

Neuroscience Research Australia

(A Company Limited By Guarantee)

ABN 94 050 110 346

General Purpose Financial Report

For the year ended 31 December 2024

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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 2024 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 Appointed / Resigned Experience	Independent Director Director in February 2018 and resigned in June 2024. Radiologist and CEO, Imaging Division, CEO Sonic Healthcare.
Jennifer Alexander Appointed Experience	Nominee of Minister for Health Director in January 2013 and resigned in May 2025 Pro Chancellor of the University of New South Wales and a member of the UNSW Council.
Catherine Fritz-Kalish AM Appointed Experience	Independent Director Director in August 2024 Co-Founder and Managing Director of Global Access Partners Pty Ltd.
Cheryl Jones Appointed Experience	Nominee of University of New South Wales Director in November 2024 Dean - Medicine and Health at the University of New South Wales.
Jo Karnaghan Appointed Experience	Nominee of South Eastern Sydney Local Health District Director in February 2024 Former Director of Clinical Governance & Medical Services, South Eastern Sydney Local Health District.
James Linklater OAM Appointed Experience	Independent Director Director in August 2024 Chief Executive Officer of Castlereagh Imaging and Illawarra Radiology Group.
Clyde McConaghy* Appointed Experience	Independent Director Director in August 2013 and again in June 2019 and resigned in May 2025 Company Director on a number of public listed and private companies.
James MacNevin Appointed Experience	Independent Director & Chair Director in May 2022 Chief Operating Officer, Perpetual Group. He was appointed Chair in June 2022.

Directors' Report

Cheryl Maley

Appointed

Experience

Independent Director

Director in February 2024

Experienced Board Director and Senior Leader with over 25 years experience in the Healthcare Industry.

Peter Ricketts

Appointed

Experience

Independent Director

Director in February 2025

Experienced Board Director with extensive background in finance, risk and strategy.

Sven Rogge

Appointed

Experience

Nominee of University of New South Wales

Director in June 2022

Dean of Science at the University of New South Wales.

Norbet Schweizer OAM*

Appointed

Experience

Independent Director

Director in November 2015 and again in May 2022 and resigned in May 2025

Founding partner of Schweizer Kobras, Lawyers and Notaries and is an accredited business law specialist.

Barry Shepherd PSM*

Appointed

Experience

Independent Director

Director in November 1991 and again in May 2022 and resigned in May 2025

Consultant and a former Director Corporate Services, South Eastern Sydney & Illawarra Area Health Service.

David Stanton

Appointed

Experience

Independent Director

Director in August 2024

Head of Australian Healthcare Research with Jefferies Australia.

Steve Tucker

Appointed

Experience

Director

Director in November 2023

Chair and Founding Partner at Koda Capital.

Chris White

Appointed

Experience

Nominee of Southern Eastern Sydney Local Health District

Director in June 2022

Senior Staff Endocrinologist, Prince of Wales Hospital and Conjoint Professor, University of New South Wales.

*See reference to Governing Council on page 5

Directors' Report

a) 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.

b) 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.

c) 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.

d) Non-Executive Directors

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

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:

Directors	Number eligible to attend	Number attended
Dr Julian Adler	2	2
Dr Jennifer Alexander	4	4
Catherine Fritz-Kalish AM	1	1
Prof Cheryl Jones	1	1
Dr Jo Karnaghan	4	3
Dr James Linklater OAM	2	1
Cheryl Maley	4	4
Mr Clyde McConaghy	4	4
Mr James MacNevin	4	4
Prof Sven Rogge	4	3
A/Prof Chris White	4	4
Mr Norbet Schweizer OAM	4	3
Mr Barry Shepherd PSM	4	4
Mr David Stanton	2	2
Mr Steve Tucker	4	4

Company secretary

Felicity Forsyth was appointed Company Secretary in November 2022.

Directors' Report

2. Principal activities

The principal activities of the Group during the course of the financial year 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.

There were no significant changes in the nature of the activities of the Group during the year.

3. Review of operations and results of those operations

The surplus of the Group is \$2,799,377 (2023: \$1,118,905). The Directors are satisfied with the performance and operations of the Group during the financial year.

During the year 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.

