



NEUROSCIENCE RESEARCH AUSTRALIA FOUNDATION

ABN 57 008 429 961

FINANCIAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

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**FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

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This annual report is for Neuroscience Research Australia Foundation ("the Trust"), its registered office and principal place of business is:

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

NEUROSCIENCE RESEARCH AUSTRALIA FOUNDATION
STATEMENT OF TOTAL COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 \$	2019 \$
REVENUE			
Donations and fundraising	4	6,146,283	8,053,577
TOTAL REVENUE		<u>6,146,283</u>	<u>8,053,577</u>
EXPENSES			
Personnel expenses	6	(1,160,122)	(1,222,594)
Donations to Neuroscience Research Australia		(5,133,532)	(4,160,794)
Other expenses	5	(803,258)	(855,232)
TOTAL EXPENSES		<u>(7,096,912)</u>	<u>(6,238,620)</u>
(DEFICIT)/SURPLUS FROM OPERATING ACTIVITIES		<u>(950,629)</u>	<u>1,814,957</u>
Finance income		780,228	1,222,364
Finance expenses		(172,397)	(100,762)
NET FINANCE INCOME	7	<u>607,831</u>	<u>1,121,602</u>
(DEFICIT)/SURPLUS FOR THE YEAR		<u>(342,798)</u>	<u>2,936,559</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>(342,798)</u>	<u>2,936,559</u>

The statement of total comprehensive income is to be read in conjunction with the notes to the financial statements set out on pages 7 to 18.

**NEUROSCIENCE RESEARCH AUSTRALIA FOUNDATION
STATEMENT OF CHANGES IN TRUST FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Retained Surplus	Trust Capital	Total Trust Funds
	\$	\$	\$
OPENING BALANCE AT 1 JANUARY 2019	11,193,186	10	11,193,196
Surplus for the Period	2,936,559	-	2,936,559
Net change in fair value of available-for-sale assets	-	-	-
TOTAL COMPREHENSIVE INCOME FOR YEAR	2,936,559	-	2,936,559
CLOSING BALANCE AT 31 DECEMBER 2019	14,129,745	10	14,129,755
OPENING BALANCE AT 1 JANUARY 2020	14,129,745	10	14,129,755
Deficit for the Period	(342,798)	-	(342,798)
TOTAL COMPREHENSIVE INCOME FOR YEAR	(342,798)	-	(342,798)
CLOSING BALANCE AT 31 DECEMBER 2020	13,786,947	10	13,786,957

The statement of changes in trust funds is to be read in conjunction with the notes to the financial statements set out on pages 7 to 18.

NEUROSCIENCE RESEARCH AUSTRALIA FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	2020 \$	2019 \$
CURRENT ASSETS			
Cash and Cash Equivalents	8	523,484	1,155,238
Trade and Other Receivables	9	4,656,474	2,225,095
Other Financial Assets	10	8,639,995	10,809,785
TOTAL CURRENT ASSETS		<u>13,819,953</u>	<u>14,190,118</u>
TOTAL ASSETS		<u>13,819,953</u>	<u>14,190,118</u>
CURRENT LIABILITIES			
Trade and Other payables	11	32,996	60,363
TOTAL CURRENT LIABILITIES		<u>32,996</u>	<u>60,363</u>
TOTAL LIABILITIES		<u>32,996</u>	<u>60,363</u>
NET ASSETS		<u>13,786,957</u>	<u>14,129,755</u>
MEMBERS' FUNDS			
Trust Capital		10	10
Retained Surplus		13,786,947	14,129,745
TOTAL MEMBERS' FUNDS		<u>13,786,957</u>	<u>14,129,755</u>

The statement of financial position is to be read in conjunction with the notes to the financial statements set out on pages 7 to 18.

**NEUROSCIENCE RESEARCH AUSTRALIA FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 \$	2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from donations and fundraising		6,146,283	8,049,919
Interest received		876	53,030
Donations paid to Neuroscience Research Australia		(5,133,532)	(4,160,794)
Payments to suppliers and employees		(2,047,567)	(2,193,027)
NET CASH FROM OPERATING ACTIVITIES	12	<u>(1,033,940)</u>	<u>1,749,128</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Net movement in other financial assets		2,730,841	(1,150,229)
Increase in loan to Neuroscience Research Australia		(2,328,655)	-
NET CASH FROM/(USED IN) INVESTING ACTIVITIES		<u>402,186</u>	<u>(1,150,229)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH		(631,754)	598,899
Cash and cash equivalents at the beginning of year		1,155,238	556,339
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	8	<u><u>523,484</u></u>	<u><u>1,155,238</u></u>

The statement of cash flows is to be read in conjunction with the notes to the financial statements set out on pages 7 to 18.

