

**aamri**

Association of Australian  
Medical Research Institutes

# Association of Australian Medical Research Institutes Ltd

ACN 144 783 728

ABN 12 144 783 728

## **ANNUAL REPORT YEAR ENDED 30 JUNE 2015**

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## DIRECTORS' REPORT

The Board of Directors present this report of the Association of Australian Medical Research Institutes Limited (the Company) for the financial year ended 30 June 2015.

### PRINCIPAL OBJECTIVES

The Association of Australian Medical Research Institutes (AAMRI) is the peak body for Australia's independent medical research institutes (MRIs). At 30 June 2015, AAMRI had 47 member institutes.

The principal continuing objectives of the Company are to:

1. represent the interests and needs of medical research institutes to government, industry and the public;
2. coordinate communication between the medical research institutes and improve scientific and administrative collaboration amongst those institutes and other research organisations;
3. advocate for the creation of a fiscal and regulatory environment that will ensure the efficient conduct of research, and the practical application of that research; and
4. ensure that government, industry and the public are aware of the contributions that medical research makes to improving human health, particularly through the activities of medical research institutes.

### STRATEGY FOR ACHIEVING THESE OBJECTIVES

AAMRI aims to achieve its objectives through the following key mechanisms:

#### Advocate for high level policy reform

- develop a comprehensive policy platform around key McKeon Review recommendations
- influence policy through strong relationships with decision makers and opinion leaders

#### Be a trusted source of authoritative advice and information

- inform and influence government policy, regulation and funding decisions through regular consultation and formal submissions
- base policy and advocacy activities on collected evidence and member/stakeholder insights

#### Build the positive profile and strong voice of our members

- implement a communications strategy that builds the profile, resonance and reach of both AAMRI and its member institutions
- build relationships with related peak bodies and stakeholders to shape a strong, united voice

#### Represent, engage and connect members

- act as an information and networking hub for members and external stakeholders
- provide sector leadership, representing members in areas of shared concern.

## DIRECTORS' REPORT (CONT)

### PRINCIPAL ACTIVITIES DURING THE YEAR

#### Advocate for high level policy reform

Front and centre of AAMRI's priorities in 2014-15 was advocating for the Federal Government's proposed \$20 billion Medical Research Future Fund (MRFF). AAMRI was a key partner in the MRFF Action Group, an alliance of representatives from medical research and university peak bodies, together with community and business leaders, formed to advocate vigorously for the MRFF. The Action Group's campaign was launched on 16 September 2014. Under the guidance of its Founding Chair, the late Alastair Lucas (former Chairman of the Burnet Institute), its current Chair Peter Scott (Chairman of Baker IDI Heart & Diabetes Institute) and Deputy Chairs Ian Smith (a Director of Baker IDI) and Matthew Grounds (Chairman of Victor Chang Cardiac Research Institute), the Action Group conducted a successful campaign that culminated in the passing of the MRFF legislation through the Federal Parliament in August 2015. AAMRI played a very significant role in the administration of the campaign, which included regular meetings and communications with all sides of politics, and strong media engagement. On behalf of the Action Group, AAMRI is now coordinating an advertising campaign under the slogan "What's the Fuss?" to increase the profile of health and medical research and the MRFF in the community. This is expected to roll out in the second half of 2015.

AAMRI also continued to advocate for reform of National Health and Medical Research Council (NHMRC) programs and government funding for the indirect costs of research, as well as implementation of the recommendations of the Strategic Review of Health and Medical Research.

#### Be a trusted source of authoritative advice and information

2014-15 was a big year for government policy reform, with AAMRI preparing 15 submissions to Federal Government consultations and taking part in more than six government round tables and workshops. Of particular importance was the Review to Strengthen Independent Medical Research Institutes. AAMRI and its members played a key role in informing and influencing the MRI Review, the final report of which has yet to be released by the Health Minister.

AAMRI also urged reconsideration of proposed changes to the Higher Education Research Data Collection (HERDC) specifications that would have cut funding for the indirect costs of research to many independent MRIs and hospitals. The proposed changes were reversed for two years, pending a more thorough consultation. Working with the university sector to provide united leadership and guidance on the reform of government funding for indirect research costs remains an AAMRI priority.

Other important areas of AAMRI input into Federal Government policy reform included the review of NHMRC Fellowships, Boosting the Commercial Returns from Research Review, and the tax review.

