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Form 388
Corporations Act 2001
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Corporations Regulations
1.0.08

Copy of financial statements and reports

Company details

Company name

GLYCEMIC INDEX FOUNDATION

ACN

096 268 147

Reason for lodgement of statement and reports

A public company limited by guarantee who qualifies under Tier 2

Dates on which financial year ends

Financial year end date
30-06-2012

Auditor's report

Were the financial statements audited or reviewed?

Audited

Details of current auditor or auditors

Current auditor

Date of appointment **05-06-2002**

Name of auditor

ERNST & YOUNG

Address

680 GEORGE STREET
SYDNEY NSW 2000

Certification

I certify that the attached documents are a true copy of the original reports required to be lodged under section 319 of the Corporations Act 2001.
Yes

Signature

Select the capacity in which you are lodging the form
Secretary

I certify that the information in this form is true and complete and that I am lodging these reports as, or on behalf of, the company.
Yes

Authentication

This form has been submitted by

Name	Pamela Louise LONGSTAFF
Date	31-10-2012

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GLYCEMIC INDEX FOUNDATION

ABN 53 096 268 147

(formerly Glycemic Index Limited)

GENERAL PURPOSE (RDR) FINANCIAL REPORT
For the year ended 30 June 2012

Contents to the financial report

Directors' report

Your directors submit their report for Glycemic Index Foundation (referred to hereafter as the Company) for the year ended 30 June 2012.

DIRECTORS

The names and details of the Company's directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period, unless otherwise stated.

Mr Stephen Higgs
Prof Janette Brand-Miller
Dr Alan Barclay
Mr Robert Barry
Ms Stephanie Martin
Mr Michael Wilson
Mr Mark Van Dyck (Appointed: 14 May 2012)

No Director had any pecuniary interest in the affairs of the Company during the year.

CORPORATE INFORMATION

Corporate Structure

Glycemic Index Foundation is a company limited by guarantee incorporated and domiciled in Australia. The registered office and principal place of business of the Company is: Level 4, 80-84 Chandos Street, St Leonards, NSW 2065. Members as at 30 June 2012 were the Juvenile Diabetes Research Foundation and University of Sydney. Glycemic Index Foundation is a non-profit organisation.

Employees

As at 30 June 2012, the Company has nil employees (2011: nil employees). The Company contracts with consultants providing on average 80 hours per week collectively. One consultant also volunteers as a director of the Company (see Director's Benefits below).

MEMBERS GUARANTEE

The Company is a public company limited by guarantee that is incorporated and domiciled in Australia. In the event that the Company is wound up, its constitution states that the members are required to contribute a maximum of $100 each and a total of $200 towards meeting any outstanding obligations of the Company.

As at 30 June 2012 the number of members was 2 (2011: 2 members).

Directors' report (continued)

INFORMATION ON DIRECTORS AND COMPANY SECRETARY

Director's qualifications and special responsibilities	Experience
Chairman Mr Stephen Higgs	Director: Peet Ltd. Chairman: JDRF. Past Chairman: Orlando Wines. Past Director: Primary Health Care Ltd, Austoft Pty, Jasco Pty Ltd, NPL Ltd, Leigh Mardon Pty Ltd, Rural Press Ltd and UBS Warburg, IPAC Securities Ltd. and So Natural Foods Ltd.
Director and President Prof Janette Brand-Miller, PhD, FAIST, FNSA, AM	Professor of Human Nutrition, University of Sydney. Member: National Committee on Nutrition, Australian Academy of Science. Past President: Nutrition Society of Australia. Past Chairman of Glycemic Index Ltd. Author of 220+ scientific publications about nutrition, carbohydrates, the glycemic index, diabetes and weight control. Best-selling author of the 'New Glucose Revolution' book series.
Director Dr Alan Barclay, PhD, BSc Grad. Dip. (Dietetics)	Head of Research, Australian Diabetes Council. Media Spokesperson, Dieticians Association of Australia. Co-author of the New Glucose Revolution: Diabetes & Pre-Diabetes Handbook.

