GREENHAWK

General Purpose Financial Report

Neurological Foundation of New Zealand
For the year ended 31 March 2026

Prepared by Greenhawk Chartered Accountants

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Foundation directory

Neurological Foundation of New Zealand
For the year ended 31 March 2026

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

Ailsa McGregor - Deputy Chair
Debbie Snell
Matthew Caughey
Stephanie Clare
Mike Milsom
Sonja Clapham
David Graeme Fear - effective date 29 January 2026
Georgina Hunter - ceased 04 July 2025
Simon John - ceased 20 March 2026

Chair

Matthew Slater

Chief Executive

Richard Easton

Chartered Accountant

Greenhawk Chartered Accountants LP

Auditor

BDO Auckland

INDEPENDENT AUDITOR'S REPORT
TO THE COUNCIL MEMBERS OF NEUROLOGICAL FOUNDATION OF NEW ZEALAND

Opinion

We have audited the general purpose financial report of Neurological Foundation of New Zealand ("the Foundation"), which comprises the financial statements on pages 10 to 28, 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 2026, the statement of comprehensive revenue and expenses, statement of changes in net assets/equity, 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 general purpose financial report presents fairly, in all material respects:

- the financial position of the Foundation as at 31 March 2026, and its financial performance, and its cash flows for the year then ended; and
- the statement of service performance for the year ended 31 March 2026, in that the service performance information is appropriate and meaningful and prepared in accordance with the Foundation's measurement bases or evaluation methods,

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 statement of service performance in accordance with the ISAs (NZ) and New Zealand Auditing Standard 1 (NZ AS 1) (Revised) *The Audit of Service Performance Information (NZ)*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the General Purpose Financial Report section of our report. We are independent of the 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.

The Council Members' Responsibilities for the General Purpose Financial Report

The Council Members are responsible on behalf of the Foundation for:

a) the preparation and fair presentation of the financial statements and statement of service performance in accordance with PBE Standards RDR;

b) the selection of elements/aspects of service performance, performance measures and/or descriptions and measurement bases or evaluation methods that present a statement of service performance that is appropriate and meaningful in accordance with PBE Standards RDR;

c) the preparation and fair presentation of the statement of service performance in accordance with the Foundation's measurement bases or evaluation methods, in accordance with PBE Standards RDR;

d) the overall presentation, structure and content of the statement of service performance in accordance with PBE Standards RDR; and

e) such internal control as the Council Members determine is necessary to enable the preparation of the financial statements and statement of service performance that are free from material misstatement, whether due to fraud or error.

In preparing the general purpose financial report the Council Members are 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 Members either intend to liquidate the Foundation or to cease operations, or have no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the 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 (Revised) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate or collectively, they could reasonably be expected to influence the decisions of users taken on the basis of this general purpose financial report.

A further description of the auditor's responsibilities for the audit of the general purpose financial report is located at the XRB's website at https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-14-1/

This description forms part of our auditor's report.

Who we Report to

This report is made solely to the Foundation's Council members, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Foundation and the Foundation's Council members, as a body, for our audit work, for this report or for the opinions we have formed.

BDO Auckland

BDO Auckland
Auckland
New Zealand
18 September 2026

Statement of service performance

Neurological Foundation of New Zealand
For the year ended 31 March 2026

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

Number of grants awarded by category

Details (in units)	2026	2025
Projects	16	18
Conferences & Training	4	3
Fellowships	8	10
Scholarships	4	4
Studentships	3	4
Platforms & Programmes	4	-
Total	**39**	**39**
Total grant applications received	173	135
% of total grant applications awarded	23	29

	2026	2025
Value of grants awarded by category		
Details (in $)		
Projects	3,082,905	2,699,381
Conferences & Training	34,892	41,687
Fellowships	1,846,854	2,272,355
Scholarships	659,802	498,522
Studentships	27,000	34,000
Platforms & Programmes	3,966,159	-
Other	1,312,913	48,128
Total	**10,930,525**	**5,594,073**
Total grant applications received	59,119,483	23,893,161
% of total grant applications awarded	19	24

Other research includes allocations to travel grants, adjustment and write backs of previous years allocated grant funding unused, and other smaller variations.

