



SCHIZOPHRENIA RESEARCH

**SCHIZOPHRENIA RESEARCH INSTITUTE
(A COMPANY LIMITED BY GUARANTEE)**

ABN 31 068 846 319

FINANCIAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

SCHIZOPHRENIA RESEARCH INSTITUTE

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

CONTENTS

Directors' Report	3
Auditor's independence declaration	6
Statement of total comprehensive income	7
Statement of changes in equity	8
Statement of financial position	9
Statement of cash flows	10
Notes to the financial statements	11
Directors' declaration	18
Independent Auditor's Report	19

This annual report is for Schizophrenia Research Institute ("the Company"), its registered office and principal place of business is:

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

The principal activities of the entity during the financial year were research and fundraising for the purpose of the discovery of the means to prevent and cure schizophrenia and other allied disorders. The Entity is a not-for-profit organisation.

**SCHIZOPHRENIA RESEARCH INSTITUTE
DIRECTORS' REPORT FOR THE YEAR
ENDED 31 DECEMBER 2020**

The directors present their report together with the financial statements of Schizophrenia Research Institute, for the year ended 31 December 2020 and the auditor's report thereon.

DIRECTORS

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

Norbert Schweizer OAM - Chairman and Non Executive Director

Norbert is the founder and partner of Schweizer Kobras, Lawyers and Notaries and an accredited specialist in business law. Former chairman of the Silver Committee of the Royal NSW Institute for Deaf and Blind Children (of which he is a life member). Norbert is a former president of Emanuel Synagogue in Woollahra (of which he is a life governor) and a Deputy Chairman of B'nai B'rith Retirement Villages. Former member of the Dean's Board of Advice of the Sydney Conservatorium of Music and a foundation director of the Swiss-Australia Chamber of Commerce and Industry. Norbert is also a non-executive director of a number of companies in the electrical transmission, distribution and building services industries. Norbert joined the board in 2011 and became Chairman in October 2013.

Peter Schofield AO - CEO

Professor Peter Schofield is CEO of Neuroscience Research Australia and Professor of Medicine at UNSW. He has worked in the biotechnology industry and in academic medical research institutes in the US, Germany and Australia. In 2004, he commenced his current role at NeuRA. Peter's research interests focus on understanding how signalling in the brain occurs and identifying genes that lead to neurodegenerative and psychiatric disorders such as Alzheimer's disease and bipolar disorder. His research has been recognised by many awards including the Gottschalk Medal by the Australian Academy of Science. He has published over 350 scientific papers. Peter joined the Board of Directors in May 2015.

Kate Johnston - Company Secretary

Dr Kate Johnston is Chief Operating Officer of Neuroscience Research Australia. She has led the operations for healthcare and biomedical research start-ups and has led a multi-faceted career as a business leader, researcher and academic. Before joining NeuRA, Kate was a healthcare and biomedical research operations consultant working out of Brisbane, Australia and prior to that the COO for the Translational Research Institute (TRI) in Brisbane. Kate joined the Board of Directors in April 2018.

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

DIRECTOR	BOARD MEETINGS	
	A	B
N Schweizer	3	3
P Schofield	3	3
K Johnston	3	3

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

B - Number of meetings attended

**SCHIZOPHRENIA RESEARCH INSTITUTE
DIRECTORS' REPORT FOR THE
YEAR ENDED 31 DECEMBER 2020 (CONTINUED)**

COMPANY SECRETARY

Kate Johnston was appointed Company Secretary in April 2018.

NON-EXECUTIVE DIRECTORS

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

PRINCIPAL ACTIVITY

The principal activity of the Company during the course of the financial year was researching for the purpose of the discovery of the means to prevent and cure schizophrenia and other allied disorders. The Entity is a not-for-profit organisation. There were no significant changes in the nature of the activities of the Company during the year.

PERFORMANCE

The deficit of the Company for the year ended 31 December 2020 was \$1,917,284 (2019: deficit of \$309,357).

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

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.

LIKELY DEVELOPMENTS AND EXPECTED OPERATING RESULTS

The Company will continue to pursue the principal activity during the course of the financial period being researching for the purpose of the discovery of the means to prevent and cure schizophrenia and other allied disorders.

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.

**SCHIZOPHRENIA RESEARCH INSTITUTE
DIRECTORS' REPORT FOR THE
YEAR ENDED 31 DECEMBER 2020 (CONTINUED)**

ENVIRONMENTAL REGULATION

The Company's operations are not subject to any particular and significant environmental regulation under a Commonwealth, or State law.

INDEMNIFICATION & INSURANCE OF OFFICERS & AUDITORS

The Company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith. During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001.

PROCEEDINGS ON BEHALF OF THE ENTITY

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

MEMBERS LIABILITY

The Company is a company limited by guarantee and without share capital. In accordance with the constitution of the Company, every member of the Company undertakes to contribute an amount limited to \$100 per member to the assets of the Company 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 Company 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.

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 6 and forms part of the directors' report for the year ended 31 December 2020.