Directors' report (continued)

INFORMATION ON DIRECTORS AND COMPANY SECRETARY (continued)

Director's qualifications and special responsibilities	Experience
Director Mr Robert Barry B Com, FCPA, FAICD	Chairman, Pengana Holdings Pty Ltd. Director, Uniseed Management Pty Ltd. Co-Founder of the Dominguez and Barry Group and past CEO of Dominguez Barry Samuel Montagu. Past Deputy Chairman, Queens Trust for Young Australians and AWB Limited. Past Chairman of Snowy Hydro Ltd
Director Ms Stephanie Martin BA, MBA (Hons)	Past CEO of Glycemic Index Ltd, Bridal Bootcamp Ltd.
Director Mr Michael Wilson B.Ec (Hons), B.Sc, GAICD	Chief Executive Officer and Managing Director, JDRF.
Director Mr Mark Van Dyck BA (Hons), GAICD	Director, JDRF Member of NSW Corporate Committee and Remuneration Committee Former COO of LG Electronics Former Managing Director Coca-Cola Australia Former Managing Director Coca-Cola Ireland Member of the NSW Council for Reach Foundation

Company Secretary
Ms Pamela Louise Longstaff, B.Ec, LLB (Hons)

Directors' report (continued)

REVIEW AND RESULTS OF OPERATIONS

Short-term and long-term objectives and strategy

The aim of the Company is to help consumers make healthy lifestyle choices, based on scientifically evidenced sustainable weight loss.

Core to this objective is the GI Symbol Program, a Low GI certified trade mark which guarantees to consumers that a food has had its GI tested at an accredited laboratory and that the food is a healthy choice which meets strict nutrition criteria that are consistent with international dietary guidelines.

The Company's strategy for achieving these objectives includes:

- growing the GI Symbol Program;
- educating consumers and health professionals about the GI ranking of carbohydrate in foods and about scientific research demonstrating the benefit of healthy low GI diets for the prevention and control of life-style related chronic diseases;
- working to un-cover existing lower GI carbohydrates, such as the Carisma potato, and researching ways to lower the GI of commonly consumed carbohydrate-containing foods and beverages;
- assisting food providers to make nutritionally healthy low GI choices available to consumers in each food and beverage category;
- ensuring the GI of foods is tested at the highest standard.

Funds surplus to the GI Symbol program are invested in education about the health benefits of low GI, and in work to make lower GI carbohydrates available in each food category.

Principal activities

The principal activity of the Company during the course of the financial year was that of a non-profit organisation involved in translating the science of the Glycemic Index to make healthy choices easy for consumers, including:

- communicating the benefits of a healthy low GI diet to consumers through traditional and social media channels;
- promoting the benefits of low GI eating to health professionals through distribution of Fact Sheets, at health professional conferences, on health professional targeted blogs and via media channels;
- retaining Nielsen & Co to conduct Qualitative Research to test the awareness of GI and the understanding of the health benefits of low GI eating amongst main grocery buyers;
- adding new products to the GI Symbol program and working with licensees to develop low GI products;
- adding new licensees to the Symbol program and pursuing opportunities with potential licensees in key product categories;
- engaging with Government and food and nutrition policy forums to raise the profile of the health benefits of low GI eating; and
- forming a key strategic partnership to create new tools to equip people to reduce their disease risk and achieve sustainable improvements in health.

