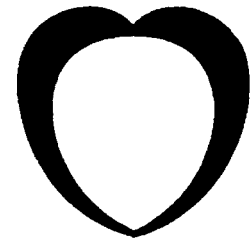


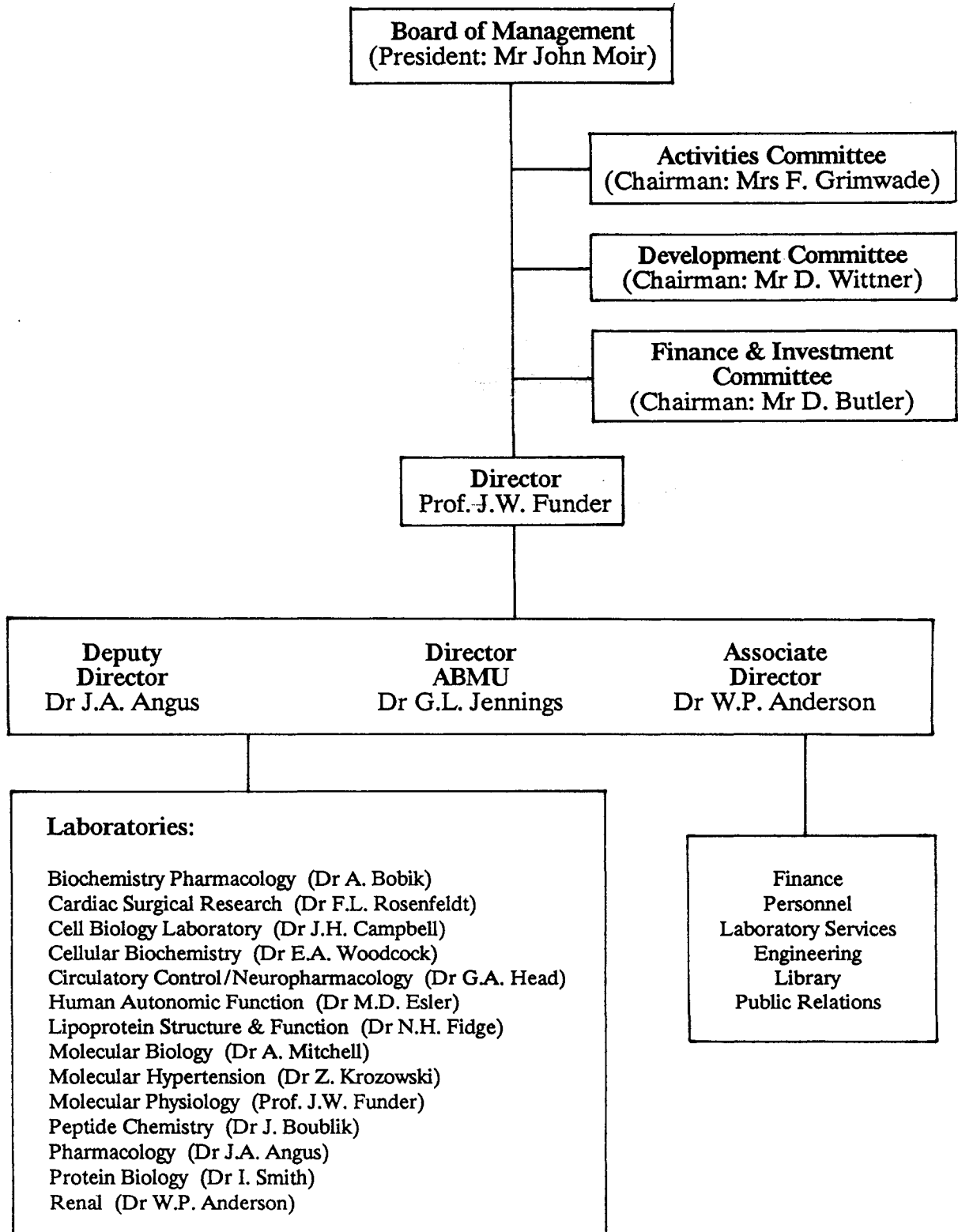
Baker Medical
Research Institute



Annual Report 1990

BAKER MEDICAL RESEARCH INSTITUTE

ORGANISATION CHART



BOARD OF MANAGEMENT

President	Mr J D Moir
Vice President	Mr D F Hogarth, BSc
Members	Mr R J Barcham Professor J W Funder, MD, PhD, FRACP Mrs F S Grimwade, OBE Mr W D McPherson, AO, AASA Mr W G Philip, AM, BComm, FCA Professor R Porter, BMedSc, DSc(Adel), MA, BCh, DM (Oxon), FAA, FRACP Mrs M Ross, SRN Professor G B Ryan, MD, BS, PhD(Melb), FRCPA, FRACP Mr D Wittner
Patron	Sir Laurence Muir, VRD, LLN, FSIA, FAIM
Honorary Board Member	Mr J C Habersberger, AO, BComm
Honorary Secretary	Mr W A Krickler, BSc(Hons) (Syd), BE(Hons)(Syd), MBA(NSW), FIE (Aust), FAIM, FIDA
Honorary Treasurer	Mr D J Butler, BEc(Hons), FASA, CPA
Activities Committee	Chairperson: Mrs F S Grimwade, OBE
Development Committee	Chairperson: Mr D Wittner
Finance and Investment Committee	Chairperson: Mr D J Butler, BEc(Hons), FASA, CPA

PRESIDENT'S REPORT

The previous annual report of the Institute was for 1989–1990, and the next one will be for 1991. This report covers a half-year, from 1 July 1990 to 31 December 1990, in terms of acknowledging our donors, and presents the annual accounts and audit statement for calendar year 1990.

The reason for this change is that, in accordance with normal commercial practice, we have moved the date of our Annual General Meeting from August to April. This year, accordingly, our 'Annual' Report is an interim statement; from now on, it will cover a calendar year, and will be available at the April AGM each year.

1990 has also been a year of transition in other ways. In September the Institute farewelled Professor Paul Korner, our Director for the past fifteen years. Under his leadership, the Institute has become recognized as one of the premier centres of cardiovascular research in the world.

In October we welcomed our incoming Director, Professor John Funder. Professor Funder is a distinguished endocrinologist, with a particular interest in the hormones which affect blood pressure. The team of young scientists that he has brought with him will particularly contribute to the fields of protein chemistry and molecular biology within the Institute.

Finally, just before the time of writing, we received the very welcome news of \$4m of Commonwealth support for our program of capital works, the total cost of which will be in the order of \$10m. We will have a new Institute, by the time the works are finished: a four storey office and laboratory block, with a new main entrance, on the site of the existing animal house, which in turn will be accommodated on the top floor of the building.

