 - k. Adopting and communicating a continual best practice performance culture and supporting programmes across Kidney Health NZ nationally;
 - l. Having full insight and understanding of all significant transactions across Kidney Health NZ; and
 - m. Being accountable for its performance to the Members.

Kidney Health New Zealand Incorporated

Entity Information

"Who are we?", "Why do we exist?"

For the year ended
31 March 2019

Main Sources of the Entity's Cash and Resources:*

KHNZ's main sources of income comprise investment income (derived from previously invested bequests), bequests and donations.

Main Methods Used by the Entity to Raise Funds:*

A part-time Fundraising Coordinator - focusing in particular on developing the organisation's donor database and taking a more coordinated approach to trust and grant funding applications.

Entity's Reliance on Volunteers and Donated Goods or Services: *

No volunteer involvement, beyond that of the Board members in undertaking their governance responsibilities, and an annual one-day gathering of Kidney Health New Zealand's voluntary Consumer Council

Contact details

Physical Address:	Unit 7, 337 Harewood Rd, Bishopdale, Christchurch
Postal Address:	PO Box 20072, Bishopdale, Christchurch
Phone/Fax:	0800 543639
Email/Website:	info@kidneys.co.nz; www.kidneys.co.nz
	Kidney-Health-New-Zealand-206096806091572



Kidney Health New Zealand Incorporated

Statement of Service Performance

"What did we do?", When did we do it?"

For the year ended
31 March 2019

Description of the Entity's Outcomes*:

Kidney Health NZ seeks to provide a national voice for people with kidney disease, and their families; be a primary source of reliable and relevant information on the prevention and management of kidney disease in New Zealand; be a leading advocate for world class kidney healthcare in New Zealand; and commission research in support of the organisation's objectives.

In the past year KHNZ has actively advocated on behalf of kidney patients and their families to the Minister and Ministry of Health, and a number of District Health Boards. KHNZ, has continued to coordinate the development and delivery of a range of education modules on chronic kidney disease for GPs and other primary healthcare professionals. Our Education Manager has continued to provide, upon request, education sessions to kidney support groups/societies, and for health professionals (see below). Staff have represented KHNZ at over a dozen workshops, symposia and conferences, including presenting at one national and one international conference. Our 24/7 0800 help line continues to field over 600 enquiries per annum, and as many email enquiries to our info@kidneys.co.nz address. Our Facebook page has a membership of 959 and our quarterly newsletter is distributed to around 400 people on our database. Due to continuing demand from renal units across the country, a further production run of the series of 5 DVDs for patients newly diagnosed with Kidney Disease and their families were undertaken. In addition to the original English, Samoan, Tongan and subsequent Mandarin versions, the DVD series is also being produced with a te reo translation. These are available on our website, and more than 2,500 have now been made available to hospital-based renal teams and distributed in USB format to patients. KHNZ continues to review and reprint its existing range of information brochures and booklets, with a further brochure for the primary healthcare setting produced and distributed during the year. KHNZ's Consumer Council (comprising representatives of the 18 independent kidney support groups and societies throughout NZ has met on one occasion, and continues to provide a level of advice and guidance to both the small staff team (comprising CEO, Education Manager, Administrator and Medical Advisor) and the Board. The CEO has continued to represent KHNZ on the Ministry of Health's National Renal Advisory Board, and the Primary Health Alliance

Description and Quantification (to the extent practicable) of the Entity's Outputs*:	Actual*		Actual*
	This Year		Last Year
	2018/19		2017/18
Consumer Council Meetings	1		1
Calls to 0800 helpline	602		657
Production and distribution of educational DVDs	250		250
Patient/Family education sessions provided by National Education Manager	7		3
Health Professional Education sessions provided by National Education Manager	5		6
Face to face meetings between CEO and Government/Opposition MPs	2		3
Face to face meetings with patient support groups by National Education Manager and/or CEO	3		4

Additional Output Measures:

5 Media statements were issued, and 3 Media interviews undertaken as part of KHNZ's national advocacy role. The National Education Manager responded to more than 300 email requests for information and advice, with many additional requests made via the website which is also maintained by the National Education Manager.

