The Heart Research Institute Limited and its controlled entities

ABN 41 003 209 952

General Purpose Financial Report

For the year ended 31 December 2024

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Directors' Report

The Directors present their report together with the consolidated financial statements of the Group comprising of The Heart Research Institute Limited (the Company), and its controlled entities for the year ended 31 December 2024 and the auditor's report thereon.

1. Directors

The Directors of the Company at any time during or since the end of the financial year are:

Name, qualifications, experience, special responsibilities and other directorships and independence status	
Emeritus Professor Merilyn Sleigh, BSc (Hons), PhD, FTSE, FAICD	Merilyn Sleigh is a company director and advisor to science-based companies and research institutions. She has previously served on the boards of ASX-listed companies BCAL Diagnostics Ltd, Clover Corporation Ltd (food ingredients), and Tyrian Diagnostics Ltd (medical and agricultural diagnostics) and a number of unlisted biotechnology companies, as well as non-profit organisations, including the University of Technology Sydney and Relationships Australia (NSW). She has formerly been an advisor to CSIRO, the Garvan Institute for Medical Research, and the University of Technology Sydney, on research commercialisation and strategy. Merilyn completed 6 years as founding CEO and Managing Director of antibody therapeutics company EvoGenix Ltd in 2007, when the company was acquired by Arana Therapeutics Ltd (now part of Teva Pharmaceuticals). At earlier stages in her career, she was a senior researcher and manager with CSIRO, with a focus on medically – oriented research, Director of Pharmaceutical R&D with listed biotechnology company Peptech Ltd, and Dean of the Faculty of Life Sciences at the University of New South Wales. Merilyn was awarded a Centenary Medal in 2002 and the President's Medal by Ausbiotech in 2007, both for contributions to the Australian biotechnology industry. Earlier in her career she received the Boehringer Medal of the Australian Biochemical Society for her molecular biology research.
Professor Andrew Coats AO, MA (OXON), MB B CHIR (CANTAB), DM (OXON), DSC (LONDON), FRACP, FRCP, FESC, FACC, FAHA, FHFA, FHFSA, FCSANZ, FSCWD, FAICD, MIOD, MBA (LONDON BUSINESS SCHOOL)	Professor Andrew Coats has been scientific Director and CEO since 2022. He is an experienced academic leader and entrepreneur with three decades of international experience in four of the world's top 50 universities. He has over 750 peer-reviewed full papers, over 175,000 career citations and an H-Index of 168. He has been named one of the top 1,000 researchers of all time by the Webometrics Ranking of World Universities and is the author of more than 20 awarded patents. He has launched two successful spin-out biotechnology companies with capital raising in excess of USD100M and licensing deals of more than USD1Billion signed.Professor Coats is a fully accredited physician and cardiologist in the United Kingdom and Australia, a qualified company director (London Business School MBA, Fellow Australian Institute of Company Directors and Member, Institute of Directors, London) with more than 60 board years of experience, and a trained and experienced fundraiser with over $500M raised. He holds two higher doctorates (DM, Oxon, and DSc, Imperial) for separate research areas and has held senior offices in five major Professional Societies and served as President of the largest specialist society in his field (the Heart Failure Association).

Directors' Report (Continued)

Mr Antony Pollitt, BEc, MBA, FCA, GAICD	Tony Pollitt is the Business & Financial Director at AGB Creative, which creates and produces events, content and exhibitions across Australia and the rest of the world. AGB Creative has been involved in projects including Vivid Light (Sydney), Elevate (Sydney), Parrtjima - A Festival in Light (Alice Springs) and most recently 2024 Dhai Dubai Light Festival (UAE), and 2024 Australia Day drone show (Canberra). Tony qualified as a Chartered Accountant in 1989 and worked for Coopers & Lybrand in Sydney and London. Tony subsequently worked in the Pay TV industry with roles at Showtime, Foxtel and DAE Global, before joining AGB Creative in 2023.
Professor Andrew Boyle MBBS (HONS), FRACP, PhD	Andrew Boyle is currently Professor of Cardiovascular Medicine, Clinical Dean of the Hunter Clinical School of the University of Newcastle, and a practising interventional cardiologist. He has over 100 career journal publications, eight book chapters and three patents. Andrew heads both a clinical and a basic science research team. He has considerable experience in preclinical studies and human clinical trials. His research focuses on left ventricular remodelling following myocardial infarction, novel therapies, and systems of care for acute coronary syndromes. He chairs the Executive Committee of the NSW Cardiovascular Research Network and the Clinical Trials Subcommittee of the Hunter New England HREC.
Dr Kate McBride, PhD	Dr Kate McBride is the Director of Operations for the Surgical Program at Sydney Local Health District. With over 17 years of experience, she is a skilled hospital administrator with a passion for surgical services and the implementation of initiatives that support the effective integration of clinical, academic, and business activities to enhance service delivery and patient outcomes. Dr McBride was awarded her PhD (Medicine) from the University of Sydney in 2021 and a Masters in Health Service Management from the University of Technology, Sydney in 2007. Her Bachelor of Health Sciences was completed at the University of Adelaide in 2003. Dr McBride has worked in a range of senior management positions within Sydney Local Health District including being the Director of the Institute of Academic Surgery at Royal Prince Alfred Hospital, along with being a Youth Ambassador for Development with AusAID in 2011 - 2013 based in Nairobi, Kenya, working with the African Medical and Research Foundation (AMREF). Kate's personal research interests focus on the surgical outcomes for people with comorbid serious mental illness and the implementation of complex surgical programs.
Mr Merrick Howes BA, LLB	Merrick Howes is the Managing Partner and Founder of Aviron Investment Management a credit focused private investment fund. Prior to this he established, and led, the Australian investment operations of Anchorage Capital Group L.L.C. from 2011 to 2021. Merrick commenced his career in finance in 1989 at Macquarie Group. There he held various roles in corporate and structured finance, including Executive Director. In 1996 Merrick relocated to Singapore to take responsibility for starting Macquarie Bank's Asian investment banking operations. Subsequently, Merrick joined Merrill Lynch and held various senior roles in structured finance in both Asia and London. He returned to Australia in 2005 as a Managing Director and Partner at Goldman Sachs. There he helped establish the principal investment platform in Australia. Merrick holds a Bachelor of Arts and Bachelor of Laws from the Australian National University. Merrick represented Australia in rowing from 1984 – 1987 and was a board member of Rowing Australia and chair of its Audit & Risk Committee from 2013 – 2022. Merrick is currently a board member of Athletics Australia and Chair of Lumonus an Australian AI healthcare company.

