



Neuroscience Research Australia

(A Company Limited By Guarantee)

ABN 94 050 110 346

General Purpose Financial Report

For the year ended 31 December 2022

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This annual report is the consolidated report for Neuroscience Research Australia ("the Company and its controlled entities"). Its registered office and principal place of business is:

Neuroscience Research Australia
Margarete Ainsworth Building
139 Barker Street
Randwick, NSW 2031

The principal activities of the entity during the financial period were the conduct of medical research in the neurosciences, development of medical research facilities and fundraising to support these activities.

Directors' Report

The directors present their report together with the consolidated financial statements of the Group comprising Neuroscience Research Australia ("the Company"), and its controlled entities, for the year ended 31 December 2022 and the auditor's report thereon.

1. Directors

The names and details of directors of the Group in office at any time during or since the end of the financial period are:

Jennifer Alexander – Nominee of Minister for Health

Jennifer Alexander was appointed Director in January 2013. She is Pro Chancellor of The University of New South Wales and a member of the UNSW Council.

Julian Adler – Independent Director

Julian Adler was appointed Director in February 2018. He is a Radiologist and CEO, Imaging Division, CEO Sonic Healthcare.

James MacNevin – Independent Director & Chair

James MacNevin was appointed Director in May 2022. He is the former Head of Asia Pacific for State Street Global Advisors.

Debra Graves - Nominee of South Eastern Sydney Local Health District

Debra Graves was appointed Director in June 2022. She is Chief Executive Officer of The Royal College of Pathologists and a member of the South Eastern Sydney Local Health District Board.

Alice Kase – Independent Director

Alice Kase was appointed Director in May 2022. She is a partner at PricewaterhouseCoopers and she resigned in March 2023.

Clyde McConaghy - Independent Director

Clyde McConaghy was appointed Director in June 2019. He is a company director on a number of public listed and private companies.

Kirsten O'Doherty – Independent Director & Deputy Chair

Kirsten O'Doherty was appointed Director in May 2022. She is the former Vice President and General Manager of Abbvie ANZ.

Sven Rogge - Nominee of University of New South Wales

Sven Rogge was appointed Director in June 2022. He is Dean of Science at the University of New South Wales.

Norbert Schweizer OAM – Independent Director

Norbert Schweizer was appointed Director in May 2022. He is the founding partner of Schweizer Kobras, Lawyers and Notaries and is an accredited business law specialist.

Barry Shepherd PSM – Independent Director

Barry Shepherd was appointed Director in May 2022. He is a consultant and a former Director Corporate Services, South Eastern Sydney and Illawarra Area Health Service and former Deputy CEO, South Eastern Sydney Area Health Service.

Colin Tate AM – Independent Director

Colin Tate was appointed Director in May 2022. He is the founder and Chief Executive of publishing company Conexus Financial.

Chris White - Nominee of South Eastern Sydney Local Health District

Chris White was appointed Director in June 2022. He is Director of Research, South Eastern Sydney Local Health District.

Directors' Report

Peter Schofield AO – Executive Director

Peter Schofield was appointed Executive Director in May 2022. He was Chief Executive Officer of Neuroscience Research Australia. He resigned in December 2022.

John Watkins AM – Independent Director

John Watkins was appointed a Director in May 2022. He is the former Deputy Premier of NSW and former CEO of Alzheimer's Australia NSW. He resigned in June 2022.

John Grill AO - Independent Director & Chair

John Grill was appointed Director in July 2010 and appointed Chairman in May 2016. He is Chairman of Worley Limited. He resigned in May 2022.

Michael Still - Nominee of South Eastern Sydney Local Health District

Michael Still was appointed Director in November 2016. He is Chairman of the South Eastern Sydney Local Health District. He resigned in May 2022.

Tobi Wilson - Nominee of South Eastern Sydney Local Health District

Tobi Wilson was appointed Director in August 2019. He is a Chief Executive of the South Eastern Sydney Local Health District. He resigned in May 2022.

Vlado Perkovic – Nominee of University of New South Wales

Vlado Perkovic was appointed Director in August 2020. He is Dean, Faculty of Medicine & Health at the University of New South Wales. He resigned in May 2022.

Emma Johnston AO – Nominee of University of New South Wales

Emma Johnston was appointed Director in February 2018. She was Dean of Science at the University of New South Wales. She resigned in March 2022.

Peter Joseph AM – Independent Director

Peter Joseph was appointed Director in February 2018 and is Chairman of the Black Dog Institute. He resigned in May 2022.

Richard Matthews AM - Nominee of South Eastern Sydney Local Health District to August, Independent Nominee from August

Richard Matthews was appointed Director in November 2011. He is a consultant and was the former Deputy Director General Strategic Development for NSW Health. He resigned in May 2022.

Mark Nelson – Independent Director

Mark Nelson was appointed Director in February 2018 and is Executive Chairman of Caledonia (Private) Investments Pty Limited. He resigned in May 2022.

Kristin Stubbins AM – Independent Director

Kristin Stubbins was appointed Director in May 2018. She is a partner at PricewaterhouseCoopers. She resigned in May 2022.

Anna Katzmann - Governing Councillor & Chair

Anna Katzmann was appointed Governing Councillor in February 2018. She is a Judge of the Federal Court of Australia. She resigned in May 2022.

Directors' Report

NeuRA Governing Council

The Governing Council was a Board Committee and oversaw the operations and functions of the NeuRA Division until May 2022, when the Governing Council again became the Board responsible for the governance of NeuRA.

