

# **St Vincent's Institute of Medical Research**

**ABN 52 004 705 640**

**Annual Report - 31 December 2023**

The directors present their report, together with the financial statements, on the company for the year ended 31 December 2023.

### **Directors**

The following persons were directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Mr Michael Burn  
Ms Melanie Eagle  
Ms Karen Inge  
Professor Thomas WH Kay  
Professor Erwin Loh (resigned 28 July 2023)  
Mr Simon Marton  
Professor Michael McGuckin  
The Honourable Chris Pearce  
Mr Anthony Reeves  
Ms Fiona Rowland  
Emeritus Professor A. Ian Smith  
Dr Marcus Tierney  
Mr Michael Wachtel  
The Honourable Kathy Williams

### **Objectives**

St Vincent's Institute of Medical Research is the third oldest independent research institute in Melbourne. Since its inception, the company has played a leading role in one of Australia's most successful international endeavours — medical research. The company carries out biomedical research into common diseases of the community, including: type 1 diabetes, obesity and type 2 diabetes, cardiovascular disease, bone diseases including arthritis and osteoporosis, cancer and Alzheimer's disease.

The company's mission is to produce world class science: inspired by discovery, driven by purpose. The vision is to make medical discoveries that transform lives. The following strategic priorities have been set towards achieving this vision:

- Attracting, developing, and retaining talent
- Evolving our approach to funding
- Prioritising Aikenhead Centre for Medical Discovery (ACMD) and growing other collaborations, with a focus on clinical links.

Partnerships and collaborations are key to the company achieving the strategic priorities - promoting excellence, a financially sustainable organisation and a strong culture.

### **Principal activities**

The principal activity of the company during the financial year was medical research.

### **Review of operations**

The deficit for the company amounted to \$2,703,689 (2022: deficit of \$2,493,842).

**Information on directors**

**Name:** **Mr Anthony Reeves**

**Title:** Chairperson

**Qualifications:** Master of Commerce, Bachelor of Economics, GAICD, FCPA.

**Experience and expertise:** Board member since March 2017, former CFO of several Australian public companies, Treasury Wine Estates, Foster's Group Limited, OneSteel Limited. Chairman of the Board of Hewitt Cattle Australia Pty Ltd, Southern Premium Vineyards P/L, and Arcadian Natural & Organic Meat Co Pty Ltd. Non-Executive Director of Fresh Country Farms Australia (FCFA) Management Pty Ltd (owned by the Public Sector pension fund of Canada) (appointed March 2023). Past Director of Private Banking Services Ltd (retired October 2023). Past president of the Group of 100. He is a graduate of the Harvard Business School's Program for Management Development, a Fellow of CPA Australia and a member of the Australian Institute of Company Directors and the Financial Executives Institute.

**Special responsibilities:** Chair of the Nominations, Remuneration & Culture Committee  
Member of the Audit & Risk Committee  
Member of the Aikenhead Centre for Medical Discovery Committee  
Member of the Investment Committee

**Name:** **Mr Michael Burn**

**Title:** Director

**Qualifications:** BComm

**Experience and expertise:** Board member since September 2019, Deputy Chairman of Flagstaff Partners, former Executive Director Macquarie Group, Director of PFD Food Services Group, and a Member of Board of Trustees Melbourne Convention and Exhibition Trust, former Director Prince Henry Institute of Medical Research.

**Special responsibilities:** Chair of the Audit & Risk Committee  
Member of the Aikenhead Centre for Medical Discovery Committee

**Name:** **Ms Melanie Eagle**

**Title:** Director

**Qualifications:** GAICD, LLB, BSW, BA

**Experience and expertise:** Board member since June 2022, Chair of Disability Worker Registration Board of Victoria, Member of the Board of Alfred Health, Advisory Committee Member of the March4Justice, Trust Member of the Queen Victoria Women's Trust.

**Special responsibilities:** Member of the Commercialisation Committee  
Member of the NRL Committee

Name: **Ms Karen Inge**

Title: Director

Qualifications: BSc, Dip. Diet, APD, FSDA, FSMA

Experience and expertise: Board member since July 2014, Accredited Practicing Dietician, Director of the Institute of Health and Fitness, Head of the Nutrition at the Victorian Institute of Sport, Director of Zi Inge Group, Director of Flinders Hotel, Past President of Sports Dietitians Australia.

