



# Neuroscience Research Australia

(A Company Limited By Guarantee)

ABN 94 050 110 346

General Purpose Financial Report

For the year ended 31 December 2023

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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

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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 2023 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:

*Julian Adler – Independent Director*

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

*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.

*Debra Graves - Nominee of South Eastern Sydney Local Health District*

Debra Graves was appointed Director in June 2022. She was Chief Executive Officer of The Royal College of Pathologists and is Chair of the South Eastern Sydney Local Health District Board. She resigned in August 2023.

*Alice Kase\* – Independent Director*

Alice Kase was appointed Director in June 2016 and again in May 2022. She is a partner at PricewaterhouseCoopers. She resigned in March 2023.

*Clyde McConaghy\* - Independent Director*

Clyde McConaghy was appointed Director in August 2013 and again in June 2019. He is a company director on a number of public listed and private companies.

*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.

*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. She resigned in February 2024.

*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 November 2015 and again 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 November 1991 and again in May 2022. He is a consultant and a former Director Corporate Services, South Eastern Sydney and Illawarra 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. He resigned in September 2023.

*Steve Tucker – Independent Director*

Steve Tucker was appointed Director in November 2023. He is Chair and Founding Partner at Koda Capital.

*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.

\*See reference to Governing Council on page 4

## Directors' Report

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### NeuRA Governing Council

The Governing Council was a Board Committee and oversaw the operations and functions of the NeuRA Division from February 2018 to May 2022, when the Governing Council again became the Board responsible for the governance of NeuRA. A number of Governing Councillors\* were Directors of NeuRA prior to February 2018.

### 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 provided oversight of the activities of the Company, Neuroscience Research Australia, and its subsidiaries, Neuroscience Research Australia Foundation, and the Schizophrenia Research Institute. The members of the FRAC Committee during the year were: Jennifer Alexander (Chair), Stephen Blackman, Barry Shepherd, and Peter Ricketts.

### Investment Committee

The Investment Committee oversees and makes investment recommendations to the Boards of Directors to support NeuRAs research and associated infrastructure. This committee provided oversight of the activities of the Company, Neuroscience Research Australia, and its subsidiaries, Neuroscience Research Australia Foundation, and the Schizophrenia Research Institute. The members of the Investment Committee during the year were: Clyde McConaghy (Chair) and Steve Tucker.

### 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 company. This committee provided oversight of the activities of Neuroscience Research Australia, and its subsidiaries, Neuroscience Research Australia Foundation, and the Schizophrenia Research Institute. The members of the Nomination Committee during the year were: James MacNevin (Chair), Kirsten O'Doherty, and Colin Tate.

### Non-Executive Directors

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

# Directors' Report

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## Directors' Meetings

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

Director	Board	
	A	B
Dr Julian Adler	5	1
Dr Jennifer Alexander	5	4
Mr Clyde McConaghy	5	4
Mr James MacNevin	5	4
Prof Sven Rogge	5	3
Dr Debra Graves OAM	4	3
A/Prof Chris White	5	3
Ms Alice Kase	1	1
Mr Clyde McConaghy	5	4
Mrs Kirsten O'Doherty	5	4
Mr Norbert Schweizer OAM	5	3
Mr Barry Shepherd PSM	5	3
Mr Colin Tate AM	4	4
Mr Steve Tucker	1	1

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

B - Number of meetings attended

## Company Secretary

Felicity Forsyth was appointed Company Secretary in November 2022.

## 2. Principal activities

The principal activities of the Group during 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 and Schizophrenia Research Institute.

## Directors' Report

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### 3. Performance

The Group surplus for the year ended 31 December 2023 was \$1,118,905 (2022: \$(9,259,037)).

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 Company also received donations and conducted fundraising activities, the proceeds of which were used to fund current and future medical research activities.

### 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

There have been no events subsequent to balance date, which would have a material effect on the Company's financial statements at 31 December 2023.

### 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. During or since the financial year, the entity has not indemnified or made a relevant agreement to indemnify an officer or auditor of the entity or of any related body corporate against a liability incurred as such an officer or auditor. In addition, the entity has not paid, or agreed to pay a premium in respect of a contract insuring against a liability incurred by an officer or auditor.

### 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.

### 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 \$240 (2022: \$220).

## Directors' Report

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### 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 8 and forms part of the Directors report for the financial year ended 31 December 2023.