The NeuRA Governing Council was responsible for setting and monitoring the strategic direction of the NeuRA Division; managing and monitoring the use of the resources of the NeuRA Division in conformity with the strategic direction of the NeuRA Division; considering and approving (if thought fit) any recommendations from FRACC for budgets for the NeuRA Division, and then recommending to the Board of the Company the adoption of budgets for the NeuRA Division; managing and monitoring the performance of the NeuRA Division against Board approved budgets; and, all other things that are incidental or conducive to the 'primary aims' of the Company as they relate to the NeuRA Division, including the execution of contracts of employment and the engagement of contractors, within the applicable delegations.

Finance, Risk, Audit and Compliance (FRAC) Committee

The FRAC Committee is a Board Committee and oversees all financial, risk, audit, and compliance aspects of NeuRA. This committee is a joint committee, providing oversight of the activities of the Group, Neuroscience Research Australia, its NeuRA Division and the Mindgardens Neuroscience Network (until 30 April 2022) and its subsidiaries, Neuroscience Research Australia Foundation, and the Schizophrenia Research Institute. The members of the FRAC Committee during the period were: Jennifer Alexander (Chair), Stephen Blackman, Barry Shepherd, Peter Ricketts and Peter Schofield.

Investment Committee

The Investment Committee oversees and makes investment recommendations to the Boards of Directors to support NeuRAs research and associated infrastructure. This committee is a joint committee, providing oversight of the activities of Neuroscience Research Australia, its NeuRA Division and the Mindgardens Neuroscience Network and its subsidiaries, Neuroscience Research Australia Foundation, and the Schizophrenia Research Institute. The members of the Investment Committee during the period were: Clyde McConaghy (Chair), Christine Cameron, Peter Schofield, and Steve Tucker. The committee met on 4 occasions.

Nomination & Remuneration Committee

The nomination committee reviews the balance of skills, experience and diversity of the Boards and Committees to ensure the Directors and members are of the highest value to the Group. This committee is a joint committee, providing oversight of the activities of Neuroscience Research Australia, its NeuRA Division and the Mindgardens Neuroscience Network (until 30 April 2022) and its subsidiaries, Neuroscience Research Australia Foundation, and the Schizophrenia Research Institute. The members of the Nomination and Remuneration Committee during the period were: James MacNevin (Chair), Kirsten O'Doherty, and Colin Tate. The Committee met on 1 occasion.

Non-Executive Directors

Non-executive directors were not paid any compensation during the period.

Directors' Report

Directors' Meetings

The number of directors' meetings (including meetings of committees of directors) and number of meetings attended by each of the directors of the Group during the financial period are:

Director	Board		Governing Council	
	A	B	A	B
Mr John Grill AO	2	2	0	0
Prof Vlado Perkovic	2	2	0	0
Mr Michael Still	2	2	0	0
Mr Tobi Wilson	2	2	0	0
Dr Julian Adler	6	5	2	2
Dr Jennifer Alexander	6	6	0	0
Prof Peter Joseph AM	2	2	0	0
Mr Richard Matthews AM	2	1	0	0
Mr Clyde McConaghy	6	6	2	1
Dr Mark Nelson	2	1	0	0
Ms Kristin Stubbins AM	2	2	0	0
Justice Anna Katzmann	0	0	2	1
Mr James MacNevin	4	4	2	0
Prof Sven Rogge	4	3	2	2
Dr Debra Graves OAM	4	3	2	2
A/Prof Chris White	4	4	2	2
Ms Alice Kase	4	4	2	2
Mr Clyde McConaghy	4	4	2	2
Mrs Kirsten O'Doherty	4	2	2	2
Mr Norbert Schweizer OAM	4	4	2	2
Mr Barry Shepherd PSM	4	2	2	2
Mr Colin Tate AM	4	4	2	2
The Hon John Watkins AM	1	1	2	2

A - Number of meetings held during the time the director held office during the period

B - Number of meetings attended

Company Secretary

Dr Kate Johnston was appointed Company Secretary in April 2018 and resigned in November 2022. Felicity Forsyth was appointed Company Secretary in November 2022.

2. Principal activities

The principal activities of the Group during the course of the financial period were the conduct of medical research, the development of medical research facilities and fundraising activities. Included within the Group are Neuroscience Research Australia, Neuroscience Research Australia Foundation, Schizophrenia Research Institute and StandingTall Pty Ltd. Accordingly, consolidated (Mindgardens and NeuRA Divisions) financial statements have been prepared. Mindgardens was only part of the NeuRA group up until 30 April 2022.

Directors' Report

3. Performance

The Group loss for the year ended 31 December 2022 was \$9,259,037 (2021: Surplus of \$10,176,296). During the period the Group received research grants from the National Health and Medical Research Council and various other grant giving bodies to fund research programs and grants from the State Government in respect of research infrastructure. The Group also received donations and conducted fundraising activities, the proceeds of which were used to fund current and future medical research activities. The downturn from the previous year surplus is due to a decrease in multiple income streams namely research grants (\$9m), donations (\$5m) and finance income (\$5m).

During the year, and as intended, the Mindgardens Neuroscience Network portion of the Neuroscience Research Australia consolidated entity was transferred to the Mindgardens Neuroscience Network Ltd (ACN 640 902 530) company. This transfer took effect from the 1st of May 2022. Neuroscience Research Australia consolidated entity results include a sum of \$3,313,177 being transfer of accumulated surpluses of the Mindgardens Neuroscience Network portion since 1st January 2018 when the Mindgardens Alliance first came into effect.

Research grants income is typically recognised as income in the year of receipt but expenditure is often spread over successive years. This results in surpluses in some years and deficits in others. Such surpluses in previous years due to unspent grant funds have been utilised in the current year ended 31 December 2022 and will continue to be used in future years.

4. Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Group that occurred during the financial year under review.