The changes over the past six months, and the prospect of an expanded and refurbished institute, present new and exciting challenges for the next few years. It is our belief that the Baker can progress from being the best cardiovascular research Institute in Australia to the best in the world. On behalf of the Board of Management, I invite you to share this challenge, and the rewards that meeting it will bring to our community as a whole.

John D. Moir
President, Board of Management

DIRECTOR'S REPORT

As the President has outlined in his report, 1990 has been a year of change for the Baker in a number of ways. In addition to those which he has listed, there have been a significant number of staff movements.

First, we welcome Dr. James Angus as Deputy Director, succeeding Dr. Philip Barter, who accepted the Chair of Preventive Cardiology at the University of Wollongong. Dr. Garry Jennings has become Director of the Alfred – Baker Medical Unit, and Dr. Warwick Anderson has succeeded Dr. Angus as Associate Director. On the organizational side, Mrs. Judy Segal has assumed responsibility for Administration and Personnel, and Mrs. Marlene Polsa for Community Relations.

Second, towards the end of the year we learned, with regret, that we were to lose Dr. Julie Campbell to Queensland, where her husband has accepted the Chair of Anatomy. More recently, we are delighted to have recruited Dr. Michael Berndt from Westmead Hospital. Dr. Berndt is an internationally recognized expert on blood clotting, and will start at the Institute shortly after Dr. Campbell's departure.

Finally, in terms of staff matters, I would like to place on record my most sincere appreciation of the welcome and acceptance which I have enjoyed as incoming Director. Even more importantly, those members of my group who moved to the Baker have equally been made welcome by the staff and Board, and for this our very sincere thanks are due.

The group that have joined the Baker bring with them skills in protein chemistry and molecular biology, complementing those areas already within the Institute, and adding particular strength to the areas of hormones, hypertension and atherosclerosis. When Dr. Berndt arrives, we will have a team that blankets the areas of heart and circulatory disease, giving us a purchase and perspective rarely if ever found elsewhere. Some evidence of this is that we are currently host to visiting scientists from eleven countries (U.K., U.S.A., Germany, France, Switzerland, Hungary, Russia, China, Japan, HongKong, Canada), and the demand for our senior (and junior) scientists to lecture around the world has never been higher.

