

Neurological Foundation of New Zealand

Annual report
for the year ended 31 March 2022

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Foundation directory

Mission Statement	To alleviate suffering from diseases and disorders of the brain and nervous system through research and education.
Registered Office	66 Grafton Road, Auckland, 1010
Council Members	Anna Lissaman Barbara Bridger Georgina Hunter James Ring James R Hellaby John Kelly Simon John Sonja Clapham
Chair	Cathy Maree Stinear
Chief Executive	Richard Andrew Easton
Accountant	Balanced Chartered Accountants
Auditor	Deloitte Limited

Independent Auditor's Report

To the Council Members of Neurological Foundation of New Zealand

Qualified opinion	<p>We have audited the financial statements of Neurological Foundation of New Zealand (the 'Foundation'), which comprise the statement of financial position as at 31 March 2022, and the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.</p> <p>In our opinion, except for the possible effects of the matter described in the <i>Basis for Qualified Opinion</i> section of our report, the accompanying financial statements, on pages 6 to 21, present fairly, in all material respects, the financial position of the Neurological Foundation of New Zealand as at 31 March 2022, and its financial performance and its cash flows for the year then ended in accordance with Public Benefit Foundation Standards Reduced Disclosure Regime.</p>
Basis for qualified opinion	<p>In common with other organizations of a similar nature, control over the revenues from donations and fundraising from the public and annual appeals prior to being banked is limited. It was not practicable to extend our examination of donations beyond the accounting for amounts received as shown by the accounting records of the Foundation, or to determine the effect of the limited control.</p> <p>We conducted our audit in accordance with International Standards on Auditing ('ISAs') and International Standards on Auditing (New Zealand) ('ISAs (NZ)'). Our responsibilities under those standards are further described in the <i>Auditor's Responsibilities for the Audit of the Financial Statements</i> section of our report.</p> <p>We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.</p> <p>We are independent of the Foundation in accordance with Professional and Ethical Standard 1 (Revised) <i>Code of Ethics for Assurance Practitioners</i> issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' <i>Code of Ethics for Professional Accountants</i>, and we have fulfilled our other ethical responsibilities in accordance with these requirements.</p> <p>Other than in our capacity as auditor and the provision of advisory services, we have no relationship with or interests in the entity. These services have not impaired our independence as auditor of the entity. The firm has no other relationship with, or interest in, the entity.</p>
Other information	<p>The Council is responsible on behalf of the Foundation for the other information. The other information comprises the information in the Annual Report that accompanies the financial statements and the audit report.</p> <p>Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.</p> <p>Our responsibility is to read the other information obtained prior to the date of our audit report and consider whether it is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If so, we are required to report that fact. We have nothing to report in this regard.</p>
Council's responsibilities for the financial statements	<p>The Council is responsible on behalf of the Foundation for the preparation and fair presentation of the financial statements in accordance with Public Benefit Foundation Standards Reduced Disclosure Regime, and for such internal control as the Council determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial statements, the Council is responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Council either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.</p>
Auditor's responsibilities for the audit of the financial statements	<p>Our objectives are to obtain reasonable assurance about whether the financial statements as a whole 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 and ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.</p> <p>A further description of our responsibilities for the audit of the financial statements is located on the External Reporting Board's website at:</p> <p>https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-8</p> <p>This description forms part of our auditor's report.</p>
Restriction on use	<p>This report is made solely to the Council Members, as a body, in accordance with Section 13.1 of the Rules and Objects of the Neurological Foundation of New Zealand. Our audit has been undertaken so that we might state to the Council Members those matters 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 Council Members as a body, for our audit work, for this report, or for the opinions we have formed.</p>

Deloitte Limited



Neurological Foundation of New Zealand
Annual report for the year ended 31 March 2022

Statement of comprehensive revenue and expense

for the year ended 31 March 2022
in New Zealand Dollars

	Note	2022	2021
Revenue from supporters	1	6,798,521	7,587,388
Investment gains (losses) - net	8	(615,733)	5,965,960
Total revenue		6,182,788	13,553,348
Administrative expenses	2	(1,181,724)	(1,084,184)
Education and engagement expenses	2	(358,021)	(429,514)
Fundraising expenses	2	(533,261)	(527,888)
Awareness expenses	2	(370,156)	(689,438)
Depreciation	2	(107,769)	(90,255)
Total operating expenditure		(2,550,930)	(2,821,280)
Surplus before grant distributions		3,631,858	10,732,068
Appropriation to research grant fund in the year	5	(7,784,511)	(4,560,696)
Surplus/(deficit) for the period		(4,152,654)	6,171,372
Other comprehensive revenue and expense		-	-
Total comprehensive revenue and expense for the year		(4,152,654)	6,171,372

This statement is to be read in conjunction with the notes to the financial statements.