5. Events subsequent to reporting date

NeuRA instituted Supreme Court action to recover costs associated with the replacement of faulty cladding material primarily on the Margarete Ainsworth Building and connections to adjacent villas. The work is required to satisfy and comply with an Order by the Department of Planning and Environment. The action is ongoing and aims to recover at least some of the cost of legal fees, replacement of Phase 1 Cladding and estimated cost of replacing Phase 2 Cladding, against parties involved in the construction of the building.

Other than the matters detailed above, there have been no events subsequent to balance date which would have a material effect on the Group's financial statements at 31 December 2022.

6. Likely developments and expected operating results

The entity will continue to pursue the principal activities of the Group during the financial period being the conduct of medical research, the development of medical research facilities and fundraising activities.

7. Insurance of directors and officers

During the financial year, insurance for directors, the secretary and certain officers of the entity was provided by Chubb Insurance.

8. Environmental regulation

The entity's operations include research on genetically modified laboratory animals and as such complies with the Office of Gene Technology Regulator (OGTR) which is a part of the Commonwealth Government.

Directors' Report

9. Objectives and Strategy

The Group's principal activities were the conduct of medical research in the neurosciences, development of medical research facilities and fundraising to support these activities.

Our vision is to improve the health and lives of those living with brain and nervous system disorders. The mission is implemented through a Strategic Plan (2022-2024) which focuses on discovering solution for neurodegeneration, mental health and healthy ageing through world-class medical research.

Annual measures of success include attracting research group leaders, attracting larger grants and philanthropic support received, and partner with clinical researchers and industry to drive impact and innovation to improve health outcomes for all Australians.

10. Members liability

The Group is a company limited by guarantee and without share capital. In accordance with the constitution of the Group, every member of the Group undertakes to contribute an amount limited to \$20 per member to the assets of the Group in the event of it being wound up while he or she is a member or within one year afterwards for payment of the debts and liabilities of the Group contracted before he or she ceases to be a member and of the costs, charges, and expenses of winding up and for the adjustment of the rights of the contributories among themselves. The total amount that members of the Group are liable to contribute if the Group is wound up is \$220 (2021: \$220).

11. Auditor's independence declaration under subdivision 60-C section 60-40 of Australian Charities and Not-for-Profits Commission Act 2012

The Lead Auditor's independence declaration is set out on page 9 and forms part of the Directors report for the financial year ended 31 December 2022.

Signed in accordance with a resolution of the directors:



James MacNevin
Chairman
Date: 11 May 2023
Sydney



Carole Renouf
Interim Chief Executive Officer
Date: 11 May 2023
Sydney



Auditor's Independence Declaration under subdivision 60- C section 60-40 of Australian Charities and Not-for-profits Commission Act 2012

To: the members of Neuroscience Research Australia

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 31 December 2022 there have been:

- i. No contraventions of the auditor independence requirements as set out in the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- ii. No contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Warwick Shanks
Partner

Sydney
11 May 2023

Consolidated Statement of Total Comprehensive Income

For the year ended 31 December 2022

	Note	2022 \$	2021 \$
REVENUE			
Grant Revenue	2	19,805,104	28,465,667
Donations and Fundraising		5,905,860	10,731,785
Jobkeeper		-	12,500
Sale of Goods		13,725	12,576
Conference Revenue		85,126	144,132
Laboratory Services		454,277	287,944
Sponsorship Income		4,200	80
Other Revenues from Ordinary Activities		376,870	838,624
TOTAL REVENUE		26,645,162	40,493,308
EXPENSES			
Personnel Expense	3	(17,769,019)	(18,514,569)
Contribution to Mindgardens		(3,313,177)	-
Other Expenses	4	(8,984,866)	(11,012,358)
Depreciation expense	5	(2,522,066)	(2,727,999)
(LOSS)/SURPLUS FROM OPERATIONS		(5,943,966)	8,238,382
Finance Income	6	1,439,187	2,240,676
Finance Expenses	6	(4,754,258)	(302,762)
NET FINANCE (COST)/INCOME		(3,315,071)	1,937,914
(LOSS)/SURPLUS FOR THE YEAR		(9,259,037)	10,176,296
Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME		(9,259,037)	10,176,296

The Group administered the Mindgardens Alliance on behalf of the Mindgardens Alliance members up until 30 April 2022. As such, Mindgardens Alliance funds are included within the balances in the Consolidated Statement of Total Comprehensive Income up until this date.

Consolidated Statement of Financial Position

As at 31 December 2022

	Note	2022 \$	2021 \$
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	7	2,703,360	1,883,373
Trade and Other Receivables	8	2,586,618	5,846,086
Other Financial Assets	9	38,427,745	47,863,832
Inventories		17,554	20,183
TOTAL CURRENT ASSETS		43,735,277	55,613,474
NON CURRENT ASSETS			
Property, Plant and Equipment	10	55,646,737	57,144,218
TOTAL NON CURRENT ASSETS		55,646,737	57,144,218
TOTAL ASSETS		99,382,014	112,757,692
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables	11	3,530,592	1,877,958
Employee Benefits	12	2,760,140	2,968,984
Deferred Revenue	13	1,697,229	7,122,818
TOTAL CURRENT LIABILITIES		7,987,961	11,969,760
NON CURRENT LIABILITIES			
Employee Benefits	12	260,025	394,867
TOTAL NON CURRENT LIABILITIES		260,025	394,867
TOTAL LIABILITIES		8,247,986	12,364,627
NET ASSETS		91,134,028	100,393,065
MEMBERS' FUNDS			
Retained Surplus - Schizophrenia Research Institute		1,648	1,208,785
Retained Surplus		91,132,380	95,562,347
Retained Surplus - Mindgardens Alliance		-	3,621,933
TOTAL MEMBERS' FUNDS		91,134,028	100,393,065

