

Canterbury Medical Research Foundation

Consolidated Financial Statements

For the Year Ended 31 December 2023

**CANTERBURY MEDICAL RESEARCH FOUNDATION
CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended 31 December 2023**

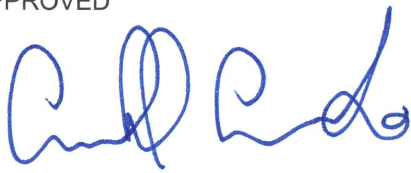
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**CANTERBURY MEDICAL RESEARCH FOUNDATION
CONSOLIDATED FINANCIAL STATEMENTS**

**APPROVAL OF FINANCIAL REPORT
For the Year Ended 31 December 2023**

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 2023.

APPROVED



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

Date 19 April 2024



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

Date 19 April 2024

**CANTERBURY MEDICAL RESEARCH FOUNDATION
CONSOLIDATED FINANCIAL STATEMENTS**

**DIRECTORY
For the Year Ended 31 December 2023**

Nature of Business	Provide grants and funding for medical and health research projects
Location of Business	66 Stewart Street Christchurch 8011
IRD Number	069-442-005
Accountants	BDO Christchurch Level 4, 287/293 Durham Street North Christchurch 8013
Auditors	BDO Christchurch Audit Limited Level 4, 287/293 Durham Street North Christchurch 8013
Bankers	ANZ
Registration Date	3/07/2007
Registration Number	858218
Executive Committee	Geoff Cranko Simon Carey Jessica Riddell Julie Patterson Prof Gail Gillon Prof Cameron Lacey Prof Ekant Veer (appointed 19 July 2023) Ross Hutton (Co-opted) Prof Sarah Young (Co-opted) Prof Suzanne Pitama (Co-opted) – resigned 16 November 2023 Prof David Murdoch (Co-opted) – appointed 13 December 2023

Chair
Treasurer



Statement of Service Performance 2023

CMRF VISION:	Investing in Canterbury's emerging health researchers, and future research leaders, to achieve the best health and well-being outcomes for our people
ASPIRATION:	Canterbury Medical Research Foundation will be the major charitable funder of emerging health and well-being researchers in Canterbury
VALUES:	Intellectual Rigour Community Connectedness Independent Enabler Legacy with Integrity

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. Develop research funding that supports the health and well-being aspirations of mana whenua
3. Raise awareness of the importance of investment in health and well-being research for positive outcomes for our communities
4. Expand our connections and collaborations with research institutions, health NGOs, funders, trusts and corporate partners
5. Develop a more diversified investor base to strengthen capital position and increase annual research funding

Disclosure of Judgements

In compiling the CMRF Statement of Service Performance (SSP), the board and management have formulated judgements in relation to which outcomes and outputs best reflect the achievement of its performance based on the CMRF mission statement and strategic goals. Outputs and outcomes are derived from information recorded within the CMRF membership and grants portal, digital repositories and other information systems maintained by the CMRF.

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	2023	2022
Don Beaven Travel Grants	\$3,926	\$1,700
Emerging Researcher Fellowship	\$199,943	\$73,443
Grant in Aid	\$15,000	\$19,648
Major Project Grants	\$651,597	\$824,037
Special Projects and Joint Funding	\$98,760	\$6,000
Summer Studentships	\$84,000	-
UC Bursary	-	\$5,000
Travel Grants	\$3,725	-
Total Funded	\$1,056,951	\$929,828

Don Beaven Travel Grants – value up to \$5,000 total annually

- 2 applications received
- 2 awarded
- 2022 – 1 awarded

Emerging Researcher Fellowship – value up to \$200,000 over two years (new Fellowship in 2022)

- 2 applications received
- 2 applicants interviewed
- 1 awarded
- 2022 – 1 awarded

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

- 5 applications received
- 3 awarded
- 2022 – 4 awarded

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

- Expressions of Interest - 16 applications received
- Full applications – 15 invited
- 6 awarded
- 2022 – 8 awarded

Summer Studentships/Scholarships – value \$6,000 each in partnership with University of Otago Christchurch and University of Canterbury

- 2023 – 14 awarded due to additional funding received
- 2022 - Not funded at either University in 2022 due to changes in the way these studentships and scholarships were run that year

