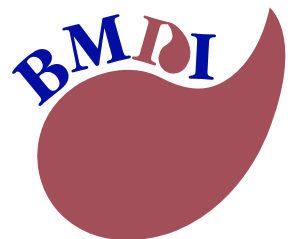


Bone Marrow Donor Institute

2007 Annual Report



Giving hope. Saving lives.

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*Giving hope,
saving lives*

Bone Marrow Donor Institute

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Patron in Chief

Professor David de Kretser AC
Governor of Victoria

Patrons

Sir Gustav Nossal AC CBE
Sir John Holland AC
Deborra-lee Furness
Hugh Jackman

Ambassador

Tracey Curro

Medical Advisor

Professor Jeffery Szer

Honorary Lawyers

Corrs Chambers Westgarth

Honorary Accountants

Moore Stephens HF Chartered Accountants

Honorary Auditors

Draper Dillon Chartered Accountants



"The *Back on Track* program has helped me in so many ways. I'm very thankful to be involved in this program as I want to do well at school – now more than ever."

Message from the President

Throughout this report you will see what the important work of the Bone Marrow Donor Institute means to Australian cancer patients and their families. Since its inception in 1989 the Institute has grown from a small group of volunteers intent on setting up a bone marrow donor registry, to a prosperous and influential charity with programs that are not just offering support and care for Australians with cancer but are also saving lives.

This does not, however, mean our job is done. In fact, I see it as just the beginning – there is so much more we can do.

First and foremost I would like to see BMDI become a nationally-recognised organisation with branches and support groups in every state. This would ensure our exceptional programs become much more far-reaching. I envision a BMDI House in every state as well as the Fight Cancer Back on Track Program operating across the country. The need is there and we have the means and the opportunity to meet that need.

As the BMDI Cord Blood Bank celebrates its 10th anniversary I see this as a wonderful time to take this life-saving program and work to make it one that meets the needs of the scientific community through worthwhile medical research. I would also like to see the Bone Marrow Donor Registry better represent the changing face of Australia by encouraging more ethnic donors to join the registry, so that no patient, regardless of their background, is without hope.

Finally, I see BMDI focusing even more intently on the specific needs of patients battling cancer or other life-threatening illnesses and their families. The more patients I meet, the more I learn of the importance of supporting them in every

aspect of their lives. This could be done in a number of ways;

- Enhancing the Back on Track Program to involve musicians, athletes, business leaders and clergy to help mentor and inspire these special patients.
- Offering financial assistance to needy families involved in the Back on Track Program to ensure that their children can go on to complete tertiary education and not let their illness deny them of their dreams.
- Offering a rehabilitation program for adults who are recovering from cancer treatment to ensure that they are emotionally supported and offered the tools to get them back into the work force.

With the continued support of our sponsors, patrons, ambassadors, branches, volunteers, board members, executive staff and the many hundreds of others who make the valuable work of BMDI possible, I know that this vision can become a reality.

Since its inception in 1989 the Institute has grown from a small group of volunteers intent on setting up a bone marrow donor registry, to a prosperous and influential charity...



John Opie AM



Message from the Managing Director

2007 The Year in Review

In February we were extremely fortunate to receive the support of the Myer Community Fund through their Precious Metals Ball held at the National Gallery of Victoria. It was a magnificent night and we were very grateful to Myer and the many companies that pledged their support for our Back on Track Program.

We also welcomed the support of Lenovo as the major sponsor of the Back on Track Program. Lenovo provide laptop computers and other equipment to ensure the young people on the program stay connected with their schools and friends during treatment and recovery from cancer.

In May we recognised the contributions of our large group of volunteers. Marj Boland was named the Volunteer of the Year at a function held at BMDI Rotary House. Marj has been one of our longest serving volunteers and has put countless hours into the operation of the BMDI Geelong Recycle Shop.

In June we celebrated a few milestones at the BMDI Cord Blood Bank including ten years of operation, release of the 100th life saving cord blood unit for transplantation and international accreditation.

2007 gave us an opportunity to support the important work of

the Women's Cancer Foundation - Ovarian Cancer Institute by providing them with office space. Although a small gesture it cements a strong relationship between two organisations focused on providing better outcomes for cancer patients.

During September, our Footy Colours Day national fundraiser was a great success, over 750 schools and business participated. We look forward to growing this event in 2008.

The 2007 Red Ball was the biggest and best ever. Hosted by our patrons Deborra-lee Furness and Hugh Jackman it was a night to remember with an amazing line up of talent and a riveting performance by Hugh. This grand evening is the result of a huge amount of work by the Red Ball Committee. We are extremely grateful for the support of our numerous sponsors.

In November we welcomed Rotary to BMDI Rotary House to mark the completion of Rotary's funding assistance for this very special 'home away from home' for patients and their families. At that function we also farewelled Bernie Lamers who retired from our Board of Directors at the completion of this project.

These highlights are only a tiny measure of the work put in by so many people. Special thanks to volunteers, branches, corporate supporters, sponsors and financial supporters who generously respond to our requests for help and all those individuals who supported us by attending events.

Finally, special thanks to the staff of the Bone Marrow Donor Institute who have worked tirelessly throughout the year and to our volunteer Board of Directors for their support and guidance.



Eric Wright



Australian Bone Marrow Donor Registry

Every year more than 6,400 Australians are diagnosed with leukaemia or a related blood disease. For many a bone marrow transplant is their only chance of survival. If a related donor cannot be found within their family, patients must resort to the Australian Bone Marrow Donor Registry to find an unrelated bone marrow donor.

The Australian Bone Marrow Donor Registry (ABMDR) was established in 1991 in conjunction with the Bone Marrow Donor Institute. We are part of the international network of bone marrow registries. This gives Australian patients, searching for a suitable unrelated donor, the opportunity to find a match from a pool of more than 10,000,000 potential donors worldwide.

BMDI Cord Blood Bank

Celebrating 10 Years

With more than 7,600 cord blood units stored the BMDI Cord Blood Bank had a lot to celebrate as it marked its 10th anniversary in 2007. Not only has the bank become the first Australian cord blood bank to gain international accreditation in recognition of its high standards, but more importantly it has offered hope to 164 Australian and international cancer patients with a cord blood transplant.

The BMDI Cord Blood Bank is a consortium comprising the Bone Marrow Donor Institute, Royal Children's Hospital and the Murdoch Children's Research Institute. The BMDI Cord Blood Bank laboratory, storage facility and administrative centre is located in a dedicated, purpose built facility at the Royal Children's Hospital Melbourne.

The Collection Centres are located at Box Hill Hospital, Angliss Hospital, the Royal Women's Hospital and Frances Perry House. These centres are staffed by a group of specially trained and dedicated midwives who are involved in all facets of cord blood collection.

Milli Kerr-Crowley was just six months old when she was diagnosed with leukaemia. Nine months of chemotherapy kept the cancer at bay, but she remained perilously sick. At 15 months she was given a 50ml injection of cord blood from the BMDI Cord Blood Bank and today she is a healthy girl attending prep in Hoppers Crossing.

"It gives you goose bumps when you think that you've done something so simple that has helped save someone's life."

Kelly Dobie

*Milli Kerr-Crowley and cord blood donor Kelly Dobie
Photo: The Herald and Weekly Times Photographic Collection*



Statistics

- There are 151,910 donors on the Australian Bone Marrow Donor Registry.
- Since its establishment the Australian Bone Marrow Donor Registry has given a second chance of life to 1,696 Australian and international patients.

Statistics

- In 2007, more than 800 cord blood units were banked.
- The bank performed searches on 344 units for 269 patients worldwide, with 64 units released for transplant.
- 17 cord blood units were used for patients in Australia and 47 were sent overseas in 2007.

BMDI Rotary House

A home away from home...



Anne Donaldson

In November we held a function for Rotary to mark the completion of Rotary's funding assistance for the House, now to be known as BMDI Rotary House in recognition of the wonderful support of Rotary.

