

Gallipoli Medical Research Foundation Ltd

ACN 077 750 693

Financial Statements

For the Year Ended 30 June 2021

Gallipoli Medical Research Foundation Ltd

ACN 077 750 693

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For the Year Ended 30 June 2021

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Gallipoli Medical Research Foundation Ltd

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Directors' Report 30 June 2021

The directors present their report on Gallipoli Medical Research Foundation Ltd for the financial year ended 30 June 2021.

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	Chair	
Mr Thomas Kevin Ryan		(Leave of Absence Jan 2021)
Ms Carmel Monaghan	Secretary	(Retired 10 Nov 2020)
Ms Christine Went	Deputy Chair	
Dr Michael Harrison		(Retired 10 Nov 2020)
Professor John Horvath		
Dr Amanda Dines		
Professor Scott Bell		
Mr Robert Skoda		(Appointed 9 Sep 2020)
Professor Stephen Gray		(Appointed 17 Mar 2021)

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

Company secretary

Following the retirement of Ms Carmel Monaghan on 10 November 2020, Ms Jane O'Brien was appointed to the position of Company Secretary. Ms O'Brien is also the Chief Operating Officer of the Foundation.

Our Vision

Enhanced Health of the Australian Community through the Highest Quality Medical Research.

Our Mission

To lessen the impact of disease today while also searching for the cures of tomorrow by:

1. Working to alleviate the burden of the diseases directly impacting our veterans and their families;
2. Using a multi-disciplinary and collaborative approach to understand and address areas of significant clinical and social need;
3. Delivering high quality clinical trials of emerging therapies and interventions;
4. Facilitating and financially supporting a culture of research and innovation within Greenslopes Private Hospital; and
5. Sharing our research findings for the greatest benefit of all.

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Directors' Report

30 June 2021

Our Core Values

- Excellence
- Integrity
- Relevance
- Innovation

Principal activities

The principal activity of Gallipoli Medical Research Foundation Ltd (GMRF) during the financial year was facilitating, planning and implementing of research projects and support initiatives aimed at enhancing the health and wellbeing for veterans, their families, and the wider Australian community.

These research projects addressed a range of physical and mental health conditions such as liver disease, liver cancer, and the psychological and cultural issues associated with the reintegration process for ex service personnel. Other activities included providing infrastructure, equipment, grants and scholarships to approved research endeavours at Greenslopes Private Hospital and at collaborating institutions.

No significant changes in the nature of the Company's activity occurred during the financial year.

The purpose of the Foundation's work

GMRF's team of clinicians and researchers are working to enhance the health of veterans and all Australians through innovative research. The purpose of our work is inspired by a simple philosophy; 'our veterans were there for us, now it's our turn to be there for them'. It is research that goes from 'bench to bedside', alleviating the impact of illness right now and aiming to provide the cures and treatments of the future.

How those activities assisted in achieving the company's objectives

GMRF conducts and facilitates research activities that are ethically approved, clinically relevant, and centred on delivering meaningful and lasting benefit to the health of the veteran and wider Australian communities.

The Gallipoli Medical Research Foundation's Research Units and Clinical Trials Unit continue to work tirelessly toward better understanding, preventing and treating serious illness affecting our communities.

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

The Foundation's Research 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
- The impact the research has made to policy or clinical practice
- Number of publications both quantity and quality taking into consideration the impact factor of journals
- Number of research higher degree students and completions

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Directors' Report 30 June 2021

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

- Abstracts & presentations quantity and quality
- Income raised through competitive grant rounds and quantity of this income
- Grant submissions and return on investment for research outcomes
- 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 Research Advisory Committee and GMRF Board of Directors. Annual external reviews from experts are also undertaken.

