

Chair
Claudia Di Bella

General Directors
Sina Babazadeh
Zsolt Balogh
Ursula Bradshaw
Matthew Broadhead
Michelle Dowsey
Richard de Steiger
Michael Schuetz
Tom Ward

Chief Executive
Officer
Adrian R Cosenza

RESEARCH FOUNDATION LTD

ANNUAL REPORT YEAR ENDED 30 JUNE 2025

AOA RESEARCH FOUNDATION LIMITED
ABN 94 082 552 574

Directors' Report for the Year Ended 30 June 2025

Your directors present this report on the AOA Research Foundation Limited for the financial year ended 30 June 2025.

Directors

The name of each person who has been a director during the year and to the date of this report are:

Director	Title*	Appointed/Resigned
C Di Bella	Chair	Appointed 09/10/2013
D Martin	Chair	Resigned 23/10/2024
U Bradshaw	General Director/Treasurer	Appointed 18/03/2024
S Babazadeh	General Director	Appointed 18/02/2019
Z Balogh	General Director	Appointed 10/11/2021
R Bingham	General Director	Resigned 23/10/2024
M Broadhead	General Director	Appointed 23/10/2024
R de Steiger	General Director	Appointed 23/10/2024
M Dowsey	General Director	Appointed 19/02/2024
C McDougall	General Director	Resigned 23/10/2024
M Schuetz	General Director	Appointed 18/02/2019
T Ward	General Director	Appointed 23/10/2024

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

*Title as at 30 June 2025 or upon resignation

Directors' Qualifications

Name:	C Di Bella
Title:	Director
Qualification:	MBBS, PhD, FRACS, FAOrthA
Experience and expertise:	Associate Professor (Lev D) of Surgery, Musculoskeletal Tissue Engineering and Bio fabrication, Department of Surgery University of Melbourne (VIC). Head of the Cartilage Regeneration Program of Research. Director CAST – Comprehensive Arthroplasty and Sarcoma Treatment. Orthopaedic Private Practice, Melbourne (VIC). Associate Investigator, ARC Centre of Excellence for Electro material Sciences, University of Wollongong (NSW). Orthopaedic Surgeon, consultant. St Vincent's Hospital and Peter MacCallum Cancer Centre (VCCC), Melbourne. Specialist in arthroplasty and bone and soft tissue tumour. Chair of DCAS (Developing a Career in Academic Surgery, RACS), Chair of Students' Teaching and Research Committee, Department of Surgery, The University of Melbourne, Chair of ANZSA (Australia and New Zealand Sarcoma Association) annual meeting 2020. Professional Memberships include RACS, AOA, ASA, IODA, ANZSA, OWL Committee, AAOS, ICRS, AP-MSTS, ORS, OARSI, ANZORS. ISOLS, TERMIS
Special Responsibilities:	Chair AOA Research Foundation

Name:	D Martin
Title:	Director
Qualification:	MBBS, FRACS, B Med Sc, Masters in Surgery, AICD Dip
Experience and expertise:	Director since 2013. Order of Australia Medal 2017, AOA President 2019, Orthopaedic Surgeon - SPORTSMED-SA Orthopaedic Division, Visiting Orthopaedic Surgeon – Darwin Private Hospital Clinical Lecturer – Flinders University of South Australia, Clinical Lecturer – University of Adelaide Director of Medical Services – Sturt Football Club (SANFL), Team Orthopaedic Surgeon – Adelaide 36ers (NBL), Secretary Magellan Orthopaedic Society, Director and Shareholder SMSA Hospital Pty Ltd. Professional Memberships include American Orthopaedic

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Society for Sports Medicine, Asia Pacific Orthopaedic Association, Australian Institute of Company Directors, Australian Knee Society, Australian Orthopaedic Association, Australian Shoulder & Elbow Society Australian Sports Medicine Federation, Magellan Orthopaedic Society, Royal Australasian College of Surgeons, SANFL Medical Officers Association, Indian Arthroscopy Association, ISAKOS Professional Memberships include RACS, AOA, AAOS, OTA Chair

Special Responsibilities:

Name: U Bradshaw
Title: Director
Qualification: BCom, CA, CPA
Experience and expertise: Director since 2024. Director, Assurance, EY Adelaide, Bachelor of Commerce (Accounting), University of South Australia, Master of Science, Accounting, Oklahoma City, University Meinders School of Business, US Certified Public Accountant. Professional Memberships include Member of the Institute of Chartered Accountants in Australia and New Zealand.

