



Annual Performance Report

Neurological Foundation of New Zealand
For the year ended 31 March 2024

Prepared by Greenhawk Chartered Accountants

Contents

3	Foundation directory
4	Auditors report
6	Statement of service performance
10	Statement of comprehensive revenue and expenses
11	Statement of financial position
12	Statement of changes in net assets / equity
13	Statement of cash flows
14	Significant accounting policies
19	Notes to the financial statements

Foundation directory

Neurological Foundation of New Zealand For the year ended 31 March 2024

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

Alisa McGregor - Deputy Chair
Debbie Snell
Georgina Hunter
Lisa Smith - ceased on 24/06/2024
Matthew Caughey
Mike Milsom
Simon John
Sonja Clapham
Stephanie Clare

Chair

Matthew Slater

Chief Executive

Richard Easton

Chartered Accountant

Greenhawk Limited

Auditor

Deloitte Limited

Independent Auditor's Report

To the Council Members of Neurological Foundation of New Zealand

Opinion

We have audited the performance report of Neurological Foundation of New Zealand (the 'Foundation'), which comprise the financial statements on pages 10 to 26, and the statement of service performance on pages 6 to 9. The complete set of financial statements comprise the statement of financial position as at 31 March 2024, and the statement of comprehensive revenue and expense, the statement of changes in net assets/equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the accompanying performance report presents fairly, in all material respects:

- the financial position of the entity as at 31 March 2024, and its financial performance and cash flows for the year then ended; and
- the service performance for the year ended 31 March 2024 in accordance with the entity'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 financial statements in accordance with International Standards on Auditing (New Zealand) ('ISAs (NZ)'), and the audit of the service performance information in accordance with the ISAs (NZ) and New Zealand Auditing Standard NZ AS 1 *The Audit of Service Performance Information* ('NZ AS 1'). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the performance report* section of our report.

We are independent of the Foundation 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.

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

Other information

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 performance report and the audit report.

Our opinion on the performance report does not cover the other information and we do not express any form of assurance conclusion thereon.

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 performance report 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.

Council's responsibilities for the performance report

The Council is responsible on behalf of the Foundation for:

- the preparation and fair presentation of the financial statements and the statement of service performance in accordance with PBE Standards RDR;
- service performance criteria that are suitable in order to prepare service performance information in accordance with PBE Standards RDR; and
- such internal control as the Council determines is necessary to enable the preparation of financial statements and the statement of service performance that are free from material misstatement, whether due to fraud or error.

In preparing the performance report, 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.

Auditor's responsibilities for the audit of the performance report

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole, and the statement of service performance 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, they could reasonably be expected to influence the decisions of users taken on the basis of this performance report.

A further description of our responsibilities for the audit of the performance report is located on the External Reporting Board's website at:

<https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-14/>

This description forms part of our auditor's report.

Restriction on use

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 Foundation. Our audit has been undertaken so that we might state to the Council 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 as a body, for our audit work, for this report, or for the opinions we have formed.

Deloitte Limited

Auckland, New Zealand
9 August 2024

This audit report relates to the performance report of Neurological Foundation of New Zealand (the 'Foundation') for the year ended 31 March 2024 included on the Foundation's website. The Council is responsible for the maintenance and integrity of the Foundation's website. We have not been engaged to report on the integrity of the Foundation's website. We accept no responsibility for any changes that may have occurred to the performance report since they were initially presented on the website. The audit report refers only to the performance report named above. It does not provide an opinion on any other information which may have been hyperlinked to/from the performance report. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited performance report, and related audit report dated 9 August 2024 to confirm the information included in the audited performance report presented on this website.

Statement of service performance

Neurological Foundation of New Zealand For the year ended 31 March 2024

Our Purpose

Be a catalyst to improve the future quality of life for New Zealander's impacted by neurological conditions.

Our Vision

An aspirational organisation, proudly enabling progress by investing in leading neurological research and education.

