

# Lions Eye Institute Limited

ACN 106 521 439

General Purpose Financial Statements

For the Year Ended 31 December 2024

Lions Eye Institute Limited and its controlled entities  
ACN 106 521 439  
31 December 2024  
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# Lions Eye Institute Limited and its controlled entities

ACN 106 521 439

31 December 2024

Director's Report

The directors present their report together with the financial report of Lions Eye Institute Limited ("Company" or "LEI") and its controlled entities (collectively, the "Group") for the financial year ended 31 December 2024 and the auditor's report thereon.

## i. Directors

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

- Anthony Joyner (chair)
- Glen Power (managing director since May 2024)
- Jane den Hollander (deputy chair)
- Grant Waterer
- Amanda Williams
- Angus Turner (commenced January 2024)
- Antony Clark (commenced January 2024)
- Erica Smyth (retired March 2024)
- William Morgan (retired June 2024)
- Ian McAllister (retired June 2024)

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

Anthony (Tony) Joyner, B. Juris (Hons), LLB – Chair

Tony Joyner joined the Board of the Lions Eye Institute Limited in 2013 and was elected its chair in 2023. He has more than 35 years' experience as a commercial and corporate lawyer, and for nine years was the Managing Partner of the Perth office of international law firm Herbert Smith Freehills. Until his retirement from the firm in 2024, he was the firm's Global Head of Technology. He also has extensive board experience, as the Chair of the Committee for Perth and WA Justice Association, past Chair of Sci-tech, and past director of Herbert Smith Freehills and the WA Chamber of Commerce.

Glen William Power B.Sc (Hons), DPhil (Oxon)

Dr Glen Power joined the Board in May 2024 when he assumed the Managing Director role, having held the role of Chief Executive Officer at LEI since 2021. Dr Power is a metabolic biochemist by training but has held senior executive positions in the health industry for the past twenty seven years, including as principal policy adviser and chief of staff to the Minister for Health and chief executive roles at several public and private hospitals across Australia. He is a director of the Rhodes Scholarship in Australia Pty Ltd and of Bethanie Group Incorporated.

Jane den Hollander AO

Professor Emeritus Jane den Hollander AO joined the Board of the Lions Eye Institute Limited in 2020. She received an Order of Australia for her distinguished service to tertiary education in the 2017 Australia Day Honours. She is currently a Director of the WA Public Health Authority (WAPHA) Board and Senator on the Board of The University of Western Australia.

Grant Waterer, MBBS, FRACP, FCCP, PhD, MBA

Professor Grant Waterer joined the Board of the Lions Eye Institute Limited in 2018. He is a Fellow of the Royal Australasian College of Physicians and the American College of Chest Physicians. He is Professor of Medicine at UWA and Executive Director of Medical Services, East Metropolitan Health Service. He holds a PhD focused on pneumonia and a Master of Business Administration.

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Director's Report

Amanda Williams BCom, CAANZ

Amanda Williams joined the board in June 2023. She is a partner at PwC Private in Assurance with over 25 years of auditing experience, including 14 years as a partner. She is a specialist in auditing not-for profit entities, however during her tenure at PwC her portfolio includes both not-for-profit to multinational companies and foreign owned entities. She holds a Bachelor of Commerce from The University of Western Australia and is a Registered Company Auditor in Australia and New Zealand.

Angus Turner MBBS (Hons) MSc (Oxon), FRANZCO, commenced January 2024

Professor Angus Turner is the McCusker Director Lions Outback Vision, a service delivery and research unit of the Lions Eye Institute. As the 2010 founding Director, he is actively involved in the delivery of specialist outreach services to remote and Indigenous communities, building a rigorous evidence base to guide the development of sustainable eye health care.

Professor Turner is the Director for UWA's Centre for Ophthalmology and Visual Science, serves as a clinical lecturer for the Rural Clinical School at UWA, Notre Dame University and Curtin University and sits on various advocacy committees and forums, including the Board of the Royal Flying Doctor Service Western Operations.

Antony Clark MBBS, PhD, FRANZCO, commenced January 2024

Dr Antony Clark is a consultant ophthalmologist at the Lions Eye Institute, Sir Charles Gairdner and Perth Children's Hospitals with interests in glaucoma and paediatric ophthalmology. Dr Clark has a PhD in public health and is a Research Fellow at the UWA Centre for Ophthalmology and Visual Science. He is an examiner for the Royal Australian and New Zealand College of Ophthalmologists (RANZCO) and sits on the WA RANZCO selection committee.

