Cancer Research Trust

Special Purpose Financial Report
for the period ended
30 June 2011

TABLE OF CONTENTS

DIRECTORS' REPORT 3

AUDITORS' INDEPENDENCE DECLARATION 6

STATEMENT OF INVESTMENT INCOME 7

STATEMENT OF FINANCIAL POSITION 8

STATEMENT OF CASH FLOWS 9

NOTES TO THE FINANCIAL STATEMENTS 10

TRUSTEE DIRECTORS' DECLARATION 13

AUDIT REPORT 14

TRUSTEE'S REPORT

DIRECTORS

The names of the directors of Cancer Research Fund Pty Ltd, the Trustee of the Cancer Research Trust, in office during the period and until the date of this report are:

Peter Leonhardt
Peter Mansell
Peter Klinken
Ian Puddey

The directors submit the Trustee's report for the period ended 30 June 2011.

PRINCIPAL ACTIVITY, REVIEW AND RESULTS OF OPERATIONS OF THE TRUST

Cancer Research Fund Pty Ltd (CRF or the Trustee) acts as Trustee of the Cancer Research Trust (the Trust).

The Trust is endorsed as a Health Promotion Charity and has Deductible Gift Recipient status and is established:

1. To support and promote cancer research and education at a state, national and international level, and

2. To establish, maintain and administer a public fund or funds for any charitable purposes in relation to cancer research and education.

Pursuant to the Constitution of CRF and the Trust Deed:

1. The Trust is managed by a board of management (Board).

2. The board of management is to appoint an external national/international scientific committee to advise and assist the board and facilitate and oversee the peer review process.

3. The Trust Deed includes provisions:

    a. To ensure proper corporate governance;

    b. For the utilisation of an international peer review process for the assessment and allocation of grants from the Trust;

    c. That all research conducted pursuant to grants from the Trust be conducted in accordance with the Joint NHMRC/AVCC Statement and Guidelines on Research Practice (1991) or such other guidelines as may replace those guidelines;

    d. For the establishment of a nominations committee to call for and assess suitable appointees to the board to replace retirees;

    e. That the assets transferred to the Trust on settlement be invested prudently with the intention that the capital not be distributed as grants for at least 10 years;

    f. For the income to be applied towards the objects of the Trust in cancer research and education but for the first 10 years, not in the construction of research buildings; and

    g. Part of the income be used to establish and maintain an annual post-doctoral fellowship for a Western Australian based person to undertake cancer research and education at WEHI, with that person selected in accordance with the protocols published by the NHMRC.

TRUSTEE'S REPORT

PRINCIPAL ACTIVITY, REVIEW AND RESULTS OF OPERATIONS OF THE TRUST (continued)

The Trust Fund is made up of:

1. The CRI Fund being that part of the Trust Fund represented by the proceeds from realisation of the Assets:

   (i) 23 Thompson Road Fremantle V175 F187A (the Property). The settlement on the sale of the Property for a net $694,121 occurred in November 2009

   (ii) 4,568,526 Ordinary Shares in Sirtex Medical Limited ACN 078 166 122 (the Shares). The Shares were realised in October 2009 for a net $20,396,470; and

   (iii) The net after costs and expenses of $335,430.72 held by the CRI Receiver. Total funds of $152,000 have been received at balance date.

2. The Gift Fund (that part made up of public gifts of money or property made for Trust Purposes);

3. Public funds from donations, gifts, endowments, trust distributions, and any form of financial assistance from the public;

4. All money, investments and assets accepted by the Trustee; and

5. All accreditations and accumulations of income.

The investment policy of the Trust is that the CRI Fund is to be invested prudently and responsibly.

The distribution policy of the Trust is that any person or body corporate can apply to receive funding for an eligible project (a project that advances the Trust purposes). The applications are to be assessed by the scientific committee in accordance with the NHMRC Project Grants Peer Review Process for Funding 2009. The scientific committee is to advise the Trustee in writing of approved funding. The Trustee has the absolute discretion to decline funding.

The Board appointed Goldman Sachs JB Were as the investment advisor and portfolio manager after having considered:

1. Qualifications and Perth presence;
2. Governance;
3. Portfolio construction and investment allocation;
4. Forecast returns and risk profile;
5. Timing; and
6. Fees.

Goldman Sachs JB Were has presented periodic reports and recommendations to the Investment Committee and the Board for consideration and acceptance or otherwise.

