



National Foundation for Medical Research and Innovation

NFMRI

2013

ANNUAL REPORT - FINANCIALS

National Foundation for Medical Research and Innovation



National Foundation for Medical Research and Innovation

(Formally known as Sydney Foundation for Medical Research)

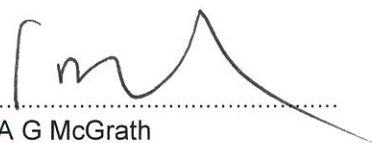
ABN: 85 001 422 895

(A company limited by guarantee)

FINANCIAL STATEMENTS & REPORTS

YEAR ENDED 31 DECEMBER 2013

I certify that this is a true copy of all financial statements required to be laid before the Foundation at the Annual General Meeting, together with a copy of every other document required by Section 314 of the Corporations Act 2001 to be laid before the Annual General Meeting.


.....
A G McGrath
Honorary Secretary

22 April 2014.....
Date

National Foundation
for Medical Research
and Innovation



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Innovation

(Formally known as Sydney Foundation for Medical Research)

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FINANCIAL STATEMENTS & REPORTS

YEAR ENDED 31 DECEMBER 2013



National Foundation for Medical Research and Innovation

(Formally known as Sydney Foundation for Medical Research)

FINANCIAL STATEMENTS & REPORTS

YEAR ENDED 31 DECEMBER 2013

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National Foundation for Medical Research and Innovation

DIRECTORS' (TRUSTEES') REPORT

The Directors of the National Foundation for Medical Research and Innovation submit herewith the annual financial report of the Foundation for the financial year ended 31 December 2013. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

Directors

The names and particulars of the Directors of the Foundation during or since the end of the financial year are:

Name and independence status	Age	Qualifications and experience
Dr V M Cowlshaw Shortell Independent Director (Trustee)	78	<p>General Dental and Special Oral Services Board Member since 1987</p> <p>Fellow: Royal Australasian College of Dental Surgeons.</p> <p>Member: Clinical Oncological Association of Australia Australian Dental Association Australian Federation of Graduate Women Inc.</p> <p>Life Member: Fiji Dental Association, University of Queensland Alumni, Otago University Alumni</p> <p>During the financial year, Dr Cowlshaw Shortell attended 6 out of the 7 meetings of the Directors of the Foundation.</p>
Dr J Dixon Hughes OAM Independent Director (Trustee) Chairman of the Research Advisory Committee	87	<p>General Surgeon Board Member since 1984</p> <p>Fellow: Royal Australian College of Surgeons Australian Medical Association</p> <p>Distinguished Counsellor: Australian Association of Surgeons.</p> <p>During the financial year, Dr Dixon-Hughes attended 7 out of the 7 meetings of the Directors of the Foundation.</p>

National Foundation for Medical Research and Innovation

DIRECTORS' (TRUSTEES') REPORT (continued)

Name and independence status	Age	Qualifications and experience
Dr R Garrick Independent Director (Trustee) Member of the Research Advisory Committee	67	<p>Neurologist Associate Professor, Faculty of Medicine, University of Notre Dame, Australia Board Member since 2002</p> <p>Fellow: Royal Australasian College of Physicians Faculty of Pain Medicine, ANZCA,</p> <p>Member: Australian Association of Neurologists Clinical Oncology Society of Australia Australian Medical Association Mayo Alumni Association</p> <p>During the financial year, Dr Garrick attended 4 out of the 7 meetings of the Directors of the Foundation.</p>
Dr J R Graham Independent Director (Trustee)	69	<p>Retired Consultant Physician Board Member since 2002</p> <p>Member: British Society of Gastroenterology Australian Medical Association</p> <p>Past Chairman: Department of Medicine Sydney Hospital</p> <p>During the financial year, Dr Graham attended 7 out of the 7 meetings of the Directors of the Foundation.</p>

National Foundation for Medical Research and Innovation

DIRECTORS' (TRUSTEES') REPORT (continued)

Name and independence status	Age	Qualifications and experience
Mr J B Harkness Independent Director (Trustee) Chairman	69	<p>Chartered Accountant Board Member since 1984 Chairman of: Reliance Rail Charter Hall Retail Management Limited</p> <p>Director: Goodman Group</p> <p>Vice President: Northern Suburbs Rugby Football Club Limited</p> <p>Fellow: Institute of Chartered Accountants in Australia Australian Institute of Company Directors</p> <p>During the financial year, Mr Harkness attended 7 out of the 7 meetings of the Directors of the Foundation.</p>
Dr K J Hellestrand Independent Director (Trustee)	64	<p>Cardiologist Board Member since 2001</p> <p>Fellow: Royal Australasian College of Physicians American College of Cardiology Cardiac Society of Australian and New Zealand Heart Rhythm Society European Society of Cardiology</p> <p>Member: North Shore Heart Research Foundation</p> <p>During the financial year, Dr Hellestrand attended 3 out of the 7 meetings of the Directors of the Foundation.</p>

National Foundation for Medical Research and Innovation

DIRECTORS' (TRUSTEES') REPORT (continued)

