HCF Research Foundation

ABN 40 577 146 605

Financial Report for the year ended

30 June 2026

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Trustee Report

HCF Research Foundation Ltd (the 'Corporate Trustee') as the trustee of HCF Research Foundation (the 'Foundation') has pleasure in submitting its report for the year ended 30 June 2026.

The general purpose Financial Report of the Foundation was authorised for issue in accordance with a resolution of the Directors of the Corporate Trustee on 2 September 2026.

Directors

The names of the Directors of the Corporate Trustee in office during the financial year and until the date of this report are set out below. Directors were in office for this entire period unless otherwise stated.

- Karen Price - Chair
- John Barrington
- Claire Jackson (retired on 7 November 2025)
- Mark Compton
- Lorraine Thomas

Company Secretary

Nathan Francis held office as Company Secretary of the Corporate Trustee to the date of this report.

Principal activities

The principal activities of the Foundation within Australia during the financial year or up to the date of this report were to invest funds, and to provide research grants within the provisions of the Trust Deed.

Results and Dividends

Results

The net loss after income tax was -$944,886 (2025: net loss -$618,260).

Dividends

No dividends have been paid or declared since the end of the previous financial year, nor do the Directors recommend the declaration of a dividend.

Significant changes in the state of affairs

There have been no significant changes in the state of affairs of the Foundation during the financial year.

Trustee Report (continued)

Significant events after the balance date

There have been no significant events that occurred after the balance date which may affect either the Foundation's operations or results of those operations or the Foundation's state of affairs in future years.

Likely developments and expected results

The investment strategy of the Foundation will be maintained in accordance with the Foundation's Trust Deed. Future investment income will depend on the performance of investment markets in which the Foundation chooses to invest.

Environmental regulation and performance

The Foundation is not subject to any particular or significant environmental regulation under laws of the Commonwealth, State or Territory.

Indemnification of Directors

During or since the financial year, The Hospitals Contribution Fund of Australia Ltd ("HCF") has paid premiums in respect of contracts insuring any past, present or future Directors, Secretaries and other officers of the Foundation against certain liabilities. In accordance with common commercial practices, the insurance policies prohibit disclosure of the nature of the liabilities insured against and the amount of the premiums.

Indemnification of auditors

To the extent permitted by law, the Foundation has agreed to indemnify its auditor, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year ended 30 June 2026.

Auditor's Independence Declaration

To the Directors of the Corporate Trustee of the HCF Research Foundation.

We have received an independence declaration from our auditors, Ernst & Young, which is set out below and forms part of the Trustee Report for the year ended 30 June 2026.

Signed in accordance with a resolution of the Directors.



K. Price
Chair

Sydney
2 September 2026

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Auditor's Independence Declaration to the Directors of the Trustee of the HCF Research Foundation

In relation to our audit of the financial report of HCF Research Foundation for the financial year ended 30 June 2026, and in accordance with the requirements of Subdivision 60 C of the Australian Charities and Not for profits Commission Act 2012, to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of any applicable code of professional conduct; and

b. No non-audit services provided that contravene any applicable code of professional conduct.

Ernst & Young

Kieren Cummings
Partner
02 September 2026

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Trustee Declaration

In accordance with a resolution of the Directors of the Corporate Trustee of the Foundation, I state that:

In the opinion of the Directors:

(a) the Foundation is not a reporting entity as defined in the Australian Accounting Standards;

(b) the financial statements and notes of the Foundation are prepared in accordance with the Australian Charities and Not-for-Profits Commission Act 2012, including:

  (i) present fairly the Foundation's financial position as at 30 June 2026 and of its performance for the year ended on that date; and

  (ii) comply with Australian Accounting Standards to the extent described in the notes to the financial statements and complying with the Australian Charities and Not-for-Profits Commission Regulation 2013;

(c) there are reasonable grounds to believe that the Foundation will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.



