

NATIONAL STEM CELL FOUNDATION OF AUSTRALIA

ABN 84 152 713 098

FINANCIAL REPORT

for the year ended 30 June 2018

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This Financial Report covers National Stem Cell Foundation of Australia ('the Company') as an individual entity. National Stem Cell Foundation of Australia is a Company limited by guarantee, incorporated and domiciled in Australia.

The Company's registered office and principal place of business is:

Suite 5
242 Hawthorn Road
Caulfield Victoria 3162

A description of the nature of the Company's operations and its principal activities is included in the Directors' Report on pages 3 to 7 which is not part of this Financial Report.

The Financial Report was authorised for issue by the directors on 13 August 2018. The directors have the power to amend and reissue the Financial Report.

NATIONAL STEM CELL FOUNDATION OF AUSTRALIA. ABN 84 152 713 098

The directors present their report together with the Financial Report of National Stem Cell Foundation of Australia for the year ended 30 June 2018 and the Auditor's Report thereon.

Directors

The directors of the Company at any time during or since the end of the year are:

<i>Name</i>	<i>Age</i>	<i>Period of directorship, special responsibilities, experience, other current directorships and former directorships in the last three years. Note: FARM is Finance, Audit and Risk Management Committee and SE is Science and Ethics Committee</i>
<p>Dr Graeme Blackman AO, PhD, BSc (Hons), BD, MTheol, FTSE, FRACI, FAICD, FloD (Non-Executive Director, Chairman, Member of FARM Committee)</p>	72	<p>Independent non-executive director and Chairman of the Company, appointed 17 August 2011. Dr Blackman is a former Professor of Pharmaceutical Chemistry at the Victorian College of Pharmacy and a former director of IDT Australia Ltd, an Australian Securities Exchange (ASX) listed public company operating in the pharmaceutical industry. He was a director of the Australian Stem Cell Centre. He has been a member of various Commonwealth and State advisory committees and working groups in pharmaceuticals and biotechnology, including the Australian Biotechnology Advisory Council, the Pharmaceutical Industry Working Group and the Pharmaceutical Industry Strategy Group. He chaired the Australian Government's Pharmaceuticals Industry Action Agenda, which developed a policy framework for the industry over a ten year period.</p>
<p>Emeritus Professor Graham Macdonald AM, MD, BS, BSc (Med), FRACP, FRCP, FANZCC (Non-Executive Director, Deputy Chairman, Chairman of SE Committee)</p>	81	<p>Independent non-executive director and Deputy Chairman of the Company appointed 29 September 2011. Professor Macdonald brings a wealth of experience in clinical medicine, basic biomedical science and in the field of licensing and commercialisation to the Company. He has had an outstanding career first as an academic nephrologist, and then moving into the pharmaceutical industry with Merck Sharp and Dohme (Australia). Graham is currently a director and Chairman of Vectus Biosciences Limited and director and chairman of Stem Cells Limited. In June 2012 Professor Macdonald received an Australian Queen's Birthday Honour in the General Division of the Order of Australia for "service to biomedical research in the areas of hypertension and renal disease, to medical education, to the promotion and awareness raising of organ donation, and as a mentor".</p>
<p>Emeritus Professor Richard Smallwood AO, MB, BS, MD, FRACP, FRCP, FACP (Hon), DMedSci (Hon), FAHMS (Hon) (Non-Executive Director, Member of SE Committee)</p>	81	<p>Independent non-executive director appointed 17 August 2011. Professor Smallwood is Emeritus Professor of Medicine, University of Melbourne. As Professor of Medicine within the University of Melbourne, he was Head of the Department of Medicine, Chairman of the Division of Medicine and Director of Gastroenterology at the Austin and Repatriation Medical Centres. Professor Smallwood was President of the Royal Australasian College of Physicians from 1996 to 1998 and was Chief Medical Officer of Australia from 1999 to 2003. Professor Smallwood has served as a chair of a large number of organisations including the National Health and Medical Research Council (NHMRC), the National Influenza Pandemic Advisory Council, the National Health Information Management Advisory Council, the National Health Priority Action Council, the National Blood Authority and the Ministerial Taskforce for Cancer in Victoria. Professor Smallwood was President of the Australian Medical Council from 2008 to 2013. He was until 2010 a member of the Board of Governance of the Victorian Health Promotion Foundation and, until 2009, a director of the Murdoch Children's Research Institute. From 2013 to 2017 he was Chair of the Campus Council of Melbourne Children's. He was a director of the Australian Stem Cell Centre.</p>
<p>Mr Stuart Gooley BComm (Melb), FCA, FCPA (Non-Executive Director, Chairman of FARM Committee)</p>	73	<p>Independent non-executive director and Chairman of the Finance, Audit and Risk Management Sub-committees appointed 17 August 2011. Mr Gooley had a 42 year period in the accounting profession with Arthur Andersen and Ernst & Young, and retired from public practice in 2008. During his career he was the Australian head of Andersen's Accounting and Audit practice and the Asia Pacific Risk Management Practice Director. Mr Gooley was the Victorian State President of CPA Australia in 1994, and served on the Australian Auditing and Assurance Standards Board and the International Auditing Practices Committee. Outside of the accounting profession he has served on the board of two educational institutions, and is currently a director of Lahaina Holdings Pty Ltd, Tai Tam Investments Pty Ltd and Wilson Transformer Company. He is also a member of the resources committee of the Royal Australian College of Surgeons. He was a director of the Australian Stem Cell Centre.</p>

