The Sax Institute

ABN 68 095 542 886

Annual Financial Report - 30 June 2023

The Sax Institute
Directors' report
30 June 2023

The directors present their report, together with the financial statements, on the company for the year ended 30 June 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:

Professor Ian Olver (Chairperson)
Professor Selina Redman (CEO) (Resigned 31 December 2022)
Dr Martin McNamara (CEO) (Appointed 23 January 2023)
Dr Kerry Chant
Ms Kim Anderson
Ms Robin Low
Professor David Preen
Dr Lisa Studdert
Professor David Whiteman

Objectives
Our Mission:
To improve health and wellbeing by driving the use of research in policies, programs and services.

Our Vision:
All Australians enjoy good health and wellbeing thanks to policies, programs and services that reflect the best available evidence and make the best use of resources.

1) Increase our Impact on Health and Wellbeing and on Services, Polices and Programs.

We will deliver more effectively on our Mission, by ensuring we are in tune with the needs of our partners, and by developing new programs, assets, and services to deliver greater impact. We will develop better ways to identify, communicate and encourage actions on the implications of research findings to maximise impact.

The Sax Institute strategic plan has two main stated objectives. We aim to achieve.

Short and long-term objectives

Specifically, we aim to have increased impact by:
a) Developing stronger foundations for the use of evidence (including an increase in syntheses; policy relevant research; skills in generating and using evidence for policy; collaborations and partnerships);
b) Increasing the use of evidence in policy, programs and services;
c) Increasing our contribution to improving health and wellbeing; and
d) Agreement among our stakeholders that the Institute is making an impact.

2) Increase our Business Sustainability.

A strong and stable organisation is also necessary for us to achieve our Mission. We will strengthen our sustainability by increasing our untied funds, to enable us to build our equity, deliver quality outputs and innovate.
We will improve our capability to provide high-quality, sustainable programs, assets, and services.

Specifically, we aim to have increased impact by:
a) Increasing our income;
b) Increasing the diversity of our clients;
c) Increasing the diversity of our programs and services through innovation;
d) Holding corporate costs steady; and
e) Maintaining equity at the target levels.

Performance measures towards achieving our strategy
The following are measures used within the Institute to monitor performance towards achieving its strategic objectives:

Track and report on instances of impact that arise from our work in public policy, programs or service delivery.

Information on Directors

Name:	Ian **Olver** AM
Title:	Professor
Qualifications:	MB, MD, PhD
Experience and expertise:	A cancer researcher, Medical oncologist, and Bioethicist, and an Adjunct Professor in the Faculty of Health and Medical Sciences at the University of Adelaide and Professor, Discipline of Medicine University of Notre Dame Australia. His past positions include Director of the Royal Adelaide Hospital Cancer Centre and CEO of Cancer Council Australia. He is past president of the Medical Oncology Group of Australia and the Multinational Association of Supportive Care in Cancer.
Special Responsibilities:	Chair, Board of Directors

Name:	Martin McNamara
Title:	Dr
Qualifications:	PhD
Experience and expertise:	Currently the Sax Institute's CEO, he joined the Institute in 2016 and served as Deputy CEO from 2018 to 2022. He has previously held a number of senior leadership roles at Commonwealth and State levels. Prior to joining the Institute, he was the Executive Director of the National Health Performance Authority.
Special responsibilities:	Chief Executive Officer

Name:	Kim Anderson
Title:	Ms
Qualifications:	BA, Post Graduate Diploma in Library and Information Science
Experience and expertise:	Non-Executive Director of ASX listed companies Carsales Ltd, Infomedia Ltd, InvoCare Ltd and Siteminder Ltd. Former Fellow of the University of Sydney Senate, Former Chair Building and Estates Committee, and Former Member of the Audit Risk Management and Investments Committee 2004-2011. Former CEO of Southern Star Entertainment and founder and CEO of Reading Room Inc (bookstr.com).
Special responsibilities:	Chair of People, Culture and Nominations Committee formerly Remuneration and Nomination Committee

Name:	Kerry Chant AO PSM
Title:	Dr
Qualifications:	MBBS (Hons), FAFPHM, MHA, MPH
Experience and expertise:	Chief Health Officer and Deputy Secretary, Population and Public Health, NSW Ministry of Health.