K. Price
Chair

2 September 2026

Financial Statements

Statement of Comprehensive Income

For the year ended 30 June 2026

	Note	**2026**	2025
		$	$
Investment income	1	**6,010,862**	2,988,733
Movements in financial assets at fair value through profit or loss		**(2,733,516)**	1,218,397
Total income		**3,277,346**	4,207,130
Research grants[1]		**(3,303,097)**	(4,156,614)
Administrative and other expenses	2	**(919,135)**	(668,776)
Total expenses		**(4,222,232)**	(4,825,390)
Loss before income tax		**(944,886)**	(618,260)
Income tax expense		**-**	-
Net loss after income tax		**(944,886)**	(618,260)
Other comprehensive income		**-**	-
Total comprehensive loss after income tax		**(944,886)**	(618,260)

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

[1] Research grants presented in the Statement of Comprehensive Income includes approved research grants of $3,303,097 (2025: $4,170,667) during the year, reduced by research grants returned of $0 (2025: $14,053).

Financial Statements

Statement of Financial Position

As at 30 June 2026

	Note	**2026** **$**	2025 $
Assets			
Cash and cash equivalents	3(b)	**1,173,332**	1,210,209
Distribution receivables		**4,306,321**	2,397,751
Financial assets at fair value through profit or loss	4	**48,187,363**	50,920,879
GST receivables	5	**27,572**	15,620
Total assets		**53,694,588**	54,544,459
Liabilities			
Research grants payable	6	**5,908,122**	5,856,734
Trade and other payables	7	**197,422**	153,795
Total liabilities		**6,105,544**	6,010,529
Net Assets		**47,589,044**	48,533,930
Equity			
Trust capital		**1,000**	1,000
Retained earnings		**47,588,044**	48,532,930
Total equity		**47,589,044**	48,533,930

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Financial Statements

Statement of Changes in Equity

For the year ended 30 June 2026

	Issued capital	Retained earnings	Total equity
	$	$	$
As at 1 July 2025	**1,000**	**48,532,930**	**48,533,930**
Net loss after income tax	**-**	**(944,886)**	**(944,886)**
Balance at end of period	**1,000**	**47,588,044**	**47,589,044**

As at 1 July 2024	1,000	49,151,190	49,152,190
Net loss after income tax	-	(618,260)	(618,260)
Balance at end of period	1,000	48,532,930	48,533,930

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Financial Statements

Statement of Cash Flows

For the year ended 30 June 2026

	Note	**2026** **$**	2025 $
Cash flows from operating activities			
GST received		**395,515**	324,716
Imputation tax refund received		**120,960**	127,174
Interest received		**60,733**	31,985
Research grants paid		**(3,571,548)**	(2,872,874)
Payments to suppliers		**(963,135)**	(734,265)
Net cash flows used in operating activities	3(a)	**(3,957,475)**	(3,123,264)
Cash flows from investing activities			
Distributions received		**3,920,598**	2,300,037
Proceeds from sale of investments		**-**	1,500,000
Net cash flow from investing activities		**3,920,598**	3,800,037
Net (decrease)/increase in cash and cash equivalents		**(36,877)**	676,773
Balance at start of period		**1,210,209**	533,436
Balance at end of period	3(b)	**1,173,332**	1,210,209

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

For the year ended 30 June 2026

The HCF Research Foundation was established on 29 June 2000 by the execution of a Trust Deed between HCF and the Trustee of the Foundation. The Foundation is domiciled in Australia. The registered office is located at 403 George Street, Sydney, NSW, 2000.

Basis of Preparation

These general purpose financial statements have been prepared in accordance with the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the Australian Charities and Not-for-profits Commission Regulation 2013, and comply with Australian Accounting Standards, including AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities. The financial statements have been prepared on a going concern basis and under the historical cost convention, except for financial assets measured at fair value through profit or loss. The Foundation is a not-for-profit entity for financial reporting purposes.

Functional and Presentation Currency

The financial statements are presented in Australian dollars (AUD), which is the Foundation's functional currency and presentation currency. All amounts disclosed in the financial statements and notes have been rounded to the nearest dollar unless otherwise stated.

Income tax

The Foundation is an Income Tax Exempt Charity. The Foundation has been registered under the provisions of *The Charitable Fundraising Act 1991* and in accordance with Subdivision 50-B of the *Income Tax Assessment Act 1997* is not liable for income tax.

Notes

The notes include information which is required to understand the financial report and is material and relevant to the operations, financial position and performance of the Foundation. Information is considered material and relevant if:

- the amount in question is significant because of its size or nature;
- it is important for understanding the results of the Foundation;
- it helps to explain the impact of significant changes in the Foundation's business; and
- it relates to an aspect of the Foundation's operations that is important to its future performance.

