

Royal Brisbane and Women's Hospital Foundation

2013 Annual Report



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Interpreter Service

RBWH Foundation is committed to providing accessible services to Queenslanders from all culturally and linguistically diverse backgrounds. If you have difficulty in understanding the annual report, you can contact us on 07 3646 7588 and we will arrange an interpreter to effectively communicate the report to you.



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Glossary

Active donor data base:	Anyone who has made a donation, purchased merchandise or event tickets in the previous two years (1/7/2011 – 30/6/2013).
Charter for Growth:	Strategic Plan.
Key Strategic Goals:	Outcomes we will achieve.
KPI:	Specific metric for achievement of target.
MBA:	Master of Business Administration.
PESTEL Framework:	Provides a comprehensive list of influences on the possible success or failure of particular strategies. PESTEL stands for Political, Economic, Social, Technological, Environmental and Legal.
Porter's five forces framework:	Was originally developed as a way of assessing the attractiveness (profit potential) of different industries. The five forces are: The threat of entry into an industry; the threat of substitutes or services; the power of buyers of the industry's products or services; the power of suppliers in the industry; and the extent of rivalry between competitors in the industry. Porter's essential message is that where these five forces are high, then industries are not attractive to compete in.
Quaternary Care	An extension of Tertiary Care in reference to medicine of advanced levels which are highly specialised and not widely accessed. Experimental medicine and some types of uncommon diagnostic or surgical procedures are considered quaternary care.
RBWH:	Royal Brisbane and Women's Hospital.
The Foundation:	Royal Brisbane and Women's Hospital Foundation.
Tertiary Hospital:	Major hospital that usually has a full complement of services including pediatrics, obstetrics, general medicine, gynaecology, various branches of surgery and psychiatry.
Untied/Undirected Income	Income to be used at the discretion of the Foundation in support of mission.
Tied/Directed Income	Income to be used in accordance to a direction provided by a donor in support of mission.

1. Background

The objective of Royal Brisbane and Women's Hospital Foundation (the Foundation) is to raise money for Royal Brisbane and Women's Hospital (RBWH) in order to provide better treatment methods and improve patient outcomes. Money raised is primarily used to fund world class clinical research, purchase medical equipment and promote disease awareness and prevention.

RBWH is a quaternary and tertiary referral teaching hospital located in the Metro North Health Service District. Apart from providing high quality medical care, it fulfils a significant teaching and research role with links to Queensland's major tertiary institutions.

The Foundation is funded for the services it delivers through commercial activities, donations, and sponsorship, with support generated from individuals, businesses and community groups.

Generational longevity of the Foundation's mission is being constructed on a solid foundation of business acumen and a robust balance sheet. ***Year on year record income and year on year strengthening of its balance sheet is resulting in significantly increased support of its mission. The Foundation is building an organisation which has the financial capacity to support the Queensland community for generations to come.***

The Foundation supports the Queensland Government's "Getting Queensland back on track" objectives for the community. Particularly the revitalisation of front-line health services for families.

2. Regulatory Framework

The Foundation is established by Order in Council under the Hospital Foundations Act 1982 and is a statutory body within the meaning given in the Financial Accountability Act 2009.

The Foundation's financial statements are prepared in accordance with Australian Accounting Standards and the Financial and Performance Management Standard 2009.

3. Operating Environment

The Foundation's thinking has been influenced by an earlier strategic management review which revealed the following critical success factors after juxtaposing a Porter's five forces analysis and a PESTEL analysis:

- Supplier power (donor) is the greatest threat to the Foundation's future activities. As suppliers ability to continue support is irrevocably tied to the economic imperatives of the time, so too will the Foundation be affected by the ebbs and flows of supplier whims and economic circumstances.
- As the threat of substitutes (other charitable activities at RBWH) remains constant in an ever changing political, social and legal environment, ensuring good working relationships and trust with the Hospital will be critical in mitigating this.
- Barriers of entry (of other charitable enterprises) are somewhat tied to supplier power in that if the suppliers continue to trust and support the Foundation, this will reduce any threat posed by new sector incumbents. Maintaining relevancy and value to suppliers is a critical success factor.