Name and independence status	Age	Qualifications and experience
Mr A G McGrath Independent Director (Trustee) Honorary Secretary	54	<p>Chartered Accountant Board Member since 1997</p> <p>Chairman: McGrathNicol</p> <p>Director: Special Olympics Australia Limited QBE Insurance (Australia) Limited Elders Insurance Limited CUNA Mutual Life Insurance Limited QBE Lenders' Mortgage Insurance Limited QBE Insurance (International) Limited</p> <p>Member: Insolvency Practitioners Association Australia Institute of Chartered Accountants in Australia</p> <p>During the financial year, Mr McGrath attended 5 out of the 7 meetings of the Directors of the Foundation.</p>
Ms J Schwager AO Independent Director (Trustee)	65	<p>Non-profit Executive Board Member since 2005</p> <p>Director: Campbell Page Ltd Indigenous Festivals of Australia Croc Festivals Foundation Social Ventures Australia</p> <p>Member: Home Hospice</p> <p>During the financial year, Ms Schwager attended 3 out of the 7 meetings of the Directors of the Foundation.</p>
Mr K Drewery Independent Director (Trustee)	48	<p>Director - KPMG Board member since 2010</p> <p>Director: The Abbott Foundation Limited</p> <p>Member: Institute of Taxation</p> <p>During the financial year, Mr Drewery attended 6 out of the 7 meetings of the Directors of the Foundation.</p>

National Foundation for Medical Research and Innovation

DIRECTORS' (TRUSTEES') REPORT (continued)

Principal Activity

The Foundation is a charitable institution. Its principal activity during the year was to fund medical research. No significant change in that activity occurred during the year.

Financial Results

The operating profit for the year is \$427,395 (including bequests and donations of \$823,117) (2012: Profit \$149,861, including bequests and donations of \$144,000).

Note 3 discloses the profit from operations including bequests and donations.

The financial results for the year incorporate the early adoption by the Company of Accounting Standard AASB 9 and as such, in these and future accounts, the "profit" figure shown reflects only the dividends received from the portfolio of investments and interest received less the expenses incurred in running the National Foundation for Medical Research and Innovation. Gains/losses on investments sold during the year are no longer reflected through the Profit and Loss account and are now reflected through other comprehensive income in a retained earnings account, shown in the Statement of Financial Position. Investments will be classified at fair value through comprehensive income and realised gains or losses will be transferred directly to a retained earnings account.

Review of Operations

During the year, the Foundation continued to fund medical research, providing research grants of \$966,416 (2012: \$820,289).

Dividends

The Constitution of the Foundation does not permit any payment of dividends to members.

Changes in state of affairs

During the financial year there was no significant change in the state of affairs of the Foundation.

Subsequent events

As at 2 April 2014 the investments (disclosed at Note 6) have increased in fair value by \$979,209 since 31 December 2013 which also reflects purchases and sales within the portfolio.

Future Developments

The Foundation will continue to act as a charitable institution and to raise funds for medical research.

Auditor's Independence Declaration

The auditor's independence declaration is included on page 7 of the annual report.

Indemnification of Officers and Auditors

The Foundation has not otherwise, during or since the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Foundation or of any related body corporate against a liability incurred as such an officer or auditor.

National Foundation for Medical Research and Innovation

DIRECTORS' (TRUSTEES') REPORT (continued)

Directors' Benefits

During or since the financial year, no Director of the Foundation has received or become entitled to receive a benefit because of a contract that the Director or a firm of which the Director is a member, or an entity in which the Director has a substantial financial interest made with the Foundation or an entity that the Foundation controlled, or a body corporate that was related to the Foundation, when the contract was made or when the Director received, or became entitled to receive the benefit other than:

- (a) a benefit included in the aggregate amount of the emoluments received or due and receivable by the Directors shown in note 17 to the financial statements; or
- (b) remuneration charged by McGrathNicol, Chartered Accountants. Mr A G McGrath is a member of the firm McGrathNicol. McGrathNicol charged discounted fees for accounting services rendered throughout the year. Mr McGrath is the Honorary Secretary of the Foundation and donates his time.

Management of the Investment Portfolio

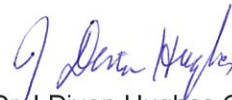
The Directors acknowledge the contribution of BT Financial Group Limited in managing the Foundation's investment portfolio..

Signed in accordance with a resolution of the Directors made pursuant to Section 298(2) of the Corporations Act 2001.



Mr JB Harkness
Director (Trustee)

Sydney, 22 April 2014



Dr J Dixon Hughes OAM
Director (Trustee)

The Directors
National Foundation for Medical Research & Innovation
Level 31
60 Margaret Street
SYDNEY NSW 2000

Dear Directors

National Foundation for Medical Research and Innovation

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the Directors of National Foundation for Medical Research and Innovation.

As lead audit partner for the audit of the financial statements of National Foundation for Medical Research and Innovation for the financial year ended 31 December 2013, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



Joshua Tanchel
Partner
Chartered Accountants

Sydney, 22 April 2014

Independent Auditor's Report to the members of National Foundation for Medical Research and Innovation (Formally known as Sydney Foundation for Medical Research)

We have audited the accompanying financial report of National Foundation for Medical Research and Innovation (Formally known as Sydney Foundation for Medical Research), which comprises the statement of financial position as at 31 December 2013, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration as set out on pages 10 to 34.

Directors' Responsibility 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 and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 of the financial report that gives a true and fair view, 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 directors, 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 qualified audit opinion.

Auditor's Independence Declaration

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of National Foundation for Medical Research and Innovation (Formally known as Sydney Foundation for Medical Research), would be in the same terms if given to the directors as at the time of this auditor's report.

Basis for Qualified Opinion

Bequests and donations are a source of revenue for National Foundation for Medical Research and Innovation (Formally known as Sydney Foundation for Medical Research). The National Foundation for Medical Research and Innovation (Formally known as Sydney Foundation for Medical Research) has determined that it is impracticable to establish control over the collection of bequests and donations prior to entry into its financial records. Accordingly, as the evidence available to us regarding revenue from this source was limited, our audit procedures with respect to bequests and donations had to be restricted to the amounts recorded in the financial records. We therefore are unable to express an opinion whether the bequests and donations the National Foundation for Medical Research and Innovation (Formally known as Sydney Foundation for Medical Research) recorded are complete.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph,

- (a) the financial report for the National Foundation for Medical Research and Innovation (Formally known as Sydney Foundation for Medical Research) is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Foundation's financial position as at 31 December 2013 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 2.

