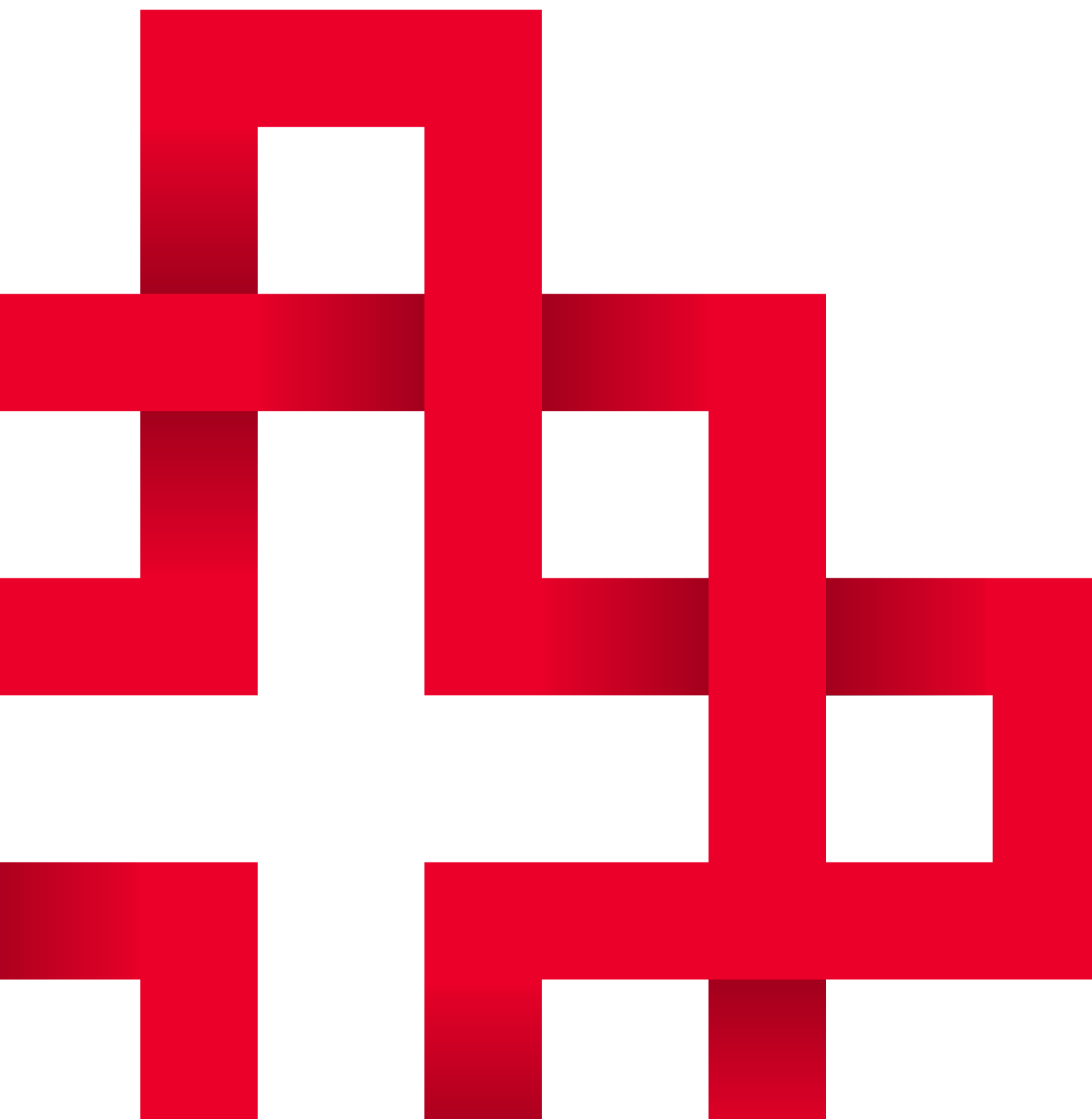
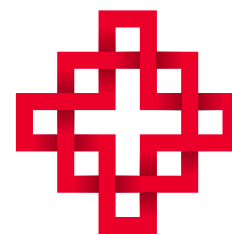


Canterbury
Medical Research
Foundation

Annual Report 2014



ABOUT US

The Canterbury Medical Research Foundation works to support and enable excellent medical research in Canterbury, by providing project funding, fellowships, Summer Studentships and co-funding of research projects and through direct support to our wholly-owned subsidiary; The New Zealand Brain Research Institute.

Operating for more than 50 years, the Foundation is responsible for funding more than \$22 million in research grants in that time. Our focus is on supporting and nurturing emerging researchers to have great research opportunities early on in their career and to retain that intellectual capital right here in Canterbury.



OUR MISSION

Canterbury Medical Research Foundation is an enabler of world class Medical Research.

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OUR PEOPLE

The Foundation is fortunate in having a high level of business and research expertise at both governance and management levels. Our sincere thanks to the CMRF Board of Trustees, who give their time freely and ensure that the Foundation's work continues into the future.

Executive



Mike Stenhouse – Chairman



Simon Carey – Treasurer



Bert Govan



Nichola Hiatt



Geoff Cranko



Prof. Peter Joyce



Prof. Steve Weaver



Prof. Margreet Vissers



Ross Hutton



Sir Robert Stewart - Patron

CMRF Administration Staff

Guy Johnson
Kate Russell
Raewyn Chatfield
John Dunne
Caroline Wagteveld McKenzie
Kimberly Ford

Executive Director (retired April 2014)
CMRF Chief Executive
Administration Manager
Fundraiser (left, July 2014)
Fundraising Manager
Administrator

COMMITTEES



Friends of the
**New Zealand
Brain Research
Institute**

Kathryn Mulcock – Chair
Melinda Brew
Liz Barry
Gabrielle Tasman
Doug McCaul
Sharon Rees-Thomas
Ivan Donaldson