Erica Smyth AC, FTSE, FAICD, retired March 2024

Dr Erica Smyth AC joined the Board of the Lions Eye Institute Limited in 2019. She is a Fellow of both the Australian Institute of Group Directors and the Academy of Technological Science and Engineering. She has 45 years' experience in the mineral and petroleum industries. She is currently a non-executive Director of the MinEx Co-operative Research Centre and is a member of the Advisory Board of the UWA Oceans Institute Foundation.

William Morgan, MBBS, FRANZCO, FRACS, PhD – Managing Director until his retirement in June 2024

Professor William (Bill) Morgan has been an ophthalmologist at the Lions Eye Institute Limited for 25 years and was appointed Managing Director in July 2019 after joining the Board in 2018. He retired as managing director in June 2024. He is a consultant ophthalmologist at Royal Perth and Perth Children's Hospitals, a visiting professor at the University of Udayana, Indonesia and Co-Director of the Lions Eye Institute Limited' McCusker Glaucoma Centre.

Ian McAllister, DM (Ph.D.), MBBS, FRANZCO, FRACS, retired June 2024

Professor Ian McAllister joined the Board of the Lions Eye Institute Limited in 2010. He is a consultant ophthalmologist at the Lions Eye Institute Limited and the Royal Perth Hospital. He is actively involved in research for cures for vitreoretinal disorders, especially retinal vascular disorders. He has been involved for many years in state-wide diabetic retinopathy screening and treatment and was vice-chairman of the Ophthalmic Research Institute of Australia and chairman of the Research Board.

# Lions Eye Institute Limited and its controlled entities

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Director's Report

## ii Meetings of Directors

	Held	Attended
G Power	2	2
A Joyner	5	5
W Morgan	3	2
I McAllister	3	3
E Smyth	2	2
G Waterer	5	3
J D Hollander	5	5
A Williams	5	5
A Turner	5	5
A Clark	5	4

## ii. Review of operations

The Group's operations for the financial year resulted in a surplus of \$8,253,641 (2023 Deficit of \$619,146)

## iii. Principal activities

The Group's purpose is to prevent and cure blindness and eye disease. It aspires to better vision for all.

It seeks to achieve leadership in scientific research and clinical practice in the prevention of blindness and eye disease through:

- global leadership in scientific research
- translation of research into community outcomes
- a commitment to growing the reach of our research capabilities and clinical services
- development and training of outstanding eye care professionals and researchers
- community engagement and education to build awareness, maintain a high reputation, and increase funding

by:

- delivering excellent eye care
- conducting ongoing research, collaborating and pursuing national and international scientific linkages with other world class research and clinical groups to prevent blindness
- integrating and expanding clinical services and research activities, including in remote and regional areas
- teaching and training new ophthalmologists through the University of Western Australia and other international bodies
- providing strategic advice to state, national and international bodies on the prevention of blindness

## iv. Company information

The Company is incorporated under the Corporations Act 2001 and is a public company limited by guarantee. If the Company is wound up, each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the entity. As of 31 December 2024, the collective liability of members was \$490 (2023: \$490).

The Company's constitution does not permit dividends to be paid and thus no dividends were paid or are recommended to be paid.

# Lions Eye Institute Limited and its controlled entities

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Director's Report

v. Environmental regulations

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

vi. Subsequent events

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

vii. Indemnification and insurance of directors and officers

Indemnification

The Company has agreed to indemnify the current directors and officers of the Company against all liabilities in defending proceedings against them that may arise from their position as directors and officers of the Company unless the liability arises out of conduct involving a lack of good faith.

Insurance premiums

The Company maintains insurance cover for directors and officers. During the year, the cost of premiums for this insurance was \$10,785 (2023: \$10,785).

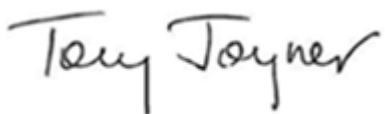
viii. Indemnification and insurance of auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young Australia, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during the financial year.

ix. Auditor's independence declaration

A copy of auditor's independence declaration as required by Subdivision 60-C of the Australian Charities and Not-for-Profits Commission Act 2012 is set out on page 28.

Signed in accordance with the resolution of the Board of Directors.