Deloitte Touche Tohmatsu
DELOITTE TOUCHE TOHMATSU



Joshua Tanchel
Partner
Chartered Accountants
Sydney, 22 April 2014

National Foundation for Medical Research and Innovation

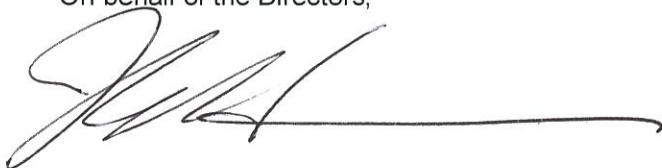
DIRECTORS' (TRUSTEES') DECLARATION

The Directors of the National Foundation for Medical Research and Innovation (Formally known as Sydney Foundation for Medical Research) declare that:

- (a) In the Directors' opinion, there are reasonable grounds to believe that the Foundation will be able to pay its debts as and when they become due and payable;
- (b) The attached financial statements are in compliance with International Financial Reporting Standards, as stated in note 2 to the financial statements;
- (c) In the Directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Foundation.

Signed in accordance with a resolution of the Directors, made pursuant to s295(5) of the Corporations Act 2001.

On behalf of the Directors,



Mr JB Harkness
Director (Trustee)



Dr J Dixon Hughes OAM
Director (Trustee)

Dated at Sydney on the 22nd day of April 2014.

National Foundation for Medical Research and Innovation

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

	Note	2013 \$	2012 \$
Revenue	3	1,675,896	1,085,795
Administration expenses		(282,086)	(115,645)
Research grants made during the year	15	(966,416)	(820,289)
Profit for the year		427,394	149,861
Other Comprehensive Income			
Gain on investments taken to equity		1,824,112	1,369,304
Other comprehensive income for the year		1,824,112	1,369,304
Total comprehensive income for the year		2,251,506	1,519,165

Notes to the financial statements are included on pages 15 to 34.

National Foundation for Medical Research and Innovation

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2013

	Note	2013 \$	2012 \$
CURRENT ASSETS			
Cash and cash equivalents	18(a)	3,489,040	4,312,087
Trade and other receivables	5	250,518	225,998
Non-current assets classified as held for sale	6	350,000	-
TOTAL CURRENT ASSETS		4,089,558	4,538,085
NON CURRENT ASSETS			
Other financial assets	7	16,298,291	13,604,707
TOTAL NON-CURRENT ASSETS		16,298,291	13,604,707
TOTAL ASSETS		20,387,849	18,142,792
CURRENT LIABILITIES			
Trade and other payables	8	45,034	59,591
Provisions	9	6,682	-
TOTAL CURRENT LIABILITIES		51,716	59,591
NON-CURRENT LIABILITIES			
Provisions	9	1,427	-
TOTAL NON-CURRENT LIABILITIES		1,427	-
TOTAL LIABILITIES		53,143	59,591
NET ASSETS		20,334,706	18,083,201
ACCUMULATED FUNDS			
		\$	\$
Endowed fund for perpetual investment	10	25,000	25,000
Reserves	11	2,589,562	820,482
General funds	12	7,742,634	7,568,041
Funds held for specific purposes	13	9,977,510	9,669,678
TOTAL ACCUMULATED FUNDS		20,334,706	18,083,201

Notes to the financial statements are included on pages 15 to 34.

National Foundation for Medical Research and Innovation

STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2013

	Endowed fund for perpetual investment	Investment revaluation reserve	Retained Earnings	Total
	\$	\$	\$	\$
Balance at 1 January 2013	25,000	820,482	17,237,719	18,083,201
Profit for the year	-	-	427,394	427,394
Unrealised gain on investments	-	1,824,111	-	1,824,111
Realised gain on investments	-	(55,031)	55,031	-
Net income recognised in equity	-	1,769,080	482,425	2,251,505
Total comprehensive income for the year	-	1,769,080	482,425	2,251,505
Balance at 31 December 2013	25,000	2,589,562	17,720,144	20,334,706

Balance at 1 January 2012	25,000	(538,155)	17,077,191	16,564,036
Profit for the year	-	-	149,861	149,861
Unrealised loss on investments	-	1,369,304	-	1,369,304
Realised loss on investments	-	(10,667)	10,667	-
Net income recognised in equity	-	1,358,637	160,528	1,519,165
Total comprehensive income for the year	-	1,358,637	160,528	1,519,165
Balance at 31 December 2012	25,000	820,482	17,237,719	18,083,201

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Notes to the financial statements are included on pages 15 to 34.

National Foundation for Medical Research and Innovation

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

	Note	2013 \$	2012 \$
Cash flows from operating activities			
Bequests and donations received		838,291	166,199
Dividends received		315,409	344,755
Interest received		15,815	20,021
Unit trust distributions received		428,285	602,155
Overseas or foreign income received		64,160	26,540
Investment property income received		11,227	-
Research grants		(991,105)	(820,350)
Operating expenses		(259,968)	(126,674)
Investment property expenses		(10,515)	-
Net cash (utilised)/generated from operating activities	18(b)	411,598	212,646
Cash flows from investing activities			
Proceeds from sale of investments		5,869,034	3,161,585
Payments for purchases of investments		(7,103,679)	(3,560,369)
Net cash provided by/(used in) investing activities		(1,234,645)	(398,784)
Net increase/(decrease) in cash and cash equivalents		(823,047)	(186,138)
Cash and cash equivalents at the beginning of the financial year		4,312,087	4,498,225
Cash and cash equivalents at the end of the financial year	18(a)	3,489,040	4,312,087

Notes to the financial statements are included on pages 15 to 34.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

1 ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

The Foundation has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period.