For the year ended 30 June 2011 the CRI Fund;

1. generated net income of $1,001,691 (2010:$870,851) from an available capital base of $21,242,591 (2010:$21,140,000); and

2. realised losses on the investments sold during the year of $92,775 (2010:$168,602); and

3. had unrealised gains on the investment portfolio at 30 June 2011 of $541,477 (2010: losses $788,392).

TRUSTEE'S REPORT

CORPORATE GOVERNANCE

The board of directors of the Trustee ("Board") is responsible for corporate governance of the Trust.

All directors appointed to CRF must comply with the terms of the Settlement and the Constitution of CRF, which require that the Trustee must ensure that the principles of good governance are applied to all deliberations which occur under the Trust and by all advisory committees established under the Trust.

The Board established the Investments Committee to determine the strategies for realisation of the Shares and Property and the investment strategy for the monies realised from those assets.

The Board has also moved to form the Scientific Committee to access applications for grants and approvals of funding.

A Nominations Committee will be formed if and when required to assist the Board in reviewing the selection and appointment of directors and to regularly review and evaluate the performance of the Board.

Signed in accordance with a resolution of the directors of the Trustee.

Peter Leonhardt
Director
Perth

21 March 2012

Accru+
Page Kirk & Jennings

AUDITOR'S INDEPENDENT DECLARATION
TO THE TRUSTEE OF
CANCER RESEARCH TRUST
ABN: 33 906 785 987

I declare that, to the best of my knowledge and belief, during the period ended 30 June 2011 there have been no contraventions of the auditor's independent requirements in relation to the audit as set out in the Accounting Professional and Ethical Standards:

ACCRU+ PAGE KIRK & JENNINGS
Chartered Accountants

G R JENNINGS
Partner

Date: 16/3/2012
West Perth, WA

Level 2, 52 Kings Park Road
West Perth, 6005
PO Box 790, West Perth, 6872
Western Australia, Australia

Telephone + 61 8 9424 5700
Facsimile + 61 8 9481 0609
Web www.accru.com

Chartered Accountants + Business Advisors
Sydney + Melbourne + Brisbane
Perth + Adelaide + Hobart + Auckland

Liability limited by a scheme approved under Professional Standards Legislation.
Accru Page Kirk & Jennings ABN 60 676 941 622 is an autonomous and separately accountable member of Accru and CPA Associates International Inc.

STATEMENT OF INVESTMENT INCOME
FOR THE PERIOD ENDED 30 JUNE 2011

	2011 $	2010 $
Income		
Interest earned on funds at bank and on term deposits	140,197	274,113
Interest received or receivable from monies invested in managed funds	453,945	549,942
Dividends received or receivable from investments in listed securities	531,708	122,425
Donation	10,000	-
Unrealised profits on investments	541,477	-
	1,677,327	**946,480**
Expenses		
Bank charges	3	100
Accounting and secretarial fees	18,830	21,832
Advertising	91	-
ASIC annual fee	-	212
Audit fees	2,500	3,990
Consultants	5,535	-
Insurance	1,822	1,822
Investment management fees	98,894	39,095
Legal fees	5,779	7,497
Meeting costs	265	-
Website construction	250	1,080
Office stationery	190	-
Realised losses on investments	92,776	168,602
Unrealised losses on investments	-	788,392
Total expenses	**226,935**	**1,032,623**
Net income/(loss) before income tax	**1,450,392**	**(86,143)**
Income tax expense	-	-
Net income/(loss) after tax	**1,450,392**	**(86,143)**
On income account	1,001,691	870,851
On capital account	448,701	(956,994)
	1,450,392	**(86,143)**

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2011

	Note	2011 $	2010 $
ASSETS			
Current Assets			
Cash and cash equivalents	3	2,728,923	6,278,997
Receivable	4	277,678	480,872
Total Current assets		**3,006,601**	**6,759,869**
Non-current Assets			
Investments	5	19,630,112	14,321,902
Total Non-current Assets		**19,630,112**	**14,321,902**
TOTAL ASSETS		**22,636,713**	**21,081,771**
LIABILITIES			
Current Liabilities			
Trade and other payables		29,873	27,323
Total Current Liabilities		**29,873**	**27,323**
TOTAL LIABILITIES		**29,873**	**27,323**
NET ASSETS		**22,606,840**	**21,054,448**
EQUITY			
Contributed capital	6	21,242,591	21,140,591
Retained income		1,364,249	(86,143)
TOTAL EQUITY		**22,606,840**	**21,054,448**

