Better Treatments. Better Care. Healthier Societies.

The George Institute for Global Health
and Controlled Entities

ANNUAL FINANCIAL REPORT

For the year ended 30 June 2024

A Public Company Limited by Guarantee
ABN: 90 085 953 331

The George Institute
for Global Health

The George Institute for Global Health and Controlled Entities

ABN 90 085 953 331

Annual Report - 30 June 2024

General information

The financial statements cover The George Institute for Global Health as a consolidated entity consisting of The George Institute for Global Health and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is The George Institute for Global Health's functional and presentation currency.

The George Institute for Global Health is a company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

International Tower 3
Level 18, 300 Barangaroo Avenue
Sydney NSW 2000

Principal place of business

International Tower 3
Level 18, 300 Barangaroo Avenue
Sydney NSW 2000

The company's lease with premises at Newtown came to an end during the financial year. Given its association with UNSW, it plans to move to UNSW's Health Translation Hub (HTH) in FY25. In the interim, the Company temporarily subleases premised in Barangaroo.

A description of the nature of the consolidated entity'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 27 November 2024.

The George Institute for Global Health and Controlled Entities
Directors' report
30 June 2024

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of The George Institute for Global Health (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2024.

The consolidated entity comprises: a group of not-for-profit subsidiaries (Research Segment) and a group of for-profit subsidiaries (Commercial Segment), with the lead subsidiary being George Institute Ventures Limited. It should be noted that George Clinical (a key commercial subsidiary) was sold in this financial year.

Directors
The following persons were directors of The George Institute for Global Health during the whole of the financial year and up to the date of this report, unless otherwise stated:

Yasmin Anita Allen (resigned 17 November 2023)
David Hugh Armstrong (Chair)
Srinivas Akkaraju
Catherine Michelle Brenner
Sarah Butler (appointed 18 November 2023)
Timothy Fountaine (appointed 18 November 2023)
Peeyush Gupta (appointed 1 February 2024)
Michael Kidd (appointed 18 December 2023)
Timothy James Edward Longstaff
Alankar Anushka Patel
Vlado Perkovic (resigned 18 November 2023)
Rodney Ernest Phillips
Sarogini Meenachie Thuraisingham

Company secretary
Olga Smejkalova held the position of Company Secretary from 16 November 2021 to 30 June 2024. Magdalen Malone was appointed 1 July 2024 and has remained as such to the date of this report.

Principal activities
The Company's primary purpose is to undertake clinical, health systems and population health research, especially focused on reducing the burden of chronic diseases and injuries (defined as the Research Segment). This is predominantly funded by Government grants, philanthropy and returns from its Commercial Segment. With the financial support of equity investors, the Company also operates a Commercial Segment's which focuses on mission aligned activity that generates returns in order to supplement the funding requirements of the Research Segment. A key element of this strategy was realised with the sale of George Clinical on 7 July 2023. Proceeds from the sale of GC are also supporting the development of a polypill for the treatment of hypertension.

Short and long-term objectives
The consolidated entity is an independent not-for-profit entity with short and long-term objectives to be a world-leading medical research institute focused on:

- address inequity in health worldwide;
- better treatment of common chronic and critical conditions;
- better care through strengthening healthcare systems; and
- healthier societies through tackling the upstream determinants of common chronic conditions and injuries across the globe.

Strategy for achieving objectives
The consolidated entity has developed a strategic plan to guide its work in its core business of health and medical research and in its operations globally.

How principal activities contributed to objectives

- The strengthening of research in Australia, India and UK and through partnerships, dozens of other countries worldwide
- The gaining of peer-reviewed research grants from government and other global funding bodies;
- The publication of scientific papers in prestigious peer-reviewed journals and efforts to ensure the translation of research findings into policy and practice; and
- Within the Commercial Segment continued development of existing commercial ventures in order to generate further social and financial dividends.

Performance measurement

Performance indicators include the following financial and non-financial targets:

- The extent to which improvements in health outcomes and reductions in health outcome inequities is attributable to research conducted by the Research and Commercial Segments.
- The number of high impact scientific papers published;
- The number and value of peer-reviewed research grants and commission research activity;
- Financial sustainability as measured by the dollar value of surplus, cash, net current assets and total net assets.

Operating results

Total operating revenue of $88.9 million registering an increase of 47% from the previous year (30 June 2023): $60.6 million). With the sale of George Clinical, the profit of the consolidated entity after providing for income tax amounted to $259.3 million (30 June 2023: Loss of $42.9 million). No impairment charge was recognised during the year (30 June 2023: $0.1 million).

Dividends paid or recommended

As a not-for-profit entity, the Company's Constitution prohibits the payment of dividends and accordingly no dividends were paid from the Company. No dividends were paid from the "for profit" subsidiaries during the year.

Significant changes in the state of affairs

In line with the organisation's strategic plan, the Board approved the sale of George Clinical late in FY22 with the transaction finalised on 7 July 2023. The Company had historically relied on donations from George Clinical to partially address the shortfall between the costs of conducting research and the grants received. The sale allows TGI to establish its first endowment, with the returns generated partially addressing its operational deficit. The Company has appointed an investment committee (reporting to the Board), to manage its funds to provide greater financial stability and security. This result ensures that the Company can continue to fund research that goes beyond the grant funding it receives.
With a total sale consideration of $405.9 million (headline price of $480 million less completion adjustments, payment of external debt etc.) the net proceeds of the transaction are estimated to be approximately $180 million after transaction costs and distributions to minority shareholders and ESOP participants.

Events since the end of the financial year

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

Future developments

The consolidated entity expects to maintain its present status.

Environmental issues

The consolidated entity's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory. The George Institute understands that sustainability is essential not only to global health, but also to the future of the planet. As an organisation, we are fully committed to integrating sustainability into our research, operations and partnerships. We have a robust policy framework that ensures our operations, research, and partnerships align with our sustainability goals. A copy of our Sustainability Statement is available on our website.

Share based remuneration

Long term incentive (LTI) Plans were introduced in past years for a small number of employees, executives and non-executive directors in the commercial subsidiaries of the consolidated entity. Grants under LTI Plans were made in the form of share appreciation rights (SARs), employee share option plans (ESOP), or founders equity plans (FEP), or options. With the sale of George Clinical in FY24, a significant portion of these rights were exercised.

No current management of TGI are participants of the schemes whilst one TGI director is eligible for SARS as a director of a commercial subsidiary.

Information on directors

Dr Srinivas Akkaraju – Non-Executive Director
Qualifications: MD, PhD

Currently held positions:
Board Chair - George Health Enterprises Pty Ltd
Managing General Partner - Samsara BioCapital
Director – vTv Therapeutics
Director - Syros Pharmaceuticals
Director - Mineralys Therapeutics
Director - Scholar Rock
Director – Alumis Inc

David Hugh Armstrong – Chair / Non-Executive Director
Qualifications: BBus (UTS), FCA, MAICD

Currently held positions:
Non-Executive Director – Insurance Australia Group
Chairman – Opera Australia Capital Fund Limited

Catherine Michelle Brenner – Non-Executive Director
Qualifications: BEcLLB, MBA, FAICD

Currently held positions:
Non-Executive Director – Scentre Group Limited, Carindale Property Trust
Non-Executive Director - Schools Plus
Chair - Australian Payments Plus Limited
Panel Member - Adara Partners
Non-Executive Director – Djerriwarrh Investments Limited

Sarah Butler – Non-Executive Director
Qualifications: MNatSci (Chem), GAICD

Currently held positions:
Non-Executive Director – IAG and RACV Insurance joint venture, IMA
Non-Executive Director – Lumonus
Advisor – Sync Technologies

Dr Timothy Fountaine – Non-Executive Director
Qualifications: MBChB, BSc Hum Biol, DPhil Neuroscience, Oxon

Currently held positions.
Sr Partner – McKinsey & Company
Chair of Board – The Digital Sciences Initiative, University of Sydney

<u>Peeyush Gupta AM – Non-Executive Director</u>
Qualifications: BA Computing Studies, MBA (Fin), Alumnus Harvard LBS, FAICD

Currently held positions:
Non-Executive Director – Northern Territory Aboriginal Investment Corporation (NTAIC)
Non-Executive Director – Quintessence Labs
Non-Executive Director – Dexus Limited
Non-Executive Director – NSW Cancer Council (until October 2024)
Non-Executive Director – Liberty Financial Group

<u>Michael Kidd AO – Non-Executive Director</u>
Qualifications: MBBS Hons, MD, DCCH, DipRACOG, FRACGP, FACHI, FAIDH, FAICD
Currently held positions:
Non-Executive Director – Telstra Health
Non-Executive Director & Chair – Therapeutic Guidelines
Non-Executive Director – Therapeutic Guidelines
Director – Centre for Future Health Systems, University of New South Wales
Professor – Global Primary Care and Future Health Systems, Oxford University

<u>Timothy Longstaff – Non-Executive Director</u>
Qualifications: B.Ec, FCA, GAICD, SF Fin

Currently held positions:
Non-Executive Director - Aurizon Holdings Limited
Non-Executive Director - Snowy Hydro Limited
Non-Executive Director - Ingham's Limited
Non-Executive Director – Perenti Limited
Member - The Takeovers Panel

<u>Professor Anushka Patel</u>
Qualifications: MBBS, SM, PhD, FRACP, FAHMS, GAICD

Currently held positions:
Director & CEO – The George Institute for Global Health
Director – George Institute Ventures Pty Ltd
Director – George Health Enterprises Pty Ltd
Director – The George Foundation for Global Health Limited
Director – George Institute for Global Health India
Director – George Partners Limited
Director – The George Institute for Global Health UK
Director – George Health Enterprises UK Limited
Chair – George Medicine Pty Limited (since August 2023)
Scientia Professor – Faculty of Medicine, UNSW Sydney
Cardiologist (Hon) – Royal Prince Alfred Hospital
Director & Trustee – Pulmonary Vascular Research Institute (UK-based charity)

Professor Rodney Ernest Phillips – Non-Executive Director
Qualifications: MBBS (Melb), FRACP, MD (Melb), MA (Oxon), FRCP (London), F Acad MedSci (London)

Currently held positions:
Professor Emeritus - University of New South Wales, Sydney
Honorary Fellow - Pembroke College, Oxford

Dr Meena Thuraisingham – Non-Executive Director
Qualifications: PhD, GAICD, MAPS

Currently held positions:
Founder & Principal - BoardQ
Founder & Principal - TalentInvest
Non-Executive Director - Shared Value Project
Non-Executive Director - Linden Art Gallery, Victoria

* Non-executive directors are unpaid volunteers, with the exceptions of one who is remunerated for their contribution on the George Health board (the Company's holding company for commercial activity).