Though an Institute like the Baker is mainly people, it is also about money. As the President has announced, we received \$4 million towards our capital works program from the Federal Government; particular thanks are due to Geoff Head, Judy Segal and Jim Angus for their contribution to the submission. 1990 was also by far the Baker's best year for successful applications to the National Heart Foundation of Australia; to the various staff concerned, congratulations are due. I should also like to record my thanks to the Baker Benefaction for their continuing generosity, which enables the Institute to function at the level it does.

However, 1990 also saw the recession upon us, with the inevitable contraction of support from some hard-pressed areas of the business community. To the majority of donors who have maintained their support despite the difficult economic conditions, we owe heartfelt thanks. What now faces us is to raise an additional \$6 million for our new building, which represents quite a challenge over the next year or two.

In conclusion, I would echo the President's statement that we can make the Baker the best cardiovascular research institute in the world. As never before, Australia needs goals – and with the dedicated work of our staff, and the selfless support of our donors, this goal has every chance of becoming a reality.

John W. Funder
Director

RECENT ACHIEVEMENTS

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A selection of scientific achievements include:-

- (1) The demonstration in spontaneously hypertensive rats that attenuating the development of cardiovascular hypertrophy or inducing its regression produces a sustained fall in blood pressure even in the absence of continued treatment (Adams, Bobik and Korner. *Hypertension* 16, 252-260, 1990).
- (2) The elucidation of the mechanism by which macrophages induce changes in phenotype, through destruction of heparin sulphate proteoglycan in the smooth muscle basal lamina. The active enzyme is an endoglycosidase located in the macrophage lysosome (Campbell, Kalevitch, Rennick, Campbell. *Ann N.Y. Acad. Sci.* 598, 159-166, 1990).
- (3) The use of subtractive hybridisation to show that smooth muscle cells actively undergoing a change in phenotype synthesise a totally new form of tropomyosin, suggesting that it may play a role in regulation of phenotype (Campbell, Tachas, Black, Cockerill, Campbell. *Basic Res. Cardiol.*, in press, 1990).
- (4) The development of a colony of rabbits with glomeruli on the surface of their kidney, accessible to direct study, and their exploitation of these rabbits to study the regulation of glomerular filtration; e.g. recent demonstration that endothelin causes powerful and progressive vasoconstriction of the kidney (Denton & Anderson. *Clinical & Experimental Physiology & Pharmacology*, in press);
- (5) The finding that vagal control of noradrenaline release fails early during acute myocardial ischaemia, so that an important "braking" mechanism protecting against arrhythmogenic stimuli is lost (Du X, Dart, Rismersma & Oliver. *Circulation Research* 66, 950-956, 1990);
- (6) The finding that during mental stress, the cardiac sympathetics are selectively potentially leading to arrhythmias (Esler, Jennings and Lambert. *Psychoneuroendocrinology* 14, 477-481, 1989; Esler, Jennings, Lambert, Meredith, Horne and Eisenhofer. *Physiological Reviews*, in press);
- (7) The demonstration of the non-selectivity of the genomic mineralocorticoid response element, in whole animal and clinical studies (Funder, Pearce, Myles and Roy: *FASEB Journal*, in press, 1990).