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<i>Name</i>	<i>Age</i>	<i>Period of directorship, special responsibilities, experience, other current directorships and former directorships in the last three years. Note: FARM is Finance, Audit and Risk Management Committee and SE is Science and Ethics Committee</i>
<p>Mr David Collins MEng, MBA, CA, GAICD (Non-Executive Director, Member of FARM Committee)</p>	53	<p>Independent non-executive director and member of the Finance, Audit and Risk Management Sub-committees appointed 16 December 2011. Mr Collins is a partner in an accountancy and consultancy firm and has previously held senior executive positions in companies in Europe and the UK within the media industry. Mr Collins was Chief Executive Officer of the Australian Stem Cell Centre from September 2009 until November 2011.</p>
<p>Dr Karin Tiedemann OAM, MBBS, FRACP (Non-Executive Director, Member of SE Committee) Resigned 14 August 2017</p>	69	<p>Independent non-executive director appointed 15 December 2014 and resigned 14 August 2017. Dr Tiedemann practiced for more than 30 years as a paediatric haematologist and oncologist in the Children's Cancer Centre at The Royal Children's Hospital (RCH) in Melbourne prior to retirement from clinical practice in 2014. Dr Tiedemann established the haemopoietic stem cell transplant program at RCH in 1981, heading the program until 2011. She was pivotal in obtaining the support of the Bone Marrow Donor Institute in establishing an umbilical cord blood stem cell bank at the RCH thus expanding donor availability to many children previously unable to locate a donor and therefore unable to proceed to transplantation for recurrent leukaemia or other lethal marrow disorders. She was a founding member of the Australian and New Zealand Children's Haematology and Oncology Group, served on the executive and on subcommittees, contributing to advances in treatment that have resulted not only in high cure rates but also a lowering of the long term side effects of cancer treatment for infants, children and adolescents. Dr Tiedemann is the Medical Director of the BMDI Cord Blood Bank, a member of the BMDI CBB Management Committee and of Auscord, the national network of cord blood banks. She served on the Clinical Ethics Response Group at RCH and on the Ethics Committee of the Australian Bone Marrow Donor Registry.</p>
<p>Professor Caroline Gargett PhD (Non-Executive Director, Member of SE Committee)</p>	66	<p>Independent non-executive director appointed 15 December 2014. Professor Gargett is currently Deputy Director (Women's Health) at the Ritchie Centre, Hudson Institute of Medical Research where she heads the Endometrial Stem Cell Biology Group. She is also a National Health & Medical Research Council (NHMRC) Senior Research Fellow. She leads collaborative research with CSIRO Manufacturing, Flinders and Warwick Universities investigating the use of endometrial mesenchymal stem cells for regenerative medicine application in urogynaecology, and is actively working towards clinical translation. Professor Gargett has served as President of the Australasian Society for Stem Cell Research (2013-2014) and co-led the successful bid that brought the International Society for Stem Cell Research conference to Melbourne in 2018. She is a member of the Centre for Commercialisation in Regenerative Medicine Australia Scientific Advisory Board and serves on the Editorial Boards of Scientific Reports, Biology of Reproduction and Reproductive Sciences.</p>
<p>Dr Ngaire Elwood PhD, BSc(Hons), MAICD (Non-Executive Director, Member of SE Committee)</p>	53	<p>Independent non-executive director appointed 30 April 2018. Dr Ngaire Elwood is the Director of the BMDI Cord Blood Bank and Head of the Cord Blood Stem Cell Research Laboratory at the Murdoch Childrens Research Institute in Melbourne. Dr Elwood has extensive experience in the field of stem cells, cellular therapy, cancer and cord blood. Her current research is aimed at understanding cord blood stem cell biology, improving cord blood transplant outcome and exploring the use of cord blood for regenerative therapies. Dr Elwood serves as Vice President of the international Board of Directors for the Foundation for the Accreditation of Cellular Therapy (FACT) and sits on various executive committees within FACT. Dr Elwood is the Regional Vice President (2018–2020) for the Australia New Zealand Region of the International Society for Cellular Therapy (ISCT). Previous roles include the Chair of the AusCord network of public cord blood banks and as member on the Australian Bone Marrow Donor Registry National Ethics Committee.</p>

