



Susan McKinnon Research Centre Ltd

ACN: 656 129 127

Financial report

For the year ended 30 June 2023

Pitcher Partners

Level 13, 664 Collins Street, Docklands VIC 3008

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TABLE OF CONTENTS

Directors' report	1 - 3
Auditor's independence declaration	4
Financial report	
Statement of profit or loss and other comprehensive income	5
Statement of financial position	6
Statement of changes in equity	7
Statement of cash flows	8
Notes to financial statements	9 - 16
Directors' declaration	17
Independent auditor's report	18 - 20

SUSAN MCKINNON RESEARCH CENTRE LTD

ACN: 656 129 127

DIRECTORS' REPORT

The directors present their report together with the financial report of Susan McKinnon Research Centre Ltd, the "Company", for the year ended 30 June 2023 and auditor's report thereon.

Directors names

The names of the directors in office at any time during or since the end of the year are:

Colin Galbraith

Grant Rule

Michael Schoenfeld

The directors have been in office since the start of the year to the date of this report unless otherwise stated.

Results

The profit of the Company for the year after providing for income tax amounted to \$23,801,901 (FY22: \$51,790,888).

Review of operations

The Company continued to engage in its principal activity, the results of which are disclosed in the attached financial statements.

The Company's objective is to achieve better outcomes for Australia through research and education in the areas of better governance and evidence-based policy making with a long-term outlook.

Significant changes in state of affairs

In June 2023 the Company received funding to the value of \$51.8m and commenced operating in July 2023. Funds surplus to its short and medium term requirements was invested in Redbridge Capital Trust.

SUSAN MCKINNON RESEARCH CENTRE LTD

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DIRECTORS' REPORT

Principal activities

This was the Company's first year of operation after obtaining funding in FY2022.

The main activities of the company were:

- **Research** – Receiving donations for research, and applying funds (with the oversight of the Research Committee) for scientific research and activities related to the publication and dissemination of this research.
- **Developing and delivering programs**, including those that advance education and the public welfare.

These activities focus on helping Australia achieve a more fit-for-purpose political, policy and service delivery system.

The Company is endorsed as a DGR Item 1 as an Approved Research Institute, and can receive tax deductible donations for its research activities.

After balance date events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Likely developments

The Company expects to maintain the present status and level of operations.

Environmental regulation

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Members guarantee

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the Constitution states that each member is required to contribute to a maximum of \$100 each towards meeting any outstanding obligations of the Company. At 30 June 2023 the number of members was 1. The combined total amount that members of the Company are liable to contribute if the Company is wound up is \$100.

Indemnification of officers

During or since the end of the year, the Company has given indemnity or entered an agreement to indemnify, or paid or agreed to pay insurance premiums in order to indemnify the directors of the Company.

SUSAN MCKINNON RESEARCH CENTRE LTD

ACN: 656 129 127

DIRECTORS' REPORT

Auditor's independence declaration

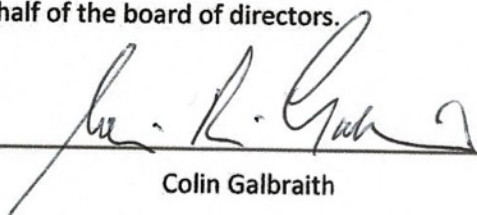
A copy of the auditor's independence declaration in relation to the audit for the financial year is provided with this report.

Proceedings on behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

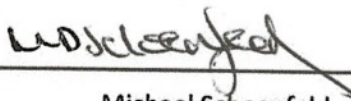
Signed on behalf of the board of directors.

Director:



Colin Galbraith

Director:



Michael Schoenfeld

Dated this 30th day of November 2023

SUSAN MCKINNON RESEARCH CENTRE LTD
ACN: 656 129 127

AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF SUSAN MCKINNON RESEARCH CENTRE LTD

In relation to the independent audit for the year ended 30 June 2023, to the best of my knowledge and belief there have been no contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.