Directors' Report (Continued)

Michael (Mick) Reid, AM	Mick Reid has undertaken many roles in the Australian and international health systems during a career that spans four decades. His experience includes bureaucrat, consultant and academic giving him a breadth of experience and depth of knowledge of the health care system. Mick was Director General of Health in two Australian States. For five years until 2002, he held the position of Director General of New South Wales Health. Until 2011, he spent three years as Director General of Queensland Health. Between 2004 – 2007 he was the Director General of the Ministry for Science and Medical Research in New South Wales. When not engaged in the public sector, Mick is Principal of his consulting company, Michael Reid & Associates, which has undertaken health and science projects throughout Australia and internationally in Cambodia, China, East Timor, Japan, India, Laos, New Zealand, Thailand, and the United Kingdom. Broad areas of consultation have related to macro health systems development and evaluation, health workforce reform, clinical engagement, services planning, cultural review, indigenous health, coordination and translation of health and science research, and performance analysis. He provides mentoring services to many people engaged in senior positions within the health sector. Mick is the current Chair of Ageing Australia, a Board Member of the Western Sydney Local Health District and a Member of the Governing Board of The Heart Research Institute. In October 2023, he was appointed Joint-Lead Independent Reviewer for the Commonwealth Government's Strengthening Medicare Review. The report of the Independent Lead Reviewers was handed down in November 2024.Mick was awarded Adjunct Professorships in both the Faculty of Medicine at the University of Sydney and the School of Science and Health at the University of Western Sydney and is an Honorary Fellow of the Australian College of Nursing. In 2011, he was awarded the AHHA Sidney Sax Medal for contributions to Australian Health Services and in 2019 was appointed as a Member (AM) of the Order of Australia for significant service to the community through government and not-for-profit health roles, and to Indigenous welfare.
The Hon. Peter McGauran, LLB, BA	Peter McGauran graduated from Melbourne University LLB/BA in 1979 practising as a solicitor in his hometown of Traralgon (Vic) until being elected in 1983 to Federal Parliament for the seat of Gippsland. Mr McGauran served 25 years in Parliament including as a Cabinet Minister and over 10 years as a Minister in various Departments including the portfolios of Agriculture, Industry, Communications and Immigration. On his retirement from Federal Parliament in 2008, Mr McGauran became CEO of Thoroughbred Breeders Australia. In 2012, Mr McGauran was appointed CEO of Racing Australia, the national regulatory authority for Thoroughbred racing and breeding. Mr McGauran returned to public service in December 2017 on being appointed Australian Consul General and Senior Trade and Investment Commissioner to Houston, Texas. On completion of his term as Consul General in 2021, Mr McGauran joined Bondi Partners advisory firm in Sydney as a Senior Adviser working with US companies entering the Australian market. In 2022, he was appointed Chairman of The Heart Research Institute Ltd.
Mr Richard Rassi, B Com, FCA, GAICD	Richard Rassi is a chartered accountant having spent most of his career working at Deloitte and as a partner in the firm up to December 2011. He now operates a consulting practice (Riclin Consulting) providing consulting services in the areas of strategy, governance, risk management, audit and financial reporting. Richard also mentors several senior professionals and executives.He continues to be retained by Deloitte to assist with the delivery of services to clients including providing a quality assurance role on a range of audit and advisory engagements. Complementing this expertise are various governance roles.

Directors' Report (Continued)

Mr Rod Halstead OAM, LLB (SYD), LLM (LON), FAICD	Mr Rod Halstead held the position of Honorary Solicitor for The Heart Research Institute prior to joining the Board. Mr Halstead is presently Director - Strategic Corp/M&A at the law firm Clayton Utz. Prior to holding that position, he had many years of experience as a partner at Clayton Utz, with a preceding position as a Partner at the law firm Mallesons Stephen Jaques. In 2023, Mr Halstead was awarded the Medal of the Order of Australia (OAM).
Professor Stephen Simpson AC, FAA, FRS	Professor Stephen Simpson is Academic Director of the Charles Perkins Centre, a University of Sydney cross-faculty initiative aimed at researching and implementing cross-disciplinary approaches to alleviating the burden of obesity, diabetes, cardiovascular disease, and related conditions. He is also the Executive Director of Obesity Australia. After completing an undergraduate degree at the University of Queensland, he pursued a PhD at the University of London. Professor Simpson spent 22 years at the University of Oxford, first in Experimental Psychology, then in the Department of Zoology and the Oxford University Museum of Natural History. He returned to Australia in 2005 as an Australian Research Council (ARC) Federation Fellow, then ARC Laureate Fellow. In 2007 Professor Simpson was elected a Fellow of the Australian Academy of Science, in 2009 he was NSW Scientist of the Year and in 2013 he was elected a Fellow of the Royal Society of London as "one of the world's foremost entomologists and nutritional biologists". In 2015 he was made a Companion of the Order of Australia "for eminent service to biological and biomedical science." In 2022 he was awarded the Macfarlane Burnett Medal by the Australian Academy of Science V, and in 2024 was jointly awarded with David Raubenheimer the Wertheimer Medal by the World Obesity Federation

Unless otherwise stated, the directors held office for the entire period.