Directors' report (continued)

REVIEW AND RESULTS OF OPERATIONS (CONTINUED)

Performance measurement

Financial criteria

Measure	2011	2012
Growth in Revenue	9.1%	7.4%
Expenses as a % of Gross Revenue	82.1%	72.1%

Educational criteria

• Website - new look website was launched in March and since launch averaged 1.8 million hits and 24,500 Unique Visitors

• PR – reach of 55 million across all media channels over the financial year

• Social media - the Company established Facebook and Twitter accounts in March & April respectively and attracted over 500 followers to end June

• Brochure distribution – over 25,000 brochures were distributed over the financial year, and an additional 10,000 downloaded from the website (based on average per month)

Consumer awareness

Market research conducted by Nielsen & Co February 2012 (1500 Main Grocery Buyers) showed a growing awareness of the Symbol and understanding of the benefits of Low GI eating:

• 37% aware of the GI Symbol (launched in 2009)

• >80% understand that the Symbol shows that the foods are healthy, scientifically tested and provide sustained energy/glucose release

• 91% of respondents who will make a food choice based on GI will use the GI Symbol as a shopping tool

Scientific progress

The Company continues to fund research to uncover low GI potato varieties, and is working with licensees to expand the supply of the Carisma potato and to introduce new low GI products such as rice into Australia.

The Company continues to raise awareness of scientific research establishing the benefits of a healthy low GI diet. Over the financial year this has included awareness-raising of research showing that a healthy low GI diet can:

• help people to lose weight and maintain weight loss;

• reduce the risk of diseases linked to inflammation such as obesity, diabetes, heart disease, and some cancers;

• prevent excessive weight gain in pregnancy and reduce infant birth weights and the likelihood of birth defects or a complicated delivery;

• reduce a child's future risk of obesity, type 2 diabetes and other chronic lifestyle diseases;

• reduce the risk of developing gestational diabetes;

• reduce the risk of breast cancer (compared to a high GI diet for 5 years or more); and

• improve a variety of cognitive functions in children.

Result of operations

The operating surplus for the year ended 30 June 2012 was $156,841 (2011: $93,825).

Income and expenditure

Total operating revenue for the year amounted to $569,962. This represents an increase of 7.4% from 2011 operating revenue of $524,076.

Total expenditure for the year amounted to $413,121. This represents a decrease of 5.6% from total expenditure of $430,251 in 2011.

Directors' report (continued)

SIGNIFICANT EVENTS AFTER BALANCE DATE

The company was previously named Glycemic Index Limited. On 4 October 2012, the company changed its name to Glycemic Index Foundation.

There have been no other significant events occurring after the balance date which may affect either the Company's operations or results of those operations or the Company's state of affairs.

DIRECTOR'S BENEFITS

In accordance with the Company's Constitution, during the financial year 1 Director has received payments for services provided as an expert consultant to the Company.

DIRECTORS' MEETINGS

The number of meetings of directors (including meetings of committees of directors) held during the year and the number of meetings attended by each director were as follows:

	Number of meetings eligible to attend:	Number of meetings attended:
Mr Stephen Higgs	2	2
Prof Janette Brand-Miller	2	2
Dr Alan Barclay	2	2
Mr Robert Barry	2	2
Ms Stephanie Martin	2	2
Mr Michael Wilson	2	2
Mr Mark Van Dyck	0	0

AUDITOR INDEPENDENCE

The directors received an independence declaration from the auditor, Ernst & Young. A copy has been included on page 8 of the report.

Signed in accordance with a resolution of the directors.

Mr Stephen Higgs
Chairperson

Sydney, 25 October 2012

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Sydney NSW 2000 Australia
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Auditor's Independence Declaration to the Directors of Glycemic Index Foundation

In relation to our audit of the financial report of Glycemic Index Foundation for the financial year ended 30 June 2012, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Ernst & Young

Loretta Di Mento
Partner
25 October 2012

Statement of financial position

As at 30 June 2012

	Note	2012 $	2011 $
ASSETS			
Current assets			
Cash and cash equivalents	5	**266,409**	286,290
Trade and other receivables	6	**297,358**	104,023
Term deposits		**738,372**	709,944
Prepayments		**7,113**	3,637
Accrued income		**17,121**	102,294
Total current assets		**1,326,373**	1,206,188
Non-current assets			
Property, plant and equipment	7	**1,204**	1,365
Intangible assets	8	**13,014**	560
Total non-current assets		**14,218**	1,925
TOTAL ASSETS		**1,340,591**	1,208,113
LIABILITIES			
Current liabilities			
Trade and other payables	9	**360,228**	283,527
Deferred revenue		**184,083**	274,897
Total current liabilities		**544,311**	558,424
Non-current liabilities			
Deferred revenue		**250**	10,500
Total non-current liabilities		**250**	10,500
TOTAL LIABILITIES		**544,561**	568,924
NET ASSETS		**796,030**	639,189
EQUITY			
Contributed funds		**30,000**	30,000
Retained surplus		**766,030**	609,189
TOTAL EQUITY		**796,030**	639,189

