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**Royal Perth Hospital  
Medical Research Foundation  
Incorporated**

**Financial Report  
for the year ended 30 June 2015**

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# Royal Perth Hospital Medical Research Foundation Incorporated

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# Royal Perth Hospital Medical Research Foundation Incorporated

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2015

	Note	30 June 2015 \$	30 June 2014 \$
<b>Revenue</b>	2	7,045,739	5,562,239
<b>Expenditure</b>			
Building expenses		(741,567)	(1,178,056)
Depreciation expenses		(440,221)	(607,056)
Donations expenses		(162,934)	(415,071)
Employee benefits expenses		(354,087)	(268,074)
Fund raising expenses		(32,856)	(63,618)
Infrastructure grants expenses		(416,688)	(170,326)
Loss on disposal of shares		(637,200)	--
Management services expenses		(183,047)	(151,256)
Motor vehicle expenses		(7,295)	(8,913)
Office and administrative expenses		(112,342)	(68,029)
Other expenses		(59,840)	--
Research grants expenses		(1,900,935)	(1,869,366)
Special project funding expenses	12	(303,216)	(232,050)
Total expenses		(5,352,228)	(5,031,815)
<b>Net surplus for the year</b>		<u>1,693,511</u>	<u>530,424</u>
<b>Other comprehensive income</b>			
Net changes in fair values of investments		(1,418,411)	2,905,880
<b>Total comprehensive income for the year</b>		<u>275,100</u>	<u>3,436,304</u>

The accompanying notes form part of these financial statements.

# Royal Perth Hospital Medical Research Foundation Incorporated

## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015

	Note	30 June 2015 \$	30 June 2014 \$
<b>Current Assets</b>			
Cash and cash equivalents	3	577,853	2,523,543
Held-to-maturity investments		16,593,362	13,915,815
Trade and other receivables	4	337,519	237,749
Other assets	5	49,216	54,808
<b>Total Current Assets</b>		17,557,950	16,731,915
<b>Non-Current Assets</b>			
Property, plant and equipment	6	27,337,084	27,992,293
Available for sale financial assets	7	30,000,492	29,545,388
Shares in subsidiary company	8	1	1
<b>Total Non-Current Assets</b>		57,337,577	57,537,682
<b>Total Assets</b>		74,895,527	74,269,597
<b>Current Liabilities</b>			
Trade and other payables	9	632,508	289,516
Provisions	10	107,236	92,315
Income in advance	11	--	7,083
<b>Total Current Liabilities</b>		739,744	388,914
<b>Total Liabilities</b>		739,744	388,914
<b>Net Assets</b>		74,155,783	73,880,683
<b>Equity</b>			
Accumulated funds			
Restricted funds	12	1,999,688	2,297,122
Unrestricted funds	12	55,460,392	53,469,447
Share investment reserve		3,200,414	4,363,825
Asset revaluation reserve		13,495,289	13,750,289
<b>Total Equity</b>		74,155,783	73,880,683

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 2015

	Accumulated Funds Restricted \$	Accumulated Funds Unrestricted \$	Share Investment Reserve \$	Asset Revaluation Reserve \$	Total Equity \$
<b>Balance at 1 July 2013</b>	2,462,800	52,773,345	1,457,945	13,750,289	70,444,379
<b>Comprehensive income</b>					
Surplus for the year					
Allocated to restricted funds	(165,678)	--	--	--	(165,678)
Allocated to unrestricted funds	--	696,102	--	--	696,102
<b>Other comprehensive income</b>					
Net changes in fair value of investments	--	--	2,905,880	--	2,905,880
<b>Total comprehensive income</b>	(165,678)	696,102	2,905,880	--	3,436,304
<b>Balance at 30 June 2014</b>	2,297,122	53,469,447	4,363,825	13,750,289	73,880,683
<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 values 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

The accompanying notes form part of these financial statements.

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# Royal Perth Hospital Medical Research Foundation Incorporated

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

### 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.

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.

**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 the statement of comprehensive income.

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 directors 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%

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# Royal Perth Hospital Medical Research Foundation Incorporated

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

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

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

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 entity 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 the income and expenditure statement.

(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 entity'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.

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# Royal Perth Hospital Medical Research Foundation Incorporated

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

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

(h) **Revenue and Other Income**

Grant revenue is recognised in the statement of comprehensive income when the entity 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.

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 the statement of comprehensive income.



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# Royal Perth Hospital Medical Research Foundation Incorporated

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

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

(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.

# Royal Perth Hospital Medical Research Foundation Incorporated

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	30 June 2015 \$	30 June 2014 \$
<b>NOTE 2: REVENUE</b>		
Donations and bequests	1,076,757	1,292,920
Investments income	2,301,102	2,258,568
Rent and building income	1,466,192	1,943,154
Fund raising income	68,350	67,597
Profit on disposal of shares	2,117,838	--
Other income	15,500	--
Total revenue	<u>7,045,739</u>	<u>5,562,239</u>
<b>NOTE 3: CASH AND CASH EQUIVALENTS</b>		
Cash at bank	134,749	78,248
Cash on hand	38	100
Cash on deposit	443,066	2,445,195
	<u>577,853</u>	<u>2,523,543</u>
<b>NOTE 4: TRADE AND OTHER RECEIVABLES</b>		
Accrued income	66,291	134,293
Trade receivables	271,228	103,456
	<u>337,519</u>	<u>237,749</u>
<b>NOTE 5: OTHER ASSETS</b>		
Prepayments	49,216	9,974
MRF Syndicates current account	--	2,779
Australian Taxation Office – GST refund	--	42,055
	<u>49,216</u>	<u>54,808</u>