Name:	Robin Low
Title:	Ms
Qualifications:	BCom, FCA
Experience and expertise:	Expertise in finance, risk and assurance. Ms Low is a former PwC partner and now serves as an independent director of ASX listed companies Appen Limited, AUB Group Limited and IPH Limited. Current Director on not-for-profit entity boards including Guide Dogs NSW/ACT. Former director of Marley Spoon SE (ASX:MMM).
Special responsibilities:	Chair, Audit and Risk Management Committee

Name:	Lisa Studdert
Title:	Dr
Qualifications:	PhD, MPS, B.Agr.Sc (Hons)
Experience and expertise:	Currently Head of Office at the Australian Government's Productivity Commission. Former Deputy CEO at the National Disability Insurance Agency. Former Deputy Secretary at the Federal Department of Health (population health, aged care), and formerly with the Asian Development Bank (Health Specialist).

Name:	David Preen
Title:	Professor
Qualifications:	BSc(Hons) PhD

Experience and expertise: Currently the Chair in Public Health at the School of Population and Global Health, University of Western Australia (UWA) and holds an honorary position at Swansea University (UK). Previously the Director of the UWA Centre for Health Services Research. He is a current member of two NHMRC Principal Committees; the NHMRC Research Committee and the Australian Health Ethics Committee.

Name: David Whiteman AM
Title: Professor
Qualifications: B Med Sc, MBBS (Hons), PhD, FAHMS, FAPHM
Experience and expertise: Currently a medical epidemiologist at the QIMR Berghofer Medical Research Institute where he was deputy director from 2016-2021. National Health and Medical Research Council Senior Principal Research Fellow, Fellow of the Australian Academy of Health and Medical Sciences, Fellow of the Australasian Faculty of Public Health Medicine, Honorary Fellow of the Skin Cancer College of Australasia.

Company Secretary
The following person held the position of Company Secretary at the end of the financial year: Ms Melinda Ewell (MCom; CPA.

Meetings of directors
The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2023, and the number of meetings attended by each director were:

	Full Board		People, Culture and Nomination Committee		Audit and Risk Committee	
	A	B	A	B	A	B
Ian Oliver	4	4	2	2	4	4
Sally Redman	2	2	1	1	2	2
Kim Anderson	3	4	2	2	-	-
Kerry Chant	1	4	-	-	-	-
Dr. Martin McNamara	2	2	1	1	2	2
Robin Low	4	4	-	-	4	4
David Preen	2	4	-	-	-	-
Lisa Studdert	4	4	-	-	-	-
David Whiteman	4	4	2	2	-	-
Jane Stanton (non - Director)	-	-	-	-	3	4
Alison Jones	-	-	1	2	-	-

A – Number of meetings held.
B – Number of meetings eligible to attend.

Contribution on winding up
The Sax Institute is a not-for-profit unlisted public company limited by guarantee. In the event of and for the purpose of, winding up of the Company, the amount capable of being called up from each member and / or association who ceased to be a member in the year prior to the winding up is limited to $10 for members that are corporations and $10 for all other members, subject to the provisions of the Institute's constitution.

At 30 June 2023, the collective liability of members was $690 (2022: $670).

This report is made in accordance with a resolution of Directors on this 13 day of September 2023.

On behalf of the Board of Directors

Ian N. Olver

Professor Ian Olver AM
Chair of Board of Directors

Dr Martin McNamara
Executive Director

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF THE SAX INSTITUTE

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2023 there have been:

- no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

Yours faithfully

William Buck

William Buck
Accountants & Advisors
ABN: 16 021 300 521

Anthony Travers
Partner
Sydney, 13 September 2023

The Sax Institute
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30 June 2023

The Sax Institute
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2023

	Note	2023 $	2022 $
Revenue	4	13,987,500	14,386,000
Other income	5	280,500	36,000
Expenses			
		(9,003,400)	(9,150,800)
Employee benefits expense		(9,043,500)	(9,150,800)
Project specific costs		(3,834,400)	(4,169,000)
Depreciation and amortization expense		(1,210,700)	(1,291,700)
Administrative expense		(481,000)	(639,600)
Loss before income tax expense		(301,600)	(829,900)
Income tax expense		-	-
Loss after income tax expense for the year attributable to the members of The Sax Institute	19	(301,600)	(829,900)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the members of The Sax Institute		(301,600)	(829,900)