Neurological Foundation of New Zealand
Annual report for the year ended 31 March 2022

Statement of financial position

as at 31 March 2022
in New Zealand Dollars

	Note	2022	2021
Assets			
Cash and cash equivalents		1,459,895	1,363,422
Term deposits	8	-	53,428,611
Receivables from exchange transactions		7,733	480,441
Prepayments		-	12,447
Goods and services tax receivable		59,750	186,209
Investments	8	83,214,860	30,395,286
Total current assets		84,742,238	85,866,415
Property, plant and equipment	7	1,674,202	1,737,662
Total non-current assets		1,674,202	1,737,662
Total assets		86,416,440	87,604,077
Current Liabilities			
Payables under exchange transactions		237,558	436,327
Employee entitlement liability	3	47,220	51,687
Grants and sponsored research liability	6	10,124,214	8,666,789
Total current liabilities		10,408,992	9,154,803
Non - Current Liabilities			
Grants and sponsored research liability	6	2,544,158	825,683
Total non - current liabilities		2,544,158	825,683
Total liabilities		12,953,150	9,980,486
Net assets / equity			
Research Grant Fund	5	-	-
Capital Maintenance Fund		63,000,000	63,000,000
Hackett Fund		897,490	798,312
Accumulated funds		9,565,800	13,825,279
Total Net assets / equity		73,463,290	77,623,591

These financial statements were approved by the Council on 28 October 2022.


Cathy Steinar (Oct 28, 2022 11:49 GMT+13)

Council Member


Rich Easton (Oct 28, 2022 15:34 GMT+13)

Chief Executive

This statement is to be read in conjunction with the notes to the financial statements.

Statement of changes in net assets / equity

for the year ended 31 March 2022
in New Zealand Dollars

	Capital Maintenance Fund	Hackett Fund	Chair of Clinical Neurology Fund	Accumulated revenue and expense	Total equity
Balance at 1 April 2020	63,000,000	798,312	-	7,653,907	71,452,219
Total comprehensive revenue and expense for the year				6,171,372	6,171,372
Transfers - special purposes reserves	-	-	-	-	-
Balance at 31 March 2021	63,000,000	798,312	-	13,825,279	77,623,591
Balance at 1 April 2021	63,000,000	798,312	-	13,825,279	77,623,591
Total comprehensive revenue and expense for the year				(4,152,654)	(4,152,654)
Transfers - special purposes reserves	-	99,178	-	(106,826)	(7,648)
Balance at 31 March 2022	63,000,000	897,490	-	9,565,800	73,463,289

This statement is to be read in conjunction with the notes to the financial statements.



Neurological Foundation of New Zealand
Annual report for the year ended 31 March 2022

Statement of cash flows

for the year ended 31 March 2022
in New Zealand Dollars

	Note	2022	2021
Cash flows from operating activities			
Members' fees and subscriptions	1	3,903	6,783
Donations and other revenue from supporters	1	6,758,344	7,561,131
Other cash receipts from operating activities		38,499	5,561
Net GST paid		104,403	1,464
Payments to grantees		(4,660,746)	(4,241,790)
Payments to suppliers and employees		(2,500,115)	(2,628,774)
Payments for professional services		(59,066)	(17,231)
Net cash inflow from operating activities		(314,777)	687,144
Cash flows from investing activities			
Interest and Dividends received		1,148,261	2,126,475
Proceeds from disposal of property, plant and equipment		1,783	6,522
Proceeds from disposal of investments and term deposits		95,386,500	61,027,614
Payments for purchase of property, plant and equipment		(55,346)	(53,667)
Payments for purchase of investments and term deposits		(96,069,948)	(66,924,729)
Net cash inflow/(outflow) from investing activities		411,250	(3,817,785)
Cash flows from financing activities			
Net cash inflow/(outflow) from financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		96,472	(3,130,641)
Cash and cash equivalents at beginning of year		1,363,422	4,494,063
Cash and cash equivalents at the end of year		1,459,895	1,363,422

This statement is to be read in conjunction with the notes to the financial statements.