Target outcomes to achieve vision and mission

Our target outcomes centre around our investment in the highest quality neurological research opportunities, our provision of an education programme that highlights the impact of neurological conditions and the importance of research. We support the scientific and clinical community in Aotearoa New Zealand through the six objectives below.

1. Invest in the best neurological research

Fund world-class research projects through two funding rounds per annum, supporting the following areas:

- Projects: Invest in the highest quality projects & small projects
- Conferences and Training: Invest in the best conference and training courses
- Fellowships: Invest in the ongoing career development of exceptional scientists and clinicians through fellowships
- Scholarships: Invest in exceptional students undertaking a PhD in neuroscience
- Studentships: Invest in exceptional students to develop research skills

	2024	2023
Number of grants awarded by category		
Details (in units)		
Projects	18	18
Conferences & Training	4	2
Fellowships	6	6
Scholarships	3	2
Studentships	3	3
Total	34	31
Total grant applications received	120	106
% of total grant applications awarded	28	29

2024 2023

Value of grants awarded by category

Details (in \$)

Projects	2,830,923	2,257,890
Conferences & Training	62,472	18,392
Fellowships	1,350,903	1,054,789
Scholarships	458,181	302,279
Studentships	24,000	24,000
Other	639,005	806,496
Total	5,365,484	4,463,846
Total grant applications received	18,539,589	16,426,000
% of total grant applications awarded	29	27

Other research includes allocations to Platforms and Programmes (being Neurological Foundation Human Brain Bank (NFHBB) and write backs of previously years allocated grant funding unused, and other smaller variations.

Grants were awarded against 16 different areas of Research (FY23: 16).

2. Delivery of Education Programmes

Provide an education and events programme that highlights the impact of neurological conditions and the importance of research.

2024 2023

Details (in units)

Major Centre Events held	8	4
Registrations	1,098	344
Online Events held	5	12
Registrations	1,031	3,032
Live Views	619	1,830
Post Event Views	1,293	3,526
Publications produced	5	5
Distribution	112,289	81,772

3. Demonstrate the trajectory and measurable impact of funded research through regular reporting including impact reporting on NFHBB and NFCCN.

Ensuring reports are received which show the impact of the research undertaken.

	2024	2023
Details (in %)		
Reports Received from Researchers	93	94
NFHBB & NFCCN Reports received	100	100

A detailed annual report from the Neurological Foundation Human Brain Bank (NFHBB) highlighted that they have received a record number of brain donations in the past year, brought in \$1.8M in external research grants, and published a further eight scientific papers.

A detailed annual report from the Neurological Foundation Chair of Clinical Neurology (NFCCN) highlighted that they have now treated 1750 patients from across the North Island with stroke clot retrieval, which has resulted in an extra 550 kiwis given a second chance at life. The team has published a further sixteen scientific papers and continue to influence stroke care nationally and internationally.

4. Diversify audiences and revenue opportunities through new and developing channels

By creating greater awareness and exposure for research through our website and social media channels.

	2024	2023
Digital Channel		
Online Engagement - website traffic (views)	122,866	151,522
Media Engagement		
Social Media Posts	582	230
Social Media Engagement (views)	60,247	5,310

5. Build and strengthen relationships with research institutions and other stakeholders in the neurological and research community

Various Partnerships and Collaborations have taken place over the last year to help the Foundation increase its ability to meet the needs of the community and advance neurological research.