- (8) The finding that central antihypertensive drugs such as clonidine and methyldopa mimic most of the brainstem actions of the central noradrenergic neurons (Head. *Clinical and Experimental Pharmacology & Physiology*, in press 1990), but in addition act on noradrenergic projections to higher brain regions (Van Den Buuse, Head & Korner. *Brain Research*, in press, 1990).
- (9) The demonstration that regular exercise lowers blood pressure, involving documentation of the time course, mechanisms and dose-effect relationship of exercise training on cardiovascular risk factors, as well as the longterm effects on cardiac structure (Jennings, Deakin, Dewar, Laufer & Nelson. *Clin Exp Hypertension* A11, 1035-1052, 1989; Meredith, Jennings, Esler, Dewar, Bruce, Fazio & Korner. *J. Hypertension* 8, 859-866, 1990);
- (10) The finding that resistance vessels in heart failure patients have diminished responses to vasoconstrictors and to endothelial dependent vasodilators, consistent with their high cardiac and renal sympathetic activity, and their known predisposition to sudden death (Jennings & Esler. *Circulation* 81, Suppl. II, 5-13, 1990);
- (11) The identification and characterization of an antagonist for ATP sensitive K⁺ channels in vascular smooth muscle (McPherson & Angus. *Br. J. Pharmacol.* 97, 941-949, 1989; *Br. J. Pharmacol.* 100, 201-206, 1990);
- (12) The discovery of the protective effect of metabolic supplementation of the heart with orotic acid, in the setting of emergency cardiac surgery after myocardial infarction (Newman M.A.J., Chen X.Z., Rosenfeldt F.L. *Journal of Thoracic and Cardiovascular Surgery*, 97: 43 - 49, 1989).
- (13) The first demonstration that a putative HDL receptor existed in cells (Suzuki, Fidge, Nestel & Yin. *J. Lipid Res.* 24, 253-264, 1983) and that it is regulated by hormones (Fidge, Kanevsky & Nestel. *BBA* 193, 180-186, 1984) and drugs (Mathai, Fidge, Tozuka & Mitchell. *Arteriosclerosis*, in press, 1990);
- (14) The demonstration that the phosphatidylinositol turnover pathway within the same cell type can differ after stimulation by different effectors, explaining how cells initiate different responses following activation (Woodcock, Little and Tanner. *Biochem. J.*, 1990 in press)
- (15) The finding that atrial natriuretic peptide, previously thought to be a vasodilator, causes vasoconstriction *in vivo*, particularly in the gastrointestinal circulation (Woods & Anderson. *Am J. Physiol.*, in press);

FINANCIAL REPORT

FINANCIAL REPORT

BAKER MEDICAL RESEARCH INSTITUTE

YEAR ENDED 31ST DECEMBER 1990

INCOME AND EXPENDITURE AT A GLANCE - SCHEDULE 1

Income Derived From The Following Sources

1989		1990	
000s \$	%	000s \$	%
\$902	17	\$926	14
\$2,191	40	\$2,364	36
\$300	5	\$707	11
\$632	12	\$972	15
\$828	15	\$838	13
\$593	11	\$764	11
	Interest from Investments & Sundry Income		
-----		-----	
\$5,446	100	\$6,571	100

Expenditure Distributed as Follows

\$3,943	67	\$4,059	62
	Salaries And Wages Scientific Equipment &		
\$1,024	18	\$1,232	19
	Lab Supplies		
\$669	11	\$977	15
	Essential Services		
\$229	4	\$331	4
	General & Administration		
-----		-----	
\$5,865	100	\$6,599	100

BALANCE SHEETS AS AT 31ST/DECEMBER 1990 - SCHEDULE 2

OPERATING FUND
ACCUMULATED FUNDS & LIABILITIES

1989 \$		1990 \$
	((\$1,173,419) Accumulated (Deficit) (Schedule - 3))	(\$1,202,237)
\$316,701	Bank Overdraft	\$371,880
\$556,112	Sundry Creditors & Accrued Expenses	\$463,405
	Prov'n for Deferred Maintenance on Buildings, Laboratories & Other Facilities	\$290,492
	Provision for Leave Entitlements:	
\$232,163	- Annual Leave	\$210,003
\$308,556	- Long Service Leave	\$269,264
\$240,113		\$402,807
=====		=====
	Represented by:-	
	Assets	
	Cash at Bank	
\$1,200	Cash on Hand	\$1,150
\$230,913	Sundry Debtors & Prepayments	\$165,849
\$8,000	Short Term Deposits	\$235,808
\$240,113		\$402,807
=====		=====

ENDOWMENT FUND
ACCUMULATED FUNDS & LIABILITIES

\$1,858,373 Accumulated Fund - Schedule 5

\$1,959,335

Represented By:-

Assets

Investments (at cost) held by the Institute

\$202,600	Govt & Semi Govt Stock	\$202,600
\$385,738	Shares & Debentures in Companies	\$386,295
\$65,032	Trust Units	\$65,032
\$320,861	Short Term Deposits	\$360,861
\$29,109	Mortgage Loans	\$24,817

\$1,039,605

\$1,003,340

Held by A.N.Z. Executors & Trustees

\$46,046	Shares & Debentures in Companies	\$46,046
\$280,000	Trust Units	\$280,000
\$105,335	Short Term Deposits	\$105,335

\$431,381

\$431,381

\$47,557	Cash at Bank	\$108,349
\$380,000	Sundry Debtors (owed by Operating Fund)	\$380,000

