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**Royal Perth Hospital  
Medical Research Foundation  
Incorporated**

**Financial Report  
for the year ended 30 June 2016**

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# Royal Perth Hospital Medical Research Foundation Incorporated

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# Royal Perth Hospital Medical Research Foundation Incorporated

## OFFICERS REPORT

### COMMITTEE OF MANAGEMENT

Members of the Committee of Management serve in a voluntary capacity and are not remunerated. There are no transactions between members of the Committee of Management and the Foundation. The names of the members on the committee at any time during the financial year are:

**CHAIRPERSON** – *Emeritus Professor Lawrie Beilin AO*  
Professor of Medicine, School of Medicine and Pharmacology, UWA

**DEPUTY CHAIRPERSON** – *Professor Martyn French*  
Clinical Immunologist, RPH

**TREASURER** – *Mr John Palermo*  
Partner, Palermo Chartered Accountants

**EXECUTIVE OFFICER** – *Mr Neill Hodgen*

*Dr Aresh Anwar*  
Acting Executive Director, RPH

*Dr David Cox*  
Lawyer, Jackson McDonald

*Associate Professor David Nolan*  
Acting Director of Research, RPH

*Clinical Associate Professor Donna Taylor*  
Consultant Radiologist

*Professor Frank Christiansen*  
Emeritus Consultant Immunologist

*Winthrop Professor Gerald Watts*  
Professor of Cardiometabolic Medicine;  
Head of Department, School of Medicine and Pharmacology, UWA

*Clinical Professor John Burnett*  
Consultant Medical Biochemist, RPH

*Professor Leon Flicker*  
Professor of Geriatric Medicine, UWA

*Professor Lyn Beazley*  
Sir Walter Murdoch Distinguished Professor of Science, Murdoch University

*Professor Markus Schlaich*  
Professor of Medicine, School of Medicine and Pharmacology, UWA  
Dobney Chair in Clinical Research

*Professor Peter Leedman*  
Director, Harry Perkins Institute of Medical Research

# Royal Perth Hospital Medical Research Foundation Incorporated

## OFFICERS REPORT (*continued*)

*Dr Mark Platell*

Director of Clinical Services, RPH

*Mr Nicholas Wells*

Manager, Capability & Contracts, MLM Drilling Pty Ltd

### OBJECTIVES

The objectives of the Foundation include:-

- To promote, research and to encourage and advance investigation into the cause, prevention, diagnosis and treatment of all types of illness and in any or all of those branches of knowledge which are relevant or related to this purpose.
- To provide or arrange for all necessary training, accommodation, equipment, laboratories, offices, clerical and technical assistance and other facilities for the carrying out of such research and investigation.
- To bring together medical practitioners and scientists and others for the common benefit and scientific discussions and demonstrations particularly in research.
- To promote research related to the establishment and improvement of medical services to the community

### PRINCIPAL ACTIVITIES

The Royal Perth Hospital Medical Research Foundation seeks to actively enhance Royal Perth Hospital's future as a major teaching hospital by investing in people and infrastructure, and working towards creating a clinical research centre of international excellence.

The Foundation works collaboratively with researchers, doctors and scientists from other hospitals, universities and research institutes in an effort to benefit all West Australians by providing grants for post doctoral and practitioner fellowships, infrastructure grants and various other research grants.

### GENERAL INFORMATION

The financial statements cover Royal Perth Hospital Medical Research Foundation Incorporated as an individual entity. The financial statements are presented in Australian dollars, which is Royal Perth Hospital Medical Research Foundation Incorporated's functional and presentation currency.

