

# **Garvan Research Foundation Limited as Trustee for the Garvan Research Foundation Annual report – 31 December 2016**

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## **Garvan Research Foundation Limited as Trustee for the Garvan Research Foundation**

### **Directors' report**

**31 December 2016**

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 2016.

#### **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  
Geoffrey J Dixon (Chair)  
Gabriel G Farago  
John S Mattick  
Loftus W Harris  
Simon D Mordant  
Jeanne-Claude Strong  
John Schubert  
Peter F Young (appointed 1 July 2016)  
Helen McCabe (appointed 1 December 2016)  
Bradley W Rees (resigned 11 October 2016)  
Helga Neidhart (resigned 14 November 2016)  
Bruce G Baird (resigned 17 November 2016)  
John Landerer (resigned 17 November 2106)

#### **Directors' Meetings**

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

2016 Attendance Register – Board of Directors

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

#### **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.

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.

**Garvan Research Foundation Limited as Trustee for the Garvan Research Foundation  
Directors' report  
31 December 2016**

**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 2016.

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 2016, the Foundation's revenue was \$34,019,596 with \$33,985,395 of this being donated revenues (2015: \$39,370,031 with \$39,344,136 of this being donated revenues) with a net loss of \$3,346,223 (2015: net surplus \$4,375,953). The loss in 2016 was due to the receipt of a donation of shares of \$3,518,670 received by the Foundation in 2015 and then transferred to the Garvan Institute of Medical Research in 2016.

**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 2016 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. Any services are performed in accordance with The Charter of Audit Independence.

**Garvan Research Foundation Limited as Trustee for the Garvan Research Foundation  
Directors' report  
31 December 2016**

**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

2 May 2017



## **Auditor's Independence Declaration**

As lead auditor for the audit of Garvan Research Foundation Limited for the year ended 31 December 2016, 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 that reads 'P. J. Carney'.

Paddy Carney  
Partner  
PricewaterhouseCoopers

Sydney  
2 May 2017

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**Garvan Research Foundation Limited as Trustee for the Garvan Research Foundation  
Financial report – 31 December 2016**

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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 2 May 2017. The directors have the power to amend and reissue the financial report.

**Garvan Research Foundation Limited as Trustee for the Garvan Research Foundation**  
**Statement of Comprehensive Income**  
For the year ended 31 December 2016

	Notes	2016 \$	2015 \$
<b>Revenue</b>			
Fund Raising	4	33,985,395	39,344,136
Other Revenue	4	34,201	25,895
		<u>34,019,596</u>	<u>39,370,031</u>
<b>Expenses</b>			
Amortisation and depreciation	5	(13,779)	(10,467)
Employment costs		(2,451,052)	(2,135,572)
Loss on investment		(172,447)	-
Event costs		(144,584)	(289,309)
Fund raising costs		(3,157,504)	(2,862,858)
		<u>(5,939,366)</u>	<u>(5,298,206)</u>
Net surplus before distribution		<u>28,080,230</u>	<u>34,071,825</u>
Distribution to Garvan Institute of Medical Research			
Endowment fund grants	5	(5,047,965)	(8,275,248)
General research and operating grants	5	(1,400,000)	(1,400,000)
Specific grants	5	(24,978,237)	(19,895,624)
Distribution to others - specific grants	5	(251)	(125,000)
		<u>(31,426,453)</u>	<u>(29,695,872)</u>
<b>Net surplus/(deficit) for the year</b>		<u>(3,346,223)</u>	<u>4,375,953</u>
Other comprehensive income for the year		-	-
<b>Total comprehensive income for the year</b>		<u>(3,346,223)</u>	<u>4,375,953</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 2016

	Notes	2016 \$	2015 \$
<b>Current assets</b>			
Cash and cash equivalents	6	622,640	1,891,143
Trade and other receivables	7	1,380,600	159,002
Financial assets at fair value through profit or loss	8	-	3,518,670
<b>Total current assets</b>		<u>2,003,240</u>	<u>5,568,815</u>
<b>Non-current assets</b>			
Property, plant and equipment	9	<u>108,853</u>	47,721
<b>Total non-current assets</b>		<u>108,853</u>	<u>47,721</u>
<b>Total assets</b>		<u>2,112,093</u>	<u>5,616,536</u>
<b>Current liabilities</b>			
Trade and other payables	10	<u>404,468</u>	562,688
<b>Total current liabilities</b>		<u>404,468</u>	<u>562,688</u>
<b>Total liabilities</b>		<u>404,468</u>	<u>562,688</u>
<b>Net assets</b>		<u>1,707,625</u>	<u>5,053,848</u>
<b>Accumulated funds</b>			
Accumulated surplus	12	<u>1,707,625</u>	5,053,848
<b>Total Accumulated funds</b>		<u>1,707,625</u>	<u>5,053,848</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 2016

