



WEHI
brighter together

2024
Annual Report
Financial Statements



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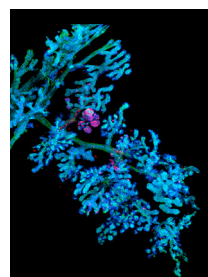
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Cover image

2024 Art of Science
Curious Contiguous Cells
Bianca Capaldo

The intricate bluebell-like structure in this image shows human breast tissue. Marked in red, we can see an irregular cluster of contiguous oestrogen receptor cells, which regulate tissue growth.

WEHI acknowledges the Traditional Owners and custodians of the land on which our campuses are located, the Wurundjeri people of the Kulin Nation. We pay our respects to their Elders past and present and embrace their continued connection to Country and community.

**Consolidated statement of profit or loss and other comprehensive income
for the year ended 31 December 2024**

		2024	2023
	Note	\$'000	\$'000
Revenue and other income			
Fundraising and grant income	2.1	130,064	130,447
Other income	2.2	14,843	8,092
		144,907	138,539
Investment income	2.3	32,677	33,221
Total income		177,584	171,760
Employee related expenses	3.1	(142,813)	(137,819)
Scientific consumables and other research expenses		(36,864)	(36,182)
Other expenses	3.2	(41,326)	(43,785)
Total expenses		(221,003)	(217,786)
Finance income/(costs)	4	877	(1,246)
Operating deficit		(42,542)	(47,272)
Bequests and donations allocated to permanent funds		3,705	161
Share of profits/(losses) of equity accounted investments	17	(1,266)	457
Loss on disposal of property, plant and equipment		(1,101)	-
Gain on financial assets taken to profit or loss	6.1	10,704	3,501
Other gain/(loss)		(120)	-
Other foreign exchange gain		2,544	1,010
Net deficit for the period		(28,076)	(42,143)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Fair value gain on financial assets taken to equity (FVTOCI equity Instruments)		54,019	34,450
Items that may be reclassified subsequently to profit or loss			
Fair value gain on financial assets taken to equity (FVTOCI debt Instruments)		707	2,998
Gain on sale of financial assets (FVTOCI debt Instruments) reclassified to profit or loss		225	19
Total comprehensive gain (loss) for the year		26,875	(4,676)
Net deficit is attributable to:			
Members of WEHI		(28,076)	(42,143)
Non-controlling interest		-	-
		(28,076)	(42,143)
Total comprehensive gain (loss) is attributable to:			
Members of WEHI		26,875	(4,676)
Non-controlling interest	13.6	-	-
		26,875	(4,676)

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

Consolidated statement of financial position as at 31 December 2024

	Note	2024 \$'000	2023 \$'000
Assets			
Current assets			
Cash and cash equivalents	14.1	77,816	84,060
Trade and other receivables	5	22,588	32,407
Prepayments		3,131	2,750
Total current assets		103,535	119,217
Non-current assets			
Financial assets	6	681,471	647,140
Other receivables	5	1,605	1,730
Investments in associates and joint ventures	17	7,877	7,763
Property, plant and equipment	7	189,899	195,320
Right of use assets	8	3,685	4,341
Total non-current assets		884,537	856,294
Total assets		988,072	975,511
Liabilities			
Current liabilities			
Trade and other payables	10	12,407	22,025
Provisions	11	27,520	28,801
Unearned grants and fellowships	2.1.1	73,720	75,763
Other liabilities		980	955
Total current liabilities		114,627	127,544
Non-current liabilities			
Provisions	11	22,254	22,998
Other liabilities		717	1,378
Total non-current liabilities		22,971	24,376
Total liabilities		137,598	151,920
Net assets		850,474	823,591
Funds			
Permanent fund	13.1	240,666	244,672
General fund	13.2	395,684	416,697
Leadership fund	13.3	37,880	37,353
Discovery fund	13.4	4,532	6,785
Investment revaluation reserve	13.5	171,703	118,084
		850,465	823,591
Non-controlling interest	13.6	9	-
Total funds		850,474	823,591

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

Consolidated statement of changes in equity

	Attributable to members of WEHI						Non- control- ling interest \$'000	Total \$'000
	Permanent fund	General fund	Royalty fund	Leadership fund	Discovery fund	Investment revaluation reserve		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
Balance at 1 January 2023	240,122	408,197	55,822	35,259	6,341	82,526	-	828,267
Transfers between funds	-	55,822	(55,822)	-	-	-	-	-
Transfers from investment revaluation reserve on sale of investments	931	817	-	137	24	(1,909)	-	-
Net deficit for the year	3,619	(48,139)	-	1,957	420	-	-	(42,143)
Other comprehensive income								-
Revaluation gain on investments	-	-	-	-	-	37,467	-	37,467
Total comprehensive loss for the year	4,550	8,500	(55,822)	2,094	444	35,558	-	(4,676)
Balance at 31 December 2023	244,672	416,697	-	37,353	6,785	118,084	-	823,591
NCI at acquisition	-	-	-	-	-	-	9	9
Transfers between funds	(10,506)	12,730	-	104	(2,328)	-	-	-
Transfers from investment revaluation reserve on sale of investments	781	412	-	118	21	(1,332)	-	-
Net deficit for the year	5,719	(34,154)	-	305	54	-	0	(28,076)
Other comprehensive income								
Revaluation gain on investments	-	-	-	-	-	54,951	-	54,951
Total comprehensive gain for the year	(4,006)	(21,012)	-	527	(2,253)	53,619	9	26,875
Balance at 31 December 2024	240,666	395,684	-	37,880	4,532	171,703	9	850,474

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

**Consolidated statement of cash flows
for the year ended 31 December 2024**

		2024	2023
	Note	\$'000	\$'000
Cash flows from operating activities			
Donations and bequests		18,809	20,264
General income		9,120	8,004
Receipts from granting bodies		111,409	123,539
Payments to suppliers and employees		(216,401)	(211,104)
Royalty receipts		5,249	1,651
Investment income received		36,409	28,317
Interest and bill discounts received		758	508
Net cash (used in)/from operating activities	14.2	(34,647)	(28,821)
Cash flows from investing activities			
Payment for other financial assets		(90,785)	(68,616)
Proceeds on sale of other financial assets		125,735	33,201
Payments for investments in associates		(1,500)	(1,500)
Grants and donations for property, plant and equipment		502	669
Payment for property, plant and equipment		(12,886)	(15,146)
Net cash (used in)/from investing activities		21,066	(51,392)
Cash flows from financing activities			
Donations and bequests to permanent invested funds		3,705	161
Other financing activities		1,425	(2,230)
Net cash (used in)/from financing activities		5,130	(2,069)
Net (decrease)/increase in cash and cash equivalents		(8,451)	(82,282)
Cash and cash equivalents at the beginning of the year		84,060	165,332
Effects of exchange rate changes on the balance of cash held in foreign currencies		2,207	1,010
Cash and cash equivalents at the end of the year	14.1	77,816	84,060

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

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

1. General information

The consolidated financial statements of The Walter and Eliza Hall Institute of Medical Research (WEHI, the parent) and its subsidiaries (referred collectively as 'the Group' throughout this report) for the year ended 31 December 2024 were authorised for issue in accordance with a resolution of the directors on 14 March 2025.

WEHI is incorporated in Victoria as a company limited by guarantee. In the event of the company being wound up, the constitution states that each member is required to contribute a maximum of \$2 towards meeting any outstanding obligations of the company. At 31 December 2024, the number of members was 242 (2023: 229).

The registered office of WEHI and its principal place of business is:
1G Royal Parade
Parkville, Victoria, 3052

1.1 Basis of preparation

The general-purpose financial report has been prepared in accordance with the requirements of *the Australian Charities and Not-for-profits Commission (ACNC) Act 2012*, Australian Accounting Standards, and Interpretations of the Australian Accounting Standards Board (AASB). WEHI is a registered charity with the Australian Charities and Not-for-Profit Commission which holds deductible gift recipient status and is exempt from income tax. Material accounting policies adopted in the preparation of the consolidated financial statements are presented in the notes and have been consistently applied unless stated otherwise.

The consolidated financial statements have been prepared on a going concern basis using historical cost conventions, except for certain financial instruments, which have been measured at fair value. Cost is based on the fair values of consideration given in exchange for assets. The Group discloses a working capital deficiency of \$11.1M (2023: deficit \$8.3M). The deficiency arises due to the timing of receipt and spend of funds received in advance from funders and donors recognised as deferred income. To maximise investment returns on funds to be spent in the future the Group may invest these funds in financial assets disclosed in Note 6 which are classified as non-current. These assets are liquid in nature and are managed to align the short and long term cash flow needs of the business.

The consolidated financial statements, except for the cash flow information, have been prepared using an accrual basis and are presented in Australian dollars, which is the company's functional and presentation currency. All values are rounded to the nearest thousand dollars (\$000) unless otherwise stated.