	2024	2023
Details (in units)		
Collaborations	14	7

The following collaborations were undertaken

1. Reviewed the project application for Catwalk Trust in Round A 2023
2. Provided support for the New Zealand Brain Bee Challenge
3. Agreement with the Multiple Sclerosis Research Trust to host PhD stipend funds
4. AUT Concussion conference
5. Collaborating with Parkinson's NZ on the visit and seminar of an international professor
6. Led 'keeping your brain healthy' stand at National Fieldays in collaboration with the Aotearoa Brain Project, the Centre for Brain Research, and the Brain Health Research Centre
7. Partnered with the Neurologists Association of NZ (NANZ) and the Australia New Zealand Association of Neurologists (ANZAN) to provide a clinical scholarship
8. Collaborated with broader neuro-science community to develop a framework for Programme & Platform funding in the future
9. Leading the secretariat for the Neurological Alliance, comprising 20 neurological charities. This marks the first instance where Alliance members have allocated resources for a paid role to spearhead advocacy and advisory work
10. Initiating the establishment of connections with Mātai, located in Tairāwhiti, regarding their neurological research and community engagement efforts
11. Continuing collaboration with the NZ Rugby Foundation and University of Auckland/NFHBB to increase the number of brain donations to the Sports Brain Bank
12. Became a member of the Medical Co-Funders working group, which explores strategies for optimising grant funding outcomes across diverse organisations
13. Highlighted Rare Disorders, Parkinson's NZ, and Headway (TBI support) in our publications this year
14. Continued collaboration and knowledge-sharing with the Brain Foundation in Australia, as we pursue similar goals

6. Ensure sustainability of the Foundations business model financially

Maximise the funds used to deliver on our purpose, and ensuring the long term funding model in place.

	2024	2023
Details (in \$)		
Funds awarded to purpose (Research)	5,365,484	4,463,846
Invested Assets	87,308,972	79,687,671

Overall spend on Research was up by 20% from the prior year, with some of this from phase 2 of our commitment to NFHBB, but still an increase in funding across the 34 grants awarded. The Investment Assets have had a variable year but overall, all have rebounded well for a positive return over the year.

Statement of comprehensive revenue and expenses

Neurological Foundation of New Zealand For the year ended 31 March 2024

	NOTES	2024	2023
Revenue			
Revenue from supporters	1	8,497,976	5,612,698
Total revenue		8,497,976	5,612,698
Less Expenses			
Appropriation to research grant fund	5	5,243,252	4,463,846
Administrative expenses	2	1,370,559	1,364,716
Education and engagement expenses	2	386,292	340,682
Fundraising expenses	2	753,102	560,247
Awareness expenses	2	445,405	462,919
Depreciation	2	96,686	104,542
Total expenses		8,295,296	7,296,952
Surplus / (deficit) before Net finance income / (loss)		202,680	(1,684,254)
Net finance income / (loss)			
Net finance income / (loss)	8	8,050,205	(2,519,223)
Surplus/(deficit) for the period		8,252,885	(4,203,477)
Other comprehensive revenue and expense			
Other comprehensive revenue and expense		-	-
Total comprehensive revenue and expense for the year		8,252,885	(4,203,477)

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

Statement of financial position

Neurological Foundation of New Zealand

As at 31 March 2024

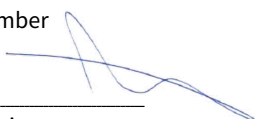
	NOTES	31 MAR 2024	31 MAR 2023
Assets			
Current Assets			
Cash and cash equivalents	9	1,372,016	732,556
Receivables from exchange transactions		22,338	-
Prepayments		9,991	2,254
Goods and services tax receivable		107,876	218,276
Investments	8	87,308,972	79,687,671
Total current assets		88,821,193	80,640,757
Non-Current Assets			
Property, plant and equipment	7	1,552,872	1,620,389
Total non-current assets		1,552,872	1,620,389
Total assets		90,374,065	82,261,146
Liabilities			
Current Liabilities			
Payables under exchange transactions		878,039	877,002
Employee entitlement liability	3	54,238	48,819
Grants and sponsored research liability	6	9,841,844	9,033,787
Total current liabilities		10,774,121	9,959,608
Non-Current Liabilities			
Grants and sponsored research liability	6	2,088,504	3,041,747
Total Non-Current Liabilities		2,088,504	3,041,747
Total liabilities		12,862,625	13,001,355
Net assets		77,511,440	69,259,791
Net Assets / Equity			
Capital maintenance fund		63,000,000	63,000,000
Hackett fund		952,142	897,490
Accumulated funds		13,559,297	5,362,301
Total net assets / equity		77,511,440	69,259,791

These financial statements were approved by the Council on **09 August 2024**.



