



Hunter Medical Research Institute
Annual report
ABN 27 081 436 919

for the year ended 30 June 2015

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Directors

G T Turner BComm, CPA, FAICD
Chair

M Nilsson MD, PhD
Institute Director

R J Aitken BSc, MSc, PhD, DSc

M Cohen MBBS, FRANZCP

M DiRienzo BComm

K Hall B Sc (Hons), M Sc, PhD

C Levi B Med Sci, MBBS, FRACP

K Loades FAICD

D A Magin B.Math, Grad Dip Mgt, MAICD

I C McMillen BA (Hons), MBBChir, DPhil

N K Sawyer AM, FAICD

Secretary

S E Herd LLB (Hons), GradCert Laws, GAICD

Notice of annual general meeting

The annual general meeting of Hunter Medical Research Institute will be held at HMRI Lot 1, Kookaburra Circuit, New Lambton Heights, NSW on Thursday 8th October 2015.

Principal Registered office in Australia

Lot 1, Kookaburra Circuit
NEW LAMBTON HEIGHTS NSW 2305

Auditor

PricewaterhouseCoopers
Level 3, 45 Watt Street
NEWCASTLE NSW 2300

Solicitors

Sparke Helmore Lawyers
Sparke Helmore Building
28 Honeysuckle Drive
NEWCASTLE NSW 2300

Bankers

Newcastle Permanent Building Society
307 King Street
NEWCASTLE WEST NSW 2302

Website address

www.hmri.com.au

Your directors present their report on the company for the year ended 30 June 2015.

Directors

The following persons were directors of Hunter Medical Research Institute (HMRI) during the whole of the financial year and up to the date of this report:

M Nilsson
G T Turner
N K Sawyer AM
M DiRienzo
I C McMillen
R J Aitken
K Hall
M Cohen
K Loades
D A Magin

The following director was appointed subsequent to the financial year and continue in office at the date of this report:
C Levi was appointed to the Board on 13 August 2015 and is still a director at the date of this report.

The following directors were if office at the beginning of the financial year but are no longer directors at the date of this report:

H R Grugeon was in office at the beginning of the financial year but resigned on 13 August 2015.
M Parsons was in office at the beginning of the financial year but resigned on 13 August 2015.

Secretary

B Webb was in office at the beginning of the financial year but resigned on 13 August 2015.
S Herd was appointed on 13 August 2015 and is still Secretary at the date of this report.

Principal activities

During the year the principal continuing activities of the company were to act as a charitable institution that raises funds for and co-ordinates the activities of health and medical research within the Hunter New England Local Health District and the University of Newcastle.

There were no significant changes in the nature of the activities of the company during the year.

Review of operations

A summary of revenues and results are set out below:

	2015 \$	2014 \$
Loss for the year	(1,963,566)	(30,814)

Comments on the operations and the results of those operations are set out below:

- The operating loss for the financial year is \$1.96 million (2014 operating loss - \$0.03 million).
- The operating loss includes a fundraising surplus of \$3.46 million (2014 - \$3.34 million).
- HMRI has been successful in obtaining Medical Research Support Programme (MRSP) funding for 2014/16 of \$11.7 million. This represents an increase of 10% on the previous 2 year funding period.
- HMRI has been successful in obtaining NSW Hub Strategy funding of \$100,000. This funding is to support the role of research hubs in fostering translation, innovation and research capacity, in line with the NSW Government 10 year strategic plan for Health & Medical Research.
- HMRI has also received MRSP bonus funding of \$1.4m to be allocated to health services research and informatics.

Significant changes in the state of affairs

In the opinion of the Directors there were no significant changes in the state of affairs of the company that occurred during the year under review.

Matters subsequent to the end of the financial year

Except for the matters discussed above, no other matter or circumstance has arisen since 30 June 2015 that has significantly affected, or may significantly affect:

- a) The company's operations in future financial years, or
- b) The results of those operations in future financial years, or
- c) The company's state of affairs in future financial years.

Likely developments and expected results of operations

The Directors of the company believe HMRI will continue to support and promote the growth of medical research in the Hunter to foster and mentor health and medical researchers and develop internationally competitive research programs that deliver health and economic benefit.

The regular fundraising activities to be undertaken by HMRI will aim to generate ongoing financial support for medical research programmes from the broader community.

Information on Directors

M Nilsson MD, PhD. *Institute Director*

Professor Nilsson, MD, PhD is an internationally well-established rehabilitation physician, neurologist and a translational neuroscientist bridging together knowledge in neurobiology, neural recovery and clinical rehabilitation after stroke.

In 2012, Professor Nilsson was appointed Director of Hunter Medical Research Institute, Burges Professor of Medical Science at the University of Newcastle and Staff Specialist in Rehabilitation Medicine at Hunter New England Health. He is also a Conjoint Professor of Neurorehabilitation and Translational Stroke Research, University of Gothenburg, Gothenburg, Sweden and Honorary Professor of The Florey Institute of Neuroscience and Mental Health, Melbourne, Australia. Prior to the current appointment, Professor Nilsson held a position as Director of Research and Development at Sahlgrenska University Hospital in Gothenburg, Sweden.