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

The Sax Institute
Statement of financial position
As at 30 June 2023

	Note	2023 $	2022 $
Assets			
Current assets			
Cash and cash equivalents	7	8,169,100	10,213,600
Trade and other receivables	8	1,092,600	1,422,800
Other	9	384,900	770,100
Total current assets		9,646,600	12,406,500
Non-current assets			
Property, plant and equipment	10	1,543,600	1,632,800
Right-of-use assets	11	1,029,300	1,755,100
Other	12	242,900	245,100
Total non-current assets		2,815,800	3,633,000
Total assets		12,462,400	16,039,500
Liabilities			
Current liabilities			
Trade and other payables	13	1,152,200	1,054,700
Lease liabilities	14	738,200	681,000
Employee benefits	15	979,800	867,100
Other	16	6,251,200	9,017,100
Total current liabilities		9,121,400	11,619,900
Non-current liabilities			
Lease liabilities	17	621,700	1,359,900
Employee benefits	18	212,200	251,000
Total non-current liabilities		833,900	1,610,900
Total liabilities		9,955,300	13,230,800
Net assets		2,507,100	2,808,700
Equity			
Retained earnings	19	2,507,100	2,808,700
Total equity		2,507,100	2,808,700

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

The Sax Institute
Statement of changes in equity
For the year ended 30 June 2023

	Retained profits $	Total equity $
Balance at 1 July 2021	3,638,600	3,638,600
Loss after income tax expense for the year	(829,900)	(829,900)
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	(829,900)	(829,900)
Balance at 30 June 2022	2,808,700	2,808,700

	Retained profits $	Total equity $
Balance at 1 July 2022	2,808,700	2,808,700
Loss after income tax expense for the year	(301,600)	(301,600)
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	(301,600)	(301,600)
Balance at 30 June 2023	2,507,100	2,507,100

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

The Sax Institute
Statement of cash flows
For the year ended 30 June 2023

	Note	2023 $	2022 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		13,155,500	15,638,700
Payments to suppliers (inclusive of GST)		(14,329,000)	(15,441,800)
Donations received		5,000	5,000
Interest received		259,000	31,100
Interest and other finance costs paid		-	-
Net cash (used in)/ from operating activities		(909,500)	233,000
Cash flows from investing activities			
Payments for property, plant and equipment	10	(386,000)	(293,900)
Proceeds from redemption of available for sale financial assets		-	50,500
Net cash used in investing activities		(386,000)	(243,400)
Cash flows from financing activities			
Repayment of lease liabilities		(749,000)	(724,500)
Net cash used in financing activities		(749,000)	(724,500)
Net decrease in cash and cash equivalents		(2,044,500)	(734,900)
Cash and cash equivalents at the beginning of the financial year		10,213,600	10,948,500
Cash and cash equivalents at the end of the financial year	7	8,169,100	10,213,600

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

Note 1. General information

The financial statements cover The Sax Institute as an individual entity. The financial statements are presented in Australian dollars, rounded to the nearest 100 dollars, which is The Sax Institute 's functional and presentation currency.

The Sax Institute is a not-for-profit unlisted public company limited by guarantee.

Its registered office and principal place of business is:

Level 3/30C Wentworth Street, Glebe NSW 2037

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 this 13 day of September 2023. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, 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') and the Corporations Act 2001, as appropriate for for-profit oriented entities.

Historical cost convention
The financial statements have been prepared under the historical cost convention.

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 3.

Revenue recognition

The company recognises revenue as follows:

Revenue from contracts with customers
Revenue 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 2. Significant accounting policies (continued)

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Grant Revenue
Grant revenue is recognised in the statement of profit or loss and other comprehensive income when the entity obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the entity, and the amount of the grant can be measured reliably.

If conditions are attached to the grant that must be satisfied before it is eligible to receive the contribution, the recognition of the grant will be deferred until those conditions are met.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the grantor, otherwise the grant is recognised as income on receipt. In instances where the grant revenue exceeds the cost of the economic value provided, the surplus funds are deferred and guidance is sought from the grantor for the application of surplus funds.

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

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.

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.

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.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Note 2. Significant accounting policies (continued)

Property, plant and equipment
Classes of property, plant and equipment are measured using the cost or revaluation model as specified below. Where the cost model is used, the asset is carried at cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs, and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

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.

Plant and equipment that have been contributed at no cost, or for nominal cost, are re-valued and recognised at the fair value of the asset at the date it is acquired.

Depreciation for all property, plant and equipment excluding freehold land is calculated using a reducing balance method from the date that management determines the asset is available for use. The Depreciation rates used for each class of depreciable assets are shown below:

Asset Type	Annual Depreciation Rate %
Leasehold improvements	20
Furniture fixtures and fittings	5.0 - 7.5
Office equipment	10.0 - 40.0
Computer equipment	33.3

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.

