

The Sax Institute

ABN 68 095 542 886

Annual Report - 30 June 2024

The directors present their report, together with the financial statements, on the company for the year ended 30 June 2024.

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 AM (Chairperson)
Dr Martin McNamara (Chief Executive Officer)
Ms Kim Anderson
Mr Mark Booth (Appointed 19 March 2024)
Dr Kerry Chant (Resigned 10 November 2023)
Ms Robin Low
Dr Ian Pollard AM (Appointed 6 December 2023)
Professor David Preen
Ms Lisa Studdert (Resigned 31 December 2023)
Professor David Whiteman AM

Objectives

Our Mission:

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

Our Vision:

All Australians, regardless of their background or circumstances, enjoy good health and wellbeing thanks to policies, programs, and services that reflect the best available evidence and make optimal use of resources.

Our Role:

As an organisation, our primary objective is to ensure that evidence is deeply embedded in decision making processes, leading to informed and effective policies and practices. We strive to facilitate the translation of research evidence into practical solutions. We understand that translating evidence from research into action is a complex process, and we bring a portfolio of insights, intelligence, partnerships and integrity to the challenge.

Short and long-term objectives

The Sax Institute has four main stated objectives. We aim:

- 1) To promote the use of credible evidence in health policy and practice by:
 - Providing national leadership in promoting evidence-based policy making;
 - Providing thought leadership on the use of evidence; and
 - Leading the formation of international collaborations to increase the use of evidence in policy making.
- 2) To drive innovative and impactful approaches to addressing complex health policy and practice challenges by:
 - Ensuring evidence is generated and mobilised where it is most needed/has the most impact;
 - Accelerating the translation of knowledge into practice; and
 - Leading the development of the next generation of evidence mobilisation methods.
- 3) To strengthen capabilities in the mobilisation, translation and implementation of evidence by:
 - Driving the development of capabilities required to mobilise the use of evidence;
 - Strengthening the functioning of the evidence eco-system; and
 - Empowering people and championing a culture of innovation.
- 4) To maximise the impact of our programs and services to support better decision-making and improve health and wellbeing by:
 - Strengthening our current partnerships to ensure our work is timely, relevant and valued;
 - Forging new relationships with sectors and partners where better use of evidence can yield improved outcomes; and
 - Co-creating nationally significant initiatives with policy and research partners to address complex policy challenges.

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 Adjunct 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:	Chairperson, 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 government 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 (University of Sydney), Post Graduate Diploma in Library and Information Science (University of Technology Sydney)
Experience and expertise:	Non-Executive Director of ASX listed companies Carsales Ltd, Infomedia 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:	Chairperson, People, Culture and Nominations Committee.
Name:	Mark Booth
Title:	Mr
Qualifications:	MA (Econ); EMPA; Dip Public Health
Experience and expertise:	Mr Booth is a consultant and was previously a senior public servant and academic with more than 30 years' experience in senior roles in Australia, United Kingdom, New Zealand and the United States of America. Mr Booth is a Principal at international consultancy Nous Group and is the former CEO of independent statutory agency Food Standards Australia New Zealand.
Name:	Robin Low
Title:	Ms
Qualifications:	BCom, FCA, FAICD
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 and Articore Limited. Current Director on not-for-profit entity boards including Guide Dogs NSW/ACT. Former director of AUB Limited (ASX:AUB), IPH Limited (ASX:IPH), Marley Spoon SE (ASX:MMM). Robin is a former deputy chair of the Auditing and Assurance Standards Board.
Special Responsibilities:	Chairperson, Audit and Risk Management Committee
Name:	Ian Pollard AM
Title:	Dr
Qualifications:	AM, BA (Macq), MA (Oxon), DPhil (IMC), Hon DBus (Macq), FIAA
Experience and expertise:	Dr Ian Pollard is an actuary and Rhodes Scholar with 40 years' experience as a company director and chairman. He is Chairman of the Wentworth

Group of Concerned Scientists which promotes the application to public policy of the best available environmental science. Dr Pollard has been Chairman of RGA Reinsurance Australia and New Zealand, a role requiring detailed understanding of trends in health, disability and mortality, since 2006. He is an executive coach and an author and speaker in personal and professional development.