His continued research involves studies of astrocyte functions in brain plasticity and repair after stroke. The role of enriched environment in plasticity and regeneration has also been a main focus and constitutes an important platform for ongoing studies. He has initiated, planned and established pioneering translational research programs that combine basic and clinical research in rehabilitation neuroscience involving studies on the effects of cardiovascular exercise, music and rhythm on cognition. Recently, Prof Nilsson was appointed as a member of the Health Translation Advisory Committee (HTAC), a new principal committee of the National Health and Medical Research Council (NHMRC) Prof Nilsson is CI and co-lead on an NHMRC Centre for Research Excellence in stroke rehabilitation and brain recovery involving internationally leading stroke researchers primarily from two major stroke research centres in Australia, the Florey Institute of Neuroscience and Mental Health in Melbourne and the Hunter Medical Research Institute in Newcastle.

Service as a director

Appointed to HMRI Board 12th April 2012

G T Turner BComm, CPA, FAICD. *Chair and Non-Executive Director – HMRI (Community)*

Experience and expertise

Mr. Turner had a thirty-year career at senior executive level in the mining services, manufacturing, engineering and contracting sectors in Australia, as well as USA, China, South America, South Africa and India. He now occupies non-executive roles in private companies in a variety of industries and services, including the State government and university sectors. From October 2007 to 2012 Mr Turner chaired the HMRI Foundation, HMRI's marketing and fundraising arm.

Other current directorships in public and significant companies and institutions

Acting Chair – Newcastle Innovation Pty Ltd

Director – Venues NSW

Service as a director

Appointed to HMRI Board 11th October 2007

Chair, HMRI Board 15th March 2013

Special responsibilities

Chair – Board Development Committee

H R Grugeon AM *Non-Executive Director - HMRI (Community)*

Experience and expertise

Hilton Grugeon is a prominent Hunter business identity, probably best-known for his involvement with Hunter Land, a local development company responsible for industrial, commercial and residential developments. The sheer scope of Mr Grugeon's business interests means he is involved with a variety of industries and organisations. He is vocal in his support of local business and enterprise as a driver for local employment.

Other current directorships in public and significant companies and institutions

Hunter Land Pty Ltd
GWH Pty Ltd
Hunter Readymixed Concrete

Service as a director

Appointed to the HMRI Board 6th August 2003

Special responsibilities

N/A

N K Sawyer AM FAICD. *Non Executive Director - HMRI (Community)*

Experience and expertise

Mr Sawyer is a company director who joined the HMRI Board in November 2007. He co-founded Ampcontrol P/L in 1968, which was recognised with regional, state and national awards in "business, engineering, innovation and export" in 1993, 1995, 1996, 1998, 2001, 2003, 2004, and 2005. In 1996 he was recognised as the Engineers Australia National Engineering Associate of the Year, and was awarded Australian Honours AM Award in 2006. He is also a NSW Business Chamber Past President and Life Governor and Past President of the Australian Chamber of Commerce Industry.

Mr Sawyer is Director for Percutaneous Cardiovascular Solutions, Lake Macquarie Business Growth Centre, Crucible Group and Hunter TAFE Foundation. He is a member of Engineers Australia, and is a Fellow of both the Australian Institute of Company Directors and the Australian Institute of Management.

Other current directorships in public and significant companies and institutions

Director – Percutaneous Cardiovascular Solutions
Director – Lake Macquarie Business Growth Centre
Director – Crucible Group
Director – Hunter TAFE Foundation

Service as a director

Appointed to HMRI Board 28th November 2007

Special responsibilities

Chair – Audit and Risk Management Committee
Board Development Committee

M DiRienzo BComm. *Non-Executive Director - HMRI (HNELHD)*

Experience and expertise

Mr Michael DiRienzo is Chief Executive of Hunter New England Local Health District. He is responsible for all health services across more than 120 sites, comprising more than 15,500 staff delivering services to a community of more than 840,000 people. Following an 18-year career in accounting, supply and logistics in the industrial sector, Mr DiRienzo joined Hunter New England Local Health District (then Hunter Health) in 1998 as a Senior Management Accountant. He has since held various General Management positions throughout the Health Service and has been a member of the Area Executive Team since 2002. He was Director Operations – Acute Networks from 2005 until his appointment to Chief Executive in 2011.

Mr DiRienzo holds a Bachelor of Commerce from the University of Newcastle, and currently represents Hunter New England Local Health District at The Health Roundtable, and sits on the Advisory Board for the University of Newcastle Priority Research Centre in Physical Activity and Nutrition and the Priority Research Centre for Gender, Health and Ageing.

Other current directorships in public and significant companies and institutions

Board member - HealthShare Board

Service as a director

Appointed to HMRI Board 21st April 2011

Special responsibilities

Board Development Committee

I C McMillen BA (Hons), MBBS, PhD. *Non-Executive Director - HMRI (University)*

Professor Caroline McMillen was appointed Vice-Chancellor and President of the University of Newcastle in October 2011. Professor McMillen has served in senior research, innovation and academic leadership positions, as well as national and international roles in industry engagement, medical and health research, strategy and policy development.

Professor McMillen is a current Director of the Business Higher Education Round Table, a Business Event Sydney Ambassador, and member of the NSW Innovation and Productivity Council. She has served on a range of international disciplinary bodies and industry groups, including the national Automotive Industry Innovation Council, the Board of the Cooperative Research Centres for Advanced Automotive Technology and for Rail Innovation, the South Australian Premier's Climate Change Council, as well as a number of state industry and government leadership groups focused on innovation, defence, and manufacturing.

As a medical researcher, Professor McMillen is internationally recognised for her work on the impact of the nutritional environment before birth on the risk of developing cardiovascular disease and obesity in adult life and is an inaugural Fellow of the Australian Academy of Health and Medical Sciences, Bragg Member of the Royal Institution, Australia and currently serves on the Council of the International Union of Physiological Societies. She holds a BA (Honours) and Doctor of Philosophy from the University of Oxford, and completed her medical training graduating with an MB, B Chir at the University of Cambridge.