Less: Liabilities

(\$3,905) Sundry Creditors

\$0

\$1,959,335

\$1,858,373

=====

RESEARCH SCHOLARSHIP AND OTHER FUNDS
ACCUMULATED FUNDS & LIABILITIES

ACCUMULATED FUNDS

\$575,424	Restricted Fund	Schedule 6	\$1,349,979
\$91,809	Edgar Rouse Memorial Fellowship	"	\$91,863
\$11,240	Research Fund	"	\$128,905
\$1,574	Before 2000 Heart Appeal	"	\$0
\$2,892	Laura Nyulasy cholarship Fund	"	\$2,892
\$39,888	William Buckland Research Fund	"	\$39,888
\$103,249	Lang Research Scholarship Fund	"	\$103,249
\$114,933	Bertalli Family Fund	"	\$114,933
\$87,264	Ruby Wallace Travel Scholarship Fund	"	\$87,893
\$131,643	Ethel Mary Baillieu Fund	"	\$131,810
-----			-----
\$1,159,916			\$2,051,412
=====			=====
	Represented By:-		
	Assets		
	Investments (at cost) held by the Institute		
\$1,054,122	Short Term Deposits		\$1,563,944
	Held by A.N.Z. Executors & Trustees		
\$8,253	Shares in companies		\$8,253
\$34,577	Trust Units		\$34,577
	(\$50) Short Term Deposits		(\$50)
\$123,414	Cash at Bank		\$444,688
\$22,743	Sundry Debtors		\$19,836
-----			-----
\$1,243,059			\$2,071,248
	Less: Liabilities		
\$83,143	Sundry Creditors		\$19,836
-----			-----
\$1,159,916			\$2,051,412
=====			=====

STATEMENT OF MOVEMENT OF ACCUMULATED FUNDS - SCHEDULE 3

1989		1990
\$		\$
	OPERATING FUND	
\$5,445,885	Income	\$6,570,727
\$5,911,385	Less: Expenditure	\$6,599,545
-----		-----
(\$465,500)	Surplus/(Deficit) for Year	(\$28,818)
(\$707,919)	Accumulated Deficit -	
-----	Opening Balance	(\$1,173,419)
(\$1,173,419)		-----
=====		(\$1,202,237)
		=====

OPERATING FUND
STATEMENT OF INCOME & EXPENDITURE - SCHEDULE 4

Income			
	Donations from Baker Benefactions		
\$11,569	Statutory Amount	\$23,138	
\$890,112	Yearly Block Grant	\$903,266	
<hr/>			
\$901,681			\$926,404
\$827,562	Other Donations (Net Transfers)	\$830,141	\$830,141
	Grants In Aid of Research Projects		
\$2,191,223	Nat'l Health & Med Res Council	\$2,364,118	
\$324,600	Nat'l Heart Foundtn of Aust	\$346,506	
\$125,956	Alfred Hospital	\$202,779	
\$0	Nth American Health Organisations	\$0	
\$57,190	Sundry Grants	\$268,416	
<hr/>			
\$2,698,969			\$3,181,819
	Other Grants		
\$1,392	G. F. Little Settlement	\$1,421	
\$25,000	J & E Borrowman Research Fund	\$0	
\$6,149	William Buckland Research Fund	\$8,350	
\$300,000	Victorian State Government	\$706,740	
\$339	L. Nyulasy Research Scholarship Fund	\$0	
\$0	Rouse	\$10,024	
\$8,818	Ruby Wallace Travel Scholarship	\$12,013	
\$45,606	E. E. Stewart Estate	\$72,158	
\$12,690	Bertalli Family Research Fund	\$16,530	
\$13,855	E. M. Baillieu Fund	\$18,565	
\$10,529	Lang Scholarship Research Fund	\$14,436	
<hr/>			
\$424,378			\$860,237
	Income From Investments Held by The Trustees of The Baker		
\$5,097	Institute Grant Trust	\$7,256	
\$314,453	Other Investment Income	\$435,668	
<hr/>			
\$319,550			\$442,924
	Other Income		
\$148,960	Sundry Sales Recoveries & Refunds	\$198,817	
\$124,785	Clinical Services	\$130,385	
<hr/>			
\$273,745			\$329,202
<hr/>			
\$5,445,885	TOTAL INCOME		\$6,570,727
=====			=====