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 Leadership 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 2024, and the number of meetings attended by each director were:

	Full Board		People, Culture and Nomination Committee		Audit and Risk Management Committee	
	A	B	A	B	A	B
Ian Oliver	4	4	1	1	3	4
Martin McNamara	4	4	1	1	4	4
Kim Anderson	3	4	1	1	0	0
Mark Booth	2	2	0	0	0	0
Kerry Chant	0	1	0	0	0	0
Robin Low	4	4	0	0	4	4
Ian Pollard	2	3	0	0	2	2
David Preen	4	4	0	0	0	0
Lisa Studdert	2	2	0	0	0	0
David Whiteman	4	4	1	1	0	0
Jane Stanton (non-Director)	0	0	0	0	4	4
Alison Jones (non-Director)	0	0	0	1	0	0

A – Number of meetings attended

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.

**The Sax Institute
Directors' report
30 June 2024**

At 30 June 2024, the collective liability of members was \$740 (2023: \$690).

This report is made in accordance with a resolution of Directors on this 11th day of September 2024.

On behalf of the Board of Directors



Professor Ian Olver AM
Chairperson of Board of Directors



Dr Martin McNamara
Executive Director

Auditor's Independence Declaration under Section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012

To those charged with governance of The Sax Institute

As auditor for the audit of The Sax Institute for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

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



William Buck
Accountants & Advisors
ABN: 16 021 300 521



Dudley Belling
Partner

Sydney, 16 September 2024

The Sax Institute
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The Sax Institute
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2024

	Note	2024 \$	2023 \$
Revenue	4	12,523,557	13,987,550
Other income	5	312,105	280,511
Expenses			
Project specific costs		(2,304,411)	(3,834,125)
Employee benefits expense		(9,451,239)	(9,043,808)
Depreciation and amortisation expenses		(1,099,854)	(1,210,758)
Administrative expense		(586,547)	(481,003)
Deficit before income tax expense		<u>(606,389)</u>	<u>(301,633)</u>
Income tax expense		-	-
Deficit after income tax expense for the year attributable to the members of The Sax Institute	17	<u>(606,389)</u>	<u>(301,633)</u>
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the members of The Sax Institute		<u>(606,389)</u>	<u>(301,633)</u>

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 2024

	Note	2024 \$	2023 \$
Assets			
Current assets			
Cash and cash equivalents	7	6,039,085	8,169,074
Trade and other receivables	8	1,047,583	1,092,525
Other assets	10	981,580	383,990
Total current assets		<u>8,068,248</u>	<u>9,645,589</u>
Non-current assets			
Right-of-use assets	9	303,421	1,029,253
Other assets	10	-	242,916
Property, plant and equipment	11	1,788,266	1,543,565
Intangible Assets	12	164,556	-
Total non-current assets		<u>2,256,243</u>	<u>2,815,734</u>
Total assets		<u>10,324,491</u>	<u>12,461,323</u>
Liabilities			
Current liabilities			
Trade and other payables	13	1,031,680	1,152,296
Lease liabilities	14	686,414	738,218
Employee benefits	15	927,674	979,793
Other liabilities	16	5,508,646	6,251,232
Total current liabilities		<u>8,154,414</u>	<u>9,121,539</u>
Non-current liabilities			
Lease liabilities	14	-	621,722
Employee benefits	15	270,580	212,176
Total non-current liabilities		<u>270,580</u>	<u>833,898</u>
Total liabilities		<u>8,424,994</u>	<u>9,955,437</u>
Net assets		<u>1,899,497</u>	<u>2,505,886</u>
Equity			
Retained earnings	17	<u>1,899,497</u>	<u>2,505,886</u>
Total equity		<u>1,899,497</u>	<u>2,505,886</u>

