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**ROYAL SOCIETY OF NEW ZEALAND**  
**Consolidated Financial Statements**  
**for the year ended 30 June 2022**

**Royal Society of New Zealand  
Contents  
for the year ended 30 June 2022**

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**Royal Society of New Zealand  
Directory  
for the year ended 30 June 2022**

**Society Council (as at 29 September 2022)\***

Dr Brent Clothier (President)

Professor Charlotte Macdonald (Academy Executive Committee Chair)

Distinguished Professor Geoff Chase (AEC Deputy Chair)

Mr John Bongard

Dr Marie Bradley

Professor Te Kani Kingi

Associate Professor Cate Macinnis-Ng

Professor Jens Mueller

Dr Sereana Naepi

Professor Linda Waimarie Nikora

Mrs Jenny Pollock

Professor Steven Ratuva

**Registered Office**

11 Turnbull Street, Thorndon, Wellington

**Nature of Business**

Fostering science, technology and the humanities in New Zealand

**Charities Commission registration number**

CC38796

**Independent Auditor**

Grant Thornton New Zealand Audit Limited

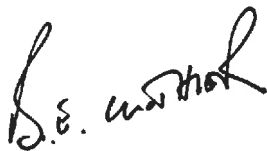
*\* The membership of the Council as at 30 June 2022 is in Note 21, refer page 18.*

**Royal Society of New Zealand  
Councillors' report  
for the year ended 30 June 2022**

The Councillors have pleasure in presenting the annual report of the Royal Society of New Zealand ("the Society") incorporating the financial statements and the auditor's report for the year ended 30 June 2022.

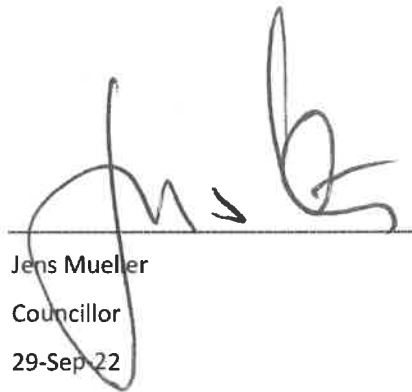
The Councillors of the Society have authorised these financial statements presented on pages 6 - 19 for issue on 29 September 2022.

For and on behalf of the Council



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Brent Clothier  
President  
29-Sep-22



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Jens Mueller  
Councillor  
29-Sep-22

# Independent Auditor's Report

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To the Members of Royal Society of New Zealand

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the consolidated financial statements of Royal Society of New Zealand (the "Society") and its controlled entities (the "Group") on pages 6 to 19 which comprise the consolidated statement of financial position as at 30 June 2022, and the consolidated statement of comprehensive revenue and expenses, consolidated statement of changes in net assets and consolidated cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 30 June 2022 and its financial performance and cash flows for the year then ended in accordance with Public Benefit Entity International Public Sector Accounting Standards (Not-For-Profit) Reduced Disclosure Regime, issued by the New Zealand Accounting Standards Board.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group 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 as auditors, we have no other interests in the Group.

### Other Information Other than the Financial Statements and Auditor's Report thereon

The Councillors are responsible for the other information. The other information comprises the information included in the Annual Report but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connections with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Councillors' Responsibilities for the Consolidated Financial Statements**

The Councillors are responsible on behalf of the Group for the preparation and fair presentation of these consolidated financial statements in accordance with Public Benefit Entity International Public Sector Accounting Standards (Not-For-Profit) Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board, and for such internal control as those charged with governance determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Councillors, on behalf of the Society are responsible for assessing the Group'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 Councillors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the External Reporting Board's website at: <https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-7/>

### **Restriction on use of our report**

This report is made solely to the Society's members, as a body. Our audit work has been undertaken so that we might state to the Society's members, as a body, 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 Society's members, as a body for our audit work, for this report or for the opinion we have formed.

### **Grant Thornton New Zealand Audit Limited**



**B Kennerley**

**Partner**

**Wellington**

**29 September 2022**

**Royal Society of New Zealand**  
**Statement of comprehensive revenue and expenses**  
**for the year ended 30 June 2022**