**NEUROSCIENCE RESEARCH AUSTRALIA FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1 REPORTING ENTITY

Neuroscience Research Australia Foundation (the "Trust") is a trust domiciled in Australia. The principal activities of the Trust during the course of the financial year were the conduct of fundraising appeals to raise money for medical research and the development of medical research facilities at Neuroscience Research Australia. The Trust commenced trading as the Neuroscience Research Australia Foundation on 1 January 2011. The financial statements of the Trust are as at and for the year ended 31 December 2020.

Registered Office and Principal Place of Business

Neuroscience Research Australia
Margarete Ainsworth Building
139 Barker St
Randwick NSW 2031

2 BASIS OF PREPARATION

(a) Statement of Compliance

The financial statements are Tier 2 general purpose financial statements which have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements adopted by the Australian Accounting Standards Board and the Australian Charities and Not-for-profits Commission Act 2012. These financial statements comply with Australian Accounting Standards – Reduced Disclosure Requirements.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis, except for financial assets recognised through profit or loss which have been measured at fair value.

(c) Functional and presentation currency

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

(d) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements and assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year, are included in the notes to the financial statements.

**NEUROSCIENCE RESEARCH AUSTRALIA FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

3 SUMMARY OF SIGNIFICANT ACCOUNTING

(a) Financial Instruments

(i) *Recognition and derecognition*

Financial assets and financial liabilities are recognised when the Trust becomes a party to the contractual provisions of a financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

(ii) *Classification and measurement of financial liabilities*

Financial assets are classified according to their business model and the characteristics of their contractual cash flows. Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

(iii) *Subsequent measurement of financial assets*

For the purposes of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into the following four categories:

- Financial assets at amortised cost;
- Financial assets at fair value through profit or loss (FVTPL);
- Debt instruments at fair value through other comprehensive income (FVTOCI); and
- Equity instruments at FVTOCI

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

(a) Financial assets at amortised cost

Financial assets with contractual cash flows representing solely payments of principal and interest and held within a business model of 'hold to collect' contractual cash flows are accounted for at amortised cost using the effective interest method. The Trust's receivables fall into this category of financial instruments.

Receivables comprise cash and cash equivalents, term deposits and trade and other receivables.

(b) Financial assets at fair value through profit or loss (FVTPL)

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

**NEUROSCIENCE RESEARCH AUSTRALIA FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Financial Instruments (continued)

(iv) *Impairment of financial assets*

AASB 9's forward-looking impairment model applies to the Trust's assets valued at amortised cost. The application of the new impairment model depends on whether there has been a significant increase in credit risk.

(a) Trade and other receivables and contract assets

Trade and other receivables and contract assets are impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indicators that a debtor or issuer will enter bankruptcy.

As most of these instruments have a high credit rating, the likelihood of default is deemed to be small. However, at each reporting date the Company assesses whether there has been a significant increase in the credit risk of the instrument. In assessing these risks, the Company relies on readily available information such as the credit ratings issued by the major credit rating agencies for the respective asset. The Company only holds simple financial instruments for which specific credit ratings are usually available. In the unlikely event that there is no or only little information on factors influencing the ratings of the asset available, the Company would aggregate similar instruments into a portfolio to assess on this basis whether there has been a significant increase in credit risk. In addition, the Company considers other indicators such as adverse changes in business, economic or financial conditions that could affect the borrower's ability to meet its debt obligation or unexpected changes in the borrowers operating results. Should any of these indicators imply a significant increase in the instrument's credit risk, the Company recognises for this instrument or class of instruments the lifetime expected credit losses.

(v) *Classification and measurement of financial liabilities*

The Company's financial liabilities include, trade and other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

**NEUROSCIENCE RESEARCH AUSTRALIA FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Impairment

(i) Non-derivative financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Trust on terms that the Trust would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, or economic conditions that correlate with defaults.