.....  
A Joyner  
Chairman

Dated: 21 May 2025



.....  
G Power  
Managing Director

Dated: 21 May 2025

Lions Eye Institute Limited and its controlled entities  
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Consolidated statement of profit or loss and other comprehensive income  
For the year ended 31 December 2024

		2024	2023
		\$	\$
Revenue	<i>Note</i>		
Revenue from ordinary activities	4	39,865,371	35,436,716
Other income	5	7,059,075	1,617,771
Net fair value gain on financial assets at fair value		3,627,959	2,996,648
		<u>50,552,405</u>	<u>40,051,135</u>
Expenses			
Community initiatives	6	(7,923,270)	(7,287,967)
Corporate services	7	(6,511,414)	(7,262,563)
Medical and scientific research	8	(10,037,782)	(9,190,015)
Clinical expenses	9	(17,826,298)	(16,929,736)
		<u>(42,298,764)</u>	<u>(40,670,281)</u>
Surplus/(Deficit) for the year		8,253,641	(619,146)
Other comprehensive income		-	-
Total comprehensive profit/ (loss) for the year		<u>8,253,641</u>	<u>(619,146)</u>

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

Lions Eye Institute Limited and its controlled entities  
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Consolidated statement of financial position

As at 31 December 2024

		2024	2023
	<i>Note</i>	\$	\$
Assets			
Current assets			
Cash and cash equivalents	10	11,638,975	2,766,640
Trade and other receivables	11	4,583,147	3,838,773
Inventories		62,650	64,283
Other financial assets		64,000	64,000
Other current assets	12	508,555	471,452
Total current assets		<u>16,857,328</u>	<u>7,205,148</u>
Non-current assets			
Financial assets at fair value through profit and loss	13	37,702,513	40,585,040
Property, plant and equipment	14	19,399,866	19,082,213
Right-of-use assets	15	1,584,061	1,180,584
Other non-current assets		-	399,481
Total non-current assets		<u>58,686,441</u>	<u>61,247,318</u>
Total assets		<u><u>75,543,768</u></u>	<u><u>68,452,466</u></u>
Liabilities			
Current liabilities			
Trade and other payables	16	9,298,888	11,007,502
Lease liabilities	15	591,668	519,797
Employee provisions	17	3,054,012	2,883,627
Total current liabilities		<u>12,944,569</u>	<u>14,410,926</u>
Non-current liabilities			
Lease liabilities	15	1,174,748	902,563
Employee provisions	17	827,708	795,875
Total non-current liabilities		<u>2,002,456</u>	<u>1,698,438</u>
Total liabilities		<u><u>14,947,024</u></u>	<u><u>16,109,364</u></u>
Net assets		<u><u>60,596,743</u></u>	<u><u>52,343,102</u></u>
Equity			
Retained earnings		<u>60,596,743</u>	<u>52,343,102</u>
Total equity		<u><u>60,596,743</u></u>	<u><u>52,343,102</u></u>

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

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Consolidated statement of changes in equity  
For the year ended 31 December 2024

	Retained earnings	Total
	\$	\$
Balance at 1 January 2024	52,343,102	52,343,102
Surplus for the year	8,253,641	8,253,641
Total comprehensive surplus	8,253,641	8,253,641
Balance at 31 December 2024	60,596,743	60,596,743

	Retained earnings	Total
	\$	\$
Balance at 1 January 2023	52,962,248	52,962,248
Deficit for the year	(619,146)	(619,146)
Total comprehensive loss	(619,146)	(619,146)
Balance as at 31 December 2023	52,343,102	52,343,102

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

Lions Eye Institute Limited and its controlled entities  
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Consolidated statement of cash flows  
For the year ended 31 December 2024

	2024	2023
<i>Note</i>	\$	\$
Cash flows from operating activities		
Receipts from customers, donors and grantors	48,161,635	35,526,839
Payments to suppliers and employees	(44,319,606)	(34,367,214)
Net cash provided by operating activities	<u>3,842,029</u>	<u>1,159,625</u>
Cash flows from investing activities		
Interest received	258,167	121,233
Dividends received	1,388,230	1,457,972
Proceeds from sale of investment securities	6,581,458	1,787,103
Acquisition of investment securities	(12,149)	(2,158,473)
Payments for other investments	-	(388,924)
Payments for property, plant and equipment	(2,505,045)	(3,559,659)
Net cash provided by/(used in) investing activities	<u>5,710,661</u>	<u>(2,740,748)</u>
Cash flows from financing activities		
Payment of lease interest	(111,061)	(89,789)
Repayment of lease liabilities	(569,294)	(521,180)
Net cash used in financing activities	<u>(680,355)</u>	<u>(610,969)</u>
Net increase/(decrease) in cash and cash equivalents	8,872,335	(2,192,092)
Cash and cash equivalents at beginning of year	2,766,640	4,958,732
Cash and cash equivalents at end of year	<u>10</u> <u>11,638,975</u>	<u>2,766,640</u>

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

# Lions Eye Institute Limited and its controlled entities

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### Notes to the consolidated financial statements

For the year ended 31 December 2024

#### 1 Corporate information

Lions Eye Institute Limited is a not-for-profit company limited by guarantee incorporated on 1 October 2003 and domiciled in Australia. Its registered office and principal place of business is 2 Verdun Street, Nedlands WA 6009.