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 2024

	Retained earnings \$	Total equity \$
Balance at 1 July 2022	2,807,519	2,807,519
Deficit after income tax expense for the year	(301,633)	(301,633)
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	<u>(301,633)</u>	<u>(301,633)</u>
Balance at 30 June 2023	<u>2,505,886</u>	<u>2,505,886</u>
	Retained earnings \$	Total equity \$
Balance at 1 July 2023	2,505,886	2,505,886
Deficit after income tax expense for the year	(606,389)	(606,389)
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	<u>(606,389)</u>	<u>(606,389)</u>
Balance at 30 June 2024	<u>1,899,497</u>	<u>1,899,497</u>

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 2024

	Note	2024 \$	2023 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		12,718,728	13,154,840
Payments to suppliers (inclusive of GST)		(13,961,527)	(14,329,247)
Donations received		5,000	5,000
Interest received		320,418	259,455
Net cash used in operating activities		<u>(917,381)</u>	<u>(900,952)</u>
Cash flows from investing activities			
Payments for property, plant and equipment	11	(345,031)	(385,333)
Development of intangibles	12	<u>(164,556)</u>	<u>-</u>
Net cash used in investing activities		<u>(509,587)</u>	<u>(385,333)</u>
Cash flows from financing activities			
Repayment of lease liabilities		<u>(703,021)</u>	<u>(749,139)</u>
Net cash used in financing activities		<u>(703,021)</u>	<u>(749,139)</u>
Net decrease in cash and cash equivalents		(2,129,989)	(2,044,424)
Cash and cash equivalents at the beginning of the financial year		<u>8,169,074</u>	<u>10,213,498</u>
Cash and cash equivalents at the end of the financial year	7	<u><u>6,039,085</u></u>	<u><u>8,169,074</u></u>

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, which is The Sax Institute's functional and presentation currency.

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on this 11th day of September 2024. The directors have the power to amend and reissue the financial statements.

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.

Note 2. Material accounting policy information

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

New or amended Accounting Standards and Interpretations adopted

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

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

Basis of preparation

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for not-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 per the following:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the company is expected to be entitled to 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. Material accounting policy information (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 revenue 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 to the grantor, 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.

Trade and other receivables

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.

Property, plant and equipment

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

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 straight-line 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	20.0%
Furniture fixtures and fittings	15.0% - 20.0%
Office equipment	10.0% - 40.0%
Computer equipment	20.0% - 33.3%

Note 2. Material accounting policy information (continued)

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

Intangible assets

Development costs

Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the company is able to use or sell the asset; the company has sufficient technical, financial and other resources; intent to complete the development; and its costs can be measured reliably.

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.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

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

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

	2024 \$	2023 \$
Revenue	<u>12,523,557</u>	<u>13,987,550</u>

Note 4. Revenue (continued)

Disaggregation of revenue

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

	2024	2023
	\$	\$
<i>Main revenue categories</i>		
Government grants	3,835,597	5,883,008
Partnership and other research grants	4,886,188	2,671,838
Data and licencing fees	1,992,854	2,266,313
Fee for service income	1,726,918	3,120,842
Publication sponsorship and fees	82,000	45,549
	<u>12,523,557</u>	<u>13,987,550</u>
<i>Geographical regions</i>		
Australia	<u>12,523,557</u>	<u>13,987,550</u>
<i>Timing of revenue recognition</i>		
Services transferred over time	<u>12,523,557</u>	<u>13,987,550</u>

Note 5. Other income

	2024	2023
	\$	\$
Interest income	307,105	275,405
Donations	5,000	5,106
Other income	<u>312,105</u>	<u>280,511</u>

Note 6. Expenses

	2024	2023
	\$	\$
Loss before income tax includes the following specific expenses:		
<i>Depreciation</i>		
Property, plant and equipment	452,599	481,641
Right-of-use assets	647,255	729,117
Total depreciation	<u>1,099,854</u>	<u>1,210,758</u>
<i>Finance costs</i>		
Interest and finance charges paid/payable on lease liabilities	<u>41,780</u>	<u>67,050</u>
<i>Audit services</i>		
Audit costs	<u>36,150</u>	<u>35,026</u>
<i>Employee benefits expense</i>		
Employee benefits expense excluding superannuation	<u>8,543,984</u>	<u>8,198,625</u>

Note 7. Cash and cash equivalents

	2024	2023
	\$	\$
<i>Current assets</i>		
Cash at bank	1,538,738	2,167,447
Cash on deposit	4,500,347	6,001,627
	<u>6,039,085</u>	<u>8,169,074</u>

The short-term bank deposits have a maturity date ranging from 30 to 90 days and attracted interest at variable rates.