Insurance of officers
During the year, the Company paid a premium of $193,500 for a Management Liability Policy (30 June 2023: total premium was $220,412). Part of this premium is to insure directors and officers (each an "Officer") of the Company and its controlled entities. The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against an officer in their capacity as officer of an entity within the consolidated entity, and any other payments arising from liabilities incurred by an officer in connection with such proceedings.

Agreement to indemnify officers
The Company has agreed to indemnify each officer of the Company and its controlled entities against any liability, loss, damages, monetary obligations, non-criminal penalties, charges, legal costs and expenses incurred by that officer as an officer of the Company or a controlled entity, to the extent permitted by law. This indemnity does not cover any liability the officer owes to the Company or a related entity, any pecuniary penalty order or compensation order issued against the officer under the Corporations Act 2001 (Cth), any liability to a third party that did not arise out of conduct in good faith, and court proceedings where the officer is found guilty or where judgment is made against the officer.

Members guarantee
The Company is incorporated under the Corporations Act 2001 (Cth) and is a Company limited by guarantee. If the Company is wound up, the Constitution states that each member is required to contribute $10 towards meeting any outstanding obligations of the Company. As at 30 June 2024 the number of members was 9 (30 June 2023: 9 members).

Proceedings on behalf of the company
No person has applied 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.

Meetings of directors
During the financial year, 5 meetings of directors (including committee meetings) were held (30 June 2023: 14 meetings). Attendances by each director are listed below.

The George Institute for Global Health and Controlled Entities
Directors' report
30 June 2024

	Board Meeting	
	Eligible to attend	Attended
David Armstrong (Chair)	5	5
Dr Srinivas Akkaraju	5	3
Yasmin Allen (resigned 17 November 2023)	1	1
Tim Longstaff	5	5
Catherine Brenner	5	5
Professor Rodney Phillips	5	4
Dr Meena Thuraisingham	5	5
Professor Vlado Perkovic (resigned 18 November 2023)	2	2
Dr Timothy Fountaine (appointed 18 November 2023)	3	3
Mr Peeyush Gupta (appointed 1 February 2024)	2	1
Professor Michael Kidd (appointed 18 December 2023)	3	3
Sarah Butler (appointed 18 November 2023)	3	3
Professor Anushka Patel	5	5

	Audit Committee		Risk Committee		People Committee	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
David Armstrong	4	4	4	4	2	2
Catherine Brenner	4	4	4	4	1	1
Sarah Butler	-	-	-	-	1	1
Peeyush Gupta	2	1	-	-	-	-
Tim Longstaff	4	4	4	4	-	-
Professor Anushka Patel	4	4	4	4	2	2
Professor Rodney Phillips	-	-	4	4	-	-
Dr Meena Thuraisingham	-	-	2	2	1	1
Professor Michael Kidd	-	-	-	-	1	1

* Additionally, the company has also established an Investment Committee to manage the endowment formed with the sale of George Clinical. A committee is also convened as required to oversee major commercial transactions.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 is set out immediately after this directors' report.

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

On behalf of the directors

Signed by: C. Brenner 21C244546930452	DocuSigned by: 6596625B8FBF43A...
Catherine Brenner (Acting Chair)	Anushka Patel
Director	Director

2 December 2024
Sydney

Tel: +61 2 9251 4100
Fax: +61 2 9240 9821
www.bdo.com.au

Level 11, 1 Margaret Street
Sydney NSW 2000
Australia

DECLARATION OF INDEPENDENCE BY LEAH RUSSELL TO THE DIRECTORS OF THE GEORGE INSTITUTE FOR GLOBAL HEALTH

I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit of The George Institute for Global Health for the year ended 30 June 2024.

This declaration is in respect of The George Institute for Global Health and the entities it controlled during the period.

Leah Russell
Director

BDO Audit Pty Ltd

Sydney

2 December 2024

The George Institute for Global Health and Controlled Entities
Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2024

	Note	Consolidated 2024 $	Consolidated 2023 $
Revenue and other income			
Revenue	3	73,950,725	56,224,809
Other income	4	14,915,595	4,375,052
		88,866,320	60,599,861
Expenses			
Finance expense	5	(3,815,286)	(6,414,162)
Depreciation and amortisation expense	6	(5,318,650)	(2,699,105)
Employee benefits expense	7	(61,130,735)	(50,784,757)
Administration expense		(5,352,517)	(3,377,111)
Study sub-contractor fee		(23,034,062)	(1,122,875)
Patient recruitment expense		(1,858,137)	(1,353,293)
Consultants and outsourced research services fees		(7,843,430)	(19,777,969)
Travel/Accommodation expense		(3,489,066)	(3,254,163)
Rental expense		(601,473)	(476,885)
Share of loss of investment in Ellen Medical Devices Pty Ltd (EMD)		-	(309,687)
Other expenses	8	(11,625,545)	(18,168,401)
Fair value gain on derivatives		-	5,261,520
Loss on acquisition of EMD assets and liabilities		-	(6,477,261)
Impairment of investment in EMD		-	(142,855)
Surplus/(loss) before income tax (expense)/benefit from continuing operations		(35,202,584)	(48,497,143)
Income tax benefit from continuing operations	9	(16,720,865)	17,860,853
Surplus/(loss) after income tax (expense)/benefit from continuing operations		(51,923,449)	(30,636,290)
Surplus after income tax expense from discontinued operations	30	311,135,796	(12,267,804)
Surplus/(loss) after income tax (expense)/benefit for the year		259,212,347	(42,904,094)
Other comprehensive surplus			
Items that will not be reclassified subsequently to surplus or deficit:			
Exchange differences on translation of foreign operations		(411,395)	309,452
Changes in the fair value of available-for sale financial assets		926,390	408,413
Cash flow hedges		2,817	(29,819)
Other comprehensive surplus for the year, net of tax		517,813	688,046
Total comprehensive surplus/(loss) for the year		259,730,159	(42,216,048)
Surplus/(loss) for the year is attributable to:			
Non-controlling interest		85,561,407	(4,220,705)
Members of The George Institute for Global Health		173,650,940	(38,683,389)
		259,730,159	(42,904,094)

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

The George Institute for Global Health and Controlled Entities
Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2024

	Note	Consolidated 2024 $	Consolidated 2023 $
Total comprehensive surplus/(loss) for the year is attributable to:			
Continuing operations		847,877	(4,220,705)
Discontinued operations		(330,065)	97,316
Non-controlling interests		85,561,407	(4,123,389)
Continuing operations		(51,075,572)	(25,399,013)
Discontinued operations		310,805,731	(12,693,646)
Members of The George Institute for Global Health		-	(38,092,659)
		259,730,159	(42,216,048)

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

The George Institute for Global Health and Controlled Entities
Consolidated statement of financial position
As at 30 June 2024

	Note	Consolidated 2024 $	Consolidated 2023 $
Assets			
Current assets			
Cash and cash equivalents	10	108,184,629	28,334,774
Trade and other receivables	11	5,761,031	5,161,394
Other assets	12	87,337,480	892,415
Accrued income	3	2,245,003	3,683,607
Prepayments	13	796,431	754,318
Assets classified as held for sale	30	-	69,546,826
Total current assets		204,324,574	108,373,334
Non-current assets			
Other financial assets	14	143,315,441	9,489,283
Furniture, fixtures and equipment	15	1,035,355	2,540,932
Right-of-use assets	16	2,707,472	1,858,325
Intangible assets	17	146,596	141,509
Deferred tax asset	18	3,092,752	19,182,723
Total non-current assets		150,297,617	33,212,772
Total assets		354,622,191	141,586,106
Liabilities			
Current liabilities			
Trade and other payables	19	9,097,724	5,699,551
Income tax payable	9	59,940,759	83,755
Lease liabilities	20	1,703,590	2,193,060
Deferred income	3	34,180,561	38,438,137
Provisions	21	5,530,797	6,647,822
Liabilities directly associated with assets classified as held for sale	28	-	63,068,953
Other liabilities	22	2,546,920	3,489,443
Total current liabilities		113,000,334	119,620,721
Non-current liabilities			
Lease liabilities	23	1,257,844	62,292
Provisions	24	849,782	775,544
Other liabilities	25	26,733,775	53,419,031
Total non-current liabilities		28,943,484	54,256,867
Total liabilities		141,943,818	173,877,588
Net assets/(liabilities)		212,678,372	(32,291,482)
Equity			
Reserves	26	43,595,133	36,943,054
Retained surpluses/ (accumulated deficits)		89,484,277	(63,272,092)
Equity/(deficiency) attributable to the members of The George Institute for Global Health		133,079,410	(26,329,038)
Non-controlling interest		79,598,693	(5,962,444)
Total equity/(deficiency)		212,678,372	(32,291,482)

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

The George Institute for Global Health and Controlled Entities
Consolidated statement of changes in equity
For the year ended 30 June 2024