The consolidated financial statements of the Group for the year ended 31 December 2024 were authorised for issue in accordance with a resolution of the directors on 19 May 2025.

#### 2 Material Accounting Policy Information

##### 2.1 Basis of Preparation

###### Statement of compliance

The consolidated financial statements have been prepared in compliance with the requirements of the *Australian Charities and Not-for-Profits Commission Act 2012* and Australian Accounting Standards – Simplified Disclosures.

The consolidated financial statements have been prepared on a historical cost basis, unless disclosed otherwise. The accounting policies that have been adopted in the preparation of this report are appropriate to meet the needs of the members. The consolidated financial report is presented in Australian dollars and all values are rounded to the nearest dollar (\$).

###### Going concern

The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

##### 2.2 Current versus non-current classification

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

An asset is current when it is: i) expected to be realised or intended to be sold or consumed in the normal operating cycle, ii) held primarily for the purpose of trading, iii) expected to be realised within twelve months after the reporting period or iv) a cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is current when i) it is expected to be settled in the normal operating cycle, ii) it is held primarily for the purpose of trading, iii) it is due to be settled within twelve months after the reporting period or iv) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. The Group classifies all other liabilities as non-current.

# Lions Eye Institute Limited and its controlled entities

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Notes to the consolidated financial statements  
For the year ended 31 December 2024

### 2 Material Accounting Policy Information (continued)

#### 2.3 Income tax

The Company is a charitable and/or public benevolent institution as described under Section 50-5 of the *Income Tax Assessment Act 1997* and is therefore exempt from income tax.

Aecona Pty Ltd, a wholly owned subsidiary which has been consolidated in the financial statements is not tax exempt, however it did not recognise any current or deferred tax balances.

#### 2.4 Goods and Services Tax (GST)

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 the expense. Receivables and payables in the consolidated statement of financial position are shown inclusive of GST. Cash flows are presented in the consolidated statement of cash flows on a gross basis, except for the GST components of investing and financing activities, which are disclosed as operating cash flows.

#### 2.5 Research and development costs

Research costs are expensed as incurred. Development expenditure on an individual project is recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development.

Following initial recognition of development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete, and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation is recorded in the consolidated profit or loss. During the period of development, the asset is tested for impairment at least annually.

#### 2.6 Changes in accounting policies and disclosures

The new and amended Australian Accounting Standards and Interpretations that apply for the first time in 2024 do not have a significant impact on the Group's financial statements. The Group has not early adopted any standards, interpretations or amendments that has been issued but is not yet effective. The Group intends to adopt the new or amended standards or interpretations when they become effective.

# Lions Eye Institute Limited and its controlled entities

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### Notes to the consolidated financial statements

For the year ended 31 December 2024

#### 3 Significant accounting judgements, estimates and assumptions

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

##### Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

##### Provision for expected credit losses ("ECLs")

The Group uses a provision matrix to calculate ECLs for trade and other receivables and cash balances. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of the customer's actual default in the future. The information about the ECLs on the Group's trade and other receivables is disclosed in Note 8.

##### Revenue from contracts with customers

Key judgements include determining whether the contract is enforceable, whether the performance obligations are sufficiently specific, the timing of revenue from contracts with customers in terms of timing of satisfaction of performance obligations and determining the transaction price and the amounts allocated to performance obligations. The information about the revenue from contracts with customers is disclosed in Note 4.

##### Income for not-for-profit entities

Key judgements include determining whether funds are restricted and whether there is an obligation to repay unspent funds. The information about other income is disclosed in Note 5.

##### Impairment of non-financial assets

The Group determines whether non-financial assets are impaired at least on an annual basis. If an indicator of impairment exists, then this requires an estimate of the recoverable amount of the asset or cash-generating unit to which the non-current asset is allocated to be determined. The Group's accounting policy with regards to impairment of non-financial assets is discussed in Note 14.