	Notes	Consolidated		Parent	
		2022 \$000's	2021 \$000's	2022 \$000's	2021 \$000's
<i>Revenue from non-exchange transactions</i>					
Government contract revenue	19	500	500	500	500
Donations		10	11	-	1
		<b>510</b>	<b>511</b>	<b>500</b>	<b>501</b>
<i>Revenue from exchange transactions</i>					
Society membership		289	273	289	273
Interest income		172	497	67	66
Government contract revenue	19	6,791	6,528	6,791	6,528
Rental of investment property		409	423	409	423
Other operating revenue		512	718	512	718
		<b>8,173</b>	<b>8,439</b>	<b>8,068</b>	<b>8,008</b>
<i>Revenue from non cash transactions</i>					
Gain/(Loss) on fair value of investment property	6	1,988	663	1,988	663
<b>Total Revenue</b>		<b>10,671</b>	<b>9,613</b>	<b>10,556</b>	<b>9,172</b>
<i>Expenses</i>					
Audit expense		43	35	38	30
Depreciation and amortisation expense	5 & 8	86	94	86	94
Employee benefits expense		4,509	4,346	4,509	4,346
Grants		69	59	-	-
Other expenses		3,294	3,989	3,147	3,975
<b>Total Expenses</b>		<b>8,001</b>	<b>8,523</b>	<b>7,780</b>	<b>8,445</b>
<b>Total surplus / (deficit) for year</b>		<b>2,670</b>	<b>1,090</b>	<b>2,776</b>	<b>727</b>
<b>Other comprehensive revenue and expense</b>					
Gain/(Loss) on revaluation of land and buildings	5	3,864	(5)	3,864	(5)
<b>Other comprehensive revenue and expense for the year</b>		<b>3,864</b>	<b>(5)</b>	<b>3,864</b>	<b>(5)</b>
<b>Total comprehensive revenue and expense for the year</b>		<b>6,534</b>	<b>1,085</b>	<b>6,640</b>	<b>722</b>
<b>Surplus / (deficit) attributable to:</b>					
Parent - Royal Society of New Zealand		2,776	727	2,776	727
Subsidiary - Royal Society Endowment Fund Trust		(106)	363	-	-
		<b>2,670</b>	<b>1,090</b>	<b>2,776</b>	<b>727</b>
<b>Total comprehensive revenue and expense attributable to:</b>					
Parent - Royal Society of New Zealand		6,640	722	6,640	722
Subsidiary - Royal Society Endowment Fund Trust		(106)	363	-	-
		<b>6,534</b>	<b>1,085</b>	<b>6,640</b>	<b>722</b>

The above statements of comprehensive revenue and expenses should be read in conjunction with the accompanying notes on pages 10 - 19

**Royal Society of New Zealand  
Statement of changes in net assets  
for the year ended 30 June 2022**

Group	Notes	Special purpose reserve \$000's	Asset revaluation reserve \$000's	Retained surplus \$000's	Total equity \$000's
Balance as at 1 July 2020		4,886	1,624	15,198	21,708
Surplus (deficit) for the year		-	-	1,090	1,090
Other comprehensive income		-	(5)	-	(5)
Total comprehensive income		-	(5)	1,090	1,085
Transfer to/(from) designated purpose reserve	11	357	-	(357)	-
<b>Closing equity 30 June 2021</b>		<b>5,243</b>	<b>1,619</b>	<b>15,931</b>	<b>22,793</b>
Surplus (deficit) for the year		-	-	2,670	2,670
Other comprehensive income		-	3,864	-	3,864
Total comprehensive income		-	3,864	2,670	6,534
Transfer to/(from) designated purpose reserve	11	(67)	-	107	40
<b>Closing equity 30 June 2022</b>		<b>5,176</b>	<b>5,483</b>	<b>18,708</b>	<b>29,367</b>

Parent	Notes	Special purpose reserve \$000's	Asset revaluation reserve \$000's	Retained surplus \$000's	Total equity \$000's
Balance as at 1 July 2020		235	1,624	15,196	17,055
Surplus (deficit) for the year		-	-	727	727
Other comprehensive income		-	(5)	-	(5)
Total comprehensive income		-	(5)	727	722
Transfer to/(from) designated purpose reserve		-	-	-	-
<b>Closing equity 30 June 2021</b>		<b>235</b>	<b>1,619</b>	<b>15,923</b>	<b>17,777</b>
Surplus (deficit) for the year		-	-	2,776	2,776
Other comprehensive income		-	3,864	-	3,864
Total comprehensive income		-	3,864	2,776	6,640
Transfer to/(from) designated purpose reserve	11	-	-	-	-
<b>Closing equity 30 June 2022</b>		<b>235</b>	<b>5,483</b>	<b>18,699</b>	<b>24,417</b>

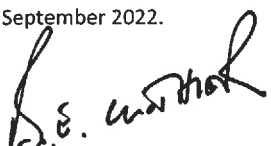
The above statements of changes in net assets should be read in conjunction with the accompanying notes on pages 10 - 19

