

Canterbury Medical Research Foundation

Consolidated Financial Statements

For the Year Ended 31 December 2022

**CANTERBURY MEDICAL RESEARCH FOUNDATION
CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended 31 December 2022**

Contents	Page
Approval of Annual Report	1
Directory	2
Statement of Service Performance	3
Financial Statements	
Statement of Comprehensive Revenue and Expenses	11
Statement of Financial Position	12
Statement of Changes in Net Assets/Equity	13
Statement of Cash Flows	14
Notes to the Financial Statements	15-25
Independent Auditor's Report	

**CANTERBURY MEDICAL RESEARCH FOUNDATION
CONSOLIDATED FINANCIAL STATEMENTS**

**APPROVAL OF FINANCIAL REPORT
For the Year Ended 31 December 2022**

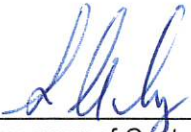
The Chairman and Treasurer are pleased to present the approved financial report including the historical financial statements of Canterbury Medical Research Foundation for year ended 31 December 2022.

APPROVED



Chairman of Canterbury Medical Research Foundation Incorporated
(on behalf of the Board)

Date 9 May 2023



Treasurer of Canterbury Medical Research Foundation Incorporated
(on behalf of the Board)

Date 9 May 2023

**CANTERBURY MEDICAL RESEARCH FOUNDATION
CONSOLIDATED FINANCIAL STATEMENTS**

DIRECTORY

For the Year Ended 31 December 2022

Nature of Business	Provide grants and funding for medical and health research projects
Location of Business	Level 1 230 Antigua Street Christchurch
IRD Number	069-442-005
Accountants	Nexia New Zealand Level 4, 123 Victoria Street Christchurch 8013
Auditors	BDO Christchurch Level 4, 287/293 Durham Street North Christchurch 8013
Bankers	ANZ
Registration Date	3/07/2007
Registration Number	858218
Executive Committee	Geoff Cranko Chairman Simon Carey Treasurer Nichola Hiatt (resigned 31/07/2022) Mark Jordan (resigned 30/06/2022) Cameron Lacey Gail Gillon Julie Patterson Khoon Lim (resigned 31/07/2022) Ian Wright Ross Hutton Jessica Riddell (appointed 25/07/2022) Suzanne Pitama (appointed 21/09/2022 as standing guest of the executive with speaking rights)



Statement of Service Performance 2022

CMRF VISION: Investing in world class research to achieve the best health and well-being outcomes for our people

ASPIRATION: Canterbury Medical Research Foundation will be the major charitable funder of health and well-being research in the South Island

VALUES: Intellectual Rigour
Community Connectedness
Independent Enabler
Legacy

IMPERATIVES FROM CMRF STRATEGIC PLAN:

1. Support excellence in health and well-being research by funding early to mid-career stage researchers in Canterbury
2. Raise awareness of the importance of investment in health and well-being research for positive outcomes for our communities
3. Develop a more diversified investor base to strengthen capital position and increase annual research funding

1. Support excellence in health and well-being research by funding early to mid-career stage researchers in Canterbury

Outcome 1:

Award funding of at least \$1m through various Grants and Fellowships

Performance measures:

Grant & Fellowship funding	2022	2021
Don Beaven Travel Grants	\$1,700	-
Emerging Researcher Fellowship	\$73,443	-
Grant in Aid	\$19,648	\$14,864
Major Project Grants	\$824,037	\$861,705
Special Projects and Joint Funding	\$6,000	\$212,928
Summer Studentships	-	\$55,500
UC Bursary	\$5,000	\$13,000
W&A Auction Grant	-	\$109,296
	\$929,828	\$1,267,293

Emerging Researcher Fellowship – value up to \$200,00 over two years

- 9 applications received
- 1 awarded
- 2021 – not awarded (new Fellowship)

Grant in Aid – value up to \$5,000 each

- 5 applications received
- 4 awarded
- 2021 – 3 awarded

Major Project Grants – value up to \$110,000 over two years

- Expressions of Interest - 24 applications received
- Full application – 16 invited, 14 received
- 8 awarded
- 2021 – 8 awarded

Summer Studentships/Scholarships – value \$5,000 each in partnership with University of Otago Christchurch (up to \$30,000) and University of Canterbury (up to \$30,000)

- Not funded at either University in 2022 due to changes in the way these studentships and scholarships are now run.
- 2021 – 12 awarded

Special Projects and Joint Funding

- Cardiac Research Trust funded \$6,000 – heart research
- 2021 – 1 awarded for an Earthquake Project for mental health

Wine & Art Grant – value up to \$110,000 over two years

- 2 applications received
- Not awarded based on SAC recommendations
- 2021 – 1 awarded

Explanation

CMRF did not reach our funding goal of at least \$1m in the last financial year due to reasons as outlined below. Had both of the Wine & Art Grant and the Summer Studentships/Scholarships been awarded we would have funded \$1.1m in 2022.