#### Build the positive profile and strong voice of our members

AAMRI continued to build its own profile and that of its members through media and social media platforms, government relations, and stronger engagement with related peak bodies, particularly Research Australia. A strong, united voice and proactive approach of the MRI sector was critical to the MRFF Action Group campaign, and was duly noted by Parliamentarians and other external stakeholders. AAMRI also contributed its voice to the National Research Alliance campaign calling for continued Federal Government funding for the National Collaborative Research Infrastructure Strategy (NCRIS). Another two years of NCRIS funding was confirmed in the 2015-16 Federal budget.

## DIRECTORS' REPORT (CONT)

### Represent, engage and connect members

Another priority for AAMRI in 2014-15 was the representation of member MRIs in the Fair Work Commission's Four-Year Review, particularly regarding the National Tertiary Education Union's intention to apply to have independent MRIs captured by the Higher Education Industry Awards. AAMRI also liaised with Microsoft Australia on behalf of member institutes about changes to the eligibility criteria of Microsoft's programs for non-profit organisations deeming MRIs ineligible. Despite a temporary moratorium, which has since lapsed, we have unfortunately been unsuccessful in overturning this decision. AAMRI also continued discussions with the Federal Government regarding the transfer of AAMRI's shares in the Australian Synchrotron to the government.

Members were updated on policy and political developments, sector news and AAMRI activities via AAMRI's monthly e-newsletter, MRFF updates and regular communications. AAMRI also continued to administer virtual networks of MRI Grants Managers and Chief Financial Officers.

The AAMRI 2014 National Convention was held in Canberra on 27-28 October 2014. In a first for AAMRI, the AAMRI Annual Dinner was held in the Great Hall of Parliament House and had the Prime Minister as guest speaker, with television crews covering the dinner live for Sky News and ABC News24. AAMRI also hosted a meeting of West Australian MRI Directors and Board Chairs in Perth in September 2014, and a round table of NSW MRI Directors in Sydney in June 2015.

### KEY PERFORMANCE INDICATORS

	2014-15	2013-14
<b>Advocate for high level policy reform</b>		
Letters to Federal Parliamentarians	14	5
Meetings with Federal Parliamentarians and advisors	~80	34
Meetings with Federal department representatives	~20	~20
<b>Be a trusted source of authoritative advice and information</b>		
Formal Government submissions	15	8
Fact sheets, brochures and policy papers	5	6
<b>Build the positive profile and strong voice of our members</b>		
Media mentions – press, radio, TV (syndicated)	56	29
Opinion pieces and articles	8	3
Media releases	25	10
Twitter followers	1400	500
Events and external speaking engagements	5	7
<b>Represent, engage and connect members</b>		
E-newsletters & MRFF updates	15	12
E-newsletter subscribers	420	300
Involvement in campaigns and alliances	2	2

### Finances

Revenue of \$531,208 was generated during the financial year ended 30 June 2015, resulting in a surplus of \$25,995.

## DIRECTORS' REPORT (CONT)

### DIRECTORS

The table below lists Directors as at 30 June 2015.

Name	Position	First Appointed
Prof Jonathan Carapetis	Director	28 October 2014
Prof Brendan Crabb	Immediate Past President	20 October 2011
Prof Tony Cunningham	Director	29 October 2013
Prof Frank Gannon	Director	29 October 2013
Prof Michelle Haber	Director	29 October 2013
Prof Douglas Hilton	President	27 August 2010
Mr Peter Scott	Director	6 March 2013
Prof Steve Wesselingh	Director	29 October 2013

Professor Gary Jennings resigned from the Board of Directors on 28 October 2014, being replaced by Professor Jonathan Carapetis. Professor Doug Hilton assumed the role of President on 28 October 2013, replacing resigning President Professor Brendan Crabb.

### COMPANY SECRETARY

Nicole den Elzen held the position of Company Secretary throughout 2014-15.

