

Canterbury Medical Research Foundation

Consolidated Financial Statements

For the Year Ended 31 December 2021

**CANTERBURY MEDICAL RESEARCH FOUNDATION
CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended 31 December 2021**

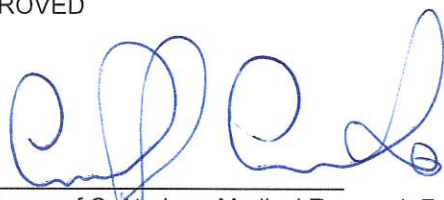
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**CANTERBURY MEDICAL RESEARCH FOUNDATION
CONSOLIDATED FINANCIAL STATEMENTS**

**APPROVAL OF FINANCIAL REPORT
For the Year Ended 31 December 2021**

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 2021.

APPROVED



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

Date 28 April 2022



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

Date 28 April 2022

**CANTERBURY MEDICAL RESEARCH FOUNDATION
CONSOLIDATED FINANCIAL STATEMENTS**

DIRECTORY

For the Year Ended 31 December 2021

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 Mark Jordan Cameron Lacey Gail Gillon Julie Patterson Khoon Lim Ian Wright Ross Hutton David Murdoch (resigned September 2021)

**CANTERBURY MEDICAL RESEARCH FOUNDATION
CONSOLIDATED FINANCIAL STATEMENTS**

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021**

	<i>Note</i>	<i>Group 2021</i>	<i>Group 2020</i>	<i>Parent 2021</i>	<i>Parent 2020</i>
ASSETS					
Cash and Cash Equivalents	9	527,137	210,561	413,239	79,610
Receivables and Prepayments	9	269,803	231,967	92,492	67,365
Current Assets		<u>796,940</u>	<u>\$442,528</u>	<u>505,731</u>	<u>\$146,975</u>
Property, Plant & Equipment	5	305,760	325,995	6,317	11,063
Intangible Assets	6	42,113	56,500	18,388	36,775
Available-for-sale financial assets	9	16,677,774	17,152,428	13,924,649	14,230,891
Life Insurance Policies		82,527	90,926	82,527	90,926
NON CURRENT ASSETS		<u>17,108,173</u>	<u>17,625,850</u>	<u>14,031,880</u>	<u>14,369,655</u>
TOTAL ASSETS		<u>17,905,113</u>	<u>18,068,378</u>	<u>14,537,611</u>	<u>14,516,630</u>
LIABILITIES					
Payables	9	222,493	48,318	108,144	8,784
Unexpended Project Grants	9	1,925,985	1,919,315	1,925,985	1,919,315
Employee Benefits		66,636	83,973	10,336	7,077
Accrued Expenses		83,752	192,227	10,000	15,067
Income in Advance		120,263	-	10,336	-
Inter-entity Advance		-	-	-	2,466
Current Liabilities		<u>2,419,129</u>	<u>2,223,833</u>	<u>2,064,801</u>	<u>1,952,709</u>
TOTAL LIABILITIES		<u>2,419,129</u>	<u>2,223,833</u>	<u>2,064,801</u>	<u>1,952,709</u>
Equity					
Accumulated comprehensive revenue and expense		8,614,740	9,525,963	6,481,103	7,135,227
Available-for-sale financial assets fair value reserve		6,576,649	6,023,967	5,697,112	5,134,099
General Reserve Fund		294,595	294,595	294,595	294,595
Total Equity		<u>15,485,984</u>	<u>15,844,545</u>	<u>12,472,810</u>	<u>12,563,921</u>
NET ASSETS		<u>15,485,984</u>	<u>15,844,545</u>	<u>12,472,810</u>	<u>12,563,921</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 2021