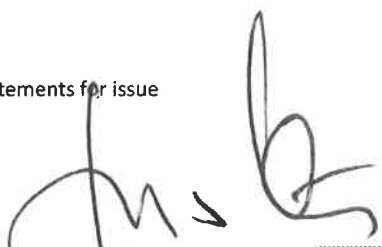


**Royal Society of New Zealand  
Statement of financial position  
as at 30 June 2022**

	Notes	Group		Parent	
		2022 \$000's	2021 \$000's	2022 \$000's	2021 \$000's
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	9	2,528	1,843	1,717	632
Receivables from exchange transactions	7	193	154	193	154
Investments and other financial assets	10	3,490	4,014	3,390	3,614
Prepayments		64	1	64	1
Inventories		-	-	-	-
<b>Total current assets</b>		<b>6,275</b>	<b>6,012</b>	<b>5,364</b>	<b>4,401</b>
<b>Non-current assets</b>					
Property, plant and equipment	5	13,117	9,335	13,117	9,335
Investment Properties	6	7,288	5,300	7,288	5,300
Investments and other financial assets	10	4,146	3,525	100	100
Intangible assets	8	-	-	-	-
<b>Total non-current assets</b>		<b>24,551</b>	<b>18,160</b>	<b>20,505</b>	<b>14,735</b>
<b>Total assets</b>		<b>30,826</b>	<b>24,172</b>	<b>25,869</b>	<b>19,136</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables	12	1,136	973	1,129	953
Income in advance	13	323	406	323	406
		<b>1,459</b>	<b>1,379</b>	<b>1,452</b>	<b>1,359</b>
<b>Total Liabilities</b>		<b>1,459</b>	<b>1,379</b>	<b>1,452</b>	<b>1,359</b>
<b>Net assets</b>		<b>29,367</b>	<b>22,793</b>	<b>24,417</b>	<b>17,777</b>
<b>EQUITY</b>					
Retained earnings		18,708	15,931	18,699	15,923
Asset revaluation reserve		5,483	1,619	5,483	1,619
Designated purpose reserve	11	5,176	5,243	235	235
		<b>29,367</b>	<b>22,793</b>	<b>24,417</b>	<b>17,777</b>

Signed for and on behalf of the Council who authorised these financial statements for issue on 29 September 2022.

  
Brent Clothier  
President  
29-Sep-22

  
Jens Mueller  
Councillor  
29-Sep-22

The above statements of financial position should be read in conjunction with the accompanying notes on pages 10 - 19

**Royal Society of New Zealand**  
**Cash flow statement**  
**For the Year ended 30 June 2022**

Notes	Consolidated		Parent	
	2022 \$000's	2021 \$000's	2022 \$000's	2021 \$000's
<b>Cash flows from operating activities</b>				
<u>Receipts</u>				
Receipts from non-exchange transactions	510	511	500	501
Receipts from exchange transactions	7,598	7,351	7,598	7,351
Net GST Receipts / (Payments)	62	(29)	62	(29)
	<u>8,170</u>	<u>7,833</u>	<u>8,160</u>	<u>7,823</u>
<u>Payments</u>				
Payments to suppliers	(3,393)	(4,338)	(3,286)	(4,256)
Payments to employees	(4,468)	(4,359)	(4,468)	(4,359)
Transfer to Endowment Trust	-	-	-	-
	<u>(7,861)</u>	<u>(8,697)</u>	<u>(7,754)</u>	<u>(8,615)</u>
<b>Net cashflows from operating activities</b>	<u>309</u>	<u>(864)</u>	<u>406</u>	<u>(792)</u>
<b>Cash flows from investing activities</b>				
<u>Receipts</u>				
Interest received	153	168	50	70
Receipts from maturity of investments	3,614	4,032	3,614	4,032
Receipts from rental of investment properties	409	423	409	423
	<u>4,176</u>	<u>4,623</u>	<u>4,073</u>	<u>4,525</u>
<u>Payments</u>				
Purchase of property plant & equipment	(4)	(103)	(4)	(103)
Purchase of intangible assets	-	-	-	-
Purchase of investment properties	-	-	-	-
Purchase of long term investments	(3,836)	(4,140)	(3,390)	(3,614)
	<u>(3,840)</u>	<u>(4,243)</u>	<u>(3,394)</u>	<u>(3,717)</u>
<b>Net cashflows from investing activities</b>	<u>336</u>	<u>380</u>	<u>679</u>	<u>808</u>
<b>Cash flows from financing activities</b>				
<u>Receipts</u>				
Capital Received for Canterbury Branch Fund	40	-	-	-
<b>Net cashflows from financing activities</b>	<u>40</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents	685	(484)	1,085	16
Opening Cash and cash equivalents at 1 July	1,843	2,327	632	616
<b>Closing Cash and cash equivalents at 30 June</b>	<u>2,528</u>	<u>1,843</u>	<u>1,717</u>	<u>632</u>

The above cash flow statements should be read in conjunction with the accompanying notes on pages 10 - 19

**Royal Society of New Zealand  
Notes to the Financial Statements  
for the year ended 30 June 2022**

**Note 1. Reporting entity**

The reporting entity is the Royal Society of New Zealand ("The Society"). The Society is domiciled at 11 Turnbull Street, Wellington New Zealand and is a charitable organisation incorporated under the Royal Society of New Zealand Act 1977 and the Charities Act 2005.

The financial statements comprising the Society and its controlled entity, The Royal Society of New Zealand Endowment Fund Trust (the Trust), (together the "Group"), are presented for the year ended 30 June 2022.