1.2 Basis of consolidation

The consolidated financial statements of the Group comprise the financial statements of WEHI and all its subsidiaries. An entity, including a structured entity, is considered a subsidiary of the Group when it is determined that WEHI has control over the entity. Control exists when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group assess power by examining existing rights that give WEHI the current ability to direct relevant activities of the entity. The effect of all transactions between the Group are eliminated on consolidation.

1.3 Foreign currency translation

Foreign currency transactions are translated into the relevant functional currency at the exchange rate on the date of transaction. At reporting date, monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the relevant spot rate. Any exchange differences are recognised in the profit and loss in the period they arise.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Translation differences on non-monetary assets and liabilities such as equities classified at fair value through other comprehensive income are recognised in other comprehensive income.

1.4 Abbreviation and terminology used in the financial statements

Reference	Title
AASB	Australian Accounting Standards Board
ACNC	Australian Charities and Not-for-profits Commission
ATF	As trustee for
ECL	Expected credit loss
ELCC	Early Learning and Childcare Centre
FTE	Full-time equivalent
FVTOCI	Fair value through other comprehensive income
FVTPL	Fair value through profit or loss
GST	Goods and services tax
JV	Joint venture
KMP	Key management personnel
LTD	Limited
MGHA	Melbourne Genomics Health Alliance
NCI	Non-controlling interest
NHMRC	National Health and Medical Research Council
PPE	Property, plant and equipment
PTY	Proprietary
VCCC	Victorian Comprehensive Cancer Centre
WEHI	The Walter and Eliza Hall Institute of Medical Research

1.5 Accounting judgements, estimates and assumptions

In the application of WEHI's accounting policies, management may from time to time make judgements, estimates and assumptions about the carrying values of assets and liabilities that may not be readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgement.

Key areas in which management has exercised judgement include the calculation of the fair value of financial assets, the carrying value of employee benefits, the carrying value of provisions for net commercial income distribution and revenue recognition assessment (refer to respective notes).

1.6 Impact of new and amended standards adopted

There were no new accounting standards or interpretations adopted in 2024 that had a significant effect on the Group.

1.7 New standards and interpretations not yet adopted

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2024 reporting periods and have not been early adopted by WEHI. These standards, amendments or interpretations are not expected to have a material impact on the company in the current or future reporting periods and on foreseeable future transactions.

Standard	Adoption Date	Impact
AASB 2014-10 Amendments to Australian Accounting Standards - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (as amended)	Reporting periods on or after 1 January 2025	Adoption of this standard is not expected to have a material impact.

1.8 Goods and services

Revenues, expenses and assets are recognised net of the amount of GST except where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables. Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified within operating cash flows.

2. Operating revenue

WEHI is an innovative medical research institute that engages and enriches society and improves health outcomes through discovery, translation and education. WEHI is predominantly funded by grant funding, bequests, and donations. WEHI also derives income from royalties, investments and sales of goods and services.

Key judgements and estimates	Description
Identifying performance obligations	<p>WEHI applies significant judgement when reviewing the terms and conditions of funding agreements and contracts to determine whether they contain sufficiently specific and enforceable performance obligations.</p> <p>If this criteria is met, the contract/funding agreement is treated as a contract with a customer, requiring WEHI to recognise revenue as or when the institute transfers promised goods or services to customers.</p> <p>If this criteria is not met, funding is recognised immediately in the profit and loss statement.</p>
Determining timing of revenue recognition	WEHI applies significant judgement to determine when a performance obligation has been satisfied and the transaction price that is to be allocated to each performance obligation. A performance obligation is either satisfied at a point in time or over time.
Determining time of capital grant income recognition	WEHI applies significant judgement to determine when its obligation to construct an asset is satisfied. Costs incurred is used to measure the institute's progress as this is deemed to be the most accurate reflection of the stage of completion.

2.1 Fundraising and grant income

	2024 \$'000	2023 \$'000
Fundraising and grant income		
NHMRC fellowships, scholarships and other grants	44,097	45,365
Industrial grants	16,410	20,732
Philanthropic grants and fellowships	20,737	21,993
Other government grants	28,421	21,399
Donations and bequests	20,399	20,958
	130,064	130,447

Recognition and measurement

Research grants, Infrastructure grants, donations and bequests

Fundraising and grant income where there is an enforceable contract with sufficiently specific performance obligations are recognised in accordance with *AASB 15: Revenue from Contracts with Customers* where income is recognised when (or as) the performance obligations are satisfied.

As per *AASB 1058: Income of Not-for-Profit Entities*, where the contract is not enforceable and/or does not have sufficiently specific performance obligations, WEHI recognises the asset received in accordance with the recognition requirements of other applicable Accounting Standards (for example, AASB 9, AASB 16, AASB 116 and AASB 138). Income is recognised as the difference between the initial carrying amount of the asset and the related amount received.

Capital grants – Buildings and Equipment

For capital grants received under an enforceable agreement where it includes a transfer to enable WEHI to acquire or construct a recognisable non-financial asset to identified specifications which will be controlled by WEHI when completed, WEHI recognises a liability for the excess of the fair value of the transfer over any related amounts recognised and recognises income as it satisfies its obligations under the transfer. As the capital grants received by WEHI are primarily for buildings works and scientific equipment, WEHI recognises income as the building works are completed and as equipment is purchased/constructed (when it satisfies its obligations)

2.1.1 Unearned grants and fellowships

The following amounts relate to grants and fellowship income received in advance.

	2024 \$'000	2023 \$'000
Grants and fellowships already committed and applicable to future periods:		
Grants	73,093	74,999
Fellowships	627	764
	73,720	75,763

Recognition and measurement

Unearned grants and fellowships include consideration received in advance from customers. WEHI performs an assessment to determine if the contract is enforceable and has sufficiently specific performance obligations in accordance with *AASB 15: Revenue from Contracts with Customers*. When both these conditions are satisfied, WEHI recognises revenue when (or as) the performance obligations are satisfied. Any revenue related to the portion of the contract where the performance obligation is not yet met is deferred on the balance sheet as unearned grants and fellowships. The liabilities are derecognised and recorded as revenue when promised goods and services are transferred to the customer. In cases where WEHI receives grant funding to administer on behalf of a named researcher, and the agreement is tied to the named researcher, any unspent fund is recognised as financial liability under *AASB 9: Financial Instruments*.

2.2 Other income

	2024 \$'000	2023 \$'000
Other income		
Royalty income	5,249	611
General income	9,594	7,481
	14,843	8,092

Recognition and measurement

Royalty income

Royalty income is recognised when there is an enforceable right to receive the income. Included in the royalty income above are \$1.5M royalty milestone payments received from Silence Therapeutics and proceeds of \$3M from royalty buyout as part of sale of IonOpticks equity (see Note 6.1).

General income

Revenue from sales of goods/services is recognised when control of the goods has been transferred to the customer or the service/performance obligation has been provided.

2.3 Investment income

	2024 \$'000	2023 \$'000
Investment income		
Dividends	18,965	17,186
Franking credits	4,111	4,584
Interest	9,601	11,451
	32,677	33,221

Recognition and measurement

Investment income is recognised when there is an enforceable right to receive the income.

3. Operating expenses

This section provides an account of the expenses incurred by WEHI. In Note 2, the funds that enable the provision of services were disclosed and in this note the cost associated with provision of services are disclosed.

Key judgements and estimates	Description						
Classifying employee benefit liabilities	<p>Employee benefit liabilities are classified as a current liability if WEHI does not have an unconditional right to defer payment beyond 12 months. Annual leave, leave loading and long service leave entitlements (for staff who have exceeded the minimum vesting period) fall into this category.</p> <p>Employee benefit liabilities are classified as a non-current liability if WEHI has a conditional right to defer payment beyond 12 months. Long service leave entitlements (for staff who have not yet exceeded the minimum vesting period) fall into this category.</p>						
Measuring employee benefit liabilities	<p>WEHI applies significant judgement when measuring its employee benefit liabilities.</p> <p>WEHI applies judgement to determine when it expects its employee entitlements to be paid.</p> <p>With reference to historical data, if the institute does not expect entitlements to be paid within 12 months, the entitlement is measured at its present value, being the expected future payments to employees.</p> <p>Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields on government bonds at the end of the reporting period.</p> <p>All other entitlements are measured at their nominal value after determining whether a performance obligation has been satisfied and the transaction price that is to be allocated to each performance obligation. A performance obligation is either satisfied at a point in time or over time.</p>						
Measuring depreciation	<p>All infrastructure assets, buildings, plant and equipment and other non-financial physical assets that have finite useful lives are depreciated. Depreciation is calculated on a straight-line basis at rates that allocate the asset's value, less any estimated residual value over its estimated useful life. The following table indicates the expected useful lives of non-current assets on which the depreciation and amortisation charges are based.</p> <table> <tr> <td>Buildings</td><td>20 – 40 years</td></tr> <tr> <td>Plant and equipment</td><td>3 – 20 years</td></tr> <tr> <td>Furniture and fittings</td><td>5 - 30 years</td></tr> </table>	Buildings	20 – 40 years	Plant and equipment	3 – 20 years	Furniture and fittings	5 - 30 years
Buildings	20 – 40 years						
Plant and equipment	3 – 20 years						
Furniture and fittings	5 - 30 years						
Measuring amortisation	<p>Amortisation is the systematic allocation of the depreciable amount of an asset over its useful life. Right-of-use assets are amortised over the lease term or useful life of the underlying asset, whichever is the shortest</p>						