K L BYRNE

Partner



PITCHER PARTNERS

Melbourne

Date: 30 November 2023

SUSAN MCKINNON RESEARCH CENTRE LTD
ACN: 656 129 127

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023	Period 17
		\$	December
			2021 to 30
			June 2022
			\$
Revenue	2	26,222,232	51,833,155
Less: expenses			
Employee benefits expense		(821,900)	-
Director and committee fees		(137,917)	-
Consulting and contractor fees		(919,284)	-
Other program and research costs		(315,246)	(30,000)
Administration expenses		<u>(225,984)</u>	<u>(12,267)</u>
		<u>(2,420,331)</u>	<u>(42,267)</u>
Surplus for the year		23,801,901	51,790,888
Other comprehensive income for the year		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u><u>23,801,901</u></u>	<u><u>51,790,888</u></u>

The accompanying notes form part of these financial statements.

SUSAN MCKINNON RESEARCH CENTRE LTD

ACN: 656 129 127

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	Note	2023 \$	Period 17 December 2021 to 30 June 2022 \$
Current assets			
Cash and cash equivalents	3	17,247,558	42,833,155
Receivables	4	54,966	9,004,227
Other assets	5	<u>1,153,912</u>	<u>-</u>
Total current assets		<u>18,456,436</u>	<u>51,837,382</u>
Non-current assets			
Other financial assets	6	57,318,050	-
Property, plant and equipment	7	<u>2,271</u>	<u>-</u>
Total non-current assets		<u>57,320,321</u>	<u>-</u>
Total assets		<u>75,776,757</u>	<u>51,837,382</u>
Current liabilities			
Payables	8	149,518	46,494
Provisions	9	<u>32,530</u>	<u>-</u>
Total current liabilities		<u>182,048</u>	<u>46,494</u>
Non-current liabilities			
Provisions	9	<u>1,920</u>	<u>-</u>
Total non-current liabilities		<u>1,920</u>	<u>-</u>
Total liabilities		<u>183,968</u>	<u>46,494</u>
Net assets		<u>75,592,789</u>	<u>51,790,888</u>
Equity			
Accumulated surplus	10	<u>75,592,789</u>	<u>51,790,888</u>
Total equity		<u>75,592,789</u>	<u>51,790,888</u>

The accompanying notes form part of these financial statements.

SUSAN MCKINNON RESEARCH CENTRE LTD
ACN: 656 129 127

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

	Accumulated surplus \$	Total equity \$
Balance as at 17 December 2021	-	-
Surplus for the period	<u>51,790,888</u>	<u>51,790,888</u>
Total comprehensive income for the year	<u>51,790,888</u>	<u>51,790,888</u>
Balance as at 30 June 2022	<u>51,790,888</u>	<u>51,790,888</u>
Balance as at 1 July 2022	51,790,888	51,790,888
Surplus for the year	<u>23,801,901</u>	<u>23,801,901</u>
Total comprehensive income for the year	<u>23,801,901</u>	<u>23,801,901</u>
Balance as at 30 June 2023	<u>75,592,789</u>	<u>75,592,789</u>

The accompanying notes form part of these financial statements.

SUSAN MCKINNON RESEARCH CENTRE LTD
ACN: 656 129 127

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 \$	Period 17 December 2021 to 30 June 2022 \$
Cash flow from operating activities			
Receipts from distributions and dividends		-	21,000,000
Donations received		21,080,384	21,833,155
Receipts from recharges and rebates		194,277	-
Payments to suppliers and employees		(2,369,850)	-
Franking credits received		9,000,000	-
Interest received		<u>312,737</u>	<u>-</u>
Net cash provided by operating activities		<u>28,217,548</u>	<u>42,833,155</u>
Cash flow from investing activities			
Payment for property, plant and equipment		(3,145)	-
Payment for investments		<u>(53,800,000)</u>	<u>-</u>
Net cash provided by / (used in) investing activities		<u>(53,803,145)</u>	<u>-</u>
Reconciliation of cash			
Cash at beginning of the financial year		42,833,155	-
Net (decrease) / increase in cash held		<u>(25,585,597)</u>	<u>42,833,155</u>
Cash at end of financial year		<u>17,247,558</u>	<u>42,833,155</u>

The accompanying notes form part of these financial statements.

SUSAN MCKINNON RESEARCH CENTRE LTD

ACN: 656 129 127

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The directors have determined that the Company is not a reporting entity on the basis that, in the opinion of the directors, there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy, specifically, all of their information needs. Accordingly, this financial report is a special purpose financial report, which has been prepared to satisfy the financial reporting requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

The financial report covers Susan McKinnon Research Centre Ltd as an individual entity. Susan McKinnon Research Centre Ltd is a Company limited by guarantee, incorporated and domiciled in Australia. Susan McKinnon Research Centre Ltd is a not-for-profit entity for the purpose of preparing the financial statements.