OPERATING FUND
EXPENDITURE

\$3,942,693	Salaries & Wages	\$4,059,486
\$736,939	Laboratory Supplies & Isotopes	\$772,243
\$287,545	Additional Equipment & Building	\$460,097
\$52,314	Library Maintenance	\$72,960
\$14,677	Postage	\$9,994
\$43,059	Telephone	\$48,002
\$51,585	Printing & Stationery	\$62,194
\$100,746	Light & Power	\$147,774
\$77,807	Insurance	\$107,319
\$126,974	Repairs & Renewals	\$439,103
\$85,740	Travelling Expenses	\$58,060
\$44,819	Public Relations	\$44,049
\$109,951	Fundraising Expenses	\$102,874
\$11,606	Sundries	(\$3,596)
\$8,753	Clinical Services	\$9,500
\$14,400	Freight & Cartage	\$18,955
\$32,594	Legal & Accounting	\$43,581
\$2,909	Bank & Government Charges	\$2,985
\$48,826	Staff Amenities & Advertisements	\$30,097
\$10,898	Volunteers	\$18,345
\$59,982	Alfred Hospital Services	\$95,523

\$5,864,817 TOTAL EXPENDITURE
=====

\$6,599,545
=====

STATEMENT OF MOVEMENT IN ACCUMULATED FUNDS - SCHEDULE 5
 ENDOWMENT FUND

\$1,790,584	Opening Balance		\$1,858,373
	Income		
\$40,780	Interest - Investment	\$12,061	
\$8,622	- Bank	\$0	
	Profit on Sale of Shares &		
\$52,433	Redemption of Stock	\$104,440	
-----		-----	
\$101,835			\$116,501
	Expenditure		
\$266	Federal Tax & Bank Charges	\$71	
	Transfers to Operating -		
\$0	- Baker Benefactions	\$0	
\$29,875	- Interest	\$15,468	
\$3,905			
-----		-----	
\$34,046			\$15,539
-----		-----	
\$1,858,373	Closing Balance - Schedule 2		\$1,959,335
=====			=====

STATEMENT OF MOVEMENT IN ACCUMULATED FUNDS - SCHEDULE 6
RESEARCH SCHOLARSHIP AND OTHER FUNDS

RESTRICTED FUND		
\$556,501	Opening Balance	\$575,424
	Income	
	\$0 Baker Benefactions- Statutory Amount	\$0
\$810,277	Grants & Donations	\$1,452,460
\$8,499	Investment Income & Bank Interest	\$13,321
\$0	Accrued Interest	\$0
<hr style="border-top: 1px dashed black;"/>		
\$818,776		\$1,465,781
	Expenditure	
	\$0 Baker Benefactions- Statutory Amount	\$0
\$798,982	Payments	\$690,979
\$871	Bank Charges & Federal Tax	\$247
\$0	Accrued Payments	\$0
<hr style="border-top: 1px dashed black;"/>		
\$799,853		\$691,226
<hr style="border-top: 1px dashed black;"/>		
\$575,424	Closing Balance - Schedule 2	\$1,349,979
<hr style="border-top: 3px double black;"/>		

RESEARCH FUND

\$4,533	Opening Balance		\$11,240
	Income		
\$577,079	Donations	\$586,757	
\$6,529	Investment Income	\$8,752	
-----		-----	
\$583,608			\$595,509
	Expenditure		
\$500,893	Transfers to Other Funds	\$475,556	
\$5,204	Payments - Other		
\$2,804	Federal Tax & Bank Charges	\$2,288	
\$68,000	Accrued Transfers	\$0	
-----		-----	
\$576,901			\$477,844
-----		-----	
\$11,240	Closing Balance - Schedule 2		\$128,905
=====		=====	

BEFORE 2000 HEART APPEAL FUND

\$38,098	Opening Balance		\$1,574
	Income		
\$6,620	Donations	\$0	
\$4,844	Investment Income	\$49	
\$0	Accrued Interest & Donations	\$0	

\$11,464			\$49
	Expenditure		
\$1,723	Transfer to Operating Fund	\$1,585	
\$61	Federal Tax & Bank Charges	\$38	
\$46,204	Payments	\$0	
\$0	Accrued Transfers	0	