2. Company Secretary

Sheelah Callaghan was appointed Company Secretary on 6 December 2023 and resigned on 1 November 2024. William Ko was appointed Company Secretary on 26 February 2025.

3. Directors' meetings

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 year are:

Director	Board Meetings	
	A	B
Mr Rod Halstead	7	5
Prof Stephen Simpson	7	6
Prof Andrew Boyle	7	6
Mr Richard Rassi	7	7
Mr Tony Pollitt	7	7
Prof Merilyn Sleigh	7	6
The Hon. Peter McGauran	7	7
Mr Merrick Howes	7	7
Dr Kate McBride*	7	-
Prof Andrew Coats	7	7
Mr Mick Reid	7	6

A – Number of meetings held during the time the director held office during the year
B – Number of meetings attended

*Dr. Kate McBride was on board approved leave during the financial year.

Directors' Report (Continued)

4. Environmental regulation

The Group's operation is not subject to any significant environmental regulations under either Commonwealth or State legislation. However, the Board believes that the Group has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the Group during the period covered by this report.

5. Principal activities

The principal activities of the Group during the financial year were medical research and fundraising to support this research.

Long and short term objectives of the Heart Research Institute

Long term:

The Heart Research Institute's mission is to prevent death and suffering from heart disease through an understanding of the biological processes that cause atherosclerosis and thrombosis, the major underlying causes of most heart attacks and strokes.

The Heart Research Institute has four core objectives:

- To investigate mechanisms contributing to the pathogenesis of cardiovascular disease
- To develop new ways to detect symptoms of cardiovascular disease before it leads to clinical problems
- To develop new treatments which can reverse the development of heart disease
- To prevent individuals developing cardiovascular disease in the future

Short term:

The major short-term focus of our research is understanding the development and progression of atherothrombotic conditions in which the arteries are narrowed and restricted due to a build-up of fatty deposits. This is being achieved via scientific and clinical research work carried out by the scientific groups that make up the HRI. These include the Atherosclerosis and Vascular Remodelling Group, the Arterial Inflammation and Redox Biology Group, the Cardiometabolic Disease Group, the Cardiovascular Medical Devices Group, the Cardiovascular Neuroscience Group, the Cardiovascular-Protective Signalling and Drug Discovery Group, the Clinical Research Group, the Coronary Diseases Group, the Haematology Research Group, the Heart Rhythm and Stroke Prevention Group, the Microvascular Research Group, the Platelet Biology Group, the Thrombosis Group, the Vascular Complications Group and the Vascular Immunology Group.

The directors consider the Group's key performance indicators to be the following:

- Number of scientific papers published in peer reviewed journals
- Number of citations by external world-wide researchers to work published by HRI researchers
- Number of competitive research grants obtained and their value
- Number of scientific projects undertaken
- Number of presentations of scientific data made at major international and national conferences
- Net funds generated by fundraising activities applied to HRI objectives
- Number of Honours, PhD and post-doctoral students trained and / or mentored

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

6. Operating and financial review

Overview of the Group

The profit of the Group for the year ended 31 December 2024 was $618,816 (2023 loss of: $4,977,946), which included an unrealised investment gain of $736,633 (2023 gain of: $963,719).

7. Membership

The Company is a company limited by guarantee and without share capital. In the event of the winding up of the Company, the liability of the members is limited by personal guarantees to the extent of $100 each towards meeting any outstanding obligations of the Company.

Directors' Report (Continued)

The number of members as at 31 December 2024 was 73 (2023: 72). The total amount that members of the Company are liable to contribute if the Company is wound up is $7,300 (2023: $7,200).

8. Events subsequent to reporting date

There has not arisen in the interval between the end of the financial year and the date of the report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future years.

9. Likely developments

Information about likely developments in the operations of the Group and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Group.

10. Indemnification and insurance of officers and auditors

Indemnifications

Since the end of the previous financial year, the Company has not indemnified or made a relevant agreement for indemnifying against a liability any person who is or has been an officer or auditor of the Company.

The Company has agreed to indemnify the current directors of the Company against all liabilities to another person (other than the Company or a related body corporate) that may arise from their position as directors of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

Insurance premiums

During the financial year the Company, has paid premiums in respect of directors' and officers' liability and legal expenses insurance contracts for the year ended 31 December 2024 and since the financial year, the Company has paid or agreed to pay premiums in respect of such insurance contracts for the year ending 31 December 2024. Such insurance contracts insure against certain liability (subject to specific exclusions) persons who are or have been directors or executive officers of the Company to the extent permitted by the *Corporations Act 2001*.

11. Proceedings on behalf of the Company

There are no current proceedings on behalf of the Company.

12. Lead auditor's independence declaration

The Lead auditor's independence declaration is set out on page 9 and forms part of the Directors' report for the financial year ended 31 December 2024.

13. Rounding off

The Group is of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* and in accordance with that instrument, amounts in the consolidated financial report and Directors' report have been rounded off to the nearest dollar, unless otherwise stated.

Signed in accordance with a resolution of the Directors' report:

P McGauran
Chairman

Dated at Sydney this 7th day of April 2025.

