

CELEBRATING
85 years of
RESEARCH
EXCELLENCE

BAKER IDI 2010 REPORT

RESEARCH
TRANSLATION
PREVENTION

IN 2011, THE INSTITUTE WILL CELEBRATE AN IMPORTANT MILESTONE, MARKING 85 YEARS SINCE THE BAKER MEDICAL RESEARCH INSTITUTE WAS ESTABLISHED.

OVER THE YEARS, OUR RESEARCHERS HAVE BEEN RESPONSIBLE FOR MANY GROUNDBREAKING ADVANCES, INCLUDING:

- › Proving that mental stress and cigarette smoking both provide powerful, selective and potentially harmful stimulation of the nerves of the heart
- › Developing techniques to assess stiffness of arteries, enabling the reliable early detection of atherosclerosis and hypertension
- › Establishing open heart surgery in Australia in collaboration with The Alfred Hospital
- › Proving that exercise can lower blood pressure
- › Developing a method to repair heart valves without surgery
- › Identifying key factors involved in clotting
- › Defining the differences between type 1 and type 2 diabetes



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CELEBRATING 85 YEARS OF RESEARCH EXCELLENCE

The 'Baker Institute' was founded by John Fullarton Mackeddie in 1926 with the generous assistance of benefactors Thomas and Alice Baker and Eleanor Shaw. A pathologist by training, Mackeddie had a vision for a leading medical research institute which could "apply the advancing knowledge of biological science to human illness"¹.

Described as the original architect of 'The Baker', Mackeddie convinced donors to invest in a scientific facility that embraced advances in medicine. With the princely sum of £4000, a small laboratory housing a handful of staff was erected on the grounds of The Alfred Hospital, marking the beginning of the Baker Medical Research Institute.

Eighty five years later, the Institute is home to more than 600 scientists, students and support staff. Today, Baker IDI Heart and Diabetes Institute is a world renowned medical research facility. The Institute's work extends from the laboratory to hospital research and wide-scale national and international community studies with a focus on diagnosis, prevention and treatment of diabetes and cardiovascular disease.

FROM STRENGTH TO STRENGTH

Baker IDI is Australia's fastest growing medical research institute. In the past decade, the Institute has established an Indigenous health research program and developed a research presence in Adelaide, Alice Springs and Singapore.

A merger between Baker Heart Research Institute and the International Diabetes Institute in 2008 saw the development of a super institute to tackle related diseases, with the organisation now known as Baker IDI Heart and Diabetes Institute. The Institute's collaborative model has been widely praised in the research arena as a strategic and sustainable model for the future.

¹ Lowe, T.E, *The Thomas Baker, Alice Baker and Eleanor Shaw Medical Research Institute THE FIRST FIFTY YEARS*, Published by the Trustees of the Institute, 1974.



Eleanor Shaw, Alice Baker and Thomas Baker. London, about 1913.



*J. F. Mackeddie. Trustee 1926-1944.
 Chairman 1929-1944.*

A SNAPSHOT OF PEOPLE, PAPERS AND BREAKTHROUGHS OVER THE PAST 85 YEARS

1926-1948

April 1, 1926: The Baker Medical Research Institute is established.

When John F. Mackeddie, a clinical doctor and medical researcher, had the idea for improving the laboratory facilities of The Alfred Hospital, he wanted the hospital to be able to keep up with the exciting new advances that were occurring overseas, especially in relation to the management of diabetes and other metabolic disorders. He was able to persuade his friend, the pharmacist and philanthropist Thomas Baker and his wife, Alice and sister-in-law, Eleanor Shaw, to assume financial responsibility for a medical institute. Together they decided that the institute should not only provide a better laboratory service for the hospital but should also have facilities for medical research. The Baker Medical Research Institute was born.

Research 1926 – 1948:

The institute's relationship with The Alfred Hospital from its very formation suggested it would evolve as a place of clinically relevant research. An overview of early research projects, before cardiovascular disease became the main focus in 1975, confirms this was the case. Early Baker research pursuits range from surgery to asthma and infectious diseases.

Important early projects ranged in focus from the central nervous system and pioneering work by Mackeddie and colleagues into better techniques for X-rays of the cerebrospinal fluid and studies of its cell content and chemistry in various diseases. Their work greatly improved the diagnostic ability for diseases of the central nervous system.

From this base, Laurence Cox, between 1930 and 1938, was able to relate clinical observations with pathological findings in a large series of brain tumours. His research was reviewed in the American Journal of Pathology in 1933.

Work in infectious diseases by the Baker's first director, William J Penfold, led to a new technique for bacteriological research: "blood culture", by which organisms circulating in the bloodstream were grown in the laboratory.

1932

Charles Richter and Beno Gutenberg develop the Richter scale for measuring earthquakes.

1938

Director 1938-1949 Arthur Basil Corkill.

1949

Director 1949-1974 Tom E.Lowe.

First assembly (and calculations) of a general purpose electronic computer, covering 1800 feet of floor space.

1950

Virologist Frank Fenner releases the myxoma virus, to control rabbits, in the Murray River Valley.

Venous Occlusion Plethysmography: A critical study

Alfred J. Barnett MD, FRACP, FRCP,

1951

Fluid Balance in Congestive Cardiac Failure two Mechanisms in Diuresis

T.E. Lowe, MD, DSc Melb, FRACP, MRCP

› First director of the Clinical Research Unit (now known as ABMU), 1949.

› Director of the Baker 1949-1974.

An Anti-Insulin Factor in the Plasma of Diabetic Patients

Joseph Bornstein and Phyllis Trehwella

Professor Joseph Bornstein, MD, DSc, FRACP

› At the Baker from 1948 -1952.

› Probably the first to demonstrate the metabolic distinction between types 1 and 2 diabetes.

1952

US physician Jonas Salk develops the first polio vaccine February 6, first use of a mechanical heart in a human patient.

1954

First organ transplant: Richard Herrick received a kidney from his twin brother Ronald at Boston's Peter Bent Brigham Hospital on December 23, 1954.

The Vectorelectrocardiogram in Bundle Branch Block

T.E. Lowe and J.M. Gardiner

Dr JM Gardiner MD, FRCP, FRACP, FACC

› Dr Gardiner was a superb cardiologist who brought modern cardiology to Melbourne in the 1950s and established the Cardiovascular Diagnostic Service. A great teacher.

Gastric, Duodenal and Jejunal Motility in Man: Physiological studies by Balloon-Kymography

Roderick Andrew AO, MD, FRCP, FRACP

› Professor Andrew probably had the longest association with the Baker, from 1947 until his death in the mid-90s. An eminent gastroenterologist and first medical dean at Monash University.