Consolidated	Reserves $	Retained profits $	Non-controlling Interest (NCI) $	Total deficiency in equity $
Balance at 1 July 2022	35,966,934	(24,588,703)	(2,194,173)	9,184,058
Loss after income tax benefit for the year	-	(38,683,389)	(4,220,705)	(42,904,094)
Other comprehensive surplus for the year, net of tax	688,046	-	-	688,046
Total comprehensive surplus/(loss) for the year	688,046	(38,683,389)	(4,220,705)	(42,216,048)
Transactions with members in their capacity as members:				
Share-based payments expenses	288,074	-	-	288,074
NCI on acquisition of subsidiary assets and liabilities	-	-	452,434	452,434
Balance at 30 June 2023	36,943,054	(63,272,092)	(5,962,444)	(32,291,482)

Consolidated	Reserves $	Retained profits $	Non-controlling Interest (NCI) $	Total equity $
Balance at 1 July 2023	36,943,054	(63,272,092)	(5,962,444)	(32,291,482)
Surplus after income tax expense for the year	-	173,650,940	-	173,650,940
Other comprehensive surplus for the year, net of tax	642,813	-	-	642,813
Total comprehensive surplus for the year	642,813	173,650,940	-	216,896,022
Transactions with members in their capacity as members:				
Issue of shares	28,600,019		-	28,600,019
Share-based payments	(16,451,507)	(23,679,631)	-	(40,131,138)
NCI on disposal of subsidiary assets and liabilities	-	-	85,561,407	85,561,407
Divestment in disposal of subsidiaries	-	2,042,564	-	(2,042,564)
Other reserves	(6,139,248)	-	-	(6,139,248)
Prior year adjustments to opening retained earnings	-	742,496	-	742,496
Balance at 30 June 2024	43,595,131	89,484,277	79,598,963	212,678,372

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

The George Institute for Global Health and Controlled Entities
Consolidated statement of cash flows
For the year ended 30 June 2024

	Note	Consolidated 2024 $	2023 $
Cash flows from operating activities			
Receipts of grants and contract revenue (inclusive of GST)		81,711,679	180,378,541
Payments to suppliers and employees (inclusive of GST)		(134,292,853)	(228,833,408)
		(52,581,174)	(48,454,867)
Dividends received		486,220	468,799
Interest received		9,274,007	404,145
Income taxes paid		(680,669)	(3,827,722)
Net cash outflow from operating activities		(43,501,616)	(51,409,645)
Cash flows from investing activities			
Payments for property, plant and equipment	15	(779,282)	(804,591)
Payments for intangibles		(5,087)	-
Payments for investments		(132,601,130)	(432,842)
Proceeds from sale of subsidiary		405,895,604	-
Loan to shareholders in advance of dividends to be paid		(85,461,415)	-
Payments for the assets and liabilities of EMD, net of cash acquired		-	(384,538)
Net cash outflow from investing activities		187,048,690	(1,621,971)
Cash flows from financing activities			
Outflow from LTI Payouts		(37,820,230)	-
Repayment of bank borrowings		(15,503,794)	(2,483,702)
Proceeds from GM Convertible Notes		1,974,827	-
Proceeds from EMD Convertible notes		85,190	-
Outflow from GHE Convertible notes		(9,214,742)	-
Proceeds from GM Preference shares		-	6,500,000
Lease payments		(3,218,471)	(3,573,270)
Receipts from bank borrowings		-	16,500,000
Repayments of hedging instruments		-	(8,443)
Net cash inflow from financing activities		(63,697,219)	16,934,585
Net decrease in cash and cash equivalents		79,849,855	(36,097,031)
Cash and cash equivalents at the beginning of the financial year		28,334,774	59,828,989
Cash and cash equivalents at the end of financial year related to George Clinical Pty Limited (discontinued operations)		-	4,602,816
Cash and cash equivalents at the end of the financial year	9	108,184,629	28,334,774

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

Note 1. Material accounting policy information

The Company is a company limited by guarantee, incorporated and domiciled in Australia. The nature of the operations and principal activities of the Company and consolidated entities are described in the Directors' Report, which is not part of the financial statements.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity 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. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

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

The consolidated entity has not yet assessed the impact of these new or amended accounting standards and interpretations.

Basis of preparation

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures, including the Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the Australian Charities and Not-for-Profit Commission Act 2012 as appropriate for not-for-profit oriented entities.

Historical cost convention

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

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the consolidated entity.

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 the relevant notes.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of The George Institute for Global Health ("Company" or "parent entity") as at 30 June 2024 and the results of all subsidiaries for the year then ended. The George Institute for Global Health and its subsidiaries together are referred to in these financial statements as the "consolidated entity".

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Jointly controlled entities

Jointly controlled entities are those entities over whose activities the consolidated entity has joint control, established by contractual agreement. In the consolidated financial statements, jointly controlled entities are accounted for using the equity method of accounting.

Where the equity method is applied, the consolidated financial statements include the consolidated entity's share of the total recognised gains and losses of jointly controlled entities on an equity accounted basis, from the date that significant influence commences until the date that significant influence ceases.

Note 1. Material accounting policy information (continued)

Business combinations
The acquisition method of accounting is used to account for business combinations by the consolidated entity. The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, the liabilities incurred, and the equity interests issued by the consolidated entity. The consideration transferred also includes the fair value of any pre-existing equity interest in the subsidiary.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill.

Business divestments
Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the consolidated entity reduces its investment in a subsidiary but still retains control, the excess consideration over the net assets is recognised in the divestment reserve, with the balance allocated to non-controlling interest.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Parent entity information
In accordance with the Australian Charities and Not-for-profits Commission Act 2012, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 35.

Foreign currency translation
The financial statements are presented in Australian dollars, which is The George Institute for Global Health's functional and presentation currency.

Foreign currency transactions
Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign operations
The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

Note 1. Material accounting policy information (continued)

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. The foreign currency translation reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Income tax
The Company is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997. All other subsidiaries' income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and unused tax losses and the adjustment recognised for prior periods, where applicable.

A tax consolidated group was established in prior years for the 100% owned Australian subsidiaries. The George Institute for Global Health Limited is the parent entity of a tax consolidated group. Within the tax group if one entity had a tax profit and another incurred a tax loss, the tax loss was shared without re-imbursement. An agreement has now been entered where tax losses are re-imbursed when utilised.

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

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

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

Deferred tax assets and liabilities are always classified as non-current.

Long Term Incentive Plan
Long Term Incentive (LTI) Plans are in place for a small number of employees, executives and non-executive directors in the commercial subsidiaries of the consolidated entity as is common practice for executives in commercial organisations. This is part of the overall remuneration strategy of the commercial subsidiaries to attract, motivate and retain talent at its senior leadership level. The LTI Plan is designed to align the interests of participating employees to the achievement of core strategic goals of the commercial subsidiaries of the consolidated entity and to reward Participants for positive and sustained growth in business value.

Grants under the LTI Plans are approved by the Board and are made in the form of share appreciation rights (SARs), Employee Share Option Plans (ESOP) or Founders Equity Plans (FEP). Each SAR, ESOP or FEP provides a Participant with a potential entitlement to an LTI outcome. With the sale of George Clinical, LTIs were paid to executives and members of the board of George Health Enterprise. Recent re resignation of the board and management of George Heath Enterprise mean that only one SARs participant remains at the time of signing the accounts.

No current management of the TGI parent company are participants of the schemes.

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.

Note 1. Material accounting policy information (continued)

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

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation 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 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.

Note 2. Segment reporting

The consolidated entity has two operating segments: Not-for-Profit (Research) and For-Profit (Commercial) segments. In identifying its operating segments, management followed the Consolidated Entity's organisational structure which represents the main distinguished services provided and its internal financial reporting system which provide the best evidence of the predominant source of risks and returns of the segments for the purpose of segment reporting.

The activities undertaken by the research segment includes clinical, epidemiological and health systems research, especially focused on reducing the burden of chronic diseases and injuries. The commercial segment's purpose is to generate commercial returns in order to supplement the funding requirements of the consolidated entity.

The measurement policies the consolidated entity uses for segment reporting under AASB 8 are the same as those used in its financial statements. There have been no changes from prior periods in the measurement methods used to determine reported segment profit or loss. However, note that 2023 data for the Commercial Segment excludes George Clinical due to its status as Held for Sale.

The George Institute for Global Health and Controlled Entities
Notes to the consolidated financial statements
30 June 2024

Note 2. Segment reporting (continued)