Special responsibilities: Chair of St Vincent's Institute Foundation

Name: **Professor Thomas WH Kay**

Title: Executive Director

Qualifications: BMedSci, MBBS PhD Melb, FRACP, FRCPA

Experience and expertise: Board member since April 2003, Executive Director of St Vincent's Institute of Medical Research.

Name: **Professor Erwin Loh**  
*Resigned 28th July 2023*

Title: Director

Qualifications: MBBS, LLB(Hons), MHSM, MBA, PhD, FRACMA

Experience and expertise: Board member since June 2022, Group Chief Medical Officer, and Group General Manager of Clinical Governance at St Vincent's Hospital Australia.

Name: **Mr Simon Marton**

Title: Director

Qualifications: MBA, BBus (Marketing)

Experience and expertise: Board member since November 2019, CEO at Starward Distillery Pty Ltd, significant experience in senior executive roles.

Special responsibilities: Member of the NSRL Committee

Name: **Professor Michael McGuckin**

Title: Director

Qualifications: B.Sc. PhD, GAICD

Experience and expertise: Board member since May 2021, Deputy Dean Faculty of Medicine, Dentistry & Health Sciences at the University of Melbourne.

**Name:** **The Honourable Chris Pearce**

**Title:** Deputy Chairperson

**Qualifications:** Adjunct Professor, BBus, MBA, JP, FAMI, FAICD, GCDiv, Grad Cert PosPsych

**Experience and expertise:** Board member since September 2017, former Member of the Ministry in the Federal Government of Australia and held various senior executive roles, Director and Chair roles, current Non-Executive Board Director of McKinnon Institute for Political Leadership and the External Representative on the Learning and Engagement Board Committee of the Melbourne Symphony Orchestra.

**Special responsibilities:** Chair of the Aikenhead Centre for Medical Discovery Committee  
Member of the Nominations, Remuneration & Culture Committee

**Name:** **Ms Fiona Rowland**  
*Ms Rowland took a leave of absence from the Board for the year*

**Title:** Director

**Qualifications:** LLB (Hons), BA, FAICD

**Experience and expertise:** Board member since 2017, former Executive Director of UBS Wealth Management, former CEO of Bennelong Wealth Partners, and the Bennelong Foundation. Chairperson of Macquarie Investment Services Limited. Ms Rowland is the Non-Executive Director of Melbourne Water Corporation, Infrastructure Specialist Asset Management Limited (part of the UK Foresight Group Holdings Limited FSG:LSE), where she also Chairs the Audit, Compliance, Risk Management Committee. Former Non-Executive Director of Macquarie Life Limited. Ms Rowland is also an Independent Member of the Audit & Risk Committee of Unisuper Limited and an Advisory Board member of Kearney Australia part of the global management consulting group.

**Name:** **Emeritus Professor A. Ian Smith**

**Title:** Director

**Qualifications:** HNC, BSc (Hons), PhD (Monash)

**Experience and expertise:** Board member since January 2022. Professor Emeritus at Monash University, Chair and Board Member of Population Health Research Network, National Foundation for Medical Research and Innovation, Queensland Cyber Infrastructure Foundation, EMBL Australia Council, and Euro-Bioimaging Scientific Advisory Board. Board member of Coordinated Research Infrastructures and a Member of the Scientific and Ethics Advisory Board.

**Special responsibilities:** Member of the Aikenhead Centre for Medical Discovery Committee  
Member of the Commercialisation Committee

**Name:** **Dr Marcus Tierney**

**Title:** Director

**Qualifications:** PhD (Med) BSc (Hons)

**Experience and expertise:** Board member since August 2015, CEO of CO2, Investment Director of Mitchell Asset Management, Member of the Commercialisation Advisory Board of Venso Labs, former Taxation Partner at PwC in Melbourne, previously a member of the board of the O'Brien Institute.

**Special responsibilities:** Chair of the Commercialisation Committee

**Name:** **Mr Michael Wachtel**

**Title:** Director

**Qualifications:** BCom LLB; LLM (LSE), FAICD, CTA

**Experience and expertise:** Board member since November 2015, current Board member of the Future Fund, SEEK and PACT. Previously Chairman of EY (Asia Pacific) and past Board member of the EY Global Governance Council and ACMI (Australian Centre for the Moving Image). Past President of the International Fiscal Association (IFA Australia), and past Member of the Tax Advisory Board. Mr Wachtel co-authored the BCA White Paper 'Removing Tax Barriers to International Growth' (2001). He is a Senior Fellow in The University of Melbourne Law Faculty.

