

Gallipoli Medical Research Foundation Ltd

ACN 077 750 693

Financial Statements

For the Year Ended 30 June 2017

Gallipoli Medical Research Foundation Ltd

ACN 077 750 693

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For the Year Ended 30 June 2017

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Gallipoli Medical Research Foundation Ltd

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Directors' Report

30 June 2017

The directors present their report on Gallipoli Medical Research Foundation Ltd for the financial year ended 30 June 2017.

Directors

The names of the directors in office at any time during, or since the end of, the year are:

Names	Position	Appointed/Resigned
Mr Liam Kelly	Chairman	from November 2016
Mr Thomas Kevin Ryan		
Ms Carmel Monaghan	Secretary	
Adjunct Professor Tim Daniel	Deputy Chairman	
Associate Professor David Colquhoun		
Mr Stephen Copplin		
Professor Keneth Donald		resigned - 16/11/2016
Dr Michael Harrison		
Professor Gerald Holtmann		
Mr Karl Morris		from April 2017
Professor John Hensley Pearn		
Mrs Jean Grace Pockett		
Ms Toni Thornton		
Professor Ross Young		

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

Company Secretary

Ms Carmel Monaghan held the position of company secretary at the end of the financial year, she is also a director and her details and qualifications are set out later in this report.

Our Vision

Enhanced health through the Highest Quality Medical Research.

Our Mission

To fund and facilitate medical research to prevent, cure or lessen the impact of diseases affecting the veteran and broader Australian Community and to closely align its engagement with those of Greenslopes Private Hospital.

Gallipoli Medical Research Foundation Ltd

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Directors' Report

30 June 2017

Our Core Values

Excellence

Integrity

Relevance

Compassion

Innovation

Principal Activities

The principal activities of Gallipoli Medical Research Foundation Ltd during the financial year were the facilitating and supporting of research projects undertaken by Gallipoli Medical Research Institute (GMRI).

Other activities included providing infrastructure, equipment, grants and scholarships to approved research endeavours at Greenslopes Private Hospital and at collaborating institutions.

The purpose of the Institute's work

With the Foundation's funding, GMRI aims to enhance the health of Australians through innovative medical research. The Institute's work is inspired by the legacy of our Diggers, and aims to address the major health issues confronting our veteran community.

GMRI scientists and researchers conduct research that is ethically approved, clinically relevant and outcomes driven. This extends from the laboratory bench, to the hospital bedside, and throughout the broader Australian community.

No significant change in the nature of these activities occurred during the year.

How those activities assisted in achieving the company's objectives

Through the Institute's activities, the Foundation is dedicated to leading the way in championing lifechanging medical research. The Gallipoli Medical Research Foundation's Research Centres and Clinical Trials Unit continue to strive tirelessly to find better ways to prevent, treat and ultimately cure diseases which are currently incurable.

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Directors' Report

30 June 2017

How the company measures its performance, including key performance indicators used by the company

The Foundation's Scientific Advisory Committee assess the research outputs of the research teams each year. Established Key Performance Indicators include:

- The level of engagement with, and support provided to, the veteran community
- Number of publications both quantity and quality taking into consideration the impact factor of journals/ranking of the journal in the field in Web of science
- Number of student completions
- Abstracts & presentations quantity and quality
- Grant income compared to money raised through competitive grant rounds and quantity of this income
- Grant submissions and return on investment for research outcomes
- H index* – the set of most cited papers and the number of citations received in other people's publications.
- Number of patients in clinical trials/involvement in clinical trials and papers thereof.

Written reports on research activities are provided once a year by the teams and presentations made to the Scientific Advisory Committee and GMRF Board of Directors.

(*The H index is an index that attempts to measure both the scientific productivity and the apparent scientific impact of a scientist. The index is based on the set of the scientist's most cited papers and the number of citations that they have received in other people's publications.)

Business Review

Operating Result

The profit from ordinary activities after providing for income tax amounted to \$ 179,575 (2016: loss of \$ (181,267)).