### DIRECTORS' QUALIFICATIONS, EXPERIENCE AND SPECIAL RESPONSIBILITIES

Prof Jonathan Carapetis	Director
Qualifications	MBBS, PhD, FRACP, FAFPHM, FAHMS
Experience	Executive Director, Telethon Kids Institute Professor, University of Western Australia (UWA) Infectious Diseases Consultant, Princess Margaret Hospital for Children Member, Executive Board, WA Health Translation Network Member, Youth Justice Board, Department of Corrective Services WA Member, WA Immunisation Strategy Implementation Steering Committee (WAISISC) Chair, Clinical Advisory Group, WA RHD Control Program Member, Western Australian State Health Research Advisory Council Council Member, NHMRC
Special Responsibilities	None

## DIRECTORS' REPORT (CONT)

<b>Prof Brendan Crabb</b>	<b>Immediate Past President</b>
Qualifications	AC, BSc (Hons), PhD, FAHMS
Experience	<p>Director and CEO, Macfarlane Burnet Institute for Medical Research and Public Health Ltd</p> <p>Professor (Adjunct), The University of Melbourne and Monash University</p> <p>Chair, PATH/Malaria Vaccine Initiative, Vaccine Science Portfolio Advisory Council, USA</p> <p>Chair, AMREP (Alfred Medical Research and Education Precinct)</p> <p>Board Member, AMREP Animal Services Pty Ltd</p> <p>Board Member, Research Australia</p> <p>Council Member, NHMRC</p> <p>Member, Scientific Advisory Board, Monash Institute of Pharmaceutical Sciences (MIPS)</p> <p>Member, Scientific Advisory Board, Malaria Program, Wellcome Trust Sanger Institute, UK</p> <p>Board of Management, Gene Technology Access Centre (GTAC)</p>
Special Responsibilities	None
<b>Prof Tony Cunningham</b>	<b>Director</b>
Qualifications	AO, MBBS, FRACP, FRCPA, FASM, FAHMS, MD
Experience	<p>Executive Director, Westmead Millennium Institute for Medical Research</p> <p>Professor of Research Medicine, University of Sydney</p> <p>Sub-Dean (Research), Westmead Clinical School, Sydney Medical School</p> <p>Director, Australian Centre for HIV and Hepatitis Virology Research (ACH<sup>2</sup>)</p> <p>Board Member, Westmead Medical Research Foundation</p> <p>Board Member, Marshall Institute, UWA</p> <p>Chair, Westmead Research Hub Executive</p> <p>Member, Westmead Research Hub Council</p> <p>Member, Global Advisory Board on Adult Vaccines, Merck</p>
Special Responsibilities	None

## DIRECTORS' REPORT (CONT)

<b>Prof Frank Gannon</b>	<b>Director</b>
Qualifications	BSc (Hons), PhD, FAHMS
Experience	<p>Director and CEO, QIMR Berghofer Medical Research Institute</p> <p>Honorary Professor, The University of Queensland and Queensland University of Technology</p> <p>Board member Bimini Ltd (Ireland)</p> <p>Chair, Q-Pharm Pty Ltd</p> <p>Chair, Herston Imaging Research Facility Executive Committee</p> <p>Board member, Queensland Head and Neck Cancer Research Centre</p> <p>Board member, Brisbane Diamantina Health Research Partners</p>
Special Responsibilities	None
<b>Prof Michelle Haber</b>	<b>Director</b>
Qualifications	AM, BSc (Psych) (Hons), PhD, Hon DSc (UNSW), FAHMS
Experience	<p>Executive Director, Children's Cancer Institute</p> <p>Professor (Conjoint), University of New South Wales</p> <p>Board member, Children's Cancer Institute Australia</p> <p>Board member, Randwick Health and Medical Research Institute</p> <p>Member, International Neuroblastoma Response Criteria, Bone Marrow Working Group</p> <p>Member, ACRF Medical Research Advisory Committee</p> <p>Member, International Neuroblastoma Research Group (INRG) Biology Committee</p> <p>Member, Genetic Prognostic Features Subcommittee, International Neuroblastoma Risk Group</p> <p>Scientific Advisory Committee, Olivia Newton-John Cancer Institute</p>
Special Responsibilities	None