Service as a director

Appointed to HMRI Board 3 November 2011

Special responsibilities

N/A

K Loades FAICD. *Chair HMRI Foundation and Non-Executive Director – HMRI (community)*

Experience and expertise

Kyle is Managing Director of Auto Advantage, an independent motor vehicle buying/advisory service that delivers vehicles to clients Australia-wide from its Hunter and Central Coast base. He has a background in motor vehicle retail and fleet sales and in the transport sector. Mr Loades is the President of NRMA Motoring Services and sits as the Chair of the NRMA Finance & Investments Committee. Mr Loades is a former Director of Hunter Region SLSA Helicopter Rescue Service Limited, a former Director and President of Hunter Business Chamber, a former Board Member of Hunter Tourism and a Life Member and past President of Nobbys Surf Life Saving Club.

Other current directorships in public and significant companies and institutions

Auto Advantage Pty Ltd
NRMA Motoring & Services

Service as a director

Appointed to HMRI Board 20 February 2014

Special responsibilities

Chair HMRI Foundation

M Cohen MBBS, FRANZCP. *Non-Executive Director - HMRI (HNEH)*

Experience and expertise

Dr Martin Cohen completed his training in medicine at The University of Sydney in 1996 and became a Fellow of the Royal Australian and New Zealand College of Psychiatrists in 2002. He has over 10 years research experience in the fields of medical education, neuroimaging, epidemiological, and clinical research. He is the Director of Hunter New England Mental Health Service and a conjoint senior lecturer at University of Newcastle. Martin is responsible for the development, maintenance and provision of clinical leadership for high quality mental health services throughout Hunter New England Health.

Other current directorships in public and significant companies and institutions

Cullerton Nominees Pty Ltd

Service as a director

Appointed to HMRI Board 20 February 2014

Special responsibilities

N/A

R J Aitken BSc, MSc, PhD, DSc. *Non-Executive Director - HMRI (University)*

Experience and expertise

John Aitken is the Pro Vice-Chancellor for the Faculty of Health and Medicine, a Laureate Professor of Biological Sciences and Co-Director of the Priority Research Centre in Reproductive Science at the University of Newcastle.

His area of specialization is gamete biology with particular emphasis on the differentiation and function of spermatozoa and oocytes. He has published over 480 research articles which have received over 16,000 citations, the highest citation index in his field. John is the President of the International Society of Andrology and a Fellow of both the Royal Society of Edinburgh and the Australian Academy of Science. In 2012 he was named as the New South Wales scientist of the year.

John received his PhD from the University of Cambridge. In 1992, he was awarded an Honorary Professorship at the University of Edinburgh. In 1998 he received his ScD degree from the University of Cambridge.

Other current directorships in public and significant companies and institutions

N/A

Service as a director

Appointed to HMRI Board 20 February 2014

Special responsibilities

N/A

K Hall BSc (Hons), MSc, PhD. *Non-Executive Director - HMRI (UoN)*

Experience and expertise

Professor Kevin Hall joined the University as Deputy Vice-Chancellor (Research and Innovation) in March 2014 and is responsible for the University's diverse and comprehensive research enterprise and acts as the University's chief research officer. Professor Hall was previously Vice President (Research and External Partnerships) at the University of Guelph, Canada and prior to that held various roles at Queen's University, Canada over a 20-year period including the Natural Sciences and Engineering Research Council of Canada University Research Fellow, Department Head (Civil Engineering), Director of the Centre for Water and the Environment, and Chair of the Advisory Board for the Institute for Population and Public Health.

Professor Hall carries out trans-disciplinary research across a number of major themes including water quality modeling, development of environmental monitoring and pathogen detection systems, syndromic surveillance, and water and health in marginalized communities. His research has been incorporated into Engineering Design Manuals both nationally and internationally. Professor Hall has been a board member on the Intersect (Australia), Newcastle Innovation (Australia), Hunter Medical Research Institute (Australia), Bioconversion Network, TRIUMF (Canada's national laboratory for particle and nuclear physics), C4 Network (Technology transfer consortium), Canadian Bovine Mastitis Network, Guelph-Waterloo Biotechnology Partnership, the Accelerator Centre, SHARCNET (high performance computing network), Allergen (Canadian Centre of Excellence), Pathogen Detection Systems (spin-off company) and the Lifestyle Research Network. Professor Hall is a member of a number of professional and learned engineering societies.

Other current directorships in public and significant companies and institutions

N/A

Service as a director

Appointed to HMRI Board 3 April 2014

Special responsibilities

Board Development Committee

D A Magin BMath, Grad Dip Mgt, MAICD. *Non-Executive Director - HMRI (Community)*

Experience and expertise

Don Magin was the Chief Executive Officer of the Greater Building Society until his retirement on 22nd August 2014. He has over 27 years experience in the financial sector, having started with the Greater in late 1986 as the Information Technology Manager. He also managed the Marketing Department for over 10 years, and led the team which instituted the highly successful free holiday home loan campaign. One of his first initiatives as CEO was to engage Jerry Seinfeld to successfully lift the profile of the Greater. Don has a degree in Mathematics and a Graduate Diploma in Management from The University of Newcastle. He is a member of the Australian Institute of Company Directors Don is a Director of Hunter Valley Research Foundation, Hunter United Credit Union, and he is also Chairman of Heal for Life Foundation, a healing centre for survivors of childhood trauma and abuse.