Special Projects and Joint Funding

- 2023 – Te Whatu Ora/Health NZ Emerging Researcher Grants in partnership with CMRF – 5 awarded (value up to \$20,000 each – 5 available)
- 2022 - Cardiac Research Trust funded \$6,000 – heart research

Travel Grants – value up to \$2,000 each

- 4 applications received
- 3 awarded

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
- Sponsored and co-hosted the Health Research Society of Canterbury (HRSC) 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
- Co-hosted the "Living Well & Ageing Well" regional community talks in Rangiora (Waimakariri/North Canterbury) with Te Papa Hauora featuring emerging and established Canterbury based researchers
- Co-hosted the "Living Well & Ageing Well" regional community talks in Lincoln (Selwyn) with Te Papa Hauora featuring emerging and established Canterbury based researchers
- Supported the University of Otago Christchurch Centre for Free Radical Research Symposium featuring emerging researchers
- Hosted the Major Project Grant announcement function to celebrate and acknowledge the 2023 CMRF funded emerging researchers
- Hosted the CMRF Xmas function which acknowledged the excellence and achievement of all the 2023 CMRF funded emerging researchers

2022 comparison:

- Sponsored and co-hosted the Health Research Society of Canterbury (HRSC) Poster Evening for emerging researchers
- Sponsored and co-hosted the Health Research Society of Canterbury (HRSC) 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
- Hosted the CMRF Xmas function which acknowledged the excellence and achievement of all the 2022 CMRF funded emerging researchers

**Outcome 3:
Fund projects across a range of research areas**

Performance measures:

Research Area	2023	2023	2022	2022
Biochemistry			\$ 114, 657	12%
Brain Disease	\$309,943	29%		0%
Cancer	\$110,000	10%	\$ 219,998	24%
Child Health	\$119,992	11%	\$5,000	1%
Clinical			\$ 174,479	19%
Disability			\$73,443	8%
Heart	\$109,843	10%		
Human Biology			\$107,119	9%
Infectious Diseases			\$110,000	12%
Mental Health	\$216,762	20%	\$219,551	24%
	\$866,540	82%	\$917,128	99%
Other Funding*	\$190,411	18%	\$12,700	1%
Total Funded	\$1,056,951	100%	\$929,828	100%

*Other Funding – Don Beaven Travel Grants, Special Projects & Joint Funding, Summer Students, Travel Grants

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:

- Co-hosted the "Living Well & Ageing Well" regional community talks in Rangiora (Waimakariri/North Canterbury) and Lincoln (Selwyn) with Te Papa Hauora featuring emerging and established Canterbury based researchers with a sold out 100 attendees at each 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 with a sold out 300 people attending in person and an additional 320 people viewing online

2022 comparison:

- Hosted the 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

**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:

- North Canterbury community with Assoc Prof Tracy Melzer, Prof Julia Rucklidge & Dr Kyla Horne (all previous or current CMRF funding recipients)

- Aged Concern with Assoc Prof Tracy Melzer, Prof Julia Rucklidge & Dr Kyla Horne (all previous or current CMRF funding recipients)
- Selwyn community with Dr Susannah Stevens and Prof Joe Boden (all previous or current CMRF funding recipients)
- U3A clubs, Zonta and Rotary clubs with various researchers

2022 comparison:

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

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

Outcome 1:

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

Performance measures:

External funding received for grants	2023	2022
Major Project Grant funding		\$125,000
Special Project funding	\$98,760	
Summer Student funding	\$60,000	
Total external funding received	\$ 158,760	\$125,000

- Special Project Funding
 - Te Whatu Ora Waitaha/Health NZ Emerging Researcher Grants in partnership with CMRF – 5 awarded (value up to \$20,000 each – 5 available)
- Summer Student funding
 - Roland Stead Charitable Trust funding round to support projects (10 secured at \$6,000 each)

2022 comparison:

- Major Project Grant funding
 - 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

Outcome 2:

Develop a new bequest strategy

Performance measures:

Bequests received	2023	2022
	\$1,518,845	\$698,763

- Activation of the bequest strategy including:
 - Visits and talks to lifestyle and retirement villages with various researchers
 - Educational meetings with professionals who manage and advise on trusts and estates