Special Responsibilities: Treasurer

Name: S Babazadeh
Title: Director
Qualification: MBBS, PhD
Experience and expertise: VMO Eastern Health, St Vincent's Hospital (Melbourne), Eastern Health: Maroondah and Box Hill Hospital, Royal Australian Air Force Squadron Leader (Reserves). Graduate Research Training Committee - University of Melbourne, Orthopaedic Devices Infection Network - Lead Investigator, University of Melbourne - Examiner for BMedSci theses. Professional Memberships include Royal Australasian College of Surgeons.

Special Responsibilities: General Director

Name: Z Balogh
Title: Director
Qualification: MD, PhD, FRACS, FAOrthA, FACS
Experience and expertise: Discipline Head of Traumatology and Surgery at the School of Medicine and Public Health, University of Newcastle, the Director of Trauma at John Hunter Hospital and Hunter New England Local Health District. Injury and Trauma Research Program at HMRI. Professional Memberships include Royal Australasian College of Surgeons, AOA, NSW Institute of Trauma and Injury Management, Hunter Orthopaedic Society, Australian and New Zealand Association for the Surgery of Trauma, American Association of the Surgery of Trauma, American College of Surgeons, Hungarian Society of Traumatology.

Special Responsibilities: General Director

Name: R Bingham
Title: Director
Qualification: MBBS FRACS
Experience and expertise: Director since 2020. Orthopaedic surgeon at Royal Melbourne Hospital, St Vincent's Hospital, Epworth Hospital, St Vincent's Private Hospital. Journal article reviewer, Hip International, Archives of Orthopaedic & Trauma Surgery, Australian & New Zealand Journal of Surgery
Professional Memberships include RACS, AOA, AAOS, OTA

Special Responsibilities: General Director

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Name: M Broadhead
Title: Director
Qualification: BSc (Med) MBBS(Hons) ChM PhD FRACS FAOrtha
Experience and expertise: Dr Matthew Broadhead is a Fellowship-trained Australian Orthopaedic Surgeon who specializes in the treatment of disorders of the hip and knee. Dr Broadhead graduated from the University of New South Wales in 2006 and completed his training in Orthopaedic Surgery at hospitals in Australia and the U.S.A to become a Fellow of the Royal Australasian College of Surgeons (FRACS). He is also a Fellow of the Australian Orthopaedic Association (FAOrthA).
Special Responsibilities: General Director

Name: R de Steiger
Title: Director
Qualification: MBBS PhD FRACS FA OrthA
Experience and expertise: Professor Richard de Steiger is the Epworth, Victor Smorgon Chair of Surgery, The University of Melbourne, and was the Deputy Director of the Australian Orthopaedic Association, National Joint Replacement Registry for 17 years. He studied at the Nuffield Orthopaedic Centre in Oxford, and was an AO fellow in Bern, Switzerland. He has been a member of innumerable committees over many years and has been President of the International Society of Arthroplasty Registries, the Girdlestone Society and is an active member of the International Hip Society.
Special Responsibilities: General Director

Name: M Dowsey
Title: Director
Qualification: BN, PhD, Associate Professor, Epidemiologist, Registered Nurse
Experience and expertise: Director since 2024. Professor, Department of Surgery, University of Melbourne, Head, Arthritis Research, Orthopaedic Department, St. Network (ODIN), Professional Memberships include AOA, ANZONA) 2011- Osteoarthritis Research Society International (OARSI), Australian Vietnam Veterans Reconstruction Group (AVVRG)
Special Responsibilities: General Director