3.1 Employee related expenses

	2024 \$'000	2023 \$'000
Salaries	111,976	105,817
Contributions to superannuation and pension schemes	16,034	14,800
Staff allowances	8,678	7,634
Other	6,125	7,545
Staff and student income distribution	-	2,023
	142,813	137,819

The number of FTE (full-time equivalent) employees at end of financial period are as follows:

Staff	901	933
Visiting scientists	5	7
	906	940

3.2 Other expenses

The following items of expenses are included in operating deficit:

	2024 \$'000	2023 \$'000
Building operation costs	7,912	6,544
Administration expenses	7,779	8,819
IT services	3,889	3,361
Travel	670	814
Advertising and marketing	1,142	1,554
Consultants	3,279	6,957
Depreciation	16,799	13,528
Amortisation	657	657
Allowance for expected credit loss	(801)	1,551
	41,326	43,785

Recognition and measurement

Expenses are recognised as they are incurred and reported in the financial year to which they relate.

4. Finance income/(costs)

	2024 \$'000	2023 \$'000
Unwinding of discount on provision for distribution of net commercial income	199	(1,570)
Bank interest	817	508
Lease interest	(80)	(108)
Bank charges and merchant fee	(59)	(76)
	877	(1,246)

Recognition and measurement

Bank interest and bank charges are recognised in the period in which they are incurred. Finance charges in respect of finance leases are recognised in accordance with AASB 16: Leases.

5. Trade and other receivables

	2024 \$'000	2023 \$'000
Current		
Debtors	12,549	5,869
Accrued income	7,769	17,746
Franking credits receivable	2,270	7,457
Goods and Services Tax receivable	-	835
Loans receivable	750	2,051
	23,338	33,958
Allowance for expected credit losses	(750)	(1,551)
	22,588	32,407
Non-current		
Loans receivable	1,605	1,730
	1,605	1,730
	24,193	34,137

5.1 Movement in allowance for expected credit losses of contractual receivables

	2024 \$'000	2023 \$'000
Balance at the beginning of the year	1,551	-
Increase (decrease) in allowance recognised in net result	(801)	1,551
Balance at the end of the year	750	1,551

In 2023, WEHI provided an allowance for expected credit loss against loans receivable from Anaxis Pharma Pty Ltd (a wholly-owned subsidiary of Catalyst Therapeutics Pty Ltd). In 2024, this loan was partially repaid resulting in a partial reversal of the allowance.

Recognition and measurement

Trade and other receivables which are mostly contractual receivables, are classified as financial instruments and categorised as 'financial assets at amortised cost' and are initially recorded at fair value. Debtors are carried at nominal amounts due and are due for settlement within 30 days from the date of recognition. WEHI holds the contractual receivables with the objective to collect the contractual cash flows and are subsequently measured at amortised cost using the effective interest method, less any impairment.

A provision for expected credit loss (ECL) is recognised based on the difference between the contractual cash flows due from the contract and the cash flows that WEHI expects to receive. When a trade receivable for which a provision for expected credit loss has been recognised becomes uncollectible, it is written off against the provision. WEHI uses a simplified approach to account for the expected credit loss provision. A provision matrix is used, which considers historical experience, external indicators and forward-looking information to determine expected credit loss rates.

Statutory receivables, which includes Goods and Services Tax (GST) receivable and franking credits receivable do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment) but are not classified as financial instruments for disclosure purposes. WEHI applies *AASB 9: Financial Instruments* for initial measurement of the statutory receivables and as a result statutory receivables are initially recognised at fair value. In assessing impairment of statutory (non-contractual) financial assets, which are not financial instruments, judgement is applied in assessing materiality using estimates, averages and other computational methods in accordance with *AASB 136: Impairment of Assets*.

6. Financial assets

	2024 \$'000	2023 \$'000
Investments in debt instruments classified as FVTOCI		
Corporate bonds	132,195	148,049
Government bonds	9,040	12,078
Investments in equity instruments designated as FVTOCI		
Domestic equities	211,449	231,448
International equities	185,896	127,257
Other investments classified as FVTPL		
Domestic managed funds	3,971	2,855
International managed funds	76,832	56,560
Hybrid instruments	58,459	66,518
	677,842	644,765
Investments in unlisted entities designated as FVTOCI		
Investments in unlisted entities	3,629	2,375
Total investments	681,471	647,140

Fair value measurements recognised in the statement of financial position

The following table provides an analysis of financial instruments that are measured, subsequent to initial recognition, at fair value, grouped into levels 1 to 3 based on:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than those quoted prices included within level 1 that are observable for the asset, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset that are not based on observable market data.

	Level 1	Level 2	Level 3	31 December 2024 Total
Financial assets measured at fair value				
Quoted shares and managed funds	478,149	-	-	478,149
Floating rate securities	58,459	77,203	-	135,662
Fixed rate securities	-	64,031	-	64,031
Unquoted shares*	-	-	3,629	3,629
Total	536,608	141,234	3,629	681,471

*Unquoted shares are investments in unlisted entities held by WEHI. As at 31 December 2024 aggregate shares of equity are:

Entact Bio, Inc. (US based company) 2.45% (2023: 2.95%) with a carrying value of \$2,829,000 (2023: \$1,980,000),
Externa Pty Ltd (Australian based company) 11.25% (2023: nil) with a carrying value of \$800,000 (2023: nil).

Recognition and measurement

Financial assets are initially measured at fair value.

WEHI may elect to classify irrevocably its investments as instruments designated at fair value through other comprehensive income (FVTOCI) when they satisfy the definition of equity under *AASB 132: Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument by instrument basis.

Investments in equity instruments are initially measured at fair value, and any changes to the fair value are recognised in other comprehensive income. Dividends are recognised in profit or loss in accordance with *AASB 9: Financial Instruments* and are included within Investment Income.

WEHI elected to classify its debt instruments as FVTOCI, holding the investment with the intention to collect contractual cash flows and sell them. Changes to fair value are recognised in other comprehensive income, unless the change is due to foreign exchange, impairment and interest income, which are recognised in profit or loss. When the instrument is disposed, all gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

Financial assets that do not meet the criteria for being measured at FVTOCI, such as hybrid instruments and managed funds, are measured at fair value through profit or loss (FVTPL).

6.1 Gain/(loss) on financial assets taken to profit and loss

The following amounts relate to gain/(loss) on financial assets taken to profit and loss.

	2024 \$'000	2023 \$'000
Gain on Sale of Investments	5,700	33
Gain on market revaluation of Investments	5,004	3,468
	10,704	3,501

Included in the Gain on Sale of Investments is the net proceeds received from sale of interest in IonOpticks (\$6.08M).

7. Property, plant and equipment

	Buildings \$'000	Work in progress \$'000	Plant and equipment \$'000	Furniture and fittings \$'000	Total \$'000
At 1 January 2023					
Cost	199,275	15,621	105,206	3,321	323,423
Accumulated depreciation	(67,956)	-	(59,604)	(2,161)	(129,721)
Net carrying amount	131,319	15,621	45,602	1,160	193,702
Year ended 31 December 2023					
Opening net book value	131,319	15,621	45,602	1,160	193,702
Additions	1,090	8,991	5,065	-	15,146
Transfers	2,448	(7,459)	5,125	(114)	-
Depreciation	(4,923)	-	(8,383)	(222)	(13,528)
Closing net book value	129,934	17,153	47,409	824	195,320
At 31 December 2023					
Cost	202,813	17,153	115,396	3,207	338,569
Accumulated depreciation	(72,879)	-	(67,987)	(2,383)	(143,249)
Net carrying amount	129,934	17,153	47,409	824	195,320
Year ended 31 December 2024					
Open net book value	129,934	17,153	47,409	824	195,320
Additions	1,041	5,523	6,135	187	12,886
Transfers	7,182	(21,154)	13,519	453	-
Disposals	-	-	(1,508)	-	(1,508)
Depreciation	(4,814)	-	(11,535)	(450)	(16,799)
Closing net book value	133,343	1,522	54,020	1,014	189,899
At 31 December 2024					
Cost	211,036	1,522	132,534	3,847	348,939
Accumulated depreciation	(77,693)	-	(78,514)	(2,833)	(159,040)
Net carrying amount	133,343	1,522	54,020	1,014	189,899

7.1 Capital commitments

The following capital purchases are committed at reporting date.