At the date of authorisation of the financial report, the following Standards and Interpretations were in issue but not yet effective.

Initial application of the following Standards will not affect any of the amounts recognised in the financial report, and will not materially change the disclosures presently made in relation to the Foundation's financial report:

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
• AASB 9 Financial Instruments, AASB 2009-11 and AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9	1 January 2013	31 December 2013
• AASB 2010-6 Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets	1 July 2011	31 December 2013
• AASB 2010-8 Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets	1 January 2012	31 December 2013
• AASB 9 'Financial Instruments'(December 2009), AASB 2009-11 'Amendments to Australian Accounting Standards arising from AASB 9', AASB 2012-6 'Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures'	1 January 2015	31 December 2015
• AASB 9 'Financial Instruments'(December 2010), AASB 2010-7 'Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)', AASB 2012-6 'Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures'	1 January 2015	31 December 2015

National Foundation for Medical Research and Innovation

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

1 ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS (continued)

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
• AASB 7 'Financial Instruments: Disclosures'	1 July 2012	31 December 2013
• AASB 13 'Fair Value Measurement' and AASB 2011-8 'Amendments to Australian Accounting Standards arising from AASB 13'	1 January 2013	31 December 2013
• AASB 119 'Employee Benefits'(2011) and AASB 2011-10 'Amendments to Australian Accounting Standards arising from AASB 119 (2011)'	1 January 2013	31 December 2013
• AASB 120 'Accounting for Government Grants and Disclosure of Government Assistance'	1 July 2012	31 December 2013
• AASB 121 'The Effects of Changes in Foreign Exchange Rates'	1 July 2012	31 December 2013
• AASB 127 'Separate Financial Statements' (2011), AASB 2011-7 'Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards'	1 January 2013	31 December 2013
• AASB 128 'Investments in Associates and Joint Ventures'(2011), AASB 2011-7 'Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards'	1 January 2013	31 December 2013

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

2 SUMMARY OF ACCOUNTING POLICIES

Statement of Compliance

The Foundation is a company limited by guarantee. The financial report is a general purpose financial report which has been prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations, and complies with other requirements of the law. Accounting Standards include Australian equivalents to International Financial Reporting Standards ('A-IFRS'). Compliance with A-IFRS ensures that the financial statements and notes of the Foundation comply with International Financial Reporting Standards ('IFRS'). For the purpose of preparing the financial statements the entity is a not for profit entity.

Basis of Preparation

The financial report has been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

a Revenue

Revenue is measured at the fair value of the consideration received or receivable.

(i) Income from investments

Revenue from investments is recognised when the Foundation's right to receive payment has been established.

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

(ii) Bequests and Donations

Bequests and donations represent monies received into the Foundation's bank account. The cost of investment portfolio management services has been donated to the Foundation.

The National Foundation for Medical Research and Innovation (formally known as the Sydney Foundation for Medical Research), in common with most organisations dependent upon such contributions, is unable to establish control over voluntary bequests and donations prior to their initial entry in the accounting records.

b Income Tax

The Foundation is exempted from paying income tax due to it being a charitable institution in terms of Section 50-5 of the Income Tax Assessment Act, 1997, as amended.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

2 SUMMARY OF ACCOUNTING POLICIES (continued)

c Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

d Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

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

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

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

e Investment property

Measurement at Recognition

This Standard requires all entities to measure the fair value of investment property, for the purpose of either measurement (if the entity uses the fair value model) or disclosure (if it uses the cost model). An entity is encouraged, but not required, to measure the fair value of investment property on the basis of a valuation by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

Herron Todd White – an independent valuer made an assessment of the fair value of the property on 7 November 2013.

f Financial assets

Financial assets:

Classification:

All investments for part of the Company's investment portfolio and have been classified as "equity instruments" revalued through Other Comprehensive Income.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

2 SUMMARY OF ACCOUNTING POLICIES (continued)

f Financial Assets (continued)

Recognition:

Equity instruments, are considered to have been sold when the contractual rights to the investment expire or contractual rights to receive cash flows have been transferred and substantially all the risk and rewards of ownership have not been retained.

The realised gains and losses on the sale of investments were transferred from the asset revaluation reserve and transferred to retained earnings.

Unrealised gains and losses arising from changes in the fair value of investments are recognised in other comprehensive income and reflected in the asset revaluation reserve.

Determination of Fair Value:

A-IFRS defines fair value for the purpose of valuing holdings of securities that are listed or traded on an exchange to be based on quoted "bid" prices for securities prevailing at the close of business on the balance date.

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment.

Interest is recognised by applying the effective interest rate.

g Trade and other payables

Trade payables are recognised initially at their fair value, which is the amount expected to be paid, and subsequently at amortised cost. These amounts represent liabilities for services provided to the Foundation prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 60 days of recognition.

h Provisions

Provisions are recognised when the company 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 the outflow can be reliably measured and transferred to retained earnings.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

2 SUMMARY OF ACCOUNTING POLICIES (continued)

i Non-current assets held for sale

Non current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

j Employee Benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the entity in respect of services provided by employees up to reporting date.

Contributions to employee superannuation funds are expensed when incurred.