The above statement of financial position should be read in conjunction with the accompanying notes.

Statement of comprehensive income

For the year ended 30 June 2012

	Note	***2012***	*2011*
		$	*$*
Licence fees		**431,578**	477,875
Interest		**55,780**	45,740
Donations		**-**	461
Marketing services		**82,604**	-
Revenue		**569,962**	524,076
Depreciation and amortisation expense	4(a)	**(2,794)**	(3,499)
Royalty fees		**(43,132)**	(48,026)
Consulting fees		**(239,948)**	(225,958)
Web site		**(699)**	(718)
Insurance		**(4,192)**	(3,917)
Other expenses	4(b)	**(122,356)**	(148,133)
Net surplus for the year		**156,841**	93,825
Other comprehensive income		**-**	-
Total comprehensive income for the year		**156,841**	93,825

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

Statement of changes in equity

For the year ended 30 June 2012

	Contributed funds *$*	*Retained surplus* *$*	*Total equity* *$*
At 1 July 2010	30,000	515,364	545,364
Net surplus for the year	-	93,825	93,825
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	93,825	93,825
At 30 June 2011	30,000	609,189	639,189
At 1 July 2011	**30,000**	**609,189**	**639,189**
Net surplus for the year	**-**	**156,841**	**156,841**
Other comprehensive income		**-**	**-**
Total comprehensive income for the year	**-**	**156,841**	**156,841**
At 30 June 2012	**30,000**	**766,030**	**796,030**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of cash flows

For the year ended 30 June 2012

	Note	**2012** $	2011 $
Operating activities			
Receipts from customers and donations		**354,114**	546,150
Payments to suppliers and employees		**(436,832)**	(468,150)
GST (payment)/refund		**(5,996)**	11,323
Interest received		**55,780**	45,740
Proceeds from related parties		**56,568**	97,988
Net cash flows from operating activities		**23,634**	233,051
Investing activities			
Purchase of property, plant and equipment and software		**(494)**	(1,420)
Purchase of intangible assets		**(14,593)**	(60)
Purchase of short term-deposits		**(28,428)**	(709,944)
Net cash flows used in investing activities		**(43,515)**	(711,424)
Net cash flows from financing activities		**-**	-
Net decrease in cash and cash equivalents		**(19,881)**	(478,373)
Cash and cash equivalents at 1 July		**286,290**	764,663
Cash and cash equivalents at 30 June	5	**266,409**	286,290

The above statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the financial statements

For the year ended 30 June 2012

1 CORPORATE INFORMATION

The financial report of Glycemic Index Foundation (the "Company") for the year ended 30 June 2012 was authorised for issue in accordance with a resolution of the directors on 25 October 2012.

Glycemic Index Foundation is a company limited by guarantee incorporated and domiciled in Australia.

The company was previously named Glycemic Index Limited. On 4 October 2012, the company changed its name to Glycemic Index Foundation.

The nature of the operations and principal activities of the Company are described in the directors' report.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001,* Australian Accounting Standards - Reduced Disclosure Requirements and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has also been prepared on a historical cost basis.

The financial report is presented in Australian dollars ($).

(b) Statement of compliance

The Company is not-for-profit entity. Therefore the financial report complies with Australian Accounting Standards requirements specific to not-for-profit entities, including AASB 102 Inventories, AASB 116 Property, Plant and Equipment, AASB 136 Impairment of Assets and AASB 1004 Contributions. The Company has adopted AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements for the financial year beginning on 1 July 2010.