These Group financial statements and accompanying notes summarise the financial results of activities carried out by the Society. All entities within the group are charitable organisations registered under the Charitable Trusts Act 1957 and the Charities Act 2005.

The Society ("the Parent") is an independent statutory body, exempt from income tax. Membership of the Society consists of fellows, ordinary members, companions, constituent organisations, regional constituent organisations, affiliate organisations, honorary members and honorary fellows. The Society Council has control of the Society.

The object of the Society and its controlled trust is the advancement and promotion of science, technology and the humanities in New Zealand. It does this by:

- fostering a culture within New Zealand that supports science, technology and the humanities (promoting public awareness, knowledge, and understanding of science, technology and the humanities; and advancing science education);
- encouraging, promoting and recognising excellence in science, technology and the humanities;
- providing an infrastructure and other support for the professional needs and development of scholars;
- establishing and administering for members a code of professional standards and ethics in science, technology and the humanities;
- providing expert advice on important public issues to the Government and the community.

These consolidated financial statements have been approved for issue by Council on 29 September 2022.

**Note 2. Statement of compliance**

The consolidated financial statements of the Group and financial statements of the Parent have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP). They comply with Public Benefit Entity Standards ("PBE Standards") and other applicable financial reporting standards as appropriate that have been authorised for use by the External Reporting Board for Not-for-Profit entities. For the purposes of complying with NZ GAAP, the Group is a public benefit not-for-profit entity and is eligible to apply Tier 2 Not-for-Profit PBE IPSAS on the basis that it does not have public accountability and it is not defined as large. The Council has elected to report in accordance with Tier 2 Not-for-Profit PBE Accounting Standards and in doing so has taken advantage of all applicable Reduced Disclosure Regime ("RDR") disclosure concessions. This decision results in the Group not preparing a Statement of Service Performance for both reporting periods.

**Note 3. Changes in accounting policy**

There have been no changes in accounting policy.

**Note 4. Summary of accounting policies**

The significant accounting policies used in the preparation of these financial statements as set out below have been applied consistently to both years presented in these financial statements.

**4.1 Basis of measurement**

These consolidated and parent financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets as identified in specific accounting policies below.

**4.2 Functional and presentational currency**

The consolidated and parent financial statements are presented in New Zealand dollars (\$), which is the Group's functional currency. All financial information presented in New Zealand dollars has been rounded to the nearest thousand dollars.



**Royal Society of New Zealand  
Notes to the Financial Statements  
for the year ended 30 June 2022**

**4.3 Basis of consolidation**

The consolidated financial statements incorporate the assets and liabilities of the controlled trust of the Royal Society of New Zealand as at 30 June 2022 and the results of the controlled trust for the year then ended. The Royal Society of New Zealand and its controlled trust together are referred to in these financial statements as the Group or the consolidated entity.

Controlled trusts are all those entities over which the Society has the power to govern the financial and operating policies, generally accompanied by holding more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Society controls another entity.

Controlled trusts which form part of the Group are consolidated from the date on which control is transferred to the Society. They are de-consolidated from the date that control ceases.

Inter-trust transactions, balances and unrealised gains on transactions between Group entities are eliminated on consolidation. Unrealised losses are also eliminated unless they result from impairment. The accounting policies of the controlled trust are consistent with the policies adopted by the Group.

**4.4 Investment in controlled trust**

The consolidated financial statements incorporate the assets, liabilities and results of the following controlled trust. The controlled trust is incorporated in New Zealand and has a balance date of 30 June.

Name of entity	Principal Activities	Equity Holding	
		2022	2021
Royal Society of New Zealand Endowment Fund Trust	Support charitable purposes of the Society	100%	100%

**4.5 Revenue**

**Revenue from non-exchange transactions**

*Donations*

Donations are recognised as revenue upon receipt and include donations from members and the general public.

*Legacies and bequests*

Revenue from legacies and estates that satisfy the definition of an asset are recognised as revenue when it is probable that future economic benefits or service potential will flow to the group, and the fair value can be measured reliably.

Bequests and donations received on trust for particular purposes are recorded as revenue on a cash received basis in the statement of comprehensive revenue and expenses. These monies are not available for funding the operations of the Society.

*Services in Kind*

The Society is provided services by volunteers. The fair value of such services cannot be reliably measured. No value is given to these services in these financial statements.

**Revenue from exchange transactions**

Revenue comprises the fair value of consideration received for the sale of goods and services excluding Goods and Services Tax, rebates and discounts.

Revenue is recognised as follows:

*Sales of Publications*

Sales of publications are recognised when the Group has delivered a publication to the customer.

*Sales of services*

Sales of services are recognised in the accounting period in which services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total service to be provided.

*Interest Income*

Interest income is recognised on a time-proportion basis using the effective interest method.