Other current directorships in public and significant companies and institutions

N/A

Service as a director

Appointed to HMRI Board 20 February 2014

Special responsibilities

Audit and Risk Management Committee

M Parsons BMed, FRACP, PhD. *Non-Executive Director - HMRI (HNEH)*

Experience and expertise

Dr Parsons is a Neurologist with a special interest in Stroke, especially Imaging, he is Director of the John Hunter Hospital

**Hunter Medical Research Institute
Directors' report
30 June 2015**

Acute Stroke Service and Chairman of the Research Advisory Council for Hunter New England Local Health District. He is a Professor of Neurology and Director of the University of Newcastle/Hunter Medical Research Institute Stroke Research Program, Professor Parsons is also Deputy Head of School – Research for School of Medicine and Public Health University of Newcastle. He is current President of the Stroke Society of Australasia. Prof Parsons welcomes his role on the HMRI Board of Directors and feels he well placed and experienced by his many leadership roles.

Other current directorships in public and significant companies and institutions

N/A

Service as a director

Appointed to HMRI Board 20 February 2014

Special responsibilities

N/A

C Levi B Med Sci, MBBS, FRACP. *Non-Executive Director - HMRI (HNEH)*

Experience and expertise

Professor Christopher Levi is a stroke neurologist, NHMRC practitioner fellow and Director of Clinical Research and Translation for the Hunter New England Local Health District. Professor Christopher Levi established acute stroke services in Hunter New England, which is now one of the leading stroke services nationally and has a broad research portfolio covering acute stroke trials, health systems, clinical trials across pre-hospital, acute and stroke recovery, biomarkers and genetics stroke and stroke imaging. He oversees all research in Hunter New England in partnership with the Hunter Medical Research Institute and the University of Newcastle's Health and Medical Research management.

Other current directorships in public and significant companies and institutions

N/A

Service as a director

Appointed to HMRI Board 13 August 2015

Special responsibilities

N/A

Company secretary

S E Herd LLB (Hons), GradCert Laws, GAICD, was appointed as the Company Secretary of the Company in August 2015

Meetings of directors

The number of meetings of the company's board of directors and of each board committee held during the year ended 30 June 2015, and the numbers of meetings attended by each director were:

	Full Meeting of Directors		Meetings of Committees			
			Audit and Risk Management		Board Development Committee (incorporating Corporate Governance)	
	A	B	A	B	A	B
M DiRienzo	4	6	*	*	2	2
H Grugeon AM	4	6	*	*	*	*
N K Sawyer AM	4	6	4	6	2	2
G T Turner	6	6	*	*	2	2
C McMillen	1	6	*	*	*	*
M Nilsson	6	6	*	*	*	*
J Aitken	4	6	*	*	*	*
M Cohen	3	6	*	*	*	*
K Hall	5	6	*	*	2	2
K Loades	5	6	*	*	*	*
D Magin	6	6	*	*	*	*
M Parsons	3	6	*	*	*	*

A = Number of meetings attended

B = Number of meetings held during the time the director held office or was a member of the committee during the year

* = Not a member of the relevant committee

Insurance of officers

During the year, HMRI paid a premium to insure any director, secretary, executive officer or employee of the company. In accordance with usual commercial practice, the insurance contract prohibits disclosure of details of the nature of liabilities covered by the insurance, the limit of the indemnity and the amount of the premium paid under the policy.

Auditor

PricewaterhouseCoopers continues in office in accordance with Section 327 of the Corporations Act 2001

Proceedings on behalf of the company

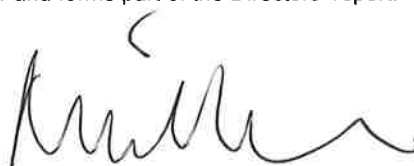
No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party, for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

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 11 and forms part of the Directors' report.



Mr Kyle Loades
Acting Chair



Professor Michael Nilsson
Director

Newcastle, 8 October 2015



Auditor's Independence Declaration

As auditor for the audit of Hunter Medical Research Institute for the year ended 30 June 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.

This declaration is in respect of Hunter Medical Research Institute during the period.

A handwritten signature in black ink that reads 'C. Mara' with a stylized flourish at the end.

Caroline Mara
Partner
PricewaterhouseCoopers

8 October 2015

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This financial report covers Hunter Medical Research Institute as an individual entity. The financial report is presented in the Australian currency.

Hunter Medical Research Institute is a company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business is:

HMRI
Lot 1, Kookaburra Circuit
NEW LAMBTON HEIGHTS NSW 2305

A description of the nature of the company's operations and its principal activities is included in the directors' report on pages 4 - 10 which is not part of this financial report.

The financial report was authorised for issue by the directors on 8 October 2015. The company has the power to amend and reissue the financial report.

Hunter Medical Research Institute
Statement of comprehensive income
For the year ended 30 June 2015

	Notes	2015 \$	2014 \$
Revenue from continuing operations	2	4,601,596	4,305,237
Other income	3	13,125,764	11,760,280
Fundraising administration expense		(623,061)	(610,662)
Depreciation and amortisation expense	4	(3,574,287)	(3,302,576)
Fundraising event expense		(194,410)	(53,169)
Research grant expense		(10,535,032)	(7,916,712)
Clinical research centre expense		(4,436,816)	(3,909,426)
Other expenses		(327,320)	(303,786)
Loss for the year		(1,963,566)	(30,814)
Other comprehensive income		-	-
Total comprehensive loss		(1,963,566)	(30,814)