- Personalised meetings with individuals and families who wish to include CMRF in their will
- Management of bequests received by CMRF

2022 comparison:

- New bequest strategy developed in collaboration with Sebastian Wilberforce



Statement of Service Performance 2023

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:

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

Performance measures:

Funding applications	2023	2022
Submitted	#13	9
Decisions	**15	*12
Successful	8	2
Unsuccessful	7	9
Total Value of Grants	\$1,897,176	\$ 379,490
Total Value to NZBRI	\$540,446	\$17,433

#Includes 3 EOIs that did not progress to full application stage

**Includes 2 submitted in 2022 with decision in 2023

* Includes 5 decisions from applications submitted in 2022

2. Improve the standard of care for people with neurological disorders

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

- 2023 – 31 patients assessed (12 new, 6 2-year follow up, 11 4-year follow up and 2 for 6year follow up)

- 2022 - 25 patients assessed (7 new, 9 2-year follow up, 1 for 3-year follow up and 8 for 4-year follow up)

Outcome 2:

Host clinical trials associated with neurological disorders

Performance measures

- 2023 – 240 visits across 6 active clinical trials covering the conditions of Huntington’s disease, motor neuron disease, Multiple System Atrophy, and Parkinson’s.
- 2022 and 2022 - 184 visits across 5 active clinical trials

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	2023	2022
PhD	0	2
Masters	0	1

No postgraduate degrees were confirmed during 2023. Two PhD theses were submitted in December 2023.

**CANTERBURY MEDICAL RESEARCH FOUNDATION
CONSOLIDATED FINANCIAL STATEMENTS**

**STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE
For the Year Ended 31 December 2023**

	Note	Group 2023	Group 2022	Parent 2023	Restated Parent 2022
REVENUE					
REVENUE FROM EXCHANGE TRANSACTIONS					
Subscriptions		511	2,068	511	2,068
Interest Received		295,120	193,106	271,469	174,789
Dividends Received		234,543	288,598	188,592	236,259
Event Income		100,649	119,670	-	39,893
Grant Income		160,000	58,000	160,000	58,000
Rent Received		108,078	116,172	-	-
Research Income		694,833	740,075	-	-
Management Fees		-	-	39,748	34,783
Sundry Income		10,040	59,727	9,440	56,368
Realised Gains/(Losses)		245,977	388,170	193,388	390,338
		<u>1,849,751</u>	<u>1,965,585</u>	<u>863,148</u>	<u>992,498</u>
REVENUE FROM NON-EXCHANGE TRANSACTIONS					
Bequests		1,109,254	885,915	1,107,401	668,582
Donations Received		580,088	222,131	571,959	195,503
		<u>1,689,342</u>	<u>1,108,046</u>	<u>1,679,360</u>	<u>864,085</u>
TOTAL REVENUE		<u>3,539,092</u>	<u>3,073,632</u>	<u>2,542,508</u>	<u>1,856,583</u>
EXPENSES					
Administration Expenses					
Accounting Fees		42,606	34,015	24,974	15,072
Audit Fees		18,830	19,800	9,550	11,000
Communication Costs		10,245	23,037	4,964	5,589
Depreciation Expense		39,932	48,471	2,963	3,091
Loss on Disposal of Fixed Assets		549	-	549	-
Loss on Disposal of Intangible Assets		26,060	-	-	-
Information Technology Support		44,194	47,134	11,086	9,574
Amortisation of Intangibles		4,597	9,194	4,597	9,194
KiwiSaver		21,529	23,641	899	-
Lease of Premises		268,829	237,642	36,674	30,964
Legal Expenses		500	2,917	500	2,238
Occupancy Costs		48,149	44,801	4,276	5,290
Marketing, Publicity and Functions		36,567	56,026	36,567	56,026
Portfolio Management Fees		32,498	37,132	27,284	31,023
Salaries - Administration		299,952	476,399	271,681	316,896
Other Expenses		134,415	136,893	38,601	40,439
Total Administration Expenses		<u>1,029,450</u>	<u>1,197,101</u>	<u>475,165</u>	<u>536,395</u>
Research Expenses					
Project Grants		863,801	929,828	863,801	929,828
Research Costs		86,001	30,112	-	-
Salaries - Research		694,253	771,878	-	-
Summer Studentship		84,000	-	84,000	-
Total Research Expenses		<u>1,728,055</u>	<u>1,731,818</u>	<u>947,801</u>	<u>929,828</u>
SURPLUS/(DEFICIT) FOR THE YEAR		<u>781,587</u>	<u>144,713</u>	<u>1,119,542</u>	<u>390,360</u>
Other Comprehensive Revenue and Expenses					
Net change in fair value of available for sale financial assets		137,997	(1,981,743)	65,546	(1,732,950)
Total Other Comprehensive Revenue and Expenses		<u>137,997</u>	<u>(1,981,743)</u>	<u>65,546</u>	<u>(1,732,950)</u>
TOTAL COMPREHENSIVE REVENUE AND EXPENSES		<u>919,584</u>	<u>(1,837,030)</u>	<u>1,185,088</u>	<u>(1,342,590)</u>