Consolidated Statement of Changes in Members' Funds

For the year ended 31 December 2022

	Retained Surplus - Schizophrenia Research Institute \$	Retained Surplus- Institute & Foundation \$	Retained Surplus - Mindgardens Alliance \$	Group Total \$
BALANCE AT 1 JANUARY 2021	1,507,911	87,470,773	1,238,085	90,216,769
Surplus for the year	-	10,176,296	-	10,176,296
TOTAL COMPREHENSIVE INCOME	-	10,176,296	-	10,176,296
Recognition of operating result of Schizophrenia Research Institute	(299,126)	299,126	-	-
Recognition of operating result of Mindgardens Alliance	-	(2,383,848)	2,383,848	-
BALANCE AT 31 DECEMBER 2021	1,208,785	95,562,347	3,621,933	100,393,065
(Loss) for the year	-	(9,259,037)	-	(9,259,037)
TOTAL COMPREHENSIVE INCOME	-	(9,259,037)	-	(9,259,037)
Recognition of operating result of Schizophrenia Research Institute	(1,207,137)	1,207,137	-	-
Recognition of operating result of Mindgardens Alliance	-	308,756	(308,756)	-
Derecognition of Mindgardens Alliance	-	3,313,177	(3,313,177)	-
BALANCE AT 31 DECEMBER 2022	1,648	91,132,380	-	91,134,028

Consolidated Statement of Cash Flows

For the year ended 31 December 2022

	2022	2021
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Grants received	19,619,493	28,670,755
Receipts from donations and fundraising	5,905,860	10,731,785
Jobkeeper payment receipt	-	12,500
Conference receipts	93,637	158,545
Laboratory services	499,705	316,738
Interest received	221,842	187,337
Other	434,275	936,408
Payments to suppliers and employees	(27,495,874)	(32,706,568)
NET CASH PROVIDED BY OPERATING ACTIVITIES	(721,062)	8,307,500
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	-	221
Net investments in other financial assets	4,736,499	(10,072,548)
Acquisitions of property, plant and equipment	(1,044,948)	(326,137)
Dividends received from investments	1,162,675	1,205,555
Disposal of controlled entity	(3,313,177)	-
NET CASH USED IN INVESTING ACTIVITIES	1,541,049	(9,192,909)
NET DECREASE IN CASH AND CASH EQUIVALENTS	819,987	(885,409)
Cash and cash equivalents at the beginning of the financial year	1,883,373	2,768,782
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	2,703,360	1,883,373

Notes to the Consolidated Financial Statements

For the year ended 31 December 2022

Note 1 Accounting Policies

REPORTING ENTITY

Neuroscience Research Australia (the 'Company') is domiciled in Australia. The Company's registered office is at Margarete Ainsworth Building 139 Barker St, Randwick, NSW, 2031. These consolidated financial statements comprise the Company and its subsidiaries (together referred to as the "Group").

The Group is a non-for-profit entity and is primarily involved in the conduct of medical research, the development of medical research facilities and fundraising activities.

BASIS OF PREPARATION

a) Statement of Compliance

These consolidated financial statements are general purpose financial statements for distribution to the members and for the purpose of fulfilling the requirements of the Australian Charities and Not-for-Profits Commission Act 2012. They have been prepared in accordance with Australian Accounting Standards - Simplified Disclosures made by the Australian Accounting Standards Board and the Australian Charities and Not-for-Profits Commission Act 2012.

These consolidated financial statements are the first general purpose financial statements prepared in accordance with Australian Accounting Standards - Simplified Disclosures. In the prior year the consolidated financial statements were general purpose financial statements prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements. There was no impact on the recognition and measurement of amounts recognised in the consolidated statements of financial position, total comprehensive income and cash flows of the Group as a result of the change in the basis of preparation. The consolidated financial statements do not comply with International Financial Reporting Standards (IFRS) as the Group has adopted the exemptions allowed for-not-for-profit organisations under AASB 101 Presentation of financial statements.

These consolidated financial statements were authorised for issue by the Board of Directors as of the date of the Directors Declaration.

b) Basis of measurement

The consolidated financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes.

c) Functional and presentation currency and rounding

These consolidated financial statements are presented in Australian dollars, which is the Group's functional currency. There is no rounding in the financial statements.

d) Use of judgements and estimates

In preparing these consolidated financial statements, management has made judgements and estimates that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Details of the specific judgement, estimates and assumptions that have the most significant effects on the amounts recognised in the consolidated financial statements are summarised in the Notes.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2022

e) Going Concern

The consolidated financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business.

CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

The Group has initially adopted the following standard and amendments from 1 January 2022.

- AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities;
- AASB 2020-2 Amendments to Australian Accounting Standards - Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities.

The above standard and amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

A number of other new standards are also effective from 1 January 2022 but they do not have a material effect on the Group's financial statements.

BASIS OF CONSOLIDATION

i. Subsidiaries

Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

ii. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with associates are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

iii. Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

INCOME TAX

The Group is a registered charity and is exempt from income tax under s50-5 of the Income Tax Assessment Act 1997.

INVENTORIES

Inventories are measured at the lower of cost and net realisable value.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2022

PROPERTY, PLANT & EQUIPMENT

i. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in surplus or loss.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

iii. Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the diminishing value method over their estimated useful lives, and is generally recognised in surplus or loss. Land is not depreciated.

The estimated depreciation rates of property, plant and equipment for current and comparative periods are as follows:

	2022	2021
Leasehold improvements	3.03%	3.03%
Motor vehicles	22.50%	22.50%
Plant and Equipment	3.00-33.00%	3.00-33.00%
Furniture and Fittings	20.00%	20.00%
Buildings	3.09%	3.09%

Depreciation methods, depreciation rates and residual values are reviewed at each reporting date and adjusted if appropriate.

