

Garvan Research Foundation Limited as Trustee for the Garvan Research Foundation Annual report – 31 December 2015

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Garvan Research Foundation Limited as Trustee for the Garvan Research Foundation

Directors' report

31 December 2015

Your directors present their report on Garvan Research Foundation Limited as Trustee for the Garvan Research Foundation (the Foundation) for the year ended 31 December 2015.

Directors

The following persons were directors of the Foundation during the whole of the financial year and up to the date of this report:

- Jane S Allen
- Melinda B Conrad
- Geoffery J Dixon
- Gabriel G Farago
- John S Mattick
- Loftus W Harris
- John Landerer
- Bradley W Rees
- Simon D Mordant
- Bruce G Baird
- Jeanne-Claude Strong
- John Schubert

Helga Neidhart was appointed on 11 November 2015

Directors' Meetings

The table below sets out the number of Board meetings held and the number of meetings attended by each director.

2015 Attendance Register – Board of Directors

Number of meetings held	4	
Directors	Eligible	Attended
Jane S Allen	4	3
Melinda B Conrad	4	2
Geoff Dixon	4	3
Gabriel G Farago	4	4
John Schubert	4	3
Loftus W Harris	4	3
John Landerer	4	2
Bradley W Rees	4	3
Simon D Mordant	4	2
John S Mattick	4	3
Jeanne-Claude Strong	4	2
Bruce G Baird	4	1
Helga Neidhart	1	0

Principal activities

The Foundation was established with the purpose of obtaining bequests and donations from the private sector to support Garvan Institute of Medical Research.

Garvan Research Foundation Limited as Trustee for the Garvan Research Foundation
Directors' report
31 December 2015

The Foundation as described in its Constitution, assists the funding of the Garvan Institute of Medical Research. The Foundation uses its best endeavours to provide grants both for current research activities and the long-term endowment fund of the Institute.

All donations received in the name of the Garvan are administered by the Foundation.

The Foundation's principal activities during the year consisted of fundraising, marketing and public education.

Review of operations

The Foundation continued to receive generous support from a wide cross section of the Australian community and had another very successful year in 2015.

Community fundraising and direct marketing campaigns provided the opportunity to raise awareness of Garvan's work and saw an increase in donations. We also received several significant bequests which were used to develop Garvan's core research areas and to strengthen our strategic reserves.

In 2015, the Foundation's revenue was \$39,370,031 (2014: \$14,377,253) with a net surplus of \$4,375,953 (2014: net surplus \$637,488).

Significant changes in states of affairs

There are no significant changes in the state of affairs of the Foundation during the financial year.

Likely developments and expected results of operations

There are no likely developments and expected results of operations of the Foundation, in addition to those disclosed under the review of operations and principal activities above.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 31 December 2015 that has significantly affected, or may significantly affect:

- (a) the Foundation's operations in future years,
- (b) the results of those operations in future years, or
- (c) the Foundation's state of affairs in future years.

Environmental regulation

No significant environmental regulations apply.

Insurance of officers

During the financial year, the directors and officers liability insurance was covered under Garvan Institute of Medical Research's insurance policy.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Foundation, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Foundation.

Non-audit services

The Foundation may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Foundation are important.

**Garvan Research Foundation Limited as Trustee for the Garvan Research Foundation
Directors' report
31 December 2015**

The Foundation did not engage the auditor for non-audit service during the financial year.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 60-40 of the Australian Charities and Not-for-Profit Commission (ACNC) Act 2012 is set out on page 4 and forms part of the Directors' Report.

Auditor

PricewaterhouseCoopers continues in office as the appointed auditor for the Garvan Research Foundation Limited.

This report is made in accordance with a resolution of the directors.



Director
Sydney

3 May 2016



Auditor's Independence Declaration

As lead auditor for the audit of Garvan Research Foundation Limited for the year ended 31 December 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read 'Manoj Santiago', is written over a light blue horizontal line.

Manoj Santiago
Partner
PricewaterhouseCoopers

Sydney
3 May 2016

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**Garvan Research Foundation Limited as Trustee for the Garvan Research Foundation
Financial report – 31 December 2015**

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This financial report covers Garvan Research Foundation Limited as Trustee for the Garvan Research Foundation as an individual entity. The financial report is presented in Australian dollars.