Against this background, the Foundation's strategic planning recognized that it needs to seek differentiation of its second product level (the products which the Foundation uses to attract support (such as events, direct mail programs, and excellence in relationship management) by use of its strengthened balance sheet, and provide products and services which are different to its competitors and sought after by suppliers. This will:

- mitigate potential economic impacts;
- reduce the current reliance on the discretionary whims of suppliers;
- create a point of difference in its product mix by introducing new products which will be of interest to a wider supplier base. These could include, opportunities offered by the internet, commercial initiatives and those that encourage active participation in support of both clinical and research initiatives; and
- mitigate the current low barriers of entry by ensuring that the Foundation remains relevant to a widening group of suppliers.

4. Current Year Strategic Goals

For the year ended 30 June 2013, the Charter for Growth's key strategic goals (refer attachment two) were to:

1. establish a business structure which will enable the Foundation to grow and drive revenue growth through diversification and financial accountability;
2. continue to position the Foundation as the primary fundraising arm of the Hospital;
3. grow the Foundation through excellence in fundraising practice to be a significant giver of funds to the Hospital;
4. grow the support and recognition of the Foundation in northern NSW and regional Qld;
5. ensure appropriate corporate governance standards are maintained;
6. operate in a financially prudent manner; and
7. create an environment where employees and volunteer contributions are valued, recognised and rewarded.

5. Achievement of Current Year Strategic Goals

Taking each key strategic goal in turn, the following has been achieved:

1. A new business structure called "Pillars of Business" has been created which promotes ownership and accountability.
2. Relations with RBWH have never been better. The Foundation is regarded as a trusted partner of the Hospital with many successful joint initiatives having been completed.
3. Record income has been achieved, together with record funds available for mission support. The balance sheet has also been strengthened. A key component of the Foundation's strategy during the period was to seek commercial opportunities which provided a better return than cash and equities.
4. Active donor database has been increased to 6,614.
5. An unqualified audit report has been received. All governance aspects continually improved.
6. Donors' money is prudently and safely managed by the Foundation's Risk Committee. A strengthened balance sheet is invested in equities (31%), cash (65%) and commercial activities (4%). Expenses have been maintained at the low end of peer group (22%).
7. Minimal turnover of staff achieved and high job satisfaction confirmed from annual survey.

The availability of a strengthened balance sheet enabled the Foundation to safely increase its revenues by building its fundraising team and increasing its commercial activity. This in turn enabled the Foundation to increase its mission support.



6. Future Strategic Goals

In June 2013, the Foundation adopted a new Charter for Growth for the next five years (2013/14 – 2017/18) with the Public Sector Renewal Program firmly in mind (attachment three refers). Its key strategic goals are to:

1. seek opportunities for alliances with other hospital foundations, hospitals, donors and stakeholders, which drives expansion of commercial opportunities and revenue growth;
2. grow the Foundation's corpus through excellence in fundraising practice;
3. apply a sound financial model which ensures the Foundation meets its mission;
4. position the Foundation as the major hospital-based charity in Queensland;
5. ensure high Corporate Governance standards are maintained at all levels of the Foundation;
and
6. create an environment where employees' and volunteers' contributions are valued, recognised and rewarded.

It is anticipated the next five years will witness growth by stable commercial and fundraising income.

In line with our success, the Foundation will continue to increase its financial and other support for the hospital to assist it with a variety of initiatives.

