

McGARVIE SMITH INSTITUTE

**ANNUAL REPORT
FOR THE YEAR ENDED
30 JUNE 2024**

McGARVIE SMITH INSTITUTE

**ANNUAL REPORT
FOR THE YEAR ENDED
30 JUNE 2024**

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The financial report covers McGarvie Smith Institute as an individual entity. The financial report is presented in the Australian currency.

The financial report was authorised for issue by the trustees on 9 December 2024. The Trust has the power to amend and reissue the financial report.

McGARVIE SMITH INSTITUTE


TRUSTEES' REPORT

For the year ended 30 June 2024, the Trustees' report the following:

- I. a. The Trustees reaffirm the policy of making available the maximum funds to appropriate research projects whilst collaterally maintaining a capital base at a level above the rate of inflation. Grants approved and paid this year of \$126,668 were directed to research in the following areas:
 - University of Sydney for a study of improving success of in-vitro embryo production using AI;
 - NSW Department of Primary Industries - gene editing in Australian merino sheep, gene expression study and amplicon sequencing;
 - NSW Department of Primary Industries - genomic microbial surveillance: the infectome of NSW dairy calves;
 - NSW Department of Primary Industries - spatial epidemiology and GIS for enhancing NSW biosecurity;
 - Charles Sturt University – metabolic measures and leptin at puberty as indicators of longevity and health;
 - Charles Sturt University – microbial enhancement for improved compost bedding and dairy cow health;
 - b. The maturity dates of the Institute's cash investments have been staggered over the medium term while sufficient short term investments will cover forthcoming commitments and anticipated research applications.
2. With respect to the Financial Report of the Institute:
 - a. The results of the Institute's operations for the year covered by the Income Statement have not been materially affected by items of an unusual character.
 - b. No circumstances have arisen which render adherence to the existing method of valuation of assets or liabilities of the Institute misleading or inappropriate.
 - c. There are no commitments which will become enforceable within the succeeding period of twelve months which will materially affect the Institute in its ability to meet its obligations as and when they fall due.
 - d. Current assets will realise values at which they are shown in the Statement of Financial Position.
 - e. The Income Statement of the Institute is drawn up so as to present fairly the results of the business of the Institute for the year covered by the Financial Report and the Balance Sheet is drawn up so as to present fairly the state of affairs of the Institute at the end of the year.

By and on Behalf of the Trustees

Chairman of Trustees



Trustee

Sydney

Dated: 9 Dec 2024

McGARVIE SMITH INSTITUTE

**STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 JUNE 2024**

	Note	2024	2023
INCOME		\$	\$
Interest Received			
AMP		7,655	4,522
ATO		133	394
ME Bank		40,704	26,920
Macquarie Bank		16,414	8,579
National Australia Bank		6,170	-
Suncorp Bank		5	3
		71,081	40,418
Distributions from Trusts			
Perls VI		7,229	6,845
		7,229	6,845
Dividends Received			
Australia and New Zealand Banking Group Limited		8,649	7,215
BHP Billiton Limited		11,668	19,468
Coles Group		2,082	2,082
Commonwealth Bank of Australia		14,715	13,583
Challenger Limited		-	3,850
CSR Limited		4,305	4,244
Estia Health Limited		4,400	1,357
Endeavor Group Limited		-	711
Janus Henderson Group Plc		2,356	4,507
National Australia Bank		8,308	7,512
Pendal Group		-	4,303
Perpetual Limited		5,342	1,380

The above statement should be read
in conjunction with the accompanying notes.

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001**

To the Trustees of McGarvie Smith Institute

I declare to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2024 there has been:

- no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.



.....
Baker Taylor Pty Limited

Chartered Accountants

Alan Baker

Director

North Sydney

Dated 14/5/2025

**INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEES OF THE
McGARVIE SMITH INSTITUTE**

Scope

The financial report and trustees' responsibility

The financial report comprises the income statement, balance sheet, statement of changes in equity, cash flow statement, accompanying notes to the financial statements for The McGarvie Smith Institute (the "Trust"), for the year ended 30 June 2024.

The trustees of the Trust are responsible for the preparation and true and fair presentation of the financial report in accordance with the McGarvie Smith Institute Incorporation Act 1928. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

We have conducted an independent audit in order to express an opinion to the trustees of the Trust. Our audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, a view which is consistent with our understanding of the Trust's financial position, and of its performance by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

While we considered the effectiveness of management's controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.



BAKER • TAYLOR
ACCOUNTING & BUSINESS SERVICES

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001. We confirm that our independence status is that as indicated in our Auditor's Independence Declaration dated 14 May 2025.