**Special responsibilities:** Chair of the Investment Committee (temporarily in 2023 in place of Ms Rowland)

**Name:** **The Honourable Kathy Williams**

**Title:** Director

**Qualifications:** LLB (Hons) LLM, GAICD

**Experience and expertise:** Board member since September 2018, previously Justice of the Supreme Court of Victoria, President of the Victorian Forensic Leave Panel, and Judge of the County Court of Victoria. Director of Launch Housing.

**Special responsibilities:** Chair of the NSRL Committee  
Member of the Aikenhead Centre for Medical Discovery Committee  
Member of the Nominations, Remuneration & Culture Committee

**Meetings of directors**

The number of meetings of the company's Board of Directors ('the Board') held during the year ended 31 December 2023, and the number of meetings attended by each director were:

	Full Board		Audit, Risk and Compliance Committee	
	Attended	Held	Attended	Held
Burn, M	5	6	4	4
Eagle, M	5	6	-	-
Inge, K	6	6	-	-
Kay, TWH	6	6	4	4
Loh, E	3	6	-	-
Marton, S	5	6	-	-
McGuckin, M	6	6	-	-
Pearce, C	5	6	-	-
Reeves, T	6	6	3	4
Rowland, F	-	-	-	-
Smith, I	3	6	-	-
Tierney, M	5	6	-	-
Wachtel, M	5	6	-	-
Williams, K	6	6	-	-

Held: represents the number of meetings held during the time the director held office.

**Contributions on winding up**

In the event of the company being wound up, ordinary members are required to contribute a maximum of \$100 each. Honorary members are not required to contribute.

The total amount that members of the company are liable to contribute if the company is wound up is \$100, based on 1 current ordinary member.

**Auditor's independence declaration**

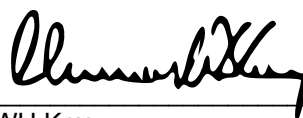
A copy of the auditor's independence declaration as required by the Australian Charities and Not-for-profits Commission Act 2012 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors.

On behalf of the directors



AJ Reeves  
 Director



TWH Kay  
 Director

25 March 2024

## DECLARATION OF INDEPENDENCE BY ELIZABETH BLUNT TO THE DIRECTORS OF ST VINCENT'S INSTITUTE OF MEDICAL RESEARCH

As lead auditor of St Vincent's Institute of Medical Research for the year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.



**Elizabeth Blunt**  
Director

**BDO Audit Pty Ltd**  
Melbourne, 25 March 2024



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### **General information**

The financial statements cover St Vincent's Institute of Medical Research as an individual entity. The financial statements are presented in Australian dollars, which is St Vincent's Institute of Medical Research's functional and presentation currency.

St Vincent's Institute of Medical Research is a not-for-profit unlisted public company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business is:

9 Princes Street  
Fitzroy, VIC 3065

A description of the nature of the company's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 25 March 2024. The directors have the power to amend and reissue the financial statements.

**St Vincent's Institute of Medical Research**  
**Statement of profit or loss and other comprehensive income**  
**For the year ended 31 December 2023**



	<b>Note</b>	<b>2023</b> \$	<b>2022</b> \$
<b>Revenue</b>	3	28,560,676	26,010,185
Other income	4	9,066,936	7,082,278
Interest revenue calculated using the effective interest method		194,005	42,878
Total revenue		<u>37,821,617</u>	<u>33,135,341</u>
<b>Expenses</b>			
Consumables and general research expense		(9,328,430)	(8,931,336)
Employee benefits expense		(23,051,392)	(21,228,560)
Depreciation and amortisation expense	5	(1,507,544)	(1,299,987)
Transfers to collaborators		(3,051,834)	(1,302,214)
Administration		(3,513,566)	(2,823,266)
Finance costs	5	(72,540)	(43,820)
Total expenses		<u>(40,525,306)</u>	<u>(35,629,183)</u>
<b>Deficit for the year</b>		(2,703,689)	(2,493,842)
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Gain/(Loss) on the revaluation of equity instruments at fair value through other comprehensive income		<u>3,212,636</u>	<u>(3,791,975)</u>
Other comprehensive income for the year		<u>3,212,636</u>	<u>(3,791,975)</u>
<b>Total comprehensive income for the year</b>		<u><u>508,947</u></u>	<u><u>(6,285,817)</u></u>