The Trust considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

In assessing collective impairment the Trust uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

**NEUROSCIENCE RESEARCH AUSTRALIA FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Impairment (continued)

(iii) Non-financial assets

The carrying amounts of the Trust's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Depreciated replacement cost is used to determine value in use. Depreciated replacement cost is the current replacement cost of the item less, where applicable, accumulated depreciation to date, calculated on the basis of such cost. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated to reduce the carrying amounts of the assets in the unit (group of units) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised

(c) Employee Benefits

(i) Defined contribution superannuation funds

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 profit or loss in the periods during which services are rendered by employees.

(ii) Other long-term employee benefits

The Trust'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 plus related on-costs; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. 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.

(iii) Short-term 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 under short-term cash bonus or profit-sharing plans if the consolidated entity 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.

**NEUROSCIENCE RESEARCH AUSTRALIA FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Revenue

(i) Donations and fundraising

Revenue from donations and fundraising is recognised in profit or loss when the Trust gains control of the contribution or the right to receive the contribution.

(e) Finance income & costs

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

(f) Income Tax

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

(g) Goods & Services Tax

Revenue, 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 Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(h) New standards and interpretations not yet adopted

A number of new standards are effective for annual periods beginning after 1 January 2021 and earlier application is permitted, however, the Company has not early adopted the new or amended standards in preparing these financial statements.

Of those standards that are not yet effective there are none which are expected to have a significant impact on the Company's financial statements in the period of initial application.

**NEUROSCIENCE RESEARCH AUSTRALIA FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

4 DONATIONS AND FUNDRAISING

	2020	2019
	\$	\$
Direct Marketing	705,499	867,039
Events	233,642	342,196
Bequests	448,259	1,998,325
Major Gifts	1,936,308	1,761,415
Trusts & Foundations	1,055,975	1,487,127
General	1,066,600	897,475
Capital Campaign	700,000	700,000
TOTAL REVENUE	<u>6,146,283</u>	<u>8,053,577</u>

5 OTHER EXPENSES

	2020	2019
	\$	\$
Direct Mail	229,464	314,394
Direct Mail Acquisitions	299,748	245,279
Events	115,044	141,816
Corporate Partnerships	8,375	14,294
Other	150,627	139,449
TOTAL OTHER EXPENSES	<u>803,258</u>	<u>855,232</u>

6 PERSONNEL EXPENSES

	2020	2019
	\$	\$
Wages, Salaries, and Other Personnel Expenses	1,073,572	1,139,122
Contributions to superannuation funds	86,550	83,472
TOTAL PERSONNEL EXPENSES	<u>1,160,122</u>	<u>1,222,594</u>

**NEUROSCIENCE RESEARCH AUSTRALIA FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

7 NET FINANCE INCOME

	2020	2019
	\$	\$
Interest Income	876	53,030
Inter-company loan interest expense	106,756	78,423
Bank Charges	(10,740)	(17,143)
Net gain from financial assets recognised through profit or loss	250,893	820,716
Dividend income	280,827	224,286
Fund management fees	(49,266)	(53,765)
Foreign exchange gains	28,485	16,055
TOTAL NET FINANCE INCOME	<u>607,831</u>	<u>1,121,602</u>

8 CASH AND CASH EQUIVALENTS

	2020	2019
	\$	\$
Bank balances	523,484	1,155,238
CASH AND CASH EQUIVALENTS IN THE STATEMENT OF CASH FLOWS	<u>523,484</u>	<u>1,155,238</u>

9 TRADE AND OTHER RECEIVABLES

	Note	2020	2019
		\$	\$
Current			
Sundry Receivables		-	4,062
Related party receivable - Neuroscience Research Australia	14	4,656,474	2,221,033
TOTAL TRADE AND OTHER RECEIVABLES		<u>4,656,474</u>	<u>2,225,095</u>

10 OTHER FINANCIAL ASSETS

	2020	2019
	\$	\$
Current		
Financial assets recognised through fair value through profit or loss	8,639,995	10,809,785
TOTAL OTHER FINANCIAL ASSETS	<u>8,639,995</u>	<u>10,809,785</u>