9 Aug 2024

Council Member



9th August 2024

Chief Executive

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

Statement of changes in net assets / equity

Neurological Foundation of New Zealand For the year ended 31 March 2024

	2024	2023
Net assets / equity		
Opening balance as at 1 April	69,259,791	73,463,268
Total comprehensive revenue and expense for the year	8,252,885	(4,203,477)
Transfers - special purposes reserves		
Hackett Fund	54,652	-
Accumulated revenue and expenses	(55,888)	-
Balance at 31 March	77,511,440	69,259,791

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

Statement of cash flows

Neurological Foundation of New Zealand For the year ended 31 March 2024

	2024	2023
Cash Flows from Operating Activities		
Members' fees and subscriptions	675	538
Donations and other revenue from supporters	8,460,495	5,576,870
Other cash receipts from operating activities	38,889	38,499
Net GST paid	65,946	(93,683)
Payments to grantees	(5,384,107)	(4,582,877)
Payments to suppliers and employees	(2,857,636)	(2,593,211)
Payments for professional services	(36,000)	(10,997)
Net Cash Flows from Operating Activities	288,262	(1,664,861)
Cash Flows from Investing Activities		
Interest, Dividends and Distributions received	257,451	263,606
Proceeds from disposal of investments and term deposits	2,000,000	1,308,708
Payments to purchase property, plant and equipment	(33,780)	(46,118)
Payments for purchase of investments and term deposits	(1,872,473)	(588,674)
Net Cash Flows from Investing Activities	351,198	937,522
Net Increase/ (Decrease) in Cash	639,460	(727,339)
Cash and Cash Equivalents		
Cash and cash equivalents at beginning of period	732,556	1,459,895
Net increase/ (decrease) in cash and cash equivalents	639,460	(727,339)
Cash and cash equivalents at end of period	1,372,016	732,556

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

Significant accounting policies

Neurological Foundation of New Zealand For the year ended 31 March 2024

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 2024.

Statement of Compliance and Basis of preparation

The Foundation's financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). The Foundation is a public benefit entity for the purposes of financial reporting and complies with the Public Benefit Entity Standards Reduced Disclosed Regime ("PBE Standards RDR"), as appropriate for Tier 2 not-for-profit public benefit entities as it does not have public accountability and is not large (i.e. does not have total expenses over \$33 million). Reduced disclosure regime exemptions have been adopted.

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.

Comparatives

The comparative financial period presented is 12 months. Comparatives have been reclassified from that reported in the 31 March 2023 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 previously authorised financial statements.

Significant accounting policies

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

Use of estimates and judgements

Financial Statements

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.

Use of estimates and judgements (continued)

Statement of Service Performance

In compiling the Statement of Service Performance report, management has made judgements in relation to which outcomes and outputs best reflect the achievement of our performance for the Foundations vision.

The performance measures are designed to be an active tool to evaluate the Foundations performance and inform and update our stakeholders and the public on activities and impact.

We have chosen items showing delivery of the Foundation's purpose, through both short and long-term outcomes, that underpin the overall performance of the Foundation. By transparently reporting on our investment in the highest quality neurological research opportunities, and our provision of an education programme that highlights the impact of neurological conditions and the importance of research, we are improving the future quality of life for New Zealanders impacted by neurological conditions through these six objectives:

1. Invest in the best neurological research
2. Deliver an education programme to New Zealanders showing the value of, and progress being made, by neurological researchers.
3. Demonstrating the trajectory and measurable impact of funding research through regular reporting including impact reporting from the Neurological Foundation Human Brain Bank and Chair of Clinical Neurology.
4. Diversify audiences and revenue opportunities through new and developing channels.
5. Build and strengthen relationships with research institutions and other stakeholders in the neurology and research community.
6. Ensure sustainability of the Foundation's business model financially.