##### Annual leave

Liabilities for annual leave expected to be settled within twelve months of the reporting date are recognised in provisions in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Non-accumulating sick leave is recognised when the leave is taken and measured at the rates paid or payable.

##### Long service leave

A liability for long service leave is recognised, and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using the maturity rates of corporate bonds and inflated using a long-term inflation rate.

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Notes to the consolidated financial statements  
For the year ended 31 December 2024

4 Revenue from ordinary activities

	2024	2023
	\$	\$
Sale of goods and services revenue	22,026,442	20,111,138
Grant funding	13,032,697	10,852,406
Donations and bequests	2,046,009	1,990,461
Other ancillary income	2,760,223	2,482,711
	<u>39,865,371</u>	<u>35,436,716</u>
Point in time recognition	26,832,674	24,584,310
Over time recognition	13,032,697	10,852,406
	<u>39,865,371</u>	<u>35,436,716</u>

All revenue is derived in Australia.

*Revenue recognition policy*

The Group recognises revenue under AASB 15 *Revenue from contracts with customers* ("AASB 15") or AASB 1058 *Income for not-for-profit entities* ("AASB 1058"), where appropriate. In cases where there is an enforceable contract with a customer with sufficiently specific performance obligations, the transaction is accounted under AASB 15 where income is recognised when the performance obligations are satisfied. Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties.

AASB 1058 applies when a not-for-profit entity enters into a transaction where the consideration paid to acquire an asset is significantly less than the fair value of the asset acquired principally to enable the Group to further its objectives. Any excess over the carrying amount of the asset acquired is recognised in the consolidated profit or loss as income. Income is recognised when the Group obtains control of the asset.

*Revenue from sale of goods and services, clinical income and other ancillary income*

Revenue from sale of goods and services, clinical income, and other ancillary income are recognised at the point in time when either control of the good sold is transferred to the customer or the service is rendered. This is reflective of the transfer of control of the good or service to the customer.

*Grants (including research)*

The Group receives various grants for purposes of funding specific research and other activities. Revenue is measured at the amount of consideration to which the Group expects to be entitled to in exchange for the provision of the various milestones. Revenue is recognised over time as the services are provided with reference to the input method over the period during which the milestones are achieved. When there are conditions attached to funds received for specific purposes then these funds are recognised in the consolidated statement of financial position as a contract liability until such conditions are met or the services provided.

The Group also receives grants to be used for its principal activities with no restrictions. As there are no sufficiently specific performance obligation under these arrangements, grant revenue is recognised at the point in time when the amount is received by the Group or when the Group becomes entitled to the amount.

For capital grants such as grants received to acquire or construct an asset, income is recognised when or as the obligations of the capital grants are met which will be when the asset is acquired or over the construction period.

# Lions Eye Institute Limited and its controlled entities

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### Notes to the consolidated financial statements

For the year ended 31 December 2024

#### 4 Revenue from ordinary activities (continued)

##### Donations and bequests

The Group receives donations or bequests with no restrictions to enable the Group to further its objectives. Donation or bequest income is measured at the fair value of the consideration or asset received. Donation or bequest income is recognised at the point in time when the Group obtains control over the asset.

##### Contract liabilities

A contract liability is recognised if a payment is received, or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the relevant contract (i.e., transfers control of the related goods or services to the customer).

#### 5 Other income

	2024	2023
	\$	\$
Prizes	5,070,828	-
Interest income	258,167	121,234
Dividend income	1,388,230	1,457,972
Realised foreign exchange gain	17,405	-
Net gain on sale of financial assets	324,445	38,565
	<u>7,059,075</u>	<u>1,617,771</u>

##### Dividend income

Dividend income is earned from the investments in equity funds and shares, which are classified as financial assets at fair value through profit or loss. Dividend income is recognised when the Group has established that it has a right to receive a dividend.

##### Interest income

Interest income is recognised as interest accrues using the effective interest rate ("EIR") method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the EIR.

##### Prizes

Prizes are recognised when the funds are received or become unconditionally receivable by LEI. Prizes are distinct from grants, which are provided by the grantor for the purpose of future expenditure.

##### Net gain on sale of financial assets

The gain on the sale of financial assets is recognised when the assets are sold for more than their carrying value. The gain or loss is determined by the difference between the recorded value and the actual proceeds from the sale of the financial assets.

