

Research Infrastructure Support Services Limited

ABN 19 126 324 141

**Special purpose financial report
for the financial period ended 30 June 2008**

Special purpose financial report for the period ended 30 June 2008

	Page
Directors' report	1
Auditors' independence declaration	4
Independent audit report	5
Directors' declaration	7
Income statement	8
Balance sheet	9
Statement of changes in equity	10
Cash flow statement	11
Notes to the financial statements	12

Directors' report

The directors of Research Infrastructure Support Services Limited ("RISS") submit herewith the annual financial report of the company for the financial period ended 30 June 2008. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

The names of the directors of the company during or since the end of the financial period are:

Name	Title	Date of Appointment	Qualification
Ms. Elizabeth Furler	Chair of RISS Industry Consultative Committee and Board Member	11/12/2007	B.A (Social Work).
Ms. Jenny Morawska	CEO and Board Member	25/09/2007	BA, Dip Ed, Grad Dip Sci, MBA, MSc, MAICD
Dr. George Morstyn	Chair RISS Expert Advisory Committee and Board Member	11/12/2007	MB BS B Med Sci PhD FRACP MAICD
Mr. Terry Slater	Chairman	16/08/2007	BSc, BEc, MPH, FAIM
Mr. Rob Anderson	Co. Secretary and Chairman – Audit Committee	16/08/2007	FCA, FAICD
Mr Gavin Wigginton	Director	16/8/2007	BA., Grad Dip. OR, MAICD

The above named directors held office during and since the end of the financial period except for:

- Mr Gavin Wigginton – resigned 13 September 2007.

Company secretary

Mr Rob Anderson (FCA, FAICD) – appointed as at 16 August 2007

Principal activities

RISS is an Australian not-for-profit company formed to promote investment in research infrastructure in the field of human cell and cellular based products for transplantation.

No significant change in the nature of these activities occurred during the period.

Review of operations

The surplus of the company for the financial period amounted to \$45,486.

Changes in state of affairs

No significant changes in the company's state of affairs occurred during the financial period.

Subsequent events

There has not been any matter or circumstance occurring subsequent to the end of the financial period that has significantly affected, or may significantly affect, the operations of the company, the results of those operations, or the state of affairs of the economic entity in future financial years.

Future developments

Disclosures of information regarding likely developments in the operations of the company in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the company. Accordingly, this information has not been disclosed in this report.

Environmental regulations

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of any State or Territory.

Dividends

Under the company's constitution there are no dividends payable.

Indemnification of officers and auditors

No indemnities have been given or insurance premiums paid, during or since the end of the financial period, for any person who is or has been an officer or auditor of the company, except that a premium has been paid to obtain insurance for directors and officers of the company. The amount of the premium paid can not be disclosed as a condition of the insurance contract.

Directors' meetings

The number of meetings of the company's directors whilst the director was in office held during the period ended 30 June 2008 and the number of meetings attended by each director were:

<u>Director</u>	<u>Available for:</u>	<u>Attended:</u>
Dr George Morstyn	6	5
Liz Furler	6	6
Terry Slater	13	13
Jenny Morawska	9	9
Gavin Wigginton	3	3
Rob Anderson	13	13
Secretary:		
Mr Rob Anderson	13	13

Proceedings on behalf of the company

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the economic entity 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 a party to any such proceedings during the period.

Auditor's independence declaration

The auditor's independence declaration is included on page 4 of the annual report.

Financial period

The financial statements reflect the period from the date of incorporation, being 2 July 2007 to 30 June 2008. This is the first period of operation and hence there is no comparative financial period.

Signed in accordance with a resolution of directors made pursuant to s.298(2) of the Corporations Act 2001.

On behalf of the Directors

Two handwritten signatures in black ink, one on the left and one on the right, representing the directors.

Director

Melbourne, 30 September 2008

The Board of Directors
Research Infrastructure Support Services Limited
Level 6, 464 St. Kilda Road
MELBOURNE VIC 3004

30 September 2008

Dear Board Members,

Research Infrastructure Support Services Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Research Infrastructure Support Services Limited.