WINE AND ART AUCTION COMMITTEE

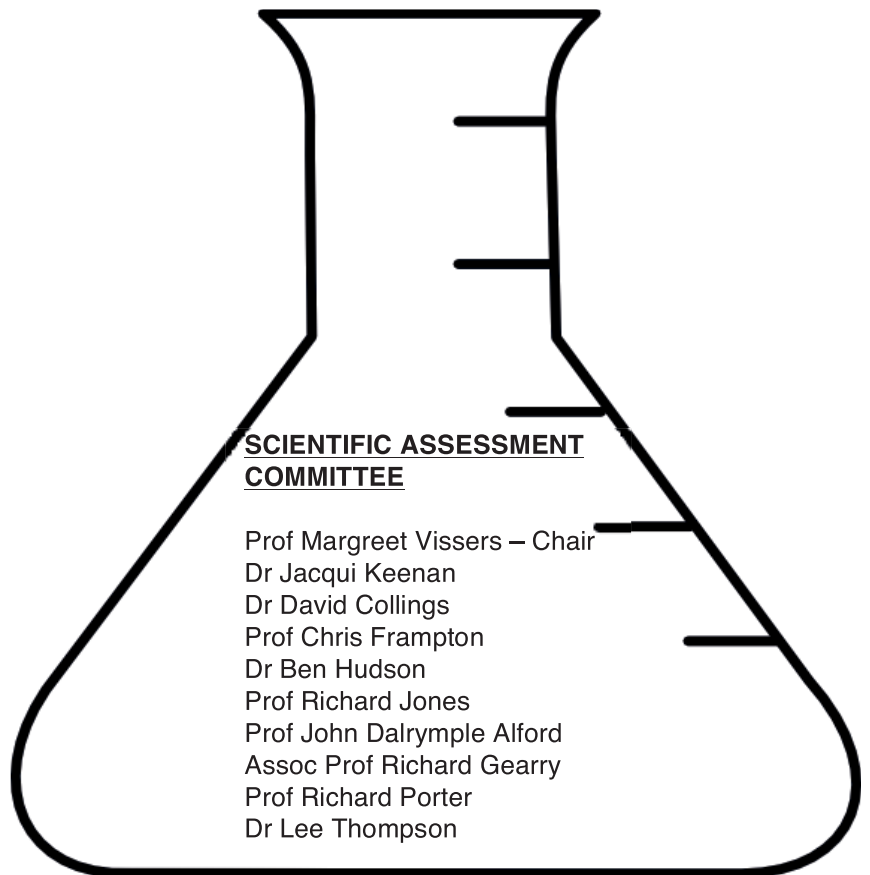


John Dunne
Melinda Brew
Sue Stenhouse
Janette Borthwick
Ron Wright
Shona Ross



INVESTMENT COMMITTEE

Mike Stenhouse
Simon Carey
Ross Hutton
Kate Russell



SCIENTIFIC ASSESSMENT COMMITTEE

Prof Margreet Vissers – Chair
Dr Jacqui Keenan
Dr David Collings
Prof Chris Frampton
Dr Ben Hudson
Prof Richard Jones
Prof John Dalrymple Alford
Assoc Prof Richard Gearry
Prof Richard Porter
Dr Lee Thompson

CHAIRMAN'S REPORT

The 2014 year was certainly a year of change for our organisation.

Earlier in the year, we had the retirement of our long-serving General Manager, Guy Johnson and we acknowledge the significant contribution that he has made to CMRF over 20 years.



We also saw the retirement of our much loved Research Director, Prof. Robin Fraser and we were delighted to announce the appointment of Dr Tony Kettle as the new Research Director for 2015 onward.

We also welcome two new Board Members, Nicola Hiatt and Simon Carey who are adding considerable skills to our Board.

Our new Chief Executive, Kate Russell, has spent the last few months working closely with the Board as we spent time shaping our new strategy and pursuing a number of new initiatives. We recognise that, after over 50 years, our vision of CMRF being an enabler of world class medical research is still as true today as it was in 1961.

We have identified a number of priorities as key areas of focus for the immediate future and these include continuing to build our relationships with other health and research NGO's and ensuring the ongoing success of our subsidiary the NZ Brain Research Institute.

As reported, from a financial perspective, we have had a tremendously successful year with the ongoing support of our many stakeholders and supporters and we have been fortunate to receive several large bequests. Our special thanks go to the Rose Estate, Smith Estate and Orr Family Trust for major contributions to our strategic vision.

This has meant that we have been able to significantly increase, not only our financial reserves, but our ability to work in partnership with the research community and increase the grants that we are able to make to local researchers at a time where there is perhaps more need than ever. In this regard, we deeply value our relationships with the University of Otago Medical School, the University of Canterbury and the Canterbury DHB.

The year has also been highly successful for our subsidiary, the New Zealand Brain Research Institute, not only in its work in supporting young researchers, but also in being asked to play a key role in the development of one of the national Centre of Research Excellence (CORE) that the Government has recently announced in the study of the Ageing Brain.

I look forward to the year ahead with considerable enthusiasm. I believe we are in a stronger position than ever to support the Canterbury research community and continue to work on new initiatives that are targeted to deliver the most value and ensure that CMRF is recognised as a high performing Canterbury charity.

Finally, I would like to thank our Board members for their dedicated commitment to our organisation over the year and of course, to Kate and her team for the tremendous work they continue to undertake.

A handwritten signature in blue ink, which appears to read 'Mike Stenhouse'. The signature is fluid and cursive, written on a light-colored background.

Mike Stenhouse, **Chairman**

CHIEF EXECUTIVE REPORT

When I came to the Foundation, I simply had not realised the depth of research and talent we have here in our region. It makes me proud to see the young researchers we support, advancing their careers and contributing so much to the body of knowledge internationally, in a wide variety of conditions.

As Mike stated in his report, 2014 was a year of some very big changes for the Foundation. On the staffing front, John Dunne, our Fundraiser, left us in the latter part of the year to pursue his other business interests and we welcomed Caroline Wagteveld McKenzie as the new Fundraising Manager.



I have greatly enjoyed my first year, though as you can imagine it has been a pretty steep learning curve coming to grips with the relationships we have across the academic institutions, our wonderful supporter base, The NZ Brain Research Institute etc. I have appreciated and enjoyed the support and sharing of institutional knowledge that has come my way in these first critical months.

2014 saw the Foundation Board looking critically at our path to the year 2020, and developing a new Strategic document "The 20/20 Vision". In this we outline a programme of activity across our fundraising and public relations departments, enhancement of our institutional relationships and enhancement of what is already, a comprehensive programme of grant-making.