	TGI Group		GIV Group					
Major segments ('000)	Research Segment 2024	Research Segment 2023	Commercial Segment 2024	Commercial Segment 2023	Eliminations 2024	Eliminations 2023	Consolidated Entity 2024	Consolidated Entity 2023
Segment revenue								
Revenue	73,323	54,390	628	1,834	-	-	73,950	56,225
Other income	5,877	4,286	9,039	89	-	-	14,916	4,375
Intersegment revenue	5,060	925	(3,427)	(512)	(1,632)	(412)	-	-
	84,259	**59,600**	**6,239**	**1,412**	**(1,632)**	**(412)**	**88,866**	**60,600**
Segment expenses								
Employee benefits	(54,280)	(45,981)	(6,337)	(4,478)	-	-	(60,618)	(50,460)
Long term incentives	-	-	(513)	(325)	-	-	(513)	(325)
Depreciation and amortisation	(5,140)	(3,452)	(16,703)	(16,326)	-	-	(21,843)	(19,778)
Rental	(435)	(330)	(167)	(147)	-	-	(601)	(477)
Administration	(2,803)	(2,744)	(2,550)	(633)	-	-	(5,353)	(3,377)
Study sub-contractor fee	(4,173)	(3,624)	(18,861)	(4,436)	-	-	(23,034)	(8,060)
Patient recruitment	(1,858)	(1,353)	-	-	-	-	(1,858)	(1,353)
Consultants fee	(5,140)	(3,452)	(2,703)	(16,326)	-	-	(7,843)	(19,778)
Finance costs	(165)	(118)	(3,650)	(6,296)	-	-	(3,815)	(6,414)
Travel/accommodation	(3,149)	(2,727)	(340)	(527)	-	-	(3,489)	(3,254)
Other	(8,342)	(5,010)	(3,283)	(6,221)	-	-	11,625)	(11,231)
Loss on acquisition of EMD	-	-	-	(6,620)	-	-		(6,620)
Fair value gain on derivatives	-	-	-	5,262	-	-		5,262
Intercompany expenses	(573)	(56)	(1,060)	(357)	1,632	413		
Share of loss of jointly controlled entity	-	-	-	(310)	-	-	-	(310)
Total expenses before income tax	**(86,223)**	**(68,048)**	**(39,480)**	**(41,462)**	**1,632**	**413**	**(124,069)**	**(109,097)**
Profit before income tax	**(1,962)**	**(8,448)**	**(33,241)**	**(40,050)**	**-**	**-**	**(35,203)**	**(48,497)**
Income tax	-	-	(16,721)	17,861	-	-	(16,721)	17,861
Surplus/(loss) after income tax from continuing operations	**(1,962)**	**(8,448)**	**(49,962)**	**(22,198)**	**-**	**-**	**(51,924)**	**(30,636)**
Surplus/(loss) after income tax from discontinued operations	-	-	311,136	(13,627)	-	-	311,136	(13,627)
Total surplus/(loss) after income tax	**(1,962)**	**(8,448)**	**261,174**	**(35,816)**	**-**	**-**	**259,212**	**(44,263)**

Note 2. Segment reporting (continued)

Major Segments ('000)	TGI Group Research Segment 2024	Research Segment 2023	GIV Group Commercial Segment 2024	Commercial Segment 2023	Eliminations 2024	Eliminations 2023	Consolidated Entity 2024	Consolidated Entity 2023
Segment assets (excluding intercompany debts)	160,317	50,261	194,305	94,258	-	-	354,622	144,734
Intercompany investment and debt	28,497	28,299	-	28,717	(28, 497)	(56,800)	-	-
% on total group assets (excluding intercompany debts)	18	58	-	30				
Segment Liabilities (excluding intercompany debts)	163,567	51.984	(21,624)	124,917	-	-	141,944	177,026
Intercompany investment and debt	725	984	-	-	(725))	(984)	-	-

Note 3. Revenue

Disaggregation of revenue from contracts with customers

The consolidated entity derives revenue from the receipt of grants, and from the transfer of goods and services over time, in the following major revenue streams.

	Consolidated 2024 $	Consolidated 2023 $
Operating revenue		
Philanthropic and commissioned research income	7,046,335	3,971,771
Grant income – Research	44,077,521	36,127,288
Grant income – Infrastructure and support	22,826,869	16,125,750
Total Operating Revenue	73,950,725	56,224,809

Accounting policy for revenue

Research grants and other funding arrangements
The consolidated entity's activities are supported by funding from research and other public funding grants.

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

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

Financing components
The consolidated entity does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the consolidated entity does not adjust any of the transaction prices for the time value of money.

Note 3. Revenue (continued)

Assets and liabilities related to contracts with customers

The consolidated entity has recognised the following assets and liabilities related to contracts with customers.

	Consolidated 2024	2023
Current contract assets – research activities	2,245,003	3,683,607
Loss allowance	-	-
Total contract assets	2,245,003	3,683,607
Current contract liabilities – research activities	34,180,561	38,438,137

Accounting policy for contract assets and liabilities
Contract assets and contract liabilities arise from the consolidated entities, which enter into contracts that can take a few years to complete, because cumulative payments received from customers at each balance sheet date do not necessarily equal the amount of revenue recognised on the contracts.

Contract liabilities represent the consolidated entity's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the consolidated entity recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the consolidated entity has transferred the goods or services to the customer.

The consolidated entity also recognised a loss allowance for contract assets following the adoption of AASB 9.

Contract assets have decreased in the financial year ended as the assets held by George Clinical are now classified as held for sale.

Judgements and estimates
The consolidated entity has based the revenue recognised for commercial contracts and peer reviewed grants on the input of labour hours, and directly related costs. There is judgement involved in assessing the hours left to complete a project. Judgement is also required for assessing the expected credit loss on contract assets. Past history and known events are used in making the assessment.

Note 4. Other income

	Consolidated 2024 $	2023 $
Dividends received (including dividends reinvested)	486,220	468,799
Interest received	9,274,007	699,442
Gain on Ellen Medical Devices	-	83,886
Consulting & training income	2,623,473	2,204,367
Fit-out contribution	1,025,000	300,000
Fair value adjustment on derivatives	527,361	-
Other	979,533	618,558
	14,915,595	4,375,052

Note 5. Finance expense

	Consolidated 2024 $	Consolidated 2023 $
Lease liability interest (AASB 16)	165,383	117,838
Interest on preferred shares	3,596,442	2,564,890
Interest on convertible loans	53,460	3,731,434
	3,815,386	6,414,162

Note 6. Depreciation and amortisation expense

	Consolidated 2024 $	Consolidated 2023 $
Furniture, fixture and equipment	1,259,858	655,516
Fit out	1,025,000	300,000
Right-of-use asset	3,033,792	1,743,589
	5,318,650	2,699,105

Note 7. Employee benefits expense

The below expenses are included in employee benefits expense in the statement of profit or loss.

	Consolidated 2024 $	Consolidated 2023 $
Defined contribution superannuation expense	3,692,975	3,056,022
Share payment expenses related to commercial entities	512,892	324,891

Note 8. Other expenses

	Consolidated 2024 $	Consolidated 2023 $
Audit fees	673,173	415,869
Legal fees	1,754,874	1,332,752
Drug supply	2,079,201	673,014
Drug management and storage	781,900	351,574
Medical supplies	239,477	4,878,253
Project sub-contractors	173,643	5,433,140
Project labour costs	756,422	305,701
IP costs/Research and development	505,774	741,440
IT consumables	515,188	182,137
Software	1,143,271	731,433
Cloud/operational subscriptions	520,775	504,062
Other	2,481,853	3,347,043
	11,625,545	18,168,401

The George Institute for Global Health and Controlled Entities
Notes to the consolidated financial statements
30 June 2024

Note 9. Income tax expense/(benefit)

	Consolidated 2024 $	Consolidated 2023 $
Income tax expense/(benefit)		
Current tax	59,803,518	(1,066,485)
Deferred tax - origination and reversal of temporary differences	16,260,205	(7,294,271)
Derecognition of DTA on leaving entities	995,786	-
EMD losses not booked	808,422	-
Adjustment recognised for prior periods	(1,240,287)	441,940
Aggregate income tax expense/(benefit)	76,627,644	(7,918,816)
Income tax attributable to:		
Profit/(loss) from continuing operations	16,720,865	(17,860,853)
Profit from discontinued operations	59,906,780	9,942,037
	76,627,644	(7,918,816)
Deferred tax included in income tax expense/(benefit) comprises:		
Decrease/(increase) in deferred tax assets (note 18)	(16,089,971)	(7,958,053)
Increase/(decrease) in deferred tax assets held for sale (note 28)	-	663,782
Aggregate decrease/ (increase in deferred tax assets	(16,089,971)	(7,294,271)
Numerical reconciliation of income tax expense/(benefit) and tax at the statutory rate		
Loss before income tax (expense)/benefit from continuing operations	(35,202,581)	(48,497,143)
Surplus/(loss) before income tax expense from discontinued operations	371,042,572	(2,353,767)
	335,839,991	(50,850,910)
Tax at the statutory tax rate of 30%	100,457,032	(15,246,873)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Adjustment for not-for-profit status of parent entity	867,038	2,586,011
Non-assessable accounting gain on sale of GC	(117,616,316)	-
Net capital gain on sale of GC	97,163,170	-
Non-deductible interest – HAC Loan	32,137	-
Non-deductible entertainment	(396)	-
Non-deductible legal fee	(1,971,982)	-
Deductible LTI Payments	(6,186,181)	-
Tax losses not booked	808,422	-
Loss derecognised from DTA – EMD	(1,093)	-
Leaving entities DTA	995,786	-
Over/under provisions of current tax liability in prior year	(1,157,417)	441,940
Over/under provisions of deferred tax in prior year	(82,870)	(1,142,248)
Share of loss in equity - accounted investments	-	92,906
CFC attributed income	-	1,453,850
Long Term Incentive Plan	153,868	139,654
Estimated denial of debt deductions	-	414,347
Other non-deductible expenses	1,943,362	289,882
Non-deductible interest expense	1,223,084	1,065,680
Loss on acquisition of EMD	-	1,986,035
Income tax expense/(benefit)	76,627,644	(7,918,816)
Income tax payable	(59,940,759)	(83,755)

Note 10. Current assets - cash and cash equivalents

	Consolidated 2024 $	Consolidated 2023 $
Cash at bank	108,184,629	28,334,774

Accounting policy for cash and cash equivalents
Cash and cash equivalents include cash on hand, deposits held at-call with banks and other short-term highly liquid investments with original maturities of up to six months that are subject to an insignificant risk of change in value.

Note 11. Current assets - trade and other receivables

	Consolidated 2024 $	Consolidated 2023 $
Trade receivables	5,713,303	5,163,436
Other receivables	47,728	(2,042)
	5,761,031	5,161,394

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

The consolidated entity 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.

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 invoicing experience and historical collection rates.

The consolidated entity does not hold any financial assets whose terms have been renegotiated, but which would otherwise be past due or impaired.

There are no balances within trade and other receivables that contain assets that are impaired and are past due. It is expected that these balances will be received when due.