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2011

	2011 $	2010 $
Cash flows from operating activities		
Interest	804,440	371,979
Dividends	535,241	98,627
Donation	10,000	-
Payments to suppliers	(142,247)	(53,304)
Net cash flows from/(used in) operating activities	**1,207,434**	**417,302**
Cash flows from investing activities		
Advance	102,000	-
Net Realisation of shares	-	21,748,424
Net realisation of property	-	694,120
Investments	(4,859,508)	(16,630,849)
Net cash flows from/(used in) investing activities	**(4,757,508)**	**5,811,695**
Cash flows from financing activities	-	-
Net cash flows from/(used in) financing activities	-	-
Net increase/(decrease) in cash and cash equivalents	(3,550,074)	6,228,997
Cash and cash equivalents at beginning of period	6,278,997	50,000
Cash and cash equivalents at end of period	**2,728,923**	**6,278,997**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2011

1 AUTHORITY

The financial report of Cancer Research Trust for the period ended 30 June 2011 was authorised for issue in accordance with a resolution of the directors of the Trustee on 21 March 2012.

Cancer Research Trust is a charitable trust established by Trust Deed dated 28 April 2009. The Trustee was incorporated on 25 May 2009 for the purpose of acting as the Trustee of the Trust and is domiciled in Australia.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

This financial report is a special purpose financial report prepared for use by the directors of the Trust. The directors have determined that the Trustee is not a reporting entity.

The financial report is presented in Australian dollars and is prepared on an accruals basis and based on historical cost basis.

The Trust was established:

1. to support and promote cancer research and education at a state, national and international level, and

2. to establish, maintain and administer a public fund or funds for any charitable purposes in relation to cancer research and education.

(b) Income Revenue Recognition

Revenue will be recognised as revenue as it accrues to the extent that it is probable that the economic benefits will flow to the Trust and the revenue can be reliably measured.

(c) Receivable

Pursuant to the Settlement, the Trust was entitled to receive the balance of $355,430.72 held by the CRI Receiver. That balance is after the costs, expenses and remuneration of the CRI Receiver in finalising the CRI Receivership, including the litigation to which CRI is a party. In 2009, the Trust received $50,000 as an advance. The amount of $102,000 was received in 2011.

(d) Property

On transfer to the Trust, the freehold land and building was brought to account at its expected net realisable value. That value was not been separated between land and buildings and no depreciation was been charged on the buildings. The freehold land and building was realised in November 2009 for a net $694,121.

(e) Shares and investments

On transfer to the Trust, the Sirtex shares were brought to account at the market value. The shares were realised for a net $20,396,470. Subsequent investments are recognised at market value at the end of the financial year. Any gain or loss on revaluation at year end is recorded in the Statement of Investment Income.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2011

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Trade and Other Payables

Trade and other payables are carried at cost and represent liabilities for goods and services provided to the Trustee prior to the reporting date that are unpaid and arise when the Trustee becomes obliged to make future payments in respect to the purchase of these goods and services.

(g) 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 Tax Office.

Trade payables in the Balance Sheet are shown inclusive of GST. Accruals are exclusive of GST.

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

(h) Income Tax

The Trust is a charitable trust and is exempt from Income Tax. This exemption will remain in force unless there is any change to the legislation or the activities of the Trust.

	2011 $	2010 $
3 CASH AND CASH EQUIVALENTS (CURRENT)		
Cash at bank	657,394	1,278,997
Monies on term deposit	2,071,529	5,000,000
	2,728,923	**6,278,997**
4 RECEIVABLE (CURRENT)		
Interest income	241,778	452,076
Dividend income	20,265	23,798
Goods and services tax	15,636	4,998
	277,679	**480,872**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2011