*The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*

**St Vincent's Institute of Medical Research**  
**Statement of financial position**  
**As at 31 December 2023**



	Note	2023 \$	2022 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	3,384,918	3,930,275
Trade and other receivables	7	3,815,621	4,156,072
Inventories	8	443,929	641,610
Other assets	9	909,417	479,705
<b>Total current assets</b>		<u>8,553,885</u>	<u>9,207,662</u>
<b>Non-current assets</b>			
Trade and other receivables	7	125,000	125,000
Financial assets at fair value through other comprehensive income	10	30,264,698	26,622,115
Property, plant and equipment	11	3,147,670	2,563,730
Right-of-use assets	12	660,549	1,011,259
Intangibles	13	932,197	970,825
Other assets	9	5,700,000	-
<b>Total non-current assets</b>		<u>40,830,114</u>	<u>31,292,929</u>
<b>Total assets</b>		<u>49,383,999</u>	<u>40,500,591</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	14	4,488,442	4,340,772
Contract liabilities	15	8,408,148	5,050,763
Lease liabilities	17	327,378	347,423
Provisions	18	4,831,569	4,034,855
<b>Total current liabilities</b>		<u>18,055,537</u>	<u>13,773,813</u>
<b>Non-current liabilities</b>			
Borrowings	16	4,633,734	-
Lease liabilities	17	388,947	721,188
Provisions	18	166,607	375,363
<b>Total non-current liabilities</b>		<u>5,189,288</u>	<u>1,096,551</u>
<b>Total liabilities</b>		<u>23,244,825</u>	<u>14,870,364</u>
<b>Net assets</b>		<u>26,139,174</u>	<u>25,630,227</u>
<b>Equity</b>			
Reserves	19	1,541,795	(1,214,307)
Retained surplus		<u>24,597,379</u>	<u>26,844,534</u>
<b>Total equity</b>		<u>26,139,174</u>	<u>25,630,227</u>

*The above statement of financial position should be read in conjunction with the accompanying notes*

**St Vincent's Institute of Medical Research**  
**Statement of changes in equity**  
**For the year ended 31 December 2023**



	<b>Reserves</b> \$	<b>Retained surplus</b> \$	<b>Total equity</b> \$
Balance at 1 January 2022	2,334,355	29,581,689	31,916,044
Deficit for the year	-	(2,493,842)	(2,493,842)
Other comprehensive income for the year	(3,791,975)	-	(3,791,975)
Total comprehensive income for the year	(3,791,975)	(2,493,842)	(6,285,817)
Realised losses reclassified into retained surplus	243,313	(243,313)	-
Balance at 31 December 2022	<u>(1,214,307)</u>	<u>26,844,534</u>	<u>25,630,227</u>
	<b>Reserves</b> \$	<b>Retained surplus</b> \$	<b>Total equity</b> \$
Balance at 1 January 2023	(1,214,307)	26,844,534	25,630,227
Deficit for the year	-	(2,703,689)	(2,703,689)
Other comprehensive income for the year	3,212,636	-	3,212,636
Total comprehensive income for the year	3,212,636	(2,703,689)	508,947
Realised gains reclassified into retained surplus	(456,534)	456,534	-
Balance at 31 December 2023	<u>1,541,795</u>	<u>24,597,379</u>	<u>26,139,174</u>

*The above statement of changes in equity should be read in conjunction with the accompanying notes*

**St Vincent's Institute of Medical Research**  
**Statement of cash flows**  
**For the year ended 31 December 2023**



	Note	2023 \$	2022 \$
<b>Cash flows from operating activities</b>			
Grants received		21,173,797	15,709,955
Donations, legacies, and bequests		5,957,179	5,562,892
Contract services		11,322,557	11,798,711
Payments to suppliers and employees		(38,679,467)	(33,887,768)
Dividends received		1,335,430	733,074
Interest received		194,005	42,878
Other revenue		1,130,861	786,312
Interest and other finance costs paid		(38,806)	(43,820)
		<u>2,395,556</u>	<u>702,234</u>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment	11	(1,474,091)	(1,013,547)
Payments for intangibles	13	(237,962)	-
Payments for financial assets investments		(886,481)	(421,442)
Payments for capital contributions		(4,600,000)	-
Proceeds from disposal of property, plant and equipment		-	1,296,997
		<u>(7,198,534)</u>	<u>(137,992)</u>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		4,600,000	-
Repayment of lease liabilities		(342,379)	(320,315)
		<u>4,257,621</u>	<u>(320,315)</u>
Net cash from/(used in) financing activities		<u>4,257,621</u>	<u>(320,315)</u>
Net increase/(decrease) in cash and cash equivalents		(545,357)	243,927
Cash and cash equivalents at the beginning of the financial year		3,930,275	3,629,294
Effects of exchange rate changes on cash and cash equivalents		-	57,054
		<u>3,384,918</u>	<u>3,930,275</u>
Cash and cash equivalents at the end of the financial year	6	<u><u>3,384,918</u></u>	<u><u>3,930,275</u></u>