Lions Eye Institute Limited and its controlled entities  
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Notes to the consolidated financial statements  
For the year ended 31 December 2024

6 Community initiatives

	2024	2023
	\$	\$
Consumable and other expenses	1,272,992	1,171,163
Depreciation	285,135	228,021
Employment expenses	5,592,134	5,078,253
Lions Outback Vision travel expenses	773,009	810,530
	<u>7,923,270</u>	<u>7,287,967</u>

7 Corporate services

	2024	2023
	\$	\$
Depreciation	824,766	878,348
Employment expenses	3,522,886	3,740,397
Fundraising expenses	279,119	289,515
Office and administration expenses	732,649	872,600
Infrastructure and maintenance expenses	1,151,994	1,192,828
Loss on sale of assets	-	288,875
	<u>6,511,414</u>	<u>7,262,563</u>

8 Medical and scientific research

	2024	2023
	\$	\$
Depreciation	381,152	302,661
Employment expenses	5,542,328	5,367,329
Research expenses	4,114,304	3,520,025
	<u>10,037,784</u>	<u>9,190,015</u>

9 Clinical expenses

	2024	2023
	\$	\$
Consumables and other expenses	6,307,397	5,658,767
Depreciation	1,170,009	1,052,944
Employment expenses	10,348,892	10,218,025
	<u>17,826,298</u>	<u>16,929,736</u>

Lions Eye Institute Limited and its controlled entities  
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Notes to the consolidated financial statements  
For the year ended 31 December 2024

10 Cash and cash equivalents

	2024	2023
	\$	\$
Cash at bank and on hand	9,817,383	967,055
Total cash at bank, on hand and deposits	<u>9,817,383</u>	<u>967,055</u>
Restricted cash	1,821,592	1,799,585
Total restricted cash	<u>1,821,592</u>	<u>1,799,585</u>
Total cash and cash equivalents	<u>11,638,975</u>	<u>2,766,640</u>

The general cash available is as follows:

Short term cash at bank and at call deposits	11,638,975	2,766,640
Research grant and other funds held on behalf of others (see Note 16)	(1,821,592)	(1,799,585)
General cash available	<u>9,817,383</u>	<u>967,055</u>

Cash and cash equivalents in the consolidated statement of financial position comprises cash at banks and on hand and short-term deposits with maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates. The carrying amounts of cash and cash equivalents approximate their fair value.

Restricted cash represents funds earmarked for specific purposes that are spent at the discretion of the Group.

Research grant and other funds held on behalf of others

Research grant and other funds held on behalf of others represent funds received for research purposes and on behalf of researchers with the Group as the research institution.

11 Trade and other receivables

	2024	2023
	\$	\$
Trade and other receivables	4,644,729	3,913,645
Provision for expected credit losses ("ECL")	(61,582)	(74,872)
	<u>4,583,147</u>	<u>3,838,773</u>

Trade and other receivables are non-interest bearing and are generally on terms of 30 to 90 days.

Recognition and measurement

Trade and other receivables are initially recognised at the fair value of the consideration receivable including directly attributable transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the original transaction price.

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11 Trade and other receivables (continued)

Subsequent measurement

Considering that trade and other receivables are settled within the short term, the Group does not consider the effect of time value of money to be material. Trade and other receivables are therefore subsequently measured at cost and considered for impairment in line with the ECL model as described below.

Impairment

The Group recognises an allowance for ECL for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade and other receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

12 Other current assets

	2024	2023
	\$	\$
Prepayments	508,555	471,452

Prepayments include prepaid insurance and other prepayments.

13 Financial assets at fair value through profit or loss

	2024	2023
	\$	\$
Financial assets at fair value through profit or loss*	37,702,514	40,585,040

Fair values of these investments are determined by reference to the most recent available published prices of the respective funds.

Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognised in the consolidated statement of profit or loss.

This category includes listed equity investments which the Group had not elected to classify at fair value through other comprehensive income. Dividends on listed equity investments are recognised as other income in the consolidated statement of profit or loss when the right of payment has been established.

\* Includes restricted balances as follows:

	2024	2023
	\$	\$
Ian Constable Chair Fund	9,392,814	8,494,152
Joyce Henderson Bequest	2,810,650	2,630,966
Research grant held on behalf of others	966,438	1,227,665
Total – restricted balances	13,169,902	12,352,783

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Restricted investment – Ian Constable Chair in Discovery and Translational Ophthalmic Science

Donations received in response to a fundraising campaign to endow the Ian Constable Chair in Discovery and Translational Ophthalmic Science at the University of Western Australia have been designated by the Group as restricted use and the balance invested in investments in equity funds and shares as approved by the Finance, Audit and investment Committee.