## DIRECTORS' REPORT (CONT)

<b>Prof Doug Hilton</b>	<b>President</b>
Qualifications	BSc (Hons), PhD, FAA, FTSE, FAHMS
Experience	<p>Director, Walter and Eliza Hall Institute of Medical Research</p> <p>Research Professor of Medical Biology and Head of the Department of Medical Biology, University of Melbourne</p> <p>Honorary Principal Fellow, Department of Zoology, University of Melbourne</p> <p>Academic Board, The University of Melbourne</p> <p>Board Member, Victorian Comprehensive Cancer Centre</p> <p>Scientific Advisory Board, Children's Cancer Institute</p> <p>Advisory Board, Australian Institute of Tropical Health &amp; Medicine</p> <p>Board Member, Bio21 Cluster</p> <p>Chair, Scientific Advisory Board, Victor Chang Cardiac Research Institute</p> <p>Research Committee Member, South Australian Health and Medical Research Institute</p> <p>Scientific Advisory Board, Cystic Fibrosis Society WA</p> <p>Research Committee, The Hermon Slade Foundation</p> <p>Consultative Council, Victorian Cancer Agency</p>
Special Responsibilities	Chair Board Meetings
<b>Mr Peter Scott</b>	<b>Director</b>
Qualifications	MCom (Hons)
Experience	<p>Chair, Baker IDI Heart &amp; Diabetes Institute</p> <p>Chair, Medical Research Future Fund Action Group</p> <p>Vice Chairman, Investment Banking, UBS Australia</p> <p>Director, UWC Limited</p>
Special Responsibilities	None

## DIRECTORS' REPORT (CONT)

Prof Steve Wesselingh Director	
Qualifications	BMBS, PhD, FRACP, FAHMS
Experience	Director, South Australian Health & Medical Research Institute Member, Australian Technical Advisory Group on Immunisation Chair, Anex Australia Board Member, Health Services Charitable Gift Board Research Advisory Committee Member, Health and Medical Research Advisory Council - SA Health Board Member, The Centre of Excellence in Intervention and Prevention Science Professor, Flinders University Professor, The University of Adelaide Professor, Monash University Member, NHMRC Health Translation Advisory Committee
Special Responsibilities	None

### DIRECTORS' ATTENDANCE AT MEETINGS

The table below details the number of AAMRI Board meetings held during each Director's term in 2014-15, and the number of meetings attended by each Director.

Board of Directors meetings		
	Meetings attended	Meetings held
Prof Jonathan Carapetis	2	2
Prof Brendan Crabb	2	3
Prof Tony Cunningham	3	3
Prof Frank Gannon	3	3
Prof Michelle Haber	3	3
Professor Doug Hilton	2	3
Professor Garry Jennings	0	1
Mr Peter Scott	3	3
Prof Steve Wesselingh	2	3

## DIRECTORS' REPORT (CONT)

### LIABILITY OF EACH MEMBER AND CONTRIBUTION ON WINDING UP

The liability of members is limited; if the Company is wound up, each Member, and each person undertakes to contribute to the property of the company an amount not exceeding \$20 in aggregate. AAMRI has only one class of membership.

### DIVIDENDS PAID OR RECOMMENDED

The Company is a company Limited by Guarantee, having no share capital. In accordance with the Constitution, no dividends have been declared or paid.

### SIGNIFICANT CHANGES IN STATE OF AFFAIRS

The number of AAMRI members increased from 44 to 47 in 2014-15. Two members, the O'Brien Institute and the Ludwig Institute for Cancer Research, were wound up during 2014-15. New members included the Institute for Breathing and Sleep, the Melanoma Institute Australia, the Australian Institute of Tropical Health and Medicine, the Centre for Cancer Biology, and the Olivia Newton-John Cancer Research Institute (the successor to the Ludwig Institute for Cancer Research). There were no other significant changes in the state of affairs of the Company this financial year.

### AFTER BALANCE DATE EVENTS

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

### INDEMNIFYING OFFICERS

The Company has not, during or since the financial year, in respect of any person who has been an officer or auditor of the Company or a related body corporate:

- i. indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings; or
- ii. paid or agreed to be paid a premium in respect of a contract insuring against a liability incurred as an officer for the costs or expenses to defend legal proceedings.

### DIRECTORS' BENEFITS

No Director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the Company with a Director, a firm of which a Director is a member or an entity in which a Director has a substantial financial interest.

This statement excludes a benefit included in the aggregate amount of emoluments receivable by Directors and shown in the Company's accounts, or the fixed salary of a full-time employee of the Company.

## DIRECTORS' REPORT (CONT)

### PROCEEDINGS ON BEHALF OF THE COMPANY

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

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

### AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 30 June 2015 has been received and is presented on page 13 of this report.