**NEUROSCIENCE RESEARCH AUSTRALIA FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

11 TRADE AND OTHER PAYABLES

	2020	2019
	\$	\$
Trade creditors	6,128	43,311
Other payables and accrued expenses	26,868	17,052
TOTAL TRADE AND OTHER PAYABLES	<u>32,996</u>	<u>60,363</u>

12 RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES

	2020	2019
	\$	\$
Cash flows from operating activities		
Operating surplus/(deficit)	(342,798)	2,936,559
Net change from financial assets recognised through profit or loss	(250,893)	(820,716)
Dividend income	(280,827)	(224,286)
Foreign exchange gains	(28,485)	(16,055)
Interest income	(107,632)	(53,030)
Net cash provided by operating activities before changes in assets and liabilities	<u>(1,010,635)</u>	<u>1,822,472</u>
Changes in assets and liabilities		
Decrease/(Increase) in receivables	4,062	(58,905)
Increase in payables	(27,367)	(14,439)
Net cash flow from operating activities	<u>(1,033,940)</u>	<u>1,749,128</u>

13 TRUST CAPITAL

Settled Sum	<u>10</u>	<u>10</u>
There were no movements in trust capital during the year		

14 RELATED PARTIES

The following were key management personnel of the Trust at any time during the reporting period, unless otherwise indicated were key management personnel for the entire period: Peter Schofield (Chief Executive Officer) and Kate Johnston (Company Secretary).

Key management services

All key management personnel are compensated by Neuroscience Research Australia, and services performed in relation to the Trust are re-charged by Neuroscience Research Australia to the Trust.

Identity of related parties

The Trust has a related party relationship with its trustee (Neuroscience Research Australia Foundation), its ultimate parent entity (Neuroscience Research Australia), and with its key management personnel.

**NEUROSCIENCE RESEARCH AUSTRALIA FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

14 RELATED PARTIES (CONTINUED)

Other related party transactions

	2020	2019
	\$	\$
Related party receivable – Neuroscience Research Australia (see Note 9)	4,656,474	2,221,033
Donations	5,133,532	4,160,794

On 12 December 2013, Neuroscience Research Australia Foundation entered into a loan facility as lender with Neuroscience Research Australia. In December 2019 the year's interest income of \$106,756 was received. The loan facility balance at the end of the year is \$4,656,474.

15 TRUSTEE DETAILS

The Trustee is Neuroscience Research Australia Foundation, a public company limited by guarantee. The registered office of the Trustee is 139 Barker Street, Randwick NSW 2031.

Directors:

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

Norbert Schweizer OAM

Norbert Schweizer was appointed Director in October 2018 and is Chairman of the Board. Norbert is the founder and partner of Schweizer Kobras, Lawyers and Notaries and an accredited specialist in business law.

Peter Schofield AO

Peter Schofield was appointed Director in August 2007. He is Chief Executive Officer of Neuroscience Research Australia.

Ian Harris

Ian Harris was appointed Director in June 2011. He is Business Unit Manager at AbbVie, a biopharmaceutical company.

Stephen Blackman

Stephen Blackman was appointed Director in April 2014. He is the former Principal, Resource Capital Advisory Services and director of several private companies.

Paul Nicolarakis

Paul Nicolarakis was appointed Director in March 2014. He is Chief Data Officer, Commonwealth Department of Veterans' Affairs.

Christine Cameron

Christine Cameron was appointed Director in August 2014. She was the former Head of Institutional and Strategic Relationships at Maple-Brown Abbott Investment Managers.

Chad Barton

Chad Barton was appointed Director in May 2016. He is a Chartered Accountant and former Group Chief Financial Officer at The Star Entertainment Group Limited.

**NEUROSCIENCE RESEARCH AUSTRALIA FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

15 TRUSTEE DETAILS (CONTINUED)

Directors (continued)

Sophie Wong

Sophie Wong was appointed Director in May 2017. She has a Masters Degree in Brain and Mind Sciences from the University of Sydney and is currently undertaking a professional doctorate in management at the University of Hertfordshire, UK.

George Kemp

George Kemp was appointed Director in March 2019. He is a Chartered Accountant and Chairman of the Prince of Wales Hospital Foundation.

Lee Valentine

Lee Valentine was appointed Director in May 2019. Lee is the Group Executive Director of Enigma, Australia's largest regional advertising agency.