One of our biggest challenges is to convey to the wider public of Canterbury, what it is we do. Surprisingly, after 50 years, there are still many Cantabrians who do not realise how much medical research is happening right on their doorstep, so it's up to us to promote our work and the work of the Universities and educational institutions we support, to provide better understanding and increase the support base for research across all parts of our city.

One of the things I have been most impressed with, is the incredible loyalty and commitment to our cause, demonstrated by our donors. The genuine interest they take in our work is very heartening and their generosity is humbling.

My sincere thanks to the CMRF Board, a committed group of highly skilled governance experts who bring a variety of business skills to the CMRF table.

I also wish to recognise the tireless work of my staff, Raewyn, Caroline and Kim, who keep the office 'ticking' and who go above and beyond on many occasions for the cause.

I look forward to the coming years with great enthusiasm. We are an agile, proactive funder, with the ability to create and nurture real excellence in medical research.

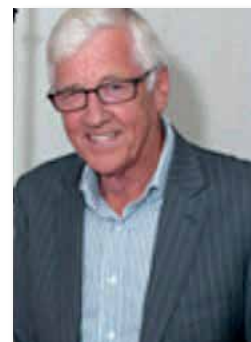
A handwritten signature in blue ink, appearing to read "Kate Russell".

Kate Russell, **Chief Executive**

LONG SERVICE

Executive Director, Guy Johnson, retired following 23 years of service to the Foundation, in April 2014.

Guy has seen the Foundation grow and flourish during his time at the helm, and worked hard to forge great relationships across the research sector and to grow our support of research in the Canterbury region.



The Board wish to acknowledge Guy's long service to the CMRF cause and wish him all the very best for a happy retirement.

Similarly, in late 2014, Professor Robin Fraser retired as the Foundation's Medical Director after many years of being the best ambassador we could have hoped for, for CMRF specifically and the cause of medical research generally. Robin's enthusiasm for his subject is so infectious that he has entertained and educated many thousands of people during his time with us.

Thank you Guy and Robin.

PROFESSOR TONY KETTLE – RESEARCH DIRECTOR



Outgoing Medical Director, Robin Fraser's left a gap that may have been hard to fill but we are delighted to welcome Professor Tony Kettle to the CMRF Family as the new Research Director. Tony is the Director of the Free Radical Research Group at the University of Otago and a much-respected scientist, both here and abroad.

Happily for us, Tony has the same ability as Robin, to take very complex scientific questions and put them in a way that everyone understands, making him an engaging speaker and a real asset to the CMRF Team. We look forward to Tony speaking at our events over the coming years and helping us to spread the message about supporting medical research here in Canterbury.

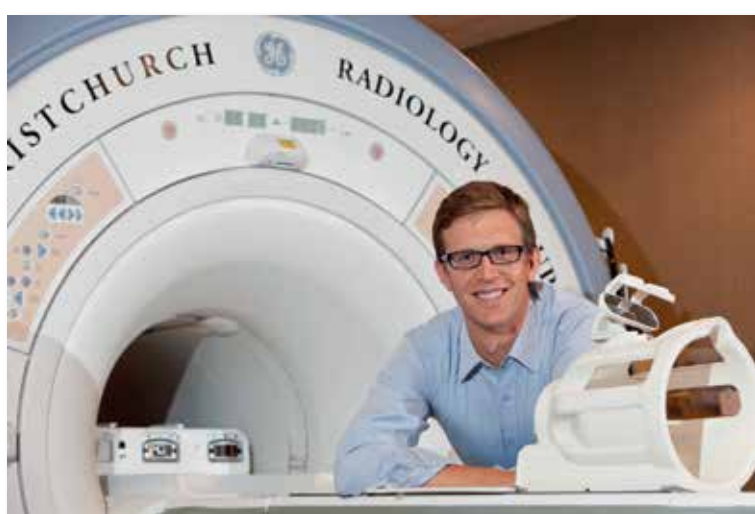
DID YOU KNOW? 2015 will see the further introduction of Fellowships in Paediatrics, Nursing and Registrar areas, expanding our grant support into the provision of important support for protected research time for clinical fellows at the coalface of healthcare.

RESEARCH HIGHLIGHTS

2014 was a stirring year for the Foundation as we posted a record number of grants. With 28 applicants for the Major Project Round, the standard was generally very high, meaning we felt compelled to support a larger than normal number of projects which all scored highly with our Scientific Assessment Panel.

We commenced a new Fellowship, got plans in place for a further two in 2015, and supported a large number of Summer Students through the Universities of Otago (Christchurch) and Canterbury.

Many of the projects we have supported in previous years have gone on in 2014 to be published in the Lancet, British Medical Journal and other prestigious publications.



We were delighted that two of our core research staff at the NZBRI, Professor Tim Anderson and Dr Tracy Melzer, were awarded HRC grants for their work in Parkinson's Disease.

Another accomplishment for the NZBRI is the inclusion of the Institute in the work being done by the new Brain CORE (Centre of Research Excellence), which sees a partnership between Universities of Auckland and Otago with NZBRI involved in various aspects of research into the ageing brain.



Our new Fellowship in Acute Care, marks the beginning of a new focus on joint partnerships for the Foundation.

A joint venture funded by CMRF, The Emergency Care Foundation and the Canterbury District Health Board, this fellowship will provide important facilitation and enhancement of research partnership links between the three funding partners, working with clinicians and management to identify priority areas for improvements in service delivery for acute and emergency healthcare.

Associate Professor John Pickering has taken up the Fellowship and has already made important discoveries in his analysis of work patterns across the spectrum of acute care.