*Rental Income*

Rental income is recognised on an accruals basis in accordance with the substance of the relevant agreements.

*Contract Income*

Contract income received from the Ministry of Business, Innovation and Employment is a primary source of income for the Society.

Government and non-government income is recognised as revenue when it becomes receivable unless there is an obligation to return the funds if conditions of the contract are not met. If there is such an obligation, the income is initially recorded as income received in advance and recognised as revenue when conditions of the contract are satisfied.



#### **4.6 Goods and Services Tax (GST)**

The statement of comprehensive revenue and expenses has been prepared so that all components are stated exclusive of GST. All items in the balance sheet are stated net of GST, with the exception of receivables and payables, which include GST invoiced.

#### **4.7 Leases**

*The Group is the lessee*

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive revenue and expenses on a straight-line basis over the period of the lease.

*The Group is the lessor.*

Assets leased to third parties under operating leases are included in investment property in the balance sheet. Rental income (net of any incentives given to lessees) is recognised in surplus or deficit on a straight-line basis over the lease term.

#### **4.8 Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts, if any, are shown within borrowings in current liabilities on the Statement of Financial Position.

#### **4.9 Trade receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the statement of revenue and expenses.

#### **4.10 Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a first in, first out basis. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

#### **4.11 Investments and other financial assets**

Financial assets within the scope of PBE IPSAS 29 *Financial Instruments: Recognition and Measurement* are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets. The classifications of the financial assets are determined at initial recognition.

Regular purchases and sales of financial assets are recognised on trade date - the date on which the Group commits to purchase or sell the asset. All financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through surplus or deficit. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

The category determines subsequent measurement and whether any resulting income and expense is recognised in surplus or deficit or in any other comprehensive revenue and expenses. The Group's financial assets are classified as financial assets at fair value through surplus or deficit, loans and receivables or as available for sale financial assets. The Group's financial assets include: cash and cash equivalents, short term deposits, receivables from non-exchange transactions, receivables from exchange transactions and investments.

All financial assets except for those at fair value through surplus or deficit are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Financial assets are derecognised when the rights to receive cash flows from the asset have expired or have been transferred and the Group has transferred substantially all risks and rewards or ownership.

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*Investment in controlled Trust*

The investment in the controlled trust in the Parent financial statements is stated at cost less impairment.

*Loans and receivables*

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. "Trade and other receivables", "investments" and "cash and cash equivalents" are classified as loans and receivables in the balance sheet. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

**4.12 Financial liabilities**

The Group's financial liabilities include trade and other creditors. The Group's financial liabilities are initially recognised at fair value (plus transaction cost for financial liabilities not at fair value through surplus or deficit) and are measured subsequently at amortised cost using the effective interest method except for financial liabilities at fair value through surplus or deficit.

*Trade and other payables*

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. These amounts are unsecured and usually paid within 30 days of recognition.

**4.13 Employee benefits**

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

**4.14 Investment properties**

Property held to earn rent or for capital appreciation or both is classified as investment property in accordance with PBE IPSAS 16 Investment Property. Investment property is measured initially at cost, including transaction costs, and thereafter is stated at fair value, which reflects market conditions at the balance sheet date. Gains or losses arising from changes in the fair values of investment property are included in the statement of comprehensive revenue and expenses in the year in which they arise.

**4.15 Property, plant and equipment**

All property, plant and equipment excluding land and buildings is stated at historical cost less depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive revenue and expenses during the financial period in which they are incurred.

Land is not depreciated. Depreciation of property, plant and equipment is calculated on a straight-line basis so as to expense the cost of the assets over their useful lives. The useful lives are as follows:

- Buildings	10 - 40 years
- Furniture	3 - 10 years
- Office equipment	3 - 40 years
- Computer equipment	3 - 10 years

Capital work in progress is not depreciated until commissioned.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of comprehensive revenue and expenses.

Land and buildings are initially recorded at cost, and subsequently are recorded at fair value, as determined by an independent valuer. Land and buildings are valued annually at balance date. To the extent that any revaluation gain reverses a loss previously charged to the statement of comprehensive income for a class of assets, the gain is credited to the statement of comprehensive revenue and expenses.

Otherwise, revaluation gains are credited to a revaluation reserve in other comprehensive revenue and expenses for that class of asset. To the extent that any revaluation loss reverses a gain previously credited to an asset revaluation reserve for the asset class, the loss is debited to the asset revaluation reserve. Otherwise, revaluation losses are recognised in the statement of comprehensive revenue and expenses.

On revaluation any accumulated depreciation is eliminated against the gross carrying amount of the asset.



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**4.16 Intangible assets**

Intangible assets are initially measured at cost and subsequently measured at cost less accumulated amortisation and impairment. Cost includes expenditure directly attributable to the acquisition of the asset.

**4.17 Special Purpose Reserve (SPR)**

In order to provide funds that can be distributed to winners of Awards, a separate Special Purpose Reserve has been created with amounts transferred from the retained surplus to the SPR. The Group's policy is to invest the funds in term deposits until the amounts are utilised.