National Foundation for Medical Research and Innovation

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

	2013 \$	2012 \$
3 PROFIT FROM OPERATIONS		
<i>Revenue</i>		
Income from investments	841,552	941,795
Bequests and donations	823,117	144,000
Investment property income	11,227	-
	1,675,896	941,795
4 REMUNERATION OF AUDITORS		
Audit of the financial report	26,000	26,000
The auditor of the Foundation is Deloitte Touche Tohmatsu.		
5 TRADE AND OTHER RECEIVABLES		
Trade receivables (i)	110,696	91,402
Goods and services tax recoverable	690	18,975
Imputation credits receivable	139,132	115,621
	250,518	225,998
(i)	Trade receivables represent dividends and interest accrued as well as unsettled trade amounts at year end. Unsettled trades are non-interest bearing and are secured by the Australian Securities Exchange – National Guarantee Fund. They are settled within 3 days of the sale being executed.	
6 NON CURRENT ASSETS CLASSIFIED AS HELD FOR SALE		
Land and buildings	350,000	-

The Foundation intends to dispose of its Queensland property located at 4 Adelphi Springs, Southport. The property is being actively marketed for sale and is expected to be sold during the 2014 financial year. No impairment loss was recognised on classification of land and buildings as held for sale.

National Foundation for Medical Research and Innovation

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

7	OTHER FINANCIAL ASSETS	2013 \$	2012 \$
	Investments carried at fair value		
	<u>Non-current</u>		
	Shares in Public Companies	6,421,501	5,167,894
	Westpac Australian Bond Fund	2,844,276	2,663,480
	AXA Australian Monthly Income Fund	4,991	20,165
	BT Institute Enhanced Global – International Fixed Interest Fund	1,098,128	1,126,881
	Property Trusts	2,668,747	2,146,212
	Shares in overseas companies	3,260,648	2,480,075
		16,298,291	13,604,707

8 TRADE AND OTHER PAYABLES

Research grants (i)	-	24,689
Other payables – accrued fees	43,054	34,902
Payroll liabilities	1,980	-
	45,034	59,591

- (i) The average period for payment on research grants is 30 days after receipt of invoice. No interest is charged on the outstanding balance.

9 PROVISIONS

Current employee provisions	6,682	-
Total Current Provisions	6,682	-
Non-Current employee provisions	1,427	-
Total Non-Current Provisions	1,427	-

National Foundation for Medical Research and Innovation

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

	2013 \$	2012 \$
10 ENDOWED FUND	25,000	25,000

Under the terms of the Constitution of the Foundation, the Foundation is to maintain an endowed fund at \$25,000 (2012: \$25,000).

11 RESERVES	2013 \$	2012 \$
Investment revaluation reserve		
Balance at beginning of financial year	820,482	(538,155)
Unrealised gains, arising from changes in the fair value of investments, recognised in other income	1,824,111	1,369,304
Gain transferred to retained earnings on sale of financial assets	(55,031)	(10,667)
Balance at end of financial year	2,589,562	820,482

The investment revaluation reserve arises on the revaluation of financial assets.

National Foundation for Medical Research and Innovation

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

12 GENERAL FUNDS	2013	2012
	\$	\$
General funds at beginning of the financial year	7,568,041	7,304,550
<i>Transfers (to)/from specific funds:</i>		
– Share of income for the Tempe Mann Cancer/ Blood Fund	(146,235)	(188,186)
– Share of income for the Cynthia & Patricia Gaden Allergy, Asthma Fund	(50,708)	(65,256)
– Share of income for the Josephine White & Hiltbrunner Cancer/Blood Fund	(106)	(136)
– Share of income for the Estate of Bill & Shirley Westbrook Cancer Fund	(100,387)	(144,538)
– Share of income for the Estate of Dagmar Halas Cancer Fund	-	(18,553)
– Share of income in Memory of Adelaide Mary Hogan Cancer Fund	(876,685)	(206,209)
Distribution of funds from Estate of Dagmar Halas Cancer Fund	-	397,176
Distribution of funds from Estate of Bill and Shirley Westbrook Cancer Fund	785,543	328,665
Distribution of funds from the Josephine White & Hiltbrunner Cancer/Blood Fund	3,028	-
Distribution of funds from in Memory of Adelaide Mary Hogan Cancer Fund	77,718	-
Total transferred (to)/from specific funds	(307,832)	102,963
Operating profit for the year	427,394	149,861
Realised gain/(loss) on investments	55,031	10,667
General funds at end of the financial year	7,742,634	7,568,041

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013
(continued)

13 ANALYSIS OF FUNDS HELD FOR SPECIFIC PURPOSES

	Estate of Tempe Mann- Cancer/Blood diseases \$	Cynthia and Patricia Gaden Fund – Allergy and Asthma \$	Estate of Josephine Emma White – Cancer \$	Estate Bill & Shirley Westbrook – Cancer \$	In Memory of Adelaide Mary Hogan (Paine) – Cancer \$	Total \$
As at beginning of financial year	4,028,568	1,396,955	2,922	2,765,506	1,475,727	9,669,678
Transfer from General Funds	146,235	50,708	106	100,387	876,685	1,174,121
	4,174,803	1,447,663	3,028	2,865,893	2,352,412	10,843,799
Distribution of funds for specific purpose	-	-	(3,028)	(785,543)	(77,718)	(866,289)
As at end of financial year	4,174,803	1,447,663	-	2,080,350	2,274,694	9,977,510

The transfer from the General Funds to funds held for specific purposes has been calculated on a pro rata basis for both income and expenses.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013
(continued)

14 LIABILITIES COMMITMENTS

The following GST inclusive commitments exist at 31 December 2013 in respect of approved research grants which are contingent upon the respective researchers complying with the terms of their agreement with the Foundation:

	2013 \$	2012 \$
Dr Michael Buckland (Cancer) <i>Characterising early molecular changes in gliomas</i> (Research undertaken at The University of Sydney) (The University of Sydney administers the research grant)	88,000	192,500
Dr Max Conway (Cancer) <i>A role for Histone Deacetylases and their inhibitors in Ocular Melanomas</i> (Research undertaken at the Save Sight Institute on the grounds of Sydney Eye Hospital) (The University of Sydney administers the research grant)	63,800	128,700
Dr Wendy Cooper (Cancer) <i>Personalise medicine for lung cancer and mesothelioma</i> (Research undertaken at Royal Prince Alfred Hospital) (Sydney Local Health Network administers the research grant)	-	44,000
<i>Personalise medicine in lung cancer – Massively parallel sequencing of lung tumours enriched for mutation</i> (Research undertaken at Royal Prince Alfred Hospital) (NSW Health Pathology administers the research grant)	104,500	-
Professor Douglas Joshua (Cancer) <i>Inhibitors of immune effectors in multiple myeloma</i> (Research undertaken at Royal Prince Alfred Hospital) (Sydney Local Health Network administers the research grant)	-	88,000
Associate Professor Alexander Klistorner (Ophthalmology) <i>Multifocal visual evoked potentials in optic neuropathies</i> (Research undertaken at the Save Sight Institute on the grounds of Sydney Eye Hospital) (The University of Sydney administers the research grant)	-	99,000
Professor David Ma (GST Free) (Cancer) <i>Role of MicroRNAs as regulators of cell survival and differentiation in acute myeloid leukaemia (GST Free)</i> (Research is undertaken at St Vincent's Hospital) (St Vincent's Hospital administers the research grant)	-	74,250

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013
(continued)

	2013 \$	2012 \$
Associate Professor Michele Madigan (Ophthalmology) <i>Understanding the pathogenesis of Dry AMD: Interactions of Neural Retinal, Immune Responses & RPE cell death</i> (Research undertaken at the Save Sight Institute on the grounds of Sydney Eye Hospital) (The University of Sydney administers the research grant)	66,000	132,000
Professor John McAvoy (Ophthalmology) <i>Chair of Experimental Ophthalmology</i> (Research undertaken at the Save Site Institute on the grounds of Sydney Eye Hospital) (The University of Sydney administers the research grant)	380,875	685,575
Dr Tim Molloy (Cancer) <i>miR-1274a as a biomarker and druggable target for radiotherapy resistance in breast cancer</i> (Research undertaken at the Garvan Institute) (The Garvan Institute administers the research grant)	138,600	-
Dr Lenka Munoz (Cancer) <i>Improving chemotherapy response rates in brain cancer</i> (Research undertaken at The University of Sydney) (The University of Sydney administers the research grant)	328,534	430,052
Dr Nick Shackel (Cancer) <i>Discovering novel biomarkers in hepatocellular carcinoma (HCC)</i> (Research undertaken at the Centenary Institute and The University of Sydney) (The University of Sydney administers the research grant)	132,000	273,050
Preservation of Pathology Museum Specimens (GST free) (General) (Specimens reside in the Lucy Osborne/Nightingale Museum at Sydney Hospital) (The University of Sydney administers the research grant)	12,792	5,464
	1,315,101	2,152,591

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013
(continued)

15 RESEARCH GRANTS

The sum paid in grants totalled \$966,416 (2012: \$820,289) as recorded in the income and expenditure account and funded the following research projects:

	2013	2012
	\$	\$
Dr Michael Buckland (Cancer) <i>Characterising early molecular changes in gliomas</i> (Research was undertaken at The University of Sydney) (The University of Sydney administered the research grant)	95,000	95,000
Dr Max Conway (Cancer) <i>A role for Histone Deacetylases and their inhibitors in Ocular Melanomas</i> (Research was undertaken at the Save Sight Institute on the grounds of Sydney Eye Hospital) (The University of Sydney administered the research grant)	59,000	9,750
Professor Wendy Cooper (Cancer) Personalise medicine for lung cancer and mesothelioma (Research was undertaken at Royal Prince Alfred Hospital) (Sydney Local Health Network administered the research grant)	40,000	85,000
Professor Douglas Joshua (Cancer) Inhibitors of immune effectors in multiple myeloma (Research was undertaken at Royal Prince Alfred Hospital) (Sydney Local Health Network administered the research grant)	80,000	80,000
Associate Professor Alexander Klistorner (Ophthalmology) <i>Multifocal visual evoked potentials in optic neuropathies</i> (Research was undertaken at the Save Sight Institute on the grounds of Sydney Eye Hospital) (The University of Sydney administered the research grant)	90,000	90,000
Professor David Ma (Cancer) <i>Role of MicroRNAs as regulators of cell survival and differentiation in acute myeloid leukaemia (GST Free)</i> (Research was undertaken at St Vincent's Hospital) (St Vincent's Hospital administered the research grant)	67,500	112,500

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013
(continued)