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Company Secretary and Executive Officers

<i>Name</i>	<i>Age</i>	<i>Period of office, special responsibilities and experience</i>
Mr Graeme Mehegan BBus(Acc), FCPA, FCIS (Company Secretary, Member of FARM Committee)	63	Mr Mehegan was appointed Company Secretary 8 November 2011. Mr Mehegan was Chief Financial Officer for the Australian Stem Cell Centre from August 2009 until November 2011. He was Chief Financial Officer and Company Secretary for Pioneer Electronics Australia from January 2001 until March 2008 and prior to that held senior financial roles including the position of Company Secretary with Random House Australia and Pitman Publishing, both in the book publishing industry.
Ms Julia Mason MBA (Chicago), FFin, GAICD (Executive Officer, Member of FARM and SE Committees)	49	Executive Officer appointed on 19 February 2015. Ms Mason has a 20 year plus career focused on creating growth and value, in the private and not for profit sectors in both Australia and Asia, across the advertising, finance and oil industries. She has held senior commerce and finance positions at Sensis and BP. Ms Mason is a director of the Transport Accident Commission (TAC) Board of Victoria and was previously Chairman of the Victorian State Emergency Services (VICSES), One in Five, and a director with VicUrban. Ms Mason has also lectured in corporate finance in the masters program with FinSia, the former Securities Institute of Australia. Ms Mason was previously a director with Same Business Different Outcome (SBDO), a Melbourne-based private equity business sourcing operational expertise and capital to back growth businesses.

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Principal activities

The National Stem Cell Foundation of Australia is an Australian Tax Office (ATO) registered Health Promotion Charity dedicated to promoting the study and responsible use of stem cells to reduce the burden of disease.

The Foundation's priorities are:

- Supporting research that pursues cures for not yet treatable diseases
- Building a community of people with a shared interest in stem cell science
- Providing the Australian public with objective, reliable information on both the potential and risks of stem cell medicine.

Short-term objectives

The Company funds a broad program of activities that will support Stem Cell Science in Australia. During the year ended 30 June 2018 \$166,323 (2017 \$130,792) was contributed towards health promotion activities and since the formation of the Foundation contributions now total \$1,013,140.

The Company is also taking steps to increase fundraising income from various sources.

Long-term Objectives

The Company's long-term objectives are to:

- Pursue the cures for not yet treatable diseases and illnesses using stem cell technology and regenerative medicine techniques by supporting research activities in these areas.
- Provide resources to develop objective information and to educate and inform the Australian public on stem cell technology and regenerative medicine including its risks, achievements, benefits and overall technical progress.

Strategy for achieving short and long-term objectives

To achieve these objectives, the Company will draw heavily on the experience of its Board of Directors, Executive Officer and Company Secretary who (as a group) have considerable and varied experience in medical research, business management and finance.

The Board will seek to appoint experts in various fields where specialised expertise and scientific advice is required including:

- Investment strategy
- Website development and marketing
- Promotion and public relations

Given the nature of its activities and the Health Promotion Charity status of the Company, the Board has successfully obtained some services on a pro-bono basis but in other cases has found it necessary to enlist external paid consultants.

This year the Foundation provided philanthropic financial support for the following health promotion activities in support of Australian stem cell science:-

- **Continued with its Awarding** of the annual NSCFA Metcalf Prizes for mid-career researchers working in stem cell research in Australia
- **Provided support** for 68 PhD students and Early Career Researchers to attend and present at the International Society for Stem Cell Research (ISSCR) Meeting held in Melbourne in June 2018
- **Sponsored** the Public Forum attended by about 300 people at the ISSCR Meeting

Additionally during the year the Foundation published 5 newsletters.