Signed in accordance with a resolution of the directors:



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James MacNevin

Chair

Date: **2 May 2024**

Sydney



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Prof Matthew Kiernan AM

Chief Executive Officer

Date: **2 May 2024**

Sydney



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

To the Directors of Neuroscience Research Australia

I declare that, to the best of my knowledge and belief, in relation to the audit of Neuroscience Research Australia for the financial year ended 31 December 2023 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

2 May 2024

## Consolidated Statement of Total Comprehensive Income

For the year ended 31 December 2023

	Note	2023 \$	2022 \$
<b>REVENUE</b>			
Grant Revenue	2	17,743,349	19,805,104
Donations and Fundraising		8,795,046	5,905,860
Sale of Goods		18,907	13,725
Conference Revenue		188,585	85,126
Laboratory Services		646,840	454,277
Sponsorship Income		148	4,200
Other Revenues from Ordinary Activities		329,167	376,870
<b>TOTAL REVENUE</b>		<b>27,722,042</b>	<b>26,645,162</b>
<b>EXPENSES</b>			
Personnel Expense	3	(18,169,245)	(17,769,019)
Contribution to Mindgardens		-	(3,313,177)
Other Expenses	4	(9,363,534)	(8,984,866)
Depreciation expense	5	(2,461,061)	(2,522,066)
<b>(LOSS) FROM OPERATIONS</b>		<b>(2,271,798)</b>	<b>(5,943,966)</b>
Finance Income	6	4,163,981	1,439,187
Finance Expenses	6	(773,278)	(4,754,258)
<b>NET FINANCE INCOME/(COST)</b>		<b>3,390,703</b>	<b>(3,315,071)</b>
<b>SURPLUS/(LOSS) FOR THE YEAR</b>		<b>1,118,905</b>	<b>(9,259,037)</b>
Other Comprehensive Income		-	-
<b>TOTAL COMPREHENSIVE INCOME/(LOSS)</b>		<b>1,118,905</b>	<b>(9,259,037)</b>

The Consolidated Statement of Total Comprehensive Income is to be read in conjunction with the accompanying notes to the consolidated financial statements on pages 13 to 28.

## Consolidated Statement of Financial Position

As at 31 December 2023

	Note	2023 \$	2022 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	7	3,223,698	2,703,360
Trade and Other Receivables	8	3,082,451	2,586,618
Other Financial Assets	9	37,241,562	38,427,745
Inventories		-	17,554
<b>TOTAL CURRENT ASSETS</b>		<b>43,547,711</b>	<b>43,735,277</b>
<b>NON CURRENT ASSETS</b>			
Property, Plant and Equipment	10	54,252,730	55,646,737
<b>TOTAL NON CURRENT ASSETS</b>		<b>54,252,730</b>	<b>55,646,737</b>
<b>TOTAL ASSETS</b>		<b>97,800,441</b>	<b>99,382,014</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	11	808,648	3,530,592
Employee Benefits	12	2,661,367	2,760,140
Deferred Revenue	13	1,777,222	1,697,229
<b>TOTAL CURRENT LIABILITIES</b>		<b>5,247,237</b>	<b>7,987,961</b>
<b>NON CURRENT LIABILITIES</b>			
Employee Benefits	12	300,271	260,025
<b>TOTAL NON CURRENT LIABILITIES</b>		<b>300,271</b>	<b>260,025</b>
<b>TOTAL LIABILITIES</b>		<b>5,547,508</b>	<b>8,247,986</b>
<b>NET ASSETS</b>		<b>92,252,933</b>	<b>91,134,028</b>
<b>MEMBERS' FUNDS</b>			
Retained Surplus - Schizophrenia Research Institute		1,529	1,648
Retained Surplus		92,251,404	91,132,380
<b>TOTAL MEMBERS' FUNDS</b>		<b>92,252,933</b>	<b>91,134,028</b>

The Consolidated Statement of Financial Position is to be read in conjunction with the accompanying notes to the consolidated financial statements on pages 13 to 28.

## Consolidated Statement of Changes in Members' Funds

For the year ended 31 December 2023

	Retained Surplus - Schizophrenia Research Institute	Retained Surplus- Institute & Foundation	Retained Surplus - Mindgardens Alliance	Group Total
	\$	\$	\$	\$
BALANCE AT 1 JANUARY 2022	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
Surplus for the year	(119)	1,119,024	-	1,118,905
TOTAL COMPREHENSIVE INCOME	(119)	1,119,024	-	1,118,905
BALANCE AT 31 DECEMBER 2023	1,529	92,251,404	-	92,252,933

The Consolidated Statement of Changes in Members' Fund is to be read in conjunction with the accompanying notes to the consolidated financial statements on pages 13 to 28.