**CANTERBURY MEDICAL RESEARCH FOUNDATION
CONSOLIDATED FINANCIAL STATEMENTS**

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023**

	Note	Group 2023	Group 2022	Parent 2023	Restated Parent 2022
ASSETS					
Cash and Cash Equivalents	9	914,717	522,839	814,175	143,234
Receivables and Prepayments	9	274,274	175,143	77,617	68,186
Current Assets		<u>1,188,991</u>	<u>697,982</u>	<u>891,792</u>	<u>211,420</u>
Property, Plant & Equipment	5	238,898	275,463	6,228	5,825
Intangible Assets	6	4,597	35,254	4,597	9,194
Available-for-sale Financial Assets	9	15,704,789	14,856,829	13,357,612	12,591,895
Life Insurance Policies		86,609	90,264	86,609	90,264
Non Current Assets		<u>16,034,893</u>	<u>15,257,810</u>	<u>13,455,046</u>	<u>12,697,177</u>
TOTAL ASSETS		<u>17,223,885</u>	<u>15,955,793</u>	<u>14,346,838</u>	<u>12,908,598</u>
LIABILITIES					
Payables	9	105,578	113,449	66,423	38,885
Unexpended Project Grants	9	1,920,241	1,710,796	1,920,241	1,710,796
Employee Benefits		55,034	75,877	15,556	17,697
Accrued Expenses		68,260	19,800	25,600	11,000
Income in Advance		502,525	386,918	-	-
Hire Purchase		3,709	-	3,709	-
Current Liabilities		<u>2,655,347</u>	<u>2,306,839</u>	<u>2,031,529</u>	<u>1,778,377</u>
TOTAL LIABILITIES		<u>2,655,347</u>	<u>2,306,839</u>	<u>2,031,529</u>	<u>1,778,377</u>
Equity					
Accumulated comprehensive revenue and expense		9,541,040	8,759,453	7,991,005	6,871,463
Available-for-sale financial assets fair value reserve		4,732,903	4,594,906	4,029,708	3,964,162
General Reserve Fund		294,595	294,595	294,595	294,595
Total Equity		<u>14,568,537</u>	<u>13,648,953</u>	<u>12,315,308</u>	<u>11,130,220</u>
NET ASSETS		<u>14,568,537</u>	<u>13,648,953</u>	<u>12,315,308</u>	<u>11,130,220</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 2023

	Note	Group			Parent				
		Accumulated Comprehensive Revenue and Expense	Available-for-sale financial Assets Fair Value Reserve	General Reserve Fund	Total Equity	Accumulated Comprehensive Revenue and Expense	Available-for- sale Financial Assets Fair Value Reserve	General Reserve Fund	Total Equity
Opening Equity as at 1 January 2022		8,614,740	6,576,649	294,595	15,485,984	6,481,103	5,697,112	294,595	12,472,810
Changes in Equity for 2022		144,713	-	-	144,713	390,360	-	-	390,360
Surplus/(Deficit) for the Year		-	-	-	-	-	-	-	-
Other Comprehensive Revenue and Expenses	10	144,713	(1,981,743)	-	(1,981,743)	-	(1,732,950)	-	(1,732,950)
Net change in fair value of available-for-sale financial assets		-	(1,981,743)	-	(1,981,743)	390,360	(1,732,950)	-	(1,342,590.00)
Total Comprehensive Revenue and expenses for the year		\$8,759,453	\$4,594,906	\$294,595	\$13,648,953	\$6,871,463	\$3,964,162	\$294,595	\$11,130,220
Balance at 31 December 2022									
Changes in Equity for 2023		781,587	-	-	781,587	1,119,542	-	-	1,119,542
Surplus/(Deficit) for the Year		-	-	-	-	-	-	-	-
Other Comprehensive Revenue and Expenses	10	781,587	137,997	-	137,997	-	65,546	-	65,546
Net change in fair value of available-for-sale financial assets		-	137,997	-	137,997	1,119,542	65,546	-	1,185,087
Total Comprehensive Revenue and expenses for the year		\$9,541,040	\$4,732,904	\$294,595	\$14,568,537	\$7,991,005	\$4,029,708	\$294,595	\$ 12,315,308
Closing Equity as at 31 December 2023									