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

On 20 January 2025, NeuRA executed a settlement deed, securing \$840,000 from defendants to resolve claims related to non-compliant cladding on the Margaret Ainsworth Building. This settlement addresses the contingent liability of \$4.04 million for cladding replacement costs previously disclosed in the prior year's financial statements. The settlement amount was received by 18 February 2025. Other than above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

6. Likely developments

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 officers and directors

During the financial year, insurance for Directors', the secretary and certain officers' of the entity was provided by Aon 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.

Directors' Report

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 \$300 (2023: \$240).

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 2024.



James MacNevin
Chair



Prof Mathew Kiernan AM
Chief Executive Officer

Dated at Sydney this 22nd day of May 2025.



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 2024 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

A handwritten signature in black ink, appearing to read 'Warwick Shanks'.

Warwick Shanks

Partner

Sydney

22 May 2025

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2024

	Note	2024 \$	2023 \$
REVENUE			
Grant revenue	2	19,567,005	17,743,349
Donations and fundraising	3	14,910,311	8,795,046
Sale of goods		64,745	18,907
Conference revenue		72,862	188,585
Laboratory services		351,059	646,840
Sponsorship income		242	148
Other revenues from ordinary activities		193,676	329,167
TOTAL REVENUE		35,159,900	27,722,042
EXPENSES			
Personnel expense	4	(21,160,746)	(18,169,245)
Depreciation expense	5	(2,315,418)	(2,461,061)
Other expenses	6	(13,047,127)	(9,363,534)
TOTAL EXPENSES		(36,523,291)	(29,993,840)
LOSS FROM OPERATIONS		(1,363,391)	(2,271,798)
Finance income	7	4,336,268	4,163,981
Finance costs	7	(173,500)	(773,278)
NET FINANCE INCOME		4,162,768	3,390,703
PROFIT FOR THE YEAR		2,799,377	1,118,905
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME		2,799,377	1,118,905

Consolidated Statement of Financial Position

As at 31 December 2024

	Note	2024 \$	2023 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	5,319,814	3,223,698
Trade and other receivables	9	5,457,149	3,082,451
Other financial assets		40,970,363	37,241,562
TOTAL CURRENT ASSETS		51,747,326	43,547,711
NON-CURRENT ASSETS			
Property, plant and equipment	10	52,015,447	54,252,730
TOTAL NON-CURRENT ASSETS		52,015,447	54,252,730
TOTAL ASSETS		103,762,773	97,800,441
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	2,968,452	808,648
Employee benefits	12	2,991,547	2,661,367
Deferred revenue		2,401,790	1,777,222
TOTAL CURRENT LIABILITIES		8,361,789	5,247,237
NON-CURRENT LIABILITIES			
Employee benefits	12	348,675	300,271
TOTAL NON-CURRENT LIABILITIES		348,675	300,271
TOTAL LIABILITIES		8,710,464	5,547,508
NET ASSETS		95,052,309	92,252,933
MEMBERS' FUNDS			
Retained surplus - Schizophrenia Research Institute		1,408	1,529
Retained surplus		95,050,901	92,251,404
TOTAL MEMBERS' FUNDS		95,052,309	92,252,933

Consolidated Statement of Changes in Members' Funds

For the year ended 31 December 2024

	Retained surplus - Schizophrenia Research Institute \$	Retained surplus \$	Total members funds \$
BALANCE AT 1 JANUARY 2023	1,648	91,132,380	91,134,028
COMPREHENSIVE INCOME			
Profit 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
COMPREHENSIVE INCOME			
Profit for the year	(121)	2,799,497	2,799,376
TOTAL COMPREHENSIVE INCOME	(121)	2,799,497	2,799,376
BALANCE AT 31 DECEMBER 2024	1,408	95,050,901	95,052,309

Consolidated Statement of Cash Flows

For the year ended 31 December 2024

	Note	2024 \$	2023 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Grants received		19,826,788	19,101,844
Receipts from donations and fundraising		14,910,312	8,795,046
Receipts from customers		697,629	1,302,007
Payments to suppliers and employees		(33,528,763)	(32,186,034)
NET CASH FROM/(USED IN) OPERATING ACTIVITIES		1,905,966	(2,987,137)
CASH FLOWS FROM INVESTING ACTIVITIES			
Net investments in other financial assets		(1,306,243)	2,612,166
Acquisitions of property, plant and equipment		(243,818)	(1,069,412)
Interest received		297,087	708,762
Dividends received from investments		1,443,124	1,255,959
NET CASH FROM INVESTING ACTIVITIES		190,150	3,507,475
NET INCREASE IN CASH AND CASH EQUIVALENTS		2,096,116	520,338
Cash and cash equivalents at the beginning of the financial year		3,223,698	2,703,360
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	8	5,319,814	3,223,698

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

Note 1 Material Accounting Policies

REPORTING ENTITY

Neuroscience Research Australia (the 'Company') is a company limited by guarantee, incorporated and domiciled in Australia. The Group'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*

These consolidated financial statements are presented in Australian dollars, which is the Group's functional currency.