Judgements and estimates
Assessing expected credit losses involves judgement and estimates. Past history and known events are used when determining the calculation.

Note 12. Current assets - other assets

	Consolidated 2024 $	Consolidated 2023 $
Deposits and bonds	588,307	886,931
Non related party share-holder loan	85,461,415	5,484
Other	1,287,778	-
	87,337,480	892,415

Note 12. Current assets - other assets (continued)

The shareholders of GHE agreed that a dividend was to be paid, when the tax accounting for the disposal of George Clinical is completed. The tax accounting will be completed with the lodgement of the tax return in the month of Feb 2025. A decision was made to give an advance payment at 95% of the planned dividend during 2024. This has been recognised as a loan. No interest at present as the loan is less than 12 months, if it is not paid within 12 months, interest will be payable. The loans are anticipated to be fully repaid in FY25 with the declaration and payment of dividends by George Health Enterprises.

Accounting policy for other assets
Other assets are recognised at amortised cost, less any allowance for expected credit losses. These amounts generally arise from transactions outside the usual operating activities, interest may be charged.

Note 13. Current assets - prepayments

	Consolidated	
	2024	2023
	$	$
Prepayments	796,431	754,318

Accounting policy for prepayments
Prepayments are recognised at amortised cost. They relate to payments made for future goods or services.

Note 14. Non-current assets - other financial assets

	Consolidated	
	2024	2023
	$	$
Financial assets at fair value through other comprehensive income	125,797,888	9,489,283
Investment in George Clinical – through other comprehensive income	17,517,553	-
	143,315,441	9,489,283

The following unrealised and realised gains/losses were recognised in other comprehensive income in the year.

	Consolidated	
	2024	2023
	$	$
Unrealised revaluation gains/(losses)	926,390	408,412
Realised gain/(loss) on disposal of investments	-	-
	926,390	408,412

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

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at fair value, using the closing bid price on the relevant stock exchange.

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

On disposal, any related balance within the FVOCI (fair value through other comprehensive income) reserve is reclassified to retained earnings.

Note 15. Non-current assets - furniture, fixtures and equipment

	Consolidated	
	2024	2023
	$	$
Furniture, fixtures and equipment - at cost	7,898,868	10,784,014
Less: Accumulated depreciation	(6,863,513)	(8,243,082)
	1,035,355	2,540,932

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

	Consolidated	
	2024	2023
	$	$
Carrying amount at the beginning of the year	2,540,932	3,161,401
Additions at cost	789,676	337,886
Disposal	(762,944)	-
Exchange differences	11,948	(3,121)
Depreciation expense	(1,544,256)	(955,234)
	1,035,355	2,540,932

Accounting policy for property, plant and equipment
Each class of furniture, fittings and equipment (FF&E) is carried at cost, less, where applicable, accumulated depreciation and impairment losses.

Depreciation
Items of the FF&E are depreciated on a straight-line basis over their useful lives to the consolidated entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of fixed asset	Depreciation rate
Furniture, fittings and equipment	10% - 33.33%

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date. Asset classes carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income.

Note 16. Non-current assets - right-of-use assets

	Consolidated	
	2024	2023
	$	$
Property	2,707,472	1,858,325

Note 16. Non-current assets - right-of-use assets (continued)

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

	Consolidated	
	2024	2023
	$	$
Opening balance	1,858,325	6,965,941
New leases	3,242,179	1,869,029
Amortisation	(3,198,752)	(1,743,589)
Lease term modifications	805,720	(5,233,056)
Closing balance	2,707,472	1,858,325

The company's lease with premises at Newtown came to an end during the financial year. Given its association with UNSW, it plans to move to UNSW's Health Translation Hub (HTH) in FY25. In the interim, the Company temporarily subleases premised in Barangaroo. This move gives rise to costs associated with make good of its Newtown premises as well as recognising the full costs of lease associated with its temporary location.

Accounting policy for leases

(i) The consolidated entity's leasing activities and how these are accounted for
The Consolidated Entity leases properties. Rental contracts are typically made for fixed periods of 3 to 5 years but may have extension options as described in (ii) below, for a period of 2 to 5 years.

Contracts may contain lease components. The consolidated entity allocates the consideration in the contract to the lease components based on their relative stand-alone prices.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:
- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the consolidated entity under residual value guarantees
- the exercise price of a purchase option if the consolidated entity is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the consolidated entity exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the consolidated entity, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

The consolidated entity is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost.

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.

Note 16. Non-current assets - right-of-use assets (continued)

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 consolidated entity 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.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise small items of office equipment.

(ii) Judgements and estimates

Lease term
The determination of the lease term requires management judgement regarding whether extension options are reasonably certain to be exercised. Whilst each lease is assessed individually, in general, for property leases the next option is considered reasonably certain, however subsequent options are not reasonably certain as management believe these are too far into the future to be reasonably certain.

Incremental borrowing rate
The consolidated entity is not able to determine the interest rate implicit in the lease for a large number of leases. Therefore, management have determined the incremental borrowing rate taking into consideration entity and asset specific factors relevant to each lease.

Extension and termination options
Extension and termination options are included in a number of property leases across the consolidated entity. The majority of extension and termination options held are exercisable only by the consolidated entity and not by the respective lessor.

The lease term is reassessed if an option is actually exercised (or not exercised) or the consolidated entity becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

Note 17. Non-curent assets - intangible assets

	Consolidated	
	2024	**2023**
	$	**$**
Trademarks - at cost	146,587	141,509

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

	Consolidated	
	2024	**2023**
	$	**$**
Carrying amount at the beginning of the year	141,509	141,509
Additions	5,078	
Amortisation expense	-	-
	-	-
Carrying amount at the end of the year	146,587	141,509

Accounting policy for intangible assets
Trademark
Trademarks are recorded at cost. Trademarks have an infinite life and are carried at cost less any impairment losses. They are assessed annually for impairment.

The George Institute for Global Health and Controlled Entities
Notes to the consolidated financial statements
30 June 2024

Note 18. Non-current assets - deferred tax asset

	Consolidated 2024 $	Consolidated 2023 $
Deferred tax asset comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Provisions	460,339	125,940
Accrued expenditure	106,972	156,322
Foreign exchange	14,304	17,889
Donations	-	1,800,000
Other items	-	125,021
Gain on preference share value	(3,211,261)	(2,965,062)
Tax losses carried forward	5,634,407	19,922,613
Unrealised FX Movements	87,991	-
Deferred tax asset	3,092,752	19,182,723
Movements:		
Opening balance	19,182,723	11,525,017
Credited to profit or loss (note 8)	(16,089,971)	7,958,053
Overprovision prior year	-	(366,075)
Acquisition of EMD	-	65,728
Closing balance	3,092,752	19,182,723

Accounting policy for deferred tax asset (liability)
Deferred tax assets are recognised to the extent that it is probable that the consolidated entity will be able to utilise it against future taxable income, based on the consolidated entity's forecast of future operating results which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full.

All deferred tax assets (including tax losses and other tax credits) have been recognised in the consolidated statement of financial position.

Recovery of deferred tax assets
Deferred tax assets are recognised for deductible temporary differences only if the consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

	Tax losses	Other	Total
At 1 July 2022	10,509,564	1,015,453	11,525,017
To profit or loss	9,633,691	(1,675,638)	7,958,053
To other comprehensive income	-	-	-
Over provision prior year	(220,642)	(145,433)	(366,075)
Acquisition of EMD	-	65,728	65,728
At 30 June 2023	19,922,613	(739,890)	19,182,723
At 1 July 2023	19,922,613	(739,890)	19,182,723
Credited (charged):			
To profit or loss	(14,288,206)	(1,801,765)	(16,089,971)
To other comprehensive income	-	-	-
At 30 June 2024	5,634,407	(2,541,655)	3,092,752

Note 19. Current liabilities - trade and other payables

	Consolidated 2024 $	Consolidated 2023 $
Trade payables	2,203,292	2,318,135
Other payables and accruals	6,894,432	3,381,416
	9,097,724	5,669,551

Accounting policy for trade and other payables
These amounts represent liabilities for goods and services provided to the consolidated entity 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 20. Current liabilities - lease liabilities

	Consolidated 2024 $	Consolidated 2023 $
Lease liabilities	1,703,590	2,193,060

Future lease payments
Future lease payments are due as follows:

	Consolidated 2024 $	Consolidated 2023 $
Within one year	1,703,590	2,643,979
One to five years	1,257,844	284,037
	2,961,434	2,928,016

Movement in lease liabilities during the year (including current and non-current balances)

	Consolidated 2024 $	Consolidated 2023 $
Opening balance	2,255,352	7,935,024
Repayments during the year	(3,658,756)	(2,017,030)
Interest expense	179,757	117,838
New leases	3,242,179	1,869,029
Lease term modifications	942,902	(5,649,509)
	2,961,434	2,255,352

Amounts recognised in profit or loss
The following amounts relating to leases are recognised in profit or loss prior to held for sale:

	Consolidated 2024 $	Consolidated 2023 $
Interest expense (included in finance costs)	1,79,757	117,838
Rental payment	3,658,756	2,017,030
Expense relating to low-value leases (included in lease rental expense)	601,473	476,885

The total cash outflow for lease for the year ended 30 June 2024 was $2,597,794 (30 June 2023: total cash outflow of $2,277,751).

Note 20. Current liabilities - lease liabilities (continued)

Accounting policy in relation to leases is included in note 16.