DIRECTORS' MEETINGS

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

DIRECTOR	BOARD MEETINGS		FINANCE, RISK, AUDIT & COMPLIANCE COMMITTEE MEETINGS		INVESTMENT COMMITTEE MEETINGS		STRATEGY COMMITTEE MEETINGS		NOMINATION COMMITTEE MEETINGS	
	A	B	A	B	A	B	A	B	A	B
	Mr Norbert Schweizer, OAM	6	6	-	-	-	-	-	-	4
Prof Peter Schofield, AO	6	6	9	9	4	3	7	7	4	4
Mr Ian Harris	6	5	-	-	-	-	-	-	-	-
Dr Paul Nicolarakis	6	6	-	-	-	-	-	-	-	-
Mr Stephen Blackman	6	6	9	9	-	-	-	-	-	-
Ms Christine Cameron	6	5	-	-	4	4	-	-	-	-
Mr Chad Barton	6	6	1	1	-	-	-	-	-	-
Ms Sophie Wong	6	5	-	-	-	-	-	-	-	-
Mr George Kemp	6	6	-	-	-	-	-	-	-	-
Mr Lee Valentine	6	5	-	-	-	-	-	-	-	-

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

B - Number of meetings attended

COMPANY SECRETARY

Kate Johnston was appointed Company Secretary in April 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 is a joint committee, providing oversight of the activities of the Company, Neuroscience Research Australia, its NeuRA Division and the Mindgardens Neuroscience Network and its subsidiaries, Neuroscience Research Australia Foundation and the Schizophrenia Research Institute. The trustees directors of the FRAC committee during the period were: S Blackman, C Barton and P Schofield.

**NEUROSCIENCE RESEARCH AUSTRALIA FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

15 TRUSTEE DETAILS (CONTINUED)

INVESTMENT COMMITTEE

The Investment Committee oversees and makes investment recommendations to the Boards of Directors to support NeuRAs research and associated infrastructure. This committee is a joint committee, providing oversight of the activities of Neuroscience Research Australia, its NeuRA Division and the Mindgardens Neuroscience Network and its subsidiaries, Neuroscience Research Australia Foundation and the Schizophrenia Research Institute. The trustees directors of the Investment Committee during the period were: C Cameron and P Schofield.

STRATEGY COMMITTEE

The Strategy committee oversees and makes recommendations to the Board to support the delivery of NeuRA's vision and mission through the development, implementation and monitoring of strategic plans. This committee provides oversight of the strategic activities of the NeuRA Division. The trustees directors of the Strategy Committee during the period were: P Schofield.

NOMINATION 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 is a joint committee, providing oversight of the activities of Neuroscience Research Australia, its NeuRA Division and the Mindgardens Neuroscience Network and its subsidiaries, Neuroscience Research Australia Foundation and the Schizophrenia Research Institute. The trustees directors of the Nomination Committee during the period were: P Schofield and N Schweizer.

16 RESEARCH AUSTRALIA FOUNDATION

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

RESULTS OF FUNDRAISING APPEALS	2020	2019
	\$	\$
Gross proceeds from fundraising	6,146,283	8,053,577
Less: Direct cost of fundraising	(1,963,380)	(2,051,410)
Net surplus obtained from fundraising appeals	<u>4,182,903</u>	<u>6,002,167</u>
This surplus was allocated to:		
Expenditure on research	2,632,901	2,289,431
Transfer to accumulated funds for building development	1,550,002	1,871,364
Transfer of accumulated funds for future research	-	1,841,372
TOTAL ALLOCATION	<u>4,182,903</u>	<u>6,002,167</u>

17 SUBSEQUENT EVENTS

There have been no events subsequent to balance date, which would have a material effect on the Company's financial statements at 31 December 2020.

18 COVID-19 PANDEMIC

The COVID-19 pandemic affected most operations of the Group during the course of the financial period .In particular there was volatility in donation and financial income. Particularly affected by Covid -19 were research areas involving clinical trials and clinical research with a number of such studies being postponed. Working from home arrangements were put in place for a majority of staff. No staff were stood down although some varied work arrangements were put in place.