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 2023

Note	Group 2023	Group 2022	Parent 2023	Parent 2022
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash was provided from:				
Donations and Bequests	1,692,997	761,030	1,683,014	517,038
Event Income	100,649	39,893	-	39,893
Grants	65,306	-	160,000	-
Members Subscriptions	511	2,068	511	2,068
Services Provided	810,440	818,234	39,748	24,446
Rent Received	108,078	116,172	-	-
Sundry Income	10,040	114,368	9,440	114,368
Net GST Proceeds	11,368	-	4,959	-
	2,799,389	1,851,765	1,897,672	697,813
Cash was applied to:				
Cash Paid to Suppliers and Employees	(2,425,510)	(2,840,546)	(1,140,061)	(1,592,365)
Net GST Paid		26,005		16,645
	(2,425,510)	(2,814,541)	(1,140,061)	(1,575,720)
Net Cash Inflow (Outflow) from Operating Activities	373,879	(962,776)	757,610	(877,907)
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash was received from:				
Investment Income	18,205	328,989	13,538	260,501
Net Disposals/(Acquisitions) of Fund Investment	-	650,000	(100,000)	350,000
	18,205	978,989	(86,462)	610,501
Cash was applied to:				
Acquisition of Property, Plant and Equipment	(207)	(20,510)	(207)	(2,599)
	(207)	(20,510)	(207)	(2,599)
Net Cash Inflow (Outflow) from Investing Activities	17,998	958,479	(86,669)	607,902
Net (decrease)/increase in cash and cash equivalents	391,877	(4,297)	670,941	(270,005)
Cash Balances in Statement of Financial Position				
Opening Bank Accounts and Cash	522,840	527,137	143,234	413,239
Closing Bank Accounts and Cash	914,717	522,840	814,175	143,234

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 2023**

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CANTERBURY MEDICAL RESEARCH FOUNDATION CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended 31 December 2023

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 2023 comprises the society and its controlled entity New Zealand Brain Research 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 _____.

(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.

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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 2023 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 2023. 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.

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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.

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(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.

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(h) 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.

(i) 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 2022	2,098	369,197	526,016	897,311
Additions	-	-	18,175	18,175
Balance as at 31 December 2022	2,098	369,197	544,191	915,486
Additions	-	-	3,920	3,920
Balance as at 31 December 2023	2,098	369,197	548,110	919,405
Depreciation and Impairment				
Balance as at 1 January 2022	1,810	121,700	468,041	591,551
Depreciation	144	36,172	12,155	48,471
Balance as at 31 December 2022	1,954	157,872	480,196	640,022
Depreciation	72	31,147	8,712	39,931
Disposals	-	-	553	553
Balance as at 31 December 2023	2,026	189,019	489,461	680,506
Net Book Values				
Balance as at 31 December 2022	144	211,325	63,995	275,463
Balance as at 31 December 2023	72	180,178	58,649	238,898

PARENT

In New Zealand Dollars	Software	Leasehold Improvements	Research and Office Equipment and Furniture	Total
Balance as at 1 January 2022	-	-	88,315	88,315
Additions	-	-	2,599	2,599
Balance as at 31 December 2022	-	-	90,914	90,914
Additions	-	-	3,920	3,920
Balance as at 31 December 2023	-	-	94,834	94,834
Depreciation and Amortisation				
Balance as at 1 January 2022	-	-	81,999	81,999
Depreciation	-	-	3,091	3,091
Balance as at 31 December 2022	-	-	85,090	85,089
Depreciation	-	-	2,963	2,963
Disposals	-	-	553	553
Balance as at 31 December 2023	-	-	88,606	88,606
Net Book Values				
Balance as at 31 December 2022	-	-	5,825	5,825
Balance as at 31 December 2023	-	-	6,228	6,228