# Royal Perth Hospital Medical Research Foundation Incorporated

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	30 June 2015	30 June 2014
	\$	\$
<b>NOTE 6: PROPERTY, PLANT AND EQUIPMENT</b>		
<b>LAND</b>		
At valuation	8,493,000	8,748,000
<b>BUILDINGS</b>		
At valuation	20,632,000	20,632,000
Less: accumulated depreciation	(1,854,215)	(1,441,575)
	18,777,785	19,190,425
 Total land and buildings	 27,270,785	 27,938,425
<b>PLANT AND EQUIPMENT</b>		
At cost	1,451,566	1,423,602
Less accumulated depreciation	(1,385,267)	(1,369,734)
Total plant and equipment	66,299	53,868
 Total property, plant and equipment	 27,337,084	 27,992,293

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

50 Murray Street, Perth	20,327,792	20,646,792
76 Gingin Road, Lancelin	350,000	510,000
10 Marchant Way, Morley	1,305,160	1,561,800
40 Rudloc Road, Morley	5,287,833	5,219,833
	27,270,785	27,938,425

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	18 January 2011
76 Gingin Road, Lancelin	24 September 2014
10 Marchant Way, Morley	25 September 2014
40 Rudloc Road, Morley	25 September 2014

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# Royal Perth Hospital Medical Research Foundation Incorporated

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	30 June 2015 \$	30 June 2014 \$
<b>NOTE 7: AVAILABLE FOR SALE INVESTMENTS</b>		
Investments in shares and managed funds in listed companies – fair value	30,000,492	29,545,388
	<u>30,000,492</u>	<u>29,545,388</u>
<b>NOTE 8: SHARES IN SUBSIDIARY COMPANY</b>		
MRF Syndicates Pty Ltd	1	1
	<u>1</u>	<u>1</u>
<p>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.</p>		
<b>NOTE 9: TRADE AND OTHER PAYABLES</b>		
Trade payables	270,367	260,620
Other payables and accruals	360,453	28,896
GST liability	1,688	--
	<u>632,508</u>	<u>289,516</u>
<b>NOTE 10: PROVISIONS</b>		
Employee entitlements	107,236	92,315
	<u>107,236</u>	<u>92,315</u>
<b>NOTE 11: INCOME IN ADVANCE</b>		
Funding for fundraising projects	--	7,083
	<u>--</u>	<u>7,083</u>

# Royal Perth Hospital Medical Research Foundation Incorporated

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 12: ACCUMULATED SURPLUS	30 June 2015 \$	30 June 2014 \$
Restricted Funds (a)		
Bar Stokes Research & Travel Fund (1)	61,771	69,533
J Cooney Medical Research Fund (2)	261,500	260,000
Ray Dobney Research Fund (3)	1,482,419	1,777,873
Pilbara Kidney Disease Research Fund (4)	29,054	29,054
Royal Perth Hospital Deposit (5)	11,353	11,353
Trauma Nurses Course Fund (6)	444	444
Leurissa Gooch Research Fund (7)	38,402	34,470
Cardioelectro Physiology Research (8)	114,395	114,395
P.A.R.T.Y. Program Donations	350	--
	1,999,688	2,297,122
Unrestricted	55,460,392	53,469,447
(a) Restricted funds		
Balance at the beginning of the year	2,297,122	2,462,800
Funds received	5,782	66,372
Expenditure on designated funds	(303,216)	(232,050)
Net movement	(297,434)	(165,678)
Balance at the end of the year	1,999,688	2,297,122

- (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 2015

	30 June 2015	30 June 2014
<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	2,034,565	--
After one year but not more than five years	1,030,879	--
More than five years	--	--
<b>Total commitments under operating leases</b>	<u>3,065,444</u>	<u>--</u>

### NOTE 14: CONTINGENCIES

There are no contingencies as at 30 June 2015 (2014: None).

### NOTE 15: FOUNDATION DETAILS

No matter or circumstance has arisen since 30 June 2015 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.

### NOTE 16: FOUNDATION DETAILS

**(a) 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

**(b) 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.

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# Royal Perth Hospital Medical Research Foundation Incorporated

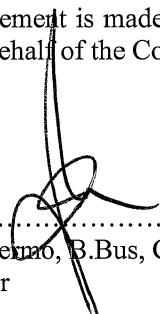
## STATEMENT BY COMMITTEE OF MANAGEMENT

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 2015 and its performance for the year ended on that date; and
2. 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 16<sup>th</sup> day of November 2015

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**Royal Perth Hospital Medical Research Foundation Incorporated**

**ROYAL PERTH HOSPITAL MEDICAL RESEARCH FOUNDATION  
INCORPORATED**

**ABN 62 314 475 885**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
ROYAL PERTH HOSPITAL MEDICAL RESEARCH FOUNDATION  
INCORPORATED NOT FOR PROFIT (NON-REPORTING) LIMITED**

AUDIT REPORT PAGE 1