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

To the Directors of The Heart Research Institute Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of The Heart Research Institute Limited for the financial year ended 31 December 2024 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit*;* and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Warwick Shanks

Partner

Sydney

7 April 2025

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2024

	Note	2024 $	2023 $
Revenue	2	23,085,743	19,077,687
Other income	3	509,522	527,421
Depreciation expense		(1,436,930)	(1,848,862)
Personnel expenses	4	(12,056,221)	(10,600,222)
Fundraising costs		(3,461,699)	(5,831,537)
Research costs		(4,175,115)	(5,142,746)
Computer expenses		(922,168)	(1,016,821)
Marketing and communications		(188,798)	(189,166)
Facilities expense		(503,697)	(663,099)
Other expenses		(2,400,513)	(1,415,136)
LOSS FROM OPERATIONS		**(1,549,876)**	**(7,102,481)**
Finance income	5	2,178,108	2,153,669
Finance cost	5	(9,416)	(29,134)
NET FINANCE INCOME		**2,168,692**	**2,124,535**
PROFIT/(LOSS) BEFORE INCOME TAX		**618,816**	**(4,977,946)**
Income tax expense		-	-
PROFIT/(LOSS) FOR THE YEAR		**618,816**	**(4,977,946)**
OTHER COMPREHENSIVE INCOME			
Foreign currency translation differences - foreign operations		418,832	67,299
TOTAL COMPREHENSIVE PROFIT/(LOSS)		**1,037,648**	**(4,910,647)**

Consolidated Statement of Financial Position

As at 31 December 2024

	Note	2024 $	2023 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	17,649,717	14,822,551
Trade and other receivables	7	994,774	1,281,375
Other investments	8	7,310,868	3,528,975
Inventories		70,092	63,453
Prepayments		563,256	433,436
TOTAL CURRENT ASSETS		**26,588,707**	**20,129,790**
NON-CURRENT ASSETS			
Other investments	8	17,216,998	17,227,652
Property, plant and equipment	9	12,550,144	13,055,708
Right-of-use asset	10	-	402,165
TOTAL NON-CURRENT ASSETS		**29,767,142**	**30,685,525**
TOTAL ASSETS		**56,355,849**	**50,815,315**
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	5,538,907	2,530,843
Employee benefits	12	805,268	1,103,311
Deferred income	13	10,192,914	7,821,799
Lease liability	10	-	481,342
TOTAL CURRENT LIABILITIES		**16,537,089**	**11,937,295**
NON-CURRENT LIABILITIES			
Employee benefits	12	295,852	392,760
TOTAL NON-CURRENT LIABILITIES		**295,852**	**392,760**
TOTAL LIABILITIES		**16,832,941**	**12,330,055**
NET ASSETS		**39,522,908**	**38,485,260**
FUNDS			
Reserves	14	4,676,459	3,919,783
Retained earnings		34,846,449	34,565,477
TOTAL FUNDS		**39,522,908**	**38,485,260**

Consolidated Statement of Changes in Equity

For the year ended 31 December 2024

	Reserves $	Retained earnings $	Total equity $
BALANCE AT 1 JANUARY 2023	3,535,621	39,860,286	43,395,907
TOTAL COMPREHENSIVE LOSS FOR THE YEAR			
Loss for the year	-	(4,977,946)	(4,977,946)
Other comprehensive income			
Foreign currency translation differences for foreign operations	67,299	-	67,299
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	**67,299**	**(4,977,946)**	**(4,910,647)**
Transfer to Salteri research endowment fund	316,863	(316,863)	-
BALANCE AT 31 DECEMBER 2023	**3,919,783**	**34,565,477**	**38,485,260**
BALANCE AT 1 JANUARY 2024	3,919,783	34,565,477	38,485,260
TOTAL COMPREHENSIVE INCOME FOR THE YEAR			
Profit for the year	-	618,816	618,816
Other comprehensive income			
Foreign currency translation differences for foreign operations	418,832	-	418,832
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**418,832**	**618,816**	**1,037,648**
Transfer to Salteri research endowment fund	337,844	(337,844)	-
BALANCE AT 31 DECEMBER 2024	**4,676,459**	**34,846,449**	**39,522,908**

Consolidated Statement of Cash Flows

For the year ended 31 December 2024

	Note	2024 $	2023 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from fundraising		15,831,825	14,312,249
Cash receipts from government and other grants		15,036,465	7,608,933
Cash paid to suppliers and employees		(25,427,980)	(25,376,453)
Interest received		829,292	757,698
NET CASH FROM/(USED) IN OPERATING ACTIVITIES		**6,269,602**	**(2,697,573)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		(566,921)	(1,239,304)
Proceeds from sale of property, plant and equipment		37,720	84,244
Transfer (to)/from term deposits		(3,781,893)	852,107
Proceeds from sale of investments		1,350,000	-
NET CASH USED IN INVESTING ACTIVITIES		**(2,961,094)**	**(302,953)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of lease liabilities	10	(481,342)	(447,330)
NET CASH USED IN FINANCING ACTIVITIES		**(481,342)**	**(447,330)**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**2,827,166**	**(3,447,856)**
Cash and cash equivalents at the beginning of the year		14,822,551	18,270,407
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	6	**17,649,717**	**14,822,551**

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

Note 1 Material Accounting Policies

REPORTING ENTITY

The Heart Research Institute Limited (the "Company") is a company limited by guarantee, incorporated and domiciled in Australia. The Company's registered office is at 7 Eliza Street, Newtown, NSW 2042, Australia.

The consolidated financial statements of the Company as at and for the year ended 31 December 2024 comprise the Company and its subsidiaries (together referred to as the "Group").

The Group is a not-for-profit entity and is primarily involved in medical research and fundraising.