### REGISTERED OFFICE

The registered office and principal place of business of the Foundation is:

Royal Perth Hospital Medical Research Foundation Incorporated  
197 Wellington Street  
Perth Western Australia 6000

Signed on behalf of the officers

.....  
John Palermo, B.Bus, CA, ACIS  
Treasurer

Dated at Perth this 28th day of October 2016

# Royal Perth Hospital Medical Research Foundation Incorporated

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2016

	Note	30 June 2016 \$	30 June 2015 \$
<b>Revenue</b>	3	7,247,535	7,045,739
<b>Expenditure</b>			
Building expenses		(994,047)	(741,567)
Depreciation expenses		(116,972)	(440,221)
Donations expenses		(157,720)	(162,934)
Employee benefits expenses		(391,028)	(354,087)
Fund raising expenses		(11,045)	(32,856)
Impairment expense		(2,162,422)	--
Infrastructure grants expenses		(182,276)	(416,688)
Loss on disposal of investments		--	(637,200)
Management services expenses		(205,616)	(183,047)
Motor vehicle expenses		(8,547)	(7,295)
Office and administrative expenses		(264,681)	(112,342)
Other expenses		(1,854)	(59,840)
Provision for doubtful debts		(64,528)	--
Research grants expenses		(2,882,271)	(1,900,935)
Special project funding expenses	12	(294,672)	(303,216)
Total expenses		(7,737,679)	(5,352,228)
<b>Net (deficit)/surplus for the year</b>		(490,144)	1,693,511
<b>Other comprehensive income</b>			
Net changes in fair values of investments		(1,570,181)	(1,418,411)
<b>Total comprehensive income for the year</b>		(2,060,325)	275,100

The accompanying notes form part of these financial statements.

# Royal Perth Hospital Medical Research Foundation Incorporated

## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016

	Note	30 June 2016 \$	30 June 2015 \$
<b>Current Assets</b>			
Cash and cash equivalents	4	4,154,880	2,155,123
Held-to-maturity investments		15,989,374	16,593,362
Trade and other receivables	5	586,795	337,519
Other assets	6	55,683	49,216
<b>Total Current Assets</b>		<u>20,786,732</u>	<u>19,135,220</u>
<b>Non-Current Assets</b>			
Property, plant and equipment	7	26,931,579	27,337,084
Available for sale financial assets	8	25,585,466	28,423,222
Shares in subsidiary company	9	1	1
<b>Total Non-Current Assets</b>		<u>52,517,046</u>	<u>55,760,307</u>
<b>Total Assets</b>		<u>73,303,778</u>	<u>74,895,527</u>
<b>Current Liabilities</b>			
Trade and other payables	10	1,096,468	632,508
Provisions	11	111,852	107,236
<b>Total Current Liabilities</b>		<u>1,208,320</u>	<u>739,744</u>
<b>Total Liabilities</b>		<u>1,208,320</u>	<u>739,744</u>
<b>Net Assets</b>		<u>72,095,458</u>	<u>74,155,783</u>
<b>Equity</b>			
Accumulated funds			
Restricted funds	12	1,721,729	1,999,688
Unrestricted funds	12	55,248,207	55,460,392
Share investment reserve		1,978,826	3,200,414
Asset revaluation reserve		13,146,696	13,495,289
<b>Total Equity</b>		<u>72,095,458</u>	<u>74,155,783</u>

The accompanying notes form part of these financial statements.

# Royal Perth Hospital Medical Research Foundation Incorporated

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2016

	Accumulated Funds Restricted \$	Accumulated Funds Unrestricted \$	Share Investment Reserve \$	Asset Revaluation Reserve \$	Total Equity \$
<b>Balance at 1 July 2014</b>	2,297,122	53,469,447	4,363,825	13,750,289	73,880,683
<b>Comprehensive income</b>					
Surplus for the year					
Allocated to restricted funds	(297,434)	--	--	--	(297,434)
Allocated to unrestricted funds	--	1,990,945	--	--	1,990,945
<b>Other comprehensive income</b>					
Net changes in fair value of investments	--	--	(1,163,411)	(255,000)	(1,418,411)
<b>Total comprehensive income</b>	(297,434)	1,990,945	(1,163,411)	(255,000)	275,100
<b>Balance at 30 June 2015</b>	1,999,688	55,460,392	3,200,414	13,495,289	74,155,783
<b>Balance at 1 July 2015</b>	1,999,688	55,460,392	3,200,414	13,495,289	74,155,783
<b>Comprehensive income</b>					
(Deficit) for the year					
Allocated to restricted funds	(277,959)	--	--	--	(277,959)
Allocated to unrestricted funds	--	(212,185)	--	--	(212,185)
<b>Other comprehensive income</b>					
Net changes in fair value of investments	--	--	(1,221,588)	(348,593)	(1,570,181)
<b>Total comprehensive income</b>	(277,959)	(212,185)	(1,221,588)	(348,593)	(2,060,325)
<b>Balance at 30 June 2016</b>	1,721,729	55,248,207	1,978,826	13,146,696	72,095,458