Name: C McDougall
Title: Director
Qualification: BPhy, MBBS, FRACS (Orth)
Experience and expertise: Director since 2020. Clinical Director of Surgery at the Surgical Treatment and Rehabilitation Service (STARS) Metro North Hospital and Health Service and The Prince Charles Hospital. Associate Professor at the University of Queensland School of Medicine, Co-Chair of the Australia and New Zealand Hip Fracture Registry (ANZHFR). Professional Memberships include AOA, ASA Specialist Reservist with the Australian Defence Force, AICD
Special Responsibilities: General Director

Name: M Schuetz
Title: Director
Qualification: Dr.med. (RWTHAachen), Dr.med.habil. (HU Berlin), FRACS (Ortho)
Experience and expertise: Chair AOA Research Committee, Director Jamieson Trauma Institute Metro North Hospital and Health Service, Chair of Trauma, Queensland University of Technology Royal Brisbane and Women's Hospital. Professional memberships include RACS, AOA
Special Responsibilities: General Director

Name: T Ward
Title: Director
Qualification: FRACS, FAOrtha, D.Phil (Oxon)

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Experience and expertise: Tom is a triple fellowship trained orthopaedic surgeon at Nuffield Orthopaedic Centre, Oxford University Hospitals, and ANU in Canberra. Specialises in hip and knee replacement surgery, hip and knee arthroscopy, knee ligament surgery, and fractures of the upper and lower limbs. Beyond his clinical work, Tom has contributed to prosthetics and orthotics training in Cambodia since 2000, and has consulted internationally for McKinsey and Company, in both the USA and the Middle East.

Special Responsibilities: General Director

Chief Executive and Company Secretary

Mr. Adrian Cosenza (BCom, MCom, MBA (IMD)) was appointed on 22 July 2010 and has over 40 years of experience in business and not for profit sector including extensive director roles and is also company secretary. Adrian is a fellow of three professional bodies CPA Australia, Australian Institute of Company Directors and Financial Services Institute of Australia.

Principal Activities

The principal activity of the Foundation during the year was to give effect to the objectives of the company, described below.

The company's objectives, both short and long term, are to

- I) promote and carry out research in the field of orthopaedic medicine.
- II) provide research training in the field of orthopaedic medicine for postgraduate students and research fellows in both science and medicine through the establishment of scholarships, fellowships and prizes,
- III) support the submission and publication of scholarly contributions to journals, magazines, books and electronic media which report to the medical and scientific community on research in the field of orthopaedic medicine,
- IV) conduct and support lectures, workshops, symposia and conferences for the purpose of promoting research and disseminating knowledge in the field of orthopaedic medicine, and
- V) promote an improved public understanding of scientific and medical developments in the field of orthopaedic medicine

The company's strategy for advancing its objectives is to award research grants to applicants whose research proposals are adjudged likely to advance the objectives of the company.

The company's principal activity during the year was the awarding of grants for the purpose of facilitating research in the field of orthopaedic medicine and surgery.

The grants awarded advanced the company's objectives by facilitating research in the field of orthopaedic medicine and surgery.

Key Performance Measures

The effectiveness of the company's strategy of awarding grants for research is measured by oversight of the research by an advisory committee of eminent orthopaedic surgeons, and by requiring beneficiaries of grants to report to their peers annually on their research at the Australian Orthopaedic Association's annual scientific meeting.

		2025	2024
Grants approved and awarded	- number	7	7
	- value	\$175,790	\$160,658

Meeting Attendances

During the financial year four meetings of directors were held. Attendances by each director were as follows:

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	Number Eligible to attend	Number attended
C Di Bella	5	5
D K Martin	4	2
U Bradshaw	5	5
S Babazadeh	4	3
Z Balogh	4	3
R Bingham	4	0
M Dowsey	5	4
C McDougall	3	2
M Schuetz	5	3
T Ward	2	2
R de Steiger	2	1
M Broadhead	2	0

Members' Guarantee

The Company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the entity. At 30 June 2025, the total amount that members of the company are liable to contribute if the company is wound up is \$1,750 (2024 \$1,360).