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.

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.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

BASIS OF CONSOLIDATION

a) *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. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account.

The acquisition of subsidiaries is accounted for using the purchase method of accounting, which involves allocating the cost of the business combination to the fair value of the assets acquired and the liabilities and contingent liabilities assumed at the date of acquisition.

Investments in subsidiaries held of the Group are accounted for at cost in the separate financial statements of the parent entity less any impairment charges. Dividends received from subsidiaries are recorded as a component of other revenues in the separate income statement of the parent entity, and do not impact the recorded cost of the investment. Upon receipt of dividend payments from subsidiaries, the parent will assess whether any indicators of impairment of carrying value of the investments in the subsidiary exist. Where such indicators exist, to the extent that the carrying value of the investment exceeds its recoverable amounts, an impairment loss is recognised.

b) *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.

c) *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.

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.

PROPERTY, PLANT & EQUIPMENT

a) *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.

b) *Subsequent expenditure*

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

c) 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:

	2024	2023
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

a) 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.

b) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at amortised cost or 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
- 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.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

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 either measured at amortised cost or FVTPL. Liabilities held for trading are measured at FVTPL. These are recorded at fair value, and any changes in value, including interest costs, are recognised in the surplus or loss.

All other financial liabilities are measured at amortised cost using the effective interest method. Interest expense, foreign exchange differences, and any gains or losses on derecognition are recognised in the surplus or loss. Liabilities measured at amortised cost mainly include borrowings to banks and trade payables.

c) 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.

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.

d) 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.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

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.

REVENUE FROM CONTRACTS WITH CUSTOMERS

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 probable 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.

a) Grant income (research)

Government and other research grants are initially recorded as deferred income at fair value when it is reasonably certain the funds will be received and the Group will meet the grant conditions. If there are no conditions attached, income is recognised when the funds are received. Grants that reimburse the Group for specific costs are recognised as income in the same periods in which the related expenses are recognised.

b) Grant income (non-research)

Grant income from agreements with clear and enforceable performance obligations are recognised as revenue when each obligation is satisfied.

Some obligations are fulfilled at a specific point in time, while others are delivered over the life of the contract. For obligations delivered over time, revenue is recognised based on either time or costs incurred, whichever best reflects the transfer of control.

If the grant has no performance obligations, the income is recognised when the funds are received.

c) 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).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

d) 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

i. Donations

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

ii. 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.

EMPLOYEE BENEFITS

a) 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.

b) 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.

c) 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.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

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.

	2024	2023
	\$	\$
Note 2 Grant revenue		
GRANT REVENUE		
Research income	14,293,184	11,741,962
Infrastructure - MRSP	3,099,019	3,394,458
Infrastructure - UNSW	2,174,802	2,606,929
TOTAL GRANT REVENUE	19,567,005	17,743,349

	2024	2023
	\$	\$
Note 3 Donations and fundraising		
Bequests	6,270,186	1,835,347
Major gifts	5,084,531	3,953,659
Other	3,555,594	3,006,040
	14,910,311	8,795,046

	2024	2023
	\$	\$
Note 4 Personnel expense		
Wages, salaries and other personnel expenses	17,746,739	15,386,130
Contributions to superannuation funds	1,858,055	1,518,536
Increase in liability for annual leave	1,285,561	1,041,132
Increase in liability for long service leave	270,391	223,447
TOTAL PERSONNEL EXPENSE	21,160,746	18,169,245

	2024	2023
	\$	\$
Note 5 Depreciation expense		
Depreciation	2,064,560	2,202,277
Amortisation	250,858	258,784
TOTAL DEPRECIATION EXPENSE	2,315,418	2,461,061