Notes (continued)

The notes are organised into the following sections:

Key numbers: provides a breakdown of individual line items in the financial statements that the Directors consider most relevant and summarises the accounting policies, judgements and estimates relevant to understanding these line items;

Unrecognised items: provides information about items that are not recognised in the financial statements but could potentially have an impact on the Foundation's financial position and performance; and

Other: provides information on items which require disclosure to comply with Australian Accounting Standards and other regulatory pronouncements however, are not considered critical in understanding the financial performance or position of the Foundation.

Donation income is recognised once the Foundation's right to receive the payment is established.

All assets and liabilities are presented in order of approximate liquidity.

Notes to the Financial Statements

For the year ended 30 June 2026

1. Investment Income

	2026	2025
	$	$
Distribution income	**5,829,169**	2,829,574
Imputation tax refunds	**120,960**	127,174
Interest income	**60,733**	31,985
Total income	**6,010,862**	2,988,733

Recognition and measurement

Income is recognised to the extent that it is probable that the economic benefits will flow to the Foundation and the income can be reliably measured.

(a) Distribution income

Distribution income is recognised when the Foundation's right to receive the income is established.

(b) Interest income

Interest income is recognised on an accrual basis.

2. Expenses

	2026	2025
	$	$
Administrative charge from HCF	**756,962**	609,859
Advertising	**60,855**	18,461
Travel expenses	**12,278**	30,250
Audit fees	**7,281**	7,014
Printing	**2,387**	1,108
Subscriptions	**3,565**	676
Bank fees	**6**	7
Implementation of Grant Management System	**74,556**	613
Sundry expenses	**1,245**	788
Total expenses	**919,135**	668,776

Administrative charge from HCF increased due to onboarding a Research and Translation Specialist. Advertising expense increase relates to the Research Foundation 25th Anniversary events and HSRAANZ sponsorship expenditure.

Recognition and measurement

Administrative charge from HCF

HCF supplied supporting services and other administrative functions to the Foundation on a cost recovery basis.

3. Cash and Cash Equivalents

	2026	2025
	$	$
(a) Reconciliation of net profit after tax to the net cash flows from operations		
Net loss after tax	**(944,886)**	(618,260)
Adjustments to reconcile profit before tax to net cash flows:		
Changes in fair value designated through profit or loss	**2,733,516**	(1,218,397)
Distribution income	**(5,829,169)**	(2,829,574)
Changes in assets and liabilities		
Increase in research grants payable	**51,389**	1,544,910
Increase in GST receivables	**(11,952)**	(3,199)
Increase in trade and other payables	**43,627**	1,256
Net cash flows used in operating activities	**(3,957,475)**	(3,123,264)
(b) Reconciliation of cash and cash equivalents		
Cash and cash equivalents	**1,173,332**	1,210,209

Recognition and measurement

Cash at bank and on deposit

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short-term highly liquid investments with original maturities of three months or less that are readily converted to known amounts of cash and which are subject to insignificant risk of change in value and bank overdrafts.

4. Financial Assets at Fair Value Through Profit or Loss

	2026	2025
	$	$
Holdings in unlisted unit trust:		
Funds Under Management by JANA (i)	**48,187,363**	50,920,879
Total financial assets at fair value through profit or loss	**48,187,363**	50,920,879

(i) Funds Under Management by JANA - Liquidity overview: Units in the trust are generally realisable for cash within 10 business days.

Recognition and measurement

Financial assets at fair value through profit or loss are financial assets designated at fair value through profit or loss upon initial recognition and are classified as Level 2 within the fair value hierarchy, as the valuation inputs are observable, either directly or indirectly, but do not comprise quoted prices in active markets for identical assets.

The fair value of investments traded in financial markets are determined by reference to quoted market bid prices at the close of business on the Statement of Financial Position date. Unlisted unit trusts are recorded at fund managers' valuation. Other valuation techniques are used to determine the fair value for all other unlisted securities.