Note 8. Trade and other receivables

	2024	2023
	\$	\$
<i>Current assets</i>		
Trade receivables	761,187	851,475
Less: provision for doubtful debts	-	(6,935)
	<u>761,187</u>	<u>844,540</u>
 Prepayments	 270,040	 218,374
Sundry receivables	16,356	29,611
	<u>286,396</u>	<u>247,984</u>
	<u>1,047,583</u>	<u>1,092,525</u>

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. Right-of-use assets

	2024	2023
	\$	\$
<i>Non-current assets</i>		
Buildings - right-of-use	3,629,157	3,629,157
Less: Accumulated depreciation	(3,325,736)	(2,599,904)
	<u>303,421</u>	<u>1,029,253</u>

The company leases land and buildings for its offices under the terms and conditions of a 5-year agreement, ending in November 2024. On renewal, the terms of the lease are renegotiated.

Reconciliations

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

	Buildings	Total
	\$	\$
Balance at 1 July 2023	1,029,253	1,029,253
Depreciation and lease modifications	(725,832)	(725,832)
Balance at 30 June 2024	<u>303,421</u>	<u>303,421</u>

The Sax Institute
Notes to the financial statements
30 June 2024

Note 10. Other assets

	2024	2023
	\$	\$
<i>Other Current assets</i>		
Accrued revenue	738,658	383,990
Rental bond	242,922	-
Total Other Current Assets	<u>981,580</u>	<u>383,990</u>
<i>Non-current assets</i>		
Rental bond	-	242,916

Note 11. Property, plant and equipment

	2024	2023
	\$	\$
<i>Non-current assets</i>		
Leasehold improvements - at cost	999,298	999,298
Less: Accumulated depreciation	<u>(533,252)</u>	<u>(451,009)</u>
	466,046	548,289
Fixtures and fittings - at cost	765,772	765,772
Less: Accumulated depreciation	<u>(476,475)</u>	<u>(367,988)</u>
	289,297	397,784
Computer equipment - at cost	3,242,110	2,580,230
Less: Accumulated depreciation	<u>(2,306,860)</u>	<u>(2,098,614)</u>
	935,250	481,616
Office equipment - at cost	1,128,833	1,112,413
Less: Accumulated depreciation	<u>(1,063,343)</u>	<u>(1,009,720)</u>
	65,490	102,693
Capital work in progress	32,183	13,183
	<u><u>1,788,266</u></u>	<u><u>1,543,565</u></u>

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 2023	548,289	397,784	102,693	481,616	13,183	1,562,565
Additions	-	-	16,420	216,108	464,772	678,300
Transfers in/(out)	-	-	-	445,772	(445,772)	-
Depreciation expense	<u>(82,243)</u>	<u>(108,487)</u>	<u>(53,623)</u>	<u>(208,246)</u>	-	<u>(452,599)</u>
Balance at 30 June 2024	<u><u>466,046</u></u>	<u><u>289,297</u></u>	<u><u>65,490</u></u>	<u><u>935,250</u></u>	<u><u>32,183</u></u>	<u><u>1,788,266</u></u>

The Sax Institute
Notes to the financial statements
30 June 2024

Note 12. Intangibles

	2024	2023
	\$	\$
<i>Non-current assets</i>		
New cohort development	164,556	-

Note 13. Trade and other payables

	2024	2023
	\$	\$
<i>Current liabilities</i>		
Trade payables	436,726	296,402
Payroll liabilities	84,060	85,942
GST payable	54,126	59,730
Accrued expenses	456,768	710,222
	<u>1,031,680</u>	<u>1,152,296</u>