Grants were awarded against 18 different areas of research (2025:16).

Platforms & Programmes was a new grant category for this year, and we awarded 4 grants this year, over and above the existing Projects, Fellowships, Scholarships etc

2. Delivery of Education Programmes

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

	2026	2025
Details (in units)		
Major Centre Events held	8	7
Registrations	1,002	1,935
Online Events held	5	5
Registrations	1,015	1,674
Live Views	559	1,012
Post Event Views	6,953	22,213
Publications produced	5	5
Distribution	101,814	110,315

Views for recorded "Online Events" has increased significantly with two events in particular attracting over 5,000 views each in 2025, however there were no outliers like this in 2026, hence the reduction in views in comparison.

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.

	2026	2025
Details (in %)		
Reports Received from Researchers	96	90
NFHBB & NFCCN Reports received	100	50

This year's report from the Neurological Foundation Human Brain Bank (NFHBB) highlighted significant new impacts. They are delivering faster turnaround times and improved diagnostic quality from in-house processing, they have record numbers of new donor registrations, and the addition of cutting-edge genomic and spatial transcriptomics capabilities is enhancing the global research value of the brain bank. Fifteen students who have utilised brain bank tissue submitted their theses, and twenty (2025: 16) new journal articles were published.

The Neurological Foundation Chair of Clinical Neurology is delivering new impact through innovative treatments like therapeutic brain cooling, faster and more coordinated stroke care, and a growing research pipeline that is helping more people recover, avoid hospital stays, and return home independently. The team have now provided life-changing treatment to more than 2,500 (2025: 1,750) patients across the North Island. They have published 14 (2025:16) papers in major journals on stroke intervention, brain recovery, and neurological disorders. They currently hold $3M worth of Health Research Council grants to continue research into improving stroke care.

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.

	2026	2025
Digital Channel		
Online Engagement - website traffic (views)	184,346	165,463
Media Engagement		
Social Media Posts	496	557
Social Media Engagement (views)	3,697,978	1,820,915

In the 2025 year, we experienced a notable uplift in social media engagement, driven by a strategic increase in paid advertising on Facebook and Instagram. This continued into 2026 with further refinement and meant a further increase in engagement.

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 current year to help the Foundation increase its ability to meet the needs of the community and advance neurological research.

	2026	2025
Details (in units)		
Collaborations	13	21

The following collaborations were undertaken

1. Brain Bee June 2025
2. Functional Neurological Disorder Symposium June 2025
3. Developed co-funding between Hackett Trust, Auckland Hospital and Centre for Brain Research
4. Head of Research presented at Life Education Trust Conference June 2025
5. Collaborating with Epilepsy NZ to offer research grants in 2026
6. Retirement village visits with Dr Helena Popovic
7. Meeting with Centre for Brain Research, NZ Rugby, Players Association and Rugby Foundation
8. Host monthly meetings with other charity funders
9. Medical CoFunders Alliance
10. Managed research funding applications for Catwalk Trust
11. Provided guidance to Brain Foundation Australia
12. Further developed Neurological Association of New Zealand and Australian and New Zealand Association of Neurologists scholarship collaboration
13. Joined Openness Agreement on Animal Research and Teaching in New Zealand

6. Ensure sustainability of the Foundation's business model financially

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

	2026	2025
Details (in $)		
Funds awarded to purpose (Research)	10,930,525	5,584,408
Invested Assets	98,474,006	92,772,922

Overall spend on Research was up by 96% from the prior year with 39 grants being awarded across the two grant rounds. The invested assets performed well this year.