# Consolidated Statement of Cash Flows

For the year ended 31 December 2023

	2023	2022
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Grants received	19,101,844	19,619,493
Receipts from donations and fundraising	8,795,046	5,905,860
Receipts from customers	1,302,007	1,027,617
Payments to suppliers and employees	<u>(32,186,034)</u>	<u>(27,495,874)</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>(2,987,137)</u>	<u>(942,904)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of property, plant and equipment	-	-
Net investments in other financial assets	2,612,166	4,736,499
Acquisitions of property, plant and equipment	(1,069,412)	(1,044,948)
Interest received	708,762	221,842
Dividends received from investments	1,255,959	1,162,675
Disposal of controlled entity	<u>-</u>	<u>(3,313,177)</u>
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<u>3,507,475</u>	<u>1,762,889</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<u>520,338</u>	<u>819,987</u>
Cash and cash equivalents at the beginning of the financial year	<u>2,703,360</u>	<u>1,883,373</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<u>7</u> <u>3,223,698</u>	<u>2,703,360</u>

The Consolidated Statement of Cash Flows is to be read in conjunction with the accompanying notes to the consolidated financial statements on pages 13 to 28.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

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## Note 1 Material 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 not-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 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 2023

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## *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.

## 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 2023

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

	2023	2022
Leasehold improvements	3.03%	3.03%
Motor vehicles	22.50%	22.50%
Plant and Equipment	20.00%	20.00%
Furniture and Fittings	20.00%	20.00%
Buildings	3.03%	3.03%

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 2023

- 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 2023

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## 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 fair value.

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 2023

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## *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 recognised 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 2023

## 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.

	2023	2022
<b>Note 2 Grant Revenue</b>	<b>\$</b>	<b>\$</b>
<hr/>		
RESEARCH GRANTS		
Research income	11,526,080	11,989,363
Infrastructure - MRSP	3,394,458	3,744,914
Infrastructure - UNSW	2,606,929	2,696,902
Infrastructure - Other	215,882	303,245
Commonwealth grant	-	1,070,680
<b>TOTAL GRANT REVENUE</b>	<b>17,743,349</b>	<b>19,805,104</b>

	2023	2022
<b>Note 3 Personnel Expense</b>	<b>\$</b>	<b>\$</b>
<hr/>		
Wages, salaries and other personnel expenses	15,386,130	14,708,473
Contributions to superannuation funds	1,518,536	1,434,332
Increase in liability for annual leave	1,041,132	1,131,773
Increase in liability for long service leave	223,447	494,441
<b>TOTAL PERSONNEL EXPENSE</b>	<b>18,169,245</b>	<b>17,769,019</b>

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

	2023	2022
<b>Note 4 Other Expenses</b>	<b>\$</b>	<b>\$</b>
Grant reimbursement	151,926	1,246,577
Cost of sales	17,554	2,629
Insurance	324,907	317,497
Fundraising costs	663,903	549,523
Travel	500,012	299,056
Repairs and maintenance	427,186	668,203
Consultants	434,361	491,272
Conference expenses	122,771	58,912
Scholarships	384,035	472,276
Laboratory supplies	1,049,276	657,383
Other	5,287,603	4,221,538
<b>TOTAL OTHER EXPENSES</b>	<b>9,363,534</b>	<b>8,984,866</b>
	2023	2022
<b>Note 5 Depreciation expense</b>	<b>\$</b>	<b>\$</b>
Depreciation	2,202,277	2,288,490
Amortisation	258,784	233,576
<b>TOTAL DEPRECIATION EXPENSE</b>	<b>2,461,061</b>	<b>2,522,066</b>
	2023	2022
<b>Note 6 Net Finance Costs</b>	<b>\$</b>	<b>\$</b>
Interest income	708,762	221,842
Dividend income	1,255,959	1,162,675
Foreign exchange gains	193,443	54,670
Unrealised gains from financial assets	2,005,817	-
<b>FINANCE INCOME</b>	<b>4,163,981</b>	<b>1,439,187</b>
Realised losses from financial assets	588,560	1,446,514
Unrealised losses from financial assets	-	3,118,490
Investment management fees	168,906	171,819
Bank charges	15,812	17,435
<b>FINANCE EXPENSE</b>	<b>773,278</b>	<b>4,754,258</b>
<b>TOTAL NET FINANCE INCOME/ (COST)</b>	<b>3,390,704</b>	<b>(3,315,071)</b>

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

	2023	2022
<b>Note 7 Cash and Cash Equivalents</b>	<b>\$</b>	<b>\$</b>
Cash on hand	11,550	12,400
Bank balances	3,212,148	2,690,960
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>3,223,698</b>	<b>2,703,360</b>