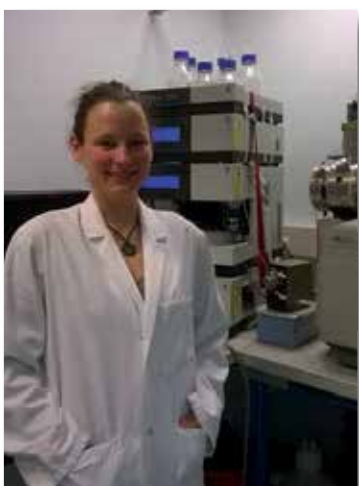
Major Projects 2014



Dr Beverley Burrell
“A pilot intervention with older adults with long-term-conditions”



Dr Amy Scott-Thomas
“Development of a Non- invasive breath test for Legionnaires disease”



Dr Louisa Forbes
“Screening for potent inhibitors of Myeloperoxidase”



Dr Nina Dickerhof
“Oxidative stress in the pathology and treatment of cystic fibrosis”



Dr Carrie Innes
“Can early treatment prevent sleep apnoea-related brain damage”



Dr Deborah Snell
Outcomes after Total Joint Arthroplasty: The Role of Rehabilitation



Dr Paul Pace
“Redox regulation of neuronal development by the antioxidant Prx2”



Dr Stephanie M Bozonet & Professor Margreet CM Visser
“Regulation of Endothelial Cell Death by Hypothiocyanous Acid”



Dr Tracy Melzer
“MRI to predict dementia in Parkinson’s disease”

Summer Students - Otago University

3D Printing system for cartilage tissue engineering	Ben Jar
Outcomes of Colorectal Cancer in Christchurch - Four Cohort Study	Callum Davidson
Ease of walking on low impact flooring	Jayden Ball
Optimising PEEP in Mechanically Ventilated Patients	Minyan Voon
Adverse Drug Reactions Causing Hospital Admissions	Tom Judd
Prognostication in hepatic resection for colorectal metastases in Christchurch, NZ	Tom Moore

Summer Students – Canterbury University

Test-retest and inter-rater reliability of swallowing measurement using the Test of Mastication and Swallowing Solids	Morgan Curry
Macrophage migration inhibitory factor: oligomeric state and its interaction with signalling receptor CD74	Roshit Bathara
The dysfunction of phenylalanine hydroxylase – understanding the metabolic disorder phenylketourea	Stephen Barrett
Development of a new urinary myoglobin assay for trauma patients	Sam Carr
Discovering markers for diabetes complications	Pearl Esperanza
Optimal inotrope dosing in critical care using novel stroke volume (SV) model-based sensors	Joseph Corbett-Davis
Transdermal Drug Delivery: Microscale Imaging of Active Enhancement Techniques	David Collinson
Acoustic Emission Testing and Sensor Development for Monitoring Total Hip Joint Replacement Implants	Anthony Fitzpatrick

Our sincere thanks to the individuals and Trusts that assisted us with co-funding for the Summer Students in 2014, see our acknowledgements page for details.

FUNDRAISING AND EVENTS

2014 saw a massive increase in activity in this space for the Foundation and the NZBRI. In August, Caroline Wagteveld McKenzie joined the CMRF team as the Fundraising Manager for both organisations. Caroline came to CMRF with a ten-year history of success with Cystic Fibrosis NZ and she and CEO, Kate Russell have worked together on many projects in the past.

We acquired a new fundraising and donor database, which we know will allow us to take care of and nurture our donor support base into the future. Alongside this, we instigated a direct mail programme for the first time in CMRF history. We now mail out to our database four times annually, alongside our revamped newsletter, which has been reformatted to include more in depth articles about the work we support with our grants.

The Wine and Art Auction 2014 was held in aid of Stroke Research and Rehabilitation by the group led by Dr Maggie-Lee Huckabee through the Rose Centre and Canterbury University. As with every year, we had a superb array of fine art and a mix of modern and heritage wines on offer. This highly entertaining evening was rounded off with several travel and retail items in the silent auction.

The Friends of the NZBRI committee had a stirring year of successful events for the benefit of the Institute, with Opera, Theatre, Golf and perhaps most significantly, the sales of Professor Ivan Donaldson's autobiography "A Truant from Medicine".

Ivan is an NZBRI Board member and former Neurologist turned wine maker, who, with his wife Chris, owns Pegasus Bay Winery in North Canterbury. Proceeds from his book are all going directly to benefit the work of the Institute.



All at the Foundation were greatly humbled by the bequests we received during the year, which were many in number.

Most notably, we wish to offer our thanks to the Smith Family (Cyril Smith Estate), Rose Family (Shirley Rose Estate) and the Orr Family Trust, all of which have made an enormous contribution to the furtherance of our research objectives for both CMRF and the NZBRI.

The CMRF team will be concentrating heavily in the coming year, on corporate sponsorship and support and increasing the size and depth of our donor supporter base.

Our sincere thanks to everyone who has contributed to our fundraising efforts in the past year; be it, by purchasing tickets, selling tickets, donating directly or being an ambassador for our cause and letting others know about the work we do.

Supporting stroke research and rehab

The 21st Annual Charity Wine and Art Auction was held at the Chateau on the Park in September. Auctioneers Roger Dawson and Ned Alison kept the auction flowing and extracted great bids on the large variety of auction lots, in support of stroke research and rehabilitation.



1 .Kate Russell (CMRF CEO), Caroline Wagteveld McKenzie 2.Names 3.Stephen Collins, Justin Murray 4..Janette & Jim Borthwick, Sue & Mike Stenhouse 5.Chris & Geraldine Wilson 6.Alison & Richard Ballantyne

Photos by Jane Wyles Photography - for copies email: janewyles@paradise.net.nz

Rose Centre for Stroke Recovery and Research

A partnership between the University of Canterbury and the Canterbury Medical Research Foundation.

The Rose Centre for Stroke Recovery and Research is a clinically-based stroke research and rehabilitation facility. The new Centre is made possible by a bequest from Mrs. Shirley Rose through the Canterbury Medical Research Foundation. The Rose Family Trust bequest of \$450,000 has been joined with a recent donation of \$250,000 by Mr Roland Stead to employ a clinical fellow in the lab and another \$100,000 from the CMRF Annual Art and Wine Auction. The centre is housed under the University of Canterbury College of Science and Department of Communication Disorders. St George's Hospital has recently contributed to the establishment of this new centre with a below-market lease on space in the Leinster Chambers Complex and two doctoral scholarships to support research in this area. This donation has allowed us to move into our current facilities of just under 200m² and will accommodate short-term future growth.