	2011 $	2010 $
5 INVESTMENT (NON-CURRENT)		
Investments		
Opening balance net fair value	14,321,902	-
Movement in period at cost	4,859,508	15,278,896
Realised profit/(loss) on realisations	(92,776)	(168,602)
Revaluation/(impairment) to fair value	541,478	(788,392)
Closing balance net fair value	**19,630,112**	**14,321,902**
Made up of:		
Investments in listed securities - equities		
Opening balance net fair value	6,915,042	-
Movement in period at cost	2,011,867	7,725,691
Realised profit/(loss) on realisations	(107,841)	(155,090)
Revaluation/(impairment) to fair value	469,294	(655,559)
Closing balance net fair value	**9,288,362**	**6,915,042**
Investments in listed securities - fixed interest		
Opening balance	831,705	-
Movement in period at cost	1,194,635	826,522
Realised profit/(loss) on realisations	2,296	2,679
Fair value adjustment	20,954	2,504
Closing balance net fair value	**2,049,590**	**831,705**
Investments in unlisted securities – managed funds		
Opening balance	6,575,155	-
Movement in period at cost	1,653,006	6,726,684
Realised profit/(loss) on realisations	12,769	(16,191)
Impairment to fair value	51,230	(135,337)
Closing balance net fair value	**8,292,160**	**6,575,155**
6 CONTRIBUTED CAPITAL		
Contributed capital is made up of:		
Opening balance	21,140,591	-
Receivable	102,000	50,000
Property	-	694,121
Shares	-	20,396,470
Closing balance	**21,242,591**	**21,140,591**

TRUSTEE DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Cancer Research Fund Pty Ltd as Trustee for the Cancer Research Trust, I state that:

In the opinion of the directors:

1. the financial statements and notes of the Cancer Research Trust give a true and fair view of the financial position as at 30 June 2011 and of the performance of the Cancer Research Trust for the period ended on that date; and

2. there are reasonable grounds to believe that the Trustee will be able to pay the debts incurred on behalf of the Cancer Research Trust as and when they become due and payable.

On behalf of the Board

Peter Leonhardt
Director
Perth

21 March 2012

Accru
Page Kirk & Jennings

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF THE CANCER RESEARCH TRUST

ABN: 33 906 785 987

We have audited the accompanying financial report, being a special purpose financial report of Cancer Research Trust, which comprises the Statement of Financial Position as at 30 June 2011, the Statement of Investment Income and Statement of Cash Flows for the year then ended, Notes comprising a Summary of Significant Accounting Policies and other explanatory information, and the Trustee Company's Declaration.

Trustee's Responsibility for the Financial Report

The trustee of the Cancer Research Trust is responsible for the preparation of the financial report, and has determined that the accounting policies described in Note 1 to the financial report are appropriate to meet the requirements of the Deed of Trust dated 28 April 2010. The trustee's responsibility also includes such internal control as the trustee determines is necessary to enable the preparation of a financial report that is free from material mis-statement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those 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 mis-statement.

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 mis-statement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the trustee, 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.

Level 2, 52 Kings Park Road
West Perth, 6005
PO Box 790, West Perth, 6872
Western Australia, Australia

Telephone + 61 8 9424 5700
Facsimile + 61 8 9481 0609
Web www.accru.com

Chartered Accountants + Business Advisors
Sydney + Melbourne + Brisbane
Perth + Adelaide + Hobart + Auckland

Liability limited by a scheme approved under Professional Standards Legislation.
Accru Page Kirk & Jennings ABN 60 676 941 622 is an autonomous and separately accountable member of Accru and CPA Associates International Inc.

Accru+
Page Kirk & Jennings

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF THE CANCER RESEARCH TRUST

ABN: 33 906 785 987

Independence

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

Opinion

In our opinion, the financial report presents fairly, in all material respects the financial position of Cancer Research Trust as at 30 June 2011 and its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial report.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 of the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the trustee's financial reporting obligations under the Deed of Trust dated 28 April 2010. As a result, the financial report may not be suitable for another purpose.

ACCRU+ PAGE KIRK & JENNINGS
Chartered Accountants

G R JENNINGS
Partner

Date: 22/3/2012

Level 2, 52 Kings Park Road
West Perth, 6005
PO Box 790, West Perth, 6872
Western Australia, Australia

Telephone + 61 8 9424 5700
Facsimile + 61 8 9481 0609
Web www.accru.com

Chartered Accountants + Business Advisors
Sydney + Melbourne + Brisbane
Perth + Adelaide + Hobart + Auckland

Liability limited by a scheme approved under Professional Standards Legislation.
Accru Page Kirk & Jennings ABN 60 676 941 622 is an autonomous and separately accountable member of Accru and CPA Associates International Inc.