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6 Intangible Assets

<i>In New Zealand Dollars</i>	Group Website	Parent Website
Cost		
Balance as at 1 January 2022	107,782	84,057
Additions	2,335	-
Disposals	-	-
Balance as at 31 December 2022	110,117	84,057
Write-offs	(26,060)	-
Balance as at 31 December 2023	84,057	84,057
Amortisation		
Balance as at 1 January 2022	65,670	65,670
Amortisation	9,193	9,193
Balance as at 31 December 2022	74,863	74,863
Amortisation	4,597	4,597
Balance as at 31 December 2023	79,460	79,460
Net Book Values		
Balance as at 31 December 2022	35,254	9,194
Balance as at 31 December 2023	4,597	4,597

7 Contingent Liabilities

There were no contingent liabilities at 31 December 2023. (2022: Nil)

8 Capital Commitments

There were no capital commitments liabilities at 31 December 2023. (2022: Nil)

9 Financial Instruments

(a) Categories of financial assets and liabilities

<i>In New Zealand Dollars</i>	Group 2023	Group 2022	Parent 2023	Parent 2022
Financial Assets				
Available for sale financial assets				
Craigs Investment Partners Portfolio - general fund investments	15,704,789	14,856,829	13,357,612	12,591,895
	15,704,789	14,856,829	13,357,612	12,591,895
Loans and Receivables				
Cash and Cash Equivalents	914,717	522,839	814,175	143,234
Receivables	274,274	175,143	77,617	68,186
	1,188,991	697,982	891,792	211,420
Total Financial Assets	16,893,780	15,554,811	14,249,404	12,803,315
Financial Liabilities				
Financial Liabilities Measured at Amortised Cost				
Payables	105,578	113,449	66,423	38,885
Unexpended Project Grants	1,920,241	1,710,796	1,920,241	1,710,796
Total Financial Liabilities	2,025,819	1,824,244	1,986,665	1,749,681

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.

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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 2023	Group 2022	Parent 2023	Parent 2022
Non-cancellable operating lease commitments				
Current Portion	159,497	213,223	15,204	20,833
Non-Current Portion - 1-5 years	-	144,293	-	-
Total operating lease commitments	159,497	357,516	15,204	20,833

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 230A Antigua Street from the Raymond George Family Trust. This lease has been renewed for a 6 months term beginning 2 September 2023. They also lease a printer from Sharp.

12 Related Parties

Key management personnel

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:

	2023	2022
Total Remuneration	159,077	140,611
Number of Persons	1	1

Other transactions

The Canterbury Medical Research Foundation Incorporated also has transactions with entities associated with Ross Hutton, who was a member of the executive committees.

Value of transactions with:	2023	2022
Craigs Investment Partners - Ross Hutton	32,498	37,132

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

<i>In New Zealand Dollars</i>	Group 2023	Group 2022	Parent 2023	Parent 2022
<i>Surplus/(deficit) for the year</i>	781,587	(396,172)	1,119,542	(150,525)
Non-cash movements				
Depreciation	39,932	48,471	2,963	3,091
Amortisation	4,597	9,194	4,597	9,194
Loss on disposal of fixed assets	549	-	549	-
Loss on disposal of intangible assets	26,060	-	-	-
Changes in fair value of available for sale financial assets	(849,115)	(159,897)	(665,717)	(255,709)
Add/(deficit) movements in working capital				
Increase/(decrease) in payables	108,074	(109,045)	31,193	(69,259)
Increase/(decrease) in accrued expenses	27,617	(54,711)	12,459	8,361
Increase/(decrease) in project grants	209,445	(215,190)	209,445	(215,190)
Increase/(decrease) in receivables	(83,326)	(94,660)	3,027	(24,306)
Increase/(decrease) in other current assets	2,486	-	-	-
Less items classified as investing				
Investment Income	(18,205)	(328,989)	(13,538)	(260,501)
(Gain)/loss in investment proceeds	341,055	1,023,120	234,558	761,834
Net Cash flows from operating activities	590,756	(277,878)	939,078	(193,009)

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14 Group Entities

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

	Country of Incorporation	Ownership Interest	
		2023	2022
		%	%
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 to the transfer of dividends, loan repayments, and other funds from controlled entities.