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2025 accompanies this Directors' Report.

Signed in accordance with a resolution of the Board of Directors:



C Di Bella

Chairman

Dated this 15th day of September 2025



U Bradshaw

Director/Treasurer



STIRLING INTERNATIONAL

CHARTERED ACCOUNTANTS

AUDITOR'S INDEPENDENCE DECLARATION To the Directors of AOA Research Foundation Limited

In accordance with the requirements of section 60-40 of *the Australian Charities and Not-for-Profits Commission Act 2012*, as lead auditor for the audit of the AOA Research Foundation Limited for the year ended 30 June 2025, I declare that, to the best of my knowledge and belief, there have been:

- i. no contraventions of the auditor independence requirements of the section 60-40 of *the Australian Charities and Not-for-Profits Commission Act 2012* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

STIRLING INTERNATIONAL

Keanu Arya
Engagement Partner

Dated this 15th September 2025

AOA Research Foundation Limited
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Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2025

	Note	2025 \$	2024 \$
Income			
Revenue from ordinary activities		164,608	144,141
Investment revenue		355,260	347,825
Total income	2	519,868	491,966
Expenses			
Grants awarded		208,641	96,493
Administration expenses		129,342	27,797
Audit fees		8,000	6,000
Travel		5,598	819
Website expenses		2,343	270
Investment expenses		45,954	47,754
Total expenses		399,878	179,133
Surplus before income tax		119,990	312,833
Income tax expense		-	-
Surplus after income tax		119,990	312,833
Other comprehensive income			
Items that will be reclassified subsequently to profit and loss when specific conditions are met			
Increment in value of investments		384,356	292,580
Total other comprehensive income		384,356	292,580
Total comprehensive income for the year		504,346	605,413

Statement of Financial Position
At 30 June 2025

	Note	2025 \$	2024 \$
Current assets			
Cash and cash equivalents	3	790,370	1,015,919
Short term financial assets	4	760,644	431,961
Trade and other receivables	5	298,387	387,030
Total current assets		1,849,401	1,834,910
Non current assets			
Long term financial assets	6	8,058,040	7,349,544
Plant and equipment	7	6,500	6,500
Total non current assets		8,064,540	7,356,044
Total Assets		9,913,941	9,190,954
Current liabilities			
Trade and other payables	8	150,864	138,891
Total current liabilities		150,864	138,891
Non current liabilities			
Other liabilities	9	1,308,787	1,102,119
Total non current liabilities		1,308,787	1,102,119
Total Liabilities		1,459,651	1,241,010
Net Assets		8,454,290	7,949,944
Equity			
Retained Earnings	10	8,454,290	7,949,944
Total equity		8,454,290	7,949,944

The accompanying notes form part of these financial statements

AOA Research Foundation Limited
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Statement of Cash Flows
For the year ended 30 June 2025

	Note	2025 \$	2024 \$
Cash flow from operating activities			
Membership fees		16,417	31,152
Grants received		195,961	-
Donations received		32,180	31,020
Interest received		40,479	46,449
Payments to suppliers and grant recipients		(310,586)	(285,401)
Net cash provided/(received) by operating activities	11(b)	(25,549)	(176,780)
Cash flows from investing activities			
Payment for managed funds		-	-
Receipt from managed funds		(200,000)	-
Net cash used in investing activities		(200,000)	-
Net increase/(decrease) in cash held		(225,549)	(176,781)
Cash at the beginning of the financial year		1,015,919	1,192,700
Cash held at the end of the financial year	11(a)	790,370	1,015,919

Statement of Changes in Equity
For the year ended 30 June 2025

	Retained Surplus \$
Balance at 30 June 2023	7,344,531
Surplus for the year	312,833
Other comprehensive income	292,580
Total comprehensive income	605,413
Balance at 30 June 2024	7,949,944
Surplus for the year	119,990
Other comprehensive income	384,356
Total comprehensive income	504,346
Balance at 30 June 2025	8,454,290

The accompanying notes form part of these financial statements

Note 1: SUMMARY OF MATERIAL ACCOUNTING POLICIES**1.1 Basis of preparation of the financial statements**

The financial statements have been prepared in accordance with the Australian Accounting Standards applicable to entities reporting under the *Australian Charities and Not-for-profits Commission Act 2012* and the material accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. For the purpose of preparing the special purpose financial statements, the company is a not-for-profit entity.