Significant accounting policies

Reporting Entity

The Neurological Foundation of New Zealand (the 'Foundation') is a public benefit entity for the purposes of financial reporting in accordance with the Financial Reporting Act 2013. The Foundation is a charitable organisation incorporated under the Charitable Trusts Act 1957.

The primary activity of the Foundation is funding research, education and information to reduce the level of suffering and premature death from diseases of the brain.

The financial statements of the Foundation are for the year ended 31 March 2022.

Statement of Compliance and Basis of preparation

The Foundation qualifies as a Tier 2 reporting entity as for the two most recent reporting periods it has had between \$2m and \$30m operating expenditure.

Basis of measurement

The financial statements are prepared on the historical cost basis, with the exception of certain financial instruments as disclosed in the financial instruments accounting policy.

Presentation and functional currency

The financial statements are presented in New Zealand dollars (\$) which is also the Foundation's functional currency. All numbers presented have been rounded to the nearest dollar, unless otherwise stated.

Use of estimates and judgements

The preparation of financial statements 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. Where material, information on significant judgements, estimates and assumptions is provided in the relevant accounting policy or note disclosure. No such significant judgements, estimates and assumptions were made during the period.

The estimates and underlying assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances. Estimates are subject to ongoing review and actual results may differ from these estimates. Revisions to accounting estimates are recognised in the year in which the estimate is revised and in any future years affected.

Comparatives

The comparative financial period presented is 12 months. Comparatives have been reclassified from that reported in the 31 March 2021 financial statements where appropriate to ensure consistency with the presentation of the current year's position and performance. The net asset position and net surplus reported in comparatives is consistent with previously authorised financial statements.

Significant accounting policies (continued)

Significant accounting policies

The accounting policies adopted are consistent with those of the previous financial year.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash in banks and investments in money market instruments, net of outstanding bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the Statement of financial position.

Trade and other receivables

Trade and other receivables are stated at the estimated realisable value. Bad debts are written off in the year in which they are identified.

Trade and other payables

Trade and other payables are stated at cost.

Financial instruments

Financial instruments comprise investments in shares, bonds, fixed interest securities and managed funds, trade and other receivables, cash and cash equivalents, term deposits, loans and borrowings, and trade and other payables.

Financial assets and financial liabilities are recognised when the Foundation becomes a party to the contractual provisions of the financial instrument. Financial instruments are recognised initially at fair value plus transaction costs, except for those carried at fair value through surplus or deficit, which are measured at fair value. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or the Foundation transfers the financial asset to another party without retaining control or substantial all risks and rewards of the asset. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires. Investments in Managed Funds are classified as current assets based on the National Council's expectation that they can be realised within 12 months if required. Purchases or sales of financial assets are recognised and rerecognised using trade date accounting.

Subsequent to initial recognition, financial instruments are measured as described below.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Foundation's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Held-to-maturity investments

Held-to-maturity investments are financial assets with fixed or determinable payments and fixed maturity other than loans and receivables. Investments are classified as held-to-maturity if the Foundation have the intention and ability to hold them until maturity. The Foundation currently hold bonds designated into this category.

Held-to-maturity investments are measured subsequently at amortised cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognised in the reported surplus or deficit.

Significant accounting policies (continued)

Financial instruments (continued)

Financial assets at fair value through surplus or deficit

A financial instrument is classified as fair value through surplus or deficit if it is held-for-trading or designated at initial recognition.

A financial instrument is subclassified as held-for-trading if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term or, on initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking or it is a derivative where hedge accounting is not applied. Those fair value through surplus or deficit instruments sub-classified as held-for-trading comprise forward exchange contracts and investment funds managed by New Zealand Asset Management (NZAM), Aspiring Fund and Milford Asset Management.

Financial instruments are sub-classified as designated at initial recognition if the group of assets are managed and its performance evaluated on a fair value basis, in accordance with the Foundations documented risk management or investment strategy, and information about the group is provided internally on that basis to the entity's key management personnel. The Members of Council review and approve by resolution the management of investments on a fair value basis as investments are held for allocation to future projects. Those fair value through surplus or deficit instruments sub-classified as designated at initial recognition comprise investment funds managed by Mercer, Trust Management, Mercury Capital Fund 3, Continuity Capital Private Equity Fund No.4 LP, Waterman Fund and Direct Capital VI LP.