BASIS OF PREPARATION

a) *Statement of compliance*

These consolidated financial statements are general purpose financial statements for distribution to the Directors and for the purpose of fulfilling the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*. They have been prepared in accordance with Australian Accounting Standards - Simplified Disclosures.

These consolidated financial statements were authorised for issue by the Board of Directors on 7 April 2025.

b) *Basis of measurement*

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

c) *Functional and presentation currency*

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

d) *Use of judgements and estimates*

In preparing these consolidated financial statements, management has made judgements and estimates that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

i. Classification of and valuation of investments

Under AASB 9, the Group recognises the movements in fair value of investments through the statement of profit or loss. The fair value of unlisted investment trusts has been determined by reference to unit prices determined by the funds' investment manager.

ii. Impairment of non-financial assets other than goodwill and indefinite life intangibles

The Group assesses impairment of all assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. Where an impairment trigger exists, the recoverable amount of the asset is determined.

iii. Estimates and assumptions

The estimation of useful lives of assets has been based on historical experience. In addition, the condition of the assets is assessed and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

The Group has consistently applied the following accounting policies to all periods presented in these financial statements, except if mentioned otherwise.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2024

BASIS OF CONSOLIDATION

a) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

b) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with associates are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

CURRENT VERSUS NON-CURRENT CLASSIFICATION

The Group presents assets and liabilities in the statement of financial position based on current and non-current classification .

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the Group's normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or a cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Group classifies all other assets as non-current.

A liability is current when:

- It is expected to be settled in the Group's normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

FOREIGN CURRENCY

Foreign currency transactions and balances

Transactions in foreign currencies are translated to the functional currencies of Group entities at average exchange rates. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss.

Foreign currency translation differences are recognised in other comprehensive income and presented in the foreign currency translation reserve (translation reserve) in equity. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2024

REVENUE FROM CONTRACTS WITH CUSTOMERS

a) *Grant income*

The Group receives research grants from government and other funding bodies. Grants received under agreements where the performance obligations are not sufficiently specific are recognised on receipt, or when the Group becomes contractually entitled to the asset.

When the grant agreement includes a "termination of convenience" clause, a contract liability is recognised on receipt of funds and the grant income is recognised when the relevant research expenditure is incurred.

b) *Revenue from fundraising*

i. Donation

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

ii. Bequests

Bequests are recognised when the bequest is received.

Revenue from bequests comprising of shares or the other property are recognised at fair value, being the market value of the shares or property at the date the Group becomes legally entitled to the shares or property.

iii. Distribution income from investments

Revenue is recognised from investment distributions when the Group's right to receive the payment is established, which is generally when the distribution is paid by the portfolio manager.

IMPAIRMENT OF ASSETS

a) *Financial assets*

Financial instruments

The Group recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost.

The Group also recognises loss allowances for ECLs on lease receivables, which are disclosed as part of trade and other receivables.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following , which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables (including lease receivables) and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2024

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

b) Non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets 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 cash generating units (CGUs).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of the other assets in the CGU on a pro rata basis.

For other assets, 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.

CASH AND CASH EQUIVALENTS

Cash and short term deposits in the statements of financial position comprise cash at bank and on hand and short term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short term deposit, as defined above, net of outstanding bank overdrafts as they considered an integral part of the Group's cash management.

INCOME TAX

The income of the Institute and its subsidiaries are exempt from Income tax pursuant to the provisions of subdivision 50-B of the Income Tax Assessment Act 1997 and receive GST concessions under division 176 of A New Tax System Act 1999 and FBT exemptions under section 123D of the Fringe Benefits Tax Assessment Act 1986. The Institute is also exempt from other government levies such as payroll tax.

PROPERTY PLANT & EQUIPMENT

a) Recognition and measurement

Land and buildings are measured at cost less accumulated depreciation on buildings and accumulated impairment losses.

All other items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2024

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Cost also may include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment, and is recognised net within other income/other expenses in profit or loss. When revalued assets are sold, any related amount included in the revaluation reserve is transferred to retained earnings.

b) Subsequent expenditure

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

c) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

Buildings	20 years
Furniture and fittings	3 to 7 years
Motor vehicles	3 to 10 years
Research equipment	3 to 10 years
Computer software	3 to 4 years

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

i. Change in estimates

In 2024, the Group reviewed the expected usage of certain research equipment and the expected useful life was increased. As a result, the depreciation expense for the year and expected depreciation expense in future years has decreased. The effect of these changes on actual depreciation expense in 2024 was a decrease of $306,330.

LEASES

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

a) As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2024

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised insubstance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

b) Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

FINANCIAL INSTRUMENTS

a) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

b) Classification and subsequent measurement

i. Financial assets

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

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2024

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets not classified as measured at amortised cost as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets in the "at amortised cost" category particularly include trade accounts receivable (not including factoring), cash and cash equivalents and other receivables.

Cash equivalents are short-term, extremely liquid financial investments that can be converted to cash at any time and that are only subject to insignificant risks of changes in value.

ii. Financial assets - Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

iii. Financial liabilities - Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Financial liabilities in the category "at amortised cost" are mainly liabilities (borrowings) to banks and trade accounts payables.

c) Derecognition

i. Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2024

ii. Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

d) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

e) Net investment hedges

When a derivative instrument or a non- derivative financial liability is designated as the hedging instrument in a hedge of a net investment in a foreign operation, the effective portion of, for a derivative, changes in the fair value of the hedging instrument or, for a non-derivative, foreign exchange gains and losses is recognised in OCI and presented in the translation reserve within equity. Any ineffective portion of the changes in the fair value of the derivative or foreign exchange gains and losses on the non- derivative is recognised immediately in profit or loss. The amount recognised in OCI is reclassified to profit or loss as a reclassification adjustment on disposal of the foreign operation.