5. GST Receivables

	2026	2025
	$	$
GST receivables	**27,572**	15,620
Total GST receivables	**27,572**	15,620

Recognition and measurement

GST receivables arising from acquisitions made by the Foundation are recognised in the Statement of Financial Position in the month the acquisition is made and received from the Australian Government within 30 days.

The Foundation applies a simplified approach in calculating expected credit losses (ECLs), therefore 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. Debts that are known to be uncollectable are written off when identified. If an amount is subsequently recovered, it is credited against Statement of Comprehensive Income.

6. Research Grants Payable

	2026	2025
	$	$
Maturity analysis		
No longer than 12 months	**3,868,559**	4,057,506
Longer than 12 months but less than 5 years	**2,039,563**	1,799,228
Total research grants payable	**5,908,122**	5,856,734

Recognition and measurement

Research grant expenses/payables are recognised at the date the contract for the grant is signed. The research grant expenses/payables are released in accordance with the payment schedule as specified in the contract.

7. Trade and Other Payables

	Note	2026 $	2025 $
Other payables and accruals		**94,794**	95,530
Intercompany payables	13	**102,628**	58,265
Total trade and other payables		**197,422**	153,795

Recognition and measurement

Liabilities for trade and other payables, which are generally settled within 30-day terms and are unsecured, are carried at amortised cost. Payables to related parties are carried at the principal amount.

8. Commitments

The Foundation has no contractual commitments.

9. Contingent Assets and Liabilities

The Foundation has no contingent assets and liabilities.

10. Events After the Reporting Period

No matters have occurred after balance sheet date which have significantly affected or may significantly affect the operations of the Foundation, the results of those operations, or the state of affairs of the Foundation.

11. Trustee Remuneration

The Directors of the Corporate Trustee received $33,782 remuneration benefits from the Foundation during the year (2025: $32,677).

12. Auditor's Remuneration

The auditor of HCF Research Foundation is Ernst & Young. Fees for services rendered by the Foundation’s auditor in relation to the statutory audit was $7,281 (2025: $7,014). There are no non-audit services provided by Ernst & Young.

13. Related Party Disclosures

HCF Research Foundation received supporting services and administrative functions from HCF totalling $919,135 (2025: $668,776). These costs were charged on a cost recovery basis. At 30 June 2026, the amount payable to HCF was $102,628 (2025: $58,265).

The HCF Research Foundation is a charitable trust originally established with a donation from HCF.

14. New Accounting Standards

New and amended accounting standards and interpretations adopted from 1 July 2025

All new and amended Australian Accounting Standards and interpretations mandatory as at 1 July 2025 to the Foundation have been adopted, with no material impact.

Accounting standards and interpretations issued but not yet effective

A number of new accounting standards and amendments have been issued but are not yet effective, none of which have been early adopted by the Foundation in this financial report. Among these is AASB 18 *Presentation and Disclosure in Financial Statements* ('AASB 18'), with the effective date of annual reporting periods beginning on or after 1 January 2028. Management is still assessing the impact of AASB 18 on the financial report. Other than AASB 18, all new accounting standards and interpretations issued but not yet effective are not expected to have a material impact on the financial statements of the Foundation.

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Independent auditor's report to the Directors of the Trustee of the HCF Research Foundation

Opinion

We have audited the financial report of HCF Research Foundation ("the Foundation"), which comprises the statement of financial position as at 30 June 2026, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information and the directors declaration.

In our opinion, the accompanying financial report of the Foundation is in accordance with the Australian Charities and Not for profits Commission Act 2012, including:

a. Giving a true and fair view of the Foundation's financial position as at 30 June 2026 and of its financial performance for the year ended on that date; and

b. Complying with Australian Accounting Standards – Simplified Disclosures and 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 Foundation in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Information other than the financial report and auditor's report thereon

The directors of the Trustee are responsible for the other information. The other information is the Trustee report accompanying the financial report.

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

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

If, based on the work we have performed, 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.

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Responsibilities of the Trustee for the financial report

The directors of the Foundation are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosures and the *Australian Charities and Not for Profits Commission Act 2012* 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.

In preparing the financial report, the directors are responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Foundation or to cease operations, or have 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 judgment 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 Foundation'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 Foundation'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 Foundation 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.

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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.

Ernst & Young

Kieren Cummings
Sydney
2 September 2026

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