\$47,988			\$1,623

\$1,574	Closing Balance - Schedule 2		\$0
=====			=====

LAURA NYULASY SCHOLARSHIP FUND

\$2,892	Opening Balance		\$2,892
	Income		
\$339	Investment Income		\$0

\$339			
	Expenditure		
\$339	Grant to Institute		\$0
	Payments - Other		

\$339			

\$2,892	Closing Balance - Schedule 2		\$2,892
=====			=====

EDGAR ROUSE MEMORIAL SCHOLARSHIP FUND

\$98,309	Opening Balance		\$91,809
	Income		
\$3,669	Donations	\$0	
\$11,237	Investment & Bank Interest	\$10,124	
\$3,870	Accrued Interest & Donations	\$2,833	
-----		-----	
\$18,776			\$12,957
	Expenditure		
\$45	Federal Tax & Bank Charges	\$46	
\$7,677	Transfers to Operating	\$10,024	
\$14,974	Payments	\$0	
\$2,580	Accrued Transfers	\$2,833	
-----		-----	
\$25,276			\$12,903
-----		-----	
\$91,809	Closing Balance - Schedule 2		\$91,863
=====			=====

ETHEL MARY BAILLIEU FUND

\$132,611	Opening Balance		\$131,643
	Income		
\$15,357	Investment Income	\$14,702	
\$5,654	Accrued Interest	\$4,074	
-----		-----	\$18,776
\$21,011			
	Expenditure		
\$10,085	Transfer to Operating Fund	\$14,491	
\$64	Federal Tax & Bank Charges	\$44	
\$8,061	Payments	\$0	
\$3,769	Accrued Transfers	\$4,074	
-----		-----	\$18,609
\$21,979			
-----			-----
\$131,643	Closing Balance - Schedule 2		\$131,810
=====			=====

LANG RESEARCH SCHOLARSHIP FUND

\$97,984	Opening Balance		\$103,249
	Income		
\$11,390	Investment Income	\$11,249	
\$4,404	Accrued Interest	\$3,187	
-----		-----	\$14,436
\$15,794			
	Expenditure		
\$7,593	Transfer to Operating Fund	\$11,249	
\$2,936	Accrued Transfers	\$3,187	
-----		-----	\$14,436
\$10,529			
-----			-----
\$103,249	Closing Balance - Schedule 2		\$103,249
=====			=====

RUBY WALLACE TRAVEL SCHOLARSHIP FUND

\$82,345	Opening Balance		\$87,264
	Income		
\$10,146	Investment Income	\$9,998	
\$3,713	Accrued Interest	\$2,694	
-----		-----	\$12,692
\$13,859			
	Expenditure		
\$6,343	Transfer to Operating Fund	\$9,319	
\$122	Federal Tax & Bank Charges	\$50	
\$2,475	Accrued Transfers	\$2,694	
-----		-----	\$12,063
\$8,940			
-----			-----
\$87,264	Closing Balance - Schedule 2		\$87,893
=====			=====

WILLIAM BUCKLAND RESEARCH FUND

\$40,300	Opening Balance		\$39,888
	Income		
\$6,149	Investment Income	\$4,850	
	Accrued Income	\$3,500	\$8,350
	Expenditure		
\$6,149	Grant to Institute	\$4,850	
\$412	Payments - Other		
	Accrued Payments	3500	\$8,350

\$6,561			

\$39,888	Closing Balance - Schedule 2		-----
=====			\$39,888
			=====

STATEMENT OF INVESTMENTS (AT COST) - SCHEDULE 7

ENDOWMENT FUND
HELD BY THE TRUSTEES OF THE INSTITUTE

Government & Semi-Government Stock

M.M.B.W. Stock	\$2,600	
N.S.W. Treasury Bonds	\$200,000	
	-----	\$202,600

Other Stock		
A.G.C. Debentures		\$100,000

Shares in Companies		
A.N.Z. Bank	\$16,631	
Argo Investments	\$52,233	
B.H.P. Co. Ltd	\$5,976	
Boral Ltd	\$13,603	
Brambles	\$11,856	
Coles/ Myer Ltd	\$14,603	
C.R.A. Ltd	\$5,876	
C.S.R. Ltd	\$15,210	
C.S.R. Ltd Uns Notes	\$14,703	
Gen Prop Tst	\$17,265	
N.A.B. Ltd	\$4,311	
News Corp	\$9,280	
Nth Broken Hill	\$11,029	
Templeton Global Growth	\$50,000	
W. M. Soul Pattinson	\$11,088	
Westpac	\$21,599	
W.M.C. Holdings	\$11,032	
	-----	\$286,295

Cash Management Trust Units		
PP Cash Management Trust		\$65,032

Short Term Deposits		
Toronto Dominion Australia Ltd	\$60,861	
Bank Bills	\$300,000	\$360,861