The Rose Centre will first focus on our existing strengths – neuropathology and neurorehabilitation of swallowing impairment (dysphagia), with a particular emphasis on development of bioengineering applications for rehabilitation. The centre is equipped with, and is involved in development of the latest biomedical and neural technologies for understanding and visualising swallowing processes. These technologies, when applied to rehabilitation, enable the capacity for change in swallowing function. At this facility, patients recovering from stroke and other neurological disorders have the opportunity to benefit from - and contribute to - the latest research on the diagnosis and treatment of swallowing disorders. Through our Evaluation and Treatment of Swallowing Clinic (EATS Clinic), patients receive ongoing specialist clinical services.

Although our current expertise lies in swallowing impairment following stroke, and advances in this work will undoubtedly feature in the short term, this investment will lay the foundation for further multidisciplinary developments as our stroke research programme strengthens and can generate further funding for expansion. In due course, the centre will expand to a multidisciplinary clinical and research programme. Ongoing development of the facility will enable research into other dimensions of stroke recovery, including speech and cognitive rehabilitation and ultimately including physio- and occupational therapies and nutrition-based research.



The Director of the Centre is Assoc Prof Maggie-Lee Huckabee. Maggie-Lee has co-authored two textbooks on swallowing impairment following neurological impairment, 10 book chapters on topics related to rehabilitation and 51 peer-reviewed scientific articles in various dimensions of dysphagia. She is supported by a core team of 4 research professionals: Deputy Director Dr Phoebe Macrae (swallowing research), Prof Richard Jones (Engineering), Assoc Prof Paul Gaynor (Engineering) and Sara Moore (clinical fellow), as well as 12-14 post-graduate clinical researchers.

Key outcomes so far

As a result of a novel cough test investigated by the Centre, the rate of pneumonia in CDHB-treated dysphagic stroke patients dropped from 26% to 11% in three year time period. This innovation has improved patient outcomes and reduced health care costs (by more than \$1M), and has also supported a collaborative culture of research support for frontline clinicians. This project has resulted in Dr Huckabee being awarded the University of Canterbury Innovation Medal for 2014. A biofeedback treatment protocol developed at the Centre using pharyngeal pressure recordings has enabled many patients with chronic impairment who were previously unable to eat to resume an oral diet. We are currently developing a non-invasive 'proxy' device using pharyngeal impedance that can be used in treatment without the need for an in-dwelling catheter. The Centre has developed the novel Biofeedback in Swallowing Skill Training (BiSSkiT) Protocol for swallowing impairment. This new rehabilitation methodology focuses on precision and timing of swallowing movements. Early indications are of remarkable outcomes for patients, resulting in more efficient swallowing behaviour and a return to oral intake in many patients.

THE 20/20 VISION, GUIDING STRATEGIC DIRECTION AND ACTION

In 2014, the Board and new management looked critically at the strategy and direction that was guiding the Foundation, and worked to form an updated vision for the next five years, to take the Foundation through to 2020.

The Strategy is a forward-looking map which supports and expects proactive networking and relationship building, excellence in stewardship over the accumulated fund and close attention to a transparent and robust process of assessment for incoming research proposals.

In summary the goals of the Foundation toward 2020 are;

- Increasing our capital reserve to allow for greater investment in research
- Closer relationships with our University partners and other NGO's to provide greater leverage of shared resources
- Providing security and support to the NZ Brain Research Institute
- Excellence in financial management with robust and solid organisational structures
- CMRF has top of mind status for all potential and current donors in Canterbury and beyond



A key part of the strategy was to look critically at the CMRF Brand. In the latter part of the year, a great deal of work was done with Strategy Design and Advertising to ascertain the brand values the CMRF logo and reputation already holds and what potential there was for enhancement with a new logo and a keener focus on branding and ensuring consistency of message and purpose.

A new logo for each entity, CMRF and NZBRI was decided on close to the end of 2014 to be launched in February 2015. These logos will demonstrate the enhanced, close relationship between the two entities and will be launched with a large-scale media campaign through 2015.

Out with the old



In with the new



ACKNOWLEDGEMENTS

Without the loyal and consistent support of our friends in the community, philanthropic trust and business sectors, we would be unable to provide the high level of support to research that we are proud of. Our sincere thanks to all of these people and organisations who support and affirm our work every year.

Trusts

Orr Family Trust (NZBRL)
Sir Lawrence and Lady Govan Family Trust
Robert and Barbara Stewart Trust
Pub Charity
First Sovereign Trust
Arnold Cox Charitable Trust
Four Winds Foundation
The Torhaven Trust
S J Charitable Trust
Canterbury Community Trust (NZBRL)
Sir John Hall Charitable Trust
DS & AD Laird Family Trust
Rachel Boydell Charitable Trust
Mr & Mrs Geoffrey Wood Trust
Marie Jones Family Trust
McNeill Charitable Trust
Thelma Overend Charitable Trust
Mainland Foundation
Mainland Foundation (NZBRL)
Farina Thompson Charitable Trust (NZBRL)
Allan Trembath Charitable Trust (NZBRL)
Helen Poole and Ian McDonald Memorial Trust
Craigs Investment Partners
Neil & Pearl Hamilton Trust



Individual contributions (\$500+)

Edith Tripp	Caroline Cartwright
Mr & Mrs B G Hadlee	Isobel Hale
Ray Newton (NZBRL)	Bala Patel
Hilary and David Stock	Jim & Doreen Turner
Kaye Rayner	Fredric Blackmore
John & Margaret Palmer	JRM & S Barker
Dr & Mrs BR Mann	Ivan & Chris Donaldson (NZBRL)
James Furneux (NZBRL)	Lady Adrienne Stewart
Tony & Pam Koller	Dorothy Scott
Phillippa Bates	Rosanna Penne (NZBRL)
TA McKenzie (NZBRL)	G Reynolds & JA McKenzie (NZBRL)
Mr P Quaid	

Estates

Cyril Smith Estate	Shirley Rose Estate
Dorothy McCarthy Estate	Betty Doyle Estate
Dorothy Addison Estate	Ethel Reed Hitchen Estate (NZBRL)
Margaret Dougan Estate	FJ Shaw Estate
Margaret Stephens Estate	Marjory Davis Estate
Molly Joyce Bunt Estate	Alfred John Keech Estate