Statement of comprehensive revenue and expenses

Neurological Foundation of New Zealand
For the year ended 31 March 2026

	NOTES	2026	2025
Revenue			
Revenue from supporters	1	8,645,485	10,240,518
Total revenue		**8,645,485**	**10,240,518**
Less Expenses			
Appropriation to research grant fund	5	10,930,525	5,594,073
Administrative expenses	2	1,823,467	1,556,320
Investment management fees	2	718,687	611,088
Fundraising expenses	2	913,090	602,323
Awareness expenses	2	437,984	598,402
Education and engagement expenses	2	599,641	492,159
Depreciation	2	93,633	80,373
Total expenses		**15,517,027**	**9,534,738**
Surplus before Net finance income		**(6,871,542)**	**705,780**
Net finance income			
Net finance income	10	7,594,565	5,406,671
Surplus for the period		**723,023**	**6,112,451**
Total comprehensive revenue and expense for the year		**723,023**	**6,112,451**

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 2026

	NOTES	31 MAR 2026	31 MAR 2025
Assets			
Current Assets			
Cash and cash equivalents	11	1,303,802	983,041
Receivables from exchange transactions		3,427	26,196
Receivables from non-exchange transactions	8	-	1,023,000
Prepayments		54,190	24,636
Goods and services tax receivable		100,918	117,859
Investments	10	7,111,962	3,021,822
Total current assets		**8,574,299**	**5,196,554**
Non-Current Assets			
Property, plant and equipment	9	1,500,299	1,508,082
Investments	10	91,383,977	89,751,100
Custodial Investments - Hackett Fund	10	1,019,864	-
Total non-current assets		**93,904,140**	**91,259,182**
Total assets		**102,478,439**	**96,455,736**
Liabilities			
Current Liabilities			
Payables under exchange transactions		654,808	657,083
Employee entitlement liability	3	104,799	66,388
Grants and sponsored research liability	6	13,052,497	10,901,033
Grants received in advance	7	245,719	-
Hackett Fund Held on Trust	18	1,019,864	-
Total current liabilities		**15,077,687**	**11,624,504**
Non-Current Liabilities			
Grants and sponsored research liability	6	4,050,730	1,207,340
Total Non-Current Liabilities		**4,050,730**	**1,207,340**
Total liabilities		**19,128,417**	**12,831,844**
Net assets		**83,350,022**	**83,623,892**
Net Assets / Equity			
Hackett fund	18	-	996,893
Accumulated funds		83,350,022	82,626,999
Total net assets / equity		**83,350,022**	**83,623,892**

These financial statements were approved by the Council on 18 September 2026

Council Member Matt Cunningham 18 Sept 2026

Chief Executive R. EASTON 18/9/2026

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 2026

	NOTES	2026	2025
Net assets / equity			
Opening balance as at 1 April		83,623,892	77,511,439
Total comprehensive revenue and expense for the year		723,023	6,112,451
Transfers - special purposes reserves			
Hackett Fund	18	(996,893)	44,751
Accumulated revenue and expenses		-	(44,749)
Balance at 31 March		**83,350,022**	**83,623,892**

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 2026

	2026	2025
Cash Flows from Operating Activities		
Members' fees and subscriptions	-	180
Donations and other revenue from supporters	9,930,842	9,176,007
Other cash receipts from operating activities	24,557	39,436
Net GST paid	(1,831)	21,263
Payments to grantees	(6,103,851)	(5,688,483)
Payments to suppliers and employees	(3,640,313)	(3,236,664)
Net Cash Flows from Operating Activities	**209,404**	**311,739**
Cash Flows from Investing Activities		
Interest, Dividends and Distributions received	177,606	579,280
Proceeds from disposal of investments and term deposits	8,508,441	1,250,000
Payments to purchase property, plant and equipment	(88,610)	(32,347)
Payments for purchase of investments and term deposits	(8,486,080)	(2,497,647)
Net Cash Flows from Investing Activities	**111,357**	**(700,714)**
Net Increase/ (Decrease) in Cash	**320,761**	**(388,975)**
Cash and Cash Equivalents		
Cash and cash equivalents at beginning of period	983,041	1,372,016
Net increase/ (decrease) in cash and cash equivalents	320,761	(388,975)
Cash and cash equivalents at end of period	1,303,802	983,041

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 2026

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 2026.

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 2025 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 Foundation's vision.

The performance measures are designed to be an active tool to evaluate the Foundation's 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 Foundation's 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 of 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

An 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.