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Directors' Report

30 June 2017

Information on directors

Mr Liam Kelly

Qualifications

Experience

Special Responsibilities

Chairman

BA (Hons) LLB (Hons) (UQ)

Barrister and Senior Counsel

Chairman: Executive Committee

Member: Finance and Audit Sub-Committee

Mr Thomas Kevin Ryan

Qualifications

Experience

Special Responsibilities

BPharm, FACP, FAICD

Former Director and Chairman of Australian Pharmaceutical Health Care Systems (APHS)

Chairman till 16/11/2016

Member: Finance and Audit Sub Committee

Ms Carmel Monaghan

Qualifications

Experience

Special Responsibilities

Secretary

BBus Comm, MBA

Group Chief of Staff, Ramsay Health Care

Secretary: Executive Committee

Adjunct Professor Tim
Daniel

Qualifications

Experience

Special Responsibilities

BBus, Grad Dip HR Mgmt, NZIoD

CEO of Greenslopes Private Hospital

Deputy Chairman

Member: Executive Committee & Fundraising Committee

Member: Audit and Finance Sub-Committee

Associate Professor
David Colquhoun

Qualifications

Experience

Special Responsibilities

MBBS, FRACP, FCSANZ

Consultant Cardiologist

Member: Scientific Advisory Committee

Gallipoli Medical Research Foundation Ltd

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Directors' Report

30 June 2017

Information on directors (continued)

Mr Stephen Copplin

Qualifications

FCPA, FAICD

Experience

Executive Chairman of The Marketing Director Centre Pty Ltd

Special Responsibilities

Chairman: Finance and Audit Sub Committee

Professor Keneth
Donald

Qualifications

MBBS, PhD, FRCPA, FRCPath, FRACMA, FRACS(Hon)

Experience

Professor of Assessment and Evaluation at Griffith University
Medical School

Special Responsibilities

Director (to 16/11/2016)

Member: Scientific Advisory Committee

Dr Michael Harrison

Qualifications

MBBS (1st Class Honours), FRCPA (General Pathology)

Experience

Chief Executive Officer/Managing Partner at Sullivan
Nicolaides Pathology and Consultant Pathologist

Special Responsibilities

Member: Scientific Advisory Committee

Professor Gerald
Holtmann

Qualifications

MD, PhD, MBA, FRACP, FRCP

Experience

Director of Gastroenterology and Hepatology, Princess
Alexandra Hospital; Associate Dean (Clinical) University of
Queensland

Special Responsibilities

Member: Scientific Advisory Committee

Mr Karl Morris

Qualifications

BCom, FAICD, MSAFAA, FFSIA

Experience

Executive Chairman, Ord Minnett Ltd; Chairperson, QSuper;

Special Responsibilities

Member: Finance and Audit Sub Committee

Gallipoli Medical Research Foundation Ltd

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Directors' Report

30 June 2017

Information on directors (continued)

Professor John Hensley
Pearn

Qualifications

AO RDF MBBS (Hons I), MD (Qld), PhD (Lond), DSc, MPhil,
DCH, FRACP, FRCP, FRCPS (Glas), FRACMA, FCollTropMed
(Australas), FCollTropMed (USA), FAMA, FADI, FAIM, FLS

Experience

Senior paediatrician at the Lady Cilento Children's Hospital in
Brisbane; former Surgeon General, Australian Defence Force.

Mrs Jean Grace Pockett

Experience

Former Vice president of the War Widows Guild (QLD) Inc.