Service Clubs and Associations

Lions Clubs Kaiapoi and Districts (NZBRL)
NZ Federation of Graduate Women
Rotary Club of Avonhead
Lions Club of Ellesmere

Corporate Supporters who provide donated goods and services

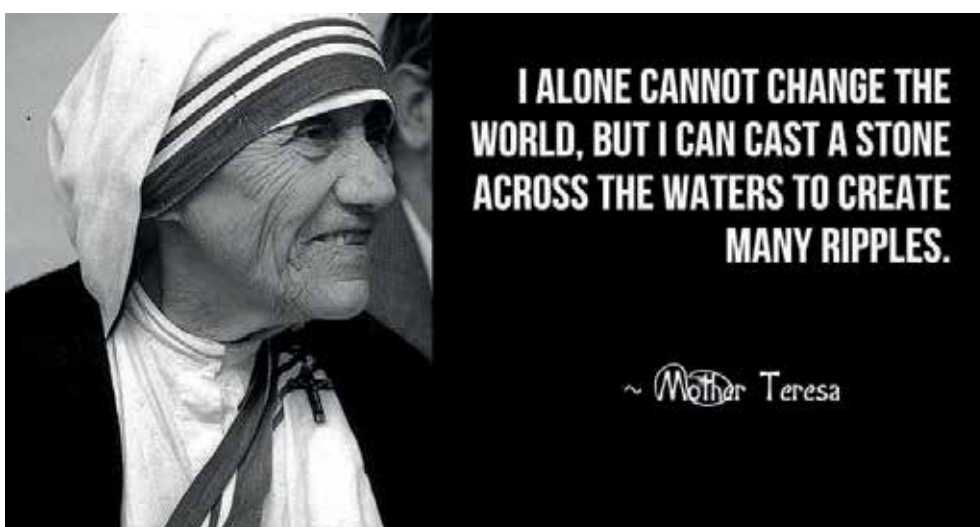
Sheffield Consulting
Pegasus Wines

Remembrance Donations

Warren Raymond Dennis (NZBRL)
Gerald Ward (NZBRL)
Jessie Valda Craig McLachlan (NZBRL)
David Sintes (NZBRL)
Winstone Harris (NZBRL)
Mary Snoep
Margaret Wyatt

Donated Life Insurance Policies

Ray Newton
Prof. Robin Fraser
Leonard Foster
Michael Gary Nicholls
Ros Burdon
Kevin O'Brien
Beverly Wood
Ann Sturgeon
Brain Stokes
Suzie Marks





Independent auditor's report

To the members of Canterbury Medical Research Foundation Incorporated

We have audited the accompanying financial statements of Canterbury Medical Research Foundation Incorporated ("the Incorporated Society") and the Group, comprising the Incorporated Society and its subsidiary, on pages 4 to 10. The financial statements comprise the statements of financial position as at 31 December 2014, the statements of financial performance and movements in equity, and a summary of significant accounting policies and other explanatory information, for both the Incorporated Society and the Group.

Executive Board's responsibility for the Incorporated Society and Group financial statements

The Executive Board is responsible for the preparation and fair presentation of Incorporated Society and Group financial statements in accordance with generally accepted accounting practice in New Zealand, and for such internal control as the executive Board determines is necessary to enable the preparation of Incorporated Society and Group financial statements that are free from material misstatement whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these Incorporated Society and Group financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Incorporated Society and Group financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Incorporated Society and Group financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Incorporated Society and Group's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Incorporated Society and Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our firm has also provided other services to the Incorporated Society and Group in relation to general accounting services and financial statements compilation. These matters have not impaired our independence as auditor of the Incorporated Society and Group. We have no other relationship with, or interests in, the Incorporated Society and Group.

Opinion

In our opinion the financial statements on pages 4 to 10 present fairly, in all material respects, the financial position of the Incorporated Society and the Group as at 31 December 2014 and the financial performance of the Incorporated Society and the Group for the year then ended, in accordance with generally accepted accounting practice in New Zealand.

25 March 2015
Christchurch

Canterbury Medical Research Foundation Incorporated

Financial statements
for the year ended 31 December 2014

Canterbury Medical Research Foundation Incorporated
Financial statements for the year ended 31 December 2014

Report contents

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Statement of Movements in Equity	5
Statement of Financial Position	6
Statement of Accounting Policies	7
Notes to the Financial Statements	9
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Approval of Annual Report

The Chairman and Treasurer are pleased to present the annual report, including the financial statements of Canterbury Medical Research Foundation Incorporated, for the year ended 31 December 2014.

These financial statements incorporate New Zealand Brain Research Limited.



Chairman of Canterbury Medical Research Foundation Incorporated



Treasurer of Canterbury Medical Research Foundation Incorporated

Dated: 16 March 2015

Directory

Nature of Business	Research	
Location of Business	Level 1 230 Antigua Street Christchurch	
IRD Number	69-442-005	
Accountants	KPMG - Private Enterprise Level 3 62 Worcester Boulevard Christchurch	
Auditors	KPMG - Audit Level 3 62 Worcester Boulevard Christchurch	
Bankers	ANZ	
Registration Date	3 July 1997	
Registration Number	858218	
Executive Committee	Robert Stewart Mike Stenhouse Kate Russell Guy Johnson Geoff Bolderston Simon Carey Nichola Hiatt Geoff Cranko Ewan Chapman Bert Govan Steve Weaver Ross Hutton Peter Joyce Tony Kettle	Patron Chairman CEO (Appointed April 2014) Director (Resigned April 2014) Treasurer (Resigned January 2014) Treasurer (Appointed January 2014) (Appointed January 2014) (Resigned January 2014) Co-Opted Co-Opted Co-Opted Co-Opted