1954 – *The Mechanism of Arterial Hypertension: A Comparison of the Effects of Hexamethonium Bromide in Hypertensive and Normotensive Patients.*

<p>April 18, death of Albert Einstein.</p>	<p>1955</p>			
	<p>1957</p>	<p><i>The Nature of the Pigmentary Disturbance in Addison's Disease</i> Bryan Hudson and Geoff Bentley</p>	<p>Professor Bryan Hudson, DSc, MD, FRCP, FRACP › A most distinguished endocrinologist with major findings on pituitary hormones and first Monash professor of Medicine.</p>	<p>Associate Professor Geoff Bentley, PhD › Led pharmacology research from 1952-1955.</p>
<p>April 12, Russian cosmonaut Yuri Gagarin becomes first human in space.</p>	<p>1961</p>	<p><i>Total Body Perfusion</i> G.R. Stirling, K.N. Morris and F. Kincross</p>	<p>Dr George Stirling, MBBS, FRACS, FACS (1955-1962) › Dr Stirling pioneered research into the beginnings of modern cardiac surgery – heart-lung perfusion systems, myocardial preservation, and hyperthermia.</p>	<p>Dr. Ken Morris › Performed the first open-heart operation in Australia in 1957.</p>
	<p>1963</p>	<p><i>Experimental Pancreatitis: Use of a new Antiproteolytic Substance, Trasylol</i> A.D. McCutcheon MD, FRACP and D Race, MBBS</p>	<p>› Dr Doug McCutcheon worked at the Baker at various times from 1950 until 1961.</p>	
<p>January 11, US surgeon-general makes first announcement that smoking may be bad for health.</p>	<p>1964</p>	<p><i>A Structural Study of Abnormal Haemoglobins Occurring in New Guinea</i> C.C. Curtain</p>	<p>Dr Cyril Curtain PhD, DSc (1955-1966) › Dr Curtain was a protein chemist and biochemist who conducted outstanding research on blood proteins in clinical disorders.</p>	
<p>January 2, first successful human heart transplant.</p>	<p>1968</p>			
<p>July 20, First manned moon landing.</p>	<p>1969</p>	<p><i>Myocardial Function during β-Adrenergic Blockade</i> Winifred G. Naylor</p>	<p>Professor Gwen Naylor, DSc (1955-1972) › Professor Naylor was one of the Institute's most prolific and innovative scientists and an international authority on myocardial metabolism, function and pharmacology.</p>	<p>Her work contributed greatly to the introduction of calcium channel blockers, a keystone of treatment for high blood pressure and angina.</p>
<p>US Department of Defence invents the internet.</p>	<p>1973</p>			
<p>May 14, launch of the first US space station, Skylab.</p>				

1975-1980

Paul Korner
Director 1975-1990.

**Some proud achievements
1975 to 1980**

- › Hypertension Evaluation Clinic was expanded
- › Garry Jennings, Alex Bobik, Alf Barnett and Paul Korner introduced clinical pharmacological methods to optimise antihypertensive therapy.
- › Paul Nestel recruited to take charge of atherosclerosis research.
- › Lipid Clinic was established
- › Exercise testing centre for detecting ischaemic heart disease was established.
- › Heart Risk Evaluation Clinic was established (with the Victorian division of the National Heart Foundation)
- › Commencement of collaborative studies between the Clinical Research Unit (now ABMU) and the Circulatory and Hypertension Experimental Unit at the Baker Medical Research Institute. This collaboration leads to world leadership in aspects of hypertension research and treatment.
- › First demonstration that it may be possible to normalise the structure of arterial disease when blood pressure is well controlled in hypertensive patients.
- › Introduction of the ACE inhibitor enalapril to manage patients with essential hypertension resistant to standard therapies.
- › Improvements in the clinical diagnosis and treatment of circulatory abnormalities associated with autonomic dysfunction.
- › Epidemiological studies demonstrate that low HDL plasma levels are associated with significant risk of coronary heart disease.
- › Establishment in humans that cholesterol leaving tissues is immediately and primarily transferred to HDL in plasma (study in obese subjects undergoing weight loss).
- › Demonstration that moderate long-term exercise with apparent insulin resistance improved insulin resistance and lowered plasma triglycerides without affecting body weight.
- › Studies focus on environmental factors that may play key roles in precipitating obesity and diabetes in humans.
- › Dr Murray Esler demonstrates a neural defective noradrenaline uptake system in some hypertensive patients.
- › New treatment is introduced for postural hypotension.
- › Beta-adrenoceptors are found to be increased in patients with autonomic neuropathy, correlating with their greater response to beta-adrenergic stimulation.
- › Professor Paul Zimmet discovers highest diabetes prevalence in the world in Nauru.

1976

July 20, Viking 1 lands on Mars, sends back first clear images of planet's surface.

1977

First vaccine for pneumonia.

1980-1990

Director
1990-2000
John W. Funder.

**Some proud achievements
1980 - 1990**

- › Development of radiotracer methodology to study sympathetic nerve function in humans.
- › Examination of the feasibility of using beta-adrenoceptor pro-drugs to prolong the duration of beta-adrenoceptor blockade.
- › Development of analytical methods for measuring noradrenaline metabolites.
- › First ever measurements of regional sympathetic nerve activity in humans.
- › Observation that the severity of coronary heart disease in men is more linked to cholesterol-rich lipoproteins, while in women it is more linked to triglyceride-rich fractions.
- › Investigations into the usefulness of partial beta-adrenoceptor agonists for the treatment of heart failure.
- › Discovering that enalapril is useful for the treatment of congestive heart failure.
- › Demonstration of defective thermogenesis in obese people.
- › Demonstration that adrenoceptors (alpha and beta) are regulated in an inverse manner during chronic changes in sympathetic nerve activity.
- › Identified that increases in physical activity induce favourable reductions in cardiovascular risk.
- › Evidence to suggest that cardiac sympathetic nervous activity contributes to arrhythmia development during ischaemia.
- › Demonstration from noradrenaline spillover studies that, in congestive heart failure, clearance of noradrenaline is reduced and release from sympathetic nerves is increased.
- › Demonstration that a new transport system sodium hydrogen exchange is the major sodium transport process responsible for sodium influx into vascular smooth muscle and cardiac cells.
- › Demonstration that most people with high blood pressure have some structural and functional cardiac abnormality.
- › Exercise is recognised as one of the most reliable life-style methods for lowering blood pressure in sedentary people.
- › The opening up of new blood vessels is found to account for falls in blood pressure that occur in training individuals. Later reductions in sympathetic nerve activity also contribute.
- › Demonstration that exercise lowers blood pressure in hypertensives without demonstrable changes in the structure or compliance of the heart.