(c) New accounting standards and interpretations

(i) Changes in accounting policy and disclosures

The accounting policies adopted are consistent with those of the previous financial year.

(ii) Accounting standards and interpretations issued but not yet effective

Certain Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Company for the annual reporting period ended 30 June 2012. The directors have not early adopted any of these new or amended standards or interpretations. The directors have not yet fully assessed the impact of these new or amended standards (to the extent relevant to the Company) and interpretations.

Notes to the financial statements (continued)

For the year ended 30 June 2012

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and cash invested in short term investments with several financial institutions.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

(e) Trade and other receivables

Trade receivables, which generally have quarterly terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

Collectability of trade receivables is reviewed on an ongoing basis. Individual debts that are known to be uncollectible are written off when identified. An impairment provision is recognised when there is objective evidence that the Company will not be able to collect the receivable. Financial difficulties of the debtor, default payments or debts more than 90 days overdue are considered objective evidence of impairment. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows.

(f) Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and any impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation. All other repairs and maintenance are recognised in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful life of the specific assets as follows:

Computer Equipment - over 2 to 3 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the statement of comprehensive income.

Notes to the financial statements (continued)

For the year ended 30 June 2012

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Impairment of non-financial assets

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

The Company conducts an internal review of asset values, which is used as a source of information to assess for any indicators of impairment. External factors, such as changes in expected future processes, technology and economic conditions, are also monitored to assess for indicators of impairment. If any indication of impairment exists, an estimate of the asset's recoverable amount is calculated.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed.

(h) Intangibles

Intangible assets acquired are initially measured at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is recognised in profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the amortisation period or method, as appropriate, which is a change in accounting estimate. The amortisation expense on intangible assets with finite lives is recognised as an expense in the statement of comprehensive income.

A summary of the policies applied to the Company's intangible assets is as follows:

Software

Useful lives
Finite
Amortisation method used
Amortised over 2 - 3 years
Internally generated or acquired
Acquired
Impairment testing
Whenever an indication of impairment exists

Notes to the financial statements (continued)

For the year ended 30 June 2012

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Intangibles (continued)

Trademark

Useful lives
Infinite
Amortisation method used
No amortisation
Internally generated or acquired
Internally generated
Impairment testing
Annually or more frequently when an indication of impairment exists

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

(i) Trade and other payables

Trade and other payables are carried at amortised cost and due to their short-term nature they are not discounted. They represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services. Loans are carried at amortised cost, where if the effect of the time value of money is material, they are discounted using a current pre-tax rate that reflects the risks specific to the liability.

(j) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) Licence Fees
Revenue from licence fee contracts are deferred. The balance relates to licence fees paid upfront and deferred over the period of the licence. In the case that revenue relating to the period per the contract is not received at year end, it is recognised as accrued income in the balance sheet and revenue in the profit and loss.

(ii) Interest revenue
Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

(iii) Donations income
Donations are recognised on the receipt of funds.

(k) Income tax

The Company is a registered charity and is not liable for income tax by virtue of Section 50-B of the *Income Tax Assessment Act 1997*.

Notes to the financial statements (continued)

For the year ended 30 June 2012

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

► When the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

► Receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

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

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources.

No significant accounting judgements, estimates and assumptions were made during the year.

Notes to the financial statements (continued)

