



The Royal Melbourne Hospital
Neuroscience
Foundation

**AUDITED FINANCIAL
STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2007

THE ROYAL MELBOURNE HOSPITAL NEUROSCIENCE FOUNDATION

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THE ROYAL MELBOURNE HOSPITAL NEUROSCIENCE FOUNDATION

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 30 JUNE, 2007

	2007	2006
	\$	\$
INCOME		
Unrealised gain/loss	(3,583)	-1,709
Bank interest	46,296	57,510
Distribution received - UBS	49,356	34,372
Donations	252,239	386,968
Fundraising	134,403	214,999
Reimbursements	369,779	363,355
Research fellowship	205,334	264,119
WIP income accrued	373,044	0
Special purpose grants	905,841	1,369,910
Sundry income	1,520	150
	<u>2,334,229</u>	<u>2,689,675</u>
LESS EXPENDITURE		
Advertising	1,572	5,267
Researcher travel & meeting fee	30,968	34,021
Administration and ethics fees	31,644	11,615
Medical software	9,722	4,367
Bad debts	-	1,000
Bank charges	1,364	2,289
Patient transport and parking	16,912	21,967
Patient catering & taxi	5,350	1,296
Consumable items	10,035	7,997
Postage and courier	2,127	4,568
Equipment	35,312	71,697
Research program grants	442,881	830,089
Fundraising costs	11,727	74,023
Fittings, repair and maintenance	266	-
Journals	4,500	4,599
Medical services	148,218	151,315
Printing	13,395	6,992
Repairs and maintenance	3,072	24,844
Salaries	1,496,967	1,449,801
Sundry expenses	24,045	2,595.26
Telephone	2,986	3,010
	<u>2,293,063</u>	<u>2,713,351</u>
TOTAL EXPENDITURE		
NET OPERATING SURPLUS/(DEFICIT)	<u>41,166</u>	<u>(23,676)</u>

The accompanying notes form part of these financial statements.

THE ROYAL MELBOURNE HOSPITAL NEUROSCIENCE FOUNDATION

BALANCE SHEET AS AT 30 JUNE 2007

	Note	2007 \$	2006 \$
CURRENT ASSETS			
Cash and cash equivalents	4	1,272,146	1,346,956
Trade and other receivables	5	320,731	409,681
Other current assets	6	454,963	197,101
TOTAL CURRENT ASSETS		<u>2,047,840</u>	<u>1,953,738</u>
TOTAL ASSETS		<u><u>2,047,840</u></u>	<u><u>1,953,738</u></u>
CURRENT LIABILITIES			
Trade and other payables	7	704	11,132
Other Creditors	7	21,767	202,623
GST Payable/(Refundable)	7	23,719	15,257
Income in advance	7	235,759	-
TOTAL CURRENT LIABILITIES		<u>281,949</u>	<u>229,012</u>
TOTAL LIABILITIES		<u><u>281,949</u></u>	<u><u>229,012</u></u>
NET ASSETS		<u><u>1,765,891</u></u>	<u><u>1,724,725</u></u>
EQUITY			
Settlement Sum		101	101
Opening Retained Earnings		1,724,624	1,748,300
Current Year Earnings		41,166	(23,676)
TOTAL EQUITY		<u><u>1,765,891</u></u>	<u><u>1,724,725</u></u>

The accompanying notes form part of these financial statements.

THE ROYAL MELBOURNE HOSPITAL NEUROSCIENCE FOUNDATION

STATEMENT OF CHANGES IN EQUITY

AS AT 30 JUNE 2007

	Settled sum	Retained Earnings \$	Total \$
Balance at 1 July 2005	101	1,748,300	1,748,401
Profit/(loss) for the year	-	(23,676)	(23,676)
Sub-total	101	1,724,624	1,724,725
Balance at 30 June 2006	101	1,724,624	1,724,725
Balance at 1 July 2006	101	1,724,624	1,724,725
Profit/(loss) for the year	-	41,166	41,166
Sub-total	101	1,765,790	1,765,891
Balance at 30 June 2007	101	1,765,790	1,765,891

The accompanying notes form part of these financial statements

THE ROYAL MELBOURNE HOSPITAL NEUROSCIENCE FOUNDATION

CASH FLOWS STATEMENT FOR THE YEAR ENDED 30 JUNE, 2007

	Note	2007 \$	2006 \$
Cash flows from operating activities			
Gifts & Donations received		2,179,804	2,604,025
Payments to suppliers and employees		(2,339,362)	(2,806,107)
Interest received		84,748	90,173
Net cash provided by operating activities	8(b)	<u>(74,810)</u>	<u>(111,909)</u>
Cash flows from investing activities			
Property plant & equipment		-	-
Net cash used in investing activities		<u>-</u>	<u>-</u>
Cash flows from financing activities			
Payment of borrowing costs		-	-
Net cash used in financing activities		<u>-</u>	<u>-</u>
Net increase in cash held		(74,810)	(111,909)
Cash at beginning of financial year		1,346,956	1,458,865
Cash at end of financial year	8(a)	<u>1,272,146</u>	<u>1,346,956</u>

The accompanying notes form part of these financial statements.

THE ROYAL MELBOURNE HOSPITAL NEUROSCIENCE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2007

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a special purpose financial report prepared to satisfy the financial reporting requirements under the constitution of the foundation and its Trust deed. The following Accounting Standards and Urgent Issues Group Interpretations have been applied:

AASB 101: Presentation of Financial Statements;
AASB 107: Cash Flow Statements;
AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors;
AASB 110: Events after the Balance Sheet Date;

No other Australian Accounting Standards, Urgent Issues Group Consensus Views or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

The Board of Management have determined that the Foundation is not a Reporting Entity.