	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 2020									
Changes in Equity for 2020		10,810,410	5,030,768	294,595	16,135,773	9,478,941	4,738,672	294,595	14,512,208
Surplus/(Deficit) for the Year		(1,284,448)	-	-	(1,284,448)	(2,343,714)	-	-	(2,343,714)
Other Comprehensive Revenue and Expenses		-	993,219	-	993,219	-	395,427	-	395,427
Net change in fair value of available-for-sale financial assets	10	(1,284,448)	993,219	-	(291,229.00)	(2,343,714)	395,427	-	(1,948,287.00)
Total Comprehensive Revenue and expenses for the year		\$9,525,962	\$6,023,987	\$294,595	\$15,844,544	\$7,135,227	\$5,134,099	\$294,595	\$12,563,921
Balance at 31 December 2020		(911,223)	-	-	(911,223)	(654,124)	-	-	(654,124)
Changes in Equity for 2021									
Surplus/(Deficit) for the Year		-	552,663	-	552,663	-	563,013	-	563,013
Other Comprehensive Revenue and Expenses		(911,223)	552,663	-	(358,560.08)	(654,124)	563,013	-	(91,111.22)
Net change in fair value of available-for-sale financial assets	10	\$8,614,739	\$6,576,650	\$294,595	\$15,485,984	\$6,481,103	\$5,687,112	\$294,595	\$12,472,810
Total Comprehensive Revenue and expenses for the year									
Closing Equity as at 31 December 2021									

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 2021**

	Note	Group 2021	Group 2020	Parent 2021	Parent 2020
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash was provided from:					
Donations and Bequests		428,938	208,211	358,836	201,574
Event Income		50,920	73,365	8,003	17,153
Grants		-	-	-	-
Members Subscriptions		3,764	2,817	3,764	2,817
Services Provided		1,018,966	723,143	150,281	-
Rent Received		123,587	109,949	-	-
Sundry Income		214,330	123,553	214,330	62,216
Net GST Proceeds		-	3,455	-	(1,409)
		<u>1,840,505</u>	<u>1,244,493</u>	<u>735,214</u>	<u>282,351</u>
Cash was applied to:					
Grants		(1,148,648)	(875,471)	(1,148,648)	(2,308,377)
Cash Paid to Suppliers and Employees		(1,841,370)	(1,834,130)	(448,439)	(545,496)
Net GST Paid		(18,643)	-	(8,180)	-
		<u>(3,008,661)</u>	<u>(2,709,601)</u>	<u>(1,605,267)</u>	<u>(2,853,873)</u>
Net Cash Inflow (Outflow) from Operating Activities		(1,168,156)	(1,465,108)	(870,053)	(2,571,522)
CASH FLOWS FROM INVESTING ACTIVITIES					
Cash was received from:					
Investment Income		636,445	428,274	328,426	385,527
Net Disposals/(Acquisitions) of fund investment		875,593	1,192,212	878,590	2,227,708
		<u>1,512,038</u>	<u>1,620,486</u>	<u>1,207,016</u>	<u>2,613,235</u>
Cash was applied to:					
Acquisition of property, plant and equipment		(27,305)	(13,941)	(869)	(5,674)
Inter-Entity Advance		-	-	(2,466)	-
		<u>(27,305)</u>	<u>(13,941)</u>	<u>(3,335)</u>	<u>(5,674)</u>
Net Cash Inflow (Outflow) from Investing Activities		1,484,733	1,606,545	1,203,681	2,607,561
Net (decrease)/increase in cash and cash equivalents		316,577	141,437	333,628	36,039
Cash Balances in Statement of Financial Position					
Opening Bank Accounts and Cash		210,560	69,123	79,611	43,572
Closing Bank Accounts and Cash		<u>527,137</u>	<u>210,560</u>	<u>413,239</u>	<u>79,611</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**

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2021**

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**CANTERBURY MEDICAL RESEARCH FOUNDATION
CONSOLIDATED FINANCIAL STATEMENTS**

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2021**

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 2021 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 28 April 2022

(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 2021**

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 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 2021**

(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

**CANTERBURY MEDICAL RESEARCH FOUNDATION
CONSOLIDATED FINANCIAL STATEMENTS**

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2021**

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.