Ms Toni Thornton

Qualifications

BA, GradDip, AFI

Experience

Former State Manager Queensland of Goldman Sachs JBWere

Special Responsibilities

Chairman: Fundraising Committee

Professor Ross Young

Qualifications

BSc(Hons), MSc, Dip, Clin Psyc, PHd, MAPS

Experience

Executive Dean, Faculty of Health at the Queensland
University of Technology

Special Responsibilities

Chairman: Scientific Advisory Committee

Gallipoli Medical Research Foundation Ltd

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Directors' Report

30 June 2017

Meetings of directors

During the financial year, 5 Board of Director's meetings and 3 Board Subcommittee meetings were held. Attendance by each director during the year were as follows:

	Board Meetings		Board Subcommittee Meetings	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Ms Carmel Monaghan	5	3	-	-
Mrs Jean Grace Pocktt	5	4	-	-
Mr Liam Kelly	5	5	1	1
Mr Thomas Kevin Ryan	5	4	1	1
Prefessor John Pearn	5	2	-	-
Ms Toni Thornton	5	3	1	-
Dr Michael Harrison	5	1	2	2
Professor Ross Young	5	4	2	2
Associate Professor David Colquhoun	5	5	2	2
Professor Keneth Donald	2	1	2	2
Mr Stephen Copplin	5	4	1	1
Professor Gerald Holtmann	5	4	2	-
Mr Karl Morris	1	1	1	-
Mr Tim Daniel	5	4	1	-

Other items

Significant changes in state of affairs

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

After Balance Day Events

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

Auditors independence declaration

The lead auditors independence declaration for the year ended 30 June 2017 has been received and can be found on page 9 of the financial report.

Indemnification and insurance of officers and auditors

Directors and Officers insurance amounting to \$3,597 (2016 \$3,597) was paid during the year.

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Directors' Report


30 June 2017


Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

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

Director: 
.....
Mr Liam Kelly

Director: 
.....
Ms Carmel Monaghan

Brisbane, 2 November 2017

Gallipoli Medical Research Foundation Ltd

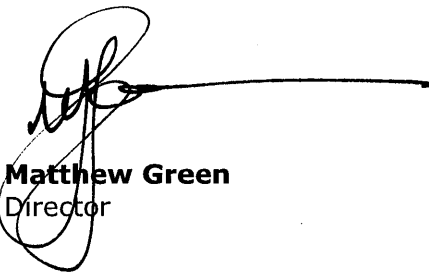
ACN 077 750 693

Auditor's Independence Declaration

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2017, there have been:

- a. no contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- b. no contraventions of any applicable code of professional conduct in relation to the audit.

Hanrick Curran Audit Pty Ltd
Authorised Audit Company: 338599



Matthew Green
Director

Brisbane, 2 November 2017

Gallipoli Medical Research Foundation Ltd

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Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2017

		2017	2016
		\$	\$
	Note		
Revenue	2	3,942,965	3,328,607
Employee benefits expense		(1,792,454)	(1,606,061)
Depreciation and amortisation expense		(332,047)	(433,933)
Fundraising and function expenses		(33,631)	(22,748)
Research expenses		(1,401,950)	(1,248,401)
Other expenses		(203,308)	(198,731)
Net surplus/(deficit)		179,575	(181,267)
Other comprehensive income/(loss)		-	-
Total surplus/(deficit) for the year		179,575	(181,267)

The accompanying notes form part of these financial statements.

Gallipoli Medical Research Foundation Ltd

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Statement of Financial Position

As at 30 June 2017

	Note	2017 \$	2016 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	5,305,207	4,391,950
Trade and other receivables	5	254,443	164,836
Other assets	6	69,122	95,698
TOTAL CURRENT ASSETS		5,628,772	4,652,484
NON-CURRENT ASSETS			
Property, plant and equipment	7	4,445,242	4,719,254
Other assets		60,000	90,000
TOTAL NON-CURRENT ASSETS		4,505,242	4,809,254
TOTAL ASSETS		10,134,014	9,461,738
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	170,441	226,554
Other financial liabilities	9	1,367,719	952,287
Employee benefits	10	70,066	72,643
TOTAL CURRENT LIABILITIES		1,608,226	1,251,484
NON-CURRENT LIABILITIES			
Other financial liabilities	9	118,790	-
Employee benefits	10	41,649	24,480
TOTAL NON-CURRENT LIABILITIES		160,439	24,480
TOTAL LIABILITIES		1,768,665	1,275,964
NET ASSETS		8,365,349	8,185,774
EQUITY			
Retained surplus		8,365,349	8,185,774
TOTAL EQUITY		8,365,349	8,185,774

The accompanying notes form part of these financial statements.