	2024 \$'000	2023 \$'000
Not longer than 1 year	2,432	5,332
After 1 year but not more than 5 years	-	676
	2,432	6,008

8. Right of use assets

	Buildings \$'000	Plant and equipment \$'000	Total \$'000
At 1 January 2023			
Cost	6,056	198	6,254
Accumulated depreciation	(1,173)	(83)	(1,256)
Net carrying amount	4,883	115	4,998
Year ended 31 December 2023			
Opening net book value	4,883	115	4,998
Depreciation	(637)	(20)	(657)
Closing net book value	4,246	95	4,341

	Buildings	Plant and equipment	Total
	\$'000	\$'000	\$'000
At 31 December 2023			
Cost	6,056	198	6,254
Accumulated depreciation	(1,810)	(103)	(1,913)
Net carrying amount	4,246	95	4,341
Year ended 31 December 2024			
Opening net book value	4,246	95	4,341
Depreciation	(637)	(19)	(656)
Closing net book value	3,609	76	3,685
At 31 December 2024			
Cost	6,056	198	6,254
Accumulated depreciation	(2,447)	(122)	(2,569)
Net carrying amount	3,609	76	3,685

There were no additions to the right-of-use assets during the 2024 financial year (2023: nil).

The statement of profit or loss shows the following amounts relating to leases:

	2024	2023
	\$'000	\$'000
Depreciation		
Buildings	637	637
Equipment	19	20
Total depreciation	656	657
Interest expense included in finance costs	80	108

Recognition and measurement

WEHI assesses whether a contract is or contains a lease at contract inception. WEHI recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, WEHI recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. Assets and liabilities arising from a lease are initially measured on a present value basis.

Right-of-use assets are measured at cost and comprise of the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs

Right-of-use assets are depreciated over the shorter period of the lease term and useful life of the underlying asset. WEHI reviews right-of-use assets for impairment annually.

8.1 Lease liability future commitments

Future rent payable in relation to lease contracts at reporting date, are as follows:

	2024	2023
	\$'000	\$'000
Not longer than 1 year	709	685
After 1 year but not more than 5 years	734	1,443
	1,443	2,128

9. Concessionary leases

WEHI holds lease arrangements which contain significantly below-market terms and conditions, that are principally to enable the institute to further its objectives. These are commonly referred to as a peppercorn or concessionary lease arrangement. The nature and terms of the lease, including any restrictions, is described below:

Lease	Description of underlying assets	Lease payments	Lease term	WEHI's dependence on leases to further its objectives	Restrictions on the use of the underlying assets specific to WEHI
Parkville crown land (main lease)	The sub-lease is made on 23 Nov 2011 between the State of Victoria (Head landlord), Melbourne Health (Landlord) and WEHI (Tenant). This sub-lease covers the following areas at Parkville: WEHI1, WEHI2, WEHI forecourt and part of the Early Learning and Childcare Centre.	\$104 per annum, payable on demand	99 years	The lease provides the land on which WEHI1, WEHI 2 and part of the Early Learning and Childcare Centre (ELCC) were built to perform medical research and for early childcare and education, respectively.	WEHI may utilise the land for health-related purposes, including academic research, medical research, laboratory operations, clinical services, associated retail and commercial uses, car-parking, and any other use which is consistent with the reservation of the land.
Parkville short term lease (Early Learning and Child Care Centre)*	The sub-lease is made on 29 June 2018 between Melbourne Health (Landlord) and WEHI (Tenant). The lease covers part of the Early Learning and Childcare Centre (namely, the remaining part of the Centre not covered by the Parkville main lease).	\$104 per annum, payable on demand	21 years	WEHI's leasehold tenure to the remaining part of the ELCC (not covered by the Parkville main lease) is dependent on this lease. This Centre was constructed to provide researchers access to adequate childcare to support ongoing career and advancement.	WEHI may use the land for health-related purposes, including academic research, medical research, laboratory operations, clinical services, associated retail and commercial uses, car-parking and any other use, including childcare and education services, which is consistent with the reservation of the land.
Bundoora*	La Trobe University (Landlord) commenced the lease on 31 March 2000 for the former Rio Tinto Building at La Trobe University Campus, Bundoora to WEHI (Tenant).	\$6.25M – paid upfront	99 years	The lease provides the premises for medical research facilities for the Bundoora campus.	Assignment, sublease, mortgage or license is not permitted without La Trobe University's consent.
Ward 8 East RMH	Melbourne Health (Landlord) commenced the lease on 16 May 2021 for the areas located on Level 8, east of the main block of The Royal Melbourne Hospital, to WEHI (Tenant).	\$1 per annum, payable on demand	5 years + 5 years (option)	The lease provides the area on which WEHI is located to perform medical research in conjunction with the Hospital.	Assignment, sublease, mortgage or license is not permitted without Melbourne Health's consent.
Ward 7 north RMH	Melbourne Health (Landlord) commenced the lease on 10 June 2011 for the premises on the plan known as "Ward 7 North" of The Royal Melbourne Hospital to WEHI (Tenant).	\$1 per annum, payable on demand	21 years	The lease provides the area on which WEHI is located to perform medical research in conjunction with the Hospital.	Assignment, sublease, mortgage or license is not permitted without Melbourne Health's consent.

*The above concessionary leases are subject to sub-lease arrangements with third parties.

Recognition and measurement

WEHI recognises assets arising from concessionary leases at cost.

10. Trade and other payables

	2024 \$'000	2023 \$'000
Trade creditors	10,050	17,822
Goods and Services Tax payable	957	-
Accrued expenses	1,400	4,203
	12,407	22,025

Recognition and measurement

Trade and other payables represent amounts reflected at notional amounts owed to suppliers for goods and services provided to WEHI prior to the end of the financial year that are unpaid. These payables are classified as financial instruments and measured at amortised cost. Trade and other payables are non-interest bearing and have various repayment terms but are usually paid within 30 to 60 days of recognition.

11. Provisions

	2024 \$'000	2023 \$'000
Current		
Provision for employee benefits	25,688	24,830
Provision - other	158	-
Provision for net commercial income distribution	1,674	3,971
	27,520	28,801
Non-current		
Provision for employee benefits	3,164	2,678
Provision for net commercial income distribution	19,090	20,320
	22,254	22,998
	49,774	51,799

Included in current employee provisions are \$13,369,000 (2023: \$12,472,000) of long service leave for which a current entitlement exists.

Recognition and measurement

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that WEHI is required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are not recognised for future operating losses.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

12. Superannuation commitments

	2024 \$'000	2023 \$'000
The total superannuation contributions by WEHI during the period in respect to the above plans were:		
UniSuper – Defined Benefit Division	1,207	1,324
UniSuper – Accumulation Super (2)	258	284
UniSuper – Accumulation Super (1)	11,448	11,083
Other superannuation funds	3,121	2,109
	16,034	14,800

12.1 Institute employees are members of a range of superannuation funds, divided into the following categories:

Those operative and open to membership by new employees:

UniSuper – Accumulation Super (1)

Other superannuation funds chosen by employees

Those closed to future membership by Institute employees:

Unisuper – Defined Benefit Division

Unisuper – Accumulation Super (2)

12.2 UniSuper plans

UniSuper is a multi-employer superannuation fund operated by UniSuper Limited as the corporate trustee and administrated by UniSuper Management Pty Ltd, a wholly owned subsidiary of UniSuper Limited. The operations of UniSuper are regulated by the *Superannuation Industry (Supervision) Act 1993*.

- The UniSuper schemes known as the Defined Benefit Division or Accumulation Super (2) were only available to contributing members of the Walter and Eliza Hall Institute of Medical Research Superannuation Fund (1979) which closed in 2003.
- The maximum contribution rate to the schemes is 25.25% of member's salary of which the member contributes 8.25% before tax and WEHI 17%.
- UniSuper has advised that the Accumulation Super (2) and Defined Benefit Division plans are defined as multi-employer defined contribution schemes in accordance with *AASB 119 Employee Benefits*. AASB 119 states that this is appropriate for a defined benefit plan where the employer does not have access to the information required and there is no reliable basis for allocating the benefits, liabilities, assets and costs between employers.
- The number of members of the Walter and Eliza Hall Institute of Medical Research Superannuation Fund (1979) who became members of the UniSuper – Defined Benefit Division when the fund closed in 2003 was 204. The number of Institute employees who are members of the Defined Benefit Division as at 31 December 2024 was 43 (2023: 50).
- New employees who commenced after 1 July 2003 currently have a minimum contribution of 11.5% of their annual salary contributed by WEHI to Accumulation Super (1) or to a fund of their choice prescribed under the *Superannuation Guarantee Charge Act (1992)*.