Our current focus is reporting on key outputs and intermediate-term outcomes and as monitoring and evaluation systems mature, the Foundation may include additional measures and report on achievement of the Foundations targeted long-term outcomes.

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).

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 transactions are recognised in the Statement of comprehensive revenue and expenses.

Financial Instruments

Recognition and initial measurement

Receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Foundation becomes a party of the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through surplus or deficit, transaction costs that are directly attributable to its acquisition or issue. At initial recognition, short-term receivables and payables may be measured at the original invoice amount if the effect of discounting is immaterial.

Financial Instruments (continued)

Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at:

- amortised cost; or
- fair value through surplus or deficit (FVTSD).

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTSD.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTSD:

- It is held within a management model whose objectives is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Foundation's cash and cash equivalents and receivables are classified as financial assets at amortised cost. The Foundation's investments at fair value are classified as financial assets at FVTSD on the basis they are managed, and their performance is evaluated on a fair value basis.

Cash and cash equivalents represent highly liquid investments that are readily convertible into a known amount of cash with an insignificant risk of changes in value, with original maturities of three months or less. Financial assets are not reclassified subsequent to their initial recognition.

Financial assets - subsequent measurement and gain and losses

- **Financial assets at amortised cost:** These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in surplus or deficit. Any gain or loss on derecognition is recognised in surplus or deficit.
- **Financial assets at FVTSD:** These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income and net of management fees, are recognised in surplus or deficit. The fair value of the various investments that make up the fund is determined as follows:
 - Cash funds - at face value of the amounts deposited or drawn; and
 - Equity and bond funds - by reference to a quoted bid price; and
- **Private equity funds:** based on the net asset value provided by the fund manager, which reflects the fair value of the underlying investments.

The funds are evaluated on a fair value basis at a portfolio level.

Financial liabilities - classification, subsequent measurement and gains and losses

All of the Foundation's financial liabilities meet the criteria to be classified as measured at amortised cost. These financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in surplus or deficit. Any gain or loss on derecognition is also recognised in surplus or deficit.

Impairment of non-derivative financial assets

A financial asset is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that the loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

Impairment of non-derivative financial assets (continued)

Objective evidence that financial assets are impaired includes default or delinquency by a counterparty, restructuring of an amount due to the Foundation on terms that the Foundation would not consider otherwise, indications that a counterparty or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in the Foundation, economic conditions that correlate with defaults or the disappearance of an active market for a security.

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 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 (refer note 5).

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.

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.

Leases

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

Leases (continued)

- **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.

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.

Notes to the financial statements

Neurological Foundation of New Zealand For the year ended 31 March 2024

	NOTES	2024	2023
1. Revenue from supporters			
Membership subscriptions		675	538
Donations and fundraising from the public		1,830,676	2,130,135
Legacies		6,197,059	3,086,883
Annual appeal from the public		89,310	174,639
Income from testamentary trusts		156,517	122,459
Income from other trusts		148,087	8,000
In memoriams		27,048	49,889
Other revenue		48,604	40,155
Total revenue from supporters		8,497,976	5,612,698
	NOTES	2024	2023
2. Operating expenditure			
Administrative expenses			
Audit fees		56,720	57,725
Audit fees - advisory services		-	10,000
Legal, accounting and professional		88,638	47,200
Premises expenses		83,156	127,063
Salaries and employee benefits		577,315	564,988
Research overheads		268,592	227,627
Other administration expenses		296,138	330,114
Total administrative expenses		1,370,559	1,364,716
Education and engagement expenses			
Salaries and employee benefits		125,616	159,259
Other education and engagement expenses		260,676	181,423
Total education and engagement expenses		386,292	340,682
Fundraising expenses			
Salaries and employee benefits		623,225	483,312
Other fundraising expenses		129,877	76,935
Total fundraising expenses		753,102	560,247
Awareness expenses			
Salaries and employee benefits		159,874	202,693
Other awareness expenses		285,531	260,226
Total awareness expenses		445,405	462,919
Depreciation	7	96,686	104,542
Total operating expenditure		3,052,044	2,833,106