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.

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, except where included in the cost of inventories, 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.

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 2. Significant accounting policies (continued)

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.

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.

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 high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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.

Note 3. 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.

Employee benefits provision
As discussed in note 2, 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.

Lease make good provision
A provision has been made for the present value of anticipated costs for future restoration of leased premises. The provision includes future cost estimates associated with closure of the premises. The calculation of this provision requires assumptions such as application of closure dates and cost estimates. The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for sites are recognised in the statement of financial position by adjusting the asset and the provision. Reductions in the provision that exceed the carrying amount of the asset will be recognised in profit or loss.

Note 4. Revenue

	2023 $	2022 $
Revenue	13,987,500	14,386,000

Note 4. Revenue (continued)

Disaggregation of revenue
The disaggregation of revenue from contracts with customers is as follows:

	2023 $	2022 $
Main revenue categories		
Government grants	5,883,000	6,762,900
Partnership and other research grants	2,671,800	2,782,800
Data and licencing fees	2,266,400	1,813,100
Fee for service income	3,120,800	2,902,200
Publication sponsorship and fees	45,500	125,000
	13,987,500	14,386,000
Geographical regions		
Australia	13,987,500	14,386,000
Timing of revenue recognition		
Services transferred over time	13,987,500	14,386,000

Note 5. Other income

	2023 $	2022 $
Interest income	275,400	31,100
Donations	5,100	5,000
TCorp distributions	-	(100)
Other income	280,500	36,000

Note 6. Expenses

	2023 $	2022 $
Loss before income tax includes the following specific expenses:		
Depreciation		
Property, plant and equipment	481,700	540,400
Leases	729,100	751,300
Total depreciation	1,210,800	1,291,700
Finance costs		
Interest and finance charges paid/payable on lease liabilities	67,100	94,600
Audit services		
Audit costs	34,600	34,200
Employee benefits expense excluding superannuation		
Employee benefits expense excluding superannuation	8,198,600	7,693,000

Note 7. Current assets - cash and cash equivalents

	2023 $	2022 $
Cash at bank	2,167,400	3,213,200
Cash on deposit	6,001,700	7,000,400
	8,169,100	10,213,600

The short-term bank deposits have a maturity date ranging from 30 to 90 days. The interest earned on these deposits is 4.7 percent.

Note 8. Current assets - trade and other receivables

	2023 $	2022 $
Trade receivables	851,500	1,147,000
Less: provision for doubtful debts	(6,900)	(6,900)
	844,600	1,140,100
Prepayments	218,400	270,000
Sundry receivables	29,600	12,700
	1,092,600	1,422,800

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

Note 9. Current assets - other

	2023 $	2022 $
Accrued revenue	384,900	770,100

Note 10. Non-current assets - property, plant and equipment

	2023 $	2022 $
Leasehold improvements - at cost	999,300	999,300
Less: Accumulated depreciation	(451,000)	(368,800)
	548,300	630,500
Fixtures and fittings - at cost	765,800	765,800
Less: Accumulated depreciation	(368,000)	(259,500)
	397,800	506,300
Computer equipment - at cost	2,580,200	2,228,400
Less: Accumulated depreciation	(2,098,600)	(1,882,200)
	481,600	346,200
Office equipment - at cost	1,112,400	1,008,800
Less: Accumulated depreciation	(1,009,700)	(935,300)
	102,700	73,500
Capital work in progress	13,200	76,300
	1,543,600	1,632,800

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

	Leasehold Improvements $	Furniture Fixture and Fittings $	Office equipment $	Computer equipment $	Capital WIP $	Total $
Balance at 1 July 2022	630,500	506,300	73,500	346,200	76,300	1,632,800
Additions	-	-	14,000	-	378,500	392,500
Transfers in/(out)	-	-	89,700	350,200	(441,600)	(1,700)
Depreciation expense	(82,200)	(108,500)	(74,500)	(214,800)	-	(480,000)
Balance at 30 June 2023	548,300	397,800	102,700	481,600	13,200	1,543,600

Note 11. Non-current assets - right-of-use assets

	2023 $	2022 $
Land - right-of-use	3,629,200	3,629,200
Less: Impairment	(2,599,900)	(1,874,100)
	1,029,300	1,755,100

The right of use asset includes a $300,000 make good provision in accordance with the rental agreement of Level 3, 30C Wentworth Street, Glebe. Depreciation is calculated on straight line basis over the initial lease term of five years.