Its registered office and principal place of business is:

Registered Office	Principal place of business
Level 26	Level 26
201 Kent Street	201 Kent Street
Sydney NSW 2000	Sydney NSW 2000

The financial statements have been prepared on an accrual basis and in accordance with the historical cost, except for certain assets and liabilities measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

1.2 Comparative amounts

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

1.3 Material accounting judgements and estimates

There were no accounting assumptions or estimates that have been identified which have a material risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

1.4 New or amended Accounting Standards and Interpretations adopted**Adoption of New Australian Accounting Standard requirements**

The entity has adopted all the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period.

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

1.5 Revenue

The Foundation enters into various arrangements where it receives consideration from another party. These arrangements include consideration in the form of membership subscriptions, grants, and donations.

The timing of recognition of these amounts as either revenue or income depends on the rights and obligations in those arrangements.

Revenue from contracts with customers

Where the Foundation has a contract with a customer, the Foundation recognises revenue when or as it transfers services to the customer. The Foundation accounts for an arrangement as a contract with a customer if the following criteria are met:

- the arrangement is enforceable; and
- the arrangement contains promises (that are also known as performance obligations) to transfer services to the customer (or to other parties on behalf of the customer) that are sufficiently specific so that it can be determined when the performance obligation has been satisfied.

Membership subscription

For member subscriptions paid annually in advance, the Foundation has elected to apply the practical expedient to not adjust the transaction price for the effects of a material financing component because the period from when the customer pays and the services will transfer to the customer will be one year or less.

Income of the Foundation as a Not-for-Profit Entity

Consideration is received by the Foundation to enable the entity to further its objectives. The Foundation recognises each of these amounts of consideration as income when the consideration is received (which is when the Foundation obtains control of the cash) because, based on the rights and obligations in each arrangement:

- the arrangements do not meet the criteria to be contracts with customers because either the arrangement is unenforceable or lacks sufficiently specific promises to transfer services to the customer; and
- the Foundation's recognition of the cash contribution does not give to any related liabilities.

During the year, the Foundation received cash consideration from the following arrangements whereby that consideration will be recognised as income upon receipt:

- donations and voluntary contribution from members; and
- grants from third parties.

Interest income

Interest revenue is recognised on an accrual basis using the effective interest method.

1.6 Cash

Cash is recognised at its nominal amount. Cash and cash equivalents includes cash on hand, deposits held at call with bank, other short-term highly liquid investments with original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to immaterial risk of changes in value and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

1.7 Current versus non-current classification

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

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Foundation classifies all other liabilities as non-current.

1.8 Financial instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instrument.

1.9 Financial assets

Contract assets and receivables

A contract asset is recognised when the Foundation's right to consideration in exchange of goods or services that has transferred to the customer when that right is conditioned on the Foundation's future performance or some other condition.

A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e., only the passage of time is required before payment of the consideration is due).

Contract assets and receivables are subject to impairment assessment.

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Foundation's business model for managing them. With the exception of trade receivables that do not contain a material financing component, the Foundation initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Foundation's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Foundation commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in five categories:

- Other financial assets at amortised cost
- Other financial assets at fair value through other comprehensive income
- Investments in equity instruments designated at fair value through other comprehensive income
- Other financial assets at fair value through profit or loss
- Other financial assets designated at fair value through profit or loss

Financial assets at fair value through other comprehensive income

The Foundation measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost.

The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The Foundation's debt instruments at fair value through OCI includes investments in quoted debt instruments included under other non-current financial assets.