During the year the Company employed consultants to assist with the development of a new business plan to dramatically increase fundraising income, which will in turn facilitate greatly increased levels of direct research funding in years to come.

These non-recurring consulting fees totalled \$56,714 which was 28% of total administrative costs. Without these non-recurring costs, administration costs of the Company would have equated to 30% of total income and these non-recurring costs are the principal reason for the increase in administrative costs over the prior year.

Directors' meetings

The number of directors' meetings (including meetings of committees of directors) and number of meetings attended by each of the directors of the Company during the year were:

	Directors' Meetings		Finance, Audit and Risk Management Sub-Committee Meetings	Science and Ethics Sub-Committee Meetings		
	Attended (ii)	Held (i)	Attended (ii)	Held (i)		
Dr G Blackman	6	6	3	5	-	-
Emeritus Prof G Macdonald	6	6	-	-	4	4
Emeritus Prof R Smallwood	4	6	-	-	2	4
Mr S Gooley	6	6	5	5	-	-
Mr D Collins	4	6	4	5	-	-
Dr K Tiedemann	2	2	-	-	1	1
Prof C Gargett	6	6	-	-	4	4
Dr N Elwood	0	1	-	-	-	-

- (i) Represents the number of meetings held during the time that the director held office or was a member of the committee during the year.
- (ii) Director either attended or their duly appointed alternate director attended on their behalf.

The Finance, Audit and Risk Management Sub-committee is chaired by Mr S Gooley and its role is to review the implementation of the risk management processes, financial reporting, internal control and management of financial risks, the audit process, and the Company's process for monitoring compliance with laws and regulations.

The Foundation's Science and Ethics Committee is chaired by Emeritus Prof G Macdonald. It is responsible for providing the Board with information and guidance on the current state of stem cell science, research activities in the area, ethical issues that arise and how they have been dealt with by regulatory bodies or governments. The Committee also oversees the Foundation's major research support activity, the selection of recipients of two Metcalf prizes annually for mid-career researchers in stem cell science and is responsible for replying to enquiries from members of the public seeking information about stem cell treatments.

Contribution in Winding Up

The Company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the Company is wound up the constitution states that each member is required to contribute a maximum of \$100 each towards meeting any outstanding obligations of the entity. At 30 June 2018, the total amount that members of the Company are liable to contribute if the Company is wound up is \$800.

Auditors' independence declaration

A copy of the auditors' independence declaration as required under section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* is set out on page 8.

Dated at Melbourne this 13th day of August 2018.

Signed in accordance with a resolution of the directors.



Dr Graeme Blackman AO
(Chairman)

Auditor's Independence Declaration

To the Directors of National Stem Cell Foundation of Australia

In accordance with the requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, as lead auditor for the audit of National Stem Cell Foundation of Australia for the year ended 30 June 2018, 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.



Grant Thornton Audit Pty Ltd
Chartered Accountants



E W Passaris
Partner – Audit & Assurance

Melbourne, 13 August 2018

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME for the year ended 30 June 2018

NATIONAL STEM CELL FOUNDATION OF AUSTRALIA ABN 84 152 713 098

Statement of profit or loss and other comprehensive income for the year ended 30 June 2018	Note	Year Ended 30 June 2018	Year Ended 30 June 2017
		\$	\$
Revenues	2	480,020	772,594
Administrative costs	3	(199,403)	(142,862)
Promoting stem cell science and projects	3	(166,323)	(130,792)
Gain/(Loss) on disposal of investments		88,560	(8,650)
Profit/(Loss) before income tax		202,854	490,290
Income tax expense		-	-
Profit/(Loss) for the year		202,854	490,290
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Changes in the fair value of available for sale financial assets		(71,567)	255,773
Other comprehensive income for the year		(71,567)	255,773
Total comprehensive income for the year		131,287	746,063

This Statement of profit or loss and other comprehensive income is to be read in conjunction with the Notes to the Financial Statements set out on pages 13 to 16.

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Statement of changes in equity For the year ended 30 June 2018	AFS Financial Instrument Reserve	Retained Earnings	Total Equity
	\$	\$	\$
Total equity at the beginning of the financial year	317,123	4,543,751	4,860,874
Profit for the year	-	202,854	202,854
Changes in fair value of available for sale financial assets	(71,567)	-	(71,567)
Total comprehensive income for the year	(71,567)	202,854	131,287
Total equity at the end of the financial year	245,556	4,746,605	4,992,161

For the year ended 30 June 2017	AFS Financial Instrument Reserve	Retained Earnings	Total Equity
	\$	\$	\$
Total equity at the beginning of the financial year	61,350	4,053,461	4,114,811
Profit for the year	-	490,290	490,290
Changes in fair value of available for sale financial assets	255,773	-	255,773
Total comprehensive income for the year	255,773	490,290	746,063
Total equity at the end of the financial year	317,123	4,543,751	4,860,874

This Statement of changes in equity is to be read in conjunction with the Notes to the Financial Statements set out on pages 13 to 16.