*The above statement of cash flows should be read in conjunction with the accompanying notes*

## **Note 1. Material accounting policy information**

The accounting policies that are material to the company are set out either in the respective notes or below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

### **New or amended Accounting Standards and Interpretations adopted**

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

### **Basis of preparation**

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB'), the Australian Charities and Not-for-profits Commission Act 2012 and associated regulations, as appropriate for not-for profit oriented entities.

#### *Historical cost convention*

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

#### *Critical accounting estimates*

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

#### *Foreign currency transactions*

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

### **Income tax**

As the company is a charitable institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

### **Current and non-current classification**

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

### **Investments and other financial assets**

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

### **Note 1. Material accounting policy information (continued)**

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

#### *Financial assets at fair value through other comprehensive income*

Financial assets at fair value through other comprehensive income include equity investments which the company intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

#### *Impairment of financial assets*

The company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

#### **Impairment of non-financial assets**

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

#### **Comparative figures**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

#### **Finance costs**

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

#### **Goods and Services Tax ('GST') and other similar taxes**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

#### **Economic dependence**

St Vincent's Institute of Medical Research is dependent on State and Federal government funding for approximately 50% of its revenue used to operate the business. At the date of this report the board of directors has no reason to believe the governments will not continue to support St Vincent's Institute of Medical Research.

## **Note 2. Critical accounting judgements, estimates and assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

### *Estimation of useful lives of assets*

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

### *Lease term*

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the company's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The company reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

### *Incremental borrowing rate*

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the company estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

### *Employee benefits provision*

As discussed in note 18, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

### *Revenue from contracts with customers*

Contracts with customers may involve judgement and estimates as they relate to the determination of performance obligations, the allocation of the transaction price, assessment of whether the revenue is to be recognised at a point in time or over-time, with an associated estimate of percentage of completion.



**Note 3. Revenue**

	2023 \$	2022 \$
<i>Revenue from contracts with customers</i>		
Government grants for direct research		
Commonwealth Government		
National Health and Medical Research Council	4,664,658	4,745,492
Australian Research Council	525,176	222,604
Medical Research Future Fund	2,783,593	1,413,248
Government grants for operational support		
Commonwealth Government		
National Health and Medical Research Council (Independent Research Institutes Infrastructure Support Scheme)	1,958,815	1,800,105
Victorian State Government		
Department of Jobs and Precincts (Operational Infrastructure Support Program)	1,644,502	1,720,167
Other research grants	5,661,375	4,309,858
Contract services	11,322,557	11,798,711
Revenue	<u>28,560,676</u>	<u>26,010,185</u>

*Accounting policy for revenue recognition*

The company recognises revenue as follows:

*Research Grants and other Funding Arrangements*

The company's activities are supported by funding from research and other public funding grants.

All grants are recognised as a receivable when the company's contractual right to receive the grant is established. The corresponding entry depends on the nature of the grant and the rights and obligations established in the funding agreement as follows:

- Peer-reviewed funding grants and competitive funding grants: these grants represent funds that are available to be spent at the discretion of the researcher. The amount in income represents the amount that has been applied to research activities in accordance with the grant terms. The unspent amount of the grant is recorded as a contract liability.
- Operational support grants are recognised as income immediately.

*Clinical Research Services*

The company's commercial arrangements comprise the provision of clinical research services to customers.

These arrangements are primarily service contracts that range in duration from few months to several years, and are contracted directly with researchers for investigator services and other reimbursable activities. These services are combined with other study services in the management of a clinical study and as such the company has assessed that it is acting as principal for the overall clinical trial obligation.

Clinical research services are accounted for as a contract with a customer when the company and its customers approve the contract, are committed to perform their respective obligations, each party can identify its rights regarding the goods or services to be transferred, commercial substance is present, and it is probable that the company will collect substantially all of the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer. Most contracts may be terminated upon 30 days' notice by the customer. However, in the event of termination, contracts require payment for services rendered through the date of termination, as well as for wind-down services rendered to close out the contract.

The company has concluded that revenue from clinical research services represents a single performance obligation which is satisfied over time on the basis that it does not create an asset with an alternative use to the company and the company has an enforceable right to payment for performance completed to date.