13. Capital funds

The net deficit for the financial period is \$28,076,000 (2023: deficit \$42,143,000)

This has been appropriated as follows:

	2024 \$'000	2023 \$'000
Transfer to Permanent Fund	5,719	3,619
Transfer (from) General Fund	(34,154)	(48,139)
Transfer to Leadership Fund	305	1,957
Transfer to Discovery Fund	54	420
	(28,076)	(42,143)

13.1 Permanent fund

Permanent Invested Funds originate from donations and bequests, the income from which is applied as stipulated by the donor, or to general research where there is no specific stipulation. These donations and bequests are appropriated to Capital Funds.

	2024 \$'000	2023 \$'000
Balance at beginning of period	244,672	240,122
Transfers between Funds	(10,506)	-
Transfers from Investment revaluation reserve on sale of investment	781	931
Net surplus for the year	5,719	3,619
	240,666	244,672

13.2 General fund

General Fund consists of the net accumulation of surpluses and deficits of prior years.

	2024 \$'000	2023 \$'000
Balance at beginning of period	416,697	408,197
Transfers between Funds	12,730	55,822
Transfers from Investment revaluation reserve on sale of investment	412	817
Net (deficit) for the year	(34,154)	(48,139)
	395,684	416,697

13.3 Leadership fund

The Leadership Fund consists of donations and income earned thereon. The Leadership Fund was established in honour of Professors Gustav Nossal, Donald Metcalf, Jacques Miller and Suzanne Cory to provide named fellowships to nurture the development of outstanding young scientists with the potential to be future leaders of biomedical research.

	2024 \$'000	2023 \$'000
Balance at beginning of period	37,353	35,259
Transfers between Funds	104	-
Transfers from Investment revaluation reserve on sale of investment	118	137
Net surplus for the year	305	1,957
	37,880	37,353

13.4 Discovery fund

The Discovery Fund consists of donations and income earned thereon, less funds spent on research to date. The Fund was established by WEHI to support specialist research and will be applied based on the merits of submissions to WEHI Director. There are three areas of focus: early drug discovery, blue sky basic biological research and technical innovation.

	2024 \$'000	2023 \$'000
Balance at beginning of period	6,785	6,341
Transfers between Funds	(2,328)	-
Transfers from Investment revaluation reserve on sale of investment	21	24
Net surplus for the year	54	420
	4,532	6,785

13.5 Investment revaluation reserve

The Investment Revaluation Reserve consists of gains and losses recognised through movement in the fair value of investments and other financial assets.

	2024 \$'000	2023 \$'000
Balance at beginning of period	118,084	82,526
Transfers to Permanent, General, Leadership and Discovery Funds on sale of investments	(1,332)	(1,909)
Revaluation gain/(loss) on investments for the year	54,951	37,467
	171,703	118,084
Total capital funds	850,465	823,591

13.6 Non-controlling interest

Non-controlling interest represent the portion of equity and net income in Research Code Pty Ltd not held by WEHI.

	2024 \$'000	2023 \$'000
Balance at beginning of period	-	-
NCI at acquisition of subsidiary	9	-
NCI share of net profit	-	-
	9	-

14. Notes to statement of cash flows

14.1 Reconciliation of cash

For the purposes of the statement of cash flows, cash includes cash on hand, cash at bank, monies held at trust and investments in money market instruments, net of outstanding bank overdrafts.

Cash at the end of the financial period as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	2024 \$'000	2023 \$'000
Cash	28,388	23,821
Deposits at call	49,428	60,239
	77,816	84,060
Represented by:		
Cash held at bank	77,495	83,710
Cash balances not available for use		
Monies held in trust - staff salary packaging deposits	321	350
	77,816	84,060

14.2 Reconciliation of net surplus to net cash flows from operating activities

	2024 \$'000	2023 \$'000
Net deficit	(28,076)	(42,143)
Depreciation and amortisation	17,456	14,185
Loss on disposal of property, plant and equipment	1,101	-
Donations and bequests moved to Permanent funds	(3,705)	(161)
Fair value adjustment for investments (FVTPL)	(10,704)	(3,501)
Dividend reinvestment plans	(2,109)	(22)
Grants and donations for capital works	(502)	(669)
Unrealised foreign exchange gain	(2,207)	(1,010)
Shares received as donations	(1,087)	(26)
Other loss	120	-
Share of profits of equity accounted investments	1,266	(457)
Gain on bargain purchase	(16)	-
	(28,463)	(33,804)
Changes in net assets and liabilities:		
Trade and other receivables	9,943	(4,988)
Repayment of loans receivable in financing activities	(1,425)	-
Prepayments	(381)	(1,219)
Trade and other payables	(9,617)	(3,840)
Current provisions	(1,281)	1,355
Unearned grants and fellowships	(2,043)	15,695
Other liabilities	(636)	(484)
Non-current provisions	(744)	(1,536)
Net cash from operating activities	(34,647)	(28,821)

14.3 Non-cash financing and investing activities

During the financial period, dividends of \$2,109,000 (2023: \$22,000) were reinvested as part of dividend and distribution reinvestment plans.

15. Segment information

WEHI is a medical research organisation focussed on the nationally and globally significant areas of health being Cancer Research and Treatments, Healthy Development and Ageing, Infection, Inflammation and Immunity, Computational Biology and New Medicines and Advanced Technologies. All operations are predominantly in Australia.

16. Subsidiaries

WEHI's controlled entities are detailed below.

Name	Country of incorporation	% equity interest	
		2024	2023
Nelcanen Therapeutics Pty Ltd ⁽¹⁾	Australia	100%	100%
WEHI Ventures Pty Ltd atf 66ten Unit Trust ⁽²⁾	Australia	100%	100%
Ternarx Pty Ltd ⁽³⁾	Australia	100%	0%
Research Code Pty Ltd ⁽⁴⁾	Australia	65%	0%
Proxima Bio Pty Ltd ⁽⁵⁾	Australia	0%	100%

1. Control exists via WEHI being the sole member of Nelcanen Therapeutics Pty Ltd since 31 May 2022.
2. Control exists via WEHI being the sole beneficiary of WEHI Ventures Pty Ltd atf 66ten Unit Trust since 1 June 2023.
3. Control exists via WEHI being the sole member of Ternarx Pty Ltd since 22 May 2024.
4. Control exists via WEHI being the primary member of Research Code Pty Ltd since 26 June 2024.
5. WEHI's control of Proxima Bio Pty Ltd ceased on 24 May 2024 on the dilution of its shareholding. Significant influence was maintained (see note 17).

16.1 Summarised financial information for subsidiaries

	Nelcanen Therapeutics Pty Ltd \$'000	WEHI Ventures Pty Ltd atf 66ten Unit Trust \$'000	Ternarx Pty Ltd \$'000	Research Code Pty Ltd \$'000
Assets				
Total bank	-	-	-	128
Total current assets	-	226	-	19
Non-current assets	-	2,959	-	-
Total assets	-	3,185	-	147
Liabilities				
Current liabilities	-	-	-	2
Non-current liabilities	-	-	-	-
Total liabilities	-	-	-	2
Net assets	-	3,185	-	145
Equity	-	5,195	-	144
(Loss) for the period	-	(2,010)	-	1
Total equity	-	3,185	-	145

Recognition and measurement

The consolidated financial statements of the Group comprise the financial statements of WEHI and all its subsidiaries. An entity, including a structured entity, is considered a subsidiary of the Group when it is determined that WEHI has control over the entity. Control exists when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group assess power by examining existing rights that give WEHI the current ability to direct relevant activities of the entity. The effect of all transactions between the Group are eliminated on consolidation.

17. Investments in associates and joint ventures

	Carrying value		Other gain/(loss)		Share of profits/ (losses)		% of ownership interest		Measurement method
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 %	2023 %	
Jumar Bioincubator Limited ⁽¹⁾	6,521	7,763	-	-	(1,242)	1,301	33.3%	33.3%	Equity
Catalyst Therapeutics Pty Ltd ⁽²⁾	-	-	-	-	-	-	36.4%	39.9%	Equity
Proxima Bio Pty Ltd ⁽³⁾	1,213	-	(120)	-	(167)	-	23.0%	100.0%	Equity
Transcendomics Pty Ltd ⁽⁴⁾	143	-	-	-	143	-	20.0%	0.0%	Equity
Victorian Comprehensive Cancer Centre Limited (VCCC) ⁽⁵⁾	-	-	-	-	-	(844)	0.0%	10.0%	Joint Control until 31/10/23
	7,877	7,763	(120)	-	(1,266)	457			

(1) Jumar Bioincubator Limited (formerly Biotech Incubator Limited)

WEHI, CSL Ltd and the University of Melbourne have come together to create a start-up incubator to support and grow early-stage Australian biotech companies. The incubator was opened in 2023 and is able to accommodate up to 40 early-stage companies from around Australia. WEHI has contributed funding along with its partners, in addition to funding from the Victorian Government's new landmark Breakthrough Victoria Fund.