Kidney Health New Zealand Incorporated

Statement of Financial Performance

"How was it funded?" and "What did it cost?"

For the year ended
31 March 2019

	Note	Actual* This Year \$	Budget This Year \$	Actual* Last Year \$
Revenue				
Donations, fundraising and other similar revenue*		83,610	152,000	148,538
Revenue from providing goods or services*		42,410		-
Interest, dividends and other investment revenue*		101,615	114,000	123,081
Total Revenue*		227,635	266,000	271,619
Expenses				
Expenses related to public fundraising*		-	-	16,822
Volunteer and employee related costs*		238,637	252,750	215,216
Costs related to providing goods or services*		158,068	163,000	146,635
Grants and donations made*		2,700	12,000	14,583
Other expenses		26,016	25,510	25,720
Total Expenses*		425,421	453,260	418,976
Surplus/(Deficit) for the Year*		(197,786)	(187,260)	(147,357)

Kidney Health New Zealand Incorporated

Statement of Financial Position

"What the entity owns?" and "What the entity owes?"

As at
31 March 2019

	Note	Actual* This Year \$	Budget This Year \$	Actual* Last Year \$
Assets				
Current Assets				
Bank accounts and cash*		72,424		48,890
Debtors and prepayments*		16,228		17,645
Investments - Current	1	1,972,747		1,894,378
Total Current Assets		2,061,399	-	1,960,913
Non-Current Assets				
Property, plant and equipment*	2	7,385		3,239
Investments- Non-current*	1	1,338,753		1,341,009
Total Non-Current Assets		1,346,138	-	1,344,248
Total Assets*		3,407,537	-	3,305,161
Liabilities				
Current Liabilities				
Creditors and accrued expenses*		22,348		41,934
Total Current Liabilities		22,348	-	41,934
Total Liabilities*		22,348	-	41,934
Total Assets less Total Liabilities (Net Assets)*		3,385,189	-	3,263,227
Accumulated Funds				
Available-for-sale financial assets fair value reserve		545,273		225,525
Accumulated surpluses or (deficits)*		2,839,916		3,037,702
Total Accumulated Funds*	3	3,385,189	-	3,263,227

Kidney Health New Zealand Incorporated

Statement of Cash Flows

"How the entity has received and used cash"

For the year ended

31 March 2019

	Actual* This Year \$	Budget This Year \$	Actual* Last Year \$
Cash Flows from Operating Activities*			
Cash was received from:			
Donations, fundraising and other similar receipts*	83,610		161,374
Receipts from providing goods or services*	27,910		14,500
Interest, dividends and other investment receipts*	101,614		123,075
Net GST	765		6,415
Cash was applied to:			
Payments to suppliers and employees*	423,128		414,256
Donations or grants paid*	5,022		12,261
Net Cash Flows from Operating Activities*	(214,251)	-	(121,153)
Cash flows from Investing and Financing Activities*			
Cash was received from:			
Receipts from the sale of property, plant and equipment*			-
Receipts from the sale of investments*	312,000		200,000
Cash was applied to:			
Payments to acquire property, plant and equipment*	5,850		-
Payments to purchase investments*	68,365		89,399
Net Cash Flows from Investing and Financing Activities*	237,785	-	110,601
Net Increase / (Decrease) in Cash*	23,534	-	(10,552)
Opening Cash*	48,890		59,442
Closing Cash*	72,424		48,890
This is represented by:			
Bank Accounts and Cash*	72,424	-	48,890

Kidney Health New Zealand Incorporated

Statement of Accounting Policies

"How did we do our accounting?"

For the year ended
31 March 2019

Basis of Preparation*

Kidney Health New Zealand Incorporated has elected to apply 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. All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the entity will continue to operate in the foreseeable future. These financial statements are presented in whole New Zealand dollars.