	2023	2022
<b>Note 8 Trade and Other Receivables</b>	<b>\$</b>	<b>\$</b>
<b>TRADE AND OTHER RECEIVABLES</b>		
Trade receivables	2,679,974	1,672,157
Sundry receivables	-	606,927
Prepayments	337,480	307,534
Related party receivables- Mindgardens	64,997	-
<b>TOTAL TRADE AND OTHER RECEIVABLES</b>	<b>3,082,451</b>	<b>2,586,618</b>

	2023	2022
<b>Note 9 Other Financial Assets</b>	<b>\$</b>	<b>\$</b>
<b>CURRENT</b>		
Financial assets - fair value through profit or loss	37,241,562	34,427,745
Term deposits	-	4,000,000
<b>TOTAL OTHER FINANCIAL ASSETS</b>	<b>37,241,562</b>	<b>38,427,745</b>

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

## 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
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>COST</b>									
Balance at 1 January 2023	59,597,849	16,573,270	62,795	13,494,265	2,929,156	470,687	1,106,788	-	94,234,810
Reclassification	-	-	-	-	-	-	-	-	-
Acquisitions	-	-	-	822,112	-	-	98,490	148,810	1,069,412
Disposal	-	-	-	-	-	-	(2,762)	-	(2,762)
<b>BALANCE AT 31 DECEMBER 2023</b>	<b>59,597,849</b>	<b>16,573,270</b>	<b>62,795</b>	<b>14,316,377</b>	<b>2,929,156</b>	<b>470,687</b>	<b>1,202,516</b>	<b>148,810</b>	<b>95,301,460</b>

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

	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 2023	16,327,971	8,035,373	59,143	10,702,375	2,427,083	302,722	733,406	-	38,588,073
Depreciation/amortisation charge for the period	1,311,395	258,784	821	677,276	98,315	33,593	80,877	-	2,461,061
Disposals	-	-	-	-	-	-	(404)	-	(404)
BALANCE AT 31 DECEMBER 2023	17,639,366	8,294,157	59,964	11,379,651	2,525,398	336,315	813,879	-	41,048,730
CARRYING AMOUNTS									
At 1 January 2023	43,269,878	8,537,897	3,652	2,791,890	502,073	167,965	373,382	-	55,646,737
AT 31 DECEMBER 2023	41,958,483	8,279,113	2,831	2,936,726	403,758	134,372	388,637	148,810	54,252,730

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

	2023	2022
<b>Note 11 Trade and Other Payables</b>	<b>\$</b>	<b>\$</b>
Trade payables	368,767	924,623
Other payables and accrued expenditure	439,881	1,051,432
Related Party Payables- Mindgardens	-	1,554,537
<b>TOTAL TRADE AND OTHER PAYABLES</b>	<b>808,648</b>	<b>3,530,592</b>
	2023	2022
<b>Note 12 Employee Benefits</b>	<b>\$</b>	<b>\$</b>
<b>CURRENT</b>		
Liability for annual leave	1,064,170	1,024,063
Liability for long service leave	1,597,197	1,736,077
<b>TOTAL CURRENT</b>	<b>2,661,367</b>	<b>2,760,140</b>
<b>NON-CURRENT</b>		
Liability for long service leave	300,271	260,025
<b>TOTAL NON-CURRENT</b>	<b>300,271</b>	<b>260,025</b>
	2023	2022
<b>Note 13 Deferred Revenue</b>	<b>\$</b>	<b>\$</b>
Deferred revenue	1,777,222	1,697,229
<b>TOTAL DEFERRED REVENUE</b>	<b>1,777,222</b>	<b>1,697,229</b>

## Note 14 Contingent Liabilities

The Group is required by a NSW Department of Planning and Environment Order to replace external cladding on the Margarete Ainsworth Building at 139 Barker Street, Randwick.

Following a Supreme Court action, the Group is in mediation to recover the full cost of this replacement which is estimated to be \$4.04m. Some of these costs have already been borne by the Group since some of the cladding has already been replaced. These costs have been expensed within the financial statements. The estimated cost of replacing the remaining cladding is in the order of \$1.9m.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

	2023	2022
	\$	\$
<b>Note 15 Auditors Remuneration</b>		
<b>AUDIT AND REVIEW SERVICES</b>		
Audit of financial statements	60,088	53,480
Audit of Foundation Public Ancillary Fund Compliance	3,135	2,655
	<u>63,223</u>	<u>56,135</u>
<b>OTHER SERVICES</b>		
Compilation of financial statements	10,973	10,065
Charitable Fundraising Act Procedures	3,135	4,435
Advisory services	-	106,685
	<u>14,108</u>	<u>121,185</u>