FINANCIAL INSTRUMENTS

i. Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at amortised cost or fair value through profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

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

- it is held within a business model whose objective is to hold assets to collect contractual cash; and

Notes to the Consolidated Financial Statements

For the year ended 31 December 2022

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets not classified as measured at amortised cost as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets in the “at amortised cost” category particularly include trade accounts receivable (not including factoring), cash and cash equivalents and other receivables.

Cash equivalents are short-term, extremely liquid financial investments that can be converted to cash at any time and that are only subject to insignificant risks of changes in value.

Financial assets - Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in surplus or loss.
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 loss. Any gain or loss on derecognition is recognised in surplus or loss.

Financial liabilities - Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in surplus or loss. Other 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 loss. Any gain or loss on derecognition is also recognised in surplus or loss.

Financial liabilities in the category “at amortised cost” are mainly liabilities (borrowings) to banks and trade accounts payables.

iii. Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2022

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fairvalue.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in surplus or loss.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

EMPLOYEE BENEFITS

i. Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in surplus or loss in the periods during which services are rendered by employees.

iii. Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in surplus or loss in the period in which they arise. The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the terms of the consolidated entity's obligations.

REVENUE & OTHER INCOME

Revenue from contracts with customers is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer. Revenue is recognised and measured at the fair value of the consideration or contributions received, net of goods and services tax ("GST") or similar taxes, to the extent it is probably that the economic benefits will flow to the Group and the revenue can be reliably measured.

None of the revenue streams of the Group have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Grant income (Research)

Government and other grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and that the Group will comply with the conditions associated with the grant. Grants that compensate the Group for expenses incurred are recognised in surplus or loss as other income on a systematic basis in the same periods in which the expenses are recognised.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2022

Grant income (Non-research)

Grant income arising from an agreement which contains enforceable and sufficiently specific performance obligations is recognised when control of each performance obligations is satisfied.

Within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract.

Where control is transferred over time, generally the revenue is recognition based on either cost or time incurred which best reflects the transfer of control.

Sale of goods

Revenue from sales of goods comprises revenue earned from the sale of goods purchased for resale and gifts donated for resale. Sales revenue is recognised when the control of goods passes to the customer which is at the time that the goods are physically transferred. None of the items sold have any warranty attached to them.

Revenue

Revenue recognition policy for revenue streams which are either not enforceable or do not have sufficiently specific performance obligations (AASB 1058).

Grant income (Non-research)

Assets arising from grants in the scope of AASB 1058 are recognised at their fair value when the asset is received. These assets are generally cash but may be property which has been donated or sold to the Group at significantly below its fair value.

Once the asset has been recognised, the Group recognises any related liability amounts (e.g. provisions, financial liabilities).

Once the assets and liabilities have been recognised then income is recognised for any difference between the recorded asset and liability.

Revenue from fundraising

Donations

Donations collected, including cash and goods for resale, are recognised as revenue when the Group gains control of the asset.

Bequests

Bequests are recognised when the Group is notified of an impending distribution or the bequest is received, whichever occurs earlier.

Revenue from bequests comprising of shares or other property are recognised at fair value, being the market value of the shares or property at the date the Group becomes legally entitled to the shares or property.

Significant estimates and judgements relating to revenue

For many of the grant agreements received, the determination of whether the contract includes sufficiently specific performance obligations was a significant judgement involving discussions with several parties at the Group, review of the proposal documents prepared during the grant application phase and consideration of the terms and conditions.

Grants received by the Group have been accounted for under both AASB 15 and AASB 1058 depending on the terms and conditions and decisions made.

If this determination was changed then the revenue recognition pattern would be different from that recognised in this financial report.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2022

GOODS AND SERVICES TAX (GST)

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified within operating cash flows.

FINANCE INCOME AND FINANCE COSTS

Finance income comprises interest income on funds invested, dividend income and changes in the fair value of financial assets at fair value through surplus or loss. Interest income is recognised as it accrues in profit or loss using the effective interest method. Dividend income is recognised in surplus or loss on the date on which the Group's right to receive payment is established.

	2022	2021
Note 2 Grant Revenue	\$	\$
RESEARCH GRANTS		
Research income	11,989,363	18,692,919
Infrastructure - MRSP	3,744,914	4,095,369
Infrastructure - UNSW	2,696,902	3,959,316
Infrastructure - Other	303,245	266,306
Commonwealth grant	1,070,680	1,451,757
TOTAL GRANT REVENUE	19,805,104	28,465,667

	2022	2021
Note 3 Personnel Expense	\$	\$
Wages, salaries and other personnel expenses	14,708,473	15,720,073
Contributions to superannuation funds	1,434,332	1,453,143
Increase in liability for annual leave	1,131,773	1,102,030
Increase in liability for long service leave	494,441	239,323
TOTAL PERSONNEL EXPENSE	17,769,019	18,514,569

Notes to the Consolidated Financial Statements

For the year ended 31 December 2022

	2022	2021
Note 4 Other Expenses	\$	\$
Grant reimbursement	1,246,577	3,449,124
Cost of sales	2,629	6,006
Insurance	317,497	262,523
Fundraising costs	549,523	523,841
Travel	299,056	50,022
Repairs and maintenance	668,203	348,397
Consultants	491,272	426,224
Conference expenses	58,912	42,618
Scholarships	472,276	389,214
Laboratory supplies	657,383	506,834
Other	4,221,538	5,007,555
TOTAL OTHER EXPENSES	8,984,866	11,012,358
	2022	2021
Note 5 Depreciation expense	\$	\$
Depreciation	2,288,490	2,487,124
Amortisation	233,576	240,875
TOTAL DEPRECIATION EXPENSE	2,522,066	2,727,999
	2022	2021
Note 6 Net Finance Costs	\$	\$
Interest income	221,842	187,337
Dividend income	1,162,675	1,205,555
Foreign exchange gains	54,670	10,661
Realised & unrealised gains from financial assets	-	837,123
FINANCE INCOME	1,439,187	2,240,676
Realised losses from financial assets	1,446,514	-
Unrealised losses from financial assets	3,118,490	-
Interest expense	-	119,378
Investment management fees	171,819	162,290
Bank charges	17,435	21,094
FINANCE EXPENSE	4,754,258	302,762
TOTAL NET FINANCE (COST)/INCOME	(3,315,071)	1,937,914