(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 Office Equipment and Furniture	Total
Cost				
Balance as at 1 January 2020	1,510	355,029	505,083	861,622
Additions	588	-	13,441	14,029
Disposals	-	-	(135)	(135)
Balance as at 31 December 2020	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
Depreciation and Impairment				
Balance as at 1 January 2020	944	63,366	433,878	498,187
Depreciation	577	29,920	20,838	51,334
Impairment	-	-	-	-
Balance as at 31 December 2020	1,521	93,286	454,716	549,521
Depreciation	289	35,269	13,325	48,883
Impairment	-	-	-	-
Balance as at 31 December 2021	1,810	128,555	468,041	598,406
Net Book Values				
Balance as at 31 December 2020	577	261,743	63,674	325,995
Balance as at 31 December 2021	288	241,180	57,975	305,760

**CANTERBURY MEDICAL RESEARCH FOUNDATION
CONSOLIDATED FINANCIAL STATEMENTS**

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2021**

PARENT

<i>In New Zealand Dollars</i>	Software	Leasehold Improvements	Research Office Equipment and Furniture	Total
Balance as at 1 January 2020	-	7,019	83,310	90,329
Additions	-	-	5,762	5,762
Disposals	-	-	(135)	(135)
Balance as at 31 December 2020	-	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
<u>Depreciation and Amortisation</u>				
Balance as at 1 January 2020	-	6,824	73,973	80,797
Depreciation	-	27	4,070	4,097
Amortisation	-	-	-	-
Balance as at 31 December 2020	-	6,852	78,042	84,893
Depreciation	-	-	3,957	3,957
Amortisation	-	-	-	-
Balance as at 31 December 2021	-	6,852	81,999	88,850
<u>Net Book Values</u>				
Balance as at 31 December 2020	-	167	10,895	11,063
Balance as at 31 December 2021	-	-	6,317	6,317

6 Intangible Assets

<i>In New Zealand Dollars</i>	Group Website	Parent Website
<u>Cost</u>		
Balance as at 1 January 2020	103,782	84,057
Additions	-	-
Disposals	-	-
Balance as at 31 December 2020	103,782	84,057
Additions	4,000	-
Disposals	-	-
Balance as at 31 December 2021	107,782	84,057
<u>Amortisation</u>		
Balance as at 1 January 2020	10,507	10,507
Amortisation	36,775	36,775
Balance as at 31 December 2020	47,282	47,282
Amortisation	18,388	18,388
Balance as at 31 December 2021	65,670	65,670
<u>Net Book Values</u>		
Balance as at 31 December 2020	56,500	36,775
Balance as at 31 December 2021	42,112	18,387

7 Contingent Liabilities

There were no contingent liabilities at 31 December 2021. (2020: Nil)

8 Capital Commitments

There were no capital commitments liabilities at 31 December 2021. (2020: Nil)

**CANTERBURY MEDICAL RESEARCH FOUNDATION
CONSOLIDATED FINANCIAL STATEMENTS**

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2021**

9 Financial Instruments

(a) Categories of financial assets and liabilities

<i>In New Zealand Dollars</i>	Group 2021	Group 2020	Parent 2021	Parent 2020
Financial Assets				
Available for sale financial assets				
Craigs Investment Partners Portfolio - general fund investments	16,677,774	17,152,428	13,924,649	14,230,891
	16,677,774	17,152,428	13,924,649	14,230,891
Loans and Receivables				
Cash and Cash Equivalents	527,137	210,561	413,239	79,610
Receivables	269,803	231,967	92,492	67,365
	796,940	442,528	505,731	146,975
Total Financial Assets	17,474,714	17,594,956	14,430,380	14,377,866
Financial Liabilities				
Financial Liabilities Measured at Amortised Cost				
Payables	222,493	48,318	108,144	8,784
Unexpended Project Grants	1,925,985	1,919,315	1,925,985	1,919,315
Inter-entity Advance	-	-	-	2,466
Total Financial Liabilities	2,148,479	1,967,633	2,034,129	1,930,565

In May 2020 the Craigs Investment Partners portfolio — the specific fund investments held by the Society for specific use for New Zealand Brain Research Limited (with a balance of \$1,983,428 as at 31/12/2019), was formally transferred over to the subsidiary (New Zealand Brain Research Limited). This reallocation of investments will have no impact on the group as a whole but will result in a shift of portfolio funds showing as 'available for sale' from the parent to the group.