**Note 5. Property, plant and equipment**  
**As at 30 June 2021**

	Consolidated and Parent					
	At Cost or valuation \$000's	Acquisitions (Transfers) (Disposals) \$000's	Revaluation Mvmts \$000's	Depreciation 2021 year \$000's	Closing Accum Depreciation \$000's	Net Book amount \$000's
Furniture & equipment	474	10	-	36	389	95
Computer equipment	309	31	-	37	300	40
Land & buildings	9,162	62	(5)	19	19	9,200
	<b>9,945</b>	<b>103</b>	<b>(5)</b>	<b>92</b>	<b>708</b>	<b>9,335</b>

	Consolidated and Parent					
	At Cost or valuation \$000's	Acquisitions (Transfers) (Disposals) \$000's	Revaluation Mvmts \$000's	Depreciation 2022 year \$000's	Closing Accum Depreciation \$000's	Net Book amount \$000's
Furniture & equipment	484	(9)	-	36	415	60
Computer equipment	340	(44)	-	28	281	15
Land & buildings	9,200	-	3,864	22	22	13,042
	<b>10,024</b>	<b>(53)</b>	<b>3,864</b>	<b>86</b>	<b>718</b>	<b>13,117</b>

The Group's freehold land and buildings are stated at their 30 June 2022 valuation as determined by an independent registered valuer, S M Stokes of Nathan Stokes & Associates. Stephen Stokes (ANZIV SNZPI), is a Registered Public Valuer, and is the holder of a current Annual Practising Certificate.

The basis of valuation is Direct Comparison (for redevelopment land), Capitalisation and Discounted Cashflow approaches for Investment value.

Land is not depreciated. Depreciation of property, plant and equipment is calculated on a straight-line basis so as to expense the cost of the assets over their useful lives.

**Note 6. Investment properties**

	2022 \$000's		2021 \$000's	
	Consolidated	Parent	Consolidated	Parent
Land - Fair value opening balance	5,300	5,300	4,638	4,638
Valuation movements	1,988	1,988	662	662
Land - Fair value closing balance	<b>7,288</b>	<b>7,288</b>	<b>5,300</b>	<b>5,300</b>

S M Stokes of Nathan Stokes & Associates. Stephen Stokes (ANZIV SNZPI), is a Registered Public Valuer, and is the holder of a current Annual Practising Certificate. The assessment of fair value is supported by external market evidence.



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**Note 7. Trade and other receivables**

	2022 \$000's		2021 \$000's	
	Consolidated	Parent	Consolidated	Parent
Gross accounts receivable	212	212	154	154
Provision for accounts receivable	(19)	(19)	-	-
	<b>193</b>	<b>193</b>	<b>154</b>	<b>154</b>

**Note 8. Intangible assets**

**As at 30 June 2021**

	At Cost or valuation	Acquisitions (Transfers)	Consolidated and Parent Revaluation Mvmnts	Amortisation 2021 year	Closing Accum Amortisation	Net Book amount
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
MIR Database system (acquired externally)	316	-	-	2	316	-
	<b>316</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>316</b>	<b>-</b>

**As at 30 June 2022**

	At Cost or valuation	Acquisitions (Transfers)	Revaluation Mvmnts	Amortisation 2022 year	Closing Accum Amortisation	Net Book amount
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
MIR Database system (acquired externally)	316	-	-	-	316	-
	<b>316</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>316</b>	<b>-</b>

**Note 9. Cash and cash equivalents**

	2022 \$000's		2021 \$000's	
	Consolidated	Parent	Consolidated	Parent
Bank & Treasury call accounts	2,528	1,717	1,843	632
Term deposits less than or equal to 3 months	-	-	-	-
	<b>2,528</b>	<b>1,717</b>	<b>1,843</b>	<b>632</b>

In both the 2022 and 2021 years accounts are held with the Bank of New Zealand, ASB Bank, Westpac and RaboDirect.

The Society has a \$525,000 facility by way of BNZ Business Visa. (2021: \$525,000).

**Note 10. Investments and other financial assets.**

	2022 \$000's		2021 \$000's	
	Consolidated	Parent	Consolidated	Parent
Term deposits greater than 3 months	3,490	3,390	4,014	3,614
NZ Bonds and Fixed Interest Investments	1,398	100	1,156	100
NZ Equity Investments	960	-	831	-
Overseas Equity Investments	1,788	-	1,538	-
	<b>7,636</b>	<b>3,490</b>	<b>7,539</b>	<b>3,714</b>

In both the 2022 and 2021 years term deposits are held with the Bank of New Zealand and ASB Bank.