Notes to the Consolidated Financial Statements

For the year ended 31 December 2022

	2022	2021
Note 7 Cash and Cash Equivalents	\$	\$
Cash on hand	12,400	12,950
Bank balances	2,690,960	1,870,423
TOTAL CASH AND CASH EQUIVALENTS	2,703,360	1,883,373
	2022	2021
Note 8 Trade and Other Receivables	\$	\$
TRADE AND OTHER RECEIVABLES		
Trade receivables	1,672,157	479,896
Sundry receivables	606,927	449,771
Prepayments	307,534	4,916,419
TOTAL TRADE AND OTHER RECEIVABLES	2,586,618	5,846,086
	2022	2021
Note 9 Other Financial Assets	\$	\$
CURRENT		
Financial assets - fair value through profit or loss	34,427,745	40,863,832
Term deposits with maturity <3 months	4,000,000	7,000,000
TOTAL OTHER FINANCIAL ASSETS	38,427,745	47,863,832

Notes to the Consolidated Financial Statements

For the year ended 31 December 2022

Note 10 Property, Plant and Equipment

Leasehold Improvements

The Medical Research Buildings are located on State Crown land managed by South Eastern Sydney Local Health Network. Rent is \$1 per year and operating expenses, as agreed, are paid annually. The term of the lease is 25 years, terminating on 30 June 2025 with an option to renew for one further term of 25 years. All improvements upon the land have been funded by Neuroscience Research Australia through State and Federal Government grants and donations.

	Building	Leasehold Improvements	Motor Vehicles	Plant and Equipment	Furniture and Fittings	Computer Software	Computer & Electronics	Assets under construction	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
COST									
Balance at 1 January 2021	59,597,849	15,510,578	62,795	14,264,149	2,929,156	367,792	238,089	47,517	93,017,925
Reclassification	-	-	-	(735,379)	-	(231)	694,485	-	(41,125)
Acquisitions	-	22	-	175,305	-	103,126	89,309	158,524	526,286
Disposals	-	-	-	(200,000)	-	-	(4,186)	-	(204,186)
BALANCE AT 31 DECEMBER 2021	59,597,849	15,510,600	62,795	13,504,075	2,929,156	470,687	1,017,697	206,041	93,298,900
Balance at 1 January 2022	59,597,849	15,510,600	62,795	13,504,075	2,929,156	470,687	1,017,697	206,041	93,298,900
Reclassification	-	1,062,670	-	-	-	-	-	(1,062,670)	-
Acquisitions	-	-	-	91,826	-	-	96,493	856,629	1,044,948
Disposal	-	-	-	(101,636)	-	-	(7,402)	-	(109,038)
BALANCE AT 31 DECEMBER 2022	59,597,849	16,573,270	62,795	13,494,265	2,929,156	470,687	1,106,788	-	94,234,810

Notes to the Consolidated Financial Statements

For the year ended 31 December 2022

	Building	Leasehold Improvements	Motor Vehicles	Plant and Equipment	Furniture and Fittings	Computer Software	Computer & Electronics	Assets under construction	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
DEPRECIATION AND AMORTISATION									
Balance at 1 January 2021	13,579,359	7,560,922	56,716	9,697,273	2,147,600	226,973	202,781	-	33,471,624
Reclassification	-	-	-	(423,593)	-	(231)	382,698	-	(41,126)
Depreciation/amortisation charge for the period	1,395,901	240,875	1,367	821,383	156,929	33,989	77,555	-	2,727,999
Disposals	-	-	-	-	-	-	(3,815)	-	(3,815)
BALANCE AT 31 DECEMBER 2021	14,975,260	7,801,797	58,083	10,095,063	2,304,529	260,731	659,219	-	36,154,682
Balance at 1 January 2022	14,975,260	7,801,797	58,083	10,095,063	2,304,529	260,731	659,219	-	36,154,682
Depreciation/amortisation charge for the period	1,352,711	233,576	1,060	691,587	122,554	41,991	78,587	-	2,522,066
Disposals	-	-	-	(84,275)	-	-	(4,400)	-	(88,675)
BALANCE AT 31 DECEMBER 2022	16,327,971	8,035,373	59,143	10,702,375	2,427,083	302,722	733,406	-	38,588,073
CARRYING AMOUNTS									
At 1 January 2021	46,018,490	7,949,656	6,079	4,566,876	781,556	140,819	35,308	47,517	59,546,301
AT 31 DECEMBER 2021	44,622,589	7,708,803	4,712	3,409,012	624,627	209,956	358,478	206,041	57,144,218
At 1 January 2022	44,622,589	7,708,803	4,712	3,409,012	624,627	209,956	358,478	206,041	57,144,218
AT 31 DECEMBER 2022	43,269,878	8,537,897	3,652	2,791,890	502,073	167,965	373,382	-	55,646,737

Notes to the Consolidated Financial Statements

For the year ended 31 December 2022

	2022	2021
Note 11 Trade and Other Payables	\$	\$
Trade payables	924,623	327,338
Other payables and accrued expenditure	1,051,432	1,550,620
Related Party Payables	1,554,537	-
TOTAL TRADE AND OTHER PAYABLES	3,530,592	1,877,958