Gallipoli Medical Research Foundation Ltd

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Statement of Changes in Equity

For the Year Ended 30 June 2017

2017

	Ordinary Shares	Total
	\$	\$
Balance at 1 July 2016	8,185,774	8,185,774
Profit attributable to members of the entity	179,575	179,575
Balance at 30 June 2017	8,365,349	8,365,349

2016

	Ordinary Shares	Total
	\$	\$
Balance at 1 July 2015	8,367,041	8,367,041
Profit attributable to members of the entity	(181,267)	(181,267)
Balance at 30 June 2016	8,185,774	8,185,774

The accompanying notes form part of these financial statements.

Gallipoli Medical Research Foundation Ltd

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Statement of Cash Flows

For the Year Ended 30 June 2017

	Note	2017 \$	2016 \$
CASH FROM OPERATING ACTIVITIES:			
Receipts from customers		2,915,058	1,783,251
Payments to suppliers and employees		(3,775,636)	(2,991,351)
Donations received		752,599	715,788
Interest received		122,493	121,461
Receipts from grants		956,778	860,964
Net cash provided by (used in) operating activities	14(b)	<u>971,292</u>	<u>490,113</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payment for property, plant & equipment		<u>(58,035)</u>	<u>(22,240)</u>
Net cash used by investing activities		<u>(58,035)</u>	<u>(22,240)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net increase (decrease) in cash and cash equivalents held		913,257	467,873
Cash and cash equivalents at beginning of year		<u>4,391,950</u>	<u>3,924,077</u>
Cash and cash equivalents at end of financial year	14(a)	<u><u>\$5,305,207</u></u>	<u><u>4,391,950</u></u>

The accompanying notes form part of these financial statements.

Gallipoli Medical Research Foundation Ltd

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Notes to the Financial Statements

For the Year Ended 30 June 2017

1 Statement of Significant Accounting Policies

(a) General information

The financial report is for Gallipoli Medical Research Foundation Ltd as an individual entity, incorporated and domiciled in Australia. Gallipoli Medical Research Foundation Ltd is a Company limited by guarantee.

(b) Basis of Preparation

The financial statements are a general purpose financial statements that has been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012*. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(c) Cash and Cash Equivalents

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

(d) 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.

Buildings

Buildings are measured on the cost basis less subsequent depreciation for buildings.

Plant and Equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

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Notes to the Financial Statements

For the Year Ended 30 June 2017

1 Statement of Significant Accounting Policies (continued)

(d) Property, Plant and Equipment (continued)

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 assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Plant and equipment that have been contributed at no cost, or for nominal cost, are valued and recognised at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a diminishing value basis over the asset's useful life to the Company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Buildings	3%
Furniture, Fixtures and Fittings	13%
Computer Equipment	24%

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

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 and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(e) Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits arising from wages, salaries and annual leave are measured at rates expected to be paid when the liabilities are settled.

(f) Taxation Status

Approval from the Australian Taxation Office was granted on 2 July 1996 that the income of the Foundation is exempt from the payment of income tax under the provisions of section 50-5 of the Income Tax Assessment Act 1997.

Gallipoli Medical Research Foundation Ltd

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Notes to the Financial Statements

For the Year Ended 30 June 2017

1 Statement of Significant Accounting Policies (continued)

(g) 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 Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities which is disclosed as operating cash flows.

(h) Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Revenue from donations and bequests, pledges and grants are recognised as described in Notes 1(h) and 1(i).

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument.

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

(i) Unearned Income and Pledges Receivable

Frequently donors commit to provide ongoing support over a number of years to the Foundation. The full value of their pledged amount is recognised as a receivable at the time the pledge is made. Amounts are not recognised as revenue until cash is received; the balance of any outstanding pledge is recognised as unearned income until cash is received.