	Notes	Accumulated surplus \$	Total Accumulated Funds \$
Balance at 1 January 2015		677,895	677,895
Net surplus for the year		4,375,953	4,375,953
<b>Balance at 31 December 2015</b>	12	<u><u>5,053,848</u></u>	<u><u>5,053,848</u></u>
Balance at 1 January 2016		5,053,848	5,053,848
Net surplus for the year		(3,346,223)	(3,346,223)
<b>Balance at 31 December 2016</b>	12	<u><u>1,707,625</u></u>	<u><u>1,707,625</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 2016

	Notes	2016 \$	2015 \$
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of goods and services tax)		36,531,636	36,063,519
Payments to suppliers (inclusive of goods and services tax) / transfer of donations		(37,759,429)	(35,269,247)
Interest received		34,201	4,589
<b>Net cash (outflow)/inflow from operating activities</b>	16	<u><u>(1,193,592)</u></u>	<u><u>798,861</u></u>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(74,911)	(23,617)
<b>Net cash outflow from investing activities</b>		<u><u>(74,911)</u></u>	<u><u>(23,617)</u></u>
<b>Net increase/(decrease) in cash held</b>		(1,268,503)	775,244
Cash at the beginning of the financial year		1,891,143	1,115,899
<b>Cash at the end of the financial year</b>	6	<u><u>622,640</u></u>	<u><u>1,891,143</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 2016

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**Garvan Research Foundation Limited as Trustee of the Garvan Research Foundation**  
**Notes to the financial statements**  
**31 December 2016**

**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 events 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.

**(f) Cash and cash equivalents**

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

**Garvan Research Foundation Limited as Trustee of the Garvan Research Foundation**  
**Notes to the financial statements**  
**31 December 2016**

**Note 1 Summary of significant accounting policies (continued)**

**(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.

**(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 other categories is restricted.

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 2016**

**Note 1 Summary of significant accounting policies (continued)**

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 difficulties 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 2016**

**Note 2 Financial risk management (continued)**

The Foundation holds the following financial instruments at reporting date:

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>Financial assets</b>		
Cash	622,640	1,891,143
Trade and other receivables	1,380,600	159,002
Financial assets at fair value through profit or loss	0	3,518,670
	<u>2,003,240</u>	<u>5,568,815</u>
<b>Financial liabilities</b>		
Trade and other payables	404,468	562,688
	<u>404,468</u>	<u>562,688</u>

*Sensitivity*

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

	Impact on income	
	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Increase 10%	-	351,867
Decrease 10%	-	(351,867)

The income for the period would increase/decrease as a result of gains/losses on financial assets classified 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 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 grouping based on its 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.

<b>Contractual maturities of financial liabilities</b>	<b>Less than 6 months</b>	<b>Total contractual cash flows</b>	<b>Carrying amount (assets)/liabilities</b>
<b>At 31 December 2016</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Trade payables	404,468	404,468	404,468
Total	<u>404,468</u>	<u>404,468</u>	<u>404,468</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 2016**

**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**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>Revenue</b>		
<i>Fund raising</i>		
Donations and Pledges	24,908,084	13,524,804
Events	526,235	705,474
Bequests	8,551,076	25,113,858
	<u>33,985,395</u>	<u>39,344,136</u>
<i>Other revenue</i>		
Interest from financial assets not at fair value through profit or loss	34,201	4,589
Unrealised gain on investment	0	21,306
	<u>34,201</u>	<u>25,895</u>
Total revenue from continuing operation	<u>34,019,596</u>	<u>39,370,031</u>

**Note 5 Expenses**

**Net surplus includes the following specific expenses:**

<i>Depreciation</i>		
Property, plant and equipment	13,779	10,467
Total depreciation	<u>13,779</u>	<u>10,467</u>
<i>Endowment fund grants</i>		
Endowment fund grants to GIMR	5,047,965	8,275,248
	<u>5,047,965</u>	<u>8,275,248</u>
<i>Operating Grant to Institute</i>		
Operating Grant to GIMR	1,400,000	1,400,000
	<u>1,400,000</u>	<u>1,400,000</u>
Specific grants to GIMR	24,978,237	19,895,624
Specific grants to Others	251	125,000
	<u>24,978,488</u>	<u>20,020,624</u>



**Garvan Research Foundation Limited as Trustee of the Garvan Research Foundation**  
**Notes to the financial statements**  
**31 December 2016**

**Note 6 Current assets - Cash and cash equivalents**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Cash at bank and in hand	622,640	1,891,143
Balances per statement of cash flows	<u>622,640</u>	<u>1,891,143</u>

The cash at bank earns a floating interest rate of up to 1.5%

**Note 7 Current assets - Trade and other receivables**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
GST receivable and prepayments *	155,472	89,291
Other receivables **	1,225,128	69,711
	<u>1,380,600</u>	<u>159,002</u>

\*These amounts represent GST receivable and prepaid balances.