Goods and Services Tax (GST)*

The entity is registered for GST. All amounts are recorded exclusive of GST, except for Debtors and Creditors which are stated inclusive of GST.

Income Tax

Kidney Health New Zealand is wholly exempt from NZ income tax having fully complied with all statutory conditions for these exemptions.

Bank Accounts and Cash

Bank accounts and cash in the Statement of Cash Flows comprise cash balances and bank balances (including short term deposits) with original maturities of 90 days or less.

Revenue Recognition Policy

Sales of goods are recognised when they have been delivered and accepted by the customer. Revenue includes income from donations, legacy payouts and grants. The income is recognised when the Trust has received the income and fulfilled any obligations required by the Trust in return for the income received. Interest income is recognised using the effective interest method. Other revenue is recognised when the holder's right to receive the payment is established.

Property, Plant and Equipment

The entity has the following classes of Property, Plant & Equipment:

Improvements	33% CP
Furniture & Fittings	8.5-10.5% CP and 33% DV
Office Equipment	30%-40% CP

All property, plant and equipment is measured at cost less accumulated depreciation and impairment losses, if any, provided at the maximum rates allowed by the Inland Revenue Department

Tier 2 Accounting Standards Applied

Because of the nature of its investment portfolio assets, Kidney Health New Zealand Incorporated has opted to step-up into and apply the following Public Benefit Entity Accounting Standards as applicable to Tier 2 entities applying the Reduced Disclosure Regime (PBE Standards RDR) relating to its investment portfolio financial instruments:

PBE IPSAS 28 Financial Instruments: Presentation

PBE IPSAS 29 Financial Instruments: Recognition and Measurement

PBE IPSAS 30 Financial Instruments: Disclosures

These PBE Standards RDR have been applied because the Society considers the fair value information is more relevant information to readers in relation to the investment portfolio.

All other financial instruments continue to be measured under Tier 3 Public Benefit Entity Simple Format Reporting – Accrual (Not-for-profit) requirements.

Financial Instruments

Financial instruments are the cash on hand and at bank, accounts receivable, prepayments, investments, and amounts payable to sundry creditors.

Accounts Receivable and prepayments:

Amounts receivable and prepayments are measured at the amount due and are of a short-term nature.

Cash on hand and at bank:

Cash is measured at the amount held.

Amounts payable to sundry creditors

Amounts payable to sundry creditors are measured at the amount owing and are of a short term nature.

Investments:

Kidney Health New Zealand Incorporated's portfolio of investments consists of equity investments (shares), and fixed interest securities. For accounting purposes these are considered to be available for sale financial instruments. Investments are initially measured at fair value plus any directly attributable transaction costs, and subsequently at fair value, with gains and losses in fair value being recognised in the available for sale fair value reserve. If a fair value decrease below cost is significant or prolonged, this is considered to be an impairment of the investment. Any impairment losses are immediately recognised in surplus or deficit.

If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed, with the amount of the reversal recognised in surplus or deficit. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised directly in the available for sale fair value.

Kidney Health New Zealand Incorporated

Notes to the Performance Report

For the year ended
31 March 2019

Note 1: Investments

Asset Item	Analysis	This Year \$	Last Year \$
Current Investments	Cash	142,197	284,192
	Fixed Interest (available for sale)	219,626	91,810
	Equity & Property Investments (available for sale)	1,610,924	1,518,376
	Total	1,972,747	1,894,378

Asset Item	Analysis	This Year \$	Last Year \$
Long-Term Investments	Fixed Interest (available for sale)	1,338,753	1,341,009
	Total	1,338,753	1,341,009

Kidney Health New Zealand Incorporated

Notes to the Performance Report

For the year ended
31 March 2019

Note 2 : Property, Plant and Equipment

This Year						PPE7 - PPE8	
Asset Class*	Opening Carrying Amount*	Purchases	Sales/Disposals	Current Year Depreciation and Impairment*	Closing Carrying Amount*	Current Valuation*	Source and Date of Valuation*
Furniture and fixtures*	577			81	496		
Office equipment*	1,332	5,850		1,063	6,119		
Computers (including software)*	1,330	-		561	769		
Total	3,239	5,850	-	1,705	7,384		