Note 14. Lease liabilities

	2024	2023
	\$	\$
<i>Current liabilities</i>		
Lease liability	686,414	738,218
<i>Non-current liabilities</i>		
Lease liability	-	621,722
	<u>686,414</u>	<u>1,359,941</u>
<i>Future lease payments</i>		
Future lease payments are due as follows:		
Within one year	263,284	780,336
One to five years	-	263,284
	<u>263,284</u>	<u>1,043,620</u>

Note 15. Employee benefits

	2024	2023
	\$	\$
<i>Current liabilities</i>		
Annual leave	735,937	757,003
Long service leave	183,792	222,790
Parental leave	7,945	-
	<u>927,674</u>	<u>979,793</u>
<i>Non-current liabilities</i>		
Long service leave	270,580	212,176
	<u>1,198,254</u>	<u>1,191,969</u>

Note 16. Other liabilities

	2024	2023
	\$	\$
<i>Current liabilities</i>		
Grants received in advance	<u>5,508,646</u>	<u>6,251,232</u>

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. Retained earnings

	2024	2023
	\$	\$
Retained earnings at the beginning of the financial year	2,505,886	2,807,519
Deficit after income tax expense for the year	<u>(606,389)</u>	<u>(301,633)</u>
Retained earnings at the end of the financial year	<u>1,899,497</u>	<u>2,505,886</u>

Note 18. Members' 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 2024 the number of members was 74 (2023: 69).

Note 19. 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:

	2024	2023
	\$	\$
Aggregate compensation	<u>1,383,653</u>	<u>1,555,931</u>

Note 20. Remuneration of auditors

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

	2024	2023
	\$	\$
<i>Audit services - William Buck</i>		
Audit or review of the financial statements	<u>36,150</u>	<u>35,026</u>

Note 21. Contingent liabilities

As at 30 June 2024 the Institute has outstanding \$850,000 (2023: \$850,000) as a guarantee for an autopay payroll facility and \$242,922 (2023: \$242,916) as a guarantee provided by the bank for the lease of office space.

Note 22. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 19.

Transactions with related parties

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

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 23. 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. Funding agreements are entered into for five-year periods with the current agreement in effect from 1 July 2023 to 30 June 2028.

Note 24. Events after the reporting period

No matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

The Sax Institute
Directors' declaration
30 June 2024

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards - Simplified Disclosures, the Australian Charities and Not-for-profits Commission Act 2012, the Australian Charities and Not-for-profits Commission Regulation 2022, 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 2024 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- the company does not have any controlled entities and is not required by the Accounting Standards to prepare consolidated financial statements. Therefore, a consolidated entity disclosure statement has not been included as section 295(3A)(a) of the Corporations Act 2001 does not apply to the entity.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001 on this 11th day of September 2024.

On behalf of the Board of directors



Professor Ian Olver AM
Chairperson of Board of Directors



Dr Martin McNamara
Executive Director

Independent auditor's report to the members of The Sax Institute

Report on the audit of the financial report

Our opinion on the financial report

In our opinion, the accompanying 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:

- giving a true and fair view of the The Sax Institute's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- complying with Australian Accounting Standards – Simplified Disclosures and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2022*.

What was audited?

We have audited the financial report of The Sax Institute, which comprises:

- the statement of financial position as at 30 June 2024,
- the statement of profit or loss and other comprehensive income for the year then ended,
- the statement of changes in equity for the year then ended,
- the statement of cash flows for the year then ended,
- notes to the financial statements, including material accounting policy information, and
- the directors' declaration.

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 Sax Institute 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 Sax Institute's financial report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, 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 Sax Institute are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosures and the *Australian Charities and Not-for-profits Commission Act 2012*. 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 Sax Institute'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 Sax Institute or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing The Sax Institute's financial reporting process.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.



William Buck
Accountants & Advisors
ABN 16 021 300 521



Dudley Belling
Partner

Sydney, 16 September 2024