For the year ended 30 June 2012

4 REVENUE AND EXPENSES

	2012 $	2011 $
(a) Depreciation and amortisation expense		
Depreciation of non-current assets		
Computer equipment	**655**	1,449
Total depreciation of non-current assets	**655**	1,449
Amortisation of non-current assets		
Intangible assets	**2,139**	2,050
Total amortisation of non-current assets	**2,139**	2,050
Total depreciation and amortisation expense	**2,794**	3,499
(b) Other expenses		
Advertising and Promotion	**41,640**	4,910
Assignment costs	-	63,024
Audit and accounting fee	**14,870**	14,401
Bank charges	**691**	664
Bad and doubtful debts	**(6,000)**	6,000
Conference expenses	**23,195**	21,428
Donations	**60**	-
Legal fees	**982**	2,528
Postage/Stationery	**1,746**	1,039
Research	**23,000**	5,000
Subscriptions	**314**	893
Staff recruitment	-	1,388
Telephone	**1,197**	3,253
Travel	**10,590**	7,917
Withholding Tax	**2,360**	6,813
Loss on disposal of property, plant and equipment	-	353
Public relations	**2,943**	-
Printing	**1,549**	-
Trademark expenses	**1,945**	-
Other expenses	**1,274**	8,522
Total other expenses	**122,356**	148,133

5 CASH AND CASH EQUIVALENTS

	2012 $	2011 $
Cash at bank and in hand	**266,409**	286,290
	266,409	286,290

Reconciliation to the statement of cash flows

For the purposes of the statement of cash flows, cash and cash equivalents comprise of the above.

Notes to the financial statements (continued)

For the year ended 30 June 2012

6 TRADE AND OTHER RECEIVABLES (CURRENT)

	2012 $	2011 $
Trade receivables	**272,902**	99,472
Allowance for impairment loss	**-**	(6,000)
	272,902	93,472
Accrued interest income	**24,406**	10,501
Deposits with supplier	**50**	50
Carrying amount of trade receivables	**297,358**	104,023

(a) Allowance for impairment loss

Trade receivables are non-interest bearing and are generally on quarterly terms. A provision for impairment loss is recognised when there is objective evidence that an individual trade receivable is impaired. A reversal of impairment loss of $6,000 (2011: impairment loss of $6,000) has been recognised by the Company in the current year. These amounts have been included in the bad and doubtful debts expense item. No individual amount within the impairment allowance is material.

Movements in the provision for impairment loss were as follows:

	2012 $	2011 $
At 1 July	**6,000**	-
Charge for the year	**-**	6,000
Reversal of bad and doubtful debt	**(6,000)**	-
At 30 June	**-**	6,000

7 PROPERTY, PLANT AND EQUIPMENT

	2012 $	2011 $
Computer equipment		
At cost	**6,829**	6,356
Accumulated depreciation	**(5,625)**	(4,991)
Net carrying amount	**1,204**	1,365

(a) Reconciliation of carrying amounts at the beginning and end of the year

	2012 $
Computer equipment	
Balance at the beginning of the year	
At cost	**6,356**
Accumulated depreciation	**(4,991)**
Net carrying amount	**1,365**
Additions	**494**
Disposals	**-**
Reclassification from software	**-**
Depreciation charge for the year	**(655)**
Balance at the end of the year - Net carrying amount	**1,204**

Notes to the financial statements (continued)

For the year ended 30 June 2012

8 INTANGIBLE ASSETS

	2012 $	2011 $
Software		
Cost (gross carrying amount)	**13,410**	5,160
Accumulated amortisation and impairment	**(6,738)**	(4,600)
Net carrying amount	**6,672**	560
Trademark		
Cost (gross carrying amount)	**6,342**	-
Net carrying amount	**6,342**	-
Total Intangibles		
Cost (gross carrying amount)	**19,752**	5,160
Accumulated amortisation and impairment	**(6,738)**	(4,600)
Net carrying amount	**13,014**	560

(a) Reconciliation of carrying amount at beginning and end of the year

	2012 $
Software	
Balance at the beginning of the year	
Cost (gross carrying amount)	**5,160**
Accumulated amortisation and impairment	**(4,600)**
Carrying amount - opening	**560**
Additions	**8,250**
Reclassification to computer equipment	**-**
Amortisation	**(2,139)**
Carrying amount - closing	**6,671**
Trademark	
Balance at the beginning of the year	
Additions	**6,342**
Carrying amount - closing	**6,342**

(b) Description of the Group's intangible assets

Software (Acquired)

Software is carried at cost less accumulated amortisation and impairment losses. This intangible asset has been assessed as having a finite life and is amortised using the straight line method over a period of 2.5 years. The amortisation has been recognised in the statement of comprehensive income. If an impairment indication arises, the recoverable amount is estimated and an impairment loss is recognised to the extent that the recoverable amount is lower than the carrying amount.