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

Hunter Medical Research Institute
Balance sheet
As at 30 June 2015

	Notes	2015 \$	2014 \$
CURRENT ASSETS			
Cash and cash equivalents	5	10,240,700	11,201,849
Trade and other receivables	6	516,648	262,850
Held to maturity investments	7	2,465,938	3,190,875
TOTAL CURRENT ASSETS		13,223,286	14,655,574
NON CURRENT ASSETS			
Property, plant and equipment	8	88,945,732	90,247,225
TOTAL NON CURRENT ASSETS		88,945,732	90,247,225
TOTAL ASSETS		102,169,018	104,902,799
CURRENT LIABILITIES			
Trade and other payables	9	894,843	1,190,880
Provisions	10	686,780	1,176,370
TOTAL CURRENT LIABILITIES		1,581,623	2,367,250
NON CURRENT LIABILITIES			
Provisions	11	74,294	58,882
TOTAL NON CURRENT LIABILITIES		74,294	58,882
TOTAL LIABILITIES		1,655,917	2,426,132
NET ASSETS		100,513,101	102,476,667
EQUITY			
Retained profits	12	100,513,101	102,476,667
TOTAL EQUITY		100,513,101	102,476,667

The above balance sheet should be read in conjunction with the accompanying notes.

Hunter Medical Research Institute
Statement of changes in equity
For the year ended 30 June 2015

	2015	2014
	\$	\$
Total equity at the beginning of the financial year	102,476,667	102,507,481
Total comprehensive loss for the year	(1,963,566)	(30,814)
Total recognised expense and income for the year	(1,963,566)	(30,814)
Total equity at the end of the financial year	<u>100,513,101</u>	<u>102,476,667</u>

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

Hunter Medical Research Institute
Statement of cash flows
For the year ended 30 June 2015

	2015	2014
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from donations, fundraising and other activities	18,066,531	16,523,850
Payments to trade creditors, suppliers, employees, and grant recipients	(17,689,563)	(13,997,941)
Interest received	371,439	384,260
Net cash inflow from operating activities	748,407	2,910,169
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	(2,434,493)	(3,736,622)
Cash payments for held-to-maturity investments	724,937	(819,350)
Net cash outflow from investing activities	(1,709,556)	(4,555,972)
Net decrease in cash and cash equivalents held	(961,149)	(1,645,803)
Cash and cash equivalents at the beginning of financial year	11,201,849	12,847,652
Cash and cash equivalents at end of financial year	10,240,700	11,201,849

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

1. Summary of significant accounting policies

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 – Reduced Disclosure Requirements, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the *Australian Charities and Not-for-profit Commission (ACNC) Act 2012*.

(i) Compliance with Australian Accounting Standards – Reduced Disclosure Requirements

The financial statements of the Hunter Medical Research Institute comply with Australian Accounting Standards – Reduced Disclosure Requirements as issued by the Australian Accounting Standards Board (AASB).

(ii) Historical cost convention

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

(iii) Critical accounting estimates

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 company's accounting policies.

(iv) Comparative information

Comparative information is restated where appropriate to enhance comparability.

(b) Revenue recognition

Revenues are recognised at fair value of the consideration received net of the amount of goods and services tax (GST) payable to the Australian Taxation Office (ATO).

(i) Funding, Donations and Grants

Revenue for funding, donations & grants is recognised when the following conditions are met:

- a) HMRI obtains control of the funding, donation or grant
- b) it is probable that the economic benefits will flow to HMRI
- c) the amount of the funding, donation or grant can be measured reliably.

For multiple year funding arrangements, revenue is recognised at the time of signing the funding agreement unless the funding instalments are dependent on key milestones being met which are not wholly controlled by the company.

Specific grants are received which oblige the company to expend the monies for specified purposes not all of which may have been completed at year end. All grant and funding receipts of this nature are taken to be income in the year of receipt rather than proportionally deferred to future periods as the company does not regard the unspent funds as a liability as they will be expended on the purpose for which they were provided.

(ii) Medical Research Facility Building Grant

In 2013-14, \$1.04 million was received in interest and grants for the Medical Research Facility Building. Under AASB 1004 – *Contributions* these funds and the interest earned on them for the year ended 30 June 2014 have been brought to account as revenue in 2013/14. All the conditions of AASB 1004 - *Contributions* have been met for the year ended 30 June 2014 including:

- (a) the entity obtains control of the contribution or the right to receive the contribution;
- (b) it is probable that the economic benefits comprising the contribution will flow to the entity; and
- (c) the amount of the contribution can be measured reliably.

There was no Building Grant related income received in 2014-15.

(iii) Interest income

Interest income is recognised as it accrues.

(c) Income tax

The company, being a public benevolent institution, is currently exempt from income tax under Section 50-5, Item 1.1 of the Income Tax Assessment Act 1997.

(d) Cash and cash equivalents

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

1. Summary of significant accounting policies (continued)

(e) Trade receivables

Trade receivables are recognised at fair value. Trade receivables are due for settlement within 30 days for almost all debtors. Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. The amount of the provision is recognised in the statement of comprehensive income.

(f) Investments and other financial assets

The company currently holds term deposits which have been categorised as held-to-maturity investments. The company classifies its investments in the following categories: financial assets at fair value through profit and loss, loans and receivables, held to maturity investments and available for sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the company provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in receivables in the balance sheet (note 6).

(ii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the company's management has the positive intention and ability to hold to maturity usually of a term of three to twelve months (note 7).