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



**Professor Doug Hilton**

President



**Professor Brendan Crabb**

Director

Dated this 16th day of October 2015



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## Auditor's Independence Declaration to the Directors of the Association of Australian Medical Research Institutes Limited

In relation to our audit of the financial report of Association of Australian Medical Research Institutes Limited for the financial year ended 30 June 2015, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Kylie Bodenham  
Partner

16 October 2015

## STATEMENT OF COMPREHENSIVE INCOME

### for the year ended 30 June 2015

	Note	2015 \$	2014 \$
<b>Revenue from Operating Activities</b>	2	<b>531,208</b>	<b>479,500</b>
<b>Expenses from Operating Activities</b>			
Advertising & business promotion		-	4,190
Affiliate membership		-	6,600
Bank charges		92	126
Books, magazines & subscriptions		6,944	7,740
Conference/Function attendance		3,073	409
Consultants fees		52,783 *	4,775
Depreciation		564	847
Expensed Equipment		512	1,133
Gifts		452	633
Insurance		3,015	2,603
Postage, printing, stationery & photocopying		10,553	30,885
Professional fees		22,010	10,610
Salaries		246,264	224,117
Special functions		58,591	44,283
Telephone & internet		1,656	2,981
Travel & meeting expenses		33,024	44,625
Website & software costs		5,777	34,123
		<u>445,310</u>	<u>420,680</u>
<b>Surplus for the year</b>		<u><b>85,898</b></u>	<u><b>58,820</b></u>
<b>Other comprehensive expense</b>			
MRFF Campaign expense		<u>59,903 **</u>	<u>-</u>
<b>Total comprehensive income for the year attributable to members</b>		<u><u><b>25,995</b></u></u>	<u><u><b>58,820</b></u></u>

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

\* The increase in consultants' fees in 2014-15 was due to several consultancy projects, including a review of AAMRI and Research Australia joining forces (PwC), a strategy paper for the Medical Research Future Fund (Moir Clay), and a scoping paper on the economic impacts of health and medical research (The Australia Institute).

\*\* This represents AAMRI's share of MRFF Campaign expenses, split between AAMRI, the Group of Eight Universities and Research Australia.

## STATEMENT OF FINANCIAL POSITION

### as at 30 June 2015

	Note	2015 \$	2014 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash		926,280	865,210
Trade and other receivables	3	10,081	12,530
Prepayments		14,329	14,504
<b>Total Current Assets</b>		<b>950,690</b>	<b>892,244</b>
<b>Non-Current Assets</b>			
Equipment		1,130	1,694
Investments	6	1	1
<b>Total Non-Current Assets</b>		<b>1,131</b>	<b>1,695</b>
<b>TOTAL ASSETS</b>		<b>951,821</b>	<b>893,939</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	4	125,880	93,993
<b>Total Current Liabilities</b>		<b>125,880</b>	<b>93,993</b>
<b>TOTAL LIABILITIES</b>		<b>125,880</b>	<b>93,993</b>
<b>NET ASSETS</b>		<b>825,941</b>	<b>799,946</b>
<b>EQUITY</b>			
Retained Profits at the beginning of the year		799,946	741,126
Net profit for the year		25,995	58,820
<b>TOTAL EQUITY</b>		<b>825,941</b>	<b>799,946</b>

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

## STATEMENT OF CHANGES IN EQUITY

	<b>Retained Profits \$</b>	<b>Total Equity \$</b>
Balance as at 1 July 2013	741,126	741,126
Total comprehensive income for the year	58,820	58,820
<b>Balance at 30 June 2014</b>	<b>799,946</b>	<b>799,946</b>
Balance as at 1 July 2014	799,946	799,946
Total comprehensive income for the year	25,995	25,995
<b>Balance at 30 June 2015</b>	<b>825,941</b>	<b>825,941</b>