Note 21. Current liabilities - provisions

	Consolidated	
	2024	2023
	$	$
Employee benefits - annual leave	2,943,058	2,450,149
Employee benefits - long service leave	1,863,107	1,665,769
Other employee liabilities	724,632	2,531,904
	5,530,797	6,647,822

Movements in provisions
Movements in provision for other employee benefits (bonus) during the current financial year, are set out below:

	Consolidated	
	2024	2023
	$	$
Carrying amount at the beginning of the year	2,531,904	2,269,200
Utilised during the year	(1,807,272)	(1,717,596)
Additional provision recognised	-	1,980,300
Carrying amount at the end of the year	724,632	2,531,904

Accounting policy for employee provisions
Provision is made for the consolidated entity's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

Contributions are made by the consolidated entity to an employee superannuation fund and are charged as expenses when incurred.

Accounting policy for other employee liabilities
Provisions are recognised when the consolidated entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result, and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

Judgement and estimates
The provision for long service involves judgement and estimates. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data.

The bonus provision is based on contracts which incorporate key performance indicators that are established each year and approved by the remuneration committee.

Note 22. Current liabilities - other liabilities

	Consolidated 2024 $	Consolidated 2023 $
Hedge liabilities derivatives (OTM)	15,025	22,779
1 King St Fit out (i)	-	1,025,000
Convertible notes (ii)	2,633,979	2,441,664
	2,649,004	3,489,443

(i) Fit-out
The consolidated entity on entering into the lease at 1 King Street Newtown received a contribution to the fit-out of $3,000,000. This was capitalised in furniture and fittings with a corresponding liability. The liability is amortised over the life of the lease. The balance at the end of the reporting period was nil, as the consolidated entity existed the lease early.

(ii) Convertible notes

	Consolidated 2024 $	Consolidated 2023 $
Opening balance	2,441,664	-
Acquisition of EMD	-	2,301,413
Accrued interest for the year	192,315	140,251
Closing balance	2,633,979	2,441,664

Loan – funding agreement

During 2019, Ellen Medical Devices Pty Ltd entered a funding agreement with the Health Administration Corporation for the purpose of supporting the project for the ongoing development of the company's portable dialysis machine.

Financial repayment will begin in the financial year when the company achieves commercial success from the project as measured by the achievement of certain benchmarks in the earnings and royalty cash flows.

Interest is accrued and capitalised to the loan at a current rate of CPI. The loan has been classified as current as there is no unconditional right to defer for at least 12 months after the reporting period.

In the event that the company does not achieve commercial success from the project as measured by the achievement of certain benchmarks in earnings and royalty cashflows, the Company will have no obligation to repay the loan and it will lapse.

Note 23. Non-current labilités - lease liabilities

	Consolidated 2024 $	Consolidated 2023 $
Lease liabilities	1,257,844	62,292

Accounting policy in relation to leases is included in note 16.

Note 24. Non-current liabilities - provisions

	Consolidated 2024 $	Consolidated 2023 $
Employee benefits - long service leave	849,782	775,544

Note 25. Non-current liabilities - other liabilities

	Consolidated 2024 $	Consolidated 2023 $
Convertible notes (i)	-	31,074,206
Preferred shares liability (iii)	18,301,938	14,705,496
Derivative financial liability (iii)	4,654,781	5,469,329
Convertible notes (ii)	2,170,000	2,170,000
Convertible notes GM (iv)	1,151,266	-
Derivative financial liability GM (iv)	545,790	-
	26,733,775	53,419,031

(i) Convertible notes
In prior years, the George Health Enterprises Pty Limited issued two 5 year convertible notes totalling $28,600,000, across three tranches.

The terms of the convertible notes are identical and include:

- Either full conversion into shares of GHE or full redemption.
- Conversion at any time, at the holder's option, within 4 years of the issue date (a decision to redeem must be made by the 4th anniversary).
- The price of the conversion has been agreed and fixed at 97.04751 cents per share.

  These notes were fully converted to shares prior to the sale of George Clinical as per the original subscription agreemen.t

Interest has been accrued on the convertible notes at 6% and discounted to present value, with the difference being allocated to equity (convertible notes reserve).

	Consolidated 2024 $	Consolidated 2023 $
Opening convertible notes balance	31,074,206	27,483,024
Accrued interest for the year	145,175	3,591,182
Notes converted	(21,714,282)	-
Interest paid	(9,214,749)	-
Closing convertible note balance	-	31,074,206

Note 25. Non-current liabilities - other liabilities (continued)

(ii) Convertible notes

The Group, through Ellen Medical Devices (EMD) entered an agreement with Paul Ramsay Holdings Pty Limited to invest up to $2,170,000 by way of a non-interest bearing convertible note in prior years which has drawn down the full balance.
The terms of the convertible note include:

● Interest does not accrue and is not payable,
● The instrument is non-recourse and is not redeemable or otherwise payable except in the event of default by EMD, and
● Conversion is on the achievement of milestones and a subsequent conversion trigger. A conversion trigger is either:
- The issue of additional equity to external investors (which will not include existing shareholders), in which case the note holder is entitled to convert the face value of the note
- EMD and the note holder mutually agree to convert at a price that both parties negotiate in good faith, or as determined by an independent valuer.

In the event that the milestone or conversion trigger is not , EMD will have no obligation to repay and the convertible note will lapse. To date a conversion trigger has not been met. The convertible note is classified as non-current as it will only ever be paid in shares.

	Consolidated	
	2024	**2023**
	$	**$**
Opening balance	2,170,000	-
Acquisition of EMD	-	2,170,000
Closing balance	2,170,000	2,170,000

(iii) Preferred shares

During past years, George Medicines had issued Series A Preferred Shares based on pre-agreed, clear and measurable milestones. Thus, funds have been provided in tranches. During the year, George Medicines completed the final drawdowns of tranches.

The rights of the Series A Preferred Shares include:
- Voting rights
- Preferred dividends
- Redemption
- Liquidation preferences
- Conversion rights
- Anti-dilution protection
- Right of first refusal
- Drag-along rights
- Tag rights
- Information rights
- Pay to play

Preferred shares issued have an underlying derivative financial liability which is measured at fair value and disclosed separately to the preferred share liability. The preferred share liability is recorded at amortised cost and includes accrued interest at an implied interest rate of 21.4%.

Note 25. Non-current liabilities - other liabilities (continued)

	Preferred shares liability $	Derivative financial liability $	Total $
Opening balance	(14,705,496)	(5,469,330)	(20,174,826)
Fair value adjustment	-	904,549	904,549
Interest expense	(3,596,442)	-	(3,596,442)
Closing balance	(18,301,938)	(4,564,780)	(22,866,718)

(iv) Convertible notes GM

During the year the company's subsidiary issued Series B convertible notes. The funds are to be received in three tranches with the first received on 6 May 2024 and the remaining received post year end.

During the year, the company's subsidiary issues Series B convertible notes. The funds are to be received in three tranches with the first received on 6 May 2024. The convertible notes will convert to Series B preference shares at any of these trigger events.

- New Financing by GM
- Prior to the sale of all the shares of GM
- The execution of a qualifying commercial event

Conversion would occur at the lower of (a) 70% of the Series B valuation or (b) the agreed valuation cap (including accounting for provided warrants).

Convertible notes issued have an underling derivative financial liability which is measured at fair value and disclosed separately to the convertible note liability and warrants. The convertible note liability is recorded at amortised cost and includes interest as an implied interest rate of 66%. Warrants have been recognised as equity and is measured at cost

	Derivative financial liability	Convertible note liability	Total
Opening balance	-	-	-
Tranche one draw down	(168,602)	(1,059,754)	(1,228,356)
Fair value adjustment	(377,188)	-	(377,188)
Interest expense	-	(91,512)	(91,512)
Closing balance	(545,790)	(1,151,266)	(1,697,056)

Accounting policy for loans and convertible notes
Borrowings are initially recognised at fair value, net of any transaction costs directly attributable to the issue of the instrument. Interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability.

Convertible notes that are settled by issuing a variable number of equity instruments are accounted for as a financial liability. The debt host component of convertible notes is treated as a borrowing to be accounted for at amortised cost.

Note 25. Non-current liabilities - other liabilities (continued)

Derivative contracts (including those embedded in debt host contracts that are not closely related to the debt agreement) are separately accounted for at fair value with adjustments to profit or loss.

Judgement and estimates
The repayment of the loan is capped at the amount originally received from the lender. At initial recognition, the loan's fair value on initial recognition is deemed to be equal to the capped amount, which represents the net settlement amount of the loan.

As the convertible note with Paul Ramsay Holdings Pty Ltd will only ever be paid in shares the note is classified as non-current (refer to (ii) above).

The embedded derivative has been fair valued at year end by an independent valuer, using the Monte Carlo valuation methodology. The fair value will be reassessed on an annual basis. Interest accrued on the debt component of the preferred share liability has been calculated using the implied interest rate in the external valuation report obtained for the financial year.

Convertible notes issued during the year at (iv) above have interest accrued at the effective interest rate as determined by an external cost of debt report obtained for the financial year.

Note 26. Equity - reserves

	Consolidated	
	2024	**2023**
	$	**$**
Financial asset reserve	2,266,931	1,340,541
Foreign currency translation reserve	(196,346)	90,048
Cash flow hedge reserve	(14,477)	(17,294)
Divestment reserve	39,373,194	10,773,175
Share-based payments reserve	1,419,358	17,870,865
Other reserve	746,471	6,885,719
	43,595,130	36,943,054

Financial assets reserve
From 1 July 2018, the reserve is used to recognise increments and decrements in the fair value of the Investments in listed entities that are accounted for as financial assets at fair value through other comprehensive income. Previously the reserve represented changes in fair value arising from available-for-sale financial assets. Amounts recognised in the reserve are not subsequently recognised in surplus or deficit, including when the investments are sold or impaired.

Foreign currency translation reserve
Exchange differences arising on translation of foreign controlled entities are recognised in other comprehensive income and accumulated in a separate reserve within equity (foreign currency translation reserve). The reserve is recognised in profit or deficit when the net investment is disposed of.