(g) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the company is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

(h) Property, plant and equipment

All 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.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

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

Computer Equipment

1 to 10 years - straight line

Laboratory Equipment

1 to 20 years - straight line

Fixture, Fittings & Non Laboratory Equipment

1 to 25 years - straight line

Buildings

40 years – straight line

Building Related Plant

5 to 40 years – straight line

1. Summary of significant accounting policies (continued)

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.

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

(i) Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest rate method.

(j) Research grants provision

Provision is made for research grants payable once a constructive obligation exists, usually in the form of a commitment to a research project for the funding. These are not recognised as a payable as the timing of the amount is often uncertain as it is dependent on milestones being met which are not wholly controlled by the company.

(k) Employee benefits

(i) *Wages, salaries and annual leave*

Liabilities for wages, salaries and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) *Long service leave*

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(iii) *Retirement benefit obligations*

Contributions to the defined contribution fund are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(l) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

2. Revenue from continuing operations

	2015	2014
	\$	\$
Fundraising revenue	4,444,833	4,153,452
Interest received	156,763	151,785
	4,601,596	4,305,237

3. Other income

	2015	2014
	\$	\$
Government grants - research	-	-
Government grants - infrastructure	7,994,022	6,117,402
Research grant income - non fundraising source	-	604
Clinical research centre income	5,097,619	4,605,111
Building grant income	-	950,000
Building grant interest income	34,123	87,163
	13,125,764	11,760,280

4. Expenses

	2015	2014
	\$	\$
The net loss for the year includes the following specific expenses:		
Depreciation		
Building, computer, laboratory, non-laboratory equipment and fittings	3,574,287	3,302,576
Total depreciation	3,574,287	3,302,576

(a) Increase in depreciation on building, computer, laboratory and office equipment and fittings

The HMRI Imaging Centre was completed in December 2013. Building assets that are individually identifiable as separate assets have been capitalised and depreciated from that date.

5. Current assets - Cash and cash equivalents

	2015	2014
	\$	\$
Cash at bank and in hand	6,749,093	6,162,526
Term deposits at call	3,491,607	5,039,323
	10,240,700	11,201,849

6. Current assets - Trade and other receivables

	2015	2014
	\$	\$
Trade receivables	258,057	168,362
Other receivables	258,591	94,488
	516,648	262,850

(a) Bad and doubtful trade receivables

The company has not recognised any loss in respect of bad and doubtful trade receivables during the year ended 30 June 2015 (2014: Nil).

(b) Other receivables

This amount includes outstanding fundraising income from the HMRI Supporter Run events held before the 30 June 2015 \$27,471 (2014 \$29,196), net GST receivable \$130,044 (2014 \$190,227 payable) and interest accrued on term deposits at year end.

(c) Effective interest rates and credit risk

All receivables are non-interest bearing with their fair value being consistent with their carrying value.

7. Current assets - Held to maturity investments

	2015	2014
	\$	\$
Term deposits	2,465,938	3,190,875

Hunter Medical Research Institute
Declaration by Chairman of HMRI Board
For the year ended 30 June 2015

8. Non-current assets - Property, plant and equipment

	Computer Equipment	Laboratory Equipment	Fixtures, Fittings & Non Laboratory Equipment	Buildings - HMRI Research Facility	Building Related Plant - HMRI Research Facility	Buildings - HMRI Imaging Centre	Building Related Plant - HMRI Imaging Centre	Construction in Progress	Leasehold Improvements	Total
2014										
Cost	964,928	3,741,257	3,889,140	78,236,230	6,727,054	2,796,651	75,846	-	-	96,431,106
Accumulated depreciation	(272,516)	(596,608)	(701,393)	(3,630,544)	(940,841)	(37,605)	(4,374)	-	-	(6,183,881)
Net book amount	692,412	3,144,649	3,187,747	74,605,686	5,786,213	2,759,046	71,472	-	-	90,247,225
Opening net book amount	675,194	2,484,163	3,070,003	76,481,475	6,272,483	-	-	1,120,060	-	90,103,378
Additions	123,686	996,581	478,815	79,200	16,000	1,676,591	75,846	-	-	3,446,719
Disposals	-	-	(296)	-	-	-	-	-	-	(296)
Reclassification of assets	-	-	-	-	-	1,120,060	-	(1,120,060)	-	-
Depreciation charge	(106,468)	(336,095)	(360,775)	(1,954,989)	(502,270)	(37,605)	(4,374)	-	-	(3,302,576)
Closing net book amount	692,412	3,144,649	3,187,747	74,605,686	5,786,213	2,759,046	71,472	-	-	90,247,225
2015										
Cost	1,201,582	5,526,468	3,922,814	78,446,656	6,727,055	2,796,652	75,846	-	-	98,697,073
Accumulated depreciation	(437,549)	(1,074,488)	(1,064,377)	(5,586,450)	(1,468,930)	(107,523)	(12,024)	-	-	(9,751,341)
Net book amount	764,033	4,451,980	2,858,437	72,860,206	5,258,125	2,689,129	63,822	-	-	88,945,732
Opening net book amount	692,412	3,144,649	3,187,747	74,605,686	5,786,213	2,759,046	71,472	-	-	90,247,225
Additions	236,654	1,785,210	33,673	210,426	-	-	-	-	-	2,265,963
Disposals	-	-	-	-	-	-	-	-	-	-
Reclassification of assets	-	-	-	-	-	-	-	-	-	-
Depreciation charge	(165,033)	(477,879)	(362,983)	(1,955,906)	(528,088)	(69,917)	(7,650)	-	-	(3,567,456)
Closing net book amount	764,033	4,451,980	2,858,437	72,860,206	5,258,125	2,689,129	63,822	-	-	88,945,732

8. Non-current assets - Property, plant and equipment (continued)

(a) Reclassification of assets

Building of the HMRI Imaging Centre was completed in December 2013. Previously all costs related to this project were classified as construction in progress. On completion of the project, these costs were capitalised into Buildings - HMRI Imaging Centre and depreciated based on its useful life.