Statement of financial performance

for the year ended 31 December 2014

		Group		Parent	
	Note	2014 \$	2013 \$	2014 \$	2013 \$
Income					
Subscriptions		4,408	5,883	4,408	5,883
Donations and Bequests		4,179,799	761,709	3,966,634	748,299
Investment Portfolio Income		430,390	440,241	429,049	439,000
Realised Gains/(Losses)		(58,755)	84,254	(58,755)	84,254
Other Income		686,048	788,627	164,706	287,856
		5,241,890	2,080,714	4,506,042	1,565,293
Expenses					
Administration Expenses:					
Accounting Fees		24,650	23,700	12,325	11,850
Audit Fees		6,035	5,750	3,035	5,750
Annual Report and AGM		2,749	3,148	2,749	3,148
Communication Costs		9,583	11,395	5,798	4,115
Information Technology Support		28,788	29,268	-	-
Impairment Loss Expense		11,924	-	11,924	-
Lease of Premises		320,023	298,825	14,825	16,283
Legal Expenses		406	-	406	-
Occupancy Costs		51,287	61,056	3,645	2,830
Management Fees		94,012	62,499	58,012	40,999
Portfolio Management Fees		21,469	21,586	21,469	18,323
Other Expenses		451,669	633,068	82,071	66,551
		1,022,595	1,150,295	216,259	169,849
Net Surplus Before Depreciation, Grants and Research		4,219,295	930,419	4,289,783	1,395,444
Other Expenses					
Depreciation		45,410	40,784	3,936	2,233
Project Grants		1,357,824	747,964	1,357,824	747,964
Project Grants to NZ Brain Research Limited		-	-	200,000	781,940
Research, Administration and Promotion:					
Scientific Assessing Committee		1,101	957	1,101	957
Management Fees		58,012	40,999	58,012	40,999
Marketing		123,179	55,348	118,705	54,348
Salary		183,595	200,937	63,012	92,913
		1,769,121	1,086,989	1,802,590	1,721,354
Surplus (Deficit)		2,450,174	(156,570)	2,487,193	(325,910)

These statements are to be read in conjunction with the notes to the financial statements.

Statement of Movements in Equity

for the year ended 31 December 2014

		Group		Parent	
	Note	2014	2013	2014	2013
		\$	\$	\$	\$
Net (Deficit) / Surplus for the Year		2,450,174	(156,570)	2,487,193	(325,910)
Movement in General Reserve Fund		(13,611)	3,206	(13,611)	3,206
Movement in Unrealised Investment Revaluation		457,625	223,380	457,625	223,380
Movements in Equity for the Year		2,894,188	70,016	2,931,207	(99,324)
Equity at Beginning of the Year		8,824,299	8,754,283	8,525,226	8,624,550
Equity at End of the Year		11,718,487	8,824,299	11,456,433	8,525,226

These statements are to be read in conjunction with the notes to the financial statements.

Statement of Financial position

as at 31 December 2014

		Group		Parent	
	Note	2014	2013	2014	2013
		\$	\$	\$	\$
Assets					
Current assets					
Cash and Cash Equivalents		317,775	482,198	110,704	299,897
Receivables and Prepayments		94,023	97,107	17,600	17,161
Inter-Entity Advance		-	-	71,290	74,290
Interest Accrued		28,546	30,347	28,546	30,347
		440,344	609,652	228,140	421,695
Non current assets					
Property, plant and equipment	1	176,566	215,503	8,127	6,488
Available for Sale Financial Assets	3,4	12,532,330	9,218,724	12,532,330	9,218,724
		12,708,896	9,434,227	12,540,457	9,225,212
Total assets		13,149,240	10,043,879	12,768,597	9,646,907
Liabilities					
Current liabilities					
Accounts Payable		306,176	222,599	225,515	144,056
Unexpended Project Grants		1,034,537	921,166	1,034,537	921,166
Income Received in Advance		73,728	59,356	40,000	40,000
Accrued Expenses		16,312	16,459	12,112	16,460
		1,430,753	1,219,580	1,312,164	1,121,681
Total liabilities		1,430,753	1,219,580	1,312,164	1,121,681
Net Assets					
Net Assets (Equity)		11,718,487	8,824,299	11,456,433	8,525,226

These statements are to be read in conjunction with the notes to the financial statements.

Notes to the financial statements

Statement of Accounting Policies

Reporting Entity

Canterbury Medical Research Foundation Incorporated is an incorporated society, registered under the Incorporated Societies Act 1908. The society commenced operations on 1 January 1999 taking over the assets and liabilities of the Canterbury Medical Research Foundation Limited.

Financial statements for the society and consolidated financial statements are presented. The consolidated financial statements of the Canterbury Medical Research Foundation Incorporated as at and for the year ended 31 December 2014 comprise the society and its 100% subsidiary New Zealand Brain Research Limited, formerly Van Der Veer Limited, together referred to as the Group.

The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand (NZ GAAP). NZ GAAP in the case of Canterbury Medical Research Foundation Incorporated means statements of standard accounting practice and financial reporting standards. The financial statements comprise statements of: accounting policies, financial performance, movements in equity, financial position; as well as the notes to these statements contained in this annual report. The foundation has elected to delay the mandatory adoption of New Zealand equivalents to International Financial Reporting Standards as allowed by the New Zealand Preface. The Foundation qualifies to make this election as it is not subject to the Financial Reporting Act 1993; and is not publically accountable and not large as defined in the Framework for Differential Reporting.

Measurement Base

The measurement base adopted is that of historical cost except that investments held are valued as detailed under the investments note.

Specific Accounting Policies

The Specific Accounting Policies that have been adopted in the preparation of the Financial Statements are:

Differential Reporting

Canterbury Medical Research Foundation qualifies for differential reporting exemptions as it satisfies the public accountability and size criteria set out in the Framework for Differential Reporting. All available differential reporting exemptions allowed under the Framework for Differential Reporting have been adopted.

Investments - Available for Sale Financial Assets

The Foundation's investments in equity and debt securities are classified as available-for-sale financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses on available-for-sale monetary items are recognised directly in equity. When an investment is derecognised, the cumulative gain or loss in equity is transferred to the financial performance.

Realised gains are shown in the statement of financial performance, with unrealised gains being reflected in the movements in equity. Please see below "changes in accounting policies" for changes reflected in these financial statements.

Property, Plant and Equipment

Property, plant and equipment have been recorded in the Statement of Financial Position at cost less accumulated depreciation.