The accompanying notes form part of these financial statements.

# Royal Perth Hospital Medical Research Foundation Incorporated

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2016

	Note	30 June 2016 \$	30 June 2015 \$
<b>Cash flows from operating activities</b>			
Investment income		4,281,862	3,611,291
Bequests and fundraising income		1,997,614	828,307
Payments to suppliers and employees		(1,988,830)	(1,387,564)
Donations and fundraising expenses		(168,765)	(203,358)
Grant expenses		(2,493,629)	(2,026,075)
Special project funding		(294,672)	(303,216)
Other		(150,000)	--
<b>Net cash provided by operating activities</b>	16	1,183,580	519,385
<b>Cash flows from investing activities</b>			
Proceeds from sale of investments		4,089,459	3,300,906
Proceeds from sale of property, plant and equipment		10,454	15,000
Return of capital on investments		7,793	16,426
Purchase of investments		(3,237,989)	(4,746,725)
Purchase of property, plant and equipment		(53,540)	(58,919)
<b>Net cash provided by/(used in) investing activities</b>		816,177	(1,473,312)
<b>Net increase/(decrease) in cash and cash equivalents</b>		1,999,757	(953,927)
<b>Cash and cash equivalents at the beginning of the financial year</b>		2,155,123	3,109,050
<b>Cash and cash equivalents at the end of the financial year</b>	4	4,154,880	2,155,123

The accompanying notes form part of these financial statements.



# Royal Perth Hospital Medical Research Foundation Incorporated

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Foundation's constitution. The committee of management has determined that the Foundation is not a reporting entity.

The financial report has been prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

#### **New, Revised or Amending Accounting Standards and Interpretations Adopted**

The Foundation has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period.

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

#### **Basis of Preparation**

In the officers' opinion, the incorporated association is not a reporting entity because there are no users dependent on general purpose financial statements.

These are special purpose financial statements that have been prepared for the purposes of complying with the Australian Charities and Not-for-profits Commission Act 2012 and associated regulations. The officers have determined that the accounting policies adopted are appropriate to meet the needs of the members of the Royal Perth Hospital Medical Research Foundation Incorporated.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") and the disclosure requirements of AASB 101 'Presentation of Financial Statements', AASB 107 'Statement of Cash Flows', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', AASB 1048 'Interpretation of Standards' and AASB 1054 'Australian Additional Disclosures', as appropriate for not-for-profit oriented entities.

The following significant accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report.

#### **(a) Income Tax**

The Foundation is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

#### **(b) Property, Plant and Equipment**

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

# Royal Perth Hospital Medical Research Foundation Incorporated

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

#### (b) **Property, Plant and Equipment** (*continued*)

##### **Property**

Freehold land and buildings are measured at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction) based on periodic valuations by external independent valuers less subsequent depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to profit or loss.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

##### **Plant and Equipment**

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by management to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

##### **Depreciation**

The depreciable amount of all fixed assets, excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the entity commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Buildings	2%
Plant and equipment	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised immediately in profit or loss. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

#### (c) **Impairment of Assets**

At the end of each reporting period, the Foundation reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is recognised in profit or loss.

# Royal Perth Hospital Medical Research Foundation Incorporated

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

(d) **Employee Benefits**

Provision is made for the Foundation's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits have been measured at the amounts expected to be paid when the liability is settled.