Accumulated funds
Accumulated funds are held to support the Foundation's longevity and enable long-term financial decision-making and planning. These funds are supported by a Reserving Policy, a section of our Statement of Investment Policies and Objectives, with the funds falling into one of four Funds, being the Operating Sustainability Fund, Research & Education Grant Stability Fund, Capital/Asset Renewal Fund and Strategic Initiatives Fund. These funds ensure we hold the reserves to operate going forward, no matter the financial climate we operate in.

Hackett fund
This fund represents monies held by the Foundation for the purpose of supporting neurosurgical research and training in Auckland. Refer to Note 19 of the Notes to the Financial Statements for further details.

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. Following the update to the Foundation's Rules, a small number of memberships remained at the start of the prior financial year and the membership category has since been removed for the current financial year. No further subscriptions revenue will be received.

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 2026

	NOTES	2026	2025
1. Revenue from supporters			
Membership subscriptions		-	180
Donations and fundraising from the public		2,213,928	2,680,828
Legacies		5,798,378	6,915,783
Annual appeal from the public		170,460	130,438
Income from testamentary trusts		167,755	135,512
Income from other trusts		248,165	292,528
In memoriams		18,225	44,920
Other revenue		28,574	40,329
Total revenue from supporters		8,645,485	10,240,518

	NOTES	2026	2025
2. Operating expenditure			
Administrative expenses			
Audit fees		57,017	50,355
Legal, accounting and professional		126,190	124,859
Premises expenses		87,371	60,641
Salaries and employee benefits		700,845	624,177
Research overheads		455,451	369,497
Other administration expenses		396,593	326,791
Total administrative expenses		**1,823,467**	**1,556,320**
Investment management fees			
Mercer Management Fees		718,687	611,088
Total Investment management fees		**718,687**	**611,088**
Fundraising expenses			
Salaries and employee benefits		696,641	472,318
Other fundraising expenses		216,449	130,005
Total fundraising expenses		**913,090**	**602,323**
Awareness expenses			
Salaries and employee benefits		242,210	230,740
Other awareness expenses		195,774	367,662
Total awareness expenses		**437,984**	**598,402**
Education and engagement expenses			
Salaries and employee benefits		194,782	182,643
Other education and engagement expenses		404,859	309,516
Total education and engagement expenses		**599,641**	**492,159**
Depreciation	9	93,633	80,373
Total operating expenditure		**4,586,501**	**3,940,664**

	NOTES	2026	2025
3. Employee entitlement liability			
Opening balance		66,388	54,238
Plus: Additional provisions in the current year		(134,658)	(275,286)
Less: Amounts used in the current year		173,069	287,436
Balance at 31 March		**104,799**	**66,388**

	NOTES	2026	2025
4. Post-employment benefits			
Defined contribution plans		50,391	43,283
Total post-employment benefits		**50,391**	**43,283**

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

	NOTES	2026	2025
5. Research grant fund			
Opening Balance		-	-
Appropriation from accumulated surplus		10,930,525	5,594,073
Less: Grants and sponsored research approved	6	(10,930,525)	(5,594,073)
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 Personnel 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 16.

	NOTES	2026	2025
6. Grants and sponsored research liability			
Opening Balance		12,108,373	11,930,348
Add: Grants and sponsored research approved	5	10,930,525	5,594,073
Less: Grants expired		(250,208)	(225,020)
Less: Grants distributed		(5,685,463)	(5,191,028)
Balance at 31 March		**17,103,227**	**12,108,373**
Current		13,052,497	10,901,033
Non Current		4,050,730	1,207,340
Balance at 31 March		**17,103,227**	**12,108,373**

Grants and sponsored research are generally approved for expenditure over a two to three year period. Grants provided to related parties are detailed in Note 16.

7. Grant received in advance

Grants Received in Advance of $245,719 (2025: $nil) represents funds received from Roland Steed (grantors) for which the related performance obligations or conditions had not been met by the balance date. Revenue is recognised in the Statement of Financial Performance to the extent the qualifying expenditure is incurred or the conditions of the relevant grant are satisfied.