	NOTES	2024	2023
3. Employee entitlement liability			
Opening balance		48,819	47,220
Plus: Additional provisions in the current year		(125,022)	(106,946)
Less: Amounts used in the current year		130,441	108,545
Balance at 31 March		54,238	48,819

	NOTES	2024	2023
4. Post-employment benefits			
Defined contribution plans		52,918	43,461
Total post-employment benefits		52,918	43,461

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

	NOTES	2024	2023
5. Research Grant Fund			
Opening Balance		-	-
Appropriation from accumulated surplus		5,243,252	4,463,846
Less: Grants and sponsored research approved		(5,243,252)	(4,463,846)
Balance at 31 March		-	-

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.

	NOTES	2024	2023
6. Grants and sponsored research liability			
Opening Balance		12,075,534	12,688,372
Add: Grants and sponsored research approved		5,243,252	4,463,846
Less: Grants expired		(246,004)	(1,057,472)
Less: Grants distributed		(5,142,434)	(4,019,211)
Balance at 31 March		11,930,348	12,075,534
Current		9,841,844	9,033,787
Non Current		2,088,504	3,041,747
Balance at 31 March		11,930,348	12,075,534

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	2,503,484	(57,590)	(1,012,988)	1,490,496
Office Equipment	178,575	(17,441)	(123,687)	54,888
Computer Software Asset	120,622	(21,655)	(113,134)	7,488
Balance at 31 March 2024	2,802,681	(96,686)	(1,249,809)	1,552,872

	Cost	Depreciation charge	Accumulated depreciation	Carrying amount
Land and Buildings	2,500,618	(55,034)	(955,398)	1,545,220
Motor Vehicles	63,565	-	(63,565)	-
Office Equipment	157,637	(14,415)	(106,247)	46,026
Computer Software Asset	120,622	(35,092)	(91,478)	29,144
Balance at 31 March 2023	2,842,442	(104,542)	(1,216,688)	1,620,389

	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)	33,399
Computer Software Asset	120,622	(32,719)	(56,386)	64,236
Balance at 31 March 2022	2,791,713	(107,769)	(1,117,511)	1,674,202

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

NOTES 2024 2023

8. Investments and Term Deposits

Net finance income / (loss)

Income / (loss) from investments at amortised cost	39,826	(16,566)
Income / (loss) from investments at fair value through surplus or deficit	8,010,379	(2,502,657)
Total Net finance income / (loss)	8,050,205	(2,519,223)

NOTES 2024 2023

Investments Carrying Value

Investments at amortised cost	12,938	14,000
Investments at fair value through surplus or deficit	87,296,034	79,673,671
Total Investments Carrying Value at 31 March	87,308,972	79,687,671

Income/(loss) from investments at amortised cost includes interest income, recognised as earned on a time-proportion basis using the effective interest method.

Income/(loss) from investments at fair value through surplus or deficit (FVTSD) includes distributions from, and fair value gains and losses on investments at FVTSD, recorded net of management fees. Investments are primarily held with Mercer (N.Z.) Limited in the Mercer SR Balanced Fund. The Mercer SR Balanced Fund had a carrying value of \$84,895,079 (2023: \$ 77,435,156) at balance date, and incurred associated management fees during the year of \$540,646 (2023: \$ 538,858).

9. Financial instruments classification

	Carrying Amount		Carrying Amount	
31 March 2024	Financial Assets at fair value through surplus or deficit	Financial Assets at amortised cost	Financial Liabilities at amortised cost	Total
Cash and cash equivalents (assets)	-	1,372,016	-	1,372,016
Receivables from exchange transactions	-	22,338	-	22,338
Investments	87,296,034	12,938	-	87,308,972
Payables under exchange transactions	-	-	(878,039)	(878,039)
Contingent grants and sponsored research	-	-	(12,052,580)	(12,052,580)
Total Financial Instruments	87,296,034	1,407,292	(12,930,619)	75,772,707