Restricted investment – Joyce Henderson bequest

The Group manages the Joyce Henderson Bequest Fund for Children's Eye Research, which was established in December 2011. The fund is used to fund in perpetuity a Paediatric Ophthalmology Fellowship position. This has been designated by the Group as restricted use and the balance invested in investments in equity funds and shares as approved by the Finance, Audit and Investment Committee.

Research grant held on behalf of others

Research grant held on behalf of others represent funds received for research purposes and on behalf of researchers with the Group as the research institution.

14 Property, plant and equipment

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year were as follows:

	Land \$	Buildings \$	Leasehold Improvements \$	Building improvements \$	Plant, equipment & motor vehicles \$	Capital works in progress \$	Total \$
<b>Cost</b>							
At 1 January 2024	1,350,000	12,966,957	748,070	5,803,211	17,941,137	1,408,122	<b>40,217,497</b>
Additions	-	-	30,545	-	2,705,680	2,505,045	<b>5,241,270</b>
Disposals	-	-	-	-	(170,747)	-	<b>(170,747)</b>
Transfers	-	-	-	-	-	(2,736,225)	<b>(2,736,225)</b>
At 31 December 2024	<b>1,350,000</b>	<b>12,966,957</b>	<b>778,615</b>	<b>5,803,211</b>	<b>20,476,070</b>	<b>1,176,942</b>	<b>42,551,795</b>
<b>Depreciation</b>							
At 1 January 2024	-	4,765,875	40,520	2,447,697	13,881,192	-	<b>21,135,284</b>
Depreciation	-	259,340	37,531	287,608	1,566,708	-	<b>2,151,187</b>
Disposals	-	-	-	-	(134,542)	-	<b>(134,542)</b>
At 31 December 2024	-	<b>5,025,215</b>	<b>78,051</b>	<b>2,735,305</b>	<b>15,313,358</b>	-	<b>23,151,929</b>
<b>Carrying amounts</b>							
At 31 December 2024	<b>1,350,000</b>	<b>7,941,742</b>	<b>700,564</b>	<b>3,067,906</b>	<b>5,162,712</b>	<b>1,176,942</b>	<b>19,399,866</b>
At 31 December 2023	1,350,000	8,201,082	707,550	3,355,514	4,059,945	1,408,122	19,082,213

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#### 14 Property, plant and equipment (continued)

##### Recognition and measurement

Property, plant and equipment is initially recognised at acquisition cost, including any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by the management. Property, plant and equipment that has been contributed at no cost, or for nominal cost, is valued and recognised at the fair value of the asset at the acquisition date. Capital work in progress is stated at cost, net of accumulated impairment losses, if any. Depreciation of the asset begins when construction is complete and the asset is available for use.

##### Subsequent measurement

Property, plant and equipment is subsequently measured using the cost model, less accumulated depreciation and impairment losses.

##### Depreciation

Depreciation is calculated on a straight-line basis over the useful lives of the assets, commencing from the time the asset is held ready for use. Land is not depreciated.

The useful lives of the assets are determined on an individual basis but in general the annual depreciation rates used for each class of depreciable assets are:

	2024	2023
	%	%
Class of property, plant and equipment		
Buildings	2 - 4	2 - 4
Building improvements	5 - 20	5 - 20
Plant and equipment (including motor vehicles)	5 - 25	5 - 25

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

##### Impairment

The Group assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. Fair value less costs of disposal is the price obtainable from selling the asset, minus disposal costs. Value in use is the present value of expected future cash flows from the asset.

##### Derecognition

Any gain or loss on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss when the asset is derecognised.

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15 Leases

Right-of-use assets

	2024	2023
	\$	\$
Right-of-use assets – at cost	3,928,885	3,015,535
Accumulated depreciation	(2,344,825)	(1,834,951)
	<u>1,584,061</u>	<u>1,180,584</u>

At 1 January 2024	1,180,584	1,660,021
Additions	913,351	-
Modifications/lease remeasurement	-	37,243
Depreciation	(509,875)	(516,680)
At 31 December 2024	<u>1,584,060</u>	<u>1,180,584</u>

Lease liabilities

	2024	2023
	\$	\$
At 1 January 2024	1,422,360	1,906,297
Additions	913,351	-
Modifications	-	37,243
Payments	(680,355)	(610,969)
Accretion of interest	111,061	89,789
At 31 December 2024	<u>1,766,417</u>	<u>1,422,360</u>
Lease liability - current	<u>591,668</u>	<u>519,797</u>
Lease liability - noncurrent	<u>1,174,748</u>	<u>902,563</u>

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

The Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Measurement and recognition of leases as a lessee

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the consolidated statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received). Where the Group has a number of leases that have significantly below-market terms and conditions then these are also recognised at cost.