- The Wine & Art Grant was not awarded as only a small number of applications were received and after thorough review by a sub committee of the Scientific Assessment Committee none of them were deemed suitable to fund. This is the first year this situation has arisen
 - Value \$110,000
- The Summer Studentships/Scholarships were not funded at either University of Canterbury or University of Otago Christchurch due to changes in the way these studentships and scholarships are now run. CMRF is working with both Universities to re-establish these programs for the 2023/2024 summer
 - Value \$60,000 (\$30,000 for each University)

Outcome 2:

Sponsor and co-host events that support and acknowledge excellence and achievement of emerging researchers

Performance measures:

- Sponsored and co-hosted the Health Research Society of Canterbury (HRSC) Poster Evening for emerging researchers and Emerging Researcher Talks event
- Co-hosted the 'Let's Talk Research' and 'We're Talking Research' public events with Te Papa Hauora featuring emerging and established Canterbury based researchers

2021 comparison:

- Sponsored and co-hosted the Health Research Society of Canterbury (HRSC) Poster Evening for emerging researchers and Emerging Researcher Talks event
- Co-hosted the 'We're Talking Research' public event with Te Papa Hauora featuring emerging and established Canterbury based researchers

Outcome 3:

Fund projects across a range of research areas

Performance measures:

Research Area	2022	2022	2021	2021
Biochemistry	\$ 114, 657	12%	\$224,923	18%
Brain Disease		0%	\$109,870	9%
Cancer	\$ 219,998	24%	\$229,810	18%
Child Health	\$5,000	1%	\$219,094	17%
Clinical	\$ 174,479	19%		0%
Disability	\$73,443	8%		0%
Human Biology		0%	\$107,119	8%
Infectious Diseases	\$110,000	12%		0%
Mental Health	\$219,551	24%	\$307,977	24%
	\$917,128	99%	\$1,198,793	95%
Other Funding*	\$12,700	1%	\$68,500.00	5%
Total Funded	\$929,828	100%	\$1,267,293	100%

*Other Funding – UC Bursary, Summer Students, Don Beaven Travel Grant, Special Projects

2. Raise awareness of the importance of investment in health and well-being research for positive outcomes for our communities

Outcome 1:

Host community events that showcase CMRF funded researchers to raise awareness of the quality of work undertaken locally

Performance measures:

- Hosted the annual Athol Mann Memorial Lecture at Turanga with 130 public attendees and Prof Richard Porter as the guest speaker
- Co-hosted the 'Let's Talk Research' and 'We're Talking Research' public events with Te Papa Hauora featuring emerging and established Canterbury based researchers with over 300 people attending in person and an additional 400 people viewing online

2021 comparison:

- Hosted the annual Athol Mann Memorial Lecture at Rydges Latimer with 60 public attendees and Prof Mark Richards as the guest speaker
- Co-hosted the 'We're Talking Research' public events with Te Papa Hauora featuring emerging and established Canterbury based researchers with 200 people viewing online

Outcome 2:

Presentations to community groups and clubs alongside CMRF funded researchers to highlight the importance of investment into Canterbury based health research

Performance measures:

- Ferrymead Sumner Probus with Dr Elisabeth Phillips
- Papanui Rotary with Dr Samantha Murray
- U3A Central City with Dr Elisabeth Phillips
- U3A Southwest with Prof Brigid McNeill
- Victoria League with Dr Sarah Appleby
- WEA North Christchurch with Dr Sarah Appleby

2021 comparison:

- New activity in 2022 to do presentations as community groups and clubs did not host in person events or speakers during 2020 and 2021 due to COVID - 19

3. Develop a more diversified investor base to strengthen capital position and increase annual research funding

Outcome 1:

Attract and secure funding from trusts that wish to fund health research in Canterbury

Performance measures:

- Jeremy Lochhead Charitable Trust donated funds to support a cancer research project in the Major Project Grant round to the value of \$70,000

- Neil & Pearl Hamilton Trust continued their financial support of a cancer research project in the Major Project Grant round to the value of \$55,000
- Cardiac Research Trust committed to funding a new heart research fellowship to the value of \$200,000 over two years (launched but not awarded in 2022 but will be in 2023)

2021 comparison:

- Neil & Pearl Hamilton Trust continued their financial support of a cancer research project in the Major Project Grant round to the value of \$55,000 and three summer students to the value of \$15,000 combined
- Cardiac Research Trust funded a summer student to the value of \$5,000

Outcome 2:

Develop a new bequest strategy

Performance measures:

- New bequest strategy developed in collaboration with Sebastian Wilberforce



Statement of Service Performance 2022

NZBRI VISION: Improving brain-health through research, education and clinical practice

MAIN CHARITABLE AIMS:

1. To reveal new knowledge about the brain and its dysfunction
2. To improve the standard of care for people with neurological disorders, locally, nationally, and globally
3. To educate clinicians, scientists, and the public on brain research findings and techniques

1. Reveal new knowledge about the brain and its dysfunction

Outcome 1:

Publish research outputs in peer-reviewed journals

The primary output of a research institution is publications of papers in peer-reviewed scientific and clinical journals, or other significant outputs, such as books or book chapters.

Performance measures:

- Publish in peer-reviewed international journals, unless compelling reason to disseminate locally
 - 33 publications in 2022
 - Represents a 110% performance based on the 2022 target of 30 publications per year.
 - 37 papers were published in 2021
 - Total includes two papers published in Journal of Royal Society of New Zealand, special series on longitudinal research in New Zealand.
 - Publications include one book and one book chapter
- International recognition of published studies
 - Publications authored or co-authored by NZBRI staff to receive awards in 2022.
 - Le Heron, *et al.* 2021. 2021-2022 Original Research Article of the year Award in *Movements Disorders Journal* <https://www.mdscongress.org/Congress-Awards>
 - Pitcher, et al. 2012 Neurodegeneration Journal, in 2022 named one of the 10 top research articles in celebration of the journal's 10th anniversary. <https://translationalneurodegeneration.biomedcentral.com/10-anniversary>

- Kassavetis, et. al. 2022 (Anderson co-author)
Movement Disorders – Clinical Practice Journal 2021-2022 Silver Award for Best Review article of the year

Outcome 2:

Submit funding applications to competitive funding rounds at external research funding bodies.

Performance measures:

Funding applications

	2022	2021
Submitted	9	28
Decisions	12*	30
Successful	2	11
Unsuccessful	9	14
Value	\$ 379,490	\$3,082,213

*Includes 5 decisions from applications submitted in 2021

2. Improve the standard of care for people with neurological disorders locally, nationally and globally

Outcome 1:

Operate the Christchurch branch of the national Dementia Prevention Research Clinic (DPRC).