1981

US launches space shuttle Columbia.

1983

May, first report of the virus that causes AIDS.

1984

International Diabetes Institute founded in Melbourne by Professor Paul Zimmet AO.

**Emeritus Professor Paul Korner
AO, BSc, MSc, MB BS, MD,
Hon DSc (1925 -)**

› During Paul Korner's directorship, the Baker became the first Institute in Australia entirely dedicated to cardiovascular research and earned an international reputation for excellence in research on hypertension and atherosclerosis. He is the author and co-author of some 330 papers, chapters and other published works. He is an Officer of the Order of Australia, and a Fellow of the Australian Academy of Science.

1986

- Space shuttle Challenger explodes, killing all seven on board.
- Demonstration in animals with genetic hypertension that early prevention of cardiac and vascular hypertrophy results in markedly attenuated hypertension later in life.
- First demonstration that sodium-hydrogen exchange is a major intracellular pH regulatory pathway in cardiac and vascular smooth muscle cells.

1989

- British computer programmer Tim Berners-Lee invents the world wide web.
- Impairments in vascular function (contraction and relaxation) identified in patients with heart failure.
- First ever measurement of noradrenaline release from brain in human subjects.

1990-2006

Some proud achievements 1990 - 2006

- In 1980, the International Diabetes Institute developed a submission to the Federal Minister for Health titled "Diabetes in Australia", highlighting the impact of diabetes in the community and what government needed to

1996

- Scientists at Edinburgh's Roslin Institute clone first adult animal, Dolly the sheep.
- Defined the genetic basis of pseudohypoadosteronism.

2000

- Director 2000 - present Garry Jennings.
- Discovery that enzyme actions provide a novel mechanism of selectivity of action of steroids.
- 11BHSD cloned for the first time.

2002

- Opening of new Baker building and establishment of AMREP.
- Hypertension caused by renal artery narrowing defined.
- Leptin shown to be produced in the human brain.

2004

- Perth researchers Barry Marshall and Robin Warren win the Nobel Prize for Medicine for their discovery of a bacterium that causes gastritis and stomach ulcers.
- Hypertension has several causes in many patients proven by unique new methods of studying human brain release of amines.

2006-2009

Some proud achievements 2006 - 2009

- Developed a score for assessing the risk of developing diabetes from AusDiab data which is now being used nationally to select people for diabetes prevention programs.
- Developed a catheter system for the prevention of contrast-induced nephropathy (toxicity to the kidneys as a result of the use of contrast agents for coronary angiograms).

2010-2011

Some proud achievements 2010 - 2011

- 2009, Australian Elizabeth Blackburn becomes the first Australian woman to win a Nobel Prize for medicine. She was recognised for pioneering the study of telomeres and discovering the telomerase enzyme.
- ACE inhibitors identified as a treatment in Marfan syndrome.
- Demonstrated that sedentary time, independent of exercise time, increases risk of diabetes and death.
- Developed a urine test for diagnosis of coronary heart disease based on polymarkers.
- Identified sedentary behavior as a major target for health interventions.
- Opened Australia's first Healthy Lifestyle Research Centre.
- Relocated Australia's largest diabetes clinic to purpose-built new facilities on the AMREP campus. The clinic sees 8000 patients a year.

HIGHLIGHTS

RESULTS OF WORLD-FIRST RENAL DENERVATION STUDY PUBLISHED IN THE LANCET

In November 2010, Professors Murray Esler and Markus Schlaich published the results of a world-first trial of a new minimally invasive procedure for the treatment of difficult-to-treat high blood pressure. In the first international randomized controlled trial of the technology, sympathetic nerves leading into and out of the kidneys were silenced using radio frequency energy emitted by a catheter device inserted into the renal arteries through the groin.

The key finding, published in *The Lancet*, was that the procedure resulted in an average blood pressure reduction of 33/11 mmHg when compared to the control group that did not undergo the procedure. Hypertension is the biggest killer worldwide with around 7.1 million deaths per year directly attributed to uncontrolled blood pressure.

In Australia, between 25 to 30 per cent of the adult population is affected by high blood pressure and about half of those patients' blood pressure is not controlled to target through medication. It is anticipated that the procedure will be available for routine clinical application by 2012.

AUSDIAB ROUND THREE: STUDY TO PROVIDE 12 YEARS OF HEALTH DATA

In November 2010, Baker IDI was awarded \$2.5 million through the National Health and Medical Research Council's grant program in support of round three of the Australian Diabetes, Obesity and Lifestyle Study (AusDiab).

AusDiab is the largest Australian longitudinal population-based study of its kind. The study aims to track 11,000 Australian adults over 12 years to determine how many of the participants develop diabetes, obesity, kidney and heart disease.

The first AusDiab study conducted in 1999/2000 showed that one million Australians had diabetes, another two million had pre-diabetes and more than 60 per cent of adults were either overweight or obese. The third round of screening will commence

in Victoria in August 2011, with the AusDiab field study team travelling the nation for nearly a year to collect information about participants' health.

OBSESITY PREDICTIONS: A TIMELY WARNING

Using AusDiab data, Dr Dianna Magliano has projected that 11 per cent, or about two million Australians, are expected to develop diabetes by 2025 if current disease trends remain stable. This could increase to as high as 17 per cent, or about three million people, if the trend continues to rise. Dr Magliano's figures also predict that 72 per cent of people aged over 25 will have a weight problem by 2025.

The data was collected through the AusDiab studies in 2000 and 2005. That study has had a major impact on health care planning in Australia, alerting governments and policy makers to the scale and impact of heart and kidney disease, diabetes and obesity with the results translated into national screening and prevention programs.

RESEARCHER RECEIVES TOP COMMONWEALTH HEALTH AWARD

Head of Advanced Glycation, Associate Professor Josephine Forbes, received the Commonwealth Health Minister's Award for Excellence in Health and Medical Research for 2010, cementing her spot as one of the country's most promising medical researchers.

The Award recognises an outstanding junior researcher. This honour follows a National Health and Medical Research Council Excellence Award presented to Josephine earlier in 2010.

A researcher at Baker IDI for ten years, Josephine's primary research is focussed on the biochemical process of advanced glycation and its contribution to diabetes and vascular complications, in particular kidney disease.

Advanced glycation is a biochemical process brought on by an excess of sugar, with glycation having the capacity to cause major damage to the organs of a diabetic person over several decades. As well as occurring within the body, this process can be precipitated by certain types of cooking as well as eating foods that have been heavily processed.