As a member and fundraiser of BMDI's Goulburn Valley branch, it never occurred to Anne Donaldson that she would end up needing the very organisation she worked so hard to support. Anne and her family have been regular residents at BMDI Rotary House while Anne receives treatment and recovers from Multiple Myeloma, a cancer of the plasma cells.

"It's been amazing here," she says. "When I walked into the apartment I burst into tears. To have my family with me has been incredible." Anne says it is a bit of an irony that she is now a resident at the House but says it makes her feel "privileged and enormously proud," to have been a part of it. "I've never fundraised thinking I would need it, but I am very grateful that it is here for me."

Since opening its doors to cancer patients

and those with life-threatening diseases in 2003, BMDI Rotary House has offered a home-away-from-home for 360 families from all over Australia and overseas. It provides a vital service for families during what is often the most difficult time in their lives.

The accommodation helps keep families together in an environment that has been specifically designed to cater for people receiving treatment and recovering from cancer.

In 2007 the house was fitted-out with a retreat for teenage patients and family members. The room, thanks to the Con Tarlamis Fund, is equipped with air hockey, soccer and pool tables, X-box game consoles as well as a flat screen television and DVD player.

"When I walked in to the apartment I burst into tears. To have my family with me has been incredible."

Volunteer of the Year



Marj Boland

In May during Volunteer Week we recognised the contribution of our wonderful group of volunteers, many of whom have been with us since our humble beginnings.

Our volunteers continue to work hard for our worthy cause and their efforts, support and friendship is important and extremely valued by the Board of Directors.

We hosted a morning tea at BMDI Rotary House, to thank them for their ongoing support and to celebrate the announcement of our Volunteer of the Year for 2007.

Marj Boland one of our longest serving volunteers, was the very worthy recipient of this award.

Marj was one of the founding group of families, who saw the need for a bone marrow donor registry in Australia. Since then she has worked tirelessly for the Institute.

She took up the challenge of opening a recycle shop in Geelong, which in the beginning not only sold recycled clothing, but also became a place where she signed up potential donors for the Registry and recruited many volunteers to work in the shop and spread the word of the Bone Marrow Donor Institute.

Her tireless efforts raised many thousands of dollars through the recycle shop and the many other creative fundraisers that she championed.

Marj was very humble when the announcement was made, but she was also very thrilled to be recognised in this way.

Support Groups



Avis Macphee

The Bone Marrow Donor Institute believes providing support, care and information to those touched by cancer is paramount. Its three support groups have been established to achieve just this; offering members a safe and comfortable environment to discuss issues.

BMDI Transplant Support Group – Yvonne Panek-Hudson (Co-ordinator)

Members of the BMDI Transplant Support Group include both bone marrow transplant recipients and carers. The group hosts guest speakers to address topics such as medical and legal advice, return to work advice, survivorship issues and complementary

therapies. There is also a large social component to the group offering members the opportunity to participate in group activities such as bowling, dinners and yoga.

BMDI Breast Cancer Support Group – Avis Macphee (Co-ordinator)

The Breast Cancer Support Group membership encompasses all ages and clinical conditions, including advanced disease. It not only provides support but also education and information. The group meets once a month and every third month holds a

lecture with guest speakers, often health professionals working in breast cancer and related fields. The lectures attract a large audience and have wide recognition.

BMDI Leukaemia Family Support Group – Cliff Benson (Co-ordinator)

The Leukaemia Family Support Group provides support and care to existing members, and reaches out to families staying at BMDI Rotary House. The group's scope includes helping families with laundry, grocery shopping and also organising

monthly "mix and mingle" evenings to encourage residents to interact in a friendly and informal environment. They also provide cooking demonstrations utilising organic and whole foods to promote good health and wellbeing.

Counselling – Sue Talbot

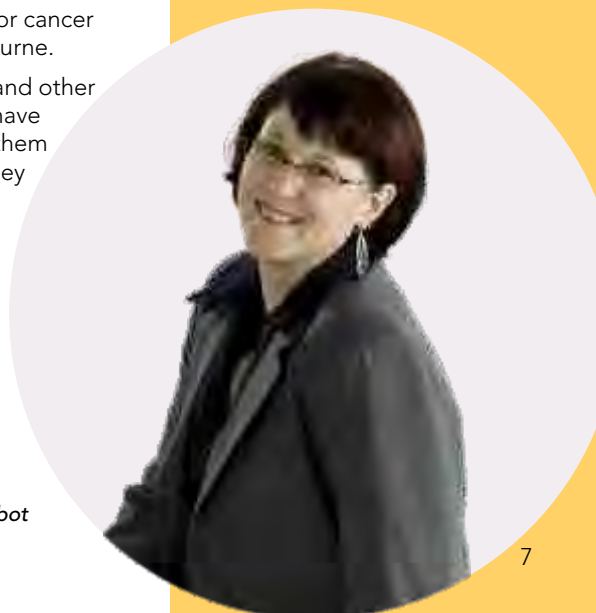
Cancer can be an isolating time for patients and their families. They often need emotional support to cope with the stresses of having a family member living with cancer.

The Bone Marrow Donor Institute Counselling Service has been operating since February 2005.

The service is provided to patients and carers at BMDI Rotary House and is now also

provided to patients from the major cancer treatment hospitals around Melbourne.

Patients being treated for cancer and other life threatening diseases need to have access to counselling, to support them during the uncertain time whilst they are receiving treatment.



Sue Talbot

Branches

BMDI Croydon Branch

Alan Somers – Chairman

BMDI Donald Branch

Leila Honicke – Chairman

BMDI Geelong Branch

Barb Speldewinde – Chairman

BMDI Goulburn Valley Branch

Ken Birkett – Chairman

BMDI Maryborough Branch

Margaret Nottingham – Chairman

BMDI Murray Campaspe Branch

Peter Bellett – Chairman

BMDI Swan Hill Branch

Steve Pentreath – Chairman

BMDI Bendigo Branch Closed

Rhonda Bechaz – Chairman

BMDI Waverley Branch Closed

Barbara Thompson – Chairman

BMDI Recycle Shop Geelong

Marj Boland – Co-ordinator

BMDI Recycle Shop Drysdale

Moya Hughes – Co-ordinator

Our wonderful, hardworking BMDI Branches continue to raise funds and awareness of our cause, within their communities.

The combined efforts of the branches raised \$49,995 in 2007 using a variety of creative fundraising ideas.

The 2 recycle shops in Drysdale and Geelong raised \$46,842 in 2007, not just through the sale of pre-loved clothing but also fashion parades and concerts.

We are grateful for the continued support of our volunteers in the branches and shops.

Thank You – Good Friends

We are saddened by the closure of the BMDI Waverley Branch, after a long and very successful tenure.

Formed in 1993, this branch has raised more than \$300,000 for the Institute, a truly mammoth effort. The branch has been one of our most successful branches and their support and friendship will be sorely missed.

One year their major focus was BMDI Rotary House and they raised \$50,000 to furnish one of the 13 units now named the Waverley Suite.

Long-term supporter Sonia Paulett. Branch Chairman Barbara Thompson and many volunteers raised most of the funds through the 'Gifts for Life' shop at The Glen.

They raised additional funds through luncheons, golf days and fashion parades to name just a few. Not only did the shop raise money, offer support and provide information

about BMDI, it became a place where long lasting friendships were made over the years.

The Board sincerely thanks Sonia Paulett, Barbara Thompson, the members and volunteers of the branch for their long-term support and we wish them all the best in the future.

BMDI Bendigo Branch recently closed, has raised in excess of \$90,000 since they formed 14 years ago. We thank the members and volunteers for their tireless efforts and valued support.



Barbara Thompson and Sonia Paulett

Fight Cancer Back on Track Program

The Fight Cancer Back on Track program was developed to offer young cancer patients the unique opportunity to get their lives back on track during and following treatment. It is designed to address the educational, physical, emotional and social needs of these young patients.

The intense treatment needed to fight cancer, especially leukaemia, means children can spend up to two years or more, in and out of hospital, becoming isolated from their school, friends and the community.