The DPRC provides for intensive medical, neuropsychological, neuroimaging, and other assessments for patients at risk of progression to dementia. It provides a comprehensive clinical service for this group of patients that would not exist otherwise and is funded by the Dementia Prevention Research Trust.

Performance measures

- 25 patients assessed (7 new, 9 2-year follow up, 1 for 3-year follow up and 8 for 4-year follow up)
- 2021 - 30 assessed
- Note: Ability to complete participant assessments was impacted by Covid throughout first 9 months and particularly the 3 months May-July with staff and participants unwell. Delays have also been experienced due to changes in staffing.

Outcome 2:

Host clinical trials associated with neurological disorders

Performance measures

- 184 visits (during 2021 and 2022) across 5 active clinical trials covering the conditions of Huntington's disease, motor neuron disease, Multiple System Atrophy, and Parkinson's.

3. Educate clinicians, scientists, and the public on brain research findings and techniques

Outcome:

Provide opportunities to students to complete graduate qualification in brain research.

Performance measures

Graduate Qualifications	2022	2021
PhD	2	2
Masters	1	1

- Two PhD degrees awarded
 - Dept. Medicine, University of Otago, Christchurch: Effective connectivity-based characterisation and detection/prediction of microsleeps using EEG
 - Dept. Electrical Engineering, University of Canterbury: Neuroimaging of endogenous lapses responsiveness

- One Master of Science awarded.
 - School of Physical and Chemical Sciences, University of Canterbury: Structural Connectivity and White Matter Health in Adults Born Very Low Birthweight

**CANTERBURY MEDICAL RESEARCH FOUNDATION
CONSOLIDATED FINANCIAL STATEMENTS**

**STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE
For the Year Ended 31 December 2022**

	Note	Group 2022	Group 2021	Parent 2022	Parent 2021
REVENUE					
REVENUE FROM EXCHANGE TRANSACTIONS					
Subscriptions		2,068	3,764	2,068	3,764
Interest Received		20,248	127,514	1,931	106,666
Dividends Received		461,456	269,610	409,117	221,759
Event Income		119,670	78,932	39,893	8,003
Grant Income		58,000	55,000	58,000	55,000
Rent Received		116,172	122,777	-	-
Research Income		740,075	798,078	-	-
Management Fees		-	-	34,783	34,783
Sundry Income		59,727	173,074	56,368	159,470
Realised Gains/(Losses)		(152,715)	240,665	(150,547)	105,162
		<u>1,424,701</u>	<u>1,869,413</u>	<u>451,613</u>	<u>694,606</u>
REVENUE FROM NON-EXCHANGE TRANSACTIONS					
Bequests		885,915	281,683	668,582	281,683
Donations Received		222,131	147,255	195,503	77,153
		<u>1,108,046</u>	<u>428,938</u>	<u>864,085</u>	<u>358,836</u>
TOTAL REVENUE		<u>2,532,747</u>	<u>2,298,352</u>	<u>1,315,698</u>	<u>1,053,442</u>
EXPENSES					
Administration Expenses					
Accounting Fees		34,015	18,752	15,072	8,545
Audit Fees		19,800	18,000	11,000	10,000
Communication Costs		23,037	45,533	5,589	4,989
Depreciation expense		48,471	48,883	3,091	3,957
Loss on disposal of fixed assets		-	861	-	861
Information technology Support		47,134	49,269	9,574	11,709
Amortisation of Intangibles		9,194	18,388	9,194	18,388
Kiwisaver		23,641	19,310	-	-
Lease of Premises		237,642	231,886	30,964	29,552
Legal Expenses		2,917	800	2,238	-
Occupancy Costs		44,801	53,879	5,290	7,356
Marketing, publicity and functions		56,026	39,197	56,026	39,197
Portfolio Management Fees		37,132	38,672	31,023	32,224
Salaries - Administration		476,399	530,572	316,896	276,008
Other Expenses		136,893	138,347	40,439	45,352
Total Administration Expenses		<u>1,197,101</u>	<u>1,252,347</u>	<u>536,395</u>	<u>488,137</u>
Research Expenses					
Project Grants		929,828	1,219,429	929,828	1,219,429
Research Costs		30,112	23,512	-	-
Salaries - Research		771,878	724,286	-	-
Total Research Expenses		<u>1,731,818</u>	<u>1,967,228</u>	<u>929,828</u>	<u>1,219,429</u>
SURPLUS/(DEFICIT) FOR THE YEAR		<u>(396,172)</u>	<u>(921,223)</u>	<u>(150,525)</u>	<u>(654,124)</u>
Other Comprehensive Revenue and Expenses					
Net change in fair value of available for sale financial assets		(1,440,858)	552,663	(1,192,065)	563,013
Total Other Comprehensive Revenue and Expenses		<u>(1,440,858)</u>	<u>552,663</u>	<u>(1,192,065)</u>	<u>563,013</u>
TOTAL COMPREHENSIVE REVENUE AND EXPENSES		<u>(1,837,030)</u>	<u>(368,560)</u>	<u>(1,342,590)</u>	<u>(91,111)</u>