A GROWING PRESENCE IN SINGAPORE

Baker IDI has been involved in an exciting partnership with the National Heart Centre at Singapore General Hospital since 2002. In 2010 the Institute moved to substantially expand its presence in Singapore through collaborative partnerships.

Under a Memorandum of Understanding (MOU) with Duke University and the National University of Singapore (NUS) Graduate School of Medicine, Baker IDI researchers will extend their work into the Singaporean population.

It is anticipated that the resulting benefits to the Institute will be far-reaching. The Singaporean Government has shown great vision in creating an environment – supported by local grants, infrastructure and research policy – that encourages and fosters health and medical research. The new MOU will give Baker IDI scientists access to this environment, thus widening the Institute's reach into new populations, while diversifying our funding base.

As an early example of the potential benefits, Professor Emeritus Paul Zimmet, together with colleagues in Singapore, was awarded a research grant through the NUS Global Asia Institute. Professor Zimmet AO will represent Baker IDI on the International Advisory Board. The first collaborative project to look at the frequency of diabetes and risk determinants in Asian populations is under way between epidemiology groups at NUS, Baker IDI and two leading centres in Beijing.

NHMRC GRANTS SUCCESS

A record number of Baker IDI research projects received funding in the 2010 round of National Health and Medical Research Council grants. In total, Baker IDI was awarded \$15.38 million for 24 research grants scheduled to commence in 2011.

Two of these projects are specifically designed to address the profound health disadvantage experienced by Indigenous Australians.

Professor Alex Brown and his colleagues were awarded \$1.8 million in support of The Central Australian Heart Protection Study. The project will evaluate novel approaches to reducing differential outcomes for cardiovascular disease amongst Indigenous Australians. While Professor Sandra Eades received a grant to support a world-first study that will examine the intergenerational determinants of foetal growth in Aboriginal West Australians.

Professor Tony Dart and collaborators were also awarded \$2.5 million to establish a Centre of Research Excellence in Translational Cardiology. The Centres of Research Excellence scheme, funded through the National Health and Medical Research Council, provides support for teams of researchers to pursue collaborative research.

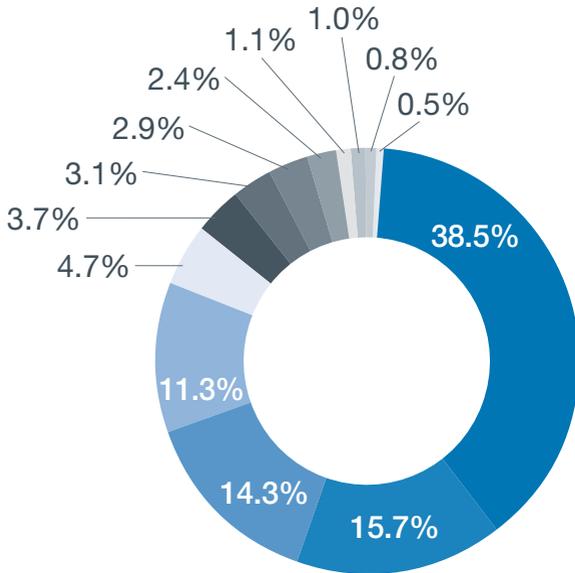
BAKER IDI 2010 PUBLICATIONS – HIGHEST IMPACT FACTOR JOURNALS

PUBLICATION NAME	IMPACT FACTOR 2009
New England Journal of Medicine	47.050
The Lancet	30.758
Journal of the American Medical Association	28.899
Cell Metabolism	17.350
Molecular Psychiatry	15.049
Circulation	14.816
British Medical Journal	13.660
PLoS Biology	12.916

For a full list of 2010 publications, visit www.bakeridi.edu.au

GRANTS SUMMARY

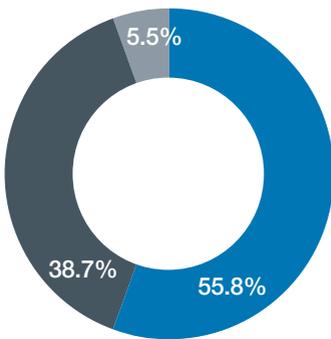
NATIONAL HEALTH & MEDICAL RESEARCH COUNCIL GRANTS 2010



Project Grants	\$8,402,846
IRLISS	\$3,433,337
Research Fellowships	\$3,117,000
Program Grants	\$2,456,351
Training Fellowships	\$1,026,684
Australia Fellowships	\$800,000
Career Development Awards	\$672,000
Capacity Building Grant	\$624,426
CREs	\$531,100
Development Grants	\$248,550
Equipment Grant	\$225,367
Postgraduate Scholarships	\$165,185
Health Services Research Grant	\$118,191

TOTAL **\$21,821,037**

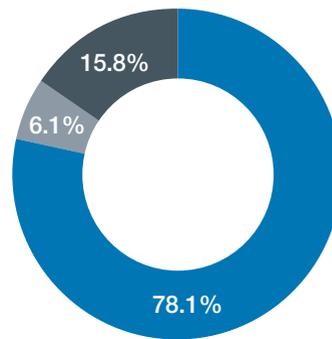
HEART FOUNDATION GRANTS 2010



Grants-in-Aid	\$564,760
Postdoctoral Fellowships	\$391,617
Postgraduate Scholarships	\$55,305

TOTAL **\$1,011,682**

INTERNATIONAL FUNDING



Juvenile Diabetes Research Foundation	\$1,403,208
National Institutes of Health	\$283,862
Muscular Dystrophy Association	\$110,000

TOTAL **\$1,797,070**



Robert Stewart
Board Chairman



Professor Garry Jennings AM
Director

MESSAGE FROM THE CHAIRMAN AND THE DIRECTOR

CELEBRATING 85 YEARS

In 2011, the Institute is celebrating 85 years since the founding of the Baker Medical Research Institute. Since its establishment in 1926, the organisation's staff have been responsible for a number of world-first breakthroughs and published thousands of scientific papers, contributing to a vast body of medical knowledge which is deployed today for the prevention and management of chronic disease.

As we reflect on the achievements of the past with a sense of collegiate pride, we look forward to a dynamic future, in which health and medical research is embedded in the health reform process and where translation of that research into health and medical practice remains central to the goal of discovery.

When John Fullarton Mackeddie embarked on his vision to pioneer a leading medical research institute he understood, only too well, the need to build sustainable operational models in support of basic science. As well as having a clear research agenda, Mackeddie was tenacious in identifying and securing funding support from private enterprise.

Mackeddie was blessed with the good fortune of having made the acquaintance of committed and visionary philanthropists Thomas & Alice Baker and Eleanor Shaw, whose contributions to research have been honoured in the organisation's title in various manifestations ever since – most recently as Baker IDI.