EMPLOYEE BENEFITS

a) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

b) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

c) Other long-term employee benefits

The Group's net obligation in respect of long- term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on AA credit-rated or government bonds that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid Remeasurements are recognised in profit or loss in the period in which they arise.

PROVISIONS

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

NET FINANCE INCOME

Net finance income comprises of interest income, distribution income and fair value gain or loss on investments. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Foreign currency gains and losses are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2024

GOODS AND SERVICES TAX (GST)

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables. Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified within operating cash flows.

Note 2 Revenue

	2024	2023
	$	$
Competitive grants and other government support	7,763,439	5,292,858
Fundraising	13,456,497	12,640,725
Bequests	1,865,807	1,144,104
TOTAL REVENUE	**23,085,743**	**19,077,687**

Note 3 Other income

	2024	2023
	$	$
Membership income	-	210
Rental income	504,026	478,976
Sundry income	673	42,740
Gain on asset disposal	4,823	5,495
TOTAL OTHER INCOME	**509,522**	**527,421**

Note 4 Personnel expenses

	2024	2023
	$	$
Wages and salaries	10,788,426	9,598,799
Contributions to defined contribution plans	1,267,795	1,001,423
TOTAL PERSONNEL EXPENSES	**12,056,221**	**10,600,222**

Note 5 Net finance income

	2024	2023
	$	$
FINANCE INCOME		
Interest income	903,285	846,441
Distribution income on other investments	538,190	343,509
Fair value gain on other investments	736,633	963,719
TOTAL FINANCE INCOME	**2,178,108**	**2,153,669**
FINANCE COST		
Lease interest	9,416	29,134
TOTAL FINANCE COST	**9,416**	**29,134**
TOTAL NET FINANCE INCOME	**2,168,692**	**2,124,535**

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2024

Note 6 Cash and cash equivalents

For the purpose of cash and cash equivalents in the consolidated statement of financial position and in the consolidated statement of cash flows comprises of below:

	2024 $	2023 $
Cash in hand	500	1,064
Cash at bank	10,118,506	11,670,854
Term deposits	7,530,711	3,150,633
TOTAL CASH AND CASH EQUIVALENTS	**17,649,717**	**14,822,551**

Note 7 Trade and other receivables

	2024 $	2023 $
Trade and other receivables	668,372	1,093,795
Less: Impairment provision for trade and other receivables	-	(153,978)
GST receivable	326,402	341,558
TOTAL TRADE AND OTHER RECEIVABLES	**994,774**	**1,281,375**

Note 8 Other investments

	2024 $	2023 $
CURRENT INVESTMENTS		
Term deposits	7,310,868	3,528,975
TOTAL CURRENT INVESTMENTS	**7,310,868**	**3,528,975**
NON-CURRENT INVESTMENTS		
Unlisted investment trusts - Salteri research endowment fund	4,005,317	3,667,473
Unlisted investment trusts - Strategic capital pool	7,541,545	6,906,575
Unlisted investment trusts - Tactical capital pool	5,563,886	6,547,354
Other investments	106,250	106,250
TOTAL NON-CURRENT INVESTMENTS	**17,216,998**	**17,227,652**

a) Investments

Investments, other than term deposits, consist of investments in unlisted investment trusts, and therefore have no fixed maturity date or coupon rate. The fair value of the investments designated at fair value through profit or loss has been determined directly by reference to price quotations provided by the investment manager. The portfolio of unlisted investment trusts is managed by Russell Investments during the year.

b) Salteri research endowment fund

The directors established, by resolution, the Salteri research endowment fund ("the Fund") on 16 December 1998. The directors created a constitution for the Fund, which was formed to build up a capital base to provide an income stream to fund the Group's ongoing, non-surplus activities. All monies associated with this fund have been separately identified and a reserve created to reflect the restricted use of these assets.

c) Strategic capital pool

The Strategic capital pool is funds set aside for long term unrestricted use and managed by external investment advisors in accordance with the investment strategy of the Group.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2024

d) *Tactical capital pool*

The Tactical capital pool is funds set aside for medium term unrestricted use and managed by external investment advisors in accordance with the investment strategy of the Group.

Note 9 Property, plant and equipment

	Land and buildings	Furniture and fittings	Motor vehicles	Research equipment	Computer software	Total
	$	$	$	$	$	$
COST OR DEEMED COST						
Balance at 1 January 2023	21,903,031	867,450	31,719	7,987,483	1,614,660	32,404,343
Additions	94,613	55,619	-	915,908	173,164	1,239,304
Disposals	-	-	-	(140,190)	(11,920)	(152,110)
BALANCE AT 31 DECEMBER 2023	**21,997,644**	**923,069**	**31,719**	**8,763,201**	**1,775,904**	**33,491,537**
Balance at 1 January 2024	21,997,644	923,069	31,719	8,763,201	1,775,904	33,491,537
Additions	-	50,822	-	320,265	195,834	566,921
Disposals	-	(4,578)	-	(33,307)	(17,033)	(54,918)
BALANCE AT 31 DECEMBER 2024	**21,997,644**	**969,313**	**31,719**	**9,050,159**	**1,954,705**	**34,003,540**
DEPRECIATION						
Balance at 1 January 2023	9,966,074	826,268	31,719	6,761,919	1,471,019	19,056,999
Depreciation for the year	738,667	21,171	-	583,747	103,112	1,446,697
Disposals	-	-	-	(66,181)	(1,686)	(67,867)
BALANCE AT 31 DECEMBER 2023	**10,704,741**	**847,439**	**31,719**	**7,279,485**	**1,572,445**	**20,435,829**
Balance at 1 January 2024	10,704,741	847,439	31,719	7,279,485	1,572,445	20,435,829
Depreciation for the year	728,658	24,962	-	163,762	134,368	1,051,750
Disposals	-	-	-	(20,285)	(13,898)	(34,183)
BALANCE AT 31 DECEMBER 2024	**11,433,399**	**872,401**	**31,719**	**7,422,962**	**1,692,915**	**21,453,396**
CARRYING AMOUNTS						
AT 31 DECEMBER 2023	**11,292,903**	**75,630**	**-**	**1,483,716**	**203,459**	**13,055,708**
AT 31 DECEMBER 2024	**10,564,245**	**96,912**	**-**	**1,627,197**	**261,790**	**12,550,144**