Education co-ordinators develop specifically tailored educational programs for each child on the Back on Track program, to ensure that children with cancer are given the opportunity to achieve their full potential.

Each child on the program is connected to their school, teachers and peers via computer and web cam, powered by Lenovo who have become the major sponsor providing laptops and technical support.

The program also provides mentoring and emotional support for these young cancer patients enabling them to fulfill their dreams.

BMDI patron Deborra-lee Furness was on hand at Childrens' Hospital Westmead in Sydney, to launch the Fight Cancer Back on Track program, where she met 7-year-old leukaemia patient Matthew and Alistair, a Year 12 student. Alistair explained that with the Back on Track Program and his Lenovo laptop he was able to stay connected to his school, teachers and classmates, helping him achieve a great result in his exams.

The program is now also operating at the Royal Children's Hospital Melbourne and the Peter MacCallum Cancer Centre.

Statistics

- There are currently 154 young cancer patients enrolled in the Back on Track program in Victoria and NSW.
- 319 patients have completed the program since its inception.
- The average length on the program is 9 months.

"Hugh and I have been touched by so many people the Bone Marrow Donor Institute has helped.

These stories touch us... they motivate us to do more."



Deborra-lee Furness and Matthew
Photo: Daily Telegraph

Bone Marrow Research Laboratories

The Rotary Bone Marrow Research Laboratories (BMRL) were founded in 1994 as a joint initiative between The Bone Marrow Donor Institute (BMDI) and The Royal Melbourne Hospital.

The original charter of the Laboratories was to research diseases curable by bone marrow transplantation. The research direction has broadened slightly to include developmental defects, but a significant focus remains on the original diseases such as leukemia and the genetic blood disorders, thalassemia and sickle cell anemia.

The BMRL is staffed by five Principal Investigators and a team of 27 scientists, students, and technical support staff.

A major highlight for 2007 was the continued strengthening of the leukemia research program at the BMRL. Moving closer to our roots, we have now recruited two internationally recognised researchers in leukemia biology, Drs Graham Lieschke and Chris Slape. These investigators use complementary model systems to examine the origins of blood and the defects in this process that result in leukemia. The Bone Marrow Donor Institute has played a major role in recruitment of Dr Slape through the provision of the BMDI Fellowship.

The laboratories boasted publications in premier journals including *Blood*, and *Nature Reviews in Genetics*. In addition, the principal investigators were invited speakers at a number of international meetings. At a community level, the laboratories continue to host work experience students from schools around Victoria. The staff have also given numerous lectures to community groups, educating supporters about the progress in the fight against leukemia.

In 2007 Professor Jane was awarded two NHMRC project grants for his work into thalassemia and sickle cell



Professor Stephen Jane

disease. In addition, he received a prestigious grant from the RoFAR Foundation, an international charitable body that funds leading research into anemia. Tremendous funding support has also come from the Bone Marrow Donor Institute and from Rotary International. The support from both these organisations has been instrumental in the achievements of the laboratories, and we cannot adequately express our gratitude for their generous contributions.

Professor Stephen Jane



Dr David Curtis

Ovarian Cancer Research

The ovarian cancer biomarker program has progressed extremely well with the support of the Bone Marrow Donor Institute (BMDI) over the past three years through their support of Nicole Dellios, Research Technician, to work on this program.

Over the past twelve months, we have completed clinical trials of new types of blood tests for the detection of ovarian cancer. One of these new approaches has delivered very promising results. The new multi-marker approach measures several substances in blood and combines the information into a single index of disease. The trial results exceeded our expectations and the new multi-marker tests developed out-perform the currently used blood test (e.g. CA125). This approach is now being implemented by our commercial and clinical pathology collaborators to deliver an ovarian cancer diagnostic (OvPlex) that will be available as an elective test within the community towards the end of 2008.

The ovarian cancer biomarker program originally set out to develop a new blood test that would be better than the current test for ovarian cancer, CA125. In the general population, the CA125 blood test operates at a diagnostic efficiency of between 60-80% for the detection of ovarian cancer. In our clinical trials completed to date, the new tests perform at a diagnostic accuracy of more than 90%. The new tests are significantly better than CA125, however, for a test to be considered suitable as a community-based screening test, we need to increase the diagnostic efficiency of the test to 99.6% or better. To increase test accuracy, we now need to identify and validate additional markers of disease.

The contribution and support that our cancer biomarker program has received from BMDI has been integral to delivering outcomes and in developing a template and work program for developing new diagnostics for other diseases.

Professor Greg Rice
Scientific Director

"The contribution and support that our cancer biomarker program has received from BMDI has been integral to delivering outcomes..."

Nicole Dellios – Research Technician



Highlights 2007



Hugh Jackman & Deborra-lee Furness

Red Ball

The 2007 Red Ball, held at the exclusive Peninsula at Central Pier, was a star-studded evening with plenty of glitz and glamour. Our patrons Deborra-lee Furness and Hugh Jackman hosted the evening and were joined by their friends and BMDI supporters Sigrid Thorton, Max and Kerry Walker, David and Pip Boon, Dean and Jane Jones, Patti Newton, Tottie Goldsmith, Alyce Platt, Lauren Newton and Matt Welsh as well as more than 1,100 other guests.

The highlight was Hugh Jackman singing "I Still Call Australia Home," backed by 140 young singers. The Pledges raised on the night, were in support of the Fight Cancer Back on Track Program.

Sincere thanks to the sponsors of our signature event; Gold sponsor – The Hour Glass; Silver sponsor – Cartier, Foxtel, Linfox – the Fox Family; Qantas and Paspaley. With support from – Atlantic Group; Coopers Brewery Ltd; Mount Avoca.



Matt Welsh & Lauren Newton



Footy Colours Day

2007 was the most successful year to date for BMDI's annual Footy Colours Day. Over 750 businesses and schools around Australia participated, raising more than \$180,000 for the Fight Cancer Back on Track Program.

We thank Dean Jones for donating his time to film the television commercial.

Special thanks Ian Johnson, Managing Director of Channel 7 for producing and airing the commercial at no charge.



President, John Opie AM, Wendy Cheng & Lord Mayor of Melbourne Cr John So

Myer Precious Metals Ball

In 2007 the Myer Community Fund held their annual Precious Metals Ball at the National Gallery of Victoria, with the proceeds of \$325,039 going to the Fight Cancer Back on Track Program.

We thank the Myer Community Fund for their generous support.

Legends Walk

2007 saw former cricketers David Boon, Allan Border and Sir Ian Botham join together for BMDI's Legends Walk. All three have, in the past, walked thousands of kilometres for the Institute and in February 2007 they met up again for a walk from the MCG, through the Melbourne CBD to Crown Palladium for a charity lunch which included entertainment and an auction.



*Sir Ian Botham OBE, David Boon MBE
and Allan Border AO*

Swann Insurance Brightens Christmas at BMDI Rotary House

Swann Insurance generously supplied beautiful Christmas hampers to each of the families at BMDI Rotary House during Christmas. The time involved and effort made by Swann Insurance was greatly appreciated and the hampers were much-enjoyed Christmas gifts for our House families.

Goodbye Bernie

BMDI founding member and Vice President Bernie Lamers retired after more than 18 years of service. Bernie's passion, dedication and hard work will be greatly missed. The following is an excerpt from President John Opie's letter to Bernie, marking his retirement.

"Your support and drive saw us progress our vision and we can today reflect on the fact that we were instrumental in building one of the largest registries in the world. The building and sale of two charity homes at Burwood and Doreen is another example of your hard work and determination. Bernie, one of our most significant projects was born from our recognition that patients and their families needed a 'home away from home' during stressful treatment and recovery from leukaemia and other life-threatening illnesses. It is a tribute to you and your family that this facility exists. You must be proud."

The Board of Directors wishes Bernie well in his retirement from the Board.



*President John Opie AM,
Bernie & Gerry Lamers*

Victorian Father of the Year

Former Australian Cricketer and dedicated BMDI supporter Dean Jones AM was named Victorian Father of the Year in 2007. Dean is best known to the Institute for his 1200km walk from Sydney to Melbourne in 2004, which finished at the MCG Boxing Day Test and resulted in more than \$1 million dollars being raised for BMDI.