(j) Grants Received

Grants received without any conditions, or unrelated to specific services, are recognised as income when received. Grants received on the condition that specified services are delivered, or conditions fulfilled, are considered as reciprocal grants. Such reciprocal grants are initially recognised as a liability and revenue is recognised as services are performed or conditions are fulfilled.

Gallipoli Medical Research Foundation Ltd

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Notes to the Financial Statements

For the Year Ended 30 June 2017

1 Statement of Significant Accounting Policies (continued)

(k) Research Projects and Grants

All research is expensed when paid and future commitments are disclosed by way of note.

(l) Contribution of Assets In Kind

Wherever practicable, the fair value of any assets received in kind by the Foundation are recognised as income with a corresponding recognition of an asset.

(m) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is the equivalent to the date that the Company commits itself to either purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Classification and Subsequent Measurement

Finance instruments are subsequently measured at either of fair value, amortised cost using the effective interest rate method, or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

- the amount in which the financial asset or financial liability is measured at initial recognition;
- less principal repayments;
- plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and
- less any reduction for impairment.

Gallipoli Medical Research Foundation Ltd

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Notes to the Financial Statements

For the Year Ended 30 June 2017

1 Statement of Significant Accounting Policies (continued)

(m) Financial Instruments (continued)

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

(ii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

(iii) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Fair Value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

Gallipoli Medical Research Foundation Ltd

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Notes to the Financial Statements

For the Year Ended 30 June 2017

1 Statement of Significant Accounting Policies (continued)

(m) Financial Instruments (continued)

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.

(n) Adoption of new and revised accounting standards

During the current year, the Company adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

The adoption of these Standards has not impacted the recognition, measurement and disclosure of transactions.

(o) New Accounting Standards for Application in Future Periods

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Company has decided against early adoption of these Standards. The following table summarises those future requirements, and their impact on the Company:

Standard Name	Effective date	Requirements	Impact
AASB 9 Financial Instruments and amending standards AASB 2010-7 / AASB 2012-6	30 June 2019	Changes to the classification and measurement requirements for financial assets and financial liabilities. New rules relating to derecognition of financial instruments.	The impact of AASB 9 has not yet been determined.

Gallipoli Medical Research Foundation Ltd

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Notes to the Financial Statements

For the Year Ended 30 June 2017

1 Statement of Significant Accounting Policies (continued)

(o) New Accounting Standards for Application in Future Periods (continued)

Standard Name	Effective date	Requirements	Impact
AASB 16 Leases	30 June 2020	Significant revisions to accounting for operational leases on balance sheet by Lessees of property and high value equipment. However, exemptions for short-term leases and leases of low value assets will reduce the impact	The entity has not yet determined the magnitude of any changes which may be needed.
AASB 15 Revenue from Contracts with Customers	30 June 2019	AASB 15 introduced a five step process of revenue recognition with the core principle of the new Standard being for entities to recognize revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment to which the entity expects to be entitled in exchange for those goods or services. AASB 15 will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modification) and improve guidance for multiple-element arrangements.	The changes in revenue recognition in AASB 15 may cause changes to the timing and amount of revenue recorded in the financial statements as well as additional disclosures. The impact of AASB 15 has not yet been quantified.

Gallipoli Medical Research Foundation Ltd

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Notes to the Financial Statements

For the Year Ended 30 June 2017

2 Revenue

Operating activities		
- Grants	956,778	860,964
- Clinical trial income	1,941,275	1,513,488
- Donations	697,630	644,964
- Interest received	122,493	121,461
- Bequest income and memorial gifts	54,968	70,824
- Other Income	169,821	116,906
Total Revenue	<u>3,942,965</u>	<u>3,328,607</u>

3 Result for the Year

Expenses

Depreciation and loss on disposals	332,047	433,933
Research expenses	1,401,950	1,248,401
Employee benefits expense	1,792,454	1,606,061