**CANTERBURY MEDICAL RESEARCH FOUNDATION
CONSOLIDATED FINANCIAL STATEMENTS**

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022**

	<i>Note</i>	<i>Group 2022</i>	<i>Group 2021</i>	<i>Parent 2022</i>	<i>Parent 2021</i>
ASSETS					
Cash and Cash Equivalents	9	522,839	527,137	143,234	413,239
Receivables and Prepayments	9	175,143	269,803	68,186	92,492
Current Assets		<u>697,982</u>	<u>796,940</u>	<u>211,420</u>	<u>505,731</u>
Property, Plant & Equipment	5	275,463	305,760	5,825	6,317
Intangible Assets	6	35,254	42,113	9,194	18,388
Available-for-sale financial assets	9	14,856,829	16,677,774	12,591,895	13,924,649
Life Insurance Policies		90,264	82,527	90,264	82,527
NON CURRENT ASSETS		<u>15,257,810</u>	<u>17,108,173</u>	<u>12,697,177</u>	<u>14,031,880</u>
TOTAL ASSETS		<u>15,955,793</u>	<u>17,905,113</u>	<u>12,908,598</u>	<u>14,537,611</u>
LIABILITIES					
Payables	9	113,449	222,493	38,885	108,144
Unexpended Project Grants	9	1,710,796	1,925,985	1,710,796	1,925,985
Employee Benefits		75,877	66,636	17,697	10,336
Accrued Expenses		19,800	83,752	11,000	10,000
Income in Advance		366,918	120,262	-	10,336
Inter-entity Advance		-	-	-	-
Current Liabilities		<u>2,306,839</u>	<u>2,419,129</u>	<u>1,778,377</u>	<u>2,064,801</u>
TOTAL LIABILITIES		<u>2,306,839</u>	<u>2,419,129</u>	<u>1,778,377</u>	<u>2,064,801</u>
Equity					
Accumulated comprehensive revenue and expense		8,218,568	8,614,740	6,330,578	6,481,103
Available-for-sale financial assets fair value reserve		5,135,791	6,576,649	4,505,047	5,697,112
General Reserve Fund		294,595	294,595	294,595	294,595
Total Equity		<u>13,648,954</u>	<u>15,485,984</u>	<u>11,130,220</u>	<u>12,472,810</u>
NET ASSETS		<u>13,648,953</u>	<u>15,485,984</u>	<u>11,130,220</u>	<u>12,472,810</u>

This statement is to be read in conjunction with the accompanying Notes and Independent Auditor's Report.

CANTERBURY MEDICAL RESEARCH FOUNDATION
CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN EQUITY
For the Year Ended 31 December 2022

	Note	Accumulated Comprehensive Revenue and Expense	Group Available-for-sale financial Assets Fair Value Reserve	General Reserve Fund	Total Equity	Accumulated Comprehensive Revenue and Expense	Parent Available-for- sale financial Assets Fair Value Reserve	General Reserve Fund	Total Equity
Opening Equity as at 1 January 2021		9,535,962	6,023,987	294,595	15,854,544	7,135,227	5,134,099	294,595	12,563,921
Changes in Equity for 2021		(921,223)	-	-	(921,223)	(654,124)	-	-	(654,124)
Surplus/(Deficit) for the Year		-	-	-	-	-	-	-	-
Other Comprehensive Revenue and Expenses		-	552,663	-	552,663	-	563,013	-	563,013
Net change in fair value of available-for-sale financial asset	10	(921,223)	552,663	-	(368,559.99)	(654,124)	563,013	-	(91,111.16)
Total Comprehensive Revenue and expenses for the year		\$8,614,740	\$6,576,649	\$294,595	\$15,485,984	\$6,481,103	\$5,697,112	\$294,595	\$12,472,810
Balance at 31 December 2021									
Changes in Equity for 2022		(396,172)	-	-	(396,172)	(150,525)	-	-	(150,525)
Surplus/(Deficit) for the Year		-	-	-	-	-	-	-	-
Other Comprehensive Revenue and Expenses		-	(1,440,858)	-	(1,440,858)	-	(1,192,065)	-	(1,192,065)
Net change in fair value of available-for-sale financial asset	10	(396,172)	(1,440,858)	-	(1,837,030.37)	(150,525)	(1,192,065)	-	(1,342,589.53)
Total Comprehensive Revenue and expenses for the year		\$8,218,568	\$5,135,791	\$294,595	\$13,649,954	\$6,330,578	\$4,505,047	\$294,595	\$11,130,220
Closing Equity as at 31 December 2022									

This statement is to be read in conjunction with the accompanying Notes and Independent Auditor's Report.

**CANTERBURY MEDICAL RESEARCH FOUNDATION
CONSOLIDATED FINANCIAL STATEMENTS**

STATEMENT OF CASH FLOWS

For the Year Ended 31 December 2022

	Note	Group 2022	Group 2021	Parent 2022	Parent 2021
CASH FLOWS FROM OPERATING ACTIVITIES					
<i>Cash was provided from:</i>					
Donations and Bequests		761,030	428,938	517,038	358,836
Event Income		39,893	50,920	39,893	8,003
Grants		-	-	-	-
Members Subscriptions		2,068	3,764	2,068	3,764
Services Provided		818,234	1,018,966	24,446	150,281
Rent Received		116,172	123,587	-	-
Sundry Income		114,368	214,330	114,368	214,330
Net GST Proceeds		-	-	-	-
		1,851,765	1,840,505	697,813	735,214
<i>Cash was applied to:</i>					
Grants		-	(1,148,648)	-	(1,148,648)
Cash Paid to Suppliers and Employees		(2,840,546)	(1,841,370)	(1,592,365)	(448,439)
Net GST Paid		26,005	(18,643)	16,645	(8,180)
		(2,814,541)	(3,008,661)	(1,575,720)	(1,605,267)
Net Cash Inflow (Outflow) from Operating Activities		(962,776)	(1,168,156)	(877,907)	(870,053)
CASH FLOWS FROM INVESTING & FINANCING ACTIVITIES					
<i>Cash was received from:</i>					
Investment Income		328,989	636,445	260,501	328,426
Net Disposals/(Acquisitions) of fund Investments		650,000	875,593	350,000	878,590
		978,989	1,512,038	610,501	1,207,016
<i>Cash was applied to:</i>					
Acquisition of property, plant and equipment		(20,510)	(27,305)	(2,599)	(869)
Inter-Entity Advance		-	-	-	(2,466)
		(20,510)	(27,305)	(2,599)	(3,335)
Net Cash Inflow (Outflow) from Investing & Financing Activities		958,479	1,484,733	607,902	1,203,681
Net (decrease)/increase in cash and cash equivalents		(4,297)	316,577	(270,005)	333,628
<i>Cash Balances in Statement of Financial Position</i>					
Opening Bank Accounts and Cash		527,137	210,560	413,239	79,611
Closing Bank Accounts and Cash		522,840	527,137	143,234	413,239

This statement is to be read in conjunction with the accompanying Notes and Independent Auditor's Report.