Mortgage Loans		\$24,817
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Sundry Debtors		
Loans to Operating Fund		\$380,000

	-----	\$1,419,605
	=====	

BERTALLI FAMILY RESEARCH FUND

\$112,898	Opening Balance		\$114,933
	Income		
\$13,151	Investment Income	\$12,981	
\$5,074	Accrued Interest	\$3,548	
-----		-----	
\$18,225			\$16,529
	Expenditure		
\$9,307	Transfers to Operating Fund	\$12,981	
\$3,500	Payments	\$0	
\$3,383	Accrued Transfers	\$3,548	
-----		-----	
\$16,190			\$16,529
-----			-----
\$114,933	Closing Balance - Schedule 2		\$114,933
=====			=====

BAKER MEDICAL RESEARCH INSTITUTE
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 1990 - SCHEDULE 8

1. Incorporation

On 1st August 1980, The Thomas Baker, Alice Baker and Eleanor Shaw Medical Research Institute was incorporated as the "Baker Medical Research Institute" under the Baker Medical Research Act 1980. At this date the assets and liabilities of the original Institute were vested in the new Baker Medical Research Institute at book value.

2. Statement of Accounting Policies.

The accounting policies of the Institute, which are consistent with those applied in previous years, are as follows:

(a) Historical Cost.

The accounts of the Institute are prepared on the basis of historical cost and unless otherwise stated do not take into account the effect of changing money values or current valuations on non-current assets.

(b) Institute Funds, Income & Expenditure

The work of the Institute is financed from grants, endowments, donations and bequests of both general and specific natures. Income of a specific nature is taken to Restricted Funds where the terms of any relevant covenants apply to that income.

Income on investments is accounted for on an accrual basis.

Income from donations is accounted for on a cash basis.

Other income and expenditure is accounted for on an accrual basis.

Any deficiency arising therefrom is carried forward in the Operating Fund.

(c) Capital Expenditure and Depreciation

Capital expenditure made by the Institute in respect of buildings, furniture and equipment in present and past periods has been charged against appropriate funds, grants or revenue accounts and expensed in the period in which it was incurred. Accordingly, no depreciation charge appears in the Institute's accounts.

The Insurance cover of such accumulated capital expenditure, including buildings, to 31 December 1990 was approximately \$15,600,000.

3. Investments - Endowment Fund

The market value of shares in companies listed on the Australian Stock Exchange at 31st December, 1990 was \$615,489 (1989 \$816,202).

Investments managed by the ANZ Executors & Trustee Company Limited are included in the balance sheet of the Institute in accordance with statements provided by the custodian company, giving details of the Institutes' entitlements in securities held by the custodian company in its' own name.

4. Contingent Liability.

A contingent liability exists where the Institute has indemnified a former employee in a libel action brought against him in circumstances where he was representing the Institute. The action is presently pending and it is the opinion of the solicitors of the Institute and the Board of Management that the result of this action cannot be assessed at this time.

AUDITORS' REPORT TO THE BOARD OF MANAGEMENT

BAKER MEDICAL RESEARCH INSTITUTE

We have audited the attached accounts as set out on Schedules 2 to 8 in accordance with Australian Auditing Standards.

As indicated in note 2(c), it is the Institute's policy to write off all capital expenditure as incurred.

In our opinion, with the exception of the effect of the omission of these assets and the related depreciation charge, the attached accounts are drawn up so as to give a true and fair view of the accumulated funds of the Institute and the net assets representing those funds at 31st December 1990, and have been made out in accordance with Australian Accounting Standards applicable to non-business entities.

Price Waterhouse

E A Alexander
A member of the firm
Chartered Accountants.

BAKER MEDICAL RESEARCH INSTITUTE

STATEMENT BY BOARD MEMBERS

In the opinion of the Board Members:

(a) the accounts are drawn up so as to give a true and fair view of the state of the Institute's affairs as at 31st December, 1990 and of its results for the year ended on that date;

(b) at the date of this statement there are reasonable grounds to believe that the Institute will be able to pay its debts as and when they fall due;

(c) the accounts have been compiled in accordance with Australian Accounting Standards, except in relation to the treatment of capital expenditure and depreciation of scientific assets as set out in the notes to the accounts and referred to in the Report of the Auditors.

Signed at Melbourne this 15th day of April, 1991 in accordance with a resolution of the Board.

John Moir
President

John Funder
Director