In receiving his award from the Governor of Victoria and Patron in Chief, Professor David de Kretser AC, Dean revealed how rewarding it had been for him to support the work of BMDI.



*Dean Jones AM and
Professor David de Kretser AC
Governor of Victoria*

Directors' Report

The names of each person who has been a director during the year and to the date of this report are:

J M Opie AM	D W Cox
J C Barbour	S J Elliott
F W Duncan	E M Wright
D H Alsop	B A Lamers (retired 19/11/07)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Company Secretary

Mrs Fay Duncan was appointed Secretary on 29 June 2001 and still held the position of Secretary at the end of the financial year. Fay has served BMDI for the past 18 years, as Executive Director, Director and Secretary.

Principal Activities

The principal activity of BMDI during the financial year was:

To engage in activities with research, education, treatment, patient care and support services in respect of leukaemia and other cancers.

Operating Results

The net deficit for 2007 was \$249,215 (2006 Deficit - \$290,547).

Dividends

BMDI is a company limited by guarantee and as such does not have any share capital. BMDI has not issued debentures. The directors of BMDI are precluded by the Articles of Association from recommending the payment of any dividend.

Review of Operations

The main factors affecting the operations of BMDI during the 2007 can be summarized as follows: Overall Donation and Bequest income was up on 2006 due to the net proceeds of the final instalment for the naming rights of BMDI Rotary House (refer Note: 8) being received from Rotary. This amount was off set by a bequest received in 2006

totaling \$224,327. Trusts and Foundations income was up year on year following the receipt of additional money for the Back on Track program. Operating expenses were up as a result of additional depreciation expense being charged for the 2007 year following the revaluation of BMDI Rotary House at 31 December 2006. Expenditure on the Back on Track program increased in the year and was off-set by lower spending on Tissue Typing & Donor Recruitment, Research, Dream Ward and Ethnic Donors.

Significant Changes in State of Affairs

No significant changes in the nature of these activities occurred during the financial year.

After Balance Date Events

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

Future Developments

During 2007 BMDI established a new marketing and fundraising arm the Fight Cancer Foundation.

Environmental Issues

BMDI's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Auditor's Independence Declaration

draper dillon
your best accounting



Bone Marrow Donor Institute Limited ABN 93 097 333 108
(Incorporated in Victoria as a Company Limited by Guarantee)

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF BONE MARROW DONOR INSTITUTE LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 31st December, 2007 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit, and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

DRAPER DILLON
Chartered Accountants

NORMAN L. DRAPER
PARTNER

Melbourne

Dated: 15th April 2008

- 8 -

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Facsimile: 613 9679 2288

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Facsimile: 613 9679 2288

Board of Directors

John Opie AM (Director / Chairman) FCA (retired)

A founding member, John has been the Bone Marrow Donor Institute's President and Board Chairman since its inception in 1989. John is a non-executive Director of the Australian Bone Marrow Donor Registry and he is the Chairman of several private companies. In 1995, he received the Tattersall's Award for Enterprise and the Rotary Paul Harris Award. He is also the recipient of the Waverley Citizen of the Year Award and the Sir John Reid Community Service Award from the Rotary Club of Melbourne. From 1987 to 1988, he was the National President of the Federal Government Productivity Council. He is a past Board Member and Treasurer of the RSPCA. In 2002 he became a Member of the Order of Australia.



John Barbour (Director / Deputy Chairman / Honorary Treasurer) FCA CFP

John has been a Board Member and Honorary Treasurer of the Bone Marrow Donor Institute since 1992. In 2003 he was appointed to the BMDI Cord Blood Bank Management Committee and in 2004 assumed the role of Chairman of the committee. Since 2005 John has been chairing the Bone Marrow Donor Institute Audit Committee. In 2007, John was appointed Vice President/Deputy Chairman. John is a Chartered Accountant and Certified Financial Planner. He retired as a partner of an accounting firm but retains a part-time activity as a senior consultant to the firm. Prior to his involvement in the Bone Marrow Donor Institute, John was a Branch Treasurer, Branch Chairman and Honorary National Treasurer of Community Aid Abroad, a position he held for a period of ten years.



Fay Duncan (Director / Secretary)

Fay is a founding member of the Bone Marrow Donor Institute and has held the position of Secretary from 1990 – 1992 and 2001 to date. Fay was the Executive Director of the Bone Marrow Donor Institute from 1992 until her retirement in 2001. Fay has previously held positions of Associate Director, Company Secretary and Administration Manager of several private and public companies. She supported two children's homes with hands on assistance and fundraising. Fay was involved with the planning and furnishing of BMDI Rotary House. She is the Chairman of the Red Ball Committee.



David Alsop (Director) B. Arch., Reg. Architect.

David is a commercial Architect. He is a past Board Member of the Lort Smith Animal Hospital (1985-1998). David became involved with Bone Marrow Donor Institute after his son received a bone marrow transplant in 1996. David joined the Board in 1999 and has special responsibility for the Bone Marrow Donor Institute support groups and provided project management advice for the construction of BMDI Rotary House.



Board of Directors



Don Cox (Director)
CPA

Don is a Certified Practising Accountant, Registered Tax Agent, Registered Company Auditor and member of CPA Australia. Don joined the Bone Marrow Donor Institute Board in April 2002 and is a member of the Audit Committee. A Rotarian since 1976, Don served as a President of the Rotary Club of Broadmeadows in 1992/93 and was recognised as a Paul Harris Fellow in 1995. Don was District Governor of Rotary International District 9790 during 2000/2001. From September 2001 until June 2004, he held the position as Chairman of the Australian Rotarians Corporate Alliance Program Ltd for the Rotary Districts of Australia. Don was also Chairman for the 38th Rotary Zone Institute for the Rotary Districts of Australia held in November 2003. On 1 July 2006, he joined the Rotary International Finance Committee for 3 years, and from 1 July 2007 is serving as Vice Chairman of this Committee. He has also served as the personal representative of the President of Rotary International at a number of conferences around the world. Don is also a Director of several private companies.



Sophia Elliott (Director Marketing & Development)

Sophia has been a Board member of the Bone Marrow Donor Institute since 1991. She was appointed as Director of Marketing and Development in June 2007. Sophia is the Chairman of the Bone Marrow Donor Institute Fundraising Committee, and is a member of the Red Ball Committee and was member of the Audit Committee. She has a 30 year career in advertising, marketing and PR. She spent nine years on the Executive Board of Monahan Dayman Adams and was General Manager of Gasworks Pty. Ltd. Sophia was a partner and Director of Magnum Opus Advertising Pty. Ltd. She is also on the committee of De La Salle Old Collegians Football Club, a position held for five years. Sophie has been actively involved with a number of major Bone Marrow Donor Institute events.



Eric Wright (Managing Director)

Eric has been a Board Member with the Bone Marrow Donor Institute since 1997. Eric has 30 years experience in the banking and finance industry with extensive experience in human resource management, sales management and project management. Eric is also a member of the Red Ball Committee, Fundraising Committee, BMDI Cord Blood Bank Management Committee, Cord Blood National Management Committee and Australian Bone Marrow Donor Registry Donor Centre Advisory Committee.



Bernie Lamers JP (Director – retired effective 19/11/07)

Bernie is a founding member of the Bone Marrow Donor Institute and held the position of Vice President /Deputy Chairman from 1992. Bernie is a Director of a number of private companies including Lamers Constructions. In 1997 Bernie together with his wife Gerry were awarded Citizen of the Year in the Shire of Nillumbik. Also in 1997, Bernie was awarded the Rotary Paul Harris/Sapphire Award, in 2001 the Centenary Federation Award and in 2002 received an Anzac of the Year Award. In 2003 – 2004 he served as President of the Rotary Club of Preston. Bernie retired from his position with the Bone Marrow Donor Institute in 2007 after 17 years.