Financial instruments classified as fair value through surplus or deficit are subsequently measured at fair value with gains or losses being recognised in surplus or deficit. Fair values are determined by reference to active market transactions.

Available-for-sale financial assets

Available-for-sale financial assets are financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. The Foundation has no financial assets designated as available-for-sale financial assets.

Equity investments are measured at cost less any impairment charges, where the fair value cannot currently be estimated reliably.

All other available-for-sale financial assets are measured at fair value. Gains and losses are recognised in other comprehensive income and reported within the "available-for-sale reserve" within equity, except for impairment losses and foreign exchange differences on monetary assets, which are recognised in the reported surplus or deficit.

Impairment

All financial assets are assessed for impairment at each reporting date. Where the carrying amount is assessed to be greater than its recoverable amount, the item is written down. The write down is recognised in the Statement of comprehensive revenue and expense.

Provisions

A provision is recognised when the Foundation has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a rate that reflects current market rates and, where appropriate, the risks specific to the liability.



Significant accounting policies (continued)

Foreign currency transactions

Transactions in foreign currencies that are settled in the accounting period are translated at the settlement rate. Transactions in foreign currency that are not settled in the accounting period, resulting in monetary assets and liabilities denominated in foreign currencies at the Statement of financial position date are translated to NZD at the foreign exchange rate ruling at that date. Foreign exchange differences arising on their translation are recognised in the Statement of comprehensive revenue and expense.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment. Depreciation is calculated on a straight line basis over each asset's useful life and charged to the Statement of comprehensive revenue and expense. Where fixed assets are under construction, costs will be capitalised as incurred. Depreciation will only be charged once construction is complete and the asset is in use.

The following estimated useful lives have been used:

Buildings	4-33 Years
Office Equipment	1.5-14 Years
Motor Vehicles	5 Years

All property, plant and equipment are assessed for impairment at each reporting date. Where the carrying amount is assessed to be greater than its recoverable amount, the item is written down. The write down is recognised in the Statement of comprehensive revenue and expense.

Research Grant Fund

The appropriation to the Research Grant Fund represents the fund allocation approved by the Foundation for the year.

Any grants approved by the Foundation Council, but unpaid at balance date, have been accounted for within the classification of liabilities. Future benefits as a result of grants are not able to be quantified with any certainty and therefore have not been recognised in these financial statements.

Capital Maintenance Fund

The appropriation to the Capital Maintenance Fund represents the fund allocation approved by the Foundation for the year to inflation proof and support increases in annual Scientific Advisory Committee Research Grants and Personal Awards Committee Fellowships, Scholarships and Summer Studentships into the future.

Hackett Fund

This fund represents the money given to the Foundation on the dissolution of the Hackett Trust. The income is to be used for neurosurgical research training in Auckland.

Auckland Chair of Clinical Neurology Fund

The appropriation to the Auckland Chair of Clinical Neurology Fund represents the fund allocation approved by the Foundation for the year.

Income tax

The Foundation has been granted charitable status under the Income Tax Act and is therefore income tax exempt.

Goods and services tax

All amounts are shown exclusive of Goods and Services Tax (GST), except for receivables and payables that are stated inclusive of GST.

Significant accounting policies (continued)

Leases

Leases in terms of which the Foundation assumes substantially all the risks and rewards of ownership are classified as finance leases.

Finance leases

Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Operating leases

Operating leases are not recognised in the Foundation's Statement of financial position. Payments made under operating leases are recognised in surplus or deficit on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Revenue recognition

Revenue from exchange transactions

Membership subscriptions

Revenue is recognised by the Foundation at the point at which cash is received. Membership subscriptions are non-refundable and enable members to attend and vote at the Foundation's AGM.

Revenue from non-exchange transactions

Non-exchange transactions are those where the Foundation receives an inflow of resources ((i.e. cash and other tangible or intangible items) but provides no (or nominal) direct consideration in return.

With the exception of services-in-kind, inflows of resources from non-exchange transactions are only recognised as assets where both:

- It is probable that the associated future economic benefit or service potential will flow to the entity, and
- Fair value is reliably measurable.