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**Note 11. Designated purpose reserves**

<b>Consolidated 2021 Financial year</b>	<b>2020</b>	<b>Contributions</b>	<b>Disbursements</b>	<b>Balance 2021</b>
	<b>\$000's</b>	<b>\$000's</b>	<b>\$000's</b>	<b>\$000's</b>
Designated Fund	3,909	343	(10)	4,242
Charles Fleming Fund	450	30	(10)	470
Manawatu Branch Fund	14	1	-	15
Canterbury Branch Fund	-	-	-	-
Benson, Hutton & Mappin Funds	22	-	(10)	12
Skinner Fund	167	12	(2)	177
T K Sidey Summertime Fund	35	2	-	37
Hamilton Memorial Prize	27	2	(3)	26
Hatherton Award Fund	38	3	(3)	38
Bates Memorial Scholarship	45	2	(6)	41
Leonard Cockayne Memorial Lecture	87	6	0	93
Estate Raewyn Good Fund	23	1	(6)	18
Baumgart Fund	69	5	0	74
	<b>4,886</b>	<b>407</b>	<b>(50)</b>	<b>5,243</b>

<b>Parent 2021 Financial year</b>	<b>2020</b>	<b>Contributions</b>	<b>Disbursements</b>	<b>Balance 2021</b>
	<b>\$000's</b>	<b>\$000's</b>	<b>\$000's</b>	<b>\$000's</b>
Designated Fund	235	-	-	235
	<b>235</b>	<b>-</b>	<b>-</b>	<b>235</b>

<b>Consolidated 2022 Financial year</b>	<b>2021</b>	<b>Contributions</b>	<b>Disbursements</b>	<b>Balance 2022</b>
	<b>\$000's</b>	<b>\$000's</b>	<b>\$000's</b>	<b>\$000's</b>
Designated Fund	4,242	-	(30)	4,212
Charles Fleming Fund	470	-	(42)	428
Manawatu Branch Fund	15	-	-	15
Canterbury Branch Fund	0	40	-	40
Benson, Hutton & Mappin Funds	12	-	(1)	11
Skinner Fund	177	-	(8)	169
T K Sidey Summertime Fund	37	-	(1)	36
Hamilton Memorial Prize	26	-	(3)	23
Hatherton Award Fund	38	-	(4)	34
Bates Memorial Scholarship	41	-	(7)	34
Leonard Cockayne Memorial Lecture	93	-	(2)	91
Estate Raewyn Good Fund	18	-	(7)	11
Baumgart Fund	74	-	(2)	72
	<b>5,243</b>	<b>40</b>	<b>(107)</b>	<b>5,176</b>

<b>Parent 2022 Financial year</b>	<b>2021</b>	<b>Contributions</b>	<b>Disbursements</b>	<b>Balance 2022</b>
	<b>\$000's</b>	<b>\$000's</b>	<b>\$000's</b>	<b>\$000's</b>
Designated Fund	235	-	-	235
	<b>235</b>	<b>-</b>	<b>-</b>	<b>235</b>

**Note 12 Trade and other payables**

	<b>2022</b>		<b>2021</b>	
	<b>\$000's</b>		<b>\$000's</b>	
	<b>Consolidated</b>	<b>Parent</b>	<b>Consolidated</b>	<b>Parent</b>
<i>Current liabilities</i>				
Creditors	362	357	399	379
Employee entitlements	303	303	263	263
Other accruals	422	420	324	324
GST payable/(receivable)	49	49	(13)	(13)
	<b>1,136</b>	<b>1,129</b>	<b>973</b>	<b>953</b>



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Note 13	Income in advance	2022		2021	
		\$000's		\$000's	
		Consolidated	Parent	Consolidated	Parent
	Journal income	-	-	110	110
	Membership subscriptions	-	-	3	3
	Other	323	323	293	293
		<b>323</b>	<b>323</b>	<b>406</b>	<b>406</b>

Other income in advance represents all other contract revenue paid to the Group that is attributable to work still to be performed after 30 June.

Note 14	Contestable funds	2022		2021	
		\$000's		\$000's	
		Consolidated	Parent	Consolidated	Parent
	Opening contestable funds	49,420	49,420	39,005	39,005
	Receipts	108,598	108,598	120,156	120,156
	Interest earned & accrued	509	509	476	476
	Payments	(111,965)	(111,965)	(110,217)	(110,217)
	Closing contestable funds	<b>46,562</b>	<b>46,562</b>	<b>49,420</b>	<b>49,420</b>

The Group managed eight contestable funds on behalf of government in the year ended 30 June 2022 (2021: eight). The fund monies shown in this note are not included in the Group's Statements of comprehensive revenue and expenses or Statements of Financial Position, as ownership of the monies is not vested in the Group.

This note serves to highlight the significant funding administered by the Group. The Group received \$7.28m in administration fees from MBIE in the 2022 financial year (2021: \$6.86m). Of that total, \$4.70m (2021: \$4.45m) is related to the administration of these Contestable funds.