	2022	2021
Note 12 Employee Benefits	\$	\$
CURRENT		
Liability for annual leave	1,024,063	1,312,791
Liability for long service leave	1,736,077	1,656,193
TOTAL CURRENT	2,760,140	2,968,984
NON-CURRENT		
Liability for long service leave	260,025	394,867
TOTAL NON-CURRENT	260,025	394,867

	2022	2021
Note 13 Deferred Revenue	\$	\$
Research grant deferred revenue	-	500,000
Infrastructure deferred revenue	1,697,229	2,047,685
Mindgardens funding	-	4,495,961
Other funding	-	79,172
TOTAL DEFERRED REVENUE	1,697,229	7,122,818

Note 14 Contingent Liabilities

The Group has a contingent liability at 31 December 2022 relating to expected replacement costs for the existing cladding on the building at 139 Barker Street, Randwick NSW 2031 known as the NeuRA Margarete Ainsworth Building.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2022

	2022	2021
	\$	\$
Note 15 Auditors Remuneration		
AUDIT AND REVIEW SERVICES		
Audit of financial statements	53,480	53,100
Audit of Foundation Public Ancillary Fund Compliance	2,655	2,445
	<u>56,135</u>	<u>55,545</u>
OTHER SERVICES		
Compilation of financial statements	10,065	11,770
Charitable Fundraising Act Procedures	4,435	4,085
Advisory services	106,685	-
	<u>121,185</u>	<u>15,855</u>

Note 16 Mindgardens Neuroscience Network

During the year, and as intended, the Mindgardens Neuroscience Network portion of the Neuroscience Research Australia consolidated entity was transferred to the Mindgardens Neuroscience Network Ltd (ACN 640 902 530) company. This transfer took effect from the 1st of May 2022.

Neuroscience Research Australia consolidated entity results include a sum of \$3,313,177 being transfer of accumulated surpluses of the Mindgardens Neuroscience Network division since 1st January 2018 when the Mindgardens Alliance first came into effect.

	2022	2021
	\$	\$
Commonwealth grant	-	1,451,757
UNSW research income	-	-
Industry funding	192,518	1,029,853
Donations received	-	2,097,989
Salaries recovery	-	400,000
Finance income	21,101	27,115
	<u>213,619</u>	<u>5,006,714</u>
Mindgardens Neuroscience network expenses	(522,375)	(2,622,866)
MINDGARDENS NEUROSCIENCE NETWORK SURPLUS	<u>(308,756)</u>	<u>2,383,848</u>

Notes to the Consolidated Financial Statements

For the year ended 31 December 2022

Note 17 Related Parties

Transactions with key management personnel

In addition to their salaries, the Group contributes to accumulation contribution superannuation funds on their behalf.

Key management personnel compensation

The key management personnel compensation included in 'personnel expenses' (see Note 3) are as follows:

	2022	2021
	\$	\$
Key management personnel compensation	2,188,718	1,564,613
TOTAL KEY MANAGEMENT PERSONNEL COMPENSATION	2,188,718	1,564,613

No other key management transactions outside those noted were identified during the year.

Identity of Related Parties

The Group has a related party relationship with its controlled entities, associates, and with its key management personnel.

Other Related Party Transactions

	2022	2021
	\$	\$
South Eastern Sydney Local Health Network - Rent paid	1	1
UNSW - Infrastructure funds received	2,696,902	3,959,316
UNSW - Grants received	9,266,097	16,416,083
UNSW - Lab consumables & other purchases	36,174	20,436
UNSW - Mindgardens Alliance - salary recovery funding	-	400,000
Donations received from Neuroscience Research Australia Foundation	3,746,752	3,285,843
Donations received from Schizophrenia Research Institute	-	-
Research Expenses received from Schizophrenia Research Institute	1,082,935	424,931
Interest expensed to Neuroscience Research Australia Foundation*	181,383	119,378

* On 12 December 2013, Neuroscience Research Australia entered into a loan facility as borrower with Neuroscience Research Australia Foundation. In December 2022 the year's interest expense of \$181,383 was paid. The loan facility balance at the end of the year is \$5,000,000.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2022

Transactions with director-related entities

All transactions with director-related entities are provided under normal commercial terms and conditions.

Controlled entities

Particulars in relation to controlled entities	2022	2021
Neuroscience Research Australia is the ultimate parent entity		
CONTROLLED ENTITIES		
Neuroscience Research Australia Foundation (Public Company Limited by Guarantee)	100%	100%
Neuroscience Research Australia Foundation (Charitable Trust)	100%	100%
Schizophrenia Research Institute	100%	100%
StandingTall Pty Ltd	100%	100%
	2022	2021
Note 18 Capital and Other Commitments	\$	\$
Within one year	6,601	12,409
One year or later and no later than five	-	6,601
	<u>6,601</u>	<u>19,010</u>

Commitments are in relation to the operating lease of photocopiers.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2022

Note 19 Parent Entity

As at, and throughout, the financial year ended 31 December 2022 the parent entity of the Group was Neuroscience Research Australia.

	2022	2021
	\$	\$
RESULTS OF THE PARENT ENTITY		
(Loss)/Surplus for the Year	(6,921,041)	6,063,062
Other Comprehensive Income	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	(6,921,041)	6,063,062
FINANCIAL POSITION OF THE PARENT ENTITY AT THE YEAR END		
Current Assets	31,394,567	40,383,236
Total Assets	87,041,305	97,527,453
Current Liabilities	(7,717,357)	(12,096,015)
Total Liabilities	(12,977,382)	(16,542,489)
TOTAL MEMBERS FUNDS TO THE PARENT ENTITY COMPRISING OF		
Retained Surplus	(74,063,924)	80,984,964
TOTAL MEMBERS FUNDS	(74,063,924)	80,984,964

Notes to the Consolidated Financial Statements

For the year ended 31 December 2022

Note 20 Fundraising Appeals Conducted During the Financial Period by the Neuroscience Research Australia Foundation

During the period, fundraising appeals conducted by the Neuroscience Research Australia Foundation for the acceptance of donations and a capital campaign for building development.