**CANTERBURY MEDICAL RESEARCH FOUNDATION
CONSOLIDATED FINANCIAL STATEMENTS**

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2022**

	Page
1 <i>REPORTING ENTITY</i>	16
2 <i>BASIS OF PREPARATION</i>	16
3 <i>USE OF ESTIMATES AND JUDGEMENTS</i>	17
4 <i>SIGNIFICANT ACCOUNTING POLICIES</i>	17
5 <i>PROPERTY, PLANT & EQUIPMENT</i>	20
6 <i>INTANGIBLE ASSETS</i>	21
7 <i>CONTINGENT LIABILITIES</i>	21
8 <i>CAPITAL COMMITMENTS</i>	21
9 <i>FINANCIAL INSTRUMENTS</i>	22
10 <i>RESERVES</i>	22
11 <i>OPERATING LEASE COMMITMENTS</i>	22
12 <i>RELATED PARTIES</i>	23
13 <i>RECONCILIATION OF NET CASHFLOWS</i>	23
14 <i>COVID-19</i>	24
15 <i>SUBSEQUENT EVENTS</i>	24
16 <i>GROUP ENTITIES</i>	24-25

**CANTERBURY MEDICAL RESEARCH FOUNDATION
CONSOLIDATED FINANCIAL STATEMENTS**

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2022**

1 REPORTING ENTITY

Canterbury Medical Research Foundation Incorporated (the "Society") is a legal form of public benefit (not-for-profit) entity in accordance with the Financial Reporting Act 2013, domiciled in New Zealand and registered under the Charities Act 2005.

For the purposes of financial reporting, Canterbury Medical Research Foundation Incorporated is a public benefit entity (not-for-profit).

Financial statements for the society and consolidated financial statements are presented. The consolidated financial statements of Canterbury Medical Research Foundation Incorporated as at and for the year ended 31 December 2022 comprises the society and its controlled entity New Zealand Brain Research Limited, formerly Van Der Veer Limited, together referred to as the Group.

The society's main operation is to provide grants and funding for medical and health research projects.

2 Basis of Preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with and comply with New Zealand Generally Accepted Accounting practice ("NZ GAAP"). They comply with Tier 2 PBE Accounting Standards — Reduced Disclosure Regime (Not-For-Profit). The society qualifies to report under Tier 2 as it has no public accountability and for the two most recent reporting periods has had less than \$30 million operating expenditure.

The financial statements were authorised for issue by the Board on 9 May 2023.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following material items in the statement of financial position:

- available-for-sale financial assets are measured at fair value

The financial statements are prepared on an accrual basis.

(c) Functional and presentation currency

The financial statements are presented in New Zealand dollars, which is the functional and reporting currency of the society and all values are rounded to the nearest dollar except where indicated otherwise.

(d) Impairment

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Indefinite-lived intangible assets are tested annually for impairment.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount. The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**CANTERBURY MEDICAL RESEARCH FOUNDATION
CONSOLIDATED FINANCIAL STATEMENTS**

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2022**

3 Use of Estimates and judgements

The preparation of the financial statements in conformity with PBE Standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 December 2022 is included in the following notes:

•Note 4(d) — assessment of useful lives and residual values

4 Significant Accounting Policies

The accounting policies set out below have been applied in preparing the financial statements for the year ended 31 December 2022. Revenue is recognised when the amount of revenue can be measured reliably and it is probable that economic benefits will flow to the Group, and measured at the fair value of consideration received or receivable. The following specific recognition criteria in relation to the Group's revenue streams must also be met before revenue is recognised.

(a) Revenue from exchange transactions

Rental income from sub-lease

Rental income arising from sub-leasing the offices is accounted for on a straight-line basis over the lease term and included in revenue. The aggregate cost of lease incentives provided is recognised as a reduction of rental revenue over the lease term on a straight-line basis.

Interest income

Interest income is earned for the use of cash and cash equivalents or any amounts due to the society.

Interest income is recognised in the statement of comprehensive revenue and expense as it is earned. Interest income is accrued using the effective interest rate method. The effective interest rate exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this rate to the principal outstanding to determine interest revenue each period.

Dividend income

Dividend income is recognised in the statement of comprehensive revenue and expense as it is earned.

Services

Revenue from services rendered is recognised in the statement of comprehensive revenue and expense when the service is provided.

(b) Revenue from non-exchange transactions

Non-exchange transactions are those where the society receives value from another entity (e.g. cash or other assets) without giving approximately equal value in exchange.

Inflows of resources from non-exchange transactions, other than services in-kind, that meet the definition of an asset are recognised as an asset only when:

- It is probable that the society will receive an inflow of economic benefits or service potential; and
- The fair value of can be measured reliably.

Inflows of resources from non-exchange transactions that are recognised as assets are recognised as non-exchange revenue, to the extent that a liability is not recognised in respect to the same inflow.

Liabilities are recognised in relation to inflows of resources from non-exchange transactions when there is a resulting present obligation as a result of the non-exchange transactions, where both:

- It is probable that an outflow of resources embodying future economic benefit or service potential will be required to settle the obligation, and
- The amount of the obligation can be estimated reliably.

The following are the specific recognition criteria in relation to the society's non-exchange transactions.