## Note 16 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:

	2023	2022
	\$	\$
Key management personnel compensation	1,391,774	2,188,718
<b>TOTAL KEY MANAGEMENT PERSONNEL COMPENSATION</b>	<u>1,391,774</u>	<u>2,188,718</u>

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.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

## Note 16 Related Parties (continued)

### Other Related Party Transactions

	2023	2022
	\$	\$
Mindgardens	64,997	(1,554,537)
Donations received from Neuroscience Research Australia Foundation	11,542,993	3,746,752
Research Expenses received from Schizophrenia Research Institute	-	1,082,935
Interest expensed to Neuroscience Research Australia Foundation*	262,484	181,383
South Eastern Sydney Local Health Network- Rent paid	1	1
UNSW- Infrastructure funds received	2,606,929	2,696,902
UNSW- Grants received	9,568,849	9,266,097
UNSW- Lab consumables and other purchases	57,902	36,174
South Eastern Sydney Health Revenue	65,000	143,098
UNSW Expenses	2,837,253	2,254,529
South Eastern Sydney Health Expenses	615,660	959,114

\* On 12 December 2013, Neuroscience Research Australia entered into a loan facility as borrower with Neuroscience Research Australia Foundation. In December 2023 the year's interest expense of \$262,484 was paid. The loan facility balance at the end of the year is \$0.

### 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	2023	2022
--	------	------

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%

	2023	2022
--	------	------

## Note 17 Capital and Other Commitments

	\$	\$
Within one year	12,433	6,601
One year or later and no later than five	44,029	-
	<u>56,462</u>	<u>6,601</u>

Commitments are in relation to the operating lease of photocopiers.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

## Note 18 Parent Entity

As at, and throughout, the financial year ended 31 December 2023 the parent entity of the Group was Neuroscience Research Australia.

	2023	2022
	\$	\$
<hr/>		
RESULTS OF THE PARENT ENTITY		
Surplus/ (Loss) for the Year	4,488,323	(6,921,041)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>4,488,323</u>	<u>(6,921,041)</u>
FINANCIAL POSITION OF THE PARENT ENTITY AT THE YEAR END		
Current Assets	29,368,495	31,394,567
Total Assets	83,621,224	87,041,305
Current Liabilities	(4,768,707)	(7,717,357)
Total Liabilities	(5,068,978)	(12,977,382)
TOTAL MEMBERS FUNDS TO THE PARENT ENTITY COMPRISING OF		
Retained Surplus	(78,552,246)	(74,063,924)
TOTAL MEMBERS FUNDS	<u>(78,552,246)</u>	<u>(74,063,924)</u>

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

## Note 19 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.

	2023	2022
	\$	\$
<hr/>		
RESULTS OF FUNDRAISING APPEALS		
Gross proceeds from fundraising	6,911,699	5,364,657
Less: Direct costs of fundraising	(1,427,896)	(1,858,995)
NET SURPLUS OBTAINED FROM FUNDRAISING APPEALS	<u>5,483,803</u>	<u>3,505,662</u>
This surplus was allocated to:		
Expenditure on research	11,542,993	3,301,535
Transfer of accumulated funds for future research expenditure	(6,059,190)	204,127
TOTAL ALLOCATION	<u>5,483,803</u>	<u>3,505,662</u>

The results of the fundraising appeals includes the Group.

## Note 20 Subsequent Events

There have been no events subsequent to balance date which would have a material effect on the Group's financial statements at 31 December 2023.

Neuroscience Research Australia  
ABN 94 050 110 346

## Declaration by the Directors

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

- a) The consolidated financial statements and notes set out on pages 9 to 28 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 2023 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.



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James MacNevin  
Chairman  
Date: **2 May 2024**  
Sydney



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Prof Matthew Kiernan AM  
Chief Executive Officer  
Date: **2 May 2024**  
Sydney

# Declaration by Responsible Officer in Respect of Fundraising Appeals

For the year ended 31 December 2023

I, Matthew Kiernan AM, 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 2023;
- 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 2023;
- 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 2023; 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.



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Prof Matthew Kiernan AM  
Chief Executive Officer  
Date: **2 May 2024**  
Sydney



# Independent Auditor's Report

To the members of Neuroscience Research Australia

## Opinion

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

In our opinion the accompanying Financial Report 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 of 31 December 2023, 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 Regulations 2022 (ACNCR)* and section 21 of the *Charitable Fundraising Regulation (NSW) 2021*.

The **Financial Report** comprises:

- i. Consolidated statement of financial position as of 31 December 2023
- 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 material accounting policies
- iv. Declaration by the Directors
- v. Declaration by the Responsible officer in respect of the fundraising appeals.

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 and Company 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 report 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

2 May 2024