As lead audit partner for the audit of the financial statements of Research Infrastructure Support Services Limited for the financial period ended 30 June 2008, I declare to the best of my knowledge and belief that there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit;
- and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely



Deloitte Touche Tohmatsu



Robert D D Collie
Partner
Chartered Accountants

Independent Auditor's Report to the members of Research Infrastructure Support Services Limited

We have audited the accompanying financial report, being a special purpose financial report, of Research Infrastructure Support Services Limited, which comprises the balance sheet as at 30 June 2008, and the income statement, cash flow statement and statement of changes in equity for the period ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the company as set out on pages 7 to 17.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 2 to the financial statements, which form part of the financial report, are appropriate to meet the financial reporting requirements of the *Corporations Act 2001* and are appropriate to meet the needs of the members. The directors' responsibility also includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 2, are appropriate to meet the needs of the members. We conducted our audit in accordance with Australian Auditing Standards. These Auditing 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.

Deloitte

The financial report has been prepared for distribution to the members for the purpose of fulfilling the directors' financial reporting requirements under the *Corporations Act 2001*. 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.

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

Auditor's Independence Declaration

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's Opinion

In our opinion, the financial report of Research Infrastructure Support Services Limited is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the company's financial position as at 30 June 2008 and of its performance for the period ended on that date in accordance with the accounting policies described in Note 2; and
- (b) complying with Australian Accounting Standards to the extent described in Note 2 and the *Corporations Regulations 2001*.



Deloitte Touche Tohmatsu



Robert D D Collie

Partner

Chartered Accountants

Melbourne, 30 September 2008

Directors' declaration

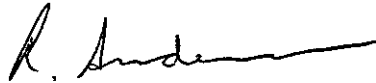
As detailed in Note 2 to the financial statements, the company is not a reporting entity because in the opinion of the directors there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. Accordingly, this 'special purpose financial report' has been prepared to satisfy the directors' reporting requirements under the Corporations Act 2001.

The directors declare that:

- (a) in the directors' opinion, 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
- (b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the company.

Signed in accordance with a resolution of the directors made pursuant to s.295(5) of the Corporations Act 2001.

On behalf of the Directors



Director

Melbourne, 30 September 2008

Income statement for the financial period ended 30 June 2008

	Note	2008 \$
Revenue	3	1,922,144
Distribution of funds		(1,489,900)
Consultancy fees		(175,552)
Directors Fees		(36,000)
Hosting fees – ARCBS		(84,000)
Legal fees and setup costs		(48,246)
Audit fees		(7,000)
Other administration expenses		(35,960)
Surplus before tax	4	45,486
Income tax expense		-
Surplus for the period		45,486

Notes to the financial statements are included on pages 12 to 17.

Balance sheet as at 30 June 2008

	<u>Note</u>	<u>2008</u> <u>\$</u>
Current assets		
Cash and cash equivalents	7(a)	1,006,502
Trade and other receivables	5	<u>3,898</u>
Total current assets		<u>1,010,400</u>
Total assets		<u>1,010,400</u>
Current liabilities		
Trade and other payables	6	<u>964,914</u>
Total current liabilities		<u>964,914</u>
Total liabilities		<u>964,914</u>
Net assets		<u>45,486</u>
Equity		
Retained earnings		<u>45,486</u>
Total equity		<u>45,486</u>

Notes to the financial statements are included on pages 12 to 17.

Statement of changes in equity for the financial period ended 30 June 2008

	Retained Earnings \$	Total \$
Balance at 2 July 2007	-	-
Surplus for the period	45,486	45,486
Balance at 30 June 2008	45,486	45,486

Notes to the financial statements are included on pages 12 to 17.

Cash flow statement for the financial period ended 30 June 2008

	Note	2008 \$
Cash from operating activities		
Receipts from Commonwealth Government		1,895,000
Payments to suppliers, Fees and Grants Paid		(915,642)
Interest received		<u>27,144</u>
Net cash provided by operating activities	7(b)	<u>1,006,502</u>
Net increase in cash and cash equivalents		1,006,502
Cash and cash equivalents at beginning of financial period		<u>-</u>
Cash and cash equivalents at end of financial period	7(a)	<u>1,006,502</u>

Notes to the financial statements are included on pages 12 to 17.

2. Significant accounting policies (cont'd)

1. General information

Research Infrastructure Support Services Limited is a public company limited by guarantee, incorporated and domiciled in Australia.