RESPONDING TO THE CHALLENGES OF OUR TIME

Many of the challenges Mackeddie faced remain with us today. Securing financial support continues to be a very real consideration for scientists. The current climate of global financial instability and the subsequent pressures on governments and their budgets demand that we manage our resources with even greater efficiency.

We acknowledge that these challenges are not unique to Baker IDI. Across the sector, Medical Research Institutes are having to find greater efficiencies and new revenue streams in order to ensure their long-term viability.

We do so against the dramatic backdrop of an increase in non-communicable diseases, particularly heart disease and diabetes as well as diseases associated with ageing. The continued rise and prevalence of these conditions heightens the relevance of our work, as evidenced by the UN's first summit on non-communicable diseases to be held later this year in New York. The gathering will focus worldwide attention on the need for co-ordinated treatment and prevention strategies to tackle chronic disease.

To assist us with our research in prevention we have some wonderful new tools available to us in terms of community networks and resources. This is complemented by our investment in hard science infrastructure which will allow us to take advantage of the emerging disciplines of Genomics, Epigenomics, Metabolomics and Proteomics.

MESSAGE FROM THE CHAIRMAN AND THE DIRECTOR (continued)

But these endeavours require extremely resourceful and specialised bioinformatics capabilities, IT storage and the ability to link to our collaborators both here and around the world.

Over the past year, we've focussed our scientific development and recruitment on ensuring that we have the right skills to fully leverage these opportunities. We now have a health informatics specialist on board from Harvard University who is assisting our scientists to more easily study large data sets, support reproducible, translational genomic research and allow common analysis amongst researchers.

It is envisaged that specialty capabilities like this will fast-track the growing fields of research at the Institute, as well as provide greater accuracy and transparency in data analysis and findings.

THE ROLE OF RESEARCH IN PLANNING FOR THE FUTURE

In equipping ourselves for the future, science must also demonstrate its ability to inform and shape the health reform agenda, particularly in relation to the successful translation of research into better health outcomes for patients. Not only does this ensure the relevance of our scientific endeavours to the broader community, it provides a powerful base for institutes like ours to influence health care policy and planning for the future.

Such focus has given rise to the concept of Academic Health Science Centres. Academic Health Science Centres can be defined as collaborative partnerships between one or more universities and health care providers focusing on research, clinical services, education and training. The purpose of these centres is the effective and timely translation of research breakthroughs into direct clinical benefits.

We are very fortunate that in our 85th year, the Institute has a history of close integration with the Alfred Hospital and our other AMREP partners, which places us in a good position to explore the possibility of a more formal arrangement around an Academic Health Science Centre in the future. In the meantime, we continue to work in close partnership with hospitals and universities to achieve better translation of our work.

We continue to look for new strategic alliances to conduct research and translate our work more effectively. To this end, we have expanded our presence in Singapore and are developing strong collaborative partnerships there with Duke University and SingHealth.

In more recent times, the Institute's work has extended into the community, in line with increasing changes around how health care is being delivered. There is now a much stronger focus on preventative health care as evidenced by the Government's commitment to a Preventative Health Agency tasked with focusing exclusively on driving the prevention agenda and combating the complex challenges of preventable chronic disease.

We are committed to preventative health and the development of better diagnostic tools as well as health policy and planning. The Australian Diabetes, Obesity and Lifestyle (AusDiab) Study; Australia's largest longitudinal health study, is just one example of our research which has had a major impact on health care planning in Australia - alerting governments to the scale and impact of diabetes and obesity, with the results translated into national programs for diabetes screening and prevention.

In 2011, we will embark on the third round of the study, with our researchers screening more than 8000 people over the next year to develop a snapshot of the nation's health. This landmark study aims to identify how many people have developed disease and how many have stayed healthy over the past 12 years and will provide important data for national health care planning.

“ As we reflect on the achievements of the past with a sense of collegiate pride, we look forward to a dynamic future, in which health and medical research is embedded in the health reform process and where translation of that research into health and medical practice remains central to the goal of discovery. ”

Prevention requires better screening and detection of disease and means that our work in the community has never been more important in the fight against chronic disease. Faced with an ageing population and increasing health care costs, we know that prevention rather than treatment of complications of chronic disease makes far more sense when it comes to the economic cost, quality of life and the social impact on communities.

In specific settings this is even more pronounced. The Institute's work in Central Australia continues to expand. In addition to research, we are also delivering clinical services on the ground in remote aboriginal communities, as well as building capacity amongst local health care workers.

THANK YOU TO ALL OUR SUPPORTERS

Of course, we cannot continue our work without the support of government and the wider community. We are very grateful for the generous assistance of our donors, volunteers, the Friends of Baker IDI, patients at our clinics, trial participants engaged in our clinical research and our committed and highly talented staff.

We would like to acknowledge the role of government and the important contributions that State and Federal departments make to our research. Australian governments are facing significant challenges at this time and we thank them for the foresight they have shown in relation to medical research and their investments, not only in our collective health, but in developing a vibrant and sustainable knowledge economy.

With the support of the Victorian Government, through its Operational Infrastructure Support program, and the Federal Government, through the Australian Research Council and the National Health and Medical Research Council, institutes like ours are in a better position to address the rising tide of chronic disease and ensure Australia remains a world-leader in health and medical research.

Finally, we would like to thank our Board for their tireless commitment to the Institute's mission and their enthusiasm for our work. We thank outgoing board member Professor Steve Wesselingh for his contribution to the Institute over the past three and a half years and wish him well in the future.

We are delighted to welcome as Board members Kate Metcalf, a Senior Solicitor with Monash University and a Trustee of The Baker Foundation and Robert Nicholson, a partner in the Australian-based international law firm, Freehills.

With the assistance and collaboration of our supporters, we look forward to the next 85 years in the Institute's history as we continue to embrace Mackeddie's original vision to "apply the advancing knowledge of biological science to human illness".



Robert Stewart
Board Chairman
Baker IDI Heart and
Diabetes Institute



Professor Garry Jennings AM
Director
Baker IDI Heart and
Diabetes Institute

BAKER IDI IN THE COMMUNITY

Baker IDI is actively engaged in health promotion, advocacy and education. The Institute is committed to developing sustainable relationships and collaborative partnerships to enhance the community's understanding of cardiovascular disease and diabetes and empower people to make better health and lifestyle choices.