**CANTERBURY MEDICAL RESEARCH FOUNDATION
CONSOLIDATED FINANCIAL STATEMENTS**

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2022**

Grants, Donations, Legacies and Bequests

Gifts, Donations and Bequests are voluntary transfers of assets including cash or other monetary assets, goods in-kind and services in-kind that the society receives which are free from stipulations.

Gifts, Donations and Bequests are recognised as revenue when it is probable that the future economic benefits or service potential will flow to the entity, and the fair value of the assets can be measured reliably. For gifts and donations this is usually upon receipt of the gift or donation. However for bequests, a period of time may elapse between the death of the testator and the entity receiving any assets — in which case the entity makes an assessment of whether the deceased person's estate is sufficient to meet all claims on it and satisfy all bequests. If the will is disputed, this is taken into account in determining the probability of assets flowing to the entity. Gifts, donations and bequests are recognised as revenue at their fair value at the date of recognition.

The recognition of non-exchange revenue from Grants, Donations, Legacies and Bequests depends on the nature of any stipulations attached to the inflow of resources received, and whether this creates a liability (i.e. present obligation) rather than the recognition of revenue.

Stipulations that are 'conditions' specifically require the Group to return the inflow of resources received if they are not utilised in the way stipulated, resulting in the recognition of a non-exchange liability that is subsequently recognised as non-exchange revenue as and when the 'conditions' are satisfied. Stipulations that are 'restrictions' do not specifically require the Group to return the inflow of resources received if they are not utilised in the way stipulated, and therefore do not result in the recognition of a non-exchange liability, which results in the immediate recognition of non-exchange revenue.

(c) Taxes

The society is a registered charitable organisation and is therefore exempt from income tax.

(d) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items.

Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the society. All other repair and maintenance costs are recognised in surplus or deficit as incurred.

Depreciation is calculated to write off the cost of items of property, plant and equipment less their residual values using the diminishing value method over their useful lives, and is recognised in surplus or deficit. The depreciation rates used are as follows:

Leasehold improvements -	12.0% - 48.0% diminishing value
Research equipment and furniture -	11.4% - 67.0% diminishing value
Software -	50.0% diminishing value

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

The assets' residual values and useful lives are reviewed, and adjusted prospectively, if appropriate, at the end of each reporting period.

(e) Leases

New Zealand Brain Research Limited holds the lease for the office and subleases this out to other entities.

Rent received from an operating lease is recognised as income on a straight-line basis over the lease term, net of the cost of any incentives granted to the lessee in negotiating the lease.

Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term.

**CANTERBURY MEDICAL RESEARCH FOUNDATION
CONSOLIDATED FINANCIAL STATEMENTS**

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2022**

(f) Financial Instruments

Financial assets

Initial recognition and measurement

Financial assets are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The society determines the classification of its financial assets at initial recognition. The Group initially recognises financial instruments when the Group becomes a party to the contractual provisions of the instrument.

The society initially recognises loans and receivables on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the settlement date at which the asset is delivered to the society.

All financial assets are recognised initially at fair value plus directly attributable transaction costs, except for financial assets at fair value through surplus or deficit which do not include transaction costs.

The society's financial assets include: cash and short-term deposits; trade and other receivables and fund investments. Trade and other receivables are classified as loans and receivables. Fund investments are classified as financial assets at fair value through surplus or deficit (designated on initial recognition).

Derecognition and offsetting

Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability. The Group derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire. The Group also derecognises financial assets and financial liabilities when there has been significant changes to the terms and/or the amount of contractual payments to be received/paid. Financial assets and liabilities are offset and the net amount presented in the Statement of Financial Position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification.

Receivables

Receivables are stated at estimated realisable value after providing against debts where collection is doubtful. Bad debts are written off during the period in which they are identified.

Available-for-sale

The society classifies available-for-sale financial assets as non-derivative financial assets that are designated as available for sale or are not classified as loans and receivables, held-to-maturity or financial assets at fair value through surplus or deficit.

After initial measurement, available-for-sale financial investments are subsequently measured at fair value with gains or losses recognised in other comprehensive revenue and expense and accumulated in the fair value reserve until the financial asset is derecognised, at which time the cumulative gain or loss in equity is reclassified to surplus or deficit.

Fair value is measured by the market value provided by the fund manager.

Impairment of available-for-sale financial assets

For available-for-sale financial assets, the society assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired.

In the case of financial assets classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. "Significant" is evaluated against the original cost of the investment and "prolonged" against the period in which the fair value was below its original cost. Where there is evidence of impairment, the cumulative loss — measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the surplus or deficit — is removed from the reserve in equity and recognised in surplus or deficit.

(g) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

Contingent liabilities

The society does not recognise a contingent liability, but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

Contingent assets

The society does not recognise a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognised in the financial statements of the period in which the change occurs.

**CANTERBURY MEDICAL RESEARCH FOUNDATION
CONSOLIDATED FINANCIAL STATEMENTS**

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2022**

(i) Employee benefits

Short and long-term employee benefits.

Short-term employee benefit liabilities are recognised when the Group has a legal or constructive obligation to remunerate employees for services provided and that are expected to be settled wholly before 12 months after the reporting date. Short-term employee benefits are measured on an undiscounted basis and expensed in the period in which employment services are provided. Add: defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in surplus or deficit in the periods during which services are rendered by employees.

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in surplus or deficit in the periods during which services are rendered by employees.

(j) Related parties

The society regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the society, or vice versa. Members of key management are regarded as related parties and comprise the executive committee of the society.