The financial report was approved by the directors at the date of the directors' report.

The financial report has been prepared in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, the *Australian Charities and Not-for-profits Commission Regulations 2022*, the recognition and measurement requirements specified by all Australian Accounting Standards and Interpretations, and the disclosure requirements of:

- AASB 101: Presentation of Financial Statements
- AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors
- AASB 124: Related Party Disclosures (to the extent required by the *Australian Charities and Not-for-profits Commission Regulations 2022* and the ACNC Commissioner's discretion)
- AASB 1054: Australian Additional Disclosures

The following specific accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report:

(a) Basis of preparation of the financial report

Historical Cost Convention

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets and liabilities as described in the accounting policies.

(b) Going concern

The financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

SUSAN MCKINNON RESEARCH CENTRE LTD

ACN: 656 129 127

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Revenue and other income

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Dividend and other distributions

Dividend and other distribution revenue is recognised when the right to receive a dividend or other distribution has been established.

Donations

Donations are recognised as revenue when received.

Interest

Interest revenue is measured in accordance with the effective interest method.

All revenue is measured net of the amount of goods and services tax (GST).

(d) Income tax

No provision for income tax has been raised as the Company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(e) Cash and cash equivalents

Cash and cash equivalents include cash on hand and at banks, short-term deposits with an original maturity of three months or less held at call with financial institutions.

(f) Property, plant and equipment

Each class of plant and equipment is measured at cost less, where applicable, any accumulated depreciation and any accumulated impairment losses.

Depreciation

The depreciable amount of all other property, plant and equipment is depreciated over their estimated useful lives commencing from the time the asset is held available for use, consistent with the estimated consumption of the economic benefits embodied in the asset.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Employee benefits

(i) Short-term employee benefit obligations

Liabilities arising in respect of wages and salaries, annual leave and other employee benefits (other than termination benefits) expected to be settled wholly before twelve months after the end of the reporting period are measured at the (undiscounted) amounts based on remuneration rates which are expected to be paid when the liability is settled. The expected cost of short-term employee benefits in the form of compensated absences such as annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables in the statement of financial position.

(ii) Long-term employee benefit obligations

The provision for other long-term employee benefits, including obligations for long service leave and annual leave, which are not expected to be settled wholly before twelve months after the end of the reporting period, are measured at the present value of the estimated future cash outflow to be made in respect of the services provided by employees up to the reporting date. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee turnover, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that are denominated in the currency in which the benefits will be paid. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the change occurs.

Other long-term employee benefit obligations are presented as current liabilities in the statement of financial position if the Company does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur. All other long-term employee benefit obligations are presented as non-current liabilities in the statement of financial position.

(h) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the Company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value adjusted for transaction costs, except where the instrument is classified as fair value through profit or loss, in which case transaction costs are immediately recognised as expenses in profit or loss.

Classification of financial assets

Financial assets recognised by the Company are subsequently measured in their entirety at either amortised cost or fair value, subject to their classification and whether the Company irrevocably designates the financial asset on initial recognition at fair value through other comprehensive income (FVtOCI) in accordance with the relevant criteria in AASB 9.

SUSAN MCKINNON RESEARCH CENTRE LTD

ACN: 656 129 127

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Financial instruments (Continued)

Financial assets not irrevocably designated on initial recognition at FVtOCI are classified as subsequently measured at amortised cost, FVtOCI or fair value through profit or loss (FVtPL) on the basis of both:

- (a) the Company's business model for managing the financial assets; and
- (b) the contractual cash flow characteristics of the financial asset.

(i) Goods and services tax (GST)

Revenues, expenses and purchased assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(j) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

The company was established on 17 December 2021 and therefore the comparatives represent the period 17 December 2021 to 30 June 2022. Accordingly the amounts presented in the financial statements are not entirely comparable.