Directors' Report

Meetings of Directors

During the financial year, 10 meetings of directors were held. Attendances by each director were as follows:

Directors	Position	Occupation	No. Eligible to Attend	Number Attended
J M Opie AM	Director & Chairman	Company Director	10	9
J C Barbour	Director, Deputy Chairman & Honorary Treasurer	Chartered Accountant	10	8
F W Duncan	Director & Secretary	Company Director	10	9
D H Alsop	Director	Architect	10	9
D W Cox	Director	Public Accountant	10	7
S J Elliott	Director, Marketing & Development	Company Director	10	10
B A Lamers*	Director	Company Director	9	7
E M Wright	Managing Director	Company Director	10	10

* B Lamers retired as a director during the year (effective 19/11/07)

Directors' Benefits

Since the end of the previous financial year, no Director of BMDI has received or is entitled to receive any benefits by reason of a contract made by BMDI with a Director or with a firm of which he or she is also a member, or with a company in which he or she has a substantial financial interest and as such no Related Party Disclosure is required.

BMDI remunerates 2 Directors in the capacity of Managing Director and Director, Marketing and Business Development respectively. Their remuneration totals are included in Note 13 (in the Notes accompanying these accounts) which includes the compensation of all key management personnel.

Directors' & Auditor's Indemnification

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

- 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
- paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for the costs or expenses to defend legal proceedings;

With the exception of the following matters:

- a) during or since the financial year BMDI has paid premiums to insure the Directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director of BMDI other than conduct involving a wilful breach of duty in relation to BMDI. The amount of the premium was \$3,864.

- b) BMDI has entered into an agreement with each director providing the following:
 - i) BMDI has agreed to indemnify each director against any liability in their capacity as a Director to the extent permissible by law;
 - ii) BMDI has agreed to retain a copy of all papers presented to the Board during the period that the director holds office; and
 - iii) BMDI has agreed to provide access to the Board papers to the Director.

Proceedings on Behalf of the Company

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

BMDI was not a party to any such proceedings during the year.

Auditors Independence Declaration

The lead Auditor's Independence Declaration for the year ended 31 December 2007 has been received and can be found on page 15.

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



John M Opie AM



John C Barbour

Dated this 8th day of April, 2008

Income Statement

INCOME STATEMENT FOR THE YEAR ENDED 31 December 2007

Revenues	Note	2007 \$	2006 \$
Revenues from Community Fundraising			
BMDI Branches		49,995	38,882
BMDI Shops		46,842	36,300
Donations & Bequests		549,936	418,959
Trusts & Foundations		382,143	173,095
Sundry Income		52,229	79,953
BMDI Blood Cord Bank		111,685	193,619
Special Events		374,276	277,260
Interest		46,710	67,947
		1,613,816	1,286,015
Revenue from Grants			
Commonwealth Government – National Cord Blood Bank		1,459,894	1,454,931
		1,459,894	1,454,931
Total Revenues		3,073,710	2,740,946
Less Operating Expenses			
Operating Expenses	2	821,712	754,927
Net Income from Operations		2,251,998	1,986,019
Expenditure on Project Activities			
Tissue Typing & Donor Recruitment		–	17,834
Research Grants & Expenditure		25,000	160,000
BMDI Cord Blood Bank		1,676,820	1,550,906
BMDI Rotary House Running Costs		172,041	69,094
BM Transplant Ward (Dream Ward)		–	14,845
Ethnic Donors		11,471	38,951
Back on Track		565,120	374,175
Ovarian Cancer		50,761	50,761
		2,501,213	2,276,566
SURPLUS / (DEFICIT) FOR THE YEAR		(249,215)	(290,547)

The accompanying notes form part of these financial statements.

Balance Sheet

BALANCE SHEET FOR THE YEAR ENDED 31 December 2007

	Note	2007 \$	2006 \$
Assets			
Current Assets			
Cash and Cash Equivalents	3	1,163,111	1,767,126
Trade and Other Receivables	4	482,645	153,969
Inventories	5	1,390	3,500
Total Current Assets		1,647,146	1,924,595
Non-Current Assets			
Property, Plant and Equipment	6	7,194,673	7,375,290
Total Non-Current Assets		7,194,673	7,375,290
Total Assets		8,841,819	9,299,885
Current Liabilities			
Trade and Other Payables	7	510,704	315,021
Employee Benefit Provisions	9	18,102	23,199
Total Current Liabilities		528,806	338,220
Non-Current Liabilities			
Long-Term Borrowings	8	–	400,000
Employee Benefit Provisions	9	1,790	1,227
Total Non-Current Liabilities		1,790	401,227
Total Liabilities		530,596	739,447
Net Assets		8,311,223	8,560,438
Equity			
Accumulated Funds	11	1,605,548	1,816,708
Reserves	12	6,705,675	6,743,730
Total Equity		8,311,223	8,560,438

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 December 2007

	Note	Accumulated Funds \$	Capital Reserves \$	Asset Revaluation Reserve \$	BMDICord Blood Bank Reserve \$	Total \$
Balance at 1 January 2006		2,204,351	2,244,010	688,058	727,066	5,863,485
Surplus / (Deficit) for the Year		(290,547)	–	–	–	(290,547)
Transfer from Accumulated Funds to Reserves	12	(97,096)	–	–	97,096	–
Transfers to and from Asset Revaluation Reserve	12	–	–	2,987,500	–	2,987,500
Balance at 31 December 2006		1,816,708	2,244,010	3,675,558	824,162	8,560,438
Surplus / (Deficit) for the Year		(249,215)	–	–	–	(249,215)
Transfer from Reserves to Accumulated Funds	12	38,055	–	–	(38,055)	–
Balance at 31 December 2007		1,605,548	2,244,010	3,675,558	786,107	8,311,223

The accompanying notes form part of these financial statements.

Cash Flow Statement

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 December 2007

	Note	2007 \$	2006 \$
Cash Flows from Operating Activities			
Receipts from BMDI Branches		49,995	38,882
Receipts from BMDI Shops		46,842	36,300
Donations and Bequests Received		549,936	418,959
Receipts from Trusts & Foundations		382,143	173,095
Sundry Income Received		52,229	79,953
BMDI Cord Blood Bank Income Received		111,685	193,619
Proceeds from Special Events		374,276	277,260
Receipts from BMDI Rotary House Operating Income		172,692	154,848
Interest Received		46,710	67,947
Grants			
Commonwealth Government Grant Received – National Cord Blood Bank		1,459,894	1,454,931
Payments to Suppliers and Employees		(3,703,900)	(2,884,115)
Net Cash Generated from Operating Activities	15(b)	(457,498)	11,679
Cash Flow from Investing Activities			
Payment for Property, Plant and Equipment		(146,517)	(148,483)
Net Cash Used in Investing Activities		(146,517)	(148,483)
Net (Decrease) in Cash Held		(604,015)	(136,804)
Cash at the Beginning of the Financial Year		1,767,126	1,903,930
Cash at the End of the Financial Year	15(a)	1,163,111	1,767,126

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 December 2007

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

The financial report is for BMDI as an individual entity, incorporated and domiciled in Australia. BMDI is a company limited by guarantee.

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

Basis of Preparation

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs. It does not take into account changing money values or, except where stated, current valuations of non current assets. Cost is based on the fair values of the consideration given in exchange for assets.

Accounting Policies

a. Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rate applicable to the financial assets.

Income collected by branches and held at 31 December 2007 is not brought to account until received.

All revenue is stated net of the amount of goods and services tax (GST).

b. Inventories

Inventories are measured at the lower of cost or net realisable value.

c. Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair values less, where applicable, accumulated depreciation and impairment losses.

Property

Freehold land and buildings are shown at their fair value based on periodic, but at least triennial, valuation by external independent valuers, less subsequent depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same classes of assets are charged against fair value reserves directly in equity; all other decreases are charged to the income statement. Every three years the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Freehold land and buildings that have been contributed at no cost, or for nominal cost are valued at the fair value of the asset at the date it is acquired.