(2) Catalyst Therapeutics Pty Ltd (Catalyst) is a joint venture between WEHI and SYNthesis Research Pty Ltd. Catalyst facilitates and accelerates the commercialisation of small molecule drug discoveries originating at the Institute. Catalyst owns 100% of equity in Anaxis Pharma Pty Ltd, an Australian Biotech company developing novel inhibitors / modulators of cell death, specifically necroptosis, an inflammatory form of programmed cell death. In 2024 Catalyst raised further capital which diluted WEHI's shareholding down to 36.4%. The carrying value of Catalyst was maintained at nil due to the associate's accumulated losses and expected ongoing losses.

(3) Proxima Bio Pty Ltd is a WEHI spinout dedicated to advancing Bio TACs, the next generation of medicines based on engineered nanobody technology. The therapies target disease-causing proteins and hold significant promise for treating autoimmune diseases and cancers. In 2024, Proxima had some capital restructures inviting capital injection from external investors and as a result WEHI was no longer deemed to have control, but retained significant influence with its 8% shareholding and 15% through WEHI Ventures Pty Ltd atf 66ten Unit Trust (66ten), a wholly-owned subsidiary.

(4) Transcendomics Pty Ltd was established by Melbourne Genomics Health Alliance (MGHA) which WEHI is a member. It's product, Genomical, is a genomic data management platform that makes genomic testing safer, easier, and scalable for labs.

(5) WEHI is a Member of the Victorian Comprehensive Cancer Centre Joint Venture (the VCCC) and until October 2023, WEHI held joint control over the arrangement, which was classified as a Joint Operation. In October 2023, the VCCC enacted governance changes which resulted in WEHI no longer having joint control and as a result it is no longer able to carry any joint controlling interests. WEHI has derecognised their share of the assets and liabilities of the VCCC and the impact of this has been included in last year's share of profits from investments.

17.1 Summarised financial information for associates and joint control

	Jumar Bioincubator Limited		Catalyst Therapeutics Pty Ltd		Proxima Bio Pty Ltd		Transcendomics Pty Ltd	
Summarised balance sheet	31 Dec 24	31 Dec 23	31 Dec 24	31 Dec 23	31 Dec 24	31 Dec 23	31 Dec 24	31 Dec 23
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets								
Total bank	828	4,186	1,994	2,057	5,185	322	1,494	-
Total current assets	37	32	25	-	18	-	140	-
Non-current assets	24,742	26,835	10	172	64	-	-	-
Total Assets	25,607	31,053	2,029	2,229	5,267	322	1,634	-
Liabilities								
Current liabilities	729	574	1,071	2,051	(7)	322	918	-
Non-current liabilities	5,316	7,191	-	-	-	-	-	-
Total liabilities	6,045	7,765	1,071	2,051	(7)	322	918	-
Net assets	19,562	23,288	958	178	5,274	-	716	-
Equity	19,562	23,288	958	178	5,274	-	716	-
Total equity	19,562	23,288	958	178	5,274	-	716	-
Reconciliation to carrying amounts								
Profit/(Loss) for the period	(3,726)	3,902	(4,492)	(4,795)	(726)	-	716	-
Additional share capital	-	-	5,272	11,719	6,000	-	-	-
Closing net assets	19,562	23,288	958	178	5,274	-	716	-

Recognition and measurement

Associates are entities which WEHI has significant influence but do not control or has joint control. This is generally the case where WEHI holds between 20% and 50% of the voting rights. WEHI's investments in associates are accounted for using the equity method of accounting. The investments are initially recognised at cost and adjusted thereafter to recognise WEHI's share of the post-acquisition profits or losses of the associate in profit or loss, and WEHI's share of movements in other comprehensive income of the associate in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Where WEHI's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, WEHI does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity. Accounting policies of equity-accounted associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

18. Related parties

Related parties of WEHI include all key management personnel (KMP) and their close family members; controlled entities; entities with significant influence and jointly controlled operations. KMPs are those people with the authority and responsibility for planning, directing and controlling the activities of WEHI, directly or indirectly. The Board of Directors and the Directors of WEHI and its controlled entities are deemed to be KMPs.

18.1 Transactions with subsidiaries

Balances and transactions between the parent company and its subsidiaries, which related parties, have been eliminated on consolidation and are not disclosed in this note. Transactions between the group and its associates / joint ventures are disclosed below.

18.2 Trading transactions

	Sale of goods		Purchase of goods	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Anaxis Pharma Pty Ltd (subsidiary of Catalyst Therapeutics Pty Ltd)	743	1,551	-	-
Proxima Bio Pty Ltd	1,001		(181)	-
	1,744	1,551	(481)	-

The following amounts were outstanding at the reporting date:

	Amounts owed by related parties		Amounts owed to related parties	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Anaxis Pharma Pty Ltd (subsidiary of Catalyst Therapeutics Pty Ltd)	751	1,551	-	-
Jumar Bioincubator Limited	1,605	2,230	-	-
	2,356	3,781	-	-

18.3 Transactions with directors and director-related entities

During the year various directors and director-related entities made donations to WEHI totalling \$1,092,350 (2023: \$226,050).

18.4 Compensation for key management personnel

Key Management Personnel (KMP)s are individuals with authority and responsibility for planning, directing and controlling the activities of WEHI, directly or indirectly. The Board of Directors and the Executives of WEHI are deemed to be KMPs.

The aggregate compensation of the key management personnel of WEHI is set out below:

	2024	2023
	\$'000	\$'000
a) Short-term employee benefits	3,250	2,169
b) Post-employment benefits	443	304
c) Other long-term employee benefits	12	170
d) Termination benefits	109	613
	3,814	3,256

18.4.1 Directors' remuneration

The Board of Directors of the Walter and Eliza Hall Institute of Medical Research during the period were:

Directors	Name
President	Jane Hemstritch AO
Vice President	Professor Sir John Savill
Honorary Treasurer	Geoff Roberts
Board Member	Malcolm Broomhead AO
Board Member	John Dyson
Board Member	Marie McDonald
Board Member	Pippa Connolly
Board Member	Professor Jane Gunn AO
Board Member	Kee Wong
Board Member	Dr Angeli Weller
Board Member	Professor Shelley Dolan (appointed 1-Jan-24)
Board Member	Paul Donnelly (appointed 14-Mar-24)
Board Member	Professor Mark Cassidy (appointed 27-Aug-24)
Board Member	Professor Duncan Maskell (resigned 16-Aug-24)
Board Member	Carolyn Viney (resigned 6-Dec-24)

The aggregate income paid or payable, or otherwise made available, in respect of the financial period, to all directors of WEHI, directly or indirectly, by WEHI or by any related party was nil (2023: nil).

Aggregate retirement benefits paid to all directors of WEHI, by WEHI or by any related party was nil (2023: nil).

19. Auditor's remuneration

	2024 \$'000	2023 \$'000
Audit of the financial statements	93	80
Other regulatory audit services	6	8
	99	88

20. Economic dependency

WEHI is reliant upon grants from the Australian Government through National Health and Medical Research Council for 20.0% of operating expenditure (2023: 20.7%) and The State of Victorian through Department of Jobs, Skills, Industry and Regions for 4.3% of operating expenditure (2023: 4.0%) for support of its basic research activities.

21. Financial risk management

21.1 Capital risk management

WEHI manages its capital to ensure it will be able to continue as a going concern whilst maximising its return on investments within the risk profile maintained by WEHI. The capital structure consists of Permanent fund, General fund, Leadership fund, Discovery fund and Investment revaluation reserve.

21.2 Financial risk management

WEHI minimises financial risk through the charter given to the investment sub-committee. In line with this charter, WEHI invests short term funds in an appropriate combination of fixed and floating instruments.

21.3 Interest rate risk management

WEHI is exposed to interest rate risk as it invests funds at both fixed and floating interest rates. The majority of financial assets in this class are bank accounts, bank bills and fixed interest securities with varying interest rates.

21.4 Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period. A 25 basis point variation was used as the minimum point and 100 basis point variation as the maximum point. This is consistent with the management's view of interest rate sensitivity. A change in interest rates would impact net results as follows:

Interest rate risk	Minimum 25 bp (+/-)		Maximum 25 bp (+/-)	
	Dec 24 \$'000	Dec 23 \$'000	Dec 24 \$'000	Dec 23 \$'000
Effect on surplus - rate decrease	(540)	(580)	(2,159)	(2,320)
Effect on surplus - rate increase	540	580	2,159	2,320

21.5 Equity price sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to equity price risks at the reporting date. At reporting date, if the equity prices had been 5% higher or lower:

- net surplus for the year ended 31 December 2024 would have been unaffected as the equity investments are classified as not held for trading and the fair value through other comprehensive income (FVTOCI) election has been made under AASB 9.
- investment revaluation reserve would increase or decrease by \$19.9 million (2023: \$17.9 million) mainly as a result of the changes in fair value of these equity investments.

WEHI's sensitivity to equity prices has not changed significantly from the prior year.