Audit Opinion

In our opinion, the financial report presents fairly in accordance with the McGarvie Smith Institute Incorporation Act, 1928 and other mandatory professional reporting requirements, the financial position of McGarvie Smith Institute as at 30 June 2024 and its performance for the year then ended.

Baker Taylor Pty Limited
Chartered Accountants

Alan Baker
Director

North Sydney:
Dated: 14/5/2025



McGARVIE SMITH INSTITUTE

**STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 JUNE 2024
(Continued)**

	Note	2024 \$	2023 \$
South32 Limited		1,693	5,373
WAM Capital Limited		11,625	11,625
Wesfarmers Limited		7,983	7,736
Westpac Banking Corporation		11,252	9,308
Woodside Petroleum Limited		9,140	15,887
Woolworths Limited		2,603	2,454
Telstra Corporation Limited		2,888	2,805
		109,009	125,400
Other Income			
Refund of Imputation Credits		45,503	52,967
Profit/(Loss) on Sale of Non-Current Assets		(14,104)	(61,487)
Other Income		1,166	-
		32,565	(8,520)
TOTAL INCOME		219,884	164,143
EXPENSES			
Audit and Accountancy Fees	2	19,271	13,829
Investment Advice		12,881	12,282
Secretarial Fees		28,188	27,500
Sundry Expenses		5,585	2,500
Trustees' Fees		3,368	3,368
TOTAL EXPENSES		69,293	59,479
 OPERATING PROFIT		 150,591	 104,664

The above statement should be read
in conjunction with the accompanying notes.

McGARVIE SMITH INSTITUTE

**STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 JUNE 2024
(Continued)**

	Note	2024 \$	2023 \$
OPERATING PROFIT BROUGHT FORWARD		150,591	104,664
LESS: RESEARCH GRANTS			
University of Sydney			
- Comparative analysis of footrot microbiome and resistomes		-	(66,440)
- Effects of Haemaphysalis longicornis and Theileria parasitism on cattle responsiveness to vaccines		-	(32,765)
- Improving success of in-vitro embryo production using AI		(25,000)	-
- Refund of Development of recombinant antigen for vaccine, control and prevention of footrot		67,372	69,470
NSW Department of Primary Industries			
- Gene editing in Australian merino sheep		(9,660)	(19,333)
- Comparison of Elastase Virulence Test		-	(14,000)
- Genomic Microbial Surveillance: The infectome of NSW dairy calves		(50,000)	-
- Gene expression study		(59,112)	-
- Amplicon Sequencing		(56,885)	-
- Spatial Epidemiology and GIS for Enhancing NSW Biosecurity		(7,500)	-
- OJD Sheep Research		38,116	-
Charles Sturt University			
- Metabolic Measures and Leptin at puberty as indicators of longevity and health		(11,000)	
- Microbial enhancement for improved compost bedding and dairy cow health		(13,000)	
TOTAL RESEARCH GRANTS		(126,668)	(63,068)

The above statement should be read
in conjunction with the accompanying notes.

McGARVIE SMITH INSTITUTE

STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 JUNE 2024
(Continued)

	Note	2024	2023
		\$	\$
NET (LOSS)/PROFIT AFTER PAYMENT OF RESEARCH GRANTS		23,923	41,596
Retained Profits at the Beginning of the Financial Year		3,433,247	3,391,651
RETAINED PROFITS AT THE END OF THE FINANCIAL YEAR		<u>3,457,170</u>	<u>3,433,247</u>

The above statement should be read
in conjunction with the accompanying notes.

McGARVIE SMITH INSTITUTE

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024**

	Note	2024 \$	2023 \$
CURRENT ASSETS			
Cash and Cash Equivalents	3	785,304	589,876
Receivables	4	52,517	57,760
Financial Assets	5	1,533,729	1,235,370
TOTAL CURRENT ASSETS		2,371,550	1,883,006
NON-CURRENT ASSETS			
Financial Assets	5	1,428,439	1,890,805
TOTAL NON-CURRENT ASSETS		1,428,439	1,890,805
TOTAL ASSETS		3,799,989	3,773,811
CURRENT LIABILITIES			
Payables	6	38,728	36,472
TOTAL CURRENT LIABILITIES		38,728	36,472
TOTAL LIABILITIES		38,728	36,472
NET ASSETS		3,761,261	3,737,339
EQUITY			
Reserves		304,091	304,091
Retained Profits		3,457,170	3,433,247
TOTAL EQUITY		3,761,261	3,737,338

The above statement should be read
in conjunction with the accompanying notes.