BMDI Rotary House was independently valued as at 31 December 2006 and the changes in the valuation have been treated in the BMDI accounts in accordance with Australian Accounting Standards.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 December 2007

Plant and Equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

At each reporting date, the directors review a number of factors affecting property, plant & equipment, including their carrying values, to determine if these assets, grouped into cash-generating units, may be impaired. If an impairment indicator exists, the recoverable amount of the asset, being the higher of the asset's 'fair value less costs to sell' and 'value in use', is compared to the carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed in the income statement as an impairment expense.

As the future economic benefits of BMDI's assets are not primarily dependent on their ability to generate net cash inflows, and if deprived of the asset, BMDI would replace the asset's remaining future economic benefits, 'value in use' is determined as the depreciated replacement cost of the asset, rather than by using discounted future cash flows.

Plant and equipment that have been contributed at no cost, or for nominal cost are valued at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets including building, but excluding freehold land, is depreciated on a straight – line basis over their useful lives to the Bone Marrow Donor Institute commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Buildings	2.5%
Plant and equipment	5% - 33%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

Impairment of Assets

At each reporting date, BMDI reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Income Statement.

Where the future economic benefits of the asset are not primarily dependent upon on the assets ability to generate net cash inflows and when BMDI would, if deprived of the asset, replace its remaining future economic benefits, value in use is depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an assets class, BMDI estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

d. Employee Benefits

Provision is made for BMDI's liability for employee benefits arising from services rendered by employees to Balance Sheet date as follows:

Short-term employee benefits provisions

Employee benefits expected to be settled within one year together with benefits arising from wages, salaries and annual leave which may be settled after one year, have been measured at the amounts expected to be paid when the liability is settled plus related on costs.

Long-term employee benefits provisions

BMDI's net obligation in respect of long-term service benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. Long term obligations which fall due beyond 12 months after the end of the period in which the employees render the related service have not been discounted using the market yields (at the reporting date) on government bonds in this financial year, since the amounts have been deemed to be immaterial.

Contributions made by BMDI to an employee superannuation fund are charged as expenses when incurred.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 December 2007**e. Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

f. 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 Taxation 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 expense. Receivables and payables in the Balance Sheet are shown inclusive of GST.

Cash flows are presented in the Cashflow Statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

g. Income Tax

No provision for income tax has been raised as the entity is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

h. Provisions

Provisions are recognised when BMDI has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

i. Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

Key estimates — Impairment

BMDI assesses impairment at each reporting date by evaluating conditions specific to the entity that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Fair value less costs to sell or current replacement cost calculations performed in assessing recoverable amounts incorporate a number of key estimates.

j. Comparative Figures

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

k. Economic Dependence

BMDI is dependent on the Commonwealth Government for a significant portion of its income which is received by way of recurrent grants. At the date of this report the Board of Directors has no reason to believe the Commonwealth Government will not continue to support BMDI.

The Financial Report was authorised for issue on 31st March 2008 by the Board of Directors.

Notes

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 December 2007

Note 2: Operating Expenses	Note	2007 \$	2006 \$
Administration Expenses		364,743	322,096
Fundraising Expenses		456,969	432,831
		821,712	754,927
Depreciation Included in Administration Expenses		11,491	9,084
Depreciation Included in Project Activities		315,643	261,767

Note 3: Cash and Cash Equivalents

Current

Cash at Bank		1,162,611	1,766,626
Cash on Hand		500	500
		1,163,111	1,767,126

Note 4: Trade and Other Receivables

Current

Sundry Debtors		476,966	64,292
Interest Receivable		5,679	4,777
Other Receivables	8	–	84,900
		482,645	153,969

Note 5: Inventories

Current

At Cost		–	–
Stock		1,390	3,500
		1,390	3,500

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 December 2007

Note 6: Property, Plant and Equipment

	2007	2006
	\$	\$
Land and Buildings		
Freehold Land At Independent Valuation 31 December 2006	2,000,000	2,000,000
Total Freehold Land	2,000,000	2,000,000
Buildings At Independent Valuation 31 December 2006	4,800,000	4,800,000
Less Accumulated Depreciation	(120,000)	–
Total Buildings	4,680,000	4,800,000
Total Land and Buildings	6,680,000	6,800,000
Plant and Equipment		
Plant and Equipment At Cost	1,641,904	1,495,387
Less Accumulated Depreciation	(1,127,231)	(920,097)
Total Plant and Equipment	514,673	575,290
Total Property, Plant and Equipment	7,194,673	7,375,290

Movements in Carrying Amounts

Movement in the carrying amount for each class of property, plant and equipment between the beginning and the end of the current financial year.

	Freehold Land \$	Buildings \$	Plant & Equipment \$	Total \$
2006				
Balance at the Beginning of the Year	1,500,000	2,375,000	635,158	4,510,158
Additions at Cost	–	–	148,483	148,483
Revaluation Increment	500,000	2,487,500	–	2,987,500
Depreciation Expense	–	(62,500)	(208,351)	(270,851)
Carrying Amount at End of Year	2,000,000	4,800,000	575,290	7,375,290
2007				
Balance at the Beginning of the Year	2,000,000	4,800,000	575,290	7,375,290
Additions at Cost	–	–	146,517	146,517
Depreciation Expense	–	(120,000)	(207,134)	(327,134)
Carrying Amount at End of Year	2,000,000	4,680,000	514,673	7,194,673

BMDI's land and buildings were revalued at 31 December 2006 by an independent valuer. The independent valuation was made on the basis of open market value. The revaluation surplus was credited to an asset revaluation reserve in shareholders' equity.

Notes

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 December 2007

Note 7: Trade and Other Payables

	2007 \$	2006 \$
Current		
Trade Creditors	383,400	197,081
Sundry Creditors	79,239	49,646
Other Creditors	48,065	68,294
	510,704	315,021

Note 8: Long Term Borrowings

BMDI received Gross Proceeds totalling \$367,856 in the 2007 year as the final payment for the naming rights of the BMDI Rotary House at 4 – 12 Blackwood Street, North Melbourne. This amount was offset against a figure of \$84,900 that had been previously recognised in the BMDI accounts as amounts advanced against the project. The net proceeds of \$367,856 was utilised to repay the \$400,000 loan for the project to the Commonwealth Bank.

Note 9: Employee Benefit Provisions

	Long Term Employee Benefits \$	WorkCover Levy \$	Total \$
Opening Balance at 1 January 2007	23,532	894	24,426
Additional Provisions Raised During Year	–	–	–
Amount Used	(4,076)	(458)	(4,534)
Balance at 31 December 2007	19,456	436	19,892

	2007 \$	2006 \$
Analysis of Total Provisions		
Current	18,102	23,199
Non-Current	1,790	1,227
	19,892	24,426

Provision for Long-term Employee Benefits

The measurement and recognition criteria relating to employee benefits have been included in Note 1 to this report.

Provision for WorkCover Levy

A provision has been raised for the WorkCover levy that is payable for employees. It has been calculated with reference to the current Workcare Levy % applicable to BMDI.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 December 2007

Note 10: Equity

BMDI is limited by guarantee. If BMDI is wound up, the Constitution states that each member is required to contribute a maximum of \$2 each towards meeting any outstanding obligations of the company. At 31 December 2007, the number of members was 255 (2006 – 106)

Note 11: Accumulated Funds

	2007 \$	2006 \$
Balance at the End of the Year	1,816,708	2,204,351
Add Net Surplus / (Deficit) This Year	(249,215)	(290,547)
	1,567,493	1,913,804
Less Transfer from / (to) BMDI Cord Blood Bank Reserve	38,055	(97,096)
Balance as at 31 December 2007	1,605,548	1,816,708

Note 12: Reserves

	2007 \$	2006 \$
Capital Reserve		
Balance at End of the Year	2,244,010	2,244,010
Asset Revaluation Reserve		
Balance at End of the Year	3,675,558	3,675,558
BMDI Cord Blood Bank Reserve		
Balance at 31 December 2006	824,162	727,066
Monies received from the Commonwealth Government together with charitable donations as at 31 December 2007 have been reserved for expenditure on cord blood activities in the current and future financial years.	(38,055)	97,096
Balance at 31 December 2007	786,107	824,162
Total Reserves	6,705,675	6,743,730

Note 13: Key Management Personnel Compensation

	Short Term Benefits \$	Post Employment Benefits \$	Total \$
2007			
Total Compensation	361,008	–	361,008
2006			
Total Compensation	362,988	–	362,988

Notes

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 December 2007

Note 14: Related Party Transactions

The names of persons who were Directors of BMDI during the Financial year are listed in the Directors Report.