21.6 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to WEHI. WEHI has adopted a policy of only dealing with creditworthy counter parties as a means of mitigating the risk of financial loss from defaults. WEHI's exposure is continuously monitored and reviewed. Trade receivables consist of a large number of customers including granting bodies. WEHI does not have a significant credit exposure to any single party or any group of counter parties having similar characteristics. The carrying amount of financial assets recorded in the financial statements represents WEHI's maximum exposure to credit risk.

21.7 Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, who have built an appropriate risk management framework for the management of WEHI's short, medium and long-term funding and liquidity management. WEHI manages the liquidity risk by maintaining adequate cash reserves, and by continuously monitoring forecast and actual cash flows while matching the maturity profiles of financial assets. Given the current surplus cash assets, once unearned grants and fellowships is excluded, liquidity risk is minimal. The contractual maturity for its non-interest-bearing financial liabilities is \$6.5 million payable within 3 months of 31 December 2024 (2023: \$12.9 million).

21.8 Fair value

The carrying amount of WEHI's financial assets and financial liabilities recorded in the financial statements approximates their fair values. The fair value of financial assets with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.

21.9 Interest rate risk

The following table details WEHI's exposure to interest rate risk as at 31 December 2024 and 31 December 2023

	Average interest rate	Variable interest rate	Fixed Less than 1 year	Fixed 1 to 5 years	Fixed Over 5 years	Non- Interest Bearing	TOTAL
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
31 December 2024							
Financial assets							
Cash and cash equivalents	3.45%	77,816	-	-	-	-	77,816
Trade and other receivables		-	-	-	-	24,193	24,193
Equity investments		-	-	-	-	397,345	397,345
Managed funds		-	-	-	-	80,803	80,803
Floating rate securities	7.05%	-	7,561	15,826	114,759	-	138,146
Fixed rate securities	4.90%	-	17,688	17,534	26,326	-	61,548
Unlisted shares		-	-	-	-	3,629	3,629
		77,816	25,249	33,360	141,085	505,970	783,480
Financial liabilities							
Trade and other payables		-	-	-	-	12,407	12,407
Other liabilities		-	-	-	-	320	320
Lease liabilities	4.85%	-	660	717	-	-	1,377
Unearned grants and fellowships		-	-	-	-	73,720	73,720
		-	660	717	-	86,447	87,824
31 December 2023							
Financial assets							
Cash and cash equivalents	3.68%	84,060	-	-	-	-	84,060
Trade and other receivables		-	-	-	-	34,137	34,137
Equity investments		-	-	-	-	358,705	358,705
Managed funds		-	-	-	-	59,415	59,415
Floating rate securities	6.98%	-	22,413	65,219	68,438	-	156,070
Fixed rate securities	4.71%	-	10,519	33,484	26,572	-	70,575
Unlisted shares		-	-	-	-	2,375	2,375
		84,060	32,932	98,703	95,010	454,632	765,337
Financial liabilities							
Trade and other payables		-	-	-	-	22,025	22,025
Other liabilities		-	-	-	-	350	350
Lease liabilities	4.85%	-	605	1,378	-	-	1,983
Unearned grants and fellowships		-	-	-	-	75,763	75,763
		-	605	1,378	-	98,138	100,121

22. Contingent liability

WEHI is defending a breach of contract claim in the United States District Court for the Southern District of New York, the outcome of which is not expected this year.

Separately, other legal claims and exposures may arise from the ordinary course of business. There is significant uncertainty as to whether such future liability may arise, or the amount of any such liability.

23. Events after the reporting period

The directors are not aware of any other matter or circumstance which has arisen since the end of the financial year which has significantly affected or may significantly affect the operations of WEHI, results of those operations or the state of affairs of WEHI in subsequent financial years.

24. Parent entity information

The parent entity financial information shown below has been prepared using accounting policies consistent with those applied in the consolidated financial statements.

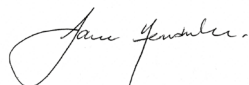
Financial position	2024 \$'000	2023 \$'000
Assets		
Current assets	111,268	121,901
Non-current assets	887,999	854,564
Total assets	999,267	976,465
Liabilities		
Current liabilities	122,731	128,498
Non-current liabilities	22,972	24,376
Total liabilities	145,703	152,874
Net assets	853,564	823,591
Funds	681,885	705,507
Reserves	171,679	118,084
Total equity	853,564	823,591

Directors' declaration

The directors of WEHI declare that:

- (a) in the directors' opinion, there are reasonable grounds to its debts as and when they become due and payable; and
- (b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

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



Jane Hemstritch
President
Melbourne, 14 March 2025



Geoff Roberts
Treasurer

14 March 2025

The Board of Directors
The Walter and Eliza Hall Institute of Medical Research
1G Royal Parade
Parkville VIC 3052

Dear Board Members

Auditor's Independence Declaration to The Walter and Eliza Hall Institute of Medical Research

In accordance with section 60-40 of the *Australian Charities and Not-for-Profits Commission Act 2012*, I am pleased to provide the following declaration of independence to the Directors of The Walter and Eliza Hall Institute of Medical Research.

As lead audit partner for the audit of the financial report of The Walter and Eliza Hall Institute of Medical Research for the year ended 31 December 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- The auditor independence requirements of the *Australian Charities and Not-for-Profits Commission Act 2012* in relation to the audit; and
- Any applicable code of professional conduct in relation to the audit

Yours faithfully



DELOITTE TOUCHE TOHMATSU



Sandra Lawson
Partner
Chartered Accountants

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Asia Pacific Limited and the Deloitte organisation.

Independent Auditor's Report to the Members of The Walter and Eliza Hall Institute of Medical Research

Opinion

We have audited the financial report of The Walter and Eliza Hall Institute of Medical Research (the "Entity") and its subsidiaries (the "Group") which comprises the consolidated statement of financial position as at 31 December 2024, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and the declaration by the Directors.

In our opinion, the accompanying financial report of the Group is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* (the "ACNC Act"), including:

- (i) giving a true and fair view of the Group's financial position as at 31 December 2024 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2022*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the ACNC Act and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the "Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 December 2024 but does not include the financial report and our auditor's report thereon.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The Directors of the Entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the ACNC Act and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Asia Pacific Limited and the Deloitte organisation.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.


DELOITTE TOUCHE TOHMATSU



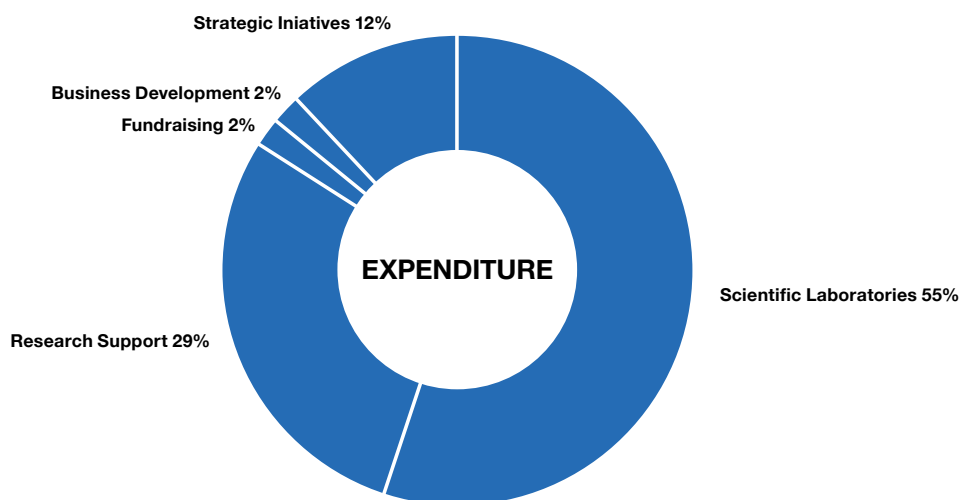
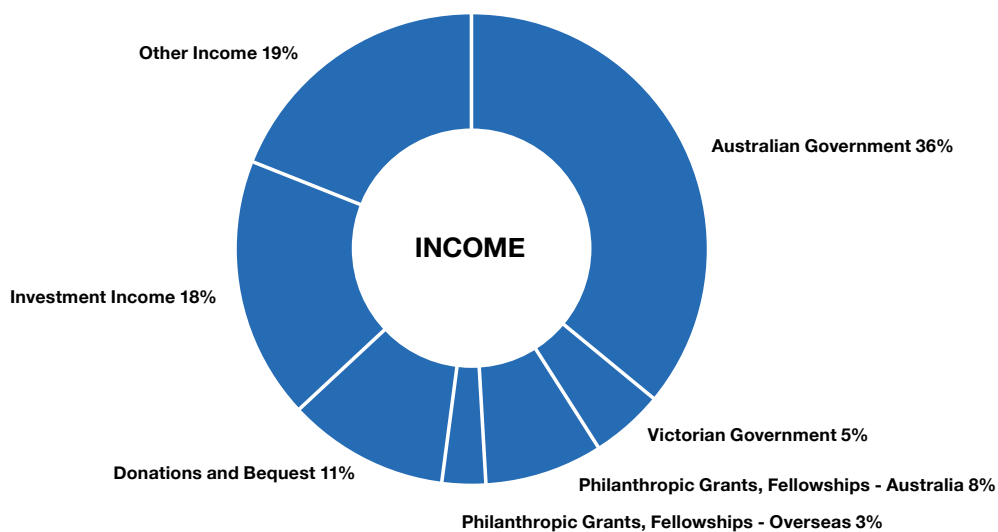
Sandra Lawson
Partner
Chartered Accountants
Melbourne, 17 March 2025