	2022	2021
	\$	\$
RESULTS OF FUNDRAISING APPEALS		
Gross proceeds from fundraising	5,905,860	8,633,796
Less: Direct costs of fundraising	(1,967,691)	(1,724,339)
NET SURPLUS OBTAINED FROM FUNDRAISING APPEALS	<u>3,938,169</u>	<u>6,909,457</u>
This surplus was allocated to:		
Expenditure on research	3,301,535	2,811,190
Transfer of accumulated funds for future research expenditure	636,634	4,098,267
TOTAL ALLOCATION	<u>3,938,169</u>	<u>6,909,457</u>

The results of the fundraising appeals includes the Group.

Note 21 Subsequent Events

NeuRA instituted Supreme Court action to recover costs associated with the replacement of faulty cladding material primarily on the Margarete Ainsworth Building and connections to adjacent villas. The work is required to satisfy and comply with an Order by the Department of Planning and Environment. The action is ongoing and aims to recover at least some of the cost of legal fees, replacement of Phase 1 Cladding and estimated cost of replacing Phase 2 Cladding, against parties involved in the construction of the building.

Other than the matters detailed above, there have been no events subsequent to balance date which would have a material effect on the Group's financial statements at 31 December 2022.

Neuroscience Research Australia
ABN 94 050 110 346

Declaration by the Directors'

In the opinion of the Directors of Neuroscience Research Australia (the "Company"):

- a) The consolidated financial statements and notes set out on pages 10 to 30 are in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012*, including:
 - i) giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance, for the financial year ended on that date; and
 - ii) complying with Australian Accounting Standards - Simplified Disclosure Requirements and the *Australian Charities and Not-for-Profits Commission Act 2012*.
- b) There are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.



James MacNevin
Chairman
Date: 11 May 2023
Sydney



Carole Renouf
Interim Chief Executive Officer
Date: 11 May 2023
Sydney

Declaration by Responsible Officer in Respect of Fundraising Appeals

For the year ended 31 December 2022

I, Carole Renouf, Interim Chief Executive Officer and responsible officer of Neuroscience Research Australia, declare in my opinion that:

- a) the financial report gives a true and fair view of all income and expenditure of Neuroscience Research Australia with respect to fundraising appeal activities for the year ended 31 December 2022;
- b) the statement of financial position gives a true and fair view of the state of affairs with respect to fundraising appeal activities for the year ended 31 December 2022;
- c) the provisions of the Charitable Fundraising Act 1991 (NSW) and the conditions attached to the authority have been complied with for the year ended 31 December 2022; and
- d) the internal controls exercised by Neuroscience Research Australia are appropriate and effective in accounting for all income received and applied from any fundraising appeals.



James MacNevin
Chairman
Date: 11 May 2023
Sydney



Carole Renouf
Interim Chief Executive Officer
Date: 11 May 2023
Sydney



Independent Auditor's Report

To the members of Neuroscience Research Australia

Opinion

We have audited the **Financial Report**, of the Neuroscience Research Australia (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*, and sections 23(1)(d) and 24B of the *Charitable Fundraising Act (NSW) 1991*, including:

- i. Giving a true and fair view of the Group's financial position as at 31 December 2022, and of its financial performance and its cash flows for the year ended on that date; and
- ii. Complying with *Australian Accounting Standards – Simplified Disclosures Framework* and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013 (ACNCR)* and section 21 of the *Charitable Fundraising Regulation (NSW) 2021*.

The **Financial Report** comprises:

- i. Consolidated statement of financial position as at 31 December 2022.
- ii. Consolidated statement of total comprehensive income, Consolidated statement of changes in members' funds, and Consolidated statement of cash flows for the year then ended.
- iii. Notes including a summary of significant accounting policies.
- iv. Directors' declaration of the Company.
- v. Declaration by the Chief Executive Officer in respect of the fundraising appeals of the Company.

The Group consists of the Company and the entities it controlled at the year end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.



We are independent of the Group in accordance with the auditor independence requirements of the *ACNC Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Other information

Other Information is financial and non-financial information in Neuroscience Research Australia's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

The Other Information we obtained prior to the date of this Auditor's Report was the Directors Report.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- i. Preparing the Financial Report that gives a true and fair view in accordance with Australian Accounting Standards - Simplified Disclosures Framework and the ACNC and ACNCR and sections 23(1)(d) and 24B of the *Charitable Fundraising Act (NSW) 1991* and section 21 of the *Charitable Fundraising Regulation (NSW) 2021*.
- ii. Implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.
- iii. Assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- i. To obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- ii. 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 *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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 this Financial Report.

As part of an audit in accordance with *Australian Auditing Standards*, we exercise professional judgement and maintain professional scepticism throughout the audit.

We also:

- i. Identify and assess the risks of material misstatement of the Financial Report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ii. Obtain an understanding of internal control relevant to the Audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the registered Group's internal control.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- iv. Conclude on the appropriateness of the Directors' of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the registered Group and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Financial Report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the registered Group and Company to cease to continue as a going concern.
- v. Evaluate the overall presentation, structure and content of the Financial Report, including the disclosures, and whether the Financial Report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors of the registered Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG

Warwick Shanks

Partner

Sydney

11 May 2023