	NOTES	2026	2025
8. Receivables from non-exchange transactions			
Accrued income		-	1,023,000
Total Receivables from non-exchange transactions		**-**	**1,023,000**

9. Property, plant and equipment

	Cost	Depreciation charge	Accumulated depreciation	Carrying amount
Land and Buildings	2,503,484	(57,615)	(1,128,218)	1,375,266
Office Equipment	225,693	(27,709)	(147,774)	77,919
Computer Software Asset	171,125	(8,309)	(124,011)	47,114
Balance at 31 March 2026	**2,900,302**	**(93,633)**	**(1,400,003)**	**1,500,299**

	Cost	Depreciation charge	Accumulated depreciation	Carrying amount
Land and Buildings	2,503,484	(57,615)	(1,070,603)	1,432,881
Office Equipment	195,227	(20,190)	(124,947)	70,280
Computer Software Asset	120,622	(2,568)	(115,701)	4,921
Balance at 31 March 2025	**2,819,333**	**(80,373)**	**(1,311,251)**	**1,508,082**

	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**

Rates of useful lives are set out in the Significant accounting policies on Page 18.

	NOTES	2026	2025
10. Investments and term deposits			
Net finance income / (loss)			
Income / (loss) from investments at amortised cost		14,329	39,652
Income / (loss) from investments at fair value through surplus or deficit		7,580,236	5,367,019
Total Net finance income / (loss)		**7,594,565**	**5,406,671**

	NOTES	2026	2025
Investments carrying value			
Investments at amortised cost		13,159	13,158
Investments at fair value through surplus or deficit			
Long term investments		91,370,819	89,737,941
Short term investments		7,111,962	3,021,822
Total Investments at fair value through surplus or deficit		**98,482,781**	**92,759,763**
Total Investments Carrying Value at 31 March		**98,495,940**	**92,772,921**

Income from investments at amortised cost includes interest income, recognised as earned on a time-proportion basis using the effective interest method.
Income from investments at fair value through surplus or deficit (FVTSD) includes distributions from, and fair value gains and losses on investments at FVTSD, recorded gross of management fees. Investments are primarily held with Mercer (N.Z.) Limited in the Mercer Responsible Balanced Fund and Mercer Indexed Cash Fund. The fair values as at balance date were:

- Mercer Responsible Balanced Fund (Long term investment): $88,085,359 (2025: $86,797,288)
- Mercer Indexed Cash Fund (Short term investment): $7,111,962 (2025: $3,021,821)

During the year, the Mercer investment portfolio incurred management fees totalling $645,715 (2025: $611,088).

The Foundation's investments in managed funds include cash balances. These cash balances are recorded as part of the overall investment fund because although they would otherwise meet the definition of cash and cash equivalents, they form an integral part of the investment fund which includes an allocation across various types of investments to balance the policies and objectives of the Foundation with regard to its investment fund.

Custodial Investments Held on Behalf of Hackett Memorial Trust

In addition to the Foundation's own investments, the Foundation acts as a custodian, holding and administering funds on behalf of the Hackett Memorial Trust (HMT). This arrangement reflects that the Foundation is a bare trustee for these funds, which are held exclusively for the "Specified Purposes" outlined in the HMT trust deed. These investments are not beneficially owned by the Foundation and are therefore not available for its general purposes. They are presented as a "Custodial Investments - Hackett Fund" on the Statement of Financial Position, with a corresponding liability, "Hackett Fund Held on Trust". All investment returns accrue directly to the HMT fund as detailed in Note 19.

Investments are held with Mercer (N.Z.) Limited Responsible Balanced Trustee Fund (Long term investment). The fair value as at balance date was:

	NOTES	2026	2025
Custodial Investments Held on Behalf of Hackett Memorial Trust			
Long term investments		1,019,864	-
Total Custodial Investments Held on Behalf of Hackett Memorial Trust		**1,019,864**	**-**

11. Financial instruments classification

	Carrying Amount		Carrying Amount	
31 March 2026	**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)	-	1,303,802	-	**1,303,802**
Receivables from exchange transactions	-	3,427	-	**3,427**
Investments	98,474,005	13,159	-	**98,487,164**
Payables under exchange transactions	-	-	(859,213)	**(859,213)**
Contingent grants and sponsored research	-	-	(17,103,227)	**(17,103,227)**
Total Financial Instruments	**98,474,005**	**1,320,388**	**(17,962,440)**	**81,831,953**