COMMUNITY INITIATIVES:

PUBLIC DEBATE ON TOPICAL HEALTH ISSUES

Baker IDI's Perspectives series includes free public events designed to engage academics, scientists, clinicians and other specialists in discussion about topical public health issues. In December 2010, the Institute hosted a Perspectives event titled: 'Who Cares What We Eat?' The discussion was recorded by *Radio National's* Life Matters program and podcast through the ABC website. Speakers included Jacqi Deighan, Director of Food, Jamie's Ministry of Food Australia; Kate Carnell, CEO The Australian Food and Grocery Council; Professor Boyd Swinburn, Alfred Deakin Professor of Population Health and Professor Peter Clifton, Baker IDI's Head of Nutritional

Interventions. The event was complemented by the fourth edition of the Perspectives magazine which focused on the relationship between food and health.

DAME ELISABETH MURDOCH AC HOSTS CRUDEN FARM OPEN DAY

In March 2010, Dame Elisabeth Murdoch graciously opened the gates of her historic farm in Langwarrin to about 2000 people in support of an annual fundraising event hosted by 'Friends of Baker IDI'. As well as family entertainment and garden tours, the day included free health assessments in the Baker IDI Healthy Hearts Van. All proceeds from the event support research into the causes and treatment of cardiovascular disease and diabetes.



'Who cares what we eat' speakers (from LtoR) Jacqi Deighan, Director of Food, Jamie's Ministry of Food Australia; Kate Carnell, CEO The Australian Food and Grocery Council; Professor Boyd Swinburn, Alfred Deakin Professor of Population Health and Professor Peter Clifton, Baker IDI's Head of Nutritional Interventions.



Paceline cyclists raised funds for Baker IDI research by riding from Adelaide to Melbourne in 2010.

BUILDING CAPACITY IN INDIGENOUS HEALTH

In 2009, the Institute initiated a series of educational symposia designed to address the issues relating to diabetes and cardiovascular disease amongst Aboriginal people living in and around Alice Springs.

Funded by the Australian Government Department of Health and Ageing, the second educational symposium, titled: *Diabetes Care at the Centre: Grassroots Care & Prevention* was held in August 2010. Opened by the Hon. Warren Snowden MP, (Minister for Veterans' Affairs; Minister for Defence Science and Personnel; Minister for Indigenous Health), the event was attended by 120 local health care workers.

One of the objectives of the symposium was to promote engagement between local health care providers, educators, researchers and policy makers and expand knowledge of evidence-based care. Discussions focused on prevention and educational programs in remote communities as well as the barriers to improving health outcomes in these settings. All participants received a follow-up communiqué which included links to further education resources.

CYCLING FOR HEART HEALTH

The third annual Paceline ride was held in October 2010, with 20 riders and two support crew tackling the 1100km coastal route from Adelaide to Melbourne. Money raised from this annual event supports research and awareness of cardiac arrhythmias, with funds being distributed to Baker IDI and the Victor Chang Cardiac Research Institute.

The ride is the vision of Melbourne cyclist, father of two and team captain, Steve Quinn who was 35 when he was diagnosed with Atrial Fibrillation – the world's most common heart rhythm disorder. Following several operations to manage his condition, Steve set out to raise funds for research and awareness about Atrial Fibrillation and along the way, the event has attracted a wide range of media coverage on the subject. Senior Baker IDI staff participated in the 2010 ride.

BAKER IDI HOSTS COMMUNITY RIDE TO WORK BREAKFAST

Baker IDI hosted a free healthy breakfast and fitness activities which included a yoga session for staff and the local community on Ride to Work Day in October 2010. Dozens of cyclists braved the cold weather to cycle to work, including Baker IDI researchers who were actively promoting the many benefits of cycling. The scientists are researching the relationship between cellular metabolism and chronic disease, with their research showing physical activity, such as cycling, can help protect against disease.

TRANSLATING RESEARCH INTO BETTER HEALTH

Baker IDI is committed to translating the discoveries, knowledge and expertise of our researchers into better health outcomes for the community through the prevention and management of cardiovascular disease, diabetes, obesity and related disorders.

This commitment has resulted in partnerships with government, commercial entities, industry and support groups, with whom we have collaborated to develop health care programs and tools designed to make an immediate impact on the health of our nation.

SUPPORTING PATIENT EDUCATION

Baker IDI worked with Merck Sharp & Dohme to develop an innovative online education tool for health care professionals called '*Journey for Control*'. This resource was launched early in 2011 and has been designed to provide diabetes educators, practice nurses and other health care professionals with a tool that helps patients better understand their diabetes and achieve better control of their condition.

Baker IDI educators, researchers and clinicians, developed the clinical content for animated videos which are teamed with interactive risk calculators to help patients identify lifestyle modifications and make changes to improve health outcomes.

AUSTRALIA'S FIRST CHOLESTEROL LOWERING CHEESE

Professor Peter Clifton from the Nutritional Interventions laboratory at Baker IDI, conducted research showing the consumption of sterol-fortified products can reduce 'bad' cholesterol in men and women by up to 10 per cent within three weeks.

Based on the emerging evidence, Kraft developed Australia's first cholesterol-lowering cheese under the *Kraft LIVE Active* label, which is now widely available in Australian supermarkets. Kraft then funded Baker IDI to oversee the scientific content of a promotional program to launch this new product.

Baker IDI's involvement in the launch of a cholesterol-lowering cheese aligns with the Institute's approach to taking positive and practical steps to improve the health of Australian communities. This includes educating people about how to live a healthier lifestyle, including making healthier food choices.

LEADING THE WAY IN THE PREVENTION OF TYPE 2 DIABETES

In 2008 Baker IDI was responsible for developing the AUSDRISK type 2 diabetes risk screening tool and *Reset Your Life* - a diabetes prevention program for the community that provides information and tips to prevent the onset of type 2 diabetes for those found to be at risk of developing it.

These complimentary projects paved the way in 2010 for Baker IDI to be involved in further initiatives that supported the prevention of type 2 diabetes in the community.



A screen shot from *Journey for Control* - an online education resource for GPs and diabetes educators.

GP TRAINING

In 2010, the Australian Government funded the development and dissemination of education and training to General Practitioners in best-practice diabetes prevention with a focus on lifestyle-related risk factors.

This training was aimed at supporting GP engagement and referral to lifestyle modification programs such as *Reset Your Life*. Baker IDI developed the content for the Australian General Practice Network, which was then responsible for disseminating the programs to GPs.

The programs were accredited by the Royal Australian College of General Practitioners to enable GPs to receive professional development credits and were made available in both online format for self-guided learning, as well as workshop manuals for group training programs.