The latest independent valuation of the Company's land and buildings was carried out by CBRE on 20 February 2023. The fair value of Eliza Street, Newtown, was estimated between $25,000,000 and $27,000,000 on the capitalisation method and building price per square meter check method. As land and buildings are recorded at cost, the valuation has not been brought to account.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2024

Note 10 Leases

a) Right-of-use assets

The Company holds lease for property with lease terms ranging up to six years.

	2024 $	2023 $
Balance at 1 January	402,165	804,330
Depreciation expense for the year	(402,165)	(402,165)
NET CARRYING VALUE	**-**	**402,165**

b) Amounts recognised in profit or loss and other comprehensive income	2024 $	2023 $
Depreciation expense for the year	402,165	402,165
Interest expense	9,416	29,134
	411,581	**431,299**

The total cash outflow in relation to lease payments amounted to $481,342 (2023: $447,330).

c) Future lease payments	2024 $	2023 $
Amounts due for settlement within less than 12 months (current liabilities)	-	481,342
	-	**481,342**

The following table sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date.

The total of future lease payments (including those lease payments that are not included in the measurement of the lease liabilities, e.g. for short term leases and leases of low-value items) are disclosed for each of the following periods.

	2024 $	2023 $
MATURITY ANALYSIS		
Less than one year	-	481,342
One to five years	-	-
More than five years	-	-
	-	**481,342**

Note 11 Trade and other payables

	2024 $	2023 $
Trade payables	1,035,294	771,667
Other payables	3,832,388	783,792
Accrued expenses	671,225	975,384
TOTAL TRADE AND OTHER PAYABLES	**5,538,907**	**2,530,843**

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2024

Note 12 Employee benefits

	2024 $	2023 $
CURRENT		
Liability for long service leave	279,111	355,266
Liability for annual leave	526,157	748,045
TOTAL CURRENT	**805,268**	**1,103,311**
NON-CURRENT		
Liability for long service leave	295,852	392,760
TOTAL NON-CURRENT	**295,852**	**392,760**

Note 13 Deferred income

	2024 $	2023 $
Research grants	10,192,914	7,821,799
TOTAL DEFERRED INCOME	**10,192,914**	**7,821,799**

Note 14 Reserves

	Salteri research endowment fund $	Foreign currency translation reserve $	Total $
At 1 January 2024	3,667,476	252,307	3,919,783
Currency translation differences	-	418,832	418,832
Transfer from retained earnings	337,844	-	337,844
AT 31 DECEMBER 2024	**4,005,320**	**671,139**	**4,676,459**

a) Foreign currency translation reserve

This translation reserve comprises all foreign currency arising from the translation of the financial statements of foreign operations.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2024

b) Salteri research endowment fund

The Salteri Research Endowment Fund reserve contains funds that have been set aside by resolution of the Board for the purposes of investment, generating ongoing investment income for the Group.

Under AASB 9, the movement in fair value of the investments, both realised and unrealised, will be recognised in the statement of profit or loss with any change in value then transferred from retained earnings to the Fund.

Note 15 Commitments

During 2022, HRI committed $1,849,000 (GBP 956,905) in relation to six collaborative research grants awarded by HRI UK for projects jointly conducted by HRI Australia scientists and collaborators located in the UK. As at 31 December 2024, $709,465 (GBP 351,611) remains committed.

Note 16 Related parties (for non-disclosing entities)

a) Key management personnel compensation

Total key management personnel compensation during the year was $2,251,828 (2023: $1,700,790).

In 2024, the Deputy Director & Director of Research commenced in July 2024 and the Director Development, Philanthropy and Communications was with the Institute for the entire year in 2024, while the role of the COO was disestablished in early 2024.

b) Directors' compensation

The non-executive directors of the Company are appointed on an honorary basis and as a result do not receive any remuneration either directly or indirectly in their capacity as directors of The Heart Research Institute Limited or any of its related parties. The executive Director was appointed by the Board and is remunerated as an employee of the Company. Transactions with Directors and their related parties have been under the Company's normal terms and conditions.

Executive compensation is set with reference to comparable roles in other organisations and indexed to the Consumer Price Index. The Board has the ability to set performance goals for executives and can reward these executives for the achievement of these performance goals accordingly.

c) Contributions from the Company

One of the Company's former Directors is the founder and sole shareholder of Cruentus Pty Ltd and Thrombio Holdings Pty Ltd, Australian biotechnology companies developing novel antithrombotic therapeutics. During the year, the Institute paid nil (FY23: $204,044) for research conducted on behalf of these two entities. These amounts are reflected in the consolidated statement of profit or loss and other comprehensive income.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2024

Note 17 Group entities

a) *Parent and ultimate controlling party*

The Heart Research Institute Limited is the ultimate parent company of the wholly-owned Group.

b) *Parent entity*

The Heart Research Institute Limited

c) Significant subsidiaries	Country of incorporation	Ownership interest 2024	2023
The Heart Research Institute (UK)	United Kingdom	100%	100%
The Heart Research Institute (NZ)	New Zealand	100%	100%
The Heart Research Institute (Canada)	Canada	100%	100%
The Heart Research Institute Council Limited (Australia)	Australia	100%	100%

Note 18 Parent entity disclosures

As at, and throughout, the financial year ended 31 December 2024 the parent entity of the Group was The Heart Research Institute Limited.