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

	2024	2023
	\$	\$
Note 6 Other expenses		
Grant reimbursement	4,580	151,926
Cost of sales	-	17,554
Insurance	325,060	324,907
Fundraising costs	595,793	663,903
Travel	940,122	500,012
Repairs and maintenance	611,842	427,186
Consultants	811,286	434,361
Conference expenses	140,968	122,771
Scholarships	379,441	384,035
Laboratory supplies	2,257,330	1,049,276
Other	3,218,196	2,743,497
Electricity	553,724	442,109
External consultants	1,617,799	942,117
Research	761,955	968,874
Software and licences	829,031	191,006
TOTAL OTHER EXPENSES	13,047,127	9,363,534

	2024	2023
	\$	\$
Note 7 Net finance costs		
FINANCE INCOME		
Interest income	297,087	708,762
Dividend income	1,443,124	1,255,959
Foreign exchange gains	-	193,443
Unrealised gains from financial assets	2,130,426	2,005,817
Realised gains from financial assets	465,631	-
TOTAL FINANCE INCOME	4,336,268	4,163,981
FINANCE COSTS		
Realised losses from financial assets	-	588,560
Investment management fees	150,895	168,906
Bank charges	22,440	15,812
Foreign exchange loss	165	-
TOTAL FINANCE COSTS	173,500	773,278
TOTAL NET FINANCE INCOME	4,162,768	3,390,703

	2024	2023
	\$	\$
Note 8 Cash and cash equivalents		
Cash on hand	10,050	11,550
Bank balances	5,309,764	3,212,148
TOTAL CASH AND CASH EQUIVALENTS	5,319,814	3,223,698

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

	2024	2023
	\$	\$
Note 9 Trade and other receivables		
Trade receivables	4,975,860	2,679,974
Prepayments	436,869	337,480
Related party receivables - Mindgardens	44,420	64,997
TOTAL TRADE AND OTHER RECEIVABLES	5,457,149	3,082,451

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

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. NeuRA has commenced the steps of exercising the option to renew the lease with NSW Health. 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 and electronics	Assets under construction	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
COST									
BALANCE AT 1 JANUARY 2024	59,597,849	16,573,270	62,795	14,316,377	2,929,156	470,687	1,202,516	148,810	95,301,460
Acquisitions	-	-	-	101,024	47,812	-	58,731	36,250	243,817
Adjustment	-	-	-	-	-	-	-	(148,812)	(148,812)
Disposal	-	-	(5,996)	(245,647)	(279,205)	-	(144,715)	-	(675,563)
BALANCE AT 31 DECEMBER 2024	59,597,849	16,573,270	56,799	14,171,754	2,697,763	470,687	1,116,532	36,248	94,720,902
DEPRECIATION AND AMORTISATION									
BALANCE AT 1 JANUARY 2024	17,639,366	8,294,157	59,964	11,379,651	2,525,398	336,315	813,879	-	41,048,730
Depreciation/amortisation charge for the period	1,271,660	250,858	610	598,708	82,846	26,875	83,861	-	2,315,418
Disposals	-	-	(5,432)	(243,603)	(271,166)	-	(138,492)	-	(658,693)
BALANCE AT 31 DECEMBER 2024	18,911,026	8,545,015	55,142	11,734,756	2,337,078	363,190	759,248	-	42,705,455
CARRYING AMOUNTS									
At 1 January 2024	41,958,483	8,279,113	2,831	2,936,726	403,758	134,372	388,637	148,810	54,252,730
AT 31 DECEMBER 2024	40,686,823	8,028,255	1,657	2,436,998	360,685	107,497	357,284	36,248	52,015,447

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

	2024	2023
	\$	\$
Note 11 Trade and other payables		
Trade payables	990,207	368,767
Other payables and accrued expenditure	1,978,245	439,881
TOTAL TRADE AND OTHER PAYABLES	2,968,452	808,648

	2024	2023
	\$	\$
Note 12 Employee benefits		
CURRENT		
Liability for annual leave	1,230,481	1,064,170
Liability for long service leave	1,761,066	1,597,197
TOTAL CURRENT	2,991,547	2,661,367
NON-CURRENT		
Liability for long service leave	348,675	300,271
TOTAL NON-CURRENT	348,675	300,271

Note 13 List of subsidiaries

Set out below is a list of controlled entities of the Company.