Note 15	Deposits held on behalf of third parties	2022		2021	
		\$000's		\$000's	
		Consolidated	Parent	Consolidated	Parent
	Term deposits on behalf - James Hay	50	50	50	50
	Term deposits on behalf - Ecohydraulics	27	27	27	27
		<b>77</b>	<b>77</b>	<b>77</b>	<b>77</b>

Ownership of these funds does not rest with the Group. These deposits are not included within the assets of the Group.

Note 16	Commitments	2022		2021	
		\$000's		\$000's	
		Consolidated	Parent	Consolidated	Parent
	The group has entered into an agreement with Sharp Corporation Ltd which commits it to a guaranteed spend on copying over a four-year period, ending March 2025. A security interest to Sharp is granted in the copying equipment leased.				
	Less than 1 year	8	8	8	8
	Between 1-5 yrs	15	15	24	24
	Greater than 5 yr	-	-	-	-
		<b>23</b>	<b>23</b>	<b>32</b>	<b>32</b>

**Note 17 Contingent Liabilities**  
There are no contingent liabilities as at 30 June 2022 (2021: nil).

**Note 18 Events occurring after balance date**

There have been no significant events subsequent to balance date (2021: nil).

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Note 19	Income	2022		2021	
		Consolidated	Parent	Consolidated	Parent
		\$000's		\$000's	
	<b>Non-exchange transactions</b>				
	Income from Government Contracts	500	500	500	500
	Donations	10	-	11	1
	<b>Exchange transactions</b>				
	Income from Government Contracts	6,791	6,791	6,528	6,528
	Other income	1,381	1,276	1,911	1,480
		<b>8,683</b>	<b>8,568</b>	<b>8,950</b>	<b>8,509</b>

Contractual payments received from the Ministry of Business, Innovation and Employment are the primary source of income earned by the Society and are restricted for the purposes of the Society meeting its objectives as specified in the Royal Society of New Zealand Act 1997.

Government and non-government receipts are recognised as revenue when they become receivable unless there is an obligation to return the funds if conditions of the contract are not met. If there is such an obligation, the receipts are initially recorded as income in advance and recognised as revenue when conditions of the contract are satisfied.

**Note 20 Related parties**

There were no significant related parties transactions in either 2022 or 2021.

**Note 21 Key management personnel**

The key management personnel for 2022, as defined by PBE IPSAS 20 are the members of the governing body (the Council), Chief Executive, Chief Operating Officer and five other Directors (2021: the same). No remuneration is paid to members of Council. The aggregate remuneration of key management personnel and the number of individuals, determined on a full-time equivalent basis, receiving remuneration is as follows:

	2022		2021	
	Consolidated	Parent	Consolidated	Parent
	\$000's		\$000's	
Total remuneration	1,290	1,290	1,334	1,334
Number of persons	6.6	6.6	7	7

The **11 members** of the governing body (**the Council**) as at **30 June 2022** were: Dr Brent Clothier (President), Dr Thomas Baker, Dr Russell Burton, Dr Anthony Conner, Professor Te Kani Kingi, Professor Charlotte Macdonald, Professor Jens Mueller, Associate Professor Catriona Ng, Professor Linda Waimarie Nikora, Mrs Jennifer Pollock, Dr Dianne Sika-Paotonu.

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**Note 22 Financial Instrument Classification**

Financial instruments were classified for the purpose of measurement into the following categories.

**Consolidated**

	Loans and receivables	Other liabilities at amortised cost	Total
<b>As at 30 June 2021</b>	<b>\$000's</b>	<b>\$000's</b>	<b>\$000's</b>
Cash and cash equivalents	1,843	-	1,843
Trade and other receivables	154	-	154
Investments	7,539	-	7,539
Trade and other payables	-	(973)	(973)
	<b>9,536</b>	<b>(973)</b>	<b>8,563</b>

**As at 30 June 2022**

	\$000's	\$000's	\$000's
Cash and cash equivalents	2,528	-	2,528
Trade and other receivables	193	-	193
Investments	7,636	-	7,636
Trade and other payables	-	(1,136)	(1,136)
	<b>10,357</b>	<b>(1,136)</b>	<b>9,221</b>

**Parent**

	Loans and receivables	Other liabilities at amortised cost	Total
<b>As at 30 June 2021</b>	<b>\$000's</b>	<b>\$000's</b>	<b>\$000's</b>
Cash and cash equivalents	632	-	632
Trade and other receivables	154	-	154
Investments	3,714	-	3,714
Trade and other payables	-	(953)	(953)
	<b>4,500</b>	<b>(953)</b>	<b>3,547</b>

**As at 30 June 2022**

	\$000's	\$000's	\$000's
Cash and cash equivalents	1,717	-	1,717
Trade and other receivables	193	-	193
Investments	3,490	-	3,490
Trade and other payables	-	(1,129)	(1,129)
	<b>5,400</b>	<b>(1,129)</b>	<b>4,271</b>