NATIONAL STEM CELL FOUNDATION OF AUSTRALIA ABN 84 152 713 098

Statement of financial position

as at 30 June 2018	Note	2018	2017
		\$	\$
Current assets			
Cash and cash equivalents	4	601,266	1,108,704
Trade receivables and prepayments	5	169,792	128,776
Investments	6	4,280,542	3,650,392
Total current assets		5,051,600	4,887,872
Total assets		5,051,600	4,887,872
Current liabilities			
Trade and other payables	7	59,068	25,939
Short-term employee benefits		371	1,059
Total current liabilities		59,439	26,998
Total liabilities		59,439	26,998
Net assets		4,992,161	4,860,874
Equity			
Retained earnings	8	4,746,605	4,543,751
Other reserves	8	245,556	317,123
Total equity		4,992,161	4,860,874

This Statement of financial position is to be read in conjunction with the Notes to the Financial Statements set out on pages 13 to 16.

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Statement of cash flows

for the period ended 30 June 2018

Note

Year Ended
30 June 2018Year Ended
30 June 2017

		\$	\$
Cash flows from operating activities			
Profit / (Loss) after related income tax		202,854	490,290
Adjustments for:			
Depreciation & Amortisation		-	138
Change in assets and liabilities:			
Trade and other receivables		(41,016)	(15,989)
Short term employee benefits		(688)	(153)
Trade and other payables		33,129	(29,186)
Net cash Inflow / (outflow) from operating activities		194,279	445,100
Cash flows from investing activities			
Proceeds from sales of investments		750,000	400,000
Payments for new investments		(1,451,717)	(396,269)
Net cash inflow / (outflow) from investing activities		(701,717)	3,731
Cash flows from financing activities		-	-
Net cash inflow from financing activities		-	-
Net Increase/(Decrease) in cash held		(507,438)	448,831
Cash and cash equivalents at the beginning of the period		1,108,704	659,873
Cash and cash equivalents at the end of the period	4	601,266	1,108,704

This Statement of cash flows is to be read in conjunction with the Notes to the Financial Statements set out on pages 13 to 16.

NATIONAL STEM CELL FOUNDATION OF AUSTRALIA. ABN 84 152 713 098

1 Summary of significant accounting policies

The principal accounting policies set out below have been consistently applied, unless otherwise stated.

a) Basis of preparation

This general purpose Financial Report has been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, other authoritative pronouncements of the Australian Accounting Standards Board and the *Australian Charities and Not-for-profits Commission Act 2012*.

These financial statements have been prepared under the historical cost convention, modified by the revaluation of available-for-sale financial assets.

b) Foreign currency

Functional and presentation currency

Items included in the financial statements of the Company are measured and presented in Australian dollars.

Transactions and balances

Foreign currency transactions are initially translated into Australian currency using the exchange rates prevailing at the date of each transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

c) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will follow and the revenue can be reliably measured. All revenue is stated net of the amount of goods and services tax (GST).

Donations revenue:

Donations are only brought to account when the funds are received into the bank account, that is, when control over the funds is established, or the right to receive the funds has been recognised.

Investment revenue:

Receipts associated with dividends are recognised as revenue when the right to receive payment has been established.

Interest revenue:

Interest revenue is recognised when the right to receive the revenue has been established.

Other revenue:

Other revenue is recognised when the right to receive the revenue has been established.

Franking credits:

Franking credits are recognised when the right to receive the revenue has been established and can be reliably measured.

d) Income tax

The Company has received a private ruling from the Australian Taxation Office (ATO) to receive exemption from income tax pursuant to the provisions of section 50-5 of the *Income Tax Assessment Act 1997*. The Company currently considers that it will continue to be exempt under the self assessment system applying under section 50-5 of the *Income Tax Assessment Act 1997*.

e) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial period and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

f) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the amount of GST incurred is not recoverable from the ATO. In this case it is recognised as part of the cost of acquisition of the asset or as part of an item of 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 ATO is included as a current asset or liability in the balance sheet.