Information on directors

Mr Liam Kelly	Chair
Qualifications	BA (Hons), LLB (Hons) (UQ)
Experience	Barrister and Senior Counsel
Special Responsibilities	Chair: Executive Committee Member: Finance & Audit Committee
Mr Thomas Kevin Ryan	(Leave of Absence From Jan 2021)
Qualifications	BPharm, FACP, FAICD
Experience	Former Director and Chairman of Australian Pharmaceutical Health Care Systems (APHS)
Ms Carmel Monaghan	Secretary (to 10/11/2020)
Qualifications	BBus Comm, MBA
Experience	Group Chief of Staff, Ramsay Health Care
Special Responsibilities	Secretary: Executive Committee (to 10/11/2020)
Ms Christine Went	
Qualifications	RN, BN, GradCert Critical Care, GradCert Emergency, GradCert Business Admin
Experience	CEO Greenslopes Private Hospital
Special Responsibilities	Deputy Chair Member: Executive 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

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Directors' Report 30 June 2021

Information on directors

Professor John Horvath AO

Qualifications

MBBS, FRACP, FAAHMS

Experience

Group Chief Medical Officer/Strategic Medical Advisor - Ramsay Health Care, Non-Executive Director - Crown Resorts Ltd, Professor of Medicine - University of Sydney (Honorary), Former Member Health Ministerial Advisory Council (Commonwealth)

Special Responsibilities

Member: Research Advisory Committee

Dr Amanda Dines

Qualifications

MBBS, MPH (Health Care Management), FRACGP, FRACMA

Experience

Director General Health Reserves - Air Force; Deputy Executive Director Medical Services at the Metro North Hospital and Health Service, Honorary Aide de Camp to the Governor General of Australia, Deputy Chair RMHC-SEQ and Board Member RMHC-SEQ, Adjunct Associate Professor University of Queensland

Special Responsibilities

Chair: Research Advisory Committee

Professor Scott Bell

Qualifications

MBBS, FRACP, MD

Experience

Chief Executive Officer - Translational Research Institute, Senior Physician – Department of Thoracic Medicine The Prince Charles Hospital, Pre-Eminent Staff Specialist (Thoracic Physician), Professor – Faculty of Medicine The University of Queensland

Special Responsibilities

Member: Research Advisory Committee

Mr Robert Skoda

Qualifications

BSC

Experience

General Manager, Veteran Services – RSL Queensland
Reservist - Australia Defence Force

Interest in Shares and Options

Interest in Contract

Special Responsibilities

Director (from 09/09/2020)

Professor Stephen Gray

Qualifications

PhD, LLB (Hons), Bcom (Hons)

Experience

Director - Frontier Economics, Professor of Finance – University of Queensland Business School

Special Responsibilities

Director (from 17/03/2021)

Chair: Finance & Audit Committee (from 17/03/2021)

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Directors' Report 30 June 2021

Meetings of directors

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

	Board Meetings		Board/Advisory Subcommittee Meetings	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Ms Carmel Monaghan	3	2	1	1
Dr Michael Harrison	3	2	-	-
Mr Liam Kelly	5	5	2	2
Mr Thomas Ryan	2	1	-	-
Mr Robert Skoda	4	4	-	-
Ms Christine Went	5	3	1	1
Professor Stephen Gray	2	2	1	1
Professor John Horvath	5	3	2	1
Dr Amanda Dines	5	5	2	2
Professor Scott Bell	1	1	2	1

Business Review

Operating results

The profit from ordinary activities after providing for income tax amounted to \$ 1,715,777 (2020: \$ 636,641).

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.

Events after the reporting date

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.

Indemnification and insurance of officers and auditors

Directors and Officers insurance amounting to \$4,874 (2020 \$4,176) was paid during the year.

Auditor's Independence Declaration

The lead auditor's independence declaration in accordance with s.60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* for the year ended 30 June 2021 has been received and can be found on page 7 of the financial report.