McGARVIE SMITH INSTITUTE

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2024**

	Note	2024	2023
		\$	\$
EQUITY MOVEMENT			
Opening Balance		3,737,338	3,695,742
Current Year Profit/(Loss)		23,923	41,596
Closing Balance		<u>3,761,261</u>	<u>3,737,338</u>

The above statement should be read
in conjunction with the accompanying notes.

McGARVIE SMITH INSTITUTE

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2024**

	Note	2024 \$	2023 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest, Dividend and Trust Distributions Received		193,093	235,804
Cash Payments in the course of operations		(69,260)	(51,059)
Grants Paid		(126,668)	(63,067)
Net Cash Provided by/(Used in) Operating Activities	9ii	(2,835)	121,678
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from Investments		448,262	505,122
Payments for Investments		(250,000)	(226,115)
Net Cash Provided by/(Used in) Investing Activities		198,262	279,007
NET INCREASE/(DECREASE) IN CASH HELD			
Cash at the Beginning of the Financial Year		195,427	400,685
CASH AT THE END OF THE FINANCIAL YEAR	9i	589,877	189,192

**The above statement should be read
in conjunction with the accompanying notes.**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

1 BASIS OF PREPARATION

The financial report is a special purpose financial report prepared to satisfy the financial report preparation requirements of the McGarvie Smith Institute Incorporation Act, 1928. The trustees have determined that the company is not a reporting entity.

McGarvie Smith Institute is an entity limited by shares, incorporated and domiciled in Australia.

The financial statements were approved by the Trustees on 9 December 2024.

Basis of Preparation

The report has been prepared in accordance with the requirements of the McGarvie Smith Institute Incorporation Act, 1928 and the following applicable Australian Accounting Standards and Urgent Issues Group Interpretations.

- AASB 101 – Presentation of Financial Statements
- AASB 107 – Cash Flow Statements
- AASB 108 – Accounting Policies, Changes in Accounting and Estimates and Errors
- AASB 110 – Events after the Balance Sheet Date; and
- AASB 1031 – Materiality

No other Accounting Standards, Urgent Issues Group Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

a Recognition of Income and Expenditure

With the exception of managed investments in the Bell Potter Portfolio account, income is brought to account when received and expenses are accounted for on an accruals basis.

b Investments

Investments are stated at average cost. The carrying amount of investments is reviewed annually by Trustees to ensure they are not in excess of the recoverable amount of these investments.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

1 BASIS OF PREPARATION (Continued)

c Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). 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 are stated with the amount of GST included.

Cash flows are included in the Statement of Cash Flows on a net basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

d Trade and Other Payables

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

e Financial Assets

Financial assets are recorded at average cost.

2024	2023
\$	\$

2 AUDITORS REMUNERATION

Total amount received and receivable by the auditors of the Institute for:

• Audit of the financial report – Baker Taylor Pty Ltd	5,127	5,192
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3 CASH AND CASH EQUIVALENTS

Current

Cash at Bank

- Macquarie Cash Management Account	785,085	589,662
- Suncorp Bank	219	214
	<u>785,304</u>	<u>589,876</u>

4 RECEIVABLES

Current

GST Receivable	7,015	4,793
2023 Franking Credit Refund	-	52,967
2024 Franking Credit Refund	45,503	-
	<u>52,518</u>	<u>57,760</u>

McGARVIE SMITH INSTITUTE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

5 FINANCIAL ASSETS

	2024	2023
	\$	\$
Current		
At Call Deposits		
- Members Equity Business Online Savings Account	1,022,559	981,855
- AMP Business Saver Account	261,170	253,515
	<u>1,283,729</u>	<u>1,235,370</u>
Term Deposits		
- NAB Term Deposit	250,000	-
	<u>-</u>	<u>-</u>
TOTAL CURRENT FINANCIAL ASSETS	<u>1,533,729</u>	<u>1,235,370</u>
Non-Current		
<i>Unsecured Notes (Market Value \$-)</i>		
- CBA Perls VI	-	150,000
	<u>-</u>	<u>-</u>
<i>Shares in Public Companies (Market Value \$2,023,634)</i>		
- ANZ Banking Group Limited - 4,942 shares	117,756	117,756
- BHP Group Limited - 4,972 shares	121,011	121,011
- Coles Group Limited - 3,155 shares	33,644	33,644
- Commonwealth Bank of Australia Limited - 3,234 shares	134,850	134,850
- CSR Limited – 0 shares	-	74,717
- Estia Health Limited - 0 shares	-	147,353
- Janus Henderson Group Plc - 0 shares	-	90,296
- National Australia Bank – 4,975 shares	122,752	122,752
- Perpetual Limited – 4,109 shares	101,311	101,311
- South32 Limited – 30,300 shares	124,804	124,804
- Telstra Corporation Limited – 16,500 shares	50,113	50,113
- WAM Capital Limited - 75,000 shares	175,604	175,604
- Wesfarmers Limited - 4,115 shares	129,331	129,331
- Westpac Banking Corporation - 6,946 shares	134,875	134,875
- Woodside Energy Limited - 4,232 shares	156,944	156,944
- Woolworths Group Limited - 2,479 shares	25,444	25,444
	<u>1,428,439</u>	<u>1,740,805</u>
TOTAL NON-CURRENT FINANCIAL ASSETS	<u>1,428,439</u>	<u>1,890,805</u>
TOTAL FINANCIAL ASSETS	<u>2,962,168</u>	<u>3,126,175</u>