	2024	2023
	%	%
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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

Note 14 Related parties

a) Parent and ultimate controlling party

The ultimate controlling party of the Group is Neuroscience Research Australia.

b) 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' (Note 3) are as follows:

	2024 \$	2023 \$
Total key management personnel compensation	1,287,267	1,391,774

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

c) Identify of related parties

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

	2024 \$	2023 \$
d) Other related party transactions		
Mindgardens	303,079	64,997
Donations received from Neuroscience Research Australia Foundation	4,411,258	11,542,993
Interest expensed to Neuroscience Research Australia Foundation	-	262,484
South Eastern Sydney Local Health Network- Rent paid	1	1
UNSW- Infrastructure funds received	2,174,802	2,606,929
UNSW- Grants received	8,211,518	9,568,849
UNSW- Lab consumables and other purchases	513,703	57,902
South Eastern Sydney Health Revenue	-	65,000
UNSW Expenses	586,256	2,837,253
South Eastern Sydney Health Expenses	1,098,817	615,660

Transactions with director-related entities

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

	2024	2023
	\$	\$
Note 15 Auditor's remuneration		
AUDIT AND REVIEW SERVICES		
Audit of financial statements	62,773	60,088
Audit of Foundation Public Ancillary Fund Compliance	3,271	3,135
	66,044	63,223
OTHER SERVICES		
Compilation of financial statements	11,447	10,973
Charitable Fundraising Act Procedures	3,271	3,135
	14,718	14,108
TOTAL AUDITOR'S REMUNERATION	80,762	77,331

	2024	2023
	\$	\$
Note 16 Capital and other commitments		
Within one year	14,050	12,433
One year or later and no later than five	40,598	44,029
	54,648	56,462

Commitments are in relation to the operating lease of photocopiers.

Note 17 Parent entity disclosures

As at, and throughout, the financial year ended 31 December 2024 the parent entity of the Group was Neuroscience Research Australia.

	2024	2023
	\$	\$
Results of the parent entity		
Surplus of the parent entity	1,117,477	4,488,323
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	1,117,477	4,488,323
Financial position of the parent entity at year end		
Current assets	31,570,461	29,368,495
Total assets	88,383,378	83,621,224
Current liabilities	(8,364,980)	(4,768,707)
Total liabilities	(8,713,655)	(5,068,978)
Total members funds to the parent entity comprising of:		
Retained surplus	(79,669,723)	(78,552,246)
TOTAL MEMBERS FUNDS	(79,669,723)	(78,552,246)

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

Note 18 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.

	2024 \$	2023 \$
RESULTS OF FUNDRAISING APPEALS		
Gross proceeds from fundraising	8,637,626	6,911,699
Less: direct costs of fundraising	(2,220,469)	(1,427,896)
NET SURPLUS OBTAINED FROM FUNDRAISING APPEALS	6,417,157	5,483,803
This surplus was allocated to:		
Expenditure on research	4,411,258	11,542,993
Transfer of accumulated funds for future research expenditure	2,005,899	(6,059,190)
TOTAL ALLOCATION	6,417,157	5,483,803

Note 19 Subsequent events

On 20 January 2025, NeuRA executed a settlement deed, securing \$840,000 from defendants to resolve claims related to non-compliant cladding on the Margaret Ainsworth Building. This settlement addresses the contingent liability of \$4.04 million for cladding replacement costs previously disclosed in the prior year's financial statements. The settlement amount was received by 18 February 2025. Other than above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

Directors' Declaration

In the opinion of the Directors of Neuroscience Research Australia (the 'Group'):

- a) The consolidated financial statements and notes that as set out on pages 9 to 26 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 2024 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.

Dated at Sydney this 22nd day of May 2025.



James MacNevin
Chairman



Prof Mathew Kiernan AM
Chief Executive Officer

Declaration by Responsible Officer in Respect of Fundraising Appeals

For the year ended 31 December 2024

I, Matthew Kiernan, 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 2024;
- 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 2024;
- 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 2024; 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.

Dated at Sydney this 22nd day of May 2025.



Prof Mathew Kiernan AM
Chief Executive Officer



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 at 31 December 2024, 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 at 31 December 2024.
- 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 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.

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' use 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

KPMG

Warwick Shanks

Partner

Sydney

22 May 2025