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Directors' Report

30 June 2021

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 parts 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

Brisbane, 16 September 2021

Gallipoli Medical Research Foundation Ltd

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Auditor's Independence Declaration to the Directors of Gallipoli Medical Research Foundation Ltd

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2021, there have been:

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

Mazars Audit (QLD) Pty Limited
Authorised Audit Company: 338599



Matthew Green
Director

Brisbane, 16 September 2021

Gallipoli Medical Research Foundation Ltd

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Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2021

	Note	2021 \$	2020 \$
Revenue	3	6,949,238	5,385,826
Employee benefits expense		(3,284,708)	(3,123,653)
Depreciation and loss on disposal of assets		(289,569)	(247,495)
Fundraising and function expenses		(16,867)	(23,201)
Research expenses		(1,403,356)	(1,142,051)
Other expenses		(238,960)	(212,785)
Surplus for the year		1,715,778	636,641
Other comprehensive income, net of income tax			
Gain on investment revaluation		338,587	9,998
Other comprehensive income / (loss)		338,587	9,998
Total surplus for the year		2,054,365	646,639

The accompanying notes form part of these financial statements.

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Statement of Financial Position

As At 30 June 2021

	Note	2021 \$	2020 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	6,031,159	10,046,886
Trade and other receivables		453,814	213,809
Financial assets		5,501,700	142,946
Other assets		31,129	22,512
TOTAL CURRENT ASSETS		<u>12,017,802</u>	<u>10,426,153</u>
NON-CURRENT ASSETS			
Property, plant and equipment	6	3,616,393	3,645,092
Investment property		380,000	275,000
TOTAL NON-CURRENT ASSETS		<u>3,996,393</u>	<u>3,920,092</u>
TOTAL ASSETS		<u>16,014,195</u>	<u>14,346,245</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	165,311	103,706
Contract liabilities	8	2,702,738	2,152,366
Employee benefits	9	218,478	183,858
TOTAL CURRENT LIABILITIES		<u>3,086,527</u>	<u>2,439,930</u>
NON-CURRENT LIABILITIES			
Contract liabilities	8	512,644	1,500,000
Employee benefits	9	-	35,658
TOTAL NON-CURRENT LIABILITIES		<u>512,644</u>	<u>1,535,658</u>
TOTAL LIABILITIES		<u>3,599,171</u>	<u>3,975,588</u>
NET ASSETS		<u>12,415,024</u>	<u>10,370,657</u>
EQUITY			
Reserves		338,587	9,998
Retained Earning/profit		12,076,437	10,360,659
TOTAL EQUITY		<u>12,415,024</u>	<u>10,370,657</u>

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity For the Year Ended 30 June 2021

2021

	Retained Earnings	FVOCI Reserve	Total
	\$	\$	\$
Balance at 1 July 2020	10,360,659	9,998	10,370,657
Surplus for the year	1,715,778	-	1,715,778
Gain on investment revaluation	-	328,589	328,589
Balance at 30 June 2021	12,076,437	338,587	12,415,024

2020

	Retained Earnings	FVOCI Reserve	Total
	\$	\$	\$
Balance at 1 July 2019	9,724,018	-	9,724,018
Restatement due to adoption of AASB 15 and AASB 1058	-	-	-
Restatement due to AASB 16	-	-	-
Balance at 1 July 2019 restated	9,724,018	-	9,724,018
Surplus for the year	636,641	-	636,641
Gain on investment revaluation	-	9,998	9,998
Balance at 30 June 2020	10,360,659	9,998	10,370,657

The accompanying notes form part of these financial statements.