The Directors were all members of BMDI and hence were involved in transactions with BMDI during the financial year on normal commercial terms and conditions no more favourable than those available to other persons unless otherwise stated.

No Directors of BMDI received any remuneration other than that disclosed at Note 13 from BMDI during the financial year. There were no related party transactions between the Directors or Director related entities and BMDI during the financial year other than noted above.

Note 15: Cash Flow Information

	2007 \$	2006 \$
a. Reconciliation of Cash		
Cash at Bank	1,162,611	1,766,626
Other Cash	500	500
	1,163,111	1,767,126
b. Reconciliation of Operating Surplus to the Cash Flows from Operations		
Operating Surplus / (Deficit)	(249,215)	(290,547)
Non Cash Flows		
Depreciation	327,134	270,851
Changes to Provisions	(4,534)	(18,888)
Changes in Assets and Liabilities		
Increase in Receivable and Other Assets	(328,676)	(13,595)
Increase in Trade and Other Payables	195,683	63,858
Stock Held for Resale	2,110	–
Repayment of Secured Loan	(400,000)	–
Cash Flows Provided by Operating Activities	(457,498)	11,679

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 December 2007

Note 16: Financial Instruments

a) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. BMDI does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by BMDI.

b) Net Fair Values

The net fair values of listed investments have been valued at the quoted market bid price at balance date adjusted for transaction costs expected to be incurred. For other assets and other liabilities the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments.

Aggregate net fair values and carrying amounts of financial assets and financial liabilities at balance date:

c) Interest Rate Risk

BMDI's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities, is as follows:

	Floating Interest Rate		Fixed Interest Rate Maturing Within One Year (6.5%)		Non-interest Bearing		TOTAL	
	2007	2006	2007	2006	2007	2006	2007	2006
	\$	\$	\$	\$	\$	\$	\$	\$
Financial Assets								
Cash at Bank	–	–	758,647	936,659	404,464	830,557	1,163,111	1,767,126
Receivables	–	–	–	–	482,645	153,969	482,645	153,969
Total Financial Assets	–	–	758,647	936,569	887,109	984,526	1,645,756	1,921,095
Financial Liabilities								
Bank Loans	–	400,000	–	400,000	–	–	–	400,000
Total Financial Liabilities	–	400,000	–	400,000	–	–	–	400,000

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 December 2007

Note 17: Accounting Policies

The following Accounting Standards issued or amended and are applicable to the Bone Marrow Donor Institute but not yet effective and have not been adopted in preparation of the financial statements at reporting date.

AASB Amendment	Standards Affected	Outline of Amendment	Application Date of Standard	Application Date for Group
AASB 2005–10 Amendments to Australian Accounting Standards	AASB 101 Presentation of Financial Statements AASB 139 Financial Instruments: Recognition and Measurement	The disclosure requirements of AASB 132: Financial Instruments: Disclosure and Presentation have been replaced due to the issuing of AASB 7: Financial Instruments: Disclosures in August 2005. These amendments will involve changes to financial instrument disclosures within the financial report. However, there will be no direct impact on amounts included in the financial report as it is a disclosure standard.	1.1.2007	1.7.2007
AASB 7 Financial Instruments: Disclosures	AASB 132 Financial Instruments: Disclosure and Presentation	As above.	1.1.2007	1.7.2007

Note 18: Entity Details

The registered office of the Bone Marrow Donor Institute is:

Rotary Bone Marrow Research Centre
1d Royal Parade
Parkville Vic 3052

The principal place of business is:

Rotary Bone Marrow Research Centre
1d Royal Parade
Parkville Vic 3052

Directors' Declaration

The directors of the Bone Marrow Donor Institute Limited declare that:

1. The financial statements and notes, as set out on pages 14 to 35, are in accordance with the **Corporations Act 2001**:
 - a. comply with Accounting Standards and the Corporations Regulations 2001; and
 - b. give a true and fair view of the financial position as at 31 December 2007 and of the performance for the year ended on that date of the Bone Marrow Donor Institute Limited.
2. give a true and fair view of the financial position as at 31 December 2007 and of the performance for the year ended on that date of the Bone Marrow Donor Institute Limited.

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



John M Opie AM



John C Barbour

Dated this 8th day of April 2008

Independent Audit Report



Bone Marrow Donor Institute Limited ABN 93 097 333 108
(incorporated in Victoria as a Company Limited by Guarantee)

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF BONE MARROW DONOR INSTITUTE LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Bone Marrow Donor Institute Limited (the company), which comprises the balance sheet as at 31st December, 2007 and the income statement, statement of recognised income and expenditure and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility 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. 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 Bone Marrow Donor Institute'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 Bone Marrow Donor Institute's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of Bone Marrow Donor Institute Limited on 15th April, 2008 would be in the same terms if provided to the directors as at the date of this auditor's report.

- 24 -

Draper Dillon Ltd
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Independent Audit Report

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Qualification

As is common for organisations of this type, it is not practicable for Bone Marrow Donor Institute Limited to maintain an effective system of internal control over donations, subscriptions and other fund raising activities until their initial entry in the accounting records. Accordingly, our audit in relation to fund raising was limited to amounts recorded. The audit opinion expressed in this report has been formed on the above basis.

Auditor's Opinion

In our opinion, subject to the effect of the qualification above:

- a. the financial report of Bone Marrow Donor Institute 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 31st December, 2007 and of their performance for the year ended on that date; and
 - ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

DRAPER DILLON
CHARTERED ACCOUNTANTS



NORMAN L. DRAPER
PARTNER
Melbourne

Dated: 15TH APRIL 2008

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Thank You

AGS-Schult Pty Ltd
Alex Hasker
Alison Bouris
Allan Border AO
Alpha Zeta
Alumbra
Alyce Platt
AMP Foundation
Andrew & Wendy Stuart
Andrew Jones Travel
Ann Peacock
Anna Blatman
Anna Gilkinson Band
Annette Kanizay
Artz Collective
AtlanticGroup [V]
Atlantis - Tony Jaggs
Audi Centre Melbourne
Australian Alpine Club Dinner Plain
Co-operative
Australian Football League
AYA Japanese Restaurant
Azuma Japanese Restaurant
Bally
Bette Midler
Betty Benson
Bib Stillwell BMW
Bijoux
Bioscor International
Blacksphere Fine Art
Blue Diamond Social Salon &
Cabaret
BMDI Bendigo Branch
BMDI Croydon Branch
BMDI Donald Branch
BMDI Geelong Branch
BMDI Goulburn Valley Branch
BMDI Hobart Branch
BMDI Maryborough Branch
BMDI Murray Campaspe Branch
BMDI Swan Hill Branch
BMDI Waverley Branch
Bob Skilton
Bone Marrow Transplant Support
Group
Born Free Charters
Botanical Hotel
Breast Cancer Support Group
Brendan James
Brian Rickard
Bruce Johnson
Burt Bacharach
Café Kazari
Canon
Cape Promotions
Capitol Golf Club
Carlton and United Breweries
Carmel Scott
Caroline Cox
Cartier
Castle Corporate Services Pty Ltd
Catalyst
Cate Blanchett
Catherine Martin
Cecilia Chan
CGU Insurance
Champion Clothing
Channel 7 - Ian Johnson
Chris Eldridge
Circa Restaurant
Cliff Benson
Clinton & Noreen Salt
CMV Foundation Inasmuch Pty Ltd
Colin (Funky) Miller
Colleen Morell
Collier Charitable Fund
Con Tarlamis Fund
Construction Engineering (Aust) Pty
Ltd
Coopers Brewery Ltd
Cope-Williams Wines
Corrs Chambers Westgarth
Craig's Travel Service Pty Ltd
Cricket Victoria
Crown
Crown Promenade Hotel
Custom Lighting Armadale
Dave Taylor
David Boon MBE
Professor David de Kretser AC
Dean Jones AM
Deborra-lee Furness
Decorator Curtains and Blinds
Del Rae Beauty
Delfin Lend Lease Edgewater Project
Team
Derryn Hinch
Designer Brands
Designer Clearance
Diane and Denise Grant
Dianne Senior
DISHA
Don Jukes
Donna Adams
Draper Dillon, Chartered
Accountants
Dunlop Bedding
Elena Collins
Elite Appliances
Eric Wright
Ernest Hillier Chocolates
Estate of Helena Barlow
Estate of Nancye Geary
Estate of William Lewis
Estee Lauder
ETM Group of Companies
Executive Concepts
Fantastic Holdings Ltd
Fay Duncan
First Duty Free
Fog Bar & Restaurant
Fox Studios Australia
Foxtel
Frankston City Council
Gaia Retreat & Spa
Garry Steinhoff
Gazal Industries Pty Ltd
Geoff Handbury
Geoff Merrill Wines
George Donikian
Georgia Donaldson