Note 12. Non-current assets - other

	2023 $	2022 $
Rental bond	242,900	245,100

Note 13. Current liabilities - trade and other payables

	2023 $	2022 $
Trade payables	296,400	313,300
Payroll liabilities	82,700	75,800
GST payable	62,900	221,100
Accrued expenses	710,200	444,500
	1,152,200	1,054,700

Note 14. Current liabilities - lease liabilities

	2023 $	2022 $
Lease liability	738,200	681,000

Note 15. Current liabilities - employee benefits

	2023 $	2022 $
Annual leave	757,000	654,100
Long service leave	222,800	205,300
Parental leave	-	7,700
	979,800	867,100

Note 16. Current liabilities - other

	2023 $	2022 $
Grants received in advance	6,251,200	9,017,100

If conditions are attached to the grant that must be satisfied before it is eligible to receive the contribution, the recognition of the grant will be deferred until those conditions are met.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the grantor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the grantor, otherwise the grant revenue exceeds the cost of the economic value provided, the surplus funds are deferred and guidance is sought from the grantor for the application of surplus funds.

Note 17. Non-current liabilities - lease liabilities

	2023 $	2022 $
Lease liability	621,700	1,359,900

Future lease payments
Future lease payments are due as follows:

	2023 $	2022 $
Within one year	782,700	752,100
One to five years	626,700	1,409,400
	1,409,400	2,161,500

Note 18. Non-current liabilities - employee benefits

	2023 $	2022 $
Long service leave	212,200	251,000

Note 19. Equity - retained earnings

	2023 $	2022 $
Retained profits at the beginning of the financial year	2,808,700	3,638,600
Loss after income tax expense for the year	(301,600)	(829,900)
Retained profits at the end of the financial year	2,507,100	2,808,700

Note 20. Member's guarantee

The institute is incorporated under the Corporations Act 2001 and is a Company limited by guarantee. If the Institute is wound up, the constitution states that each member is required to contribute a maximum of $10 each towards meeting any outstanding and obligations of the institute. At 30 June 2023 the number of members was 69 (2022: 67).

Note 21. 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:

	2023 $	2022 $
Aggregate compensation	1,555,900	1,763,300

Note 22. Remuneration of auditors

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

	2023 $	2022 $
Audit services -		
Audit or review of the financial statements	34,600	34,150

Note 23. Contingent liabilities

As at 30 June 2023 the Institute has outstanding $850,000 (2022: 850,000) as a guarantee for an autopay payroll facility and $242,900 (2022: $245,100) as a guarantee provided by the bank for the lease of office.

Note 24. Related party transactions

Parent entity
The Sax Institute is the parent entity.

Key management personnel
Disclosures relating to key management personnel are set out in note 21.

Transactions with related parties
There were no transactions with related parties during the current and previous financial year.

Note 24. Related party transactions (continued)

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.

Note 25. Economic dependency

The Sax Institute is dependent on the NSW Ministry of Health (the 'Ministry') for a significant contribution to fund corporate costs. The Ministry provides funding on a quarterly basis. It is anticipated that adequate funding will be provided to enable the Institute to pay its debts as and when they fall due. Funding agreements are entered into for five year periods with the current agreement in effect from 1 July 2018 to 30 June 2023. The Ministry has formally agreed to extend this funding agreement to 30 June 2028.

The Sax Institute
Directors' declaration
30 June 2023

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards - Simplified Disclosures, the Corporations Regulations 2001 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 30 June 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.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001 on this 13 day of September 2023.

On behalf of the Board of directors

Ian N. Oliver

The Sax Institute
Independent auditor's report to members

Report on the Audit of the Financial Statements

Opinion

We have audited the financial report of The Sax Institute (the Company), which comprises the statement of financial position as at 30 June 2023, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the financial report of The Sax Institute has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

a. giving a true and fair view of the Company's financial position as at 30 June 2023 and of its financial performance for the year then ended; and

b. complying with Australian Accounting Standards – Simplified Disclosures Regime to the extent described in Note 1, and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

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 Company 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 directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2023, but does not include the financial report and the 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.

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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, 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 the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the ACNC Act and the needs of the members. The directors responsibility also includes such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company'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 directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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 these financial statements is located at the Auditing and Assurance Standards Board website at:

www.auasb.gov.au/auditors_responsibilities/ar8.pdf

This description forms part of our independent auditor's report.

Yours faithfully

William Buck

William Buck
Accountants & Advisors
ABN: 16 021 300 521

Anthony Travers
Partner
Sydney, 13 September 2023