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Statement of Cash Flows For the Year Ended 30 June 2021

	2021	2020
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	5,064,087	3,280,451
Payments to suppliers and employees	(6,332,460)	(3,550,426)
Donations received	640,129	647,151
Interest received	50,365	145,933
Receipt from grants	1,878,102	1,381,140
Net cash provided by operating activities	13 <u>1,300,223</u>	<u>1,904,249</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Dividends received from equity investments	2,330	-
Payment for property, plant and equipment	(260,870)	-
Payment for acquisition of investments	(5,057,410)	-
Net cash (used in) investing activities	<u>(5,315,950)</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents held	(4,015,727)	1,904,249
Cash and cash equivalents at beginning of year	<u>10,046,886</u>	<u>8,142,637</u>
Cash and cash equivalents at end of financial year	5 <u><u>6,031,159</u></u>	<u><u>10,046,886</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 2021

The financial report covers Gallipoli Medical Research Foundation Ltd as an individual entity. Gallipoli Medical Research Foundation Ltd is a for-profit proprietary Company, incorporated and domiciled in Australia.

The functional and presentation currency of Gallipoli Medical Research Foundation Ltd is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the 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.

2 Summary of Significant Accounting Policies

(a) Income Tax

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

(b) 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 (c) and (d).

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).

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price

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Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(b) Revenue

Revenue from contracts with customers

4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Company are:

Clinical Trial Income

Revenue from clinical trials are recognised based on the investigation result. Revenue is therefore recognised at a point in time when study results are reviewed and approved by the appointed investigator.

The nature of the Company's clinical trial contracts is such that they are at a fixed price set via a fee schedule and include specific deliverables and the Company has therefore determined that there are specific performance obligation to be satisfied.

Grant Income

Amounts arising from grants are in the scope of AASB 1058 and AASB 15 and are recognised at the fair value received of the received consideration. The company considers whether there are any related liability or equity items associated with the asset which are recognised in accordance with the relevant accounting standard.

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 revenue for services. Such grants are initially recognised as a contract liability and revenue is recognised as services are performed or conditions are fulfilled.

Interest Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Other Income

Donation and bequests are recognised as revenue when received.

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Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(b) Revenue

Statement of financial position balances relating to revenue recognition

Contract assets and liabilities

Where the amounts billed to customers are based on the achievement of various milestones established in the contract, the amounts recognised as revenue in a given period do not necessarily coincide with the amounts billed to or certified by the customer.

When a performance obligation is satisfied by transferring a promised good or service to the customer before the customer pays consideration or the before payment is due, the Company presents the contract as a contract asset, unless the Company's rights to that amount of consideration are unconditional, in which case the Company recognises a receivable.

When an amount of consideration is received from a customer prior to the entity transferring a good or service to the customer, the Company presents the contract as a contract liability.

(c) 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.

(d) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of 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) 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.

Buildings

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

Plant and equipment

Plant and equipment are measured using the revaluation model, on the cost basis less depreciation and impairment losses.

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Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(e) Property, plant and equipment

Plant and equipment

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.

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

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 asset are shown below:

Fixed asset class	Depreciation rate
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.

(f) Financial instruments

Initial recognition and measurement

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

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Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(f) Financial instruments

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL
- fair value through other comprehensive income - equity instrument (FVOCI - equity)

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on Derecognition is recognised in profit or loss.

Fair value through other comprehensive income

Equity instruments

The Company has a number of strategic investments in listed and unlisted entities over which they do not have significant influence nor control. The Company has made an irrevocable election to classify these equity investments as fair value through other comprehensive income as they are not held for trading purposes.

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Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(f) Financial instruments

Financial assets

These investments are carried at fair value with changes in fair value recognised in other comprehensive income (financial asset reserve). On disposal any balance in the financial asset reserve is transferred to retained earnings and is not reclassified to profit or loss.

Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI.

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at FVTPL.

Net gains or losses, including any interest or dividend income are recognised in profit or loss (refer to hedging accounting policy for derivatives designated as hedging instruments.)

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost
- debt investments measured at FVOCI

When determining whether the credit risk of a financial assets has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Company uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

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For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(f) Financial instruments

Financial assets

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Company comprise trade payables and unearned income.

(g) 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.

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

(h) 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.