SUSAN MCKINNON RESEARCH CENTRE LTD
ACN: 656 129 127

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

	2023	Period 17 December 2021 to 30 June 2022
	\$	\$
NOTE 2: OTHER REVENUE AND OTHER INCOME		
Distribution income	1,140,162	30,000,000
Donations received	21,080,384	21,833,155
Other revenue		
Interest income	312,737	-
Unrealised gains on investments	3,518,050	-
Group service recharges	87,646	-
Investment manager fee rebate	<u>83,253</u>	<u>-</u>
	<u>4,001,686</u>	<u>-</u>
	<u><u>26,222,232</u></u>	<u><u>51,833,155</u></u>
 NOTE 3: CASH AND CASH EQUIVALENTS		
Cash at bank	<u><u>17,247,558</u></u>	<u><u>42,833,155</u></u>
 NOTE 4: RECEIVABLES		
CURRENT		
Other receivables		
- GST Input Credits	49,303	4,227
- Franking credits receivable	<u>5,663</u>	<u>9,000,000</u>
	<u>54,966</u>	<u>9,004,227</u>
 NOTE 5: OTHER ASSETS		
CURRENT		
Prepayments	13,750	-
Accrued income	<u>1,140,162</u>	<u>-</u>
	<u><u>1,153,912</u></u>	<u><u>-</u></u>

SUSAN MCKINNON RESEARCH CENTRE LTD

ACN: 656 129 127

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

	2023	Period 17 December 2021 to 30 June 2022
	\$	\$
NOTE 6: OTHER FINANCIAL ASSETS		
NON CURRENT		
<i>Financial assets at fair value through profit or loss</i>		
Investment in Redbridge Capital Trust	<u>57,318,050</u>	<u>-</u>
NOTE 7: PROPERTY, PLANT AND EQUIPMENT		
Plant and equipment		
Computer equipment at cost	3,145	-
Accumulated depreciation	<u>(874)</u>	<u>-</u>
Total property, plant and equipment	<u>2,271</u>	<u>-</u>
NOTE 8: PAYABLES		
CURRENT		
<i>Unsecured liabilities</i>		
Trade creditors	30,978	4,963
Sundry creditors and accruals	<u>118,540</u>	<u>41,531</u>
	<u>149,518</u>	<u>46,494</u>
NOTE 9: PROVISIONS		
CURRENT		
Employee benefits	(a) <u>32,530</u>	<u>-</u>
NON CURRENT		
Employee benefits	(a) <u>1,920</u>	<u>-</u>
(a) Aggregate employee benefits liability	34,450	-
NOTE 10: ACCUMULATED SURPLUS		
Accumulated surplus at beginning of year	51,790,888	-
Net surplus	<u>23,801,901</u>	<u>51,790,888</u>
	<u>75,592,789</u>	<u>51,790,888</u>

SUSAN MCKINNON RESEARCH CENTRE LTD

ACN: 656 129 127

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 11: RELATED PARTY TRANSACTIONS

(a) Transactions with associated entities

Redbridge Capital Trust

Redbridge Capital Trust is an investment unit trust that was setup to manage the financial assets of the Susan McKinnon Foundation and other related parties.

- During the financial year, the Company invested \$53,800,000 into Redbridge Capital Trust via cash subscriptions (FY22: \$NIL).
- As at 30 June 2023, Company has accrued a distribution receivable from Redbridge Capital Trust of \$1,140,162 (FY22: \$NIL).

Redbridge Capital Pty Ltd

Redbridge Capital Pty Ltd is the investment manager of Redbridge Capital Trust and provides back office administration support to Susan McKinnon Foundation.

- Via its investment in Redbridge Capital Trust, the Company paid management fees to Redbridge Capital Pty Ltd of \$240,870 (FY22: \$NIL), equating to a management fee of 0.65% pa.
- Redbridge Capital Pty Ltd provided a rebate to the Company which equated to \$83,253 (FY22: \$NIL).
- Effective from 1 January 2023, there was a revision in the rebate rate from 0.325% to 0.15%. This also resulted in a revision of the net management fee paid from 0.325% to 0.50% pa post rebate.
- The Company was paid \$9,124 (FY22: \$NIL) by Redbridge Capital Pty Ltd for shared payroll expenses. These charges were done at cost.
- The Company was charged \$139,313 (FY22: \$NIL) by Redbridge Capital Pty Ltd for shared finance and accounting services, and rent. These charges were done at cost.
- As at 30 June 2023, the Company had a net payable amount of \$8,840 (FY22: \$41,531) to Redbridge Capital Pty Ltd.

Susan McKinnon Foundation

Susan McKinnon Foundation provides grants to fund projects to support organisations whose work and focus strategically align with the desire to enable far-reaching policy and governance change.