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 reliably estimated.

The following specific recognition criteria in relation to the Foundation's non-exchange transaction revenue streams must also be met before revenue is recognised.

Fundraising

The Foundation's fundraising activities involve Direct Mail newsletters four times per year, a Direct Mail household appeal once a year and other ongoing smaller initiatives. Fundraising non-exchange revenue is recognised at the point at which cash is received.

Significant accounting policies (continued)

Revenue recognition (continued)

Grants, donations, legacies and bequests

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 Foundation 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 Foundation 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.

Expenses

Grants

Grants made by the Foundation to another party are recognised as an expense in the Statement of comprehensive revenue and expense at the point at which the payment is made, or at the point that there is a liability meeting the recognition criteria for liabilities.

Finance income and expenses

Finance income comprises interest income, dividend income, gains on the disposal of available-for-sale financial assets, changes in the fair value of financial assets at fair value through surplus or loss, foreign currency gains, and gains on hedging instruments that are recognised in the Statement of comprehensive revenue and expense. Interest income is recognised as it accrues, using the effective interest method.

Dividend income is recognised on the date that the Foundation's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

Finance expense comprise interest expense on borrowings, unwinding of the discount on provisions, foreign currency losses, changes in the fair value of financial assets at fair value through surplus or loss, impairment losses recognised on financial assets (except for trade receivables), and losses on the disposal of available-for-sale financial assets. All borrowing costs are recognised in the Statement of comprehensive revenue and expense using the effective interest method.



Notes to the financial statements

	Note	2022	2021
1 Revenue from supporters			
Membership subscriptions		3,903	6,783
Donations and fundraising from the public		2,633,845	2,150,816
Legacies		3,278,929	4,944,949
Annual appeal from the public		328,214	110,484
Income from testamentary trusts		465,247	172,991
Income from other trusts		24,045	11,895
In memoriams		25,314	45,147
Chair of Clinical Neurology Donations		2,700	124,662
Other revenue		36,324	19,661
Total Revenue from supporters		6,798,521	7,587,388
2 Operating expenditure			
<i>Administrative expenses</i>			
Audit fees		55,459	30,992
Advisory fee		20,000	-
Legal, accounting and professional		91,830	57,927
Investment management		13,921	16,116
Premises expenses		59,969	99,173
Salaries and employee benefits		503,877	459,204
Research overheads		184,740	158,479
Other administration expenses		251,929	262,294
Total administrative expenses		1,181,724	1,084,184
<i>Education and engagement expenses</i>			
Salaries and employee benefits		172,372	192,305
Other education and engagement expenses		185,649	237,209
Total education and engagement expenses		358,021	429,514
<i>Fundraising expenses</i>			
Salaries and employee benefits		484,853	462,857
Other fundraising expenses		48,407	65,031
Total fundraising expenses		533,261	527,888
<i>Awareness expenses</i>			
Salaries and employee benefits		219,383	246,637
Other awareness expenses		150,773	442,801
Total awareness expenses		370,156	689,438
Depreciation	7	107,769	90,255
Total operating expenditure		2,550,930	2,821,280
3 Employee entitlement liability			
Opening balance		51,687	40,072
Plus: Additional provisions in the current year		209,886	183,778
Less: Amounts used in the current year		(214,353)	(172,163)
Balance at 31 March		47,220	51,687
4 Post-employment benefits			
Defined contribution plans		46,308	36,817
Total Post-employment benefits		46,308	36,817

The amount recognised as an expense for defined contribution plans relates to KiwiSaver employer contributions.



Notes to the financial statements (continued)

	2022	2021
5 Research Grant Fund		
Opening Balance	-	-
Appropriation from accumulated surplus	7,784,511	4,560,696
Less: Grants and sponsored research approved	(7,784,511)	(4,560,696)
Balance at 31 March	<u>-</u>	<u>-</u>

The Scientific Advisory Committee ("SAC") has responsibility for making recommendations to the National Council on the allocation of research grants and, effective November 2019, the Personal Awards Committee ("PAC") has responsibility for making recommendations to the National Council on the allocation of Fellowships, Scholarships and Summer Studentships. The final decision on the allocation of grants lies with the National Council of the Neurological Foundation. Due to the nature of the neurological scientific community in New Zealand it is not unusual for individual members of the SAC, PAC and/or Council to also be applicants for grants from the Foundation. The selection of Committee members for SAC and PAC is also selected to reduce or remove any direct, known conflicts of interest. In the event of any potential conflict of interest members of the SAC and/or PAC are removed from the decision making process. The Foundation have appropriate policies in place to ensure that any applicants, close research collaborators or any others who perceive they may have a conflict of interest must leave the room during deliberation and voting. A schedule of grants associated with Council, SAC and/or PAC members is set out in Note 14.