The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flow.

g) Cash and cash equivalents

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

h) Investments

Investments are categorised as available-for-sale assets. After initial recognition, available-for-sale assets are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in profit or loss.

i) Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. In the preparation of the financial statements for the period ended 30 June 2018, there have been no areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

	Note	Year Ended 30 June 2018	Year Ended 30 June 2017
		\$	\$
2 Revenue			
Donations and bequests		34,547	522,048
Income from investments		427,813	237,636
Interest income		17,660	12,910
Total revenue		480,020	772,594
3 Expenses			
Expenditure classified by function			
Administrative Expenses			
- Salaries and on-costs		73,788	69,838
- Directors expenses		2,584	3,425
- Professional fees		84,224	49,292
- Insurance		4,475	3,231
- Other administration expenses		34,332	17,076
Total Administrative Expenses		199,403	142,862
Expenses incurred in promoting Stem Cell Science including projects		166,323	130,792
Total expenditure		365,726	273,654
4 Cash and cash equivalents			
Cash at bank and on hand		201,241	157,265
Term Deposits		400,025	951,439
Total cash and cash equivalents		601,266	1,108,704
The above figures are reconciled to cash at the end of the financial period as shown in the Statement of Cash Flows.			
5 Receivables			
Receivables		169,792	128,776
Total receivables		169,792	128,776

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	Notes	Year Ended 2018	Year Ended 2017
		\$	\$
6 Investments			
Available-for-sale financial assets at original value		4,034,986	3,333,269
Changes in fair value of available for sale financial assets		245,556	317,123
Total investments		4,280,542	3,650,392
7 Trade and other payables			
Trade payables		59,068	25,939
Total trade and other payables		59,068	25,939
8 Equity			
Available-for-Sale financial assets reserve (i)		245,556	317,123
Retained profits		4,746,605	4,543,751
Total equity		4,992,161	4,860,874

(i) Available-for-sale financial assets reserve

Changes in the fair value of investments classified as available-for-sale financial assets are recognised in other comprehensive income, as described in note 1(h) and accumulated in a separate reserve within equity. Amounts are reclassified to profit or loss when the associated assets are sold or impaired.

9 Related party disclosures

Directors and other key management personnel

Apart from the amounts and issues disclosed in this note, there were no other transactions or balances with related parties during or at the end of the financial period.

Key management personnel compensation

Total key management personnel remuneration	73,788	69,838
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Controlling entities

From incorporation of the Company in August 2011 the sole members of the company are the directors of the company.

10 Lease commitments

The Company has no future operating lease payments.

NATIONAL STEM CELL FOUNDATION OF AUSTRALIA. ABN 84 152 713 098

11 Members' guarantee

The Company was incorporated on 17 August 2011 as a Company limited by guarantee and not having a share capital. If the Company is wound up, the Constitution states that current Members (of which there are seven), and any persons whom were Members within the last 12 months immediately prior, are required to contribute an amount determined by the Company, but not exceeding \$100, to meet the outstanding obligations of the Company, if required.

12 Events occurring after the reporting date

There have been no events subsequent to balance date of a material nature.

13 Contingent liabilities

There are no contingent liabilities as at year end.

Directors' Declaration

In the directors' opinion:

- (a) the Financial Statements, comprising the Statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Cash Flows and Statement of Changes in Equity, and accompanying notes, as set out on pages 9 to 16 are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, and:
 - (i) comply with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Regulations 2013*; and
 - (ii) give a true and fair view of the Company's financial position as at 30 June 2018 and of its performance for the financial period 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.

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



Dr Graeme Blackman AO
Chairman

Melbourne
13 August 2018

Independent Auditor's Report

To the Directors of National Stem Cell Foundation of Australia

Report on the audit of the financial report

Opinion

We have audited the financial report of National Stem Cell Foundation of Australia (the "Registered Entity"), which comprises the statement of financial position as at 30 June 2018, and the statement of profit or loss and comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the Directors' declaration.

In our opinion, the financial report of National Stem Cell Foundation of Australia has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- a giving a true and fair view of the Registered Entity's financial position as at 30 June 2018 and of its financial performance for the year then ended; and
- b complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Registered Entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Registered Entity's annual report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The Directors of the Registered Entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the ACNC Act, 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.

In preparing the financial report, the Directors are responsible for assessing the Registered Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Registered Entity or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the Registered Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Registered Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Registered Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Registered Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

E W Passaris

E W Passaris
Partner – Audit & Assurance

Melbourne, 13 August 2018