9. Current liabilities - Trade and other payables

	2015	2014
	\$	\$
Trade payables	552,114	722,720
Other payables	342,729	468,160
	894,843	1,190,880

(a) Other payables

This amount includes short-term employee leave entitlements \$197,728 (2014 \$152,645)

10. Current liabilities - Provisions

	2015	2014
	\$	\$
Provision for audit fee	-	-
Provision for research grants	686,780	1,056,370
Provision for directors salary support	-	120,000
	686,780	1,176,370

(a) Provision for research grants

Research grant provisions are recognised in full where there is a constructive obligation to pay funding to grant

(b) Provision for directors salary support

A provision is recognised in full where there is a constructive obligation to pay a contribution to the University of Newcastle.

11. Non-current liabilities - Provisions

	2015	2014
	\$	\$
Employee benefits - long service leave	74,294	58,882

12. Retained profits

	2015	2014
	\$	\$
Movements in retained profits were as follows:		
Balance 1 July	102,476,667	102,507,481
Loss after research grants and infrastructure expenditure	(1,963,566)	(30,814)
Balance 30 June	100,513,101	102,476,667

13. Related party transactions

(a) Key management personnel compensation

Key management personnel compensation for the years ended 30 June 2015 and 30 June 2014 is set out below. The key management personnel of HMRI includes, the Executive Director and the Associate Directors.

	2015	2014
	\$	\$
Key management personnel compensation	705,045	802,148

A component of this remuneration represents a contribution in kind by the University of Newcastle and the Hunter New England Local Health District.

(b) Other transactions with key management personnel or entities related to them

There were no other transactions with key management personnel or entities related to them.

(c) Transactions with other related parties

There were no transactions with other related parties.

14. Events occurring after the reporting period

No matters or circumstances have arisen since 30 June 2015 that has significantly affected, or may significantly affect:

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

15. Infrastructure funds

	2015	2014
	\$	\$
OSMR Medical Research Support Program (2012-2016)		
Opening balance of infrastructure funding	3,955,009	3,412,324
Infrastructure funding received	5,849,253	5,321,797
Interest received on funding	124,591	103,333
Infrastructure expenditure	(5,648,711)	(4,905,896)
Add back: depreciation	124,408	79,115
Capital expenditure	(166,054)	(55,664)
Funds held for future expenditure	<u>4,238,496</u>	<u>3,955,009</u>

Infrastructure funds held and committed for future expenditure includes interest earned on funds which are to be applied to the infrastructure projects. Infrastructure expenditure includes operating expenditure of \$5,696,242 (2014: \$4,905,896), salary and wages paid to HMRI staff of \$2,514,856 (2014: \$1,810,615), and capital expenditure of \$166,054 (2014: \$55,664).

15. Infrastructure funds (continued)

NSW Health Capacity Building Infrastructure Grant (2010-13)	2015	2014
	\$	\$
Opening balance of infrastructure funding	-	21,702
Infrastructure funding received	-	-
Interest received on funding	-	354
Infrastructure expenditure	-	(22,056)
Funds held for future expenditure	-	-
	<u>-</u>	<u>-</u>

Infrastructure funds held and committed for future expenditure includes interest earned on funds which are to be applied to the infrastructure projects. Infrastructure expenditure includes operating expenditure of \$ nil (2014: \$22,056).

NSW Population Health & Health Services Research Support Program Grant (2013-17)

	2015	2014
	\$	\$
Opening balance of infrastructure funding	3,459	-
Infrastructure funding received	499,750	499,750
Interest received on funding	4,194	3,459
Infrastructure expenditure	(499,750)	(499,750)
Funds held for future expenditure	7,653	3,459
	<u>7,653</u>	<u>3,459</u>

Infrastructure funds held and committed for future expenditure includes interest earned on funds which are to be applied to the infrastructure projects. Infrastructure expenditure includes operating expenditure of \$ 499,750 (2014: \$499,750).

NSW Health & Medical Research Hub Strategy Grant

	2015	2014
Opening balance of infrastructure funding	187,818	
Infrastructure funding received	100,000	187,500
Interest received on funding	4,078	318
Infrastructure expenditure	(49)	-
Funds held for future expenditure	291,847	187,818
	<u>291,847</u>	<u>187,818</u>

Infrastructure funds held and committed for future expenditure includes interest earned on funds which are to be applied to the infrastructure projects

**NSW Office of Health and Medical Research (OHMR)
Further MRSP funding**

	2015	2014
Opening balance of infrastructure funding	-	
Infrastructure funding received	1,394,010	
Interest received on funding	17,136	
Infrastructure expenditure	-	
Funds held for future expenditure	1,411,146	-
	<u>1,411,146</u>	<u>-</u>

Infrastructure funds held and committed for future expenditure includes interest earned on funds which are to be applied to the infrastructure projects

16. Capital commitments

Capital expenditure contracted for at the reporting date but not recognised as liabilities is as follows:

	2015	2014
	\$	\$
a) Lease commitments		
Non cancellable operating leases are payable as follows:		
Within one year	442,832	195,999
Later than one year but not later than three years	413,142	118,714
	855,974	314,713
	855,974	314,713

HMRI have entered into a number of contracts, including planned maintenance to maintain the facility.

b) Research grants

The company has committed funds to research projects. At the end of June 2015 \$1.36 million (2014: \$1.37 million) has been committed for research. The timing of this commitment is unknown as it is dependent on milestones being met on research projects, which are not wholly controlled by the company. Of this \$675,544 (2014: \$316,149) is still receivable and is recognised as a contingent asset (note 17).