- Susan McKinnon Foundation donated \$21,080,384 (FY22: \$21,833,155) to the Company during the financial year.
- The Company was paid \$78,522 (FY22: \$NIL) by Susan McKinnon Foundation for shared marketing and strategic advisory services related to Susan McKinnon Foundation's grant program. These charges were done at cost.
- The Company was charged \$11,173 (FY22: \$NIL) by Susan McKinnon Foundation for shared insurance and IT expenses. These charges were done at cost.
- As at 30 June 2023, the Company had a net receivable amount of \$5,663 (FY22: \$NIL) from Susan McKinnon Foundation.

SUSAN MCKINNON RESEARCH CENTRE LTD
ACN: 656 129 127

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

	2023
	\$
NOTE 12: KEY MANAGEMENT PERSONNEL COMPENSATION	
Total key management personnel remuneration	96,667
Key management personnel services provided by Redbridge Capital Pty Ltd	<u>14,651</u>
	<u><u>111,318</u></u>

NOTE 13: EVENTS SUBSEQUENT TO REPORTING DATE

There has been no matter or circumstance, which has arisen since 30 June 2023 that has significantly affected or may significantly affect:

- (a) the operations, in financial years subsequent to 30 June 2023, of the Company, or
- (b) the results of those operations, or
- (c) the state of affairs, in financial years subsequent to 30 June 2023, of the Company.

NOTE 14: MEMBERS' GUARANTEE

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the Constitution states that each member is required to contribute to a maximum of \$100 each towards meeting any outstandings and obligations of the Company. At 30 June 2023 the number of members was 1. The combined total amount that members of the Company are liable to contribute if the Company is wound up is \$100.

NOTE 15: COMPANY DETAILS

The registered office of the Company is:

Susan McKinnon Research Centre Ltd
Level 11
90 Collins Street
Melbourne VIC 3000

SUSAN MCKINNON RESEARCH CENTRE LTD

ACN: 656 129 127

DIRECTORS' DECLARATION

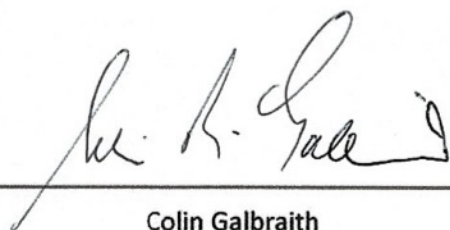
The directors have determined that the Company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The directors of the Company declare that:

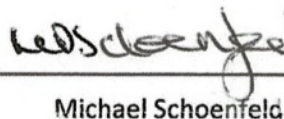
1. In the directors' opinion, the financial statements and notes thereto, as set out on pages 5 - 16, satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*, including:
 - (a) complying with Australian Accounting Standards as detailed in Note 1 to the financial statements and the *Australian Charities and Not-for-profits Commission Regulations 2022*; and
 - (b) giving a true and fair view of the financial position as at 30 June 2023 and performance for the year ended on that date of the Company in accordance with the accounting policies described in Note 1 to the financial statements.
2. In the directors' opinion, there are reasonable grounds to believe that the Company is able to pay all of its debts, as and when they become due and payable.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profits Commission Regulations 2022*.

Director: _____


Colin Galbraith

Director: _____


Michael Schoenfeld

Dated this 30th day of November 2023

SUSAN MCKINNON RESEARCH CENTRE LTD
ACN: 656 129 127

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SUSAN MCKINNON RESEARCH CENTRE LTD

Report on the Audit of the Financial Report

Opinion

We have audited the financial report, being a special purpose financial report of Susan McKinnon Research Centre Ltd, "the Company", which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other 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 accompanying financial report of Susan McKinnon Research Centre Ltd, is 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 and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2022*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with 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.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist Susan McKinnon Research Centre Ltd to meet the requirements of the ACNC Act. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

SUSAN MCKINNON RESEARCH CENTRE LTD
ACN: 656 129 127

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SUSAN MCKINNON RESEARCH CENTRE LTD

Responsibilities of Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the ACNC Act and for such internal control as management determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

SUSAN MCKINNON RESEARCH CENTRE LTD
ACN: 656 129 127

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SUSAN MCKINNON RESEARCH CENTRE LTD

Auditor's Responsibilities for the Audit of the Financial Report (Continued)

- 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 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 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.

We communicate with the directors 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.



K L BYRNE
Partner



PITCHER PARTNERS
Melbourne

Date: 30 November 2023