4 Cash and Cash Equivalents

Cash on hand	200	200
Cash at bank	805,007	586,286
Short-term bank deposits	4,500,000	3,805,464
	<u>5,305,207</u>	<u>4,391,950</u>

5 Trade and Other Receivables

CURRENT

Trade receivables	254,443	164,836
Total current trade and other receivables	<u>254,443</u>	<u>164,836</u>

Gallipoli Medical Research Foundation Ltd

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Notes to the Financial Statements

For the Year Ended 30 June 2017

	2017	2016
	\$	\$
6 Other Assets		
CURRENT		
Prepayments	<u>69,122</u>	<u>95,698</u>
NON-CURRENT		
Prepayments	<u>60,000</u>	<u>90,000</u>
7 Property Plant and Equipment		
BUILDINGS		
At cost	3,412,430	3,412,430
Accumulated depreciation	<u>(603,006)</u>	<u>(516,116)</u>
Total buildings	<u>2,809,424</u>	<u>2,896,314</u>
Furniture, fixture and fittings		
At cost	3,246,235	3,196,436
Accumulated depreciation	<u>(1,647,240)</u>	<u>(1,440,392)</u>
Total furniture, fixture and fittings	<u>1,598,995</u>	<u>1,756,044</u>
Computer equipment		
At cost	69,650	168,352
Accumulated depreciation	<u>(51,873)</u>	<u>(120,502)</u>
Total computer equipment	<u>17,777</u>	<u>47,850</u>
Artwork		
At cost	<u>19,046</u>	<u>19,046</u>
Total Artwork	<u>19,046</u>	<u>19,046</u>
Total plant and equipment	<u>1,635,818</u>	<u>1,822,940</u>
Total property, plant and equipment	<u>4,445,242</u>	<u>4,719,254</u>

Gallipoli Medical Research Foundation Ltd

ACN 077 750 693

Notes to the Financial Statements

For the Year Ended 30 June 2017

7 Property Plant and Equipment (continued)

(a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Buildings	Furniture, Fixtures and Fittings	Computer Equipment	Artwork	Total
	\$	\$	\$	\$	\$
Balance at 30 June 2016					
Balance at the beginning of year	2,896,314	1,756,044	47,850	19,046	4,719,254
Additions	-	58,035	-	-	58,035
Depreciation	(86,889)	(215,085)	(30,073)	-	(332,047)
Balance at 30 June 2017	<u>2,809,425</u>	<u>1,598,994</u>	<u>17,777</u>	<u>19,046</u>	<u>4,445,242</u>

8 Trade and Other Payables

	2017	2016
	\$	\$
CURRENT - Unsecured liabilities		
Trade payables	45,706	8,821
Other payables	122,038	213,644
GST payable	2,697	4,089
	<u>170,441</u>	<u>226,554</u>

Gallipoli Medical Research Foundation Ltd

ACN 077 750 693

Notes to the Financial Statements

For the Year Ended 30 June 2017

	2017	2016
	\$	\$
9 Other Liabilities		
CURRENT		
Unearned Income	1,367,719	952,287
	1,367,719	952,287
NON-CURRENT		
Unearned income	118,790	-
	118,790	-
10 Employee Benefits		
CURRENT		
Annual leave	70,066	72,643
	70,066	72,643
NON-CURRENT		
Long service leave	41,649	24,480
	41,649	24,480

11 Key Management Personnel Disclosures

The total remuneration paid to key management personnel of the Company is \$366,908 (2016: \$ \$340,288).

The Company has also recorded liabilities to key management personnel associated with employee benefits relating to accrued salary and wages, annual leave and long service leave. These amounts arise in accordance with employment agreements and applicable employment legislation.

12 Related Party Transactions

Other than transactions with key management personnel described above, there were no other related party transactions that occurred during the financial year.

13 Members' Guarantee

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the Constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstandings and obligations of the Company. At 30 June 2017 the number of members was 13 (2016: 13).