	2013 \$	2012 \$
Associate Professor Michele Madigan (Ophthalmology) <i>Understanding the pathogenesis of Dry AMD: Interactions of Neural Retinal, Immune Responses & RPE cell death</i> (Research was undertaken at the Save Sight Institute on the grounds of Sydney Eye Hospital) (The University of Sydney administered the research grant)	60,000	60,000
Professor John McAvoy (Ophthalmology) <i>Chair of Experimental Ophthalmology</i> (Research was undertaken at the Save Site Institute on the grounds of Sydney Eye Hospital) (The University of Sydney administered the research grant)	277,000	277,000
Dr Susan Tomlinson (General) <i>Nerve excitability in genetic neurological Ion Channel Disorders (GST Free)</i> (Research was undertaken at The University of Sydney) (The University of Sydney administered the research grant)	-	1,815
Dr Lenka Munoz (Cancer) <i>Improving chemotherapy response rates in brain cancer</i> (Research was undertaken at The University of Sydney) (The University of Sydney administered the research grant)	92,289	-
Dr Nick Shackel (Cancer) <i>Discovering Novel Biomarkers in Hepatocellular Carcinoma (HCC)</i> (Research was undertaken at the Centenary Institute) (The University of Sydney administered the research grant)	95,500	-
Preservation of Pathology Museum Specimens (GST free) (General) (Specimens reside in the Lucy Osborne/Nightingale Museum at Sydney Hospital) (The University of Sydney administered the research grant)	7,672	6,591
Winston Library (General) <i>(The Sydney Foundation for Medical Research directly finances the purchase of new publications for the Winston Library at Sydney Hospital)</i>	2,455	2,633
	966,416	820,289

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013
(continued)

16 MEMBERS' LIABILITIES

The liability of the members is limited. Every member of the Foundation undertakes to contribute to the assets of the Foundation, in the event of the same being wound up while he is a member, or within one year after he ceases to be a member, for payment of the debts and the liabilities of the Foundation (contracted before he ceases to be a member) and of the costs, charges and expenses of winding up and for the adjustment of the rights of the contributors among themselves, such amount as may be required not exceeding fifty dollars (\$50.00).

17 KEY MANAGEMENT PERSONNEL COMPENSATION

CEO Dr Noel Chambers received \$102,949 in emoluments in 2013 (2012: Nil). The Directors of the Foundation received nil emoluments (2012: Nil).

McGrathNicol, Chartered Accountants charged discounted fees of \$7,331 (2012: \$6,443) for accounting services rendered throughout the financial year. Mr A G McGrath is a member of the firm and Honorary Secretary of the Foundation and donates his time.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013
(continued)

18 NOTES TO THE CASH FLOW STATEMENT

	2013 \$	2012 \$
(a) Reconciliation of cash and cash equivalents		
For the purposes of the cash flow statement, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:-		
Cash and cash equivalents	535,755	723,231
Westpac Investment Pool Managed Cash	574,000	3,573,000
BT W/S Enhanced Cash Fund	2,363,131	-
Westpac Investment Management Pty Ltd Fund No 2	16,154	15,856
	3,489,040	4,312,087
(b) Reconciliation of profit for the year to net cash flows from operating activities		
Profit for the year	427,394	149,861
<i>Changes in net assets and liabilities</i>		
Decrease/(Increase) in receivables	(9,348)	82,742
(Decrease)/Increase in payables	(6,448)	(19,957)
Net cash (utilised in) operating activities	411,598	212,646

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013
(continued)

19 SEGMENT INFORMATION

The Foundation operates wholly in Australia, and operates in one business segment being the provision of grants to fund medical research.

20 FINANCIAL INSTRUMENTS

a) Categories of financial instruments

	2013	2012
	\$	\$
Financial Assets		
Trade and other receivables	250,518	225,998
Cash and cash equivalents	3,489,040	4,312,087
Investments	16,298,291	13,604,707

b) Financial risk management objectives

The Foundation does not enter into or trade financial instruments for speculative purpose. The Foundation's activities expose it primarily to the financial risks of changes in interest rates.

c) Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2 to the financial statements.

d) Interest rate risk management

The Foundation is exposed to interest rate risk as it invests in financial assets with both fixed and floating interest rates. The risk is managed by maintaining an appropriate mix between fixed and floating rate investments.

Interest rate sensitivity analysis

The sensitivity analysis has been determined based on 50 basis point change in interest rates taking place at the beginning of the financial year and held constant throughout the reporting period, which represents management's assessment of the possible change in interest rates. At reporting date, if interest rates had been 50 basis points higher or lower and all other variables were held constant, the Foundation's net profit would not be materially different for 2013 or 2012.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013
(continued)

20 FINANCIAL INSTRUMENTS (continued)

e) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Foundation. The Foundation has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Foundation does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

f) Fair value of financial instruments

The fair values of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices; and
- the fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair value.

g) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, who have built an appropriate liquidity risk management framework for the management of the Foundation's short, medium and long-term funding and liquidity management requirements.

The Foundation manages liquidity risk by maintaining adequate reserves and banking facilities and by frequently monitoring forecast and actual cash flows.

Liquidity and interest risk tables

The following table details the Foundation's expected maturity for its non-derivative financial assets, as well as remaining contractual maturity for its non-derivative financial liabilities. The table of financial assets have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the Foundation anticipates that the cash flow will occur in a different period. The table of financial liabilities have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Foundation can be required to pay.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013
(continued)

20 FINANCIAL INSTRUMENTS (continued)

	<i>Weighted average interest rate</i>	<i>Less than 1 month \$</i>	<i>1-3 months \$</i>	<i>3 months to 1 year \$</i>	<i>1-5 years \$</i>	<i>5+ years \$</i>
2013						
<i>Financial Assets</i>						
Non-interest bearing	-	-	250,518	-	12,350,896	-
Variable interest rate instruments	3.33%	3,489,040	-	-	-	-
Fixed interest rate instruments	2.95%	-	-	-	3,947,395	-
		<u>3,489,040</u>	<u>250,518</u>	<u>-</u>	<u>16,298,291</u>	<u>-</u>
<i>Financial Liabilities</i>						
Non-interest bearing	-	-	53,143	-	-	-
2012						
<i>Financial Assets</i>						
Non-interest bearing	-	-	225,998	-	9,794,181	-
Variable interest rate instruments	8.20%	4,312,087	-	-	-	-
Fixed interest rate instruments	9.01%	-	-	-	3,810,527	-
		<u>4,312,087</u>	<u>225,998</u>	<u>-</u>	<u>13,604,708</u>	<u>-</u>
<i>Financial Liabilities</i>						
Non-interest bearing	-	-	59,591	-	-	-

21 SUBSEQUENT EVENTS

As at 2 April 2014 the investments (disclosed at Note 6) have increased in fair value by \$979,209 since 31 December 2013 which also reflects purchases and sales within the portfolio.