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 2021	Group 2020	Parent 2021	Parent 2020
Non-cancellable operating lease commitments				
Current Portion	221,082	347,162	28,692	31,433
Non-Current Portion - 1-5 years	357,516	143,319	20,833	47,435
Total operating lease commitments	578,598	923,670	49,525	78,868

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New Zealand Brain Research Limited lease 16-18 St Asaph Street and 66 Stewart Street from Stewart Street Holdings Limited, a related party (see note 11). This lease was renewed for a term of 3 years to expire on 14 September 2024.

The lease of 40 Stewart Street from Ontario Breeding Limited ceased in January 2020.

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.

12 Related Parties

Key management personnel

The senior management group consists of the General Manager, Colin McDougall (who voluntarily resigned in the first half 2020) and Mark Jordan who was appointed as Acting General Manager until February 2021. 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:

	2021	2020
Total Remuneration	135,901	87,539
Full Use of lease vehicle	-	3,391
Number of Persons	2	2

Other transactions

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

Value of transactions with:	2021	2020
Craigs Investment Partners - Ross Hutton	35,094	36,417
Strategy Creative Christchurch - Geoff Cranko	10,968	16,111
Donaldson Family Limited - Ivan Donaldson (NZBRI)	25,000	3,000
Mark Jordan	2,875	11,250

The Canterbury Medical Research Foundation Incorporated and New Zealand Brain Research Limited lease premises from Stewart Street Holdings Limited which was partly owned by interests associated with Ross Hutton who is a member of the executive committee. Ross Hutton ceased his association with Stewart Street Holdings Limited in the year ended 31 December 2020. Rental payments made during the year to Stewart Street Holdings Limited amounted to \$194,429 (2020: \$185,000).

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

<i>In New Zealand Dollars</i>	Group 2021	Group 2020	Parent 2021	Parent 2020
Surplus/(deficit) for the year	(911,223)	(1,284,448)	(654,124)	(2,343,714)
Non-cash movements				
Depreciation	48,883	51,335	3,957	6,386
Amortisation	18,388	36,775	18,388	36,775
Loss on disposal of fixed assets	861	48	861	48
Changes in fair value of available for sale financial assets	174,619	16,178	121,340	16,178
Add/(deficit) movements in working capital				
Increase/(decrease) in payables	174,175	(69,754)	99,360	(70,474)
Increase/(decrease) in accrued expenses	(105,812)	161,175	(1,808)	(2,024)
Increase/(decrease) in project grants	6,670	148,872	6,670	148,872
Increase/(decrease) in receivables	37,836	(35,071)	25,127	2501
Increase/(decrease) in other current assets	37,836	20,279		19,456
Less Items classified as investing				
Investment Income	(636,445)	(428,274)	(328,426)	(385,527)
(Gain)/loss in investment proceeds	(13,943)	(82,224)	(161,407)	
Net Cash flows from operating activities	(1,168,156)	(1,465,108)	(870,063)	(2,571,523)

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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 will 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 this past financial year and reliance on events with an online platform would be looked at as a focus moving forward in this Covid-19 environment.

15 Subsequent Events

The major fundraising event for the 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 have been reflected on the 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	
		2021	2020
		%	%
New Zealand Brains 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.

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 associated or an available-for-sale financial asset depending on the level of influence retained.

iii. Non-controlling interests

Non-controlling interests are measured either at, 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.

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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.