	2024 $	2023 $
RESULT OF PARENT ENTITY		
Profit/(loss) for the period	37,356	(4,550,856)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**37,356**	**(4,550,856)**
FINANCIAL POSITION OF PARENT ENTITY AT YEAR END		
Current assets	15,744,502	10,076,685
TOTAL ASSETS	**45,511,644**	**40,762,192**
Current liabilities	16,387,108	11,578,104
TOTAL LIABILITIES	**16,682,960**	**11,970,864**
TOTAL EQUITY OF THE PARENT ENTITY COMPRISING OF:		
Reserves	4,005,320	3,667,476
Retained earnings	24,823,364	25,123,852
TOTAL EQUITY	**28,828,684**	**28,791,328**

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2024

Note 19 Auditors' remuneration	2024 $	2023 $
AUDIT SERVICES		
AUDITORS OF THE GROUP- KPMG		
Audit of financial statements-Group and controlled entity	84,150	83,750
NON-AUDIT SERVICES		
Compilation of financial statements	10,000	9,000
OTHER AUDITORS		
Audit of financial statements - controlled entity	31,940	28,100

Note 20 Events after the reporting period

There has not arisen in the interval between the end of the financial year and the date of the report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future years.

Note 21 Information and declaration to be furnished under the Charitable Fundraising (NSW) Act,1991

a) *Fundraising appeals conducted during the year*

Mail appeal, Trader appeals and Support direct, Lotteries, Sundry campaigns and donations.

b) Details of aggregate gross income and total direct expenses of fundraising	2024 $	2023 $
GROSS PROCEEDS FROM FUNDRAISING APPEALS:		
Mail appeals	326,458	301,934
Trader appeals and Support Direct	9,886,144	9,141,982
Lotteries	1,464,660	1,272,570
Sundry campaigns and general donations	14,368	26,128
	11,691,630	**10,742,614**
LESS TOTAL COSTS OF FUNDRAISING APPEALS:		
Mails appeals	78,147	128,565
Trader appeals and Support Direct	2,003,686	4,157,376
Lotteries	827,039	735,357
	2,908,872	**5,021,298**
NET SURPLUS RAISED FROM FUNDRAISING APPEALS	**8,782,758**	**5,721,316**

These Australian fundraising gross income and total direct expenses do not include the proceeds and costs associated with bequests.

Directors' Declaration

In the opinion of the Directors of The Heart Research Institute Limited (the "Company"):

a) The consolidated financial statements and notes that as set out on pages 10 to 29 are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

   i. giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance, for the financial year ended on that date; and

   ii. complying with Australian Accounting Standards - Simplified Disclosure Requirements and the *Australian Charities and Not-for-profits Commission 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.

Dated at Sydney this 7th day of April 2025.

P McGauran
Chairman

Chairman's Declaration

Declaration by Chairman in respect of the:
Charitable Fundraising Act 1991 (NSW)
Charitable Fundraising Regulation 2021 (NSW)
(Collectively "The Act and Regulation")
For the year ended 31 December 2024

I, P McGauran, Chairman of The Heart Research Institute Limited, declare, in my opinion:

a) the financial statements give a true and fair view;

b) the consolidated financial statements satisfies the requirements of the *Charitable Fundraising Act 1991 (NSW)* and the *Charitable Fundraising Regulation 2021 (NSW);*

c) the internal controls exercised by the Group are appropriate and effective; and

d) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

P McGauran
Chairman
7 April 2025
Sydney

Independent Auditor's Report

To the members of The Heart Research Institute Limited

Opinion

We have audited the ***Financial Report*** of The Heart Research Institute Limited (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*, and sections 23(1)(d) and 24B of the *Charitable Fundraising Act (NSW) 1991*, including:

- giving a true and fair view of the Group's financial position as at 31 December 2024, and of its financial performance and its cash flows for the year ended on that date; and
- complying with *Australian Accounting Standards – Simplified Disclosures* and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2022 (ACNCR)* and section 21 of the *Charitable Fundraising Regulation (NSW) 2021*.

The ***Financial Report*** comprises:

- Consolidated statement of financial position as at 31 December 2024.
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended.
- Notes including a summary of material accounting policies.
- Directors' declaration.
- Declaration by the Chairman of the Company

The ***Group*** consists of The Heart Research Institute Limited (the Company) and the entities it controlled at the year end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the ACNC Act 2012 and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code)* that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Other Information

Other Information is financial and non-financial information in The Heart Research Institute Limited's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

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

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or 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:

- Preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards - Simplified Disclosures* and the ACNC and ACNCR and sections 23(1)(d) and 24B of the *Charitable Fundraising Act (NSW) 1991* and section 21 of the *Charitable Fundraising Regulation (NSW) 2021*.
- 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.
- Assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company 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:

- 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 *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 the Financial Report.

As part of an audit in accordance with *Australian Auditing Standards*, we exercise professional judgement and maintain professional scepticism throughout the audit.

KPMG

We also:

- 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the registered Group and Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the registered Group and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Financial Report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the registered Group and Company to cease to continue as a going concern.
- 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial report. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors of the registered Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG

KPMG

Warwick Shanks

Partner

Sydney

7 April 2025