Cash flow hedge reserve
The hedging reserve is used to record gains or losses on derivatives that are designated and qualify as cash flow hedges and that are recognised in other comprehensive income. Amounts are reclassified to profit or loss when the associated hedged transaction affects profit or loss.

Divestment reserve
The divestment reserve relates to the historic divestment in George Health Enterprises Pty Limited.

Share-based payments reserve
The share-based payments reserve is used to recognise the value of SARs (Share Appreciation Rights) share based payments provided to a small number of employees (including senior executives) in the consolidated entity's commercial business as part of their remuneration. Refer to Note 33 for further details of these plans.

Note 26. Equity - reserves (continued)

Other reserve
The other reserve relates to the issue of convertible notes issued in George Health Enterprises Pty Limited.

Movements in reserves
Movements in each class of reserve during the current financial year are set out below:

Consolidated	Available-for-sale financial asset reserve $	Foreign currency translation reserve $	Cash flow hedge reserve $	Divestment reserve $	Share-based payment reserve $	Other reserve $	Total $
Balance at 1 July 2023	1,340,541	90,048	(17,294)	10,773,175	17,870,865	6,885,719	36,943,054
Financial assets at fair value through other comprehensive income	926,390	-	-	-	-	-	926,390
Exchange differences on translation of foreign operations	-	(286,394)	-	-	-	-	(286,394)
Cash flow hedges	-	-	2,817	-	-	-	2,817
Options exercised	-	-	-	-	(16,964,399)		(16,964,399)
Share-based payment	-	-	-	-	512,892	-	512,892
Conversion	-	-	-	28,600,019	-	(6,885,719)	21,714,300
Other reserves	-	-	-	-	-	746,471	746,471
Balance at 30 June 2024	2,266,931	(196,346)	(14,477)	39,373,194	1,419,358	746,471	43,595,133

Note 27. Cash flow information

Reconciliation of cash	Consolidated 2024 $	Consolidated 2023 $
Cash at bank (note 9)	108,184,629	28,334,774

Note 27. Cash flow information (continued)

	Consolidated	
	2024	**2023**
Reconciliation of net cash generated by operating activities with profit (loss) after income tax	**$**	**$**
(Loss) Profit from continuing operations after income tax	(49,530,229)	(30,636,290)
(Loss) Profit from discontinued operations after income tax	308,742,576	(12,267,804)
Non cash flow:	-	-
Depreciation and amortisation expense	5,318,650	4,447,291
Non-cash employee benefits expense – share based payments	512,892	288,074
Net exchange differences	-	91,380
Fair value on derivatives	(527,361)	(5,261,520)
Profit and loss on associate accounting of Ellen Medical Devices	-	309,687
Fit-out	(1,025,000)	(300,000)
Interest	3,815,286	6,606,658
Doubtful debts expense	-	2,785,596
Profit of sale of discontinued operations	(385,042,384)	-
Loss on acquisition of EMD assets and liabilities	-	6,536,230
Profit on lease modifications	(162,521)	(240,466)
Changes in assets and liabilities:	-	-
Increase in trade and other receivables	(599,637)	(6,443,835)
Increase in other assets and prepayments	(490,608)	(160,436)
Increase/(increase) in trade and other payables	2,559,451	(1,668,029)
Decrease in accrued income	1,438,604	8,222,240
(Decrease)/increase (in provisions	(1,042,787)	390,467
Decrease in contract liabilities	(4,257,578)	(20,807,154)
Decrease/(increase) in future income tax benefit	16,089,972	(6,960,369)
Increase/(decrease) in income tax provision in current account	59,857,004	(2,300,913)
Net cash (used in) generated from operating activities	(44,343,669)	(57,369,193)

Note 28. Discontinued operations

On 7 July 2023, the consolidated entity sold George Clinical Pty Limited, a subsidiary of George Health Enterprises for consideration of $405.9 million resulting in a gain on disposal after tax of $311.1 million. Note this is prior to accounting for minority interests.

Note 28. Discontinued operations (continued)

Financial performance information

	2024 $	2023 $
Profit (loss) before income tax expenses	-	9,431,009
Income tax (expense) benefit	-	(9,942,036)
Gain (loss) on the sale of the subsidiary after income tax	311,135,796	-
Intercompany revenue transaction between George Clinical and George Medicine	-	(12,470,511)
Intercompany net revenue and expense transactions between George Clinical Pty Limited and the George Institute for Global Health	-	713,737
	311,135,796	(12,267,801)

Details of the disposal

	2024 $	2023 $
Total sale consideration	405,895,604	-
Carrying amount of net assets disposed	(6,477,870)	-
Transaction costs	(13,999,772)	-
Reversal of the book value of investment	(14,375,386)	
Gain on disposal before income tax	371,042,576	-
Income tax expense	(59,906,780)	
Gain on disposal after income tax (prior to distribution to minority interests)	311,135,796	-

After accounting for transaction costs and distributions to minority shareholders and ESOP participants, TGI estimated gain on disposal after tax is approximately $180 million.

Accounting policy for non-current assets or disposal groups classified as held for sale
Non-current assets and assets of disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets or assets of disposal groups to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write down of the non-current assets and assets of disposal groups to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs of disposal of a non-current assets and assets of disposal groups, but not in excess of any cumulative impairment loss previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current assets. The liabilities of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current liabilities.

Note 29. Key management personnel disclosures

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

	Consolidated	
	2024	2023
	$	$
Aggregate compensation	1,480,726	2,733,728

Note 30. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by BDO Audit Pty Limited, the auditor of the Company:

	Consolidated	
	2024	2023
	$	$
Audit services - BDO Audit Pty Limited		
Audit of the financial statements	260,000	310,710
Other services - BDO Audit Pty Limited		
Preparation of financial statement	38,500	39,206
	298,500	349,916

Note 31. Share-based payments

Share Appreciation Rights (SARs)

A small number of executives and non-executive directors in the for-profit subsidiaries, receive remuneration in the form of granted share appreciation rights (SAR). Each SAR provided a participant with a potential entitlement to a LTI outcome in the form of shares or, if the Board determines, in cash payments(s) of equivalent value, plus a potential entitlement to notional "dividends".

The estimation of the fair value of share-based payment awards such as SARs requires judgement with respect to the appropriate valuation methodology. The choice of valuation methodology is determined by the structure of the awards, particularly the vesting conditions.

A description of the general terms and conditions of the SAR arrangements that were granted during the period or granted in prior years and not lapsed, covering vesting requirements, grant date and valuation methodologies used for the award etc. is shown in table below:

Note 31. Share-based payments (continued)

LTI Plan	Award Type	Vesting/ Performance Condition	Grant Date(s)	Exercise Date	Average Exercise Price	Valuation Method	Expected Life
George Health Enterprises Pty Ltd (GHE)	Share Appreciation Rights ('SARs')	Time Based Service Condition (non-market)	27 September 2021	1 January 2025	$0.834	Binomial Tree	3.3 years
George Health Enterprises Pty Ltd (GHE)	Share Appreciation Rights ('SARs')	Time Based Service Condition (non-market)	13 April 2018 - 1 January 2021	31 August 2021 - 31 December 2025	$0.62	Binomial Tree	0.2 years- 4.5 years
GHE Subsidiary George Medicines Pty Ltd (GM)	Share Appreciation Rights ('SARs')	Time Based Service Condition (non-market)	26 March 2018	31 August 2021	$1.00	Binomial Tree	0.2 years
GHE Subsidiary George Medicines Pty Ltd (GM)	Share Appreciation Rights ('SARs')	Time Based Service Condition (non-market)	4 May 2021	1 January 2025	$1.27	Binomial Tree	1.2 years to 1.4 years
GHE Subsidiary George Medicines Pty Ltd (GM)	Performance Options	Time Based Service Condition (non-market)	1 November 2021 - 1 March 2022	1 November 2021 - 1 March 2022	$1.00	Binomial Tree	4 years
George Health Enterprises Pty Ltd (GHE)	Share Appreciation Rights ('SARs')	Time Based Service Condition (non-market)	4 October 2022	1 January 2025	$0.834	Binomial Tree	2.2 years
GHE Subsidiary George Medicines Pty Ltd (GM)	Share Appreciation Rights ('SARs')	Time Based Service Condition (non-market)	28-29 September 2023	1 July 2028	$1.00	Binomial tree	4.8 years

The total number of options/SARs granted during the period was 650,000 (2023: Options granted 2,058,800). The expense in the year was $512,892 (2023: $438,879). The weighted average exercise price of the options/SARs, per option/SAR, as of 30 June 2024 is $1.04 (2023: Per option $0.85). The share-based payment expense of the SAR transaction was determined by the fair value at the date when the grants were made using an appropriate valuation model as outlined above.

Movements in the number of options during the year:

	Consolidated 2024 No. of options	Consolidated 2023 No. of options
Balance at the beginning of the year	38,469,318	39,336,249
Granted	650,000	2,059,800
Exercised	(37,322,869)	-
Lapsed	-	(2,926,731)
Balance at the end of the year	1,796,449	38,469,318

Judgements and estimates relevant for SARs and Founders Equity Plan (FEP).

Note 31. Share-based payments (continued)

Allocation
The allocation is the percentage of the respective company value in excess of the exercise price, where applicable, that the SAR and Founders Equity Plan (FEP) holder will be entitle to, if the SARs and FEP vest.

Volatility
The volatility assumption is representative of the level of uncertainty expected in the movements of the respective Company's valuation over the life of the award.

Expected life
For reasons including non-transferability, risk aversion, taxation and wealth diversification, holders of such awards often exercise their entitlements differently to how they might be expected to, ignoring these factors. AASB 2 requires the consideration of these factors, for instance by using an expected life for awards which is less than the contracted life.