Last Year					
Asset Class*	Opening Carrying Amount*	Purchases	Sales/Disposals	Current Year Depreciation and Impairment*	Closing Carrying Amount*
Furniture and fixtures*	2,076	-		1,499	577
Office equipment*	1,397	819	-	884	1,332
Computers (including software)*	155	1,357		182	1,330
Total	3,628	2,176	-	2,565	3,239

Kidney Health New Zealand Incorporated

Notes to the Performance Report

For the year ended
31 March 2019

Note 3: Accumulated Funds

This Year				
Description*	Capital Contributed by Owners or Members*	Accumulated Surpluses or Deficits*	Available for Sale Financial Assets Fair Value Reserve	Total*
Opening Balance	-	3,037,702	225,525	3,263,227
Surplus/(Deficit)*		121,962		121,962
Transfer to Available for Sale Financial Assets				
Fair Value Reserve		(319,748)	319,748	
Closing Balance	-	2,839,916	545,273	3,385,189

Last Year				
Description*	Capital Contributed by Owners or Members*	Accumulated Surpluses or Deficits*	Available for Sale Financial Assets Fair Value Reserve	Total*
Opening Balance	-	3,184,859	68,192	3,253,051
Surplus/(Deficit)*		10,176		10,176
Transfer to Available for Sale Financial Assets				
Fair Value Reserve		(157,333)	157,333	
Closing Balance	-	3,037,702	225,525	3,263,227

Kidney Health New Zealand Incorporated

Notes to the Performance Report

For the year ended
31 March 2019

Notes 4-6

Note 4: Contingent Liabilities and Guarantees

Commitment*	Explanation and Timing*	At balance date	At balance date
		This Year*	Last Year*
		\$	\$
Commitments to lease or rent assets*	Office Lease: The Trust signed a further 3 year lease for it's current office on 24 February 2018	14,167	11,667

Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at balance date (Last Year - nil)

Note 5: Related Party Transactions*

Related Party Disclosures:

There were no transactions involving related parties during the financial year. (Last Year - Nil)

Note 6: Events After the Balance Date*

Events After the Balance Date:

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

There has, however, been a change in presentation of fair valued investments to comply with relevant standards.

**INDEPENDENT AUDITOR'S REPORT
TO THE COMMITTEE MEMBERS OF KIDNEY HEALTH NEW ZEALAND INCORPORATED**

Report on the Performance Report

Opinions

We have audited the performance report of Kidney Health New Zealand 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 31 March 2019, the statement of financial position as at 31 March 2019, and the statement of accounting policies and other explanatory information.

Opinion on the entity information, the statement of service performance, the statement of cash flows and the statement of financial position

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 31 March 2019;
 - the service performance for the year then ended; and
 - the financial position of the Society as at 31 March 2019, and its 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.

Qualified Opinion on the statement of financial performance

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the performance report presents fairly, in all material respects, the financial performance of the Society for the year ended 31 March 2019 in accordance with Public Benefit Entity Standards Simple Format Reporting - Accrual (Not-For-Profit) issued by the New Zealand Accounting Standards Board.

Basis for Qualified Opinion

In common with other similar organisations, control over cash revenues prior to being recorded is limited and there are no practical audit procedures to determine the effect of this limited control. Accordingly, the completeness of income from donations and fundraising income is unable to be determined. Consequently, we were unable to determine whether any adjustments should be made to the reported amounts for income from donations.

We conducted our audit of 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 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 Society 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.

Responsibilities of the Committee Members for the Performance Report

The Committee Members 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) for such internal control as the Committee Members 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 Committee Members 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 Committee Members 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 Committee Members 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 Committee Members 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 Committee 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 Committee Members, as a body, for our audit work, for this report or for the opinions we have formed.



BDO Christchurch
Christchurch
New Zealand
26 August 2019