17. Contingent assets

The company has multiple year funding agreements in place for Grant funding for research which has been committed to by various foundations and institutions. At 30 June 2015 \$675,544 (2014: \$316,149) is committed to the organisation for receipt in future periods. This amount has not been recognised as a receivable at the year end as receipt of the amount is dependent on key milestones being met on the research projects the grants are funding. These milestones are not wholly within the control of the company.

18. Additional disclosures required by the Charitable Fundraising Act 1991 and the Charitable Fundraising Regulations 2008

(a) Details of aggregate gross income and total expenses of fundraising appeals

	2015	2014
	\$	\$
Gross proceeds from fundraising appeals:		
Donations (including bequests, excluding capital campaign)	2,437,594	2,561,389
Research grants	1,200,990	1,147,766
HMRI fundraising		
Event income (HMRI, HCRF, PULSE)	526,984	79,640
Supporter run event income	279,265	364,657
Other (motor vehicle, phone recovery, salary packaging benefit)	-	-
Investment income (earned on fundraising investments)	156,763	151,785
Gross proceeds from fundraising	4,601,596	4,305,237
Less: Total cost of fundraising		
HMRI Fundraising		
Event expenses (HMRI, HCRF, PULSE)	(194,410)	(53,169)
Fundraising salaries & superannuation (excluding capital campaign)	(623,061)	(610,662)
Other expenses (excluding capital campaign)	(327,320)	(303,788)
Total cost of fundraising	(1,144,791)	(967,619)
Net surplus obtained from fundraising appeals	3,456,805	3,337,618

(b) Statement showing how funds received were applied to charitable purposes

(i) Net surplus from fundraising appeals	3,456,805	3,337,618
(ii) This is applied to the charitable purposes in the following manner:		
Expenditure on direct services (grants to researchers)	(3,346,621)	(2,221,807)
Net surplus after grants to researchers	110,184	1,115,811

The surplus from fundraising appeals has been retained in cash at bank and will be used to fund future grants to researchers.

(c) Comparisons by monetary figures and percentages

2015	\$	
Total cost of fundraising/gross income from fundraising	1,144,791 / 4,601,596	24.88%
Net surplus from fundraising/gross income from fundraising	3,456,805 / 4,601,596	75.12%
Total cost of direct services/total expenditure	3,346,621 / 4,491,412	74.51%
Total cost of direct services/gross income from fundraising	3,346,621 / 4,601,596	72.73%
2014	\$	%
Total cost of fundraising/gross income from fundraising	967,619 / 4,305,237	22.48%
Net surplus from fundraising/gross income from fundraising	3,337,618 / 4,305,237	77.52%
Total cost of direct services/total expenditure	2,221,807 / 3,189,426	69.66%
Total cost of direct services/gross income from fundraising	2,221,807 / 4,305,237	51.61%

Hunter Medical Research Institute
Declaration by Chairman of HMRI Board
For the year ended 30 June 2015

In the directors' opinion:

- (a) the financial statements and notes set out on pages 13 to 27 are in accordance with the *Australian Charities and Not-for-Profit Commission (ACNC) Act 2012*, including:
 - (i) complying with Accounting Standards, the *Australian Charities and Not-for-Profit Commission (ACNC) Act 2012* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the company's financial position as at 30 June 2015 and of its performance, as represented by the results of its operations, changes in equity and its cash flows, for the financial year ended on that date; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

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



Mr Kyle Loades
Acting Chair, HMRI Board



Professor Michael Nilsson
Director

Newcastle
8 October 2015

Hunter Medical Research Institute
Declaration by Chairman of HMRI Board
For the year ended 30 June 2015

Declaration in Respect of Fundraising Appeals

As noted in the note 1(b) Accounting Policy income from fundraising is recognised when received by the Institute. Fundraising appeal activities, in particular donations and special event revenue, are regularly conducted by authorised agents of the Institute.

Declared Opinion

I, Mr Kyle Loades, Acting Chairman of the Hunter Medical Research Institute Board, declare, in my opinion:

- (a) the financial report gives a true and fair view of all income and expenditure of Hunter Medical Research Institute with respect to fundraising appeals;
- (b) the statement of financial position gives a true and fair view of the state of affairs with respect to fundraising appeals;
- (c) the provisions of the *Charitable Fundraising Act 1991(NSW)* and the regulations under that Act and the conditions attached to the authority have been complied with for the year 1 July 2014 to 30 June 2015; and
- (d) the internal controls exercised by Hunter Medical Research Institute are appropriate and effective in accounting for all income received.



Mr Kyle Loades

Dated at Newcastle this 8th day of October 2015.



Independent auditor's report to the members of Hunter Medical Research Institute

Report on the financial report

We have audited the accompanying financial report of Hunter Medical Research Institute (the company), which comprises the balance sheet as at 30 June 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 – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act (ACNC) 2012* 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.



Opinion

In our opinion the financial report of Hunter Medical Research Institute is in accordance with the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*, including:

- a. giving a true and fair view of the Company's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
- b. complying with Australian Accounting Standards – Reduced Disclosure Requirements.

PricewaterhouseCoopers

PricewaterhouseCoopers

C. Mara

Caroline Mara
Partner

Newcastle
8 October 2015