The financial report has been prepared on an accrual basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Income Tax

The profits of the foundation are exempt under section 23 (e) of the Income Tax Assessment Act 1997.

(b) Cash

Cash includes cash on hand and at call deposits with banks or financial institutions, investment in money market instruments maturing within less than two months and net of bank overdrafts.

(c) Revenue

Revenue from receipts of gifts and donations are recognised when they are actually received.

(d) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

THE ROYAL MELBOURNE HOSPITAL NEUROSCIENCE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2007

	Note	2007 \$	2006 \$
2. REVENUE			
<i>Operating activities of the foundation</i>			
Donations		252,239	386,968
Fund raising		134,403	214,999
Reimbursements		369,779	363,355
Special purpose grants		905,841	1,369,910
Research fellowships		205,334	264,119
<i>Interest & distribution received</i>			
Interest received		46,296	57,510
Distribution received - UBS		49,355	34,372
		<u>1,963,247</u>	<u>2,691,234</u>
3. SURPLUS FROM ORDINARY ACTIVITIES			
Surplus from ordinary activities has been determined after:			
Expenses:			
Researcher travel		30,968	34,021
Fundraising costs		11,728	74,023
Patient transport and parking		16,912	21,967
Salaries		<u>1,496,967</u>	<u>1,449,801</u>
4. CASH ASSETS			
At call investment accounts		(189,251)	271,360
Gift fund		363,289	-
CBA 24 hr call account		212,968	200,967
CBA bank bill C		278,731	264,636
UBS hybrid income fund		606,409	609,992
		<u>1,272,146</u>	<u>1,346,956</u>
5. RECEIVABLES			
CURRENT			
Debtors		<u>320,731</u>	<u>409,681</u>
6. OTHER ASSETS			
CURRENT			
Sundry debtors		29,877	10,890
WIP Income accrued		373,044	186,211
Deposits		52,042	-
		<u>454,963</u>	<u>197,101</u>
7. PAYABLES			
CURRENT			
Trade Creditors		704	11,132
Other Creditors		21,767	202,623
GST Payable/(Refundable)		23,719	15,257
Income in advance		235,759	-
		<u>281,949</u>	<u>229,012</u>

THE ROYAL MELBOURNE HOSPITAL NEUROSCIENCE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2007

	Note	2007 \$	2006 \$
8. CASH FLOW STATEMENT			
(a) Reconciliation of Cash			
Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:			
Cash and cash equivalents		<u>1,272,146</u>	<u>1,346,956</u>
(b) Cashflow information			
Profit from ordinary activities		41,166	(23,676)
Non-cash flows in profit from ordinary activities:			
Depreciation and amortisation		-	-
Provision for AL and LSL		-	-
Changes in Assets & Liabilities:			
(Increase)/Decrease in Trade Debtors		88,950	8,941
(Increase)/Decrease in Other Receivables		(257,864)	(185,591)
Increase/(Decrease) in Payables		(10,428)	(12,424)
Increase/(Decrease) in Other liabilities		63,366	100,840
		<u>(74,810)</u>	<u>(111,910)</u>

9. FOUNDATION DETAILS

The registered office of the foundation is:
 The Royal Melbourne Hospital Neuroscience Foundation
 Melbourne Neuroscience Centre
 Ward 4 East Royal Melbourne Hospital Main Building
 Royal Melbourne Hospital
 Grattan Street
 Parkville VIC 3050

THE ROYAL MELBOURNE HOSPITAL NEUROSCIENCE FOUNDATION

TRUSTEE'S DECLARATION

The Board of Trustees has determined that the foundation is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the Board of Trustee the financial report as set out on pages 2 to 8:

1. Presents a true and fair view of the financial position of Royal Melbourne Hospital Neuroscience Foundation as at 30 June 2007 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that Royal Melbourne Hospital Neuroscience Foundation will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Board of Trustee and is signed for and on behalf of the Board of Trustee by:

Trustee



Dr John O King

Trustee



Andrew H. Kaye

Date

28 AUGUST 2007

**INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF ROYAL MELBOURNE HOSPITAL NEUROSCIENCE FOUNDATION**

Scope

The special purpose financial report and trustees' responsibility

The special purpose financial report comprises the income statement, balance sheet, cash flow statement and accompanying notes to the financial statements and the statement by trustees for Royal Melbourne Hospital Neuroscience Foundation, for the year ended 30 June 2007.

The Board of Trustees of the foundation is responsible for the preparation and true and fair presentation of the financial report and have determined that the accounting policies used and described in Note 1 to the financial statements which form part of the financial report are consistent with the financial reporting requirements of the foundation's constitution and are appropriate to meet the needs of the members. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

The special purpose financial report has been prepared for distribution to members for the purpose of fulfilling the trustee's financial reporting requirements under the foundation's constitution. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

Audit Approach

We conducted an independent audit in order to express an opinion to the members of the foundation. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the accounting policies described in Note 1, so as to present a view which is consistent with our understanding of the foundation's financial position, and of its performance as represented by the results of its operations. These policies do not require the application of all Accounting Standards and other mandatory professional reporting requirements in Australia. No opinion is expressed as to whether the accounting policies used and described in Note 1, are appropriate for the needs of the members.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the committee.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

Audit Opinion

In our opinion, the financial report of Royal Melbourne Hospital Neuroscience Foundation presents a true and fair view in accordance with the accounting policies described in Note 1 to the financial statements, of the financial position of Royal Melbourne Hospital Neuroscience Foundation as at 30 June 2007 and the results of its operations and its cash flows for the year then ended.



Nexia ASR
ABN 16 847 721 257



GEORGE S DAKIS

Partner

Audit & Assurance Services

Dated this 28th day of August 2007

Melbourne