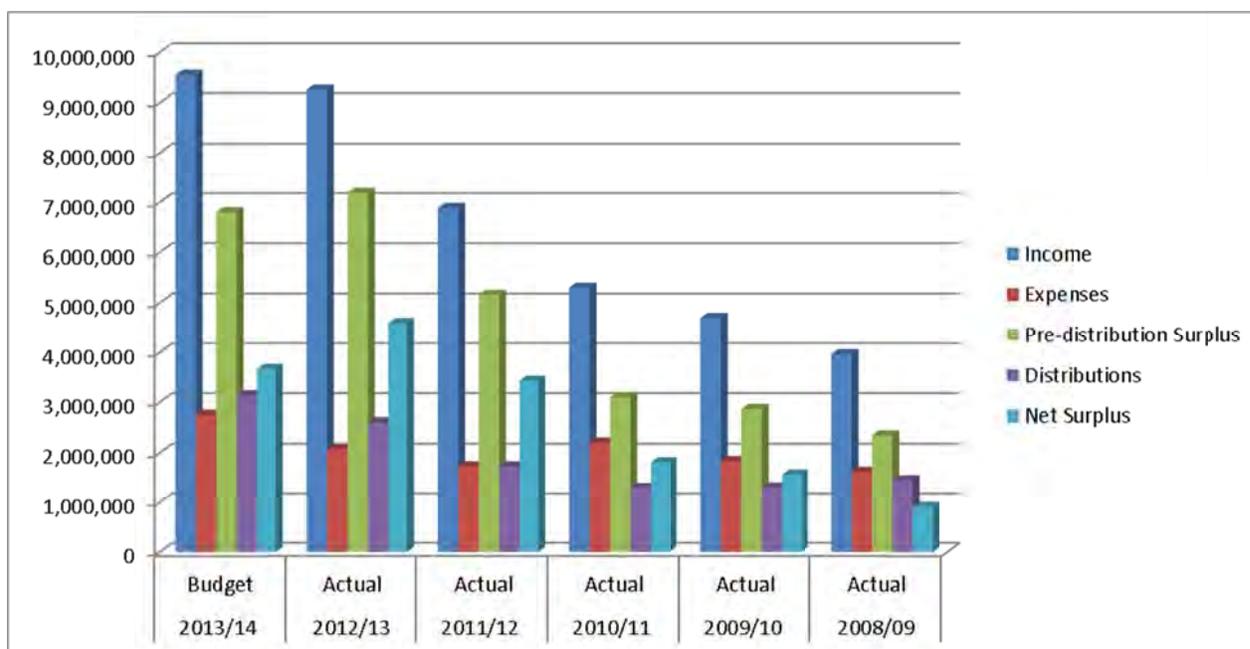
As the Foundation continues its search for excellence, built on a foundation of business stability, it will play its part in the creation of a successful government.

7. Financial Performance

7.1 Historical and Future Profit and Loss Summary

The following summarises the historical and anticipated 2013/14 performance of the Foundation as extracted from the audited financial statements:

	2013/14	2012/13	2011/12	2010/11	2009/10	2008/09
	Budget	Actual	Actual	Actual	Actual	Actual
Income	9,546,386	9,253,697	6,882,324	5,301,816	4,692,222	3,962,520
Expenses	2,747,043	2,067,062	1,726,434	2,203,655	1,831,856	1,615,007
Pre-distribution Surplus	6,799,343	7,186,635	5,155,890	3,098,161	2,860,366	2,347,513
Distributions	3,133,843	2,598,044	1,727,172	1,289,811	1,299,678	1,447,271
Net Surplus	3,665,500	4,588,591	3,428,718	1,808,350	1,560,688	900,242