INDIGENOUS DIABETES PREVENTION PROGRAM

In 2010, the Goulburn Valley Division of General Practice (GVGP) was awarded funding to modify and pilot a variation of *Reset Your Life* to make the program more applicable to an Indigenous audience. Diabetes affects Australia's Indigenous community disproportionately and is a major contributor to the 17-year gap in life expectancy between Indigenous and non-Indigenous Australians.

GVGP sought the assistance of Baker IDI's diabetes experts across Australia to help translate the information into a format that is more sensitive to the cultural differences of this target group. In particular, the program materials were extensively modified to move away from text-heavy resources and to incorporate more activities and pictorial explanations.

The modified program was piloted in Indigenous communities in Victoria's Goulburn Valley and the feedback used to further identify program needs and improvement opportunities.

SUPPORTERS AND ACKNOWLEDGEMENTS

1 JULY 2010 – 30 JUNE, 2011

With thanks to all our generous supporters, including:

MAJOR INSTITUTIONAL SUPPORT

Australian Research Council
The Baker Foundation
Cardiac Society of Australia & New Zealand
Diabetes Australia Research Trust
Federal Government of Australia
Juvenile Diabetes Research Foundation
Kidney Health Australia
Muscular Dystrophy Association (USA)
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Mr Stephen Cook
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Mrs Vivienne Ritchie
Mr & Mrs Richard & Bernadette
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Mr & Mrs Richard & Jan Santo

FINANCIAL STATEMENTS

2010 was a year of consolidation for Baker IDI, its subsidiaries and associated entities. This followed a period of strong growth after the merger of the Baker Heart Research Institute with the International Diabetes Institute in 2008. That period also saw the expansion of our Indigenous health programs with support from a Commonwealth of Australia infrastructure grant.

Operational Infrastructure Support from the Victorian Government increased during 2010 by 15 per cent. The Institute would like to acknowledge the Victorian Government and its commitment to medical research. The Operational Infrastructure Support program provides essential funding towards indirect research costs that are not provided for by competitive grants. It contributes to meeting costs associated with infrastructure, overheads, support services, commercialisation and clinical exploitation of the Institute's research endeavors and equipment maintenance essential to grant-funded research.

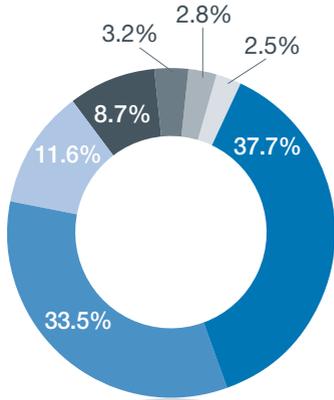
The Baker Foundation generously increased support for the Institute to \$1.93 million in 2010. The Baker Foundation has been a major sponsor of the Institute's work since the establishment of the former Baker Institute in 1926. The Foundation provides invaluable support to our scientific community.

The Institute was awarded \$15.38 million in the 2010 round of National Health and Medical Research Council grants for 24 research grants scheduled to commence in 2011. Baker IDI welcomes the priority given to health and medical research funding by the Federal Government and the infrastructure support they provide. Australian medical research translates to important health and economic benefits and is an essential component of the current health reform agenda.

Other significant sources of competitive grant funding include the Juvenile Diabetes Research Foundation, the National Heart Foundation and Diabetes Australia Research Trust grants. The Institute gratefully acknowledges the support of these grant programs and the critical role they play in supporting our research endeavors.

Income and expenditure at a glance

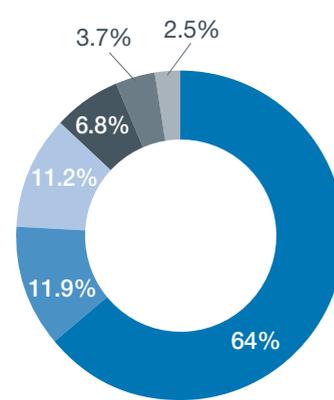
CONSOLIDATED REVENUE 2010



Service and clinical income	\$27,189,246
Competitive grants	\$24,158,334
Fundraising, including bequests	\$8,370,102
Government support	\$6,259,269
Other income	\$2,290,745
Investment income	\$2,047,135
Government capital infrastructure grants	\$1,830,000

TOTAL **\$72,144,831**

CONSOLIDATED EXPENDITURE 2010



Research and clinical costs	\$47,237,292
Administration	\$8,758,581
Laboratory support	\$8,243,785
Depreciation/amortisation	\$5,000,535
Building costs	\$2,748,207
Business development	\$1,830,310

TOTAL **\$73,818,710**

NOTABLE FINANCIAL INFORMATION

	2010 \$	2009 \$
Income for research and clinical trials	72,144,831	72,147,563
Expenditure on research and clinical trials	68,766,665	70,360,181
Net surplus from operations before depreciation & amortisation	3,378,166	1,787,382
Capital expenditure	1,833,722	8,771,681 *
Operational Infrastructure Support from Victorian Government included in income	2,825,932	2,458,718
Baker Foundation	1,930,000	1,750,000
Number of staff and visiting scientists	453	478
Number of students	63	54
Scientific papers published	404	308

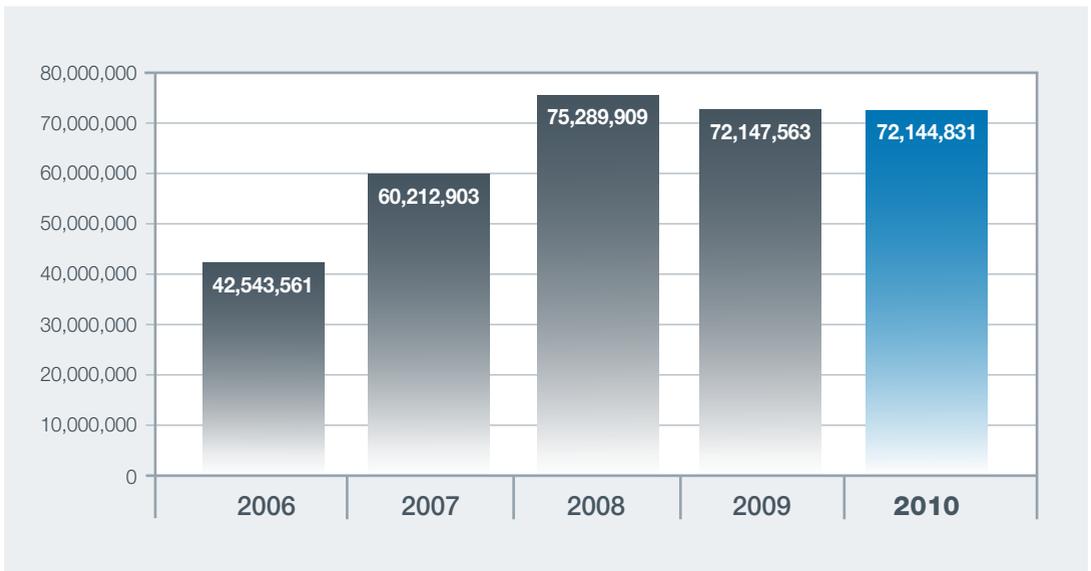
* Building works of \$5,327,069 during 2009 were funded by a Commonwealth Infrastructure Grant that was partially recognised as income in earlier years due to Australian accounting standard principles