**Note 3. Revenue (continued)**

*Contract services*

Contract services income is recognised at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

**Note 4. Other income**

	2023 \$	2022 \$
JobKeeper government grants	-	14,094
Legacies, bequests, donations	7,057,179	5,562,892
Dividends and distributions	878,896	733,074
Royalty and licensing income	395,702	365,944
Other income	<u>735,159</u>	<u>406,274</u>
Other income	<u><u>9,066,936</u></u>	<u><u>7,082,278</u></u>

*Accounting policy for other income*

The *company* recognises other income as follows:

*Donations and bequests*

Donations and bequests are recognised as revenue when received.

*Interest*

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

*Other income*

Other income is recognised when it is received or when the right to receive payment is established.

**Note 5. Expenses**

	2023 \$	2022 \$
Deficit includes the following specific expenses:		
<i>Depreciation and impairment</i>		
Buildings right-of-use	237,471	237,470
Office equipment right-of-use	103,332	97,516
Property, plant and equipment	890,152	780,211
Software	276,589	184,790
	<u>1,507,544</u>	<u>1,299,987</u>
<i>Finance costs</i>		
Interest and finance charges paid/payable on borrowings	33,734	-
Interest and finance charges paid/payable on lease liabilities	38,806	43,820
	<u>72,540</u>	<u>43,820</u>
<i>Superannuation expense</i>		
Defined contribution superannuation expense	2,482,811	2,250,751

**Note 6. Cash and cash equivalents**

	2023 \$	2022 \$
<i>Current assets</i>		
Cash at bank	2,384,918	2,930,275
Term deposit	1,000,000	1,000,000
	<u>3,384,918</u>	<u>3,930,275</u>

*Accounting policy for cash and cash equivalents*

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**Note 7. Trade and other receivables**

	2023 \$	2022 \$
<i>Current assets</i>		
Grant and reimbursements	3,843,561	4,224,136
Less: Allowance for expected credit losses	(27,940)	(68,064)
	<u>3,815,621</u>	<u>4,156,072</u>
<i>Non-current assets</i>		
St Vincent's Hospital - imprest advance	125,000	125,000
	<u>3,940,621</u>	<u>4,281,072</u>

**Note 7. Trade and other receivables (continued)**

*Accounting policy for trade and other receivables*

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

**Note 8. Inventories**

	2023 \$	2022 \$
<i>Current assets</i>		
Stock on hand - at cost	485,149	682,830
Less: Provision for impairment	<u>(41,220)</u>	<u>(41,220)</u>
	<u>443,929</u>	<u>641,610</u>

Stock on hand represents samples used for diagnostic testing of infectious diseases.

*Accounting policy for inventories*

Stock on hand is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

**Note 9. Other assets**

	2023 \$	2022 \$
<i>Current assets</i>		
Prepayments	<u>909,417</u>	<u>479,705</u>
<i>Non-current assets</i>		
Capital contribution - ACMD	<u>5,700,000</u>	<u>-</u>
	<u>6,609,417</u>	<u>479,705</u>

*Capital contribution - ACMD*

St Vincent's Hospital (Melbourne) Limited leads the existing collaboration known as the Aikenhead Centre for Medical Discovery (ACMD) at the St Vincent's Hospital Fitzroy campus, located at 41 Victoria Parade, Fitzroy, Victoria. St Vincent's Institute of Medical Research (SVI) entered into an agreement with St Vincent's Hospital (Melbourne) Limited in the capacity as a ACMD Capital Partner whereby SVI contributed \$5,700,000 to assist funding the construction of the facility. This payment under the agreement includes the future right to use office space within the facility and will be converted to a Right of Use Asset under AASB 16 Leases upon the completion of construction and commencement of the lease.

**Note 10. Financial assets at fair value through other comprehensive income**

	2023 \$	2022 \$
<i>Non-current assets</i>		
Financial assets		
Managed investment portfolio	<u>30,264,698</u>	<u>26,622,115</u>

**Note 10. Financial assets at fair value through other comprehensive income (continued)**

These financial assets comprise investments in the ordinary issued capital of various entities. The listed ordinary shares have been valued based on their quoted market prices in active markets.