Gallipoli Medical Research Foundation Ltd

ACN 077 750 693

Notes to the Financial Statements

For the Year Ended 30 June 2017

2017	2016
\$	\$

14 Cash Flow Information

(a) Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

Cash and cash equivalents	5,305,207	4,391,950
	<u>5,305,207</u>	<u>4,391,950</u>

(b) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

Profit for the year	179,575	(181,267)
Non-cash flows in profit:		
Depreciation	332,047	433,933
Changes in assets and liabilities:		
(Increase)/Decrease in trade receivables	(89,606)	49,626
(Increase)/Decrease in prepayments	56,576	(58,381)
Increase/(Decrease) in trade payables	36,885	(12,105)
Increase/(Decrease) in other trade payables and accruals	(92,999)	136,339
Increase/(Decrease) in unearned income	534,222	103,232
Increase/(Decrease) in employee benefits	14,592	18,736
Cashflow from operations	<u>971,292</u>	<u>490,113</u>

15 Capital and Leasing Commitments and Contingencies

Operating Lease Contingencies

The company has a non-cancellable operating lease with Ramsay Hospital Holdings (Queensland) Pty Ltd for a period of 10 years commencing from 14 November 2007. The company is entitled to a rent abatement equivalent to the full value of the rent providing the terms of the lease are complied with.

While the terms of the lease are complied with there are no amounts payable. However, if the terms of the lease were not complied with, the following amounts will be payable.

Gallipoli Medical Research Foundation Ltd

ACN 077 750 693

Notes to the Financial Statements

For the Year Ended 30 June 2017

15 Capital and Leasing Commitments and Contingencies (continued)

Operating Lease Contingencies (continued)

	2017	2016
	\$	\$
Payable - minimum lease payments		
- not later than 12 months	37,750	113,250
- between 12 months and 5 years	-	37,750
	<u>37,750</u>	<u>151,000</u>

16 Events After the End of the Reporting Period

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

17 Company Details

The registered office of the company is:
Greenslopes Private Hospital
Newdegate Street
GREENSLOPES QLD 4120

Gallipoli Medical Research Foundation Ltd

ACN 077 750 693

Directors' Declaration

The directors of the Company declare that:

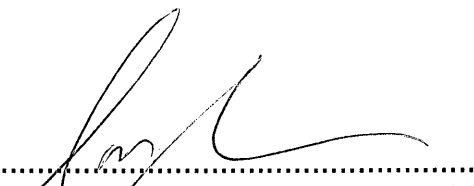
1. The financial statements and notes, as set out on pages 10 to 26, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:
 - a. comply with Accounting Standards - Reduced Disclosure Requirement; and
 - b. give a true and fair view of the financial position as at 30 June 2017 and of the performance for the year ended on that date.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director


.....
Mr Liam Kelly

Director


.....
Ms Carmel Monaghan

Brisbane, 2 November 2017

Gallipoli Medical Research Foundation Ltd

Independent Audit Report to the members of Gallipoli Medical Research Foundation Ltd

Report on the Audit of the Financial Report

We have audited the financial report of Gallipoli Medical Research Foundation Ltd (the Company), which comprises the statement of financial position as at 30 June 2017, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Australian Charities and Not-for-profit Commission Act 2012*, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2017 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Australian Charities and Not-for-profit Commission Act 2012*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profit Commission Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other Information

The directors are responsible for the other information.

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

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

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors and Those Charged with Governance for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Australian Charities and Not-for-profit Commission Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

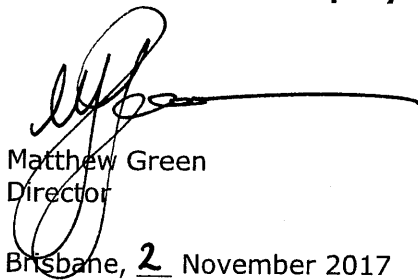
As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hanrick Curran Audit
Hanrick Curran Audit Pty Ltd
Authorised Audit Company: 338599



Matthew Green
Director
Brisbane, 2 November 2017