15 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.

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.

16 Restatement

	Parent 2022	As Reported	Adjustment	Restated
Net Surplus/Deficit		(150,252)	540,885	390,633
Other Comprehensive Income		(1,192,065)	(540,885)	(1,732,950)
Total Comprehensive Income		(1,342,317)	-	(1,342,317)
AFS Fair Value Reserve		4,505,047	(540,885)	3,964,162
Accumulated CR&E		6,330,578	540,885	6,871,463
Total Equity		11,130,220		11,130,220

In preparing the 2023 financial statements, it was identified that the \$540,885 unrealised loss on available-for-sale financial assets was recognised as part of comprehensive revenue and expenses in 2022. As this was an available-for-sale financial asset fair value adjustment, this should have been recognised within other comprehensive revenue and expenses. The error is classified as a loss only and does not affect total comprehensive revenue and expenses or total equity. In accordance with PBE IPSAS 3 (Accounting Policies, Changes in Accounting Estimates and Error), the error has been corrected in the prior period.

**INDEPENDENT AUDITOR'S REPORT
TO THE EXECUTIVE COMMITTEE OF CANTERBURY MEDICAL RESEARCH FOUNDATION**

Report on the Audit of the General Purpose Financial Report

Opinion

We have audited the general purpose financial report of Canterbury Medical Research Foundation (“the Foundation”) and its subsidiary (together, “the Group”), which comprise the consolidated financial statements, and the consolidated service performance information. The complete set of consolidated financial statements comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statement of comprehensive revenue and expense, consolidated statement of changes in net assets/equity, consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion the accompanying general purpose financial report presents fairly, in all material respects:

- the consolidated financial position of the Group as at 31 December 2023 and (of) its consolidated financial performance, and its consolidated cash flows for the year then ended; and
- the consolidated service performance for the year ended 31 December 2023, in accordance with the Group’s service performance criteria,

in accordance with Public Benefit Entity Standards Reduced Disclosure Regime (“PBE Standards RDR”) issued by the New Zealand Accounting Standards Board.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and the audit of the consolidated service performance information in accordance with the ISAs and New Zealand Auditing Standard (NZ AS) 1 *The Audit of Service Performance Information (NZ)*. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the General Purpose Financial Report section of our report. We are independent of the Group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* 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.

Our firm carries out other assignments for the Foundation in the area of financial statement compilation.

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

Other Information

The Executive Committee is responsible for the other information. The other information obtained at the date of this auditor’s report is information contained in the general purpose financial report,

but does not include the consolidated service performance information and the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated service performance information and consolidated financial statements 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 consolidated service performance information and consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated service performance information and the consolidated financial statements 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 this 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.

Executive Committee Responsibilities for the General Purpose Financial Report

Those charged with governance are responsible on behalf of the Group for:

(a) the preparation and fair presentation of the consolidated financial statements and consolidated service performance information accordance with Public Benefit Entity Standards RDR issued by the New Zealand Accounting Standards Board;

(b) service performance criteria that are suitable in order to prepare service performance information in accordance with Public Benefit Entity Standards RDR; and

(c) such internal control as those charged with governance determine is necessary to enable the preparation of the consolidated financial statements and consolidated service performance information that are free from material misstatement, whether due to fraud or error.

In preparing the general purpose financial report those charged with governance are responsible for assessing the Group'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 those charged with governance either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the General Purpose Financial Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole, and the consolidated service performance information are 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 NZ AS 1 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 or collectively, they could reasonably be expected to influence the decisions of users taken on the basis of this general purpose financial report.

A further description of the auditor's responsibilities for the audit of the general purpose financial report is located at the XRB's website at

<https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-13/>

Who we Report to

This report is made solely to the Foundation's Executive Committee, 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 Foundation and the Foundation's Executive Committee, as a body, for our audit work, for this report or for the opinions we have formed.

BDO Christchurch Audit Limited

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Christchurch
New Zealand
19 April 2024