	2022	2021
6 Grants and sponsored research liability		
Opening Balance	9,492,472	9,311,238
Add: Grants and sponsored research approved	7,784,511	4,560,696
Less: Grants expired	529,210	-
Less: Grants distributed	(4,588,611)	(4,379,462)
Balance at 31 March	<u>12,688,372</u>	<u>9,492,472</u>
Current	10,124,214	8,666,789
Non Current	2,544,158	825,683
Balance at 31 March	<u>12,668,372</u>	<u>9,492,472</u>

Grants and sponsored research are generally approved for expenditure over a two to three year period. During the prior year certain significant grants and sponsored research were approved for expenditure over an extended 5 year period to support a more sustainable funding arrangement to the Neurological Foundation of New Zealand Brain Bank and Chair in Clinical Neurology Fellowship.

Grants provided to related parties are detailed in Note 14.

7 Property, plant and equipment

	Cost	Depreciation charge	Accumulated depreciation	Carrying amount
Land and Buildings	2,476,931	(54,735)	(900,364)	1,576,567
Motor Vehicles	63,565	-	(63,565)	-
Office Equipment	130,595	(20,315)	(97,196)	33,398
Computer Software Asset	120,622	(32,719)	(56,386)	64,236
Balance at 31 March 2022	<u>2,791,713</u>	<u>(107,769)</u>	<u>(1,117,511)</u>	<u>1,674,202</u>
Land and Buildings	2,474,811	(51,331)	(845,629)	1,629,182
Motor Vehicles	94,508	-	(94,508)	-
Office Equipment	172,734	(21,399)	(137,472)	35,262
Computer Software Asset	96,885	(17,525)	(23,667)	73,218
Balance at 31 March 2021	<u>2,838,938</u>	<u>(90,255)</u>	<u>(1,101,276)</u>	<u>1,737,662</u>

Notes to the financial statements (continued)

7 Property, plant and equipment (continued)

	Cost	Depreciation charge	Accumulated depreciation	Carrying amount
Land and Buildings	2,467,766	(50,686)	(816,988)	1,650,778
Motor Vehicles	128,944	(1,031)	(128,944)	-
Office Equipment	180,280	(15,258)	(128,641)	51,639
Computer Software Asset	74,872	(6,141)	(6,141)	68,731
Balance at 1 April 2020	2,851,862	(73,116)	(1,080,714)	1,771,148

Rates of useful lives are set out in the Significant accounting policies on Page 13.

8 Investments and Term Deposits

	Income 2022	Carrying Value 2022	Income 2021	Carrying amount 2021
Investments				
Held-to-maturity investments	167,858	554,251	850,186	9,508,219
Fair value through surplus or deficit investments	(831,338)	82,660,608	4,143,060	20,887,067
Balance at 31 March	(663,480)	83,214,860	4,993,246	30,395,286
Term Deposits				
Held-to-maturity investments	47,747	-	972,714	53,428,611
Balance at 31 March	47,747	-	972,714	53,428,611
Total Investments and Term Deposits	(615,733)	83,214,860	5,965,960	83,823,897

Income includes interest income, dividend income, gains on the disposal of available-for-sale financial assets, changes in the fair value of financial assets at fair value through Surplus or deficit and foreign currency gains.