5 Property, Plant and Equipment

GROUP

In New Zealand Dollars	Software	Leasehold Improvements	Research and Office Equipment and Furniture	Total
Cost				
Balance as at 1 January 2021	2,098	355,029	518,389	875,516
Additions	-	21,187	10,186	31,373
Disposals	-	(7,019)	(2,559)	(9,578)
Balance as at 31 December 2021	2,098	369,197	526,016	897,311
Additions	-	-	18,175	18,175
Disposals	-	-	-	-
Balance as at 31 December 2022	2,098	369,197	544,191	915,486
Depreciation and Impairment				
Balance as at 1 January 2021	1,521	93,286	454,716	549,523
Depreciation	289	35,269	13,325	48,883
Disposals	-	(6,855)	-	(6,855)
Impairment	-	-	-	-
Balance as at 31 December 2021	1,810	121,700	468,041	591,551
Depreciation	144	36,172	12,155	48,471
Impairment	-	-	-	-
Balance as at 31 December 2022	1,954	157,872	480,196	640,022
Net Book Values				
Balance as at 31 December 2021	288	247,497	57,975	305,760
Balance as at 31 December 2022	144	211,325	63,995	275,463

**CANTERBURY MEDICAL RESEARCH FOUNDATION
CONSOLIDATED FINANCIAL STATEMENTS**

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2022**

PARENT

<i>In New Zealand Dollars</i>	Software	Leasehold Improvements	Research and Office Equipment and Furniture	Total
Balance as at 1 January 2021	-	7,019	88,937	95,956
Additions	-	-	1,937	1,937
Disposals	-	(7,019)	(2,559)	(9,578)
Balance as at 31 December 2021	-	-	88,315	88,315
Additions	-	-	2,599	2,599
Disposals	-	-	-	-
Balance as at 31 December 2022	-	-	90,914	90,914
<u>Depreciation and Amortisation</u>				
Balance as at 1 January 2021	-	6,852	78,042	84,894
Depreciation	-	6,852	3,957	10,809
Amortisation	-	-	-	-
Balance as at 31 December 2021	-	-	81,999	81,998
Depreciation	-	-	3,091	3,091
Amortisation	-	-	-	-
Balance as at 31 December 2022	-	-	85,090	85,089
<u>Net Book Values</u>				
Balance as at 31 December 2021	-	-	6,317	6,317
Balance as at 31 December 2022	-	-	5,825	5,825

6 Intangible Assets

<i>In New Zealand Dollars</i>	Group Website	Parent Website
<u>Cost</u>		
Balance as at 1 January 2021	103,782	84,057
Additions	4,000	-
Disposals	-	-
Balance as at 31 December 2021	107,782	84,057
Additions	2,335	-
Disposals	-	-
Balance as at 31 December 2022	110,117	84,057
<u>Amortisation</u>		
Balance as at 1 January 2021	47,282	47,282
Amortisation	18,388	18,388
Balance as at 31 December 2021	65,670	65,670
Amortisation	9,193	9,193
Balance as at 31 December 2022	74,863	74,863
<u>Net Book Values</u>		
Balance as at 31 December 2021	42,112	18,387
Balance as at 31 December 2022	35,254	9,194

7 Contingent Liabilities

There were no contingent liabilities at 31 December 2022. (2021: Nil)

8 Capital Commitments

There were no capital commitments liabilities at 31 December 2022. (2021: Nil)

**CANTERBURY MEDICAL RESEARCH FOUNDATION
CONSOLIDATED FINANCIAL STATEMENTS**

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2022**

9 Financial Instruments

(a) Categories of financial assets and liabilities

<i>In New Zealand Dollars</i>	Group 2022	Group 2021	Parent 2022	Parent 2021
Financial Assets				
Available for sale financial assets				
Craigs Investment Partners Portfolio - general fund investments	14,856,829	16,677,774	12,591,895	13,924,649
	14,856,829	16,677,774	12,591,895	13,924,649
Loans and Receivables				
Cash and Cash Equivalents	522,839	527,137	143,234	413,239
Receivables	175,143	269,803	68,186	92,492
	697,982	796,940	211,420	505,731
Total Financial Assets	15,554,811	17,474,714	12,803,315	14,430,380
Financial Liabilities				
Financial Liabilities Measured at Amortised Cost				
Payables	113,449	222,493	38,885	108,144
Unexpended Project Grants	1,710,796	1,925,985	1,710,796	1,925,985
Inter-entity Advance	-	-	-	-
Total Financial Liabilities	1,824,244	2,148,478	1,749,681	2,034,129

Amortised Cost Financial Liabilities

Financial liabilities classified as amortised cost are non-derivative financial liabilities that are not classified as fair value through surplus or deficit financial liabilities. Financial liabilities classified as amortised cost are subsequently measured at amortised cost using the effective interest method. Financial liabilities classified as amortised cost comprise cash and cash equivalents (bank overdrafts), payables, loans, finance lease payable etc.

(b) Fair values

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation.

The portfolio investments are stated at market value per the fund manager.

10 Reserves

Available-for-sale financial assets fair value reserve

The fair value reserve comprise the cumulative net change in the fair value of available-for-sale financial assets. This is made up of unrealised/realised gains on investment portfolios.

General Reserve Fund

The general reserve fund comprises the net change in fair value of all other reserves.

11 Operating Lease Commitments

	Group 2022	Group 2021	Parent 2022	Parent 2021
Non-cancellable operating lease commitments				
Current Portion	213,223	221,082	20,833	28,692
Non-Current Portion - 1-5 years	144,293	357,516	-	20,833
Total operating lease commitments	357,516	578,598	20,833	49,525

New Zealand Brain Research Limited lease 16-18 St Asaph Street and 66 Stewart Street from Stewart Street Holdings Limited. This lease was renewed for a term of 3 years to expire on 14 September 2024.

Canterbury Medical Research Foundation Incorporated lease 1/23 Antigua Street from the Raymond George Family Trust. This lease has been renewed for a 3 year term beginning 2 September 2020. They also lease a printer from Sharp.