Derecognition

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired or
- The Foundation has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
 - a) the Foundation has transferred substantially all the risks and rewards of the asset, or

b) the Foundation has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Foundation has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Foundation continues to recognise the transferred asset to the extent of its continuing involvement together with associated liability.

Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Impairment

Expected credit losses

Receivables for goods and services, which have 30-day terms, are recognised at the nominal amounts due less any loss allowance due to expected credit losses at each reporting date. A provision matrix that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment has been established.

(i) Trade receivables

For trade receivables that do not have a material financing component, the Foundation applies a simplified approach in calculating expected credit losses (ECLs) which requires lifetime expected credit losses to be recognised from initial recognition of the receivables.

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

Debt instruments other than trade receivables

For all debt instruments other than trade receivables and debt instruments not held at fair value through profit or loss, the Foundation recognises an allowance for expected credit losses using the general approach. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Foundation expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages:

- Where there has not been a material increase in credit risk since initial recognition, ECLs are provided for credit losses from possible default events within the next 12-months (a 12-month ECL).
- Where there has been a material increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the debt, irrespective of the timing of the default (a lifetime ECL).

The Foundation considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Foundation may also consider a financial asset to be in default when internal or external information indicates that the Foundation is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

1.10 Liabilities relating to contracts with customers

Contract liabilities

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

Refund liabilities

A refund liability is recognised for the obligation to refund some, or all of the consideration received (or receivable) from a customer. The Foundation's refund liabilities arise from customers' right of return. The liability is measured at the amount the Foundation ultimately expects it will have to return to the customer. The

Foundation updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period,

1.11 Contingent liabilities and contingent assets

Contingent liabilities and contingent assets are not recognised in the statement of financial position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

1.12 Plant and equipment

Asset recognition threshold

Purchases of plant and equipment are recognised initially at cost in the statement of financial position. The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

Depreciation

Depreciable plant and equipment assets are written-off to their estimated residual values over their estimated useful life using, in all cases, the straight-line method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Derecognition

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit and loss.

1.13 Taxation

The Foundation is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997 however still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

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 Australian Taxation Office is classified within operating cash flows.

1.14 Going concern

The Foundation is not dependent on external agencies or government for the majority of its revenue used to operate the business.

AOA Research Foundation Ltd
ABN 94 082 552 574
Notes to the Financial Statements
Year Ended 30 June 2025

	2025	2024
	\$	\$
Note 2 Income		
Revenue from contracts with customers		
Membership subscriptions	19,659	16,581
Other operating activities -		
Grants and funding received	119,959	100,000
Donations received	24,990	27,560
Total income from operating activities	164,608	144,141
Non operating activities -		
Investment income	355,260	347,825
Total income	<u>519,868</u>	<u>491,966</u>
Note 3 Cash and cash equivalents		
Business cheque account	-	288,538
Business cheque account - donations	426,980	380,304
Term deposits	363,390	347,077
	<u>790,370</u>	<u>1,015,919</u>
Note 4 Short term financial assets		
Managed Investments	760,644	431,961
	<u>760,644</u>	<u>431,961</u>
Note 5 Trade and other receivables		
Other receivables	111,591	221,145
Imputation credit receivable	76,613	52,616
GST Receivable	1,346	593
Grants(AOA) - Accrued revenue	100,000	100,000
Australian Orthopaedic Association	3,320	7,268
Interest receivable	5,517	5,408
	<u>298,387</u>	<u>387,030</u>
Note 6 Long term financial assets		
Managed investments	6,749,253	6,247,425
Funds held for AOA State Branches	1,308,787	1,102,119
	<u>8,058,040</u>	<u>7,349,544</u>
The company's financial assets comprise of quoted securities. The securities are stated at fair value and denominated in Australian dollars. These financial assets are managed by JB Were Ltd		
Note 7 Plant and equipment		
Hand-coloured lithograph of Koala from John Gould's 'Mammals of Australia' donated by member	6,500	6,500
Note 8 Trade and other payable		
Trade payables	25,839	31,503
Grants payable	83,250	67,408
Due to banks	24,205	-
Accrued expenses	17,570	39,980
	<u>150,864</u>	<u>138,891</u>