(e) **Provisions**

Provisions are recognised when the Foundation has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured at the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(f) **Cash and Cash Equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

(g) **Held-to-Maturity Investments**

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Foundation's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(h) **Revenue and Other Income**

Grant revenue is recognised in profit or loss when the Foundation obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the Foundation and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

The Foundation receives non-reciprocal contributions of services from third parties for zero or a nominal value. These services are not recognised at fair value as revenue.

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax (GST).

(i) **Leases**

Leases of property, plant and equipment, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the Foundation, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for that period.

# Royal Perth Hospital Medical Research Foundation Incorporated

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

(i) **Leases (*continued*)**

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term. Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(j) **Goods and Services Tax ("GST")**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office ("ATO"). Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

(k) **Investments**

Investments held are initially recognised at cost, which includes transaction costs. They are subsequently measured at fair value which is equivalent to their market bid price at the end of the reporting period. Movements in fair value are recognised through an equity reserve, other than impairment losses which are recognised in profit or loss.

(l) **Fund Accounting**

On occasions the Foundation may receive resources restricted for particular purposes. To facilitate observance of these limitations, the financial statements list separately those funds which are restricted or designated and those funds which are unrestricted.

Restricted funds are those funds presently available for use, but expendable only for operating purposes specified by the donor or by statute. When the Committee of Management specifies a purpose for the expenditure of funds, where none has been stated by the original donor, such funds are classified as designated funds.

Unrestricted funds are those funds presently available for use by the Foundation at the discretion of the Committee.

(m) **Comparative Figures**

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

### NOTE 2: CRITICAL ACCOUNTS JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses.

Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Estimation of Fair Value of Real Estate Investments is performed regularly by management. Consultation with property agents are held regularly with management as to the fair value of the property.

# Royal Perth Hospital Medical Research Foundation Incorporated

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

	30 June 2016 \$	30 June 2015 \$
<b>NOTE 3: REVENUE</b>		
Donations and bequests	1,917,711	1,076,757
Investments income	2,803,810	2,301,102
Rent and building income	1,543,870	1,466,192
Fundraising income	30,112	68,350
Profit on disposal of assets	3,219	--
Profit on disposal of investments	899,022	2,117,838
Other income	49,791	15,500
Total revenue	7,247,535	7,045,739

## NOTE 4: CASH AND CASH EQUIVALENTS

Cash at bank	3,704,056	1,712,019
Cash on hand	11	38
Cash on deposit	450,813	443,066
	4,154,880	2,155,123

## NOTE 5: TRADE AND OTHER RECEIVABLES

Accrued income	157,302	66,291
Trade receivables	344,021	271,228
Less: provision for doubtful debts	(64,528)	--
Other debtors	150,000	--
	586,795	337,519

## NOTE 6: OTHER ASSETS

Prepayments	42,054	49,216
GST	13,629	--
	55,683	49,216

# Royal Perth Hospital Medical Research Foundation Incorporated

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

	30 June 2016 \$	30 June 2015 \$
<b>NOTE 7: PROPERTY, PLANT AND EQUIPMENT</b>		
<b>LAND</b>		
At valuation	9,460,000	8,493,000
<b>BUILDINGS</b>		
At valuation	17,920,000	20,632,000
Less: accumulated depreciation	(530,407)	(1,854,215)
	17,389,593	18,777,785
Total land and buildings	26,849,593	27,270,785
<b>PLANT AND EQUIPMENT</b>		
At cost	1,475,994	1,451,566
Less accumulated depreciation	(1,394,008)	(1,385,267)
Total plant and equipment	81,986	66,299
Total property, plant and equipment	26,931,579	27,337,084

The land and buildings comprises four properties at the following addresses:

50 Murray Street, Perth	19,300,000	20,327,792
76 Gingin Road, Lancelin	350,000	350,000
10 Marchant Way, Morley	1,993,760	1,305,160
40 Rudloc Road, Morley	5,205,833	5,287,833
	26,849,593	27,270,785

The carrying value of the properties has been determined by reference to independent valuations, performed by licensed valuers on the following dates:

50 Murray Street, Perth	30 June 2016
76 Gingin Road, Lancelin	24 September 2014
10 Marchant Way, Morley	28 August 2015
40 Rudloc Road, Morley	25 September 2014

# Royal Perth Hospital Medical Research Foundation Incorporated

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

	30 June 2016 \$	30 June 2015 \$
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### NOTE 8: AVAILABLE FOR SALE INVESTMENTS

Investments in shares and managed funds in listed companies – fair value	25,585,466	28,423,222
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### NOTE 9: SHARES IN SUBSIDIARY COMPANY

MRF Syndicates Pty Ltd	1	1
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MRF Syndicates Pty Ltd is a wholly owned subsidiary which is dormant. Consolidated financial statements are not considered necessary as the value of the investment is \$1.

### NOTE 10: TRADE AND OTHER PAYABLES

Trade payables	483,201	270,367
Other payables and accruals	613,267	360,453
GST	--	1,688
	1,096,468	632,508

### NOTE 11: PROVISIONS

Employee entitlements	111,852	107,236
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# Royal Perth Hospital Medical Research Foundation Incorporated

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

<b>NOTE 12: ACCUMULATED SURPLUS</b>	<b>30 June 2016 \$</b>	<b>30 June 2015 \$</b>
Restricted Funds (a)		
Bar Stokes Research & Travel Fund (1)	54,534	61,771
J Cooney Medical Research Fund (2)	175,942	261,500
Ray Dobney Research Fund (3)	1,280,542	1,482,419
Pilbara Kidney Disease Research Fund (4)	29,054	29,054
Royal Perth Hospital Deposit (5)	11,353	11,353
Trauma Nurses Course Fund (6)	11,000	444
Laurissa Gooch Research Fund (7)	40,015	38,402
Cardioelectro Physiology Research (8)	114,395	114,395
P.A.R.T.Y. Program Donations	1,894	350
Donation – French HIV Study	3,000	--
	<u>1,721,729</u>	<u>1,999,688</u>
Unrestricted	<u>55,248,207</u>	<u>55,460,392</u>
 (a) Restricted funds		
Balance at the beginning of the year	1,999,688	2,297,122
 Funds received	16,713	5,782
Expenditure on designated funds	(294,672)	(303,216)
Net movement	<u>(277,959)</u>	<u>(297,434)</u>
 Balance at the end of the year	<u>1,721,729</u>	<u>1,999,688</u>

- (1) The fund is used for the purposes of research, education and travel associated with the activities of the Foundation.
- (2) The fund is used for the purposes of equipment, education and associated travel within the RPH Haematology Department.
- (3) The fund is to be applied towards the construction of a Cellular and Tissue Therapies Laboratory and specified research projects.
- (4) The fund is used to reimburse RPH staff for work in the Pilbara region.
- (5) Funds are held on behalf of the Royal Perth Hospital Research Administration and Governance in the roll out of the Research Management System.
- (6) This fund is used to reimburse Trauma Nurses for courses attended.
- (7) This fund provides the research into Crohn's disease and associated conditions.
- (8) This fund is used to support research in the field of Cardiac Electrophysiology.



# Royal Perth Hospital Medical Research Foundation Incorporated

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

	30 June 2016 \$	30 June 2015 \$
<b>NOTE 13: COMMITMENTS</b>		
<b>(a) Research grant commitments</b>		
Research grants relate to:		
(i) Postdoctoral and practitioner fellowship grants, terms up to 3 years.		
Future minimum grants payable under non-cancellable grant agreements at the reporting date:		
Within one year	2,740,550	2,034,565
After one year but not more than five years	1,766,635	1,030,879
More than five years	--	--
<b>Total commitments</b>	<b>4,507,185</b>	<b>3,065,444</b>

## NOTE 14: CONTINGENCIES

There are no contingencies as at 30 June 2016 (2015: None).

## NOTE 15: EVENTS AFTER THE REPORTING PERIOD

No matter or circumstance has arisen since 30 June 2016 that has significantly affected, or may significantly affect the Foundation's operations, the results of those operations, or the Foundation's state of affairs in future financial years.