Garvan Research Foundation Limited (ACN: 107 850 751) is a company limited by guarantee, incorporated and domiciled in Australia. Its sole and dominant purpose is to act as Trustee for the Garvan Research Foundation in accordance with the trust deed dated 21 November 2003. Its registered office and principal place of business is:

Garvan Research Foundation
384 Victoria Street
Darlinghurst NSW 2010

The financial report was authorised for issue by the directors on *3 May* 2016. The directors have the power to amend and reissue the financial report.

Garvan Research Foundation Limited as Trustee for the Garvan Research Foundation
Statements of Comprehensive Income
For the year ended 31 December 2015

	Notes	2015 \$	2014 \$
Revenue			
Fund Raising	4	39,344,136	14,372,493
Other Revenue	4	25,895	4,760
		<u>39,370,031</u>	<u>14,377,253</u>
Expenses			
Amortisation and depreciation	5	(10,467)	(12,194)
Employment costs		(2,135,572)	(1,753,804)
Event costs		(289,309)	(555,278)
Fund raising costs		(2,862,858)	(1,949,980)
Endowment fund grants		(8,275,248)	(188,167)
General research and operating grants		(1,400,000)	(1,400,000)
Specific grants	5	(20,020,624)	(7,880,342)
		<u>(34,994,078)</u>	<u>(13,739,765)</u>
Net surplus for the year		<u>4,375,953</u>	<u>637,488</u>
Other comprehensive income for the year		-	-
Total comprehensive income for the year		<u>4,375,953</u>	<u>637,488</u>

The above statements of comprehensive income should be read in conjunction with the accompanying notes.

Garvan Research Foundation Limited as Trustee for the Garvan Research Foundation
Statement of financial position
As at 31 December 2015

	Notes	2015 \$	2014 \$
Current assets			
Cash and cash equivalents	6	1,891,143	1,115,899
Trade and other receivables	7	159,002	77,947
Financial assets at fair value through profit or loss	8	3,518,670	-
Total current assets		<u>5,568,815</u>	<u>1,193,846</u>
Non-current assets			
Property, plant and equipment	9	47,721	34,571
Total non-current assets		<u>47,721</u>	<u>34,571</u>
Total assets		<u>5,616,536</u>	<u>1,228,417</u>
Current liabilities			
Trade and other payables	10	562,688	550,522
Total current liabilities		<u>562,688</u>	<u>550,522</u>
Total liabilities		<u>562,688</u>	<u>550,522</u>
Net assets		<u>5,053,848</u>	<u>677,895</u>
Accumulated funds			
Accumulated surplus	12	5,053,848	677,895
Total Accumulated funds		<u>5,053,848</u>	<u>677,895</u>

The above statement of financial position should be read in conjunction with the accompanying notes.

Garvan Research Foundation Limited as Trustee for the Garvan Research Foundation
Statement of Changes in Equity
For the year ended 31 December 2015

	Notes	Accumulated surplus \$	Total Accumulated Funds \$
Balance at 1 January 2014		40,407	40,407
Net surplus for the year		637,488	637,488
Balance at 31 December 2014	12	<u><u>677,895</u></u>	<u><u>677,895</u></u>
Balance at 1 January 2015		677,895	677,895
Net surplus for the year		4,375,953	4,375,953
Balance at 31 December 2015	12	<u><u>5,053,848</u></u>	<u><u>5,053,848</u></u>

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Garvan Research Foundation Limited as Trustee for the Garvan Research Foundation
Statement of Cash Flows
For the year ended 31 December 2015

	Notes	2015 \$	2014 \$
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		36,063,519	14,576,411
Payments to suppliers (inclusive of goods and services tax)		(35,269,247)	(13,829,504)
Interest received		4,589	4,760
Net cash inflow from operating activities	16	<u><u>798,861</u></u>	<u><u>751,667</u></u>
Cash flows from investing activities			
Payments for property, plant and equipment		(23,617)	(24,306)
Net cash outflow from investing activities		<u><u>(23,617)</u></u>	<u><u>(24,306)</u></u>
Net increase in cash held			
Cash at the beginning of the financial year		775,244	727,361
Cash at the end of the financial year	6	<u><u>1,891,143</u></u>	<u><u>388,538</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes.

Garvan Research Foundation Limited as Trustee for the Garvan Research Foundation
Notes to the financial statements
31 December 2015

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Garvan Research Foundation Limited as Trustee of the Garvan Research Foundation
Notes to the financial statements
31 December 2015

Note 1 Summary of significant accounting policies

This financial report is that of the Garvan Research Foundation Limited (ACN: 107 850 751) as trustee for the Garvan Research Foundation pursuant to the trust deed dated 21 November 2003.