**Note 11. Property, plant and equipment**

	2023 \$	2022 \$
<i>Non-current assets</i>		
Leasehold improvements - at cost	12,942,759	12,728,996
Less: Accumulated depreciation	<u>(12,237,976)</u>	<u>(12,142,412)</u>
	704,783	586,584
Plant and equipment - at cost	17,543,261	16,282,933
Less: Accumulated depreciation	<u>(15,100,374)</u>	<u>(14,305,787)</u>
	2,442,887	1,977,146
Motor vehicles - at cost	57,409	57,409
Less: Accumulated depreciation	<u>(57,409)</u>	<u>(57,409)</u>
	-	-
	<u>3,147,670</u>	<u>2,563,730</u>

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Leasehold improvements \$	Plant and equipment \$	Motor vehicles \$	Total \$
Balance at 1 January 2022	503,103	2,363,354	-	2,866,457
Additions	159,781	317,703	-	477,484
Depreciation expense	<u>(76,300)</u>	<u>(703,911)</u>	-	<u>(780,211)</u>
Balance at 31 December 2022	586,584	1,977,146	-	2,563,730
Additions	213,764	1,260,328	-	1,474,092
Depreciation expense	<u>(95,565)</u>	<u>(794,587)</u>	-	<u>(890,152)</u>
Balance at 31 December 2023	<u>704,783</u>	<u>2,442,887</u>	-	<u>3,147,670</u>

*Accounting policy for property, plant and equipment*

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) using the following depreciation rates:

Leasehold improvements	7%
Plant and equipment	20 - 33%
Motor vehicles	33%

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

**Note 11. Property, plant and equipment (continued)**

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

**Note 12. Right-of-use assets**

	2023 \$	2022 \$
<i>Non-current assets</i>		
Land and buildings - right-of-use	1,424,826	1,424,826
Less: Accumulated depreciation	<u>(949,884)</u>	<u>(712,413)</u>
	474,942	712,413
Office equipment - right-of-use	419,095	440,021
Less: Accumulated depreciation	<u>(233,488)</u>	<u>(141,175)</u>
	185,607	298,846
	<u>660,549</u>	<u>1,011,259</u>

*Accounting policy for right-of-use assets*

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

**Note 13. Intangibles**

	2023 \$	2022 \$
<i>Non-current assets</i>		
Software - at cost	2,496,202	2,258,240
Less: Accumulated amortisation	<u>(1,564,005)</u>	<u>(1,287,415)</u>
	932,197	970,825

*Accounting policy for intangible assets*

Intangible assets are recorded at cost less accumulated amortisation and impairment. Amortisation is charged on a straight line basis over the estimated useful life of the asset. The estimated useful life varies and as a result the amortisation method is reviewed at the end of each annual reporting period. If an impairment indication arises, the recoverable amount is estimated and an impairment loss is recognised to the extent that the recoverable amount is lower than the carrying amount.

*Software*

Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 years.

**Note 14. Trade and other payables**

	2023 \$	2022 \$
<i>Current liabilities</i>		
Trade payables	<u>4,488,442</u>	<u>4,340,772</u>

*Accounting policy for trade and other payables*

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

**Note 15. Contract liabilities**

	2023 \$	2022 \$
<i>Current liabilities</i>		
Grants received in advance	<u>8,408,148</u>	<u>5,050,763</u>

*Accounting policy for grants received in advance*

Grants received in advance is the liability for unutilised or unearned grant income. Revenue will be recognised over time when specified performance obligations are met, usually within 12 months. Obligations that are not fulfilled may result in the repayment of the grant received.

**Note 16. Borrowings**

	2023 \$	2022 \$
<i>Non-current liabilities</i>		
Loan - Archdiocese of Melbourne Catholic Development Fund	<u>4,633,734</u>	<u>-</u>

The Archdiocese of Melbourne Catholic Development Fund Facility is a variable interest fund with the loan due for repayment on the 31 December 2035. The facility is initially an interest only facility until 31 December 2024. Included in the loan, the accrued interest of \$33,734 as at 31 December 2023.

*Accounting policy for borrowings*

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

**Note 17. Lease liabilities**

	2023 \$	2022 \$
<i>Current liabilities</i>		
Lease liability	<u>327,378</u>	<u>347,423</u>
<i>Non-current liabilities</i>		
Lease liability	<u>388,947</u>	<u>721,188</u>
	<u><u>716,325</u></u>	<u><u>1,068,611</u></u>
<i>Future lease payments</i>		
Future lease payments are due as follows:		
Within one year	350,625	376,450
One to five years	<u>403,575</u>	<u>746,704</u>
	<u><u>754,200</u></u>	<u><u>1,123,154</u></u>

*Accounting policy for lease liabilities*

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

**Note 18. Provisions**

	2023 \$	2022 \$
<i>Current liabilities</i>		
Annual leave	1,455,035	1,225,340
Long service leave	<u>3,376,534</u>	<u>2,809,515</u>
	<u>4,831,569</u>	<u>4,034,855</u>
<i>Non-current liabilities</i>		
Long service leave	<u>166,607</u>	<u>375,363</u>
	<u><u>4,998,176</u></u>	<u><u>4,410,218</u></u>

*Accounting policy for employee benefits*

*Short-term employee benefits*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.