CANTERBURY MEDICAL RESEARCH FOUNDATION
CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2022

12 Related Parties

Key management personnel

The senior management group consists of Mark Jordan who was Executive Director until February 2021. He resigned as trustee in June 2022. Melissa Haberfield was appointed Foundation Director in March 2021. The total remuneration of the senior management group and the number of managers, on a full-time equivalent basis, receiving remuneration in this category are:

	2022	2021
Total Remuneration	140,611	135,901
Full Use of lease vehicle	-	-
Number of Persons	1	2

Other transactions

The Canterbury Medical Research Foundation Incorporated also has transactions with entities associated with Ross Hutton, Geoff Cranko and Mark Jordan who were members of the executive committees.

Value of transactions with:

	2022	2021
Craigs Investment Partners - Ross Hutton	37,132	35,094
Strategy Creative Christchurch - Geoff Cranko	-	10,968
Mark Jordan	-	2,875

13 Reconciliation of net cash flows from operating activities to surplus/(deficit)

<i>In New Zealand Dollars</i>	Group 2022	Group 2021	Parent 2022	Parent 2021
<i>Surplus/(deficit) for the year</i>	(406,172)	(911,223)	(160,525)	(654,124)
Non-cash movements				
Depreciation	48,471	48,883	3,091	3,957
Amortisation	9,194	18,388	9,194	18,388
Loss on disposal of fixed assets	0	861	0	861
Changes in fair value of available for sale financial assets	(159,897)	174,619	(255,709)	121,340
Add/(deficit) movements in working capital				
Increase/(decrease) in payables	-109,045	174,175	-69,259	99,360
Increase/(decrease) in accrued expenses	(54,711)	(105,812)	8,361	1,808
Increase/(decrease) in project grants	(215,190)	6,670	-215,190	6,670
Increase/(decrease) in receivables	-94,660	37,836	-24,306	25,127
Increase/(decrease) in other current assets				-
Less items classified as investing				
Investment Income	(328,989)	(636,445)	(260,501)	(328,426)
(Gain)/loss in investment proceeds	1,023,120	(13,943)	761,834	(161,407)
Net Cash flows from operating activities	(287,878)	(1,168,156)	(203,009)	(870,063)

**CANTERBURY MEDICAL RESEARCH FOUNDATION
CONSOLIDATED FINANCIAL STATEMENTS**

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2022**

14 COVID 19

On 11 March 2020, the World Health Organization (WHO) declared the outbreak of COVID-19 a pandemic. The actions by governments and communities in response to the pandemic have impacted the Society's operation, and consequently its asset base.

COVID-19 did not impact the ability of Canterbury Medical Research Foundation Incorporated to continue operating. Covid-19, in the last financial year, had impacted the Canterbury Medical Research Foundation only in relation to the postponement of the Wine and Art Auction, which was their major fundraising event, postponed until February 2022 then subsequently cancelled due to the introduction of the red traffic light system.

Traditionally, the Foundation has carried out most of their fundraising events in person so the pandemic has meant that the Foundation's fundraising campaign could not be delivered in full in the previous financial year.

15 Subsequent Events

No Subsequent events noted for the period ending 31 December 2022

2021: The major fundraising event for the 2021 year was planned as a Wine and Art Auction to be held in October 2021. This was postponed until February 2022 and as a result all receipts and expenditure related to this event were reflected on the 2021 Balance Sheet as the event was not able to go ahead due to the Government's pandemic restrictions present around the planned date for the event (October 2021).

16 Group Entities

A listing of the Group's significant controlled entities is presented below:

	Country of Incorporation	Ownership Interest	
		2022	2021
		%	%
New Zealand Brain Research Institute Limited	New Zealand	100	100
Canterbury Medical Research Foundation	New Zealand	100	100

All controlled entities have the same reporting date as the controlling entity. There are no significant restrictions regarding the transfer of dividends, loan repayments, and other funds from controlled entities.

Basis of consolidation – accounting policy

i. Controlled entities

Controlled entities are entities controlled by the Group. The Group controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control. The financial statements of the Group's controlled entities are included in the consolidated financial statements from the date that control commences until the date that control ceases. Subsequent changes in a controlled entity that do not result in a loss of control are accounted for as transactions with owners of the controlling entity in their capacity as owners, within net assets/equity.

The financial statements of the controlled entities are prepared for the same reporting period as the controlling entity, using consistent accounting policies.

ii. Loss of control of a controlled entity

On the loss of control, the Group derecognises the assets and liabilities of the controlled entity, any non-controlling interest, and the other components of net assets/equity related to the controlled entity. Any surplus or deficit arising on the loss of control is recognised in surplus or deficit. If the Group retains any interest in the previously controlled entity, then such interest is measured at fair value at the date that control is lost. Subsequently, the retained interest is either accounted for as an equity-accounted associate or an available-for-sale financial asset depending on the level of influence retained.

iii. Non-controlling interests

Non-controlling interests are measured either, on a PBE combination acquisition by acquisition basis, their proportionate share of the acquiree's identifiable net assets, or fair value.

Non-controlling interests are allocated their share of net surplus or deficit after tax in the consolidated statement of comprehensive revenue and expense and are presented within equity in the consolidated statement of financial position separately from equity attributable to owners of the controlling entity.

**CANTERBURY MEDICAL RESEARCH FOUNDATION
CONSOLIDATED FINANCIAL STATEMENTS**

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2022

iv. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity accounted associates and jointly-controlled-entities are eliminated against the investment to the extent of the Group's interest in the investee.

Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

v. Loss of significant influence or joint control

Upon loss of significant influence of an associate, or joint control over the joint venture, the Group measures and recognises any remaining investment at its fair value, and accounts for the remaining investment at fair value in accordance with PBE IPSAS 29. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in surplus or deficit.