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board, the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012* and the *Trust Deed dated 21 November 2003*. Garvan Research Foundation Limited is a non-for-profit entity for the purpose of preparing the financial statements.

Historical cost convention

These financial statements have been prepared under the historical cost convention.

(b) Revenue recognition

Revenue is recognised for the major activities as follows:

(i) Donations, bequests and event revenue

Revenue is derived from donations, bequests and event in the form of cash or in kind. Amounts donated are recognised as revenue only when the Foundation gains control of probable economic benefits that can be reliably measured. The Foundation maintains controls to ensure that donations are recorded in the financial records, however at times it is impractical to maintain effective controls over the collections of such revenue prior to its initial entry into the financial records. Therefore, donations are recognised as revenue when they are recorded in the books and records of the Foundation.

(ii) Other revenue

Other revenue being interest, is recognised when there is a legal obligation of the bank to pay interest to the Foundation.

(iii) Sale of merchandise

It is recognised when received and/or associated risk is passed to external parties.

(c) Income tax

The Foundation is exempt from income tax.

(d) Acquisitions of assets

The purchase method of accounting is used to account for all acquisitions of assets. Cost is measured as the fair value of the assets given.

(e) Impairment of assets

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Garvan Research Foundation Limited as Trustee of the Garvan Research Foundation
Notes to the financial statements
31 December 2015

(f) Cash and cash equivalents

Cash and cash equivalents includes cash on hand and deposits held at call with financial institutions.

(g) Receivables

All debtors are recognised at the amounts receivable as they are due for settlement no more than 120 days from the date of recognition.

Note 1 Summary of significant accounting policies (continued)

(h) Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.

Depreciation on other assets is calculated using the straight line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

- Property, plant & equipment 2.5 - 4 years

The assets' 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.

(i) Trade and other payables

These amounts represent liabilities for goods and services provided to the Foundation prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(j) Provisions

Provisions for audit fee and fringe benefits tax are recognised when: (1) the Foundation has a present legal or constructive obligation as a result of past events; (2) it is more likely than not that an outflow of resources will be required to settle the obligation; and (3) the amount has been reliably estimated.

(k) Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. They are subsequently measured at either amortised cost or fair value depending on their classification.

Classification is determined based on the purpose of the acquisition and subsequent reclassification on

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the entity has transferred substantially all the risks and rewards of ownership.

Garvan Research Foundation Limited as Trustee of the Garvan Research Foundation
Notes to the financial statements
31 December 2015

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are either: i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit; or ii) designed as such initial recognition, where they are managed on a fair value basis or to eliminate or significantly reduce an accounting mismatch. Except for effective hedging instruments, derivatives are also categorised as fair value through profit or loss. Fair value movements are recognised in profit or loss.

Impairment of financial assets

The entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulty of the issuer or obligor; a breach of contract such as default or delinquency in payments; the lender granting to a borrower concessions due to economic or legal reasons that the lender would not otherwise do; it becomes probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for the financial asset; or observable data indicating that there is a measurable decrease in estimated future cash flows.

The amount of the impairment allowance for financial assets carried at cost is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the current market rate of return for similar financial assets.

(l) Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either; in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Specific valuation techniques used to value financial instruments include the use of quoted market prices or dealer quotes for similar instruments.

(m) Employment costs

Short term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Note 2 Financial risk management

The Foundation's activities expose it to cash flow and interest rate risk. The Foundation's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Foundation.

Risk management is carried out by an investment committee under policies approved by the Board of the Institute.

Garvan Research Foundation Limited as Trustee of the Garvan Research Foundation
Notes to the financial statements
31 December 2015

Note 2 Financial risk management (continued)

The Foundation holds the following financial instruments at reporting date:

	2015	2014
	\$	\$
Financial assets		
Cash	1,891,143	1,115,899
Trade and other receivables	159,002	77,947
Financial assets at fair value through profit or loss	3,518,670	-
	<u>5,568,815</u>	<u>1,193,846</u>
Financial liabilities		
Trade and other payables	562,688	550,522
	<u>562,688</u>	<u>550,522</u>

Sensitivity

The Foundation's income and operating cash flows are substantially independent of changes in market interest rates.

The table below summarises the impact of increases/decreases of the index on the entity's equity.

	Impact on income	
	2015	2014
	\$	\$
Australian Stock Exchange 200 - increase 10%	351,867	-
Australian Stock Exchange 200 - decrease 10%	(351,867)	-

The income for the period would increase/decrease as a result of gains/losses on equity securities classified as at fair value through profit or loss.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market position.