The SARs vest at the earlier of a liquidity event, change of control event or the end of the performance period. The commercial subsidiaries have determined an estimated vesting date following the end of the performance period. Once vested the SARs also remain in force indefinitely and do not lapse.

The FEP vest if the value of The George Institute for Global Health's stake in the George Institute Ventures Pty Limited is at least equal to AU$100m at the end of the vesting period, or if George Institute Ventures Pty Ltd and its consolidated entities has made a contribution of at least AU$100m to The George Institute for Global Health. Given the value of GC, the board confirmed the vesting of FEP in FY23.

SARs and FEP will have the highest value when exercised immediately upon vesting, as the holder becomes entitled to receive dividends upon exercise. Therefore, we assume that the SARs will be exercised at the first opportunity.

Risk-free interest rate
The risk-free interest rate is the rate of return that would be expected on a riskless investment with term to maturity equal to the expected life of the award. The risk-free interest rate derived from the implied zero-coupon yield from Australian government bonds. The risk-free interest rate is expressed as a continually compoundable rate.

Dividends
George Health Enterprises Pty Ltd and its subsidiaries do not expect to pay dividends over the life of the SARs and FEP. Special dividends are payable to SAR holders at the end of the performance period, provided there has been no liquidity event or change of control and none is envisaged within the 24 months following the end of the performance period. In this circumstance, an annual dividend is payable to fully vested SARs holders based on the Company's dividend policy. FEP holders are entitled to dividend equivalent amounts. Dividends paid, or payable on a change of control event has not been considered as part of the evaluation of the dividend policy.

Impact of dilution
The consolidated entity expects the SARs and Founders Plan to be settled with newly issued shares. As such, the dilution impact of the SARs and FEP awarded has been determined to be a materially impacted factor in the calculation of the value of the awards. Accordingly, the fair value of the SARs and FEP are adjusted for potential dilution.

Note 32. Related party transactions

Subsidiaries
Interests in subsidiaries are set out in note 36.

Key management personnel
Disclosures relating to key management personnel are set out in note 31.

Donations received from key management personnel during the year amounted to $251,870 (2023: 183,184)

The George Institute for Global Health and Controlled Entities
Notes to the consolidated financial statements
30 June 2024

Note 32. Related party transactions (continued)

Transactions with related parties
The following transactions occurred with related parties:

	Consolidated 2024 $	Consolidated 2023 $
Receipts / (Payments) for other expenses:		
George Health Enterprise Limited Consolidated Group	312,976	222,583
Ellen Medical Pty Ltd	55,540	1,198
George Institute for Global Health (India)	2,748,580	(1,983,044)
George Institute Ventures	291,038	6,947
George Partners Limited	(316,947)	(893,711)
George Institute China	(2,540,956)	2,172,070
George Institute Services India Private Limited	(391,482)	(137,041)
George Health Technologies Pty Ltd	42,488	2,587
George Medicines Pty Limited	867,835	404,891
George Health Enterprises UK Limited	5,574	(55,183)
The George Institute for Global Health, UK - Division of Imperial College	-	257
The George Institute for Global Health UK	(10,049)	(533,405)

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 parent entity to 100% related parties
The following balances are outstanding at the reporting date in relation to loans with related parties:

	Consolidated 2024 $	Consolidated 2023 $
George Institute Venture Pty Ltd	(115,000,000)	-
George Institute China	(1,081,237)	-
George Health Enterprises Pty Ltd	49,251	122,457
George Medicines Pty Ltd	307,227	182,167
George Health Enterprises UK Ltd	-	5,574
George Institute Ventures Pty Ltd	280,419	389,579
George Institute for Global Health (India)	(596,916)	(1,250,486)
George Partners Limited	(138,018)	(209,055)
George Institute Services India Private Limited	(4,374)	(137,041)
George Health Technologies Pty Ltd	220	-
Ellen Medical Devices Pty Ltd	95,460	50,302
The George Institute for Global Health, UK - Division of Imperial College	-	257
The George Institute for Global Health UK	(239,529)	(255,967)

The above loans are eliminated on consolidation.

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

The consolidated entity is affiliated with the University of New South Wales (UNSW) with a number of staff having academic appointments at UNSW. As part of this affiliation, UNSW has the right to appoint the Dean of Medicine (or nominee) to the consolidated entity's Board. Senior Professor Vlado Perkovic represented UNSW on the TGI Board to 18 November 2023. Professor Michael Kidd, Director, UNSW has been appointed to the TGI board since 18 December 2023.

Note 33. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent 2024 $	Parent 2023 $
Results of parent entity		
Profit/(deficit) for the year	441,285	(15,425,365)
Other comprehensive income (loss)	-	378,594
Total comprehensive income (loss) for the year	441,285	(15,046,771)

Statement of financial position

	Parent 2024 $	Parent 2023 $
Current assets	23,201,924	28,076,012
Non-current assets	157,539,920	42,431,390
Total assets	180,741,844	70,507,402
Current liabilities	156,830,891	47,034,244
Non-current liabilities	1,930,900	2,017,029
Total liabilities	158,761,791	49,051,273
Total equity of the parent entity comprising of:		
Accumulated surplus	19,727,600	20,168,884
Available-for-sale financial asset reserve	2,266,930	1,304,540
Cash flow hedge reserve	(14,477)	(17,295)
Total equity	21,980,053	21,456,129

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
There were no guarantees entered into by the parent entity in relation to the debts of its subsidiaries during the year ended 30 June 2024 and 30 June 2023.

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2024 and 30 June 2023.

Capital commitments
The parent entity had no capital commitments as at 30 June 2024 and 30 June 2023.

Material accounting policy information
The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1.

Note 34. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1.

Note 34. Interests in subsidiaries (continued)

Name	Principal place of business / Country of incorporation	Ownership interest 2024 %	2023 %
George Institute Ventures Pty Limited	Australia	100.00%	100.00%
The George Foundation for Global Health Ltd	Australia	100.00%	100.00%
George Institute for Global Health	China	100.00%	100.00%
The George Institute for Global Health (UK)	United Kingdom	100.00%	100.00%
George Institute for Global Health	India	100.00%	100.00%
George Health Enterprises Pty Limited	Australia	66.79%	82.00%
George Institute Services India Private Limited	India	100.00%	100.00%
George Health Technologies Pty Ltd	Australia	100.00%	100.00%
The below subsidiaries are owned by George Health Enterprises Pty Limited:			
George Clinical Pty Ltd	Australia	0.00%	100.00%
Academic Alliance for Clinical Trials LLP	United States	100.00%	100.00%
Beijing George Medical Research Co. Ltd	China	100.00%	100.00%
George Health Enterprises UK Limited	United Kingdom	100.00%	100.00%
George Medicines Pty Limited	Australia	100.00%	100.00%
SmartGenRx Pty Ltd	Australia	100.00%	100.00%
Ellen Medical Devices Pty Ltd	Australia	68.30%	68.30%
George Medicine UK Limited	United Kingdom	100.00%	100.00%
George Partners Limited	United Kingdom	100.00%	100.00%
Foodswitch Pty Ltd	Australia	100.00%	100.00%
The below subsidiaries are owned by George Clinical:			
George Clinical India Private Ltd	India	0.00%	100.00%
George Clinical Asia Pacific Limited	Hong Kong	0.00%	100.00%
George Clinical (UK) Limited	United Kingdom	0.00%	100.00%
George Clinical Inc.	United States	0.00%	100.00%
George Clinical Singapore Pte. Ltd	Singapore	0.00%	100.00%
George Clinical Netherlands BV	Netherlands	0.00%	100.00%
George (Beijing) Health Technology Co. Ltd	China	0.00%	100.00%

Note 35. Contingent assets and contingent liabilities

There are no contingent assets or contingent liabilities that the management is aware of at 30 June 2024.

Note 36. Capital Commitments

The consolidated entity does not have any capital commitments as at 30 June 2024 (30 June 2023: nil).

Note 37. Events after the reporting period

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

The George Institute for Global Health and Controlled Entities
Directors' declaration
30 June 2024

The directors of the Company declare that:

- the attached financial statements comprising the statement of financial position, statement of profit or loss and other comprehensive income, statement of cash flows, statement of changes in equity, and accompanying notes to the financial statements, are in accordance with the Corporations Act 2001, the Australian Accounting Standards - Simplified Disclosures, the Australian Charities and Not-for-profits Commission Act 2012 and the Charitable Fundraising Act 1991 and associated regulations, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2024 and of its performance for the financial year ended on that date; and

- as at the date of this report, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

- The Company has taken reasonable steps to comply with the Charitable Fundraising Act 1991, the regulations and the conditions of the authority.

- The Company has appropriate and effective internal controls for fundraising.

This declaration is made in accordance with a resolution of the Board of Directors.

On behalf of the directors

Signed by:
21C244516930452...

Catherine Brenner (Acting Chair)
Director

DocuSigned by:
6506625B8FBF43A...

Anushka Patel
Director

2 December 2024
Sydney

Tel: +61 2 9251 4100
Fax: +61 2 9240 9821
www.bdo.com.au

Level 11, 1 Margaret Street
Sydney NSW 2000
Australia

INDEPENDENT AUDITOR'S REPORT

To the members of The George Institute for Global Health

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of The George Institute for Global Health (the registered entity) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including material accounting policy information, and the responsible entities' declaration.

In our opinion the accompanying financial report of The George Institute for Global Health, is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended; and

(ii) Complying with Australian Accounting Standards – Simplified Disclosures and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2022*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other information

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

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

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

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

Responsibilities of responsible entities for the Financial Report

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

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

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

Auditor's responsibilities for the audit of the Financial Report

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

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

http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf

This description forms part of our auditor's report.

BDO Audit Pty Ltd

BDO

L Russell

Leah Russell
Director
Sydney 2 December 2024