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



## STATEMENT OF CASH FLOWS

	Note	2015 \$	2014 \$
<b>Cash flow from operating activities</b>			
Receipts from membership fees (inclusive of GST)		537,389	479,011
Sponsorship receipts (inclusive of GST)		35,000	30,770
Payments to suppliers and employees (inclusive of GST)		(524,599)	(462,387)
Interest		13,240	17,016
<b>Net cash inflow from operating activities</b>	<b>5(b)</b>	<b>61,070</b>	<b>64,410</b>
<b>Cash flow from investing activities</b>			
Payments for equipment		-	-
<b>Net cash outflow from investing activities</b>		<b>-</b>	<b>-</b>
<b>Net increase / (decrease) in cash held</b>		<b>61,070</b>	<b>64,410</b>
Cash at the beginning of the financial year		865,210	800,800
<b>Cash at the end of the financial year</b>		<b>926,280</b>	<b>865,210</b>

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

# NOTES TO THE FINANCIAL STATEMENTS

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are for the Association of Australian Medical Research Institutes Limited as an individual entity, incorporated and domiciled in Australia. The Australian Medical Research Institutes Limited is a company limited by guarantee having converted from an Association on the 23<sup>rd</sup> June 2010.

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial statements have been prepared on the basis of historical cost and, except where stated, investments have been measured at fair value.

### Statement of Compliance

The financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

The following significant accounting policies have been adopted in the preparation and presentation of the annual accounts.

#### (a) Cash

Cash comprises cash at bank. For the purposes of the cash flow statement, cash represents cash at bank.

#### (b) Trade and Other Receivables

Trade receivables are recorded at original invoice amount less any allowance for doubtful debts.

Member's fee receivables, which generally have 30-60 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An allowance for doubtful debts is made when there is objective evidence that AAMRI will not be able to collect the debts. Bad debts are written off when identified.

#### (c) Income Tax

The company is a not for profit organisation and is considered a charitable institution under subdivision 50-B of the Income Tax Assessment Act.

#### (d) Trade and Other Payables

Trade and other payables are recognised when AAMRI becomes obliged to make future payments resulting from the purchase of goods and services.

#### (e) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST) except:

- (i) where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or

## NOTES TO THE FINANCIAL STATEMENTS (CONT)

(ii) for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables. Cash flows are included in the statement of cash flows on a gross basis.

### (f) Income Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to AAMRI and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

#### **Membership Fees**

Revenue from membership fees is recognised when AAMRI has raised the invoice to the members.

#### **Sponsorship**

Revenue from sponsorships is recognised when received.

### (g) Impairment of Assets

AAMRI assesses impairment at each reporting date by evaluating conditions specific to the entity that may lead to impairment of an asset. Where an impairment trigger exists, the recoverable amount of the asset is determined.

### (h) Equipment

Equipment is computer equipment which is amortised over 3 years.

### (i) New Accounting Standards for Application in Future Periods

New accounting standards issued by the AASB with mandatory application dates for future reporting periods have not been adopted in these statements.

No new accounting standards have been adopted by AAMRI in the current year.

	2015 \$	2014 \$
<b>2. REVENUE FROM ORDINARY ACTIVITIES</b>		
Membership fees received	486,150	434,511
Membership fees voluntary contribution	-	-
Sponsorship fees	31,818	27,973
Interest on bank balance	13,240	17,016
<b>Total Revenue from Operating Activities</b>	<b>531,208</b>	<b>479,500</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONT)

	2015 \$	2014 \$
<b>3. TRADE AND OTHER RECEIVABLES</b>		
Trade receivables	733	142
GST Receivable	7,417	12,388
Accrued income	1,931	-
<b>Total receivables</b>	<b>10,081</b>	<b>12,530</b>

Total Revenue from Operating Activities	<b>733</b>	<b>142</b>
31-60 Days	-	-
61-90 Days	591	-
91 Days and over	142	142
<b>Totals</b>	<b>733</b>	<b>142</b>

The past due receivables have not been impaired as they relate to members from whom there is no history of default on membership fees.

### 4. TRADE AND OTHER PAYABLES

Trade payables	83,722	1,177
Accruals	42,158	92,816
	<b>125,880</b>	<b>93,993</b>

### 5. CASH FLOW RECONCILIATION

- (a) For the purposes of the cash flow statement, cash represents cash on hand and in the bank.