Maturities of financial liabilities

The table below analyses the Foundation's financial liabilities into relevant maturity groupings based on their contractual maturities for financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 6 months equal their carrying balances.

Contractual maturities of financial liabilities	Less than 6 months	Total contractual cash flows	Carrying amount (assets)/liabilities
At 31 December 2015	\$	\$	\$
Trade payables	562,688	562,688	562,688
Total	<u>562,688</u>	<u>562,688</u>	<u>562,688</u>

Credit risk

There is no significant credit risk to the Foundation at the reporting date.

Garvan Research Foundation Limited as Trustee of the Garvan Research Foundation

Notes to the financial statements

31 December 2015

Note 3 Critical accounting estimates and judgments

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Foundation's accounting policies. There were no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements of the Foundation.

Note 4 Revenue

	2015	2014
	\$	\$
Revenue		
<i>Fund raising</i>		
Donations and Pledges	13,524,804	9,585,775
Events	705,474	1,232,143
Bequests	25,113,858	3,554,575
	<u>39,344,136</u>	<u>14,372,493</u>
<i>Other revenue</i>		
Interest from financial assets not at fair value through profit or loss	4,589	4,760
Unrealised gain on investment	21,306	
	<u>25,895</u>	<u>4,760</u>
Total revenue from continuing operation	<u>39,370,031</u>	<u>14,377,253</u>

Note 5 Expenses

Net surplus includes the following specific expenses:

<i>Depreciation</i>		
Property, plant and equipment	10,467	12,194
Total depreciation	<u>10,467</u>	<u>12,194</u>
<i>Specific grants</i>		
Specific grants	20,020,624	7,880,342
	<u>20,020,624</u>	<u>7,880,342</u>

Garvan Research Foundation Limited as Trustee of the Garvan Research Foundation
Notes to the financial statements
31 December 2015

Note 6 Current assets - Cash and cash equivalents

	2015	2014
	\$	\$
Cash at bank and in hand	1,891,143	1,115,899
Balances per statement of cash flows	<u>1,891,143</u>	<u>1,115,899</u>

The cash at bank earns a floating interest rate of 0.10%.

Note 7 Current assets - Trade and other receivables

	2015	2014
	\$	\$
Other receivables *	159,002	77,947
	<u>159,002</u>	<u>77,947</u>

*These amounts represent GST receivable and prepaid balances.

Note 8 Financial assets at fair value through profit or loss

	2015	2014
	\$	\$
Shares in listed companies and unit trusts (at market value)	3,518,670	-
	<u>3,518,670</u>	<u>-</u>

Note 9 Non-current assets – Property, plant and equipment

	Plant and equipment	Total
	\$	\$
At 1 January 2014		
Cost	158,831	158,831
Accumulated depreciation	(136,372)	(136,372)
Net book amount	<u>22,459</u>	<u>22,459</u>
Year ended 31 December 2014		
Opening net book amount	22,459	22,459
Additions	24,306	24,306
Depreciation charge	(12,194)	(12,194)
Closing net book amount	<u>34,571</u>	<u>34,571</u>
At 31 December 2014		
Cost	183,137	183,137
Accumulated depreciation	(148,566)	(148,566)
Net book amount	<u>34,571</u>	<u>34,571</u>
Year ended 31 December 2015		
Opening net book amount	34,571	34,571
Additions	23,617	23,617
Depreciation charge	(10,467)	(10,467)
Closing net book amount	<u>47,721</u>	<u>47,721</u>

Garvan Research Foundation Limited as Trustee of the Garvan Research Foundation
Notes to the financial statements
31 December 2015

Note 9 Non-current assets – Property, plant and equipment (continued)

	Plant and equipment	Total
At 31 December 2015	\$	\$
Cost	206,754	206,754
Accumulated depreciation	(159,033)	(159,033)
Net book amount	<u>47,721</u>	<u>47,721</u>

Note 10 Current liabilities - Trade and other payables

	2015	2014
	\$	\$
Trade payables	476,551	47,084
Other payables	86,137	503,438
	<u>562,688</u>	<u>550,522</u>

Note 11 Contributed equity

Garvan Research Foundation is a company limited by guarantee of its members to contribute, in the event of dissolution, a maximum of \$10 each towards meeting any outstanding obligations of the Foundation. At 31 December 2015, the number of members was 1.

In relation to the accumulated funds shown on the balance sheet, the Foundation's constitution provides that any funds of the Foundation shall be applied in furtherance of its objects and that no portion thereof shall be distributed directly or indirectly to the members of the Foundation.