\*\*Other receivables from Garvan Institute represents the reversal of tied donations to be transferred in 2017

**Note 8 Financial assets at fair value through profit or loss**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Shares in listed companies and unit trusts (at market value)	-	3,518,670
	<u>-</u>	<u>3,518,670</u>

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

	<b>Plant and equipment</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>
<b>At 1 January 2015</b>		
Cost	183,137	183,137
Accumulated depreciation	(148,566)	(148,566)
Net book amount	<u>34,571</u>	<u>34,571</u>
<b>Year ended 31 December 2015</b>		
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>
<b>At 1 January 2016</b>		
Cost	206,754	206,754
Accumulated depreciation	(159,033)	(159,033)
Net book amount	<u>47,721</u>	<u>47,721</u>
<b>Year ended 31 December 2016</b>		
Opening net book amount	47,721	47,721
Additions	74,911	74,911
Depreciation charge	(13,779)	(13,779)
Closing net book amount	<u>108,853</u>	<u>108,853</u>

**Garvan Research Foundation Limited as Trustee of the Garvan Research Foundation**  
**Notes to the financial statements**  
**31 December 2016**

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

	<b>Plant and equipment</b>	<b>Total</b>
<b>At 31 December 2016</b>	<b>\$</b>	<b>\$</b>
Cost	281,665	281,665
Accumulated depreciation	(172,812)	(172,812)
Net book amount	<u>108,853</u>	<u>108,853</u>

**Note 10 Current liabilities - Trade and other payables**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Trade payables	162,387	476,551
Other payables	242,081	86,137
	<u>404,468</u>	<u>562,688</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 2016, Garvan Institute is the only member.

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:

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Accumulated surplus at the beginning of the financial year	5,053,848	677,895
Net surplus for the year	(3,346,223)	4,375,953
Accumulated surplus at the end of the financial year	<u>1,707,625</u>	<u>5,053,848</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:

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>Audit services</b>		
PwC Australia		
- Audit and review of financial statements	36,000	36,000
Total remuneration for audit services	<u>36,000</u>	<u>36,000</u>

**Note 14 Contingencies**

There are no contingent liabilities and contingent assets raised at 31 December 2016.

**Garvan Research Foundation Limited as Trustee of the Garvan Research Foundation**  
**Notes to the financial statements**  
**31 December 2016**

**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, Helen McCabe, Gabriel Farago, John S Mattick, Geoff Dixon, Loftus Harris, John Landerer, Brad Rees, Simon D Mordant, Bruce Baird, Jeanne-Claude Strong, Helga Neidhart 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:

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<i>Grants to associates (Garvan Institute of Medical Research)</i>		
General research and operating grant	1,400,000	1,400,000
Specific research grants	24,978,488	20,020,624
Endowment fund grant	5,047,965	8,275,248

**(e) Outstanding balances**

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

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<i>Current payables (reimbursement)</i>		
Garvan Institute of Medical Research	14,971	200,301

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

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
(Loss)/Surplus for the year	(3,346,223)	4,375,953
Depreciation and amortisation	13,779	10,467
Non-cash bequest received	3,518,670	(3,518,670)
Change in operating assets and liabilities:		
Increase in receivables	(1,221,598)	(81,055)
Increase/(decrease) in payables	(158,220)	12,166
Net cash inflow from operating activities	<u>(1,193,592)</u>	<u>798,861</u>

**Note 17 Events after the reporting period**

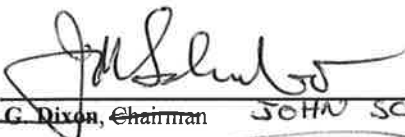
No matter or circumstance has arisen since 31 December 2016 that has significantly affected, or may significantly affect the Foundation's operations, the results of those operations, or the Foundation's state of affairs in future financial years.

**Garvan Research Foundation Limited as Trustee for the Garvan Research Foundation**  
**Directors' declaration**  
**31 December 2016**

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 2016 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~~ JOHN SCHUBERT DIRECTOR

  
J. Mattick, Director

Sydney  
2 May 2017



## *Independent auditor's report*

To the members of Garvan Research Foundation Limited as Trustee for the Garvan Research Foundation

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### *Our opinion*

In our opinion:

The accompanying financial report of Garvan Research Foundation Limited (the Company) 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 2016 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards.

### ***What we have audited***

The financial report comprises:

- the statement of financial position as at 31 December 2016;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended;
- the notes to the financial statements, which include a summary of significant accounting policies; and
- the directors' declaration.

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

### ***Independence***

We are independent of the Company in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission (ACNC) 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.

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### *Other information*

The directors are responsible for the other information. The other information obtained at the date of this auditor's report comprises the Directors' report included in the financial statements, but does not include the financial report and our auditor's 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 identified above 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.

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### *Responsibilities of the directors 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 (ACNC) Act 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 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 ability of the Company 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.

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### *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 the 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.

  
PricewaterhouseCoopers

  
Paddy Carney  
Partner

Sydney  
2 May 2017