Notes to the financial statements

Statement of Accounting Policies

Depreciation

Depreciation is charged based on the estimated economic life of the asset. The following rates have been used:

Leasehold improvements	7.5%-11.4% diminishing value
Office equipment	15.0%-60.0% diminishing value
Office furniture	11.4%-60.0% diminishing value
Research equipment	11.4%-60.0% diminishing value

Foreign Currencies

Transactions in foreign currencies are converted at the New Zealand rate of exchange ruling at the date of receipt or payment for the transaction. At balance date foreign monetary assets and liabilities are translated at the closing rate and variations arising from these transactions are included in the Statement of Financial Performance.

Unexpended Project Grants

Unexpended project grants are recorded as a current liability at balance date.

Goods and Services Tax

The financial statements have been prepared stating all income and expenditure items exclusive of GST.

Revenue Recognition

Interest income is accounted for on an accrual basis. Dividends, donations and bequests are accounted for on a cash received basis.

Donations and bequests received with restrictive conditions are treated as income when those conditions have been met. Until then, the assets received are treated as restricted assets.

Income Tax

The Society is exempt from Income Tax.

Consolidated Financial Statements

In accordance with FRS 37, line by line consolidated financial statements of the group (Canterbury Medical Research Foundation Incorporated and New Zealand Brain Research Limited) have been prepared to produce a consolidated entity.

Changes in Accounting Policies

There has been a change in how the realised gains are treated from the Foundations investments. The realised gains are now shown in the financial performance, where previously were shown in equity along with the unrealised gains. A prior period adjustment of \$84,254 has been made to the 2013 comparatives to reflect a more accurate comparison.

The New Financial Reporting Framework

The Minister of Commerce has approved a new Accounting Standards Framework developed by the External Reporting Board (XRB). Under this Accounting Standards Framework, Canterbury Medical Research Foundation is classified as a public benefit entity and it is expected that it will be required to apply the new PBE Standards as applicable for private not-for-profit entities. The effective date for the new standards for private not-for-profit entities is expected to be for reporting periods on or after 1 April 2015. This means Canterbury Medical Research Foundation is required to transition to the new standards in preparing its 31 December 2016 financial statements. The foundation has elected for early adoption of the new framework and will reflect these changes in the 31 December 2015 financial statements. The Foundation has not fully assessed the implications of the new Accounting Standards Framework at this time.

Notes to the financial statements

1 Property, plant and equipment

	2014	2013
Group	Carrying Value	Carrying Value
	\$	\$
Leasehold Improvements	52,257	61,255
Research, Office Equipment and Furniture	124,308	154,248
Total	176,565	215,503

	2014	2013
Parent	Carrying Value	Carrying Value
	\$	\$
Leasehold Improvements	1,713	1,909
Research, Office Equipment and Furniture	6,414	4,579
Total	8,127	6,488

	Group		Parent	
2 Operating lease commitments	2014	2013	2014	2013
	\$	\$	\$	\$
Non-cancellable operating lease commitments				
Current portion	211,322	288,276	26,600	16,400
Non-current portion	197,518	337,907	44,333	-
Total operating lease commitments	408,840	626,183	70,933	16,400

The New Zealand Brain Research Limited holds the significant majority of the total operating lease commitments.

3 Specific Fund Investment (Group and Parent)

	2014	2013
	\$	\$
Craigs Investment Partners - Portfolio - NZBR	1,366,052	1,475,212
Craigs Investment Partners - Portfolio - Other	214,368	186,896
	1,580,420	1,662,108

4 Structure of Available for Sale Financial Assets (Group and Parent)

	2014	2013
	\$	\$
General fund investments	10,951,910	7,556,616
Specific fund investments	1,580,420	1,662,108
	12,532,330	9,218,724

Notes to the financial statements

5 Related Party Transactions

The previous chief executive of the Canterbury Medical Research Foundation Incorporated, Guy Johnson is a shareholder in Assos Management Limited which provided management services to Canterbury Medical Research Foundation Incorporated.

The foundation also has transactions with entities associated with Ross Hutton who is a member of the executive committee.

Value of transactions with:

	2014 \$	2013 \$
Assos Management Ltd - Guy Johnson	38,333	95,447
Craigs Investment Partners - Ross Hutton	21,469	20,576

Canterbury Medical Research Foundation Incorporated and New Zealand Brain Research Limited lease premises from Stewart Street Holdings Limited and Stewart Street Investments Limited which are partly owned by interests associated with Guy Johnson, Mike Stenhouse and Ross Hutton who are members of the executive committee. Rental payments made during the year to Stewart Street Holdings Limited and Stewart Street Investments Limited amounted to \$305,197 (2013: \$282,542).

6 Subsidiary

New Zealand Brain Research Limited is a 100% owned subsidiary of Canterbury Medical Research Foundation Incorporated which began trading as a charitable company on 1 January 2007. The purpose of the company is to undertake specialist research in Parkinsons disease and other brain

7 Subsequent Events

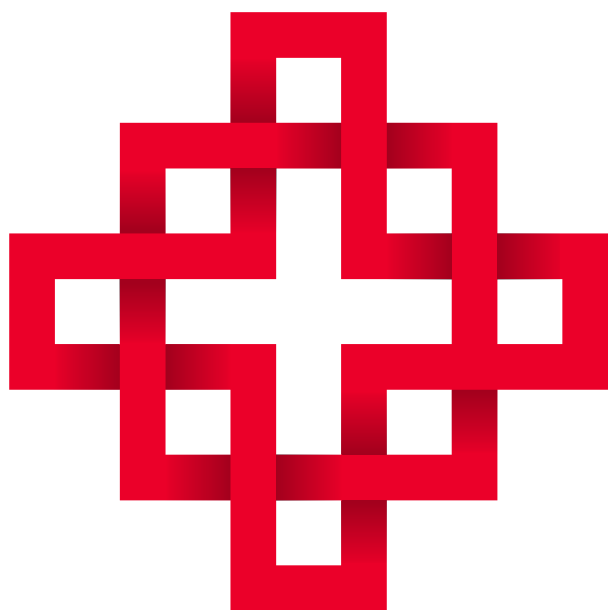
There were no subsequent events to balance date at the date the accounts were signed.

8 Capital Commitments

There are no capital commitments at 31 December 2014 (2013, nil).

9 Contingent Liabilities

There are no contingent liabilities at 31 December 2014 (2013, nil).



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