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Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(h) Employee benefits

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

(i) Adoption of new and revised accounting standards

The Company has adopted all standards which became effective for the first time at 30 June 2021, the adoption of these standards (refer Note) has not caused any material adjustments to the reported financial position, performance or cash flow of the Company.

3 Revenue and Other Income

	2021	2020
	\$	\$
Revenue from operating activities		
- Bequest income and memorial gifts	1,413,750	1,309,643
- Clinical trial income	1,952,965	1,436,295
- Donations	640,129	647,151
- Grants	2,717,702	1,657,640
- Other income	68,592	189,164
- Dividends received from equity investment	45,507	-
- Revaluation gain on investment property	47,588	-
- Other interest received	50,365	145,933
- Rental income from investment property	12,640	-
	<u>6,949,238</u>	<u>5,385,826</u>

4 Result for the Year

The result for the year includes the following specific expenses:

Other expenses:

Depreciation and amortisation	198,839	223,577
Loss on disposal of assets	90,730	23,918
Research expenses	1,403,356	1,142,051
Employee benefits expense	3,284,708	3,123,653

5 Cash and Cash Equivalents

Cash on hand	200	200
Cash at bank	829,070	1,046,686
Short-term deposits	5,201,889	9,000,000
	<u>6,031,159</u>	<u>10,046,886</u>

Gallipoli Medical Research Foundation Ltd

ACN 077 750 693

Notes to the Financial Statements

For the Year Ended 30 June 2021

6 Property, plant and equipment

	2021	2020
	\$	\$
Buildings		
At cost	3,585,727	3,412,430
Accumulated depreciation	(906,329)	(848,345)
Total buildings	<u>2,679,398</u>	<u>2,564,085</u>
Furniture, fixtures and fittings		
At cost	3,007,173	3,057,200
Accumulated depreciation	(2,089,224)	(1,995,533)
Total furniture, fixtures and fittings	<u>917,949</u>	<u>1,061,667</u>
Computer equipment		
At cost	-	3,200
Accumulated depreciation	-	(2,906)
Total computer equipment	<u>-</u>	<u>294</u>
Artwork		
At cost	19,046	19,046
Total artwork	<u>19,046</u>	<u>19,046</u>
Total plant and equipment	<u>936,995</u>	<u>1,081,007</u>
Total property, plant and equipment	<u>3,616,393</u>	<u>3,645,092</u>

(a) Movements in carrying amounts of property, plant and equipment

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
	\$	\$	\$	\$	\$
Year ended 30 June 2020					
Balance at the beginning of year	2,564,085	1,061,667	294	19,046	3,645,092
Additions	260,870	-	-	-	260,870
Assets written off	(68,636)	(21,874)	(220)	-	(90,730)
Depreciation expense	(76,921)	(121,844)	(74)	-	(198,839)
Year ended 30 June 2021	<u>2,679,398</u>	<u>917,949</u>	<u>-</u>	<u>19,046</u>	<u>3,616,393</u>

Gallipoli Medical Research Foundation Ltd

ACN 077 750 693

Notes to the Financial Statements For the Year Ended 30 June 2021

7 Trade and Other Payables

	2021	2020
	\$	\$
Current		
Trade payables	38,339	24,864
GST payable	35,657	6,645
Other payables	91,315	72,197
	<u>165,311</u>	<u>103,706</u>

8 Contract Liabilities

Current contract liabilities	2,702,738	2,152,366
Non-current contract liabilities	512,644	1,500,000
	<u>3,215,382</u>	<u>3,652,366</u>

The Company has initially applied AASB 15 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 111, AASB 118 and related interpretations.

9 Employee Benefits

Current liabilities		
Annual Leave	149,124	144,384
Long service leave	69,354	39,474
	<u>218,478</u>	<u>183,858</u>
Non-current liabilities		
Long service leave	-	35,658
	<u>-</u>	<u>35,658</u>

10 Key Management Personnel Remuneration

The totals of remuneration paid to the key management personnel of Gallipoli Medical Research Foundation Ltd during the year is \$722,428 (2020: 890,207).