National Foundation for Medical Research and Innovation

STATEMENT OF REVENUE AND EXPENDITURE FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013 (Not audited)

	Note	2013 \$	2012 \$
REVENUE			
Dividends		338,920	267,932
Bequests and donations		823,117	144,000
Foreign sourced income		64,160	26,540
Interest income		15,790	21,032
Unit trust income		422,682	626,291
Investment property income		11,227	-
		1,675,896	1,085,795
EXPENDITURE			
Accountancy fees		101,327	71,284
Audit fees		27,573	28,873
Bank charges and government taxes		88	56
Communications		5,046	-
Consulting fees		14,878	12,060
Dues and subscriptions		251	-
Depreciation		1,146	-
Filing fees		410	43
Insurances		4,593	3,049
Marketing		1,727	-
Meeting costs		673	-
Legal & disbursements		2,028	280
Print, post and stationery		426	-
Travel costs		8,456	-
Staff costs		102,949	-
Investment property expenditure		10,515	-
		282,086	115,645
Operating profit before Research Grants		1,393,810	970,150

National Foundation for Medical Research and Innovation

STATEMENT OF REVENUE AND EXPENDITURE FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013 (Not audited)

Research grants made during year	13	966,416	820,289
NET INCOME TRANSFERRED TO GENERAL FUNDS		427,394	149,861

	Note below	2013 \$	2012 \$
YIELD ON INVESTMENTS			
Growth Assets			
<i>Australian Shares in Public Companies</i>			
Ordinary Dividends		334,273	270,741
Dividends from Share Buy Backs	1	-	-
Foreign Sourced Income		5,043	2,587
Unit Trust Income		14,041	9,741
		353,357	283,069
<i>International Share Trusts</i>			
Unit Trust Income		18,214	1,490
Foreign Sourced Income		42,195	13,457
		60,409	14,947
<i>Real Estate Property Trusts</i>			
Unit Trust Income		150,330	109,510
Foreign Sourced Income		6,172	10,611
Ordinary Dividends		4,647	(2,809)
		161,149	117,312
<i>International Property Trusts</i>			
Unit Trust Income		7,759	3,742
Foreign Sourced Income		10,750	590
		18,509	4,332
Total Yield on Growth Assets		593,424	419,660
Defensive Assets			
<i>Australian Fixed Interest</i>			
Unit Trust Income		80,167	214,968
		80,167	214,968
<i>International Fixed Interest</i>			
Unit Trust Income		40,074	144,662
Foreign Sourced Income		-	(705)
		40,074	143,957

National Foundation for Medical Research and Innovation

PERFORMANCE OF AVAILABLE FOR SALE INVESTMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013 (Not audited)

<i>Non Quoted Cash Equivalents</i>			
Interest Income		15,790	21,032
Unit Trust Income		112,097	142,178
		<u>127,887</u>	<u>163,210</u>
Total Yield on Defensive Assets		248,128	522,135
Investment Property Income		11,227	-
	Note	2013 cont	2012 cont
	below	\$	\$
Total Investment Income		852,779	941,795
Administration Expenses	1	<u>(282,087)</u>	<u>(115,645)</u>
Funds available for Research Grants		570,692	826,150
Research grants made during year		<u>(966,416)</u>	<u>(820,289)</u>
NET SURPLUS/(LOSS) AFTER EXPENSES & GRANTS		<u>(395,724)</u>	<u>5,861</u>
TRANSACTIONS IN BEQUESTS AND DONATIONS AND AVAILABLE FOR SALE INVESTMENTS			
Bequests and donations		823,117	144,000
Gain/(Loss) on sale of investment		55,031	10,668
GAIN ON SALE OF INVESTMENT		<u>878,148</u>	<u>154,668</u>
NET INCOME TRANSFERRED TO GENERAL FUNDS		<u>482,424</u>	<u>160,529</u>
RETURN ON AVAILABLE FOR SALE INVESTMENTS			
Weighted Average Value of Available for Sale Investments 2		18,274,864	16,379,121
Investment Income		852,779	941,795
Return on investment		4.67%	5.75%
Increase in available for sale financial assets		2,693,584	1,745,886
		19.80%	14.72%

**PERFORMANCE OF AVAILABLE FOR SALE INVESTMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013
(Not audited)**

Notes

The Trustees of the Foundation wish to maintain the core value of the investments in perpetuity and therefore aim to manage the Foundation and make research grants without diminishing the market core value of Available for Sale Investments over the economic cycle.

1. During the year, the Trustees appointed a chief executive officer who commenced on 29 April 2013.
2. Weighted Average Value of Investments is based on the quarterly valuation of investments.

In December 2013, the Australian Taxation Office issued the Foundation with a new ABN and tax file number. The change of details is as follows:

	New	Old
ABN	85 001 422 895	83 232 828 833
TFN	953 869 715	737 003 451

The Foundations ACN 001 422 895 remains unchanged