**NEUROSCIENCE RESEARCH AUSTRALIA FOUNDATION
TRUSTEES' DECLARATION**

In the opinion of the trustees of the trust of Neuroscience Research Australia Foundation ("the Trust"):

- (a) the financial statements and notes, set out on pages 3 to 18, present fairly the financial position of the Trust as at 31 December 2020 and of its performance for the financial period year on that date in accordance with Australian Accounting Standards - Reduced Disclosure Requirements, the Australian Charities and Not-for-profits Commission Act 2012 and the Trust Deed dated 14 November 2007; and
- (b) there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

Signed in accordance with resolution of the trustees of the trust



NORBERT SCHWEIZER OAM
Chairman



PETER SCHOFIELD AO
Chief Executive Officer

Dated at Sydney this 6th day of April 2021

**NEUROSCIENCE RESEARCH AUSTRALIA FOUNDATION
DECLARATION BY RESPONSIBLE OFFICER IN RESPECT OF FUNDRAISING APPEALS**

I, Peter Schofield, Chief Executive Officer and responsible officer of Neuroscience Research Australia Foundation, declare in my opinion that:

- (a) the financial report gives a true and fair view of all income and expenditure of Neuroscience Research Australia Foundation with respect to fundraising appeal activities for the year ended 31 December 2020;
- (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 2020;
- (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 2020; and
- (d) the internal controls exercised by Neuroscience Research Australia Foundation are appropriate and effective in accounting for all income received and applied from any fundraising appeals.



PETER SCHOFIELD AO

Chief Executive Officer

Date at Sydney this 6th day of April 2021



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

To: the members of Neuroscience Research Australia Foundation

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 31 December 2020 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

Warwick Shanks

Partner

Sydney

6 April 2021



Independent Auditor's Report

To the trustees of Neuroscience Research Australia Foundation

Report on the audit of the Financial Report

Opinion

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

In our opinion, the accompanying Financial Report of the Trust is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*, including:

- i. giving a true and fair view of the Trust's financial position as at 31 December 2020, and of its financial performance and its cash flows for the year ended on that date; and
- ii. complying with *Australian Accounting Standards – Reduced Disclosure Requirements* and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

The **Financial Report** comprises:

- i. Statement of financial position as at 31 December 2020.
- ii. Statement of total comprehensive income, Statement of changes in equity, and Statement of cash flows for the year then ended.
- iii. Notes including a summary of significant accounting policies.
- iv. Trustees' declaration of the Trust.
- v. Declaration by the Chief Executive Officer in respect of fundraising appeals of the Trust.

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 Trust 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* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

Other information

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

Our opinion on the Financial Report does not cover the Other Information and, accordingly, 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

The Trustee's Directors are responsible for:

- i. Preparing the Financial Report that gives a true and fair view in accordance with Australian Accounting Standards and the ACNC.
- ii. Preparing the Financial Report in accordance with Section 24(2) of the Charitable Fundraising (NSW) Act 1991 and Regulations (the Act and Regulations).
- iii. 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.
- iv. Assessing the Trust'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 trust 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 Trust'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 Trustees' 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 Trust'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 Trust 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 Trustees of the registered Trust 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.

In addition we have:

- i. Obtained an understanding of the internal control structure for fundraising appeal activities.
- ii. Examined on a test basis of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to the Acts and Regulations.

We have not audited on a continuous basis the accounting records relied upon for reporting on fundraising appeal activities. These do not necessarily reflect accounting adjustments after the event or normal year-end financial adjustments required for the preparation of Financial Report such as accruals, prepayments, provisioning and valuations.

Report on Other Legal and Regulatory Requirements

Opinion pursuant to the Charitable Fundraising Act (NSW) 1991

In our opinion:

- i. the Financial Report gives a true and fair view of the Trust's financial result of fundraising appeal activities for the financial year ended 31 December 2020;
- ii. the Financial Report has been properly drawn up, and the associated records have been properly kept for the period from 1 January 2020 to 31 December 2020, in accordance with the *Charitable Fundraising Act (NSW) 1991* and Regulations;
- iii. money received as a result of fundraising appeal activities conducted during the period from 1 January 2020 to 31 December 2020 has been properly accounted for and applied in accordance with the *Charitable Fundraising Act (NSW) 1991* and Regulations; and
- iv. there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they fall due.



KPMG



Warwick Shanks

Partner

Sydney

6 April 2021