AOA Research Foundation Ltd
ABN 94 082 552 574
Notes to the Financial Statements
Year Ended 30 June 2025

	2025	2024
	\$	\$
Note 9 Other liabilities		
AOA New South Wales Branch	743,602	584,500
AOA Victoria Branch	347,160	317,935
Canberra Orthopaedic Research and Education Foundation Limited	218,025	199,684
	<u>1,308,787</u>	<u>1,102,119</u>
Note 10 Retained Earnings		
Retained profits at the beginning of the year	7,949,944	7,344,531
Surplus for the year	504,346	605,413
Retained earnings at the end of the year	<u>8,454,290</u>	<u>7,949,944</u>
Note 11 Cash Flow Information		
a) Reconciliation of cash		
Cash at bank	426,980	668,842
Term deposits	363,390	347,077
	<u>790,370</u>	<u>1,015,919</u>
b) Reconciliation of Cash Flow from Operations with Profit		
Surplus for the year	119,990	312,833
Adjustment for non-cash items:		
- Income distributions on investment fund	(246,155)	(396,058)
Changes in assets and liabilities:		
-Decrease/(increase) in trade and other receivables	88,643	(89,685)
-(Decrease)/increase in trade payables	11,973	(3,870)
Cash flows from operations	<u>(25,549)</u>	<u>(176,780)</u>

Note 12 Related Parties

There were no transactions with related parties

Note 13 Members' Guarantee

The Company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the entity. At 30 June 2025, the total amount that members of the company are liable to contribute if the company is wound up is \$1,750 (2024 \$1,360).

Note 14 Events after the reporting date

The directors are not aware of any significant events since the end of the reporting period.

Note 15 Contingent liabilities, assets and commitments

The Foundation had no contingent assets, liabilities and commitments as at 30 June 2025 and 2024.

AOA RESEARCH FOUNDATION LIMITED
ABN 94 082 552 574

DIRECTORS' DECLARATION

The directors of the AOA Research Foundation declare that in the Directors' opinion:

- A. The financial statements and notes, as set out in this report are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:
 - (i) comply with Australian Accounting Standards; and
 - (ii) give a true and fair view of the financial position as at 30 June 2025 and of its performance for the year ended on that date.
- B. There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profits Commission Regulation 2013*.



C Di Bella
President and Chair



U Bradshaw
Director

Dated this 15th day of September 2025



STIRLING INTERNATIONAL

CHARTERED ACCOUNTANTS

Independent Auditor's Report to the members of AOA Research Foundation Limited

Opinion

In our opinion, the financial report of AOA Research Foundation Limited for the year ended 30 June 2025 is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true and fair view of AOA Research Foundation Limited's financial position as at 30 June 2025 and of its performance for the year then ended; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1.

The financial report of AOA Research Foundation Limited, which we have audited, comprises the following statements as at 30 June 2025 and for the year then ended:

- Statement of Profit or Loss and Other Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Statement of Cash Flows;
- Notes to the financial statements, comprising a Summary of Material Accounting Policies and other explanatory information; and
- Directors' Declaration.

Basis for Opinion

We conducted our audit in accordance with Auditing Standards, which incorporate the 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 AOA Research Foundation Limited in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and the relevant ethical requirements for financial report audits. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants*. We have also fulfilled our other responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Australian Charities and Not-for-profits Commission Act 2012*, which has been given to the directors of AOA Research Foundation Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Australian Charities and Not-for-profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose.

Directors' Responsibility for the Financial Report

The directors of AOA Research Foundation Limited are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and is appropriate to meet the needs of the members. The directors' responsibilities also include such internal control 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.

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

Auditor's Responsibilities for the Audit of the Financial Report

Our objective is 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 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 the financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance 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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

STIRLING INTERNATIONAL

Keanu Arya
Engagement Partner
Suite 1405, 370 Pitt Street, Sydney, NSW 2000

Dated this 15th September 2025