Signed in accordance with a resolution of the directors:



NORBERT SCHWEIZER OAM

Chairman



PETER SCHOFIELD AO

Chief Executive Officer

Dated 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 Schizophrenia Research Institute

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

Partner

Sydney

6 April 2021

**SCHIZOPHRENIA RESEARCH INSTITUTE
STATEMENT OF TOTAL COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 \$	2019 \$
REVENUE			
Fundraising Donations		-	-
		<hr/>	<hr/>
TOTAL REVENUE FROM ORDINARY ACTIVITIES		-	-
EXPENSES			
Administration Expenses		(24,577)	(12,110)
Investment management fees		-	(20,140)
Research Expenses		(596,820)	(639,393)
Donations to Neuroscience Research Australia		(1,400,000)	-
		<hr/>	<hr/>
TOTAL EXPENSES FROM ORDINARY ACTIVITIES		(2,021,397)	(671,643)
FINANCE INCOME			
Dividend income		70,025	78,791
Interest income		3,407	28,912
Gains on investment		30,681	254,583
NET FINANCE INCOME		104,113	362,286
		<hr/>	<hr/>
DEFICIT FOR THE YEAR		(1,917,284)	(309,357)
		<hr/>	<hr/>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(1,917,284)	(309,357)
		<hr/>	<hr/>

The statement of total comprehensive income is to be read in conjunction with the notes to the financial statements set out on pages 11 to 17.

**SCHIZOPHRENIA RESEARCH INSTITUTE
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Retained Surplus	Total Equity
	\$	\$
OPENING BALANCE AT 1 JANUARY 2019	3,734,552	3,734,552
Deficit for the year	(309,357)	(309,357)
TOTAL COMPREHENSIVE INCOME FOR YEAR	(309,357)	(309,357)
CLOSING BALANCE AT 31 DECEMBER 2019	3,425,195	3,425,195
ADJUSTED OPENING BALANCE AT 1 JANUARY 2020	3,425,195	3,425,195
Deficit for the year	(1,917,284)	(1,917,284)
TOTAL COMPREHENSIVE INCOME FOR YEAR	1,507,911	1,507,911
CLOSING BALANCE AT 31 DECEMBER 2020	1,507,911	1,507,911

The statement of changes in equity is to be read in conjunction with the notes to the financial statements set out on pages 11 to 17.

**SCHIZOPHRENIA RESEARCH INSTITUTE
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020**

	Note	2020 \$	2019 \$
CURRENT ASSETS			
Cash and Cash Equivalents	4	3,200	83,957
Other financial Assets	5	1,515,771	3,364,003
TOTAL CURRENT ASSETS		<u>1,518,971</u>	<u>3,447,960</u>
TOTAL ASSETS		<u>1,518,971</u>	<u>3,447,960</u>
CURRENT LIABILITIES			
Trade and Other Payables	6	11,060	22,765
TOTAL CURRENT LIABILITIES		<u>11,060</u>	<u>22,765</u>
TOTAL LIABILITIES		<u>11,060</u>	<u>22,765</u>
NET ASSETS		<u>1,507,911</u>	<u>3,425,195</u>
EQUITY			
Retained Surplus		1,507,911	3,425,195
TOTAL EQUITY		<u>1,507,911</u>	<u>3,425,195</u>

The statement of financial position is to be read in conjunction with the notes to the financial statements set out on pages 11 to 17.

**SCHIZOPHRENIA RESEARCH INSTITUTE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 \$	2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from supporters and funding sources		-	-
Interest Received		-	10
Donations Paid		-	-
Payments to suppliers and employees		(439)	(1,301)
NET CASH USED IN OPERATING ACTIVITIES		<u>(439)</u>	<u>(1,291)</u>
	7	<u>(439)</u>	<u>(1,291)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends Received		-	-
Interest Received		-	-
Purchase of investments		-	-
NET CASH PROVIDED BY/(USED IN) INVESTING		<u>-</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments to related parties		(80,318)	(20,517)
NET CASH USED IN FINANCING ACTIVITIES		<u>(80,318)</u>	<u>(20,517)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS		(80,757)	(21,808)
Cash and cash equivalents at the beginning of the financial year		83,957	105,765
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	4	<u><u>3,200</u></u>	<u><u>83,957</u></u>

The statement of cash flows is to be read in conjunction with the notes to the financial statements set out on pages 11 to 17.

**SCHIZOPHRENIA RESEARCH INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1 REPORTING ENTITY

Schizophrenia Research Institute (the "Company") is a company incorporated and domiciled in Australia as a Company Limited by Guarantee. The financial statements of the Company 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 Australia 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 Company'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.

(e) Going Concern

The 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.

SCHIZOPHRENIA RESEARCH INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below, have been applied consistently to all periods presented in these financial statements.

(a) Financial Instruments

(i) *Recognition and derecognition*

Financial assets and financial liabilities are recognised when the Company 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 initial measurement of financial assets*

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 Company'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.