**Note 18. Provisions (continued)**

*Other long-term employee benefits*

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

*Defined contribution superannuation expense*

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

**Note 19. Reserves**

	<b>2023</b>	<b>2022</b>
	\$	\$
Financial assets at fair value through other comprehensive income reserve	<u>1,541,795</u>	<u>(1,214,307)</u>

*Financial assets reserve*

The financial assets reserve records revaluation of increments and decrements (that do not represent impairment write-downs) that refer to financial assets that are classified as fair value through OCI. The gain in the market value of the shares for 2023 is \$3,212,636 which is reflected in other comprehensive income as an increase in the financial asset reserve.

**Note 20. Key management personnel disclosures**

*Compensation*

The aggregate compensation made to directors and other members of key management personnel of the company is set out below:

	<b>2023</b>	<b>2022</b>
	\$	\$
Aggregate compensation	<u>932,818</u>	<u>947,818</u>

**Note 21. Remuneration of auditors**

During the financial year the following fees were paid or payable for services provided by BDO, the auditor of the company:

	<b>2023</b>	<b>2022</b>
	\$	\$
<i>Audit services</i>		
Audit of the financial statements	<u>39,520</u>	<u>38,000</u>
<i>Other services</i>		
Preparation of financial statements	<u>5,335</u>	<u>4,850</u>
	<u>44,855</u>	<u>42,850</u>

**Note 22. Contingent liabilities**

The company had no contingent liabilities as at 31 December 2023 and 31 December 2022.

**Note 23. Commitments**

	2023 \$	2022 \$
<i>Capital commitments</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Leasehold improvements	-	5,700,000

**Note 24. Related party transactions**

*Key management personnel*

Disclosures relating to key management personnel are set out in note 20.

*Transactions with related parties*

The following transactions occurred with related parties:

	2023 \$	2022 \$
Other income:		
Donations received from directors and other related persons	391,867	247,295

*Receivable from and payable to related parties*

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

*Loans to/from related parties*

There were no loans to or from related parties at the current and previous reporting date.

*Terms and conditions*

All transactions were made on normal commercial terms and conditions and at market rates.

**Note 25. Events after the reporting period**

No matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

**St Vincent's Institute of Medical Research**  
**Directors' declaration**  
**31 December 2023**

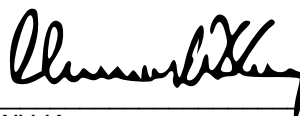
In the directors' opinion:

- the attached financial statements and notes comply with the Australian Accounting Standards - Simplified Disclosures, the Australian Charities and Not-for-profits Commission Act 2012 and associated regulations, and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 31 December 2023 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the directors



AJ Reeves  
Director



TWH Kay  
Director

25 March 2024

## INDEPENDENT AUDITOR'S REPORT

To the members of St Vincent's Institute of Medical Research

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of St Vincent's Institute of Medical Research (the registered entity), which comprises the statement of financial position as at 31 December 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of St Vincent's Institute of Medical Research, is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) Giving a true and fair view of the registered entity's financial position as at 31 December 2023 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards - Simplified Disclosures and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2022*.

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. 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 registered entity in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) 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 also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Other information

The responsible entities of the registered entity are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the directors' report, but does not include the financial report and our auditor's report thereon.

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 and, in doing so, 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.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of responsible entities for the Financial Report**

The responsible entities of the registered entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Simplified Disclosures and the ACNC Act, and for such internal control as the responsible entities determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, responsible entities are responsible for assessing the registered entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible entities either intends to liquidate the registered entity or to cease operations, or has no realistic alternative but to do so.

The responsible entities of the registered entity are responsible for overseeing the registered entity's financial reporting process.

### **Auditor's responsibilities for the audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and 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 the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

[http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf)

This description forms part of our auditor's report.

**BDO Audit Pty Ltd**

BDO



Elizabeth Blunt  
Director

Melbourne, 25 March 2024