Note 12 Accumulated surplus

Movements in accumulated surpluses were as follows:

	2015	2014
	\$	\$
Accumulated surplus at the beginning of the financial year	677,895	40,407
Net surplus for the year	4,375,953	637,488
Accumulated surplus at the end of the financial year	<u>5,053,848</u>	<u>677,895</u>

Note 13 Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the Foundation, and its related practices:

	2015	2014
	\$	\$
Audit services		
PwC Australia		
- Audit and review of financial statements	30,000	35,000
Total remuneration for audit services	<u>30,000</u>	<u>35,000</u>

Note 14 Contingencies

There are no contingent liabilities and contingent assets raised at 31 December 2015.

Garvan Research Foundation Limited as Trustee of the Garvan Research Foundation
Notes to the financial statements
31 December 2015

Note 15 Related party transactions

(a) Directors

The names of persons who were directors of the Foundation at any time during the financial year are as follows: Jane S Allen, Melinda B Conrad, Gabriel Farago, John S Mattick, Geoff Dixon, Loftus Harris, John Landerer, Brad Rees, Simon D Mordant, Bruce Baird, Jeanne-Claude Strong and John Schubert.

(b) Trustee

Garvan Research Foundation Limited acts as Trustee for the Garvan Research Foundation pursuant to the trust deed dated 21 November 2003.

(c) Remuneration of directors

The Directors did not receive any remuneration from the Foundation during the financial year.

(d) Transactions with other related parties

The following transactions occurred with related parties other than key management personnel:

	2015	2014
<i>Grants to associates (Garvan Institute of Medical Research)</i>	\$	\$
General research and operating grant	1,400,000	1,400,000
Specific research grants	20,020,624	7,880,342
Endowment fund grant	8,275,248	188,167

(e) Outstanding balances

The following balances are outstanding at the reporting date in relation to transactions with related parties other than key management personnel:

	2015	2014
<i>Current payables (reimbursement)</i>	\$	\$
Garvan Institute of Medical Research	200,301	209,039

Note 16 Reconciliation of profit after income tax to net cash inflow from operating activities

	2015	2014
	\$	\$
Surplus for the year	4,375,953	637,488
Depreciation and amortisation	10,467	12,194
Non-cash bequest received	(3,518,670)	
Change in operating assets and liabilities:		
Increase in receivables	(81,055)	(1,285)
Increase/(decrease) in payables	12,166	103,270
Net cash inflow from operating activities	<u>798,861</u>	<u>751,667</u>

Note 17 Events after the reporting period


No matter or circumstance has arisen since 31 December 2015 that has significantly affected, or may significantly affect the Foundation's operations, the results of those operations, or the Foundation's state of affairs in future financial years.

Garvan Research Foundation Limited as Trustee for the Garvan Research Foundation
Directors' declaration
31 December 2015


In the Directors' opinion:

- (a) the financial statements and notes set out on pages 5 to 18 are in accordance with the *Trust Deed dated 21 November 2003*, including:
 - (i) complying with Accounting Standards and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the Foundation's financial position as at 31 December 2015 and of its performance, as represented by the results of its operations and its cash flows, for the financial year ended on that date; and
- (b) there are reasonable grounds to believe that the Foundation will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board of Directors, for and on behalf of the Board by:

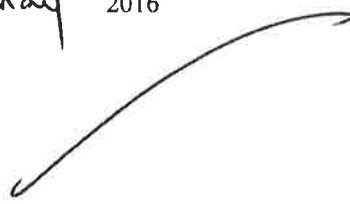


G. Dixon, Chairman



J. Mattick, Director

Sydney
3 May 2016





Independent auditor's report to the members of Garvan Research Foundation Limited as Trustee for the Garvan Research Foundation

Report on the financial report

We have audited the accompanying financial report of Garvan Research Foundation Limited (the Company), which comprises the statement of financial position as at 31 December 2015, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' responsibility 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, the *Australian Charities and Not-for-profits Commission Act (ACNC) 2012* and the *Trust Deed dated 21 November 2003* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

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Opinion

In our opinion, the financial report of Garvan Research Foundation Limited is in accordance with the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012* and the *Trust Deed dated 21 November 2003* including:

- a. giving a true and fair view of the Company's financial position as at 31 December 2015 and of its performance for the year ended on that date; and
- b. complying with Australian Accounting Standards.

PricewaterhouseCoopers
PricewaterhouseCoopers

[Signature]
Manoj Santiago
Partner

3 May 2016
Sydney

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