Research Infrastructure Support Services Limited's registered office and principal place of business are as follows:

Registered office	Principal place of business
Level 6, 464 St. Kilda Road MELBOURNE VIC 3004	c/o ACRBS, National Transplant Services Level 6, 464 St. Kilda Road MELBOURNE VIC 3004

2. Significant accounting policies

Financial reporting framework

The company is not a reporting entity because in the opinion of the directors there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. Accordingly, this 'special purpose financial report' has been prepared to satisfy the directors' reporting requirements under the Corporations Act 2001.

Statement of compliance

The financial report has been prepared in accordance with the Corporations Act 2001, the recognition and measurement requirements specified by all Accounting Standards and Interpretations, and the disclosure requirements of Accounting Standards AASB 101 'Presentation of Financial Statements', AASB 107 'Cash Flow Statements' and AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors'.

Basis of preparation

The financial report has been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Adoption of new and revised Accounting Standards

In the current financial period, the company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period. Details of the impact of the adoption of these new accounting standards are set out in the individual accounting policy notes set out below. The company has also adopted AASB 101 'Presentation of Financial Statements (revised October 2006)' in respect of disclosure.

2. Significant accounting policies (cont'd)

Financial period

The financial statements reflect the period from the date of incorporation, being 2 July 2007 to 30 June 2008. This is the first period of operation and hence there is no comparative financial period.

The following significant accounting policies have been adopted in the presentation and presentation of the financial report:

(a) Income tax

The company is exempt from income tax under the provisions of the Income Tax Assessment Act.

(b) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are 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.

Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

(c) Financial assets

Financial assets comprise of trade and other receivables.

Trade and other receivables

Trade and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'receivables'. Receivables are measured at amortised cost using the effective interest method less impairment.

Interest income is recognised by applying the effective interest rate.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset the estimated future cash flows of the investment have been impacted.

Derecognition of financial assets

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

2. Significant accounting policies (cont'd)

(d) Financial instruments issued by the company

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

(e) Revenue

RISS is a not-for-profit company and receives a principal part of its income from government grants as cash. Amounts granted can be recognised only as revenue when the company gains control, the economic benefits are probable and the amount of the contribution can be reliably measured.

Revenue is measured at the fair value of the consideration received or receivable.

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

(f) Goods and Services Tax (GST)

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
- 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 cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

2. Significant accounting policies (cont'd)

(g) Standards and Interpretations issued not yet effective

At the date of authorisation of the financial report, the following Standards and Interpretations listed below were in issue but not yet effective. We have not listed all of the issued but not yet effective Standards and Interpretations. Those Standards and Interpretations that are relevant to the company have been listed below.

Initial application of the following Standards will not affect any of the amounts recognised in the financial report, but will change the disclosures presently made in relation to the company and the company's financial report:

- AASB 101 'Presentation of Financial Statements' (revised September 2008) Effective for annual reporting periods beginning on or after 1 January 2009

Initial application of the following Standards and Interpretations is not expected to have any material impact on the financial report of the company:

- AASB 123 'Borrowing Costs' (revised) Effective for annual reporting periods beginning on or after 1 January 2009

2008

\$

3. Revenue

Operating activities

Grant revenue	1,489,900
Other operating revenue	405,100
Interest	<u>27,144</u>
	<u>1,922,144</u>

4. Surplus for the period

Surplus for the period has been arrived at after crediting/(charging) the following items of income and expenses:

Consultancy Fees	(175,552)
Directors Fees	(36,000)
Audit of the financial report	<u>(7,000)</u>

5. Trade and other receivables

Prepaid expenses	<u>3,898</u>
------------------	--------------

6. Trade and other payables

Accrued expenses	146,852
GST payable	78,162
Grant funding payable	<u>739,900</u>
	<u>964,914</u>

7. Notes to the cash flow statement

(a) Reconciliation of cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial period as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:

Cash at bank and in hand	<u>1,006,502</u>
--------------------------	------------------

2008
\$

7. Notes to the cash flow statement (continued)

(b) Reconciliation of profit for the period to net cash flows from operating activities

Surplus for the period	45,486
Changes in net assets and liabilities:	
(Increase)/decrease in assets:	
Other assets	(3,898)
Increase/(decrease) in liabilities:	
Trade and other payables	964,914
Net cash from operating activities	<u>1,006,502</u>