	Carrying Amount		Carrying Amount	
31 March 2025	**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)	-	983,041	-	**983,041**
Receivables from exchange transactions	-	26,196	-	**26,196**
Receivables from non-exchange transactions	-	1,023,000	-	**1,023,000**
Investments	92,772,922	13,159	-	**92,786,081**
Payables under exchange transactions	-	-	(558,962)	**(558,962)**
Contingent grants and sponsored research	-	-	(12,098,708)	**(12,098,708)**
Total Financial Instruments	**92,772,922**	**2,045,396**	**(12,657,670)**	**82,160,648**

12. Going concern

The financial statements have been prepared on a going concern basis. As at 31 March 2026, the Foundation reported a negative working capital position, with current liabilities exceeding current assets. Despite this, the Foundation Council considers the going concern basis appropriate due to the level of non-current investments, which are highly liquid and available to meet short-term obligations if required. Management has a high degree of confidence that the Foundation will be able to meet its obligations as they fall due and continue operations for the foreseeable future. The Foundation Council remains committed to ongoing monitoring of cash flow and financial sustainability.

13. Capital commitments

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

	NOTES	2026	2025
Capital commitments			
Investments		2,664,081	3,060,414
Total capital commitments		**2,664,081**	**3,060,414**

Investments include commitments to Direct Capital VI LP, Direct Capital VII LP, Mercury Capital Fund 3, Continuity Capital Private Equity Fund No.4 LP, Waterman 4 LP and Waterman Fund 5 LP.

14. Contingencies

There are no contingent liabilities at balance date (2025: nil)

15. Subsequent events

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

16. 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.

17. 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 Finance & Support Services, Head of Research, Head of Philanthropy & Engagement 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	2026	2025
Key Management Personnel	4	$782,885	$731,082

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 (2025: 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 personnel (2025: 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	2026	2025
2347 - Grantee: University of Otago (Associate Professor: Louise Bicknell - PAC Co-Chair)			
Opening Balance		245,003	297,211
Add: Grant applications approved		-	-
Less: Grants distributed		(148,658)	(52,208)
Balance at 31 March		**96,345**	**245,003**

	NOTES	2026	2025
2012 - Grantee: University of Auckland (Principal Investigator: Cathy Stinear - Former Member of Council and SAC)			
Opening balance		34,338	75,709
Add: Grant applications approved		-	-
Less: Grants distributed		(34,338)	(41,371)
Balance at 31 March		**-**	**34,338**

	NOTES	2026	2025
1542 - Grantee: University of Otago (Principal Investigator: Timothy Anderson - Former Member of Council)			
Opening balance		122,562	146,396
Add: Grant applications approved		-	-
Less: Grants distributed		(52,094)	(23,834)
Balance at 31 March		**70,468**	**122,562**

	NOTES	2026	2025
2216 - Grantee: University of Otago (Principal Investigator: Ailsa McGregor - Member of Council)			
Opening balance		12,099	14,976
Add: Grant applications approved		-	-
Less: Grants distributed		(12,099)	(2,877)
Balance at 31 March		**-**	**12,099**

	NOTES	2026	2025
1953 - Grantee: University of Otago (Co-Mentor: Timothy Anderson - Former Member of Council)			
Opening balance		69,224	88,654
Add: Grant applications approved		-	-
Less: Grants distributed		(44,791)	(19,430)
Balance at 31 March		**24,433**	**69,224**

	NOTES	2026	2025
2461 - Grantee: Professor Stephanie Hughes (SAC 2024B, incoming co-chair)			
Opening balance		174,851	174,851
Add: Grant applications approved		-	-
Less: Grants distributed		(52,891)	-
Balance at 31 March		**121,960**	**174,851**

	NOTES	2026	2025
2421 - Grantee: Professor John Dalrymple-Alford (Campbell Le Heron - current committee pool member)			
Opening balance		303,768	-
Add: Grant applications approved		-	307,444
Less: Grants distributed		(7,502)	(3,676)
Balance at 31 March		**296,266**	**303,768**