FINANCIAL STATEMENTS (continued)

CONSOLIDATED BALANCE SHEETS



CONSOLIDATED REVENUE 2006-2010



STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2010

	CONSOLIDATED		PARENT	
	2010 \$	2009 \$	2010 \$	2009 \$
ASSETS				
Current assets				
Cash and cash equivalents	11,332,123	11,195,625	10,666,260	10,445,248
Trade and other receivables	6,530,166	9,126,723	2,798,726	4,962,828
Intercompany loan	-	-	-	325,000
Inventories	-	2,876	-	2,876
Right to occupy	507,619	420,003	507,619	420,003
Other current assets	215,920	195,966	146,184	113,069
Total current assets	18,585,828	20,941,193	14,118,789	16,269,024
Non-current assets				
Available-for-sale financial assets	17,115,421	18,439,236	17,063,340	18,387,155
Investment in subsidiary	-	-	35,623	70,505
Investment in associates	3,634,911	3,606,878	2,265,001	2,265,001
Property, plant and equipment	53,512,098	55,989,451	52,031,952	54,104,820
Intangible assets	147,850	406,056	147,850	406,056
Right to occupy	9,733,459	10,239,997	9,733,459	10,239,997
Total non-current assets	84,143,739	88,681,618	81,277,225	85,473,534
TOTAL ASSETS	102,729,567	109,622,811	95,396,014	101,742,558
LIABILITIES				
Current liabilities				
Trade and other payables	5,952,488	8,767,131	4,139,422	6,417,348
Interest bearing loans and borrowings	528,099	518,913	168,099	158,913
Unearned income	9,633,507	11,094,329	9,577,178	10,977,478
Provisions	6,682,261	6,207,688	6,143,280	5,753,971
Total current liabilities	22,796,355	26,588,061	20,027,979	23,307,710
Non-current liabilities				
Interest bearing loans and borrowings	578,300	1,106,399	398,300	566,399
Lease incentive liability	279,789	240,464	-	-
Provisions	1,350,973	972,524	1,129,779	817,710
Total non-current liabilities	2,209,062	2,319,387	1,528,079	1,384,109
TOTAL LIABILITIES	25,005,417	28,907,448	21,556,058	24,691,819
NET ASSETS	77,724,150	80,715,363	73,839,956	77,050,739

FINANCIAL STATEMENTS (continued)

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2010 (cont.)

	CONSOLIDATED		PARENT	
	2010 \$	2009 \$	2010 \$	2009 \$
EQUITY				
Equity attributable to equity holders of the parent				
Restructure reserve	-	-	5,578,233	5,578,233
Retained earnings	76,336,292	77,958,661	67,106,268	68,963,087
Net unrealised gains	1,155,455	2,509,419	1,155,455	2,509,419
Parent Interests	77,491,747	80,468,080	73,839,956	77,050,739
Non-controlling interests	232,403	247,283	-	-
TOTAL EQUITY	77,724,150	80,715,363	73,839,956	77,050,739

The Statement of Financial Position provided above, together with the attached Income Statement, have been extracted from the audited general purpose financial statements of Baker IDI Heart and Diabetes Institute Holdings Limited and its controlled entities. The summary financial information does not include all the information and notes normally included in a statutory set of financial statements. A full set of audited general purpose financial statements can be obtained upon request to the Chief Financial Officer.

The statutory financial statements (from which the summary financial information has been extracted) have been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The statutory financial statements were unqualified by the auditors Ernst & Young.

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2010

	CONSOLIDATED		PARENT	
	2010 \$	2009 \$	2010 \$	2009 \$
Continuing operations				
Grants supporting research activities	24,158,334	24,519,924	24,158,334	24,501,848
Commonwealth and state government capital infrastructure grants	1,830,000	3,650,000	1,830,000	3,650,000
Infrastructure funding	6,259,269	5,912,802	6,259,269	5,912,802
Fundraising, corporate and private support	8,370,102	8,708,884	8,370,102	8,708,883
Service and clinical income	27,189,246	25,096,792	10,378,113	8,681,684
Investment income	2,047,135	2,443,355	2,046,579	2,435,862
Other revenue	2,290,745	1,815,806	2,893,177	2,344,805
Revenue	72,144,831	72,147,563	55,935,574	56,235,884
Employee benefits expense	(42,975,854)	(43,780,818)	(33,886,792)	(34,667,836)
Research and clinical expense	(12,799,150)	(12,135,618)	(11,129,209)	(10,794,670)
Depreciation and amortisation expense	(5,000,535)	(4,402,330)	(4,473,577)	(3,782,723)
Share of profit/(loss) in associate	28,033	93,047	-	-
Impairment of assets	-	(55,001)	(34,882)	(515,631)
Loss on disposal of investment in subsidiary	-	-	-	(126,004)
Profit on sale of plant and equipment	7,200	13,052	7,200	13,052
Share based payment expense	(1,397)	(293,186)	-	-
Building overheads	(1,620,858)	(1,418,303)	(1,372,715)	(1,085,668)
Borrowing costs expense	(94,923)	(97,514)	(36,857)	(37,317)
Laboratory support expense	(6,749,841)	(7,125,727)	(2,931,277)	(3,500,633)
Raffle expense	(1,669,356)	(2,059,388)	(1,669,356)	(2,059,388)
Other expenses from ordinary activities	(2,906,796)	(3,545,406)	(2,264,928)	(2,796,069)
Surplus/(deficit) for the period before income tax expense	(1,638,646)	(2,659,629)	(1,856,819)	(3,117,003)
Income tax expense	-	(1,222)	-	-
Surplus/(deficit) for the period after income tax expense	(1,638,646)	(2,660,851)	(1,856,819)	(3,117,003)
Surplus/(deficit) of the period is attributable to:				
Non-controlling interest	(16,277)	(45,903)	-	-
Owners of the parent	(1,622,369)	(2,614,948)	(1,856,819)	(3,117,003)
	(1,638,646)	(2,660,851)	(1,856,819)	(3,117,003)

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