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. Depreciation expense has been included in Clinical & corporate services expenses. The Group also assesses the right-of-use asset for impairment when impairment indicators exist

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15 Leases (continued)

The Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the incremental borrowing rate where the rate implicit in the lease is not readily determinable. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset or profit and loss if the right-of-use asset is already reduced to zero.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in the consolidated statement of profit or loss on a straight-line basis over the lease term.

The Group's leases are both commercial leases and peppercorn leases, but the values above do not contain any component of the peppercorn leases. Management has opted to use the cost approach for the accounting treatment of both peppercorn leases of which the values were \$0 and \$1 and therefore any values of those leases are not recognised in the financial statements. The peppercorn leases relate to facilities used for medical and scientific research to achieve the Group's principal activities. These leases are automatically renewed upon termination, unless terminated by the lessors.

Presented below is a maturity analysis of future lease payments:

	2024	2023
	\$	\$
Within 1 year	701,966	581,221
Later than 1 year but not more than 5 years	1,337,884	953,786
	<u>2,039,850</u>	<u>1,535,007</u>

The amount of expense relating to short-term leases and leases of low-value assets recognised in profit or loss for the year ended 31 December 2024 is \$900 (2023: \$975).

16 Trade and other payables

	2024	2023
	\$	\$
Trade creditors and accruals	4,984,364	5,757,312
Deferred income	1,526,495	2,222,940
Unspent research grant funds (see Note 10)	2,788,029	3,027,250
	<u>9,298,888</u>	<u>11,007,502</u>

Recognition and measurement

Trade and other payables are initially measured at fair value including transaction costs.

Subsequent measurement

After initial measurement, trade and other payables are subsequently measured at amortised cost using the EIR method.

Terms and conditions

Trade payables are non-interest bearing and are normally settled on 60-day terms.

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Deferred income represents unspent grant funds for unfulfilled performance obligations.

Unspent research grant funds represent funds received for research purposes and on behalf of researchers with the Group as the research institution.

17 Employee provisions

	2024	2023
	\$	\$
Current		
Annual leave	1,768,606	1,778,923
Long service leave - current	1,285,406	1,104,704
	<u>3,054,012</u>	<u>2,883,627</u>
Non-current		
Long service leave – non-current	827,708	795,875
	<u>827,708</u>	<u>795,875</u>
Aggregate employee benefits	<u>3,881,720</u>	<u>3,679,502</u>

Provision for employee benefits arising from services rendered by employees have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Other 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.

18 Commitments and contingencies

Capital commitments

Capital commitments in relation to contracts for property, plant and equipment at the reporting date but not recognised as liabilities amount to \$13,200,000 (2023: \$888,500)

In order to comply with the WA Department of Health's Licensing and Accreditation Regulatory Unit ("LARU") licencing conditions for the Lions Eye Institute Day Surgery Centre and increase throughput of the day surgery, redevelopment of the company's day surgery unit will be required. The company is currently awaiting LARU's Approval to Commence construction. The estimated capital cost of the program is \$12.3 million, including a contingency of \$1 million, and has been approved by Board. This expenditure is expected to take place over the next 10 to 12 months.

Contingencies

At December 2024, the Group has no contingencies (2023: Nil).

The Group occasionally receives claims which arise in the normal course of business. Where the Group is in receipt of such claims it reviews their nature and substance in order to assess the need for accounting recognition or disclosure. The directors are of the opinion that, based on information available, there is currently no material exposure to the Group arising from actual or pending claims at balance date.

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#### 19 Member's guarantee

The Company is incorporated under the *Corporations Act 2001* and is a public company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding and obligations of the Company. At 31 December 2024, the number of members is 49 (2023: 49).

#### 20 Related party disclosure

	2024	2023
Compensation of key management personnel	\$	\$
Compensation expense of key management personnel	1,412,140	1,644,559

#### 21 Auditor's remuneration

The auditor of the Group is Ernst & Young Australia.	2024	2023
	\$	\$
Audit services	96,600	97,480
Other services	14,100	13,600
	110,700	111,080

#### 22 Subsequent events

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