Statistical summary

for the year ended 31 December 2024

	2024 \$'000	2023 \$'000	2022 \$'000	2021 \$'000	2020 \$'000
Operating revenue					
Australian Government	63,599	56,864	56,930	59,900	64,798
Victorian Government	9,633	9,175	9,598	9,883	10,311
Foreign governments	1,217	725	380	35	-
Government revenue	74,449	66,764	66,909	69,818	75,109
Industrial grants and contracts	16,411	20,732	17,588	12,181	13,439
Philanthropic grants and fellowships - Australia	14,059	15,874	10,510	12,563	9,870
Philanthropic grants and fellowships - international	4,746	6,119	6,007	2,885	4,649
Investment income	32,677	33,221	35,740	29,518	19,996
Royalty income	5,249	611	2,434	770	1,654
General revenue	9,594	7,481	7,300	9,105	6,842
Donations and bequests	20,399	20,958	31,949	28,227	26,522
Royalty monetisation revenue	-	-	-	27,590	38,961
Non-government revenue	103,135	104,996	111,528	122,839	121,933
Total revenue	177,584	171,760	178,437	192,657	197,042
Operating expenditure					
Staff costs	142,812	137,819	121,581	109,662	102,547
Scientific laboratories	28,988	29,718	26,535	24,561	20,212
Building operations	7,910	6,544	6,254	5,585	5,092
Administration	20,918	24,874	13,233	14,716	11,520
Fundraising	906	919	911	518	502
Business development	1,927	3,423	2,355	9,200	2,725
Allowance for credit loss increase/(decrease)	(801)	1,551	-	(32)	(30)
Royalty monetisation costs	-	-	-	(4,418)	2,239
Net foreign exchange loss/(gain)	(2,544)	(1,010)	(6,413)	(4,669)	10,282
Total expenditure	200,126	203,838	164,455	155,123	155,089
Results from operating activities	(22,542)	(32,078)	13,981	37,534	41,953
Other income					
Profit/(loss) on sale of long-term assets	-	-	-	161	(135)
Fair value gain/(loss) on investments	10,704	3,501	(8,432)	10,549	816
Share of profits/(loss) of equity accounted investments	(1,266)	457	2,011	-	-
Gain on merger	-	-	4,068	-	-
Donations and bequests capitalised to Permanent Funds	3,705	161	1,620	26,659	673
Loss on disposal of property, plant and equipment	(1,101)	-	-	-	-
Other loss	(120)	-	-	-	-
Total other income	11,922	4,119	(733)	37,369	1,354
Other expenses					
Depreciation and amortisation	(17,456)	(14,185)	(13,746)	(12,959)	(11,871)
Impairment of property, plant and equipment	-	-	(142)	(4,422)	-
Total other expenses	(17,456)	(14,185)	(13,888)	(17,381)	(11,871)
Net operating (deficit)/surplus	(28,076)	(42,144)	(640)	57,522	31,436
Capital funds					
Permanent invested capital funds	240,666	244,672	240,122	229,672	202,322
General funds	395,684	416,697	408,197	419,077	394,285
Royalty fund	-	-	55,822	56,389	56,135
Leadership fund	37,880	37,353	35,259	30,225	28,927
Discovery fund	4,532	6,785	6,341	5,746	5,484
Investment revaluation reserve	171,703	118,084	82,526	125,878	70,311
Non-controlling interest	9	-	-	-	-
Total funds	850,474	823,591	828,267	866,987	757,464
Capital expenditure					
Property, plant and equipment	12,886	15,146	15,266	15,710	24,195
Staff numbers: (FTE)	2024	2023	2022	2021	2020
Scientific research staff:					
- Senior faculty	77	80	82	74	85
- Postdoctoral scientists	265	285	276	252	224
- Visiting scientists	5	7	12	8	32
- Other laboratory research staff	339	345	347	313	240
Supporting staff:					
- Other support services	220	223	193	180	177
Total staff and visiting scientists	906	940	910	827	758
Students	213	182	197	194	159
Papers published	483	478	484	477	424

The period at a glance

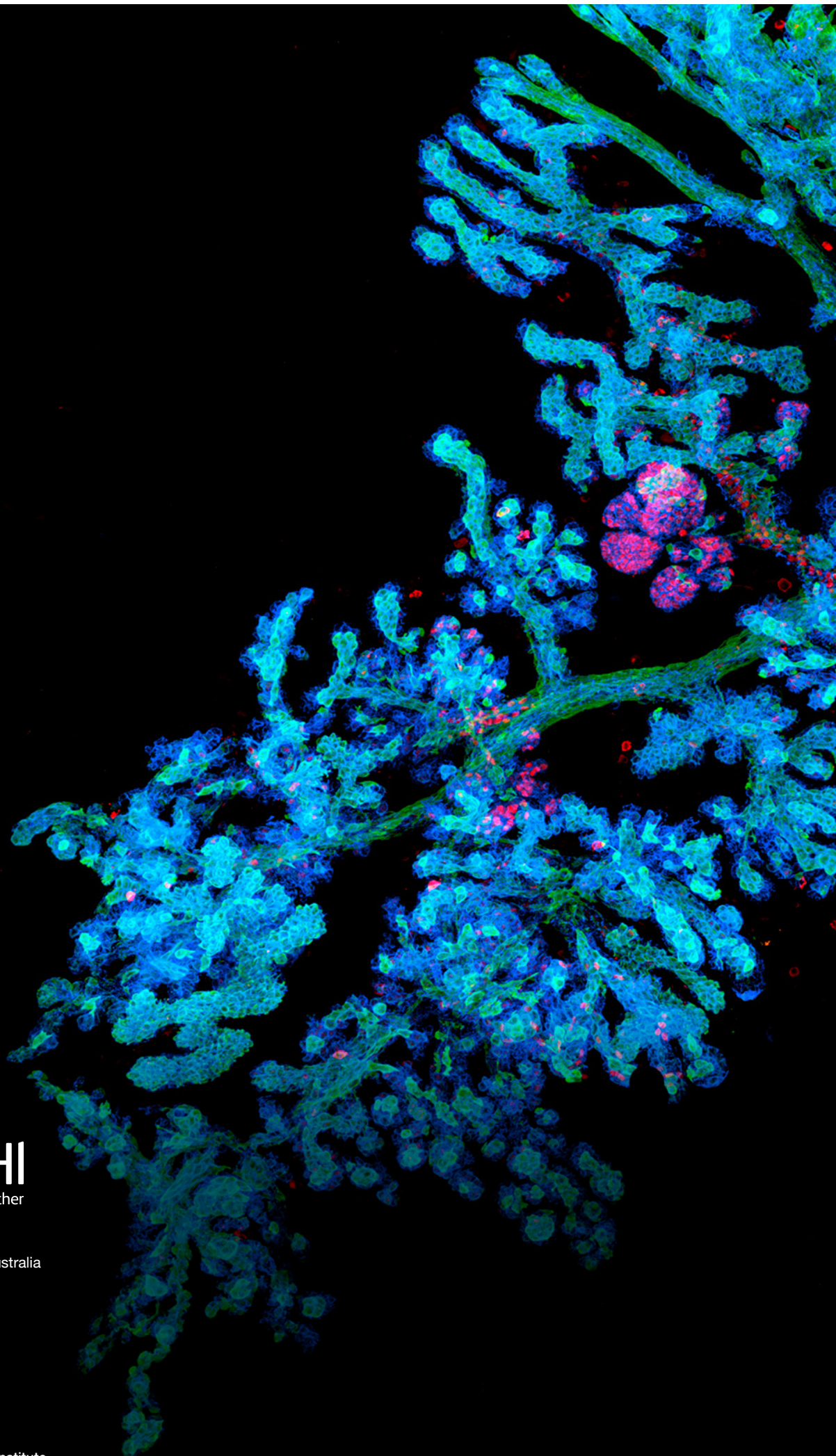


The Year In Brief

	2024 \$'000	2023 \$'000
Income from operations	177,584	171,760
Expenditure in operations	(221,003)	(217,786)
Non operating items	15,343	3,883
Net deficit	(28,076)	(42,143)
Number of staff and visiting scientists (FTE)	906	940
Number of postgraduate students (FTE)	213	182
Total staff and students (FTE)	1,119	1,122

Notes


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