	NOTES	2026	2025
2463 - Grantee: Stephanie Hughes (SAC 2024B incoming co-chair, non-voting role)			
Opening balance		175,549	-
Add: Grant applications approved		-	175,549
Less: Grants distributed		(75,577)	-
Balance at 31 March		**99,972**	**175,549**

	NOTES	2026	2025
2511 - Grantee: Lee-Anne Morris (Committee Pool Member)			
Opening balance		-	-
Add: Grant applications approved		221,357	-
Less: Grants distributed		(12,555)	-
Balance at 31 March		**208,802**	**-**

	NOTES	2026	2025
2515 - Grantees: William Diprose, Alan Barber, Doug Campbell (NF CCN)			
Opening balance		-	-
Add: Grant applications approved		299,167	-
Less: Grants distributed		-	-
Balance at 31 March		**299,167**	**-**

	NOTES	2026	2025
2530 - Grantees: Erin Cawston, Joanna Williams, Campbell Le Heron (SAC Committee Member)			
Opening balance		-	-
Add: Grant applications approved		998,646	-
Less: Grants distributed		-	-
Total 2530 - Grantees: Erin Cawston, Joanna Williams, Campbell Le Heron (SAC Committee Member)		**998,646**	**-**

	NOTES	2026	2025
2531 - Grantees: Jack Flanagan, Michael Dragunow, Daniel Conole, Hamid Abbasi (SAC Committee Member)			
Opening balance		-	-
Add: Grant applications approved		999,397	-
Less: Grants distributed		-	-
Total 2531 - Grantees: Jack Flanagan, Michael Dragunow, Daniel Conole, Hamid Abbasi (SAC Committee Member)		**999,397**	**-**

	NOTES	2026	2025
2532 - Grantees: Lynette Tippett, Campbell Le Heron (SAC Committee Member)			
Opening balance		-	-
Add: Grant applications approved		1,000,000	-
Less: Grants distributed		-	-
Total 2532 - Grantees: Lynette Tippett, Campbell Le Heron (SAC Committee Member)		**1,000,000**	**-**

	NOTES	2026	2025
2551 - Grantee: Fiona Imlach (PAC/SAC Committee Member)			
Opening balance		-	-
Add: Grant applications approved		299,906	-
Less: Grants distributed		-	-
Total 2551 - Grantee: Fiona Imlach (PAC/SAC Committee Member)		**299,906**	**-**

18. Hackett Fund

The financial reporting treatment for the funds received from the Hackett Memorial Trust (HMT) requires reclassification from Equity (specifically, "Special Purpose Reserves") to a Liability. This reclassification is to accurately reflect the Foundation's role as a custodian.

Under this custodial model, the Foundation holds legal title to the funds but does not have beneficial ownership. The Foundation acts as an agent, administering the funds on behalf of HMT and acting on the direction of HMT's trustees. This arrangement creates a fiduciary obligation to HMT, with the funds remaining the property of that trust.

As the Foundation does not control the funds for its own charitable purposes, they cannot be part of its net assets. The previous classification as special purpose reserves (equity) would only be appropriate for a donation to the Foundation. Therefore, the liability classification correctly reflects the Foundation's obligation to HMT.

Transfers were made from the Hackett Funds during the year. The current year relates to the transfer from Special Purpose Reserve to Liability.

	NOTES	2026	2025
Transfers - Hackett Funds			
Special Purpose Reserves - Net assets / equity			
Opening Balance		996,893	952,142
Reclassification to Liability		(996,893)	-
Transfers		-	44,751
Total Special Purpose Reserves - Net assets / equity		**-**	**996,893**

	NOTES	2026	2025
Hackett Fund Held on Trust - Liability			
Reclassification from Special Purpose Reserves		996,893	-
Transfers		22,972	-
Total Hackett Fund Held on Trust - Liability		**1,019,864**	**-**

Transfers during the year ended 31 March 2026 were made from the Hackett Fund special purpose reserve to recognise funding approved for the Hackett Memorial Trust