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.

Gallipoli Medical Research Foundation Ltd

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Notes to the Financial Statements

For the Year Ended 30 June 2021

11 Related Parties

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

12 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 outstanding and obligations of the Company. At 30 June 2021 the number of members was 8 (2020: 8).

Gallipoli Medical Research Foundation Ltd

ACN 077 750 693

Notes to the Financial Statements

For the Year Ended 30 June 2021

13 Cash Flow Information

(a) Reconciliation of cash

	2021	2020
	\$	\$
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	6,031,159	10,046,886
	<u>6,031,159</u>	<u>10,046,886</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	1,715,778	636,641
Non-cash flows in profit:		
- depreciation	198,839	223,577
- loss on assets written off	90,730	23,918
- (gain) on equity investments	(2,330)	-
- bequest received as investment	-	(407,948)
- unrealised (gain) on investment	(77,757)	-
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(227,720)	(1,782)
- (increase)/decrease in prepayments	(20,901)	16,537
- increase/(decrease) in trade payables	13,476	20,561
- increase/(decrease) in other payables and accruals	48,130	(72,182)
- increase/(decrease) in contract liabilities	(436,984)	1,414,506
- increase/(decrease) in employee benefits	(1,038)	50,421
Cashflows from operations	<u>1,300,223</u>	<u>1,904,249</u>

14 Capital and Leasing Commitments and Contingencies

Operating Lease Contingencies

The Company has a non-cancelable operating lease with Ramsay Hospital Holdings (Queensland) Pty Ltd for a period of 5 years commencing from 15 November 2017 to 14 November 2022. 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.

Gallipoli Medical Research Foundation Ltd

ACN 077 750 693

Notes to the Financial Statements

For the Year Ended 30 June 2021

15 Covid-19

On 11 March 2020, the World Health Organisation ("WHO") declared a pandemic in respect of increasing cases of Coronavirus being recorded on a global basis. Since the WHO declaration, the Australian Commonwealth and State governments have been implementing various policy measures to respond to the pandemic, including quarantine measures and economic stimulus packages.

At this time, the pandemic is on-going and the Company is unable to determine the extent of the future impact from the pandemic. However, the Board is closely monitoring the situation on a regular basis including cashflows, budgets and the business in general.

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 Statutory Information

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

Gallipoli Medical Research Foundation Ltd
Greenslopes Private Hospital
Newdegate Street
GREENSLOPES QLD 4120

Gallipoli Medical Research Foundation Ltd

ACN 077 750 693

Directors' Declaration

The directors of the entity declare that:

1. The financial statements and notes, as set out on pages 8 to 24, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:
 - (a) comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
 - (b) give a true and fair view of the financial position as at 30 June 2021 and of the performance for the year ended on that date of the entity.
2. In the directors' opinion, there are reasonable grounds to believe that the entity 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

Brisbane, 16 September 2021

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

Opinion

We have audited the accompanying financial report, being a special purpose financial report of Gallipoli Medical Research Foundation Ltd (the Company), which comprises the statement of financial position as at 30 June 2021, 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-profits Commission Act 2012*, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2021 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Regulation 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-profits Commission Regulation 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. The other information comprises the information included in the annual report for the year ended 30 June 2021, but does not include the financial report and our auditors' report thereon.

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.

Gallipoli Medical Research Foundation Ltd

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

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-profits Commission Regulation 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 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.

The directors 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.

Gallipoli Medical Research Foundation Ltd

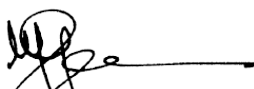
Independent Audit Report to the members of Gallipoli Medical Research Foundation Ltd

- 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.

Mazars

Mazars Audit (QLD) Pty Limited
Authorised Audit Company: 338599



Matthew Green
Director

Brisbane, 16September 2021