McGARVIE SMITH INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

6 PAYABLES

	2024	2023
Current	\$	\$
Sundry Creditors	38,728	36,472

7 COMMITMENTS

The McGarvie Smith Roy Watts research Masters/PhD Scholarship involves offering one scholarship each year across a range of NSW universities for Masters or PhD students who work in the veterinary or related sciences and their research has a demonstrable benefit to the production livestock industries of NSW. A second scholarship may be offered depending on the quality of the research being undertaken. The institute is committed to spending up to \$10,000 for a scholarship each year. Further commitments will be subject to a review of the scholarship by the trustees on an annual basis.

McGARVIE SMITH INSTITUTE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

8 ADDITIONAL FINANCIAL INSTRUMENTS DISCLOSURE

a Interest Rate Risk

Interest Rate Risk Exposures

The Institute's exposure to interest rate risk and the effective weighted average interest rate for classes of financial assets and financial liabilities is set out below:

	Note	Weighted Average Interest Rate	Floating Interest Rate	Fixed Interest Maturing in		Non- Interest Bearing	Total
				1 Year or Less	Over 1 to 5 Years		
2024			\$	\$	\$	\$	\$
Financial Assets							
Cash assets	3	2.90%	785,304	-	-	-	785,304
Receivables	4	-	-	-	-	52,518	52,518
Financial Assets	5	7.11%	1,428,439	1,533,729	-	-	2,962,168
Financial Liabilities							
Payables	6					38,728	38,728
2023			\$	\$	\$	\$	\$
Financial Assets							
Cash assets	3	1.85%	589,876	-	-	-	589,876
Receivables	4	-	-	-	-	57,760	57,760
Financial Assets	5	6.02%	1,890,805	1,235,370	-	-	3,126,175
Financial Liabilities							
Payables	6					36,472	36,472

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

8 ADDITIONAL FINANCIAL INSTRUMENTS DISCLOSURE (Continued)

b Net Fair Values of Financial Assets and Liabilities

On-Balance Sheet Financial Instruments

The carrying amounts and net fair values of financial assets and liabilities as at the reporting date are as follows:

	2024 Net Fair Value \$	2024 Carrying Amount \$	2023 Net Fair Value \$	2023 Carrying Amount \$
Financial Assets				
Cash assets	785,304	785,304	589,876	589,876
Receivables	52,517	52,517	57,760	57,760
Financial Assets	3,557,363	2,962,168	3,494,350	3,126,175
Financial Liabilities				
Payables	38,728	38,728	36,472	36,472

Cash assets, receivables and payables are not readily traded on organised markets in a standardised form. Financial assets may be readily traded on organised markets in a standardised form.

McGARVIE SMITH INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

9 NOTES TO THE STATEMENT OF CASH FLOWS

- i For the purposes of the Statement of Cash Flows, Cash and cash equivalents includes Cash at Bank.

Cash and cash equivalents as at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	2024	2023
	\$	\$
Cash at Bank	785,085	589,662
Suncorp Bank	219	214
	<u>785,304</u>	<u>589,876</u>

- ii **Reconciliation of Net Profit to Net Cash Provided by Operating Activities:**

Net Profit/(Loss)	23,923	41,596
Loss/(Gain) on Sale of Financial Assets	14,104	61,487
In specie dividend/interest received	(48,360)	(29,447)
Changes in Assets and Liabilities		
Increase/(Decrease) in Payables	2,256	10,927
Decrease/(Increase) in Receivables	7,464	39,621
Decrease /(Increase) in GST	(2,222)	(2,506)
Net Cash Provided by Operating Activities	<u>(2,835)</u>	<u>121,678</u>

10 RELATED PARTY DISCLOSURES

The persons who were trustees of the Institute in office during the financial year were:

Dr B.M. Christie (Chair)
Mr S.J. Walker
Dr J.T. Rothwell
Mrs H. Baillieu
Ms R.G. Munro
Dr B.J. Standen
Mr J. Young