SCHIZOPHRENIA RESEARCH INSTITUTE
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 new forward-looking impairment model applies to the Company'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*

As the accounting for financial liabilities remains largely unchanged from AASB 139, the Company's financial liabilities were not impacted by the adoption of AASB 9. However, for completeness, the accounting policy is disclosed below. 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).

**SCHIZOPHRENIA RESEARCH INSTITUTE
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 Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, or economic conditions that correlate with defaults.

The Company 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 Company 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.

(ii) Non-financial assets

The carrying amounts of the Company'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.

SCHIZOPHRENIA RESEARCH INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Impairment (continued)

(ii) Non-financial assets (continued)

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) Revenue

(i) Donations and fundraising

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

(d) Research expenses

Research expenses are taken on an accrual basis and measured at their fair value of the consideration paid or payable.

(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 Company 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.

**SCHIZOPHRENIA RESEARCH INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

4 CASH AND CASH EQUIVALENTS

	2020	2019
	\$	\$
Cash at Bank and on Hand	3,200	83,957
CASH AND CASH EQUIVALENTS IN THE STATEMENT OF CASH FLOWS	3,200	83,957

Cash at bank earns interest at the current variable rate and is repayable on demand. The amount recognised in the balance sheet approximates its fair value.

5 OTHER FINANCIAL ASSETS

	2020	2019
	\$	\$
Current		
Financial assets - fair value through profit or loss	1,515,771	3,364,003
	1,515,771	3,364,003

6 TRADE AND OTHER PAYABLES

	2020	2019
	\$	\$
Related party payable - Neuroscience Research Australia	-	12,428
Other Payables and Accruals	11,060	10,337
	11,060	22,765

7 RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES

	2020	2019
	\$	\$
Cash flows from operating activities		
Operating deficit	(1,917,284)	(309,357)
Interest received	(3,407)	(28,902)
Gain on investment	(30,681)	(254,583)
Dividend received	(70,025)	(78,791)
Net cash used in operating activities before changes in assets and liabilities	(2,021,397)	(671,633)
Changes in assets and liabilities		
Decrease in Other Financial Assets *	2,020,235	670,051
Increase in Trade and Other Payables	723	291
NET CASH FLOW FROM OPERATING ACTIVITIES	(439)	(1,291)

* Non-cash transaction

A non-cash donation to Neuroscience Research Australia, specifically donated to the Mindgardens business unit to support the Tertiary Referral Service for Psychosis (TRSP), was funded through a transfer of other financial assets.

**SCHIZOPHRENIA RESEARCH INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

8 RELATED PARTIES

Key management services

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

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

All non-executive directors provide their services to the Board on a voluntary basis. None of the non-executive directors are remunerated.

Other related party transactions

	2020	2019
	\$	\$
Related party payable - Neuroscience Research Australia (see note 6)	-	12,428
Donations transfer - Neuroscience Research Australia	1,400,000	-

The Company meets commitments for schizophrenia research from both fundraising and existing reserves. Schizophrenia research is performed by Neuroscience Research Australia and the Company reimburses the costs incurred by Neuroscience Research Australia in meeting those commitments, less the value of donations income. Amounts paid during the year were:

Research Expenses	596,820	639,393
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Apart from the details disclosed in this note, no director has entered into a material contract with the entity since the end of the previous financial year and there were no material contracts involving directors' interests subsisting at year end.

9 EQUITY

The Company is limited by guarantee. If the Company is wound up, the constitution states that each member, while they are a member, or within one year of them ceasing to be a member, is required to contribute a maximum of \$100 towards meeting any outstanding obligations of the Entity. At 31 December 2020 the total number of members was 1 (2019: 1). Retained earnings reflect surplus of revenue received less expenditure up to the reporting date. The balance may be allocated to existing projects for which expenditure has not yet been contracted or incurred.

10 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.

**SCHIZOPHRENIA RESEARCH INSTITUTE
DIRECTORS' DECLARATION**

In the opinion of the directors of Schizophrenia Research Institute ("the Company"):

- (a) the financial statements and notes, set out on pages 7 to 17 are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:
 - (i) giving a true and fair view of the Company's financial position as at 31 December 2020 and of its performance, for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the Australian Charities and Not-for-profits Commission Regulation 2013; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors .



NORBERT SCHWEIZER OAM
Chairman



PETER SCHOFIELD AO
Chief Executive Officer

Dated at Sydney this 6th day of April 2021



Independent Auditor's Report

To the members of Schizophrenia Research Institute

Report on the audit of the Financial Report

Opinion

We have audited the **Financial Report**, of the Schizophrenia Research Institute (the Company).

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

- i. giving a true and fair view of the Company'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. Directors' declaration of the Company.
- v. Declaration by the Chief Executive Officer in respect of fundraising appeals of the Company.

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 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* (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 Schizophrenia Research Institute's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

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

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 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 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 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 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 Company'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 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 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.

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 Company'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 Company will be able to pay its debts as and when they fall due.



KPMG



Warwick Shanks

Partner

Sydney

6 April 2021