	Carrying Amount		Carrying Amount	
31 March 2023	Financial Assets at fair value through surplus or deficit	Financial Assets at amortised cost	Financial Liabilities at amortised cost	Total
Cash and cash equivalents (assets)	-	732,556	-	732,556
Receivables from exchange transactions	-	-	-	-
Investments	79,673,671	14,000	-	79,687,671
Payables under exchange transactions	-	-	(877,002)	(877,002)
Contingent grants and sponsored research	-	-	(12,075,534)	(12,075,534)
Total Financial Instruments	79,673,671	746,556	(12,952,537)	67,467,690

10. Capital commitments

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

	NOTES	2024	2023
Capital commitments			
Investments		1,129,428	1,520,687
Total capital commitments		1,129,428	1,520,687

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 (2023: 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.

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 comprise of Chief Executive and the lead team (which includes the Head of Support Services, Head of Research Administrators, and Head of Supporter Relations). The total remuneration of key management personnel, on a full-time equivalent basis, receiving as below:

	Number for FTE's	2024	2023
Key Management Personnel	4	\$698,283	\$636,673

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 (2023: 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 (2023: 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:

	NOTES	2024	2023
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Grantee: University of Otago (Associate Professor: Louise Bicknell - PAC Co-Chair)

Opening Balance		-	-
Add: Grant applications approved		298,194	-
Less: Grants distributed		(983)	-
Balance at 31 March		297,211	-

	NOTES	2024	2023
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Grantee: University of Canterbury (Professor John Dalrymple-Alford [Kiri Barr-Glintborg-PhD Candidate] - SAC Co-Chair)

Opening Balance		-	-
Add: Grants application approved		2,750	-
Less: Grants distributed		(2,750)	-

	NOTES	2024	2023
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Grantee: University of Canterbury (Professor John Dalrymple-Alford [Jennifer Hamilton-Post Doctoral Researcher] - SAC Co-Chair)

Opening Balance		-	-
Add: Grants application approved		1,450	-
Less: Grants distributed		(1,450)	-
Balance at 31 March		-	-

	NOTES	2024	2023
Grantee: University of Auckland (Principal Investigator: AP Scott Graham - PAC Co-Chair)			
Opening Balance		4,500	-
Add: Grants application approved		-	4,500
Less: Grants distributed		(4,500)	-
Total Grantee: University of Auckland (Principal Investigator: AP Scott Graham - PAC Co-Chair)		-	4,500

	NOTES	2024	2023
Grantee: University of Auckland (Principal Investigator: Cathy Stinear - Member of Council and SAC)			
Opening balance		137,273	397,399
Add: Grant applications approved		-	-
Less: Grants distributed		(61,564)	(3,613)
Less: Correction		-	(256,513)
Balance at 31 March		75,709	137,273

	NOTES	2024	2023
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		146,396	146,396

	NOTES	2024	2023
Grantee: University of Otago (Principal Investigator: Ailsa McGregor - Member of Council and SAC)			
Opening balance		14,976	-
Add: Grant applications approved		-	14,976
Less: Grants distributed		-	-
Balance at 31 March		14,976	14,976

	NOTES	2024	2023
Grantee: University of Otago (Co-Mentor: Timothy Anderson - Former Member of Council)			
Opening balance		112,062	124,389
Add: Grant applications approved		-	-
Less: Grants distributed		(23,408)	(12,327)
Balance at 31 March		88,654	112,062

	NOTES	2024	2023
Total Related Party			
Opening balance		395,732	668,185
Add: Grant applications approved		-	-
Less: Grants distributed		(94,655)	(15,940)
Less: Correction		-	(256,513)
Balance at 31 March		301,077	395,732

15. Transfers - Special Purposes Reserves

Transfers were made from the special purposes reserves during the year.

During the year ending 31 March 2024 transfers of \$54,652 (2023: Nil) were made from Hackett Fund special reserve for expenditure relating to neurosurgical research training in Auckland.