# Royal Perth Hospital Medical Research Foundation Incorporated

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

	30 June 2016 \$	30 June 2015 \$
<b>NOTE 16: RECONCILIATION OF SURPLUS TO NET CASH FROM OPERATING ACTIVITIES</b>		
Net (Deficit)/Surplus for the year	(490,144)	1,693,511
Adjustments for:		
Depreciation and amortisation	116,972	440,221
Provisions	64,528	--
Revaluation of shares	2,162,422	(2,117,838)
Net (gain)/loss on sale of property, plant and equipment	(3,219)	2,368
Net (gain)/loss on sale of shares	(899,022)	637,200
Change in operating assets and liabilities:		
Trade and other receivables	(111,989)	(492,989)
Accrued revenue	(91,011)	68,002
Deferred income	--	(7,083)
Prepayments	7,162	(39,242)
Trade and other payables	438,582	342,843
Employee provisions	4,616	14,921
GST	(15,317)	43,743
Other liabilities	--	(66,272)
<b>Net cash from operating activities</b>	<b>1,183,580</b>	<b>519,385</b>

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# Royal Perth Hospital Medical Research Foundation Incorporated

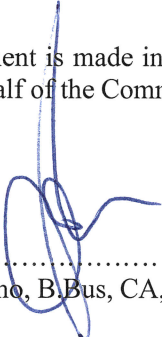
## STATEMENT BY COMMITTEE OF MANAGEMENT

The Committee of Management has determined that the Royal Perth Hospital Medical Research Foundation Incorporated is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

In the opinion of the Committee of Management:

1. The financial report presents a true and fair view of the financial position of the Royal Perth Hospital Medical Research Foundation Incorporated as at 30 June 2016 and its performance for the year ended on that date; and
2. The financial statements and notes comply with the Accounting Standards described in Note 1;
3. The attached special purpose financial statements have been prepared in accordance with its Constitution and for the purposes of complying with the Australian Charities and Not-for-profits Commission Act 2012; and
4. At the date of this statement, there are reasonable grounds to believe that Royal Perth Hospital Medical Research Foundation Incorporated will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Committee of Management and is signed for and on behalf of the Committee of Management by:

  
.....  
John Palermo, B.Bus, CA, ACIS  
Treasurer

Dated at Perth this 28th day of October 2016

**RSM Australia Pty Ltd**

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**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
ROYAL PERTH HOSPITAL MEDICAL RESEARCH FOUNDATION INCORPORATED**

We have audited the accompanying financial report, being a special purpose financial report, of Royal Perth Hospital Medical Research Foundation Incorporated, which comprises the statement of financial position as at 30 June 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the statement by the committee of management.

*The Committee of Management's Responsibility for the Financial Report*

The committee of management is responsible for the preparation of the financial report, and have determined that the basis of preparation described in Note 1, is appropriate to meet the requirements of its Constitution and the *Australian Charities and Not-for-profits Commission Act 2012* and is appropriate to meet the needs of the members. The committee of management's responsibility also includes such internal control as the committee of management determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee of management, as well as evaluating the overall presentation of the financial report.

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

**THE POWER OF BEING UNDERSTOOD**  
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### *Independence*

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

### *Opinion*

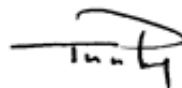
In our opinion, the financial report presents fairly, in all material respects, the financial position of the Royal Perth Hospital Medical Research Foundation Incorporated as of 30 June 2016 and its performance for the year then ended in accordance with the accounting policies as described in Note 1.

### *Basis of accounting*

Without modifying our opinion, we draw attention to Note 1, which describes the basis of accounting. The financial report has been prepared to assist the Royal Perth Hospital Medical Research Foundation Incorporated to meet the requirements of its Constitution and the *Australian Charities and Not-for-profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose.



RSM AUSTRALIA PTY LTD



TUTU PHONG  
Director

Perth, WA  
Dated: 31 October 2016