Thank You

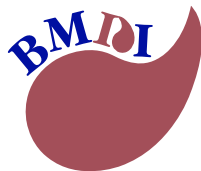
Glass Restaurant - Luke Mangan
Global Ballooning
Graeme & Robin Knott
Grace Lim
Grant Fagan
Greg Muller
Greg Shalit
Sir Gustav Nossal AC CBE
Guy Simpson
Harold Seeley AM
Hartfords Hairdressing
Heartlink Donation Trust
Heather Pennell
Helen Wakeling
Hired Gun Agency
Hugh Jackman
Sir Ian Botham OBE
Ian Cover
Ian Knight
Ian Wood
In Essence Aromatherapy
Inner Wheel Australia
Insight Vacations
Insurance Australia Limited
International Communications & Events
Irene & Margaret Stewardson Charitable Trusts
Irving Milgrom
Isolation Performing Arts Studio
James Gardiner
James Hird & Essendon Football Club
Jan Annand
Jan Clark
Janice Skinner
Jaquelyn Muller
JDA Software Australia
Professor Jeffrey Szer
Jennifer Hawkins
Jenny Wong
Jetstar
Jo Malone
Jovan Ivanovic

Joe White Bequest
John and Tina Lloyd
John Foreman
John Gucciardo
Sir John Holland AC & Lady Holland
John Nash – River One
John Rombotis
John Skinner
Jonny Wischer
Josh Cohen
Judy Rose
Julia Connell
Julie Mystkowski
Karolina Biel
Kate Nicholls
Keith Pypus
Keith Urban & Borman Entertainment
Keon Couture
Kevin Sheedy
Koko Black
Koko Restaurant
Kozminsky
Kwai-lin Opie
Kylie Minogue
L'Oreal Paris
Lamaros
Latown Sequence Dance Group
Laura Star & Permaseal Electrical Appliances
Law Institute Victoria
Lend Lease Development
Lenna Hotel Hobart
Lenovo Australia & New Zealand Ltd
Les Stephens
Leukaemia Family Support Group
Lifestyle Portraits Photographers
Lindenberry Estate
Linfox – The Fox Family
Lion Nathan
Lions Cord Blood Foundation Inc
Liz Ellis
Lloyd Clark
Longines

Louie Lee Feltran
Lovable
Luke Wagner
Luscious Affairs
Macquarie Bank
Mandarina Duck
Manicures, Makeovers and Martinis
Margaret Emond
Margaret Prentice
Margot Young
Marion Hagston
Mark & Sue Jenkins
Mark Belcastro
Mark Pennell
Masterfoods
Matchbox Armadale
Matt Hetherington
Mazda Australia
Melbourne Cricket Club
Melbourne Victory Football Club
Melissa M Fashion Boutique
Mercedes Benz of Melbourne
Metropolitan Fire & Emergency Services - Sheila Shah
Michael Browell
Michael Waters
Michon Fleet
Miriam Faine
Money Wise Financial Services
Mont Blanc
Moonee Valley Racing Club
Moore Stephens HF Chartered Accountants
Moorilla Estate and Winery
Mornington Peninsula Vignerons
Morton Bay Printing
Mount Avoca
Myer Community Support Fund
Natio Pty Ltd
Natures Secret & Max's Manchester
NEC Australia Pty Ltd
Nicole Kidman
Nigel Stone
Nokomis Publications
Noleen Glavish

Thank You

North Melbourne Football Club
Northcote Associates Golf Club Inc
Olivia Newton-John
Olympus
Omega
Origin of Ikebana
P & M Harbig (Holdings) Pty Ltd
Palace Films
Palazzo Versace Gold Coast
Park Hyatt Sydney
Paspaley
Patti Newton
Paul Bonnici
Paul Flanagan
Paul Forbes
Paul Salmon
Paula Fox
Paula Stavrou
Peter Alexander
Philips Domestic Appliances
Pip Boon
Planet Groove
Porsche Cars Australia
Powerade
Pratt Foundation
Qantas Airways Ltd
RACV Club
Radiomathon Australia Limited
Radisson Flagstaff Hotel
Rebekah Tunks
Red Coral Design
Red Emperor
Remington
Rendezvous Hotel
Retravisision – Brighton
Revlon
Richard Satler
Richard Wong
Ricoh Business Centre
Riff Raff Club
Rikk Coombs International
Rino Gammaldi
Ritchies Stores Pty Ltd
Rob Lewis
Robco Building Maintenance Pty Ltd
Rockpool Restaurant - Neil Perry
Rod Loader
Ronald MacDonald House Charities
Rotary Club of East Burnie Sunshine
Rotary Club of Grovedale
Rotary Club of Northbridge Inc
Rotary International
Rove Live
Rowland & Elaine Procter
Roy Bockholt
S Komatsu Japanese Restaurant
Sandhurst Golf Club
Sandra Slatter
Sarah Ross London
Saville City Suites East Melbourne
Shea James
Sheridan
Simon Chen
Skal International Hobart
Sony Computer Entertainment
Sophia Elliott
Sophie Morell
South Dragons Basketball Club
Southern School of Natural
Therapies
Spencer & Rutherford
Sport 927
Sportpro
Sportz3
SportzBidz
Spring Valley Golf Club - Mark Allen
Stephen Hutton
Steve Finlayson
Steven Hull
Storm Hair
Stuart Cumming
Studio D Dance Academy
Style by Nature
Sunraysia Juices
Susanti Huray
Swann Insurance (Aust) Pty Ltd
Sydney Bridgeclimb
Sydney Seaplanes
Tefal
Teppanyaki-inn Japanese Restaurant
The Anglican Parish of Pascoe Vale -
Oak Park
The Asian Executive
The Epicurean
The G W Vowell Foundation Limited
The Hotel Windsor
The Hour Glass
The Jackman Family Foundation
The Prince Hospitality Group
The Promotions Bank
The Rug Gallery
The Sentinel Foundation
Tony Leonard
Tony Shaw
Tottie Goldsmith
Tracey Curro
Trust Company Limited
Universal McCann
Veronica George Gallery & Richard
Morrell
Veronica Mansueto
Viberson
Victoria Racing Club
Victoria University Law Students'
Society
Vince Mobilio
Vive Magazine
Walkley Art
Wayne Campbell
William Bowness
Win TV Ballarat - Michael Taylor
Xen
Xiomara Shoes
Yering Station
Zanuba Restaurant
Zoos Victoria
Zuricka Hasker



BONE MARROW DONOR INSTITUTE

*Giving hope,
saving lives*

Bone Marrow Donor Institute

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Parkville VIC 3052

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Email: savealife@bmdi.org.au

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