9 Financial instruments classification

	Loans and receivables	Held-for-trading	2022 Held-to-maturity investments	Financial liabilities at amortised cost	Carrying amount
Assets					
Cash and cash equivalents	1,459,895	-	-	-	1,459,895
Term deposits	-	-	-	-	-
Trade and other receivables	7,733	-	-	-	7,733
Investments	-	82,660,608	554,251	-	83,214,860
Total assets	1,467,628	82,660,608	554,251	-	84,682,488
Liabilities					
Trade and other payables	-	-	-	237,558	237,558
Contingent grants and sponsored research	-	-	-	12,668,372	12,668,372
Total liabilities	-	-	-	12,905,930	12,905,930



Notes to the financial statements (continued)

9 Financial instruments classification (continued)

	Loans and receivables	Held-for- trading	2021 Held-to- maturity investments	Financial liabilities at amortised cost	Carrying amount
Assets					
Cash and cash equivalents	1,363,422	-	-	-	1,363,422
Term deposits	-	-	53,428,611	-	53,428,611
Trade and other receivables	480,440	-	-	-	480,440
Investments	-	20,887,067	9,508,219	-	30,395,286
Total assets	1,843,862	20,887,067	62,936,830	-	85,667,759
Liabilities					
Trade and other payables	-	-	-	436,327	436,327
Contingent grants and sponsored research	-	-	-	9,492,472	9,492,472
Total liabilities	-	-	-	9,928,799	9,928,799

Financial assets held-for-trading were designated as such upon initial recognition.
Financial liabilities held-for-trading were designated as such upon initial recognition.

10 Capital commitments

Significant capital expenditure contracted for at the end of the reporting period but not yet incurred is as follows:

	2022	2021
Investments	2,002,120	2,278,650
Total capital commitments	2,002,120	2,278,650

Investments include commitments to Mercury Capital Fund 3, Continuity Capital Private Equity Fund No.4 LP, Waterman Private Capital and Direct Capital VI LP.

11 Contingencies

There are no contingent liabilities at balance date (2021: nil)

12 Subsequent events

There have been no other events subsequent to balance date which would materially affect the financial statements.

13 Contingent assets

The Foundation has received bequests that are currently being contested. It is not practicable to predict the outcome of the contesting process and accordingly no income has been accrued for such bequests, and the amounts involved cannot be reliably estimated.

Notes to the financial statements (continued)

14 Related Party Transactions

Related Party disclosures confirm all current balances or transactions against current officers of the Foundation, or who were Officers at the time of the transaction taking place.

Compensation of key management personnel

Key management personnel of the Foundation who received remuneration from the Foundation is limited to the position of Chief Executive (formally Executive Director). The members of Council do not receive any remuneration from the Foundation. The total remuneration and full-time equivalent ("FTE") of the personnel is presented below:

	2022	2021
Chief Executive (1 FTE)	187,757	184,217
Total remuneration	<u>187,757</u>	<u>184,217</u>

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period.

The Foundation did not provide any loans to key management personnel or their close family members during the year (2021: nil).

Key management personnel did not, except for as disclosed in this note, receive any remuneration or compensation other than in their capacity as key management personal (2021: nil).

Contingent Grants and Sponsored Research

The Foundation has provided research grants to research organisations and projects associated with or undertaken by certain members of Council and/or its Scientific Advisory Committee ("SAC"). A reconciliation of opening and closing balances payable with additional grants approved and grants invoiced is presented below:

	Note	2022	2021
Grantee: University of Auckland (Principal Investigator: Cathy Stinear - Member of Council and SAC)			
Opening balance		376,251	260,623
Add: Grant applications approved		140,886	176,316
Less: Grants distributed		(119,738)	(60,688)
Balance at 31 March		<u>397,399</u>	<u>376,251</u>
Grantee: University of Otago (Principal Investigator: Timothy Anderson - Former Member of Council)			
Opening balance		146,396	146,396
Add: Grant applications approved		-	-
Less: Grants distributed		-	-
Balance at 31 March		<u>146,396</u>	<u>146,396</u>



Notes to the financial statements (continued)

14	Related Party Transactions (continued)	Note	2022	2021
	Grantee: University of Otago (Co-Mentor: Timothy Anderson - Former Member of Council)			
	Opening balance		134,415	189,937
	Add: Grant applications approved		-	27,019
	Less: Grants distributed		(10,026)	(82,541)
	Balance at 31 March		124,389	134,415
	Grantee: University of Canterbury (Co-Investigator: Timothy Anderson - Former Member of Council)			
	Opening balance		143,280	224,126
	Add: Grant applications approved		-	20,352
	Less: Grants distributed		(143,280)	(101,198)
	Balance at 31 March		-	143,280
	Total Related Party			
	Opening balance		800,342	821,082
	Add: Grant applications approved		140,886	223,687
	Less: Grants distributed		(273,043)	(244,427)
	Balance at 31 March	6	668,185	800,342