Trademark (Internally generated)

Trademarks are carried at cost when initially recognised. Trademarks are not amortised but are subject to impairment testing on an annual basis or whenever there is an indication of impairment.

Notes to the financial statements (continued)

For the year ended 30 June 2012

9 TRADE AND OTHER PAYABLES (CURRENT)

	2012	*2011*
	$	*$*
Trade payables	**14,693**	14,693
Accruals	**40,844**	14,715
Goods and services tax	**12,860**	18,856
	68,397	48,264
Related party payables:		
Sydney University – Royalty & assignment fee	**264,851**	221,719
JDRF - Reimbursement of operational expenditure	**26,980**	13,544
	291,831	235,263
Carrying amount of trade and other payables	**360,228**	283,527

Related party payables

For terms and conditions relating to related party payables refer to note 11.

10 COMMITMENTS AND CONTINGENCIES

As at 30 June 2012, there were no commitments or contingencies.

11 RELATED PARTY DISCLOSURES

(a) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The Company has accrued additional royalty fees of $43,132 (2011: $48,026) during the year. The Company still holds an accrued assignment fee of $63,024 which has been carried over from 2011. Payment of these amounts are conditional on assignment of Glycemic Index Trademarks under an Agreement between the Company and University signed in 2009. This has not yet been finalised.

The Directors of Glycemic Index Foundation during the financial year were:
Mr Stephen Higgs
Prof Janette Brand-Miller
Dr Alan Barclay
Mr Robert Barry
Ms Stephanie Martin
Mr Michael Wilson
Mr Mark Van Dyck (Appointed: 14 May 2012)

During the financial year 1 Director (Dr Alan Barclay) has received payment for services provided as an expert consultant to the Company. All other Directors have no commercial transactions with the Company.

Outstanding related party balances at year end are unsecured, interest free and settlement occurs in cash. Refer to note 9 for outstanding balances at year end.

Notes to the financial statements (continued)

For the year ended 30 June 2012

11 RELATED PARTY DISCLOSURES (continued)

(b) Payments to consultants

	2012	*2011*
	$	*$*
Total payments	**237,758**	225,958

12 EVENTS AFTER BALANCE DATE

The company was previously named Glycemic Index Limited. On 4 October 2012, the company changed its name to Glycemic Index Foundation.

There have been no other significant events occurring after the balance date which may affect either the Company's operations or results of those operations or the Company's state of affairs.

13 MEMBERS' GUARANTEE

The Company is a public company limited by guarantee that is incorporated and domiciled in Australia. In the event that the Company is wound up, its constitution states that the members are required to contribute a maximum of $100 each and a total of $200 towards meeting any outstanding obligations of the Company.

As at 30 June 2012 the number of members was 2 (2011: 2 members).

Directors' declaration

In accordance with a resolution of the directors of Glycemic Index Foundation, I state that:

In the opinion of the directors:

(a) the financial statements and notes of the Company are in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the Company's financial position as at 30 June 2012 and of its performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards- Reduced Disclosure Requirements and the *Corporations Regulations 2001* to the extent described in Note 2;

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board

Mr Stephen Higgs
Director / Chairperson

Sydney, 25 October 2012

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Independent auditor's report to the members of Glycemic Index Foundation

Report on the financial report

We have audited the accompanying financial report of Glycemic Index Foundation, which comprises the statement of financial position as at 30 June 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, 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 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 about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls 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 controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

Opinion

In our opinion the financial report of Glycemic Index Foundation is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the financial position of Glycemic Index Foundation at 30 June 2012 and of its performance for the year ended on that date; and

(b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

Ernst & Young

Ernst & Young

Loretta Di Mento
Partner
Sydney
25 October 2012