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

## NOTES TO THE FINANCIAL STATEMENTS (CONT)

	2015 \$	2014 \$
<b>(b) Reconciliation of net surplus /(deficit) from operating activities</b>		
Operating surplus / (deficit) from ordinary activities	25,995	58,820
Add Depreciation	564	847
<i>Changes in assets and liabilities:</i>		
<i>(Increase) / decrease in assets:</i>		
Receivables	(591)	1,319
Prepayments	175	554
GST and Other Receivables	3040	(2,596)
<i>Increase/ (decrease) in liabilities:</i>		
Accounts payable	82,545	(65,353)
Accruals	(50,658)	70,819
Net Cash provided by / (used in) Operating Activities	<b>61,070</b>	<b>64,410</b>

### 6. INVESTMENTS

Investment at Impaired Value	1	1
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In financial periods prior to 2010, contributions were made to The Australian Synchrotron Beamlines Trust (ASBT) for construction of the critical suite of beamlines and this expenditure was treated as an expense. Five million (5,000,000) ordinary shares paid per share of \$1 in Australian Synchrotron Holdings shares were issued to AAMRI for zero consideration in lieu of the past contributions.

As there is no defined market for the Australian Synchrotron Holding Company Pty Ltd shares or any measurable economic benefit to AAMRI for this investment, AAMRI wrote down the value of the investment from \$3,000,000 to \$1 in 2008.

### 7. REMUNERATION OF AUDITORS

The auditor of AAMRI is Ernst & Young.

Amounts due to the auditors of AAMRI in respect of

- Auditing the financial report for the year	2,500	2,500
- Other services	-	-
	<b>2,500</b>	<b>2,500</b>

### 8. COMMITMENTS AND CONTINGENCIES

There were no commitments or contingencies at balance sheet date.

## NOTES TO THE FINANCIAL STATEMENTS (CONT)

### 9. SUBSEQUENT EVENTS

Between the end of the financial year and the date of this report, there is no item, transaction or event of a material nature likely to affect substantially the operations or the state of affairs of AAMRI in subsequent financial years.

### 10. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

AAMRI's principal financial instruments comprise receivables and cash. The main risks arising from AAMRI's financial instruments are credit risk and interest rate risk. Primary responsibility for identification and control of financial risks rests with the Members.

#### Fair values

The fair values of AAMRI's financial instruments are materially consistent with the carrying amounts recognised in the financial statements.

#### Risk exposures and responses

##### (a) Interest rate risk

AAMRI is exposed to market risk for changes in interest rates, primarily related to cash at hand.

At balance date AAMRI had the following financial assets exposed to Australian variable interest rate risk.

Cash held by AAMRI – 30 June 2014	\$865,210
Cash held by AAMRI – 30 June 2015	\$926,280

Cash at hand is held in a cash management account with Westpac Banking Corporation.

##### (b) Credit risk

Receivable balances are monitored on an ongoing basis with the result that AAMRI's exposure to bad debts is limited.

There are no significant concentrations of credit risk within AAMRI. The Company has the majority of its members concentrated in the Australian medical research industry and the majority remits payment within 45 days.

16 October 2015

Dear Sir/Madam

**Re: Directors' Declaration for the audit of the Association of Australian Medical Research Institutes Limited**

In accordance with a resolution of the directors of the Association of Australian Medical Research Institutes Limited, we state that:

In the opinion of the directors:

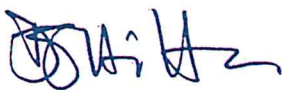
(a) the financial statements and notes of the Company

(i) giving a true and fair view of the Company's financial position as at 30 June 2012 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations); and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due payable.

On behalf of the Board



**Professor Doug Hilton**  
President



**Professor Brendan Crabb**  
Director

## Independent auditor's report to the members of the Association of Australian Medical Research Institutes Limited

### Report on the financial report

We have audited the accompanying financial report of the Association of Australian Medical Research Institutes Limited, which comprises the statement of financial position as at 30 June 2015, the statement of comprehensive income, statement of changes in members' funds and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, 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 and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

### *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 about 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 judgment, 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 controls relevant to the entity's preparation of the financial report that gives a true and fair view 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 controls. 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.

### *Independence*

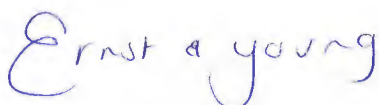
In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report.



## *Opinion*

In our opinion:

- a. the financial report of the Association of Australian Medical Research Institutes Limited is in accordance with the *Corporations Act 2001*, including:
  - i 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
  - ii complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- b. the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.



Ernst & Young



Kylie Bodenham  
Partner  
Melbourne, Australia

16 October 2015