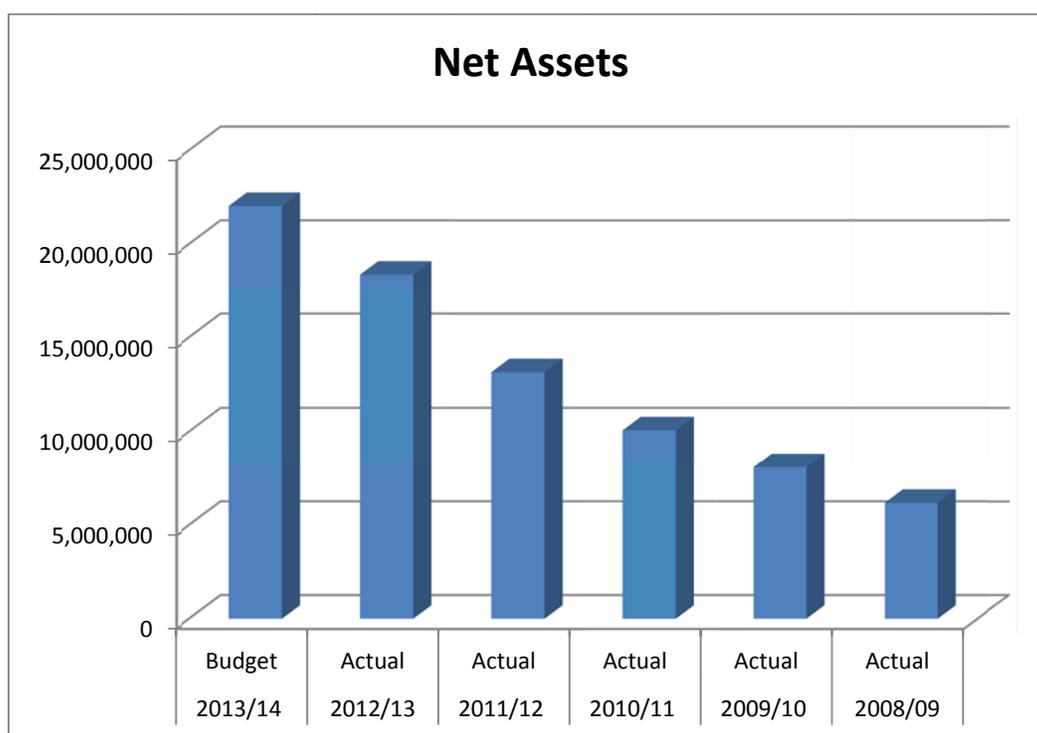


For the year ended 30 June 2013, the Foundation has achieved a record income of \$9.25m (a 33.5% increase on prior year). This is an excellent result against the backdrop of the general uncertainty in capital markets and a changing demographic of our donor base. These funds have been apportioned as 28% to mission (clinical and medical research activities of RBWH), 50% to balance sheet (with the aim of ensuring a strong and viable Foundation for the future and ensuring sufficient capital is available for expansion and investment activities) and the remainder (22%) to operational costs. The total operational costs are covered by revenue from our commercial and investment activities.

7.2 Historical and Future Equity Position

The following summarises the historical and anticipated 2013/14 equity position of the Foundation as extracted from the audited financial statements:

	2013/14	2012/13	2011/12	2010/11	2009/10	2008/09
	Budget	Actual	Actual	Actual	Actual	Actual
Net Assets	22,030,880	18,351,915	13,152,718	10,067,076	8,100,825	6,184,927



As mentioned elsewhere, a key component of ensuring the generational viability of the Foundation is a continuing strengthening of its balance sheet. As the balance sheet grows, so does the Foundation's mission support.

It ensures the Foundation's continued solvency and provides the Foundation with the flexibility to make strategic business investments with a better internal rate of return than cash or equities. The combination of balance sheet and commercial income also cover all operating expenses, thus ensuring that all fundraising income is applied as requested by the donor.

Approximately 29% of the equity held is for a variety of special purpose funds which are earmarked to support numerous medical research projects and other initiatives. There is a large flow through of these funds as money is used for its intended purposes and replaced by further fundraising income.

8. Key Achievements

- Strong staff morale continues to be feature of the Foundation which is considered a preferred place of employment.
- The Foundation continues to increase its support of RBWH to further medical research and provide optimal health care and services. The Foundation is aligned with the Queensland Government's "Getting Queensland back on track" objectives for the community. Particularly the revitalisation of front-line health services for families.
- Record revenue of \$9.25 m (a 33.5% increase on prior year and 134% increase since 2009). This is the fifth record year in a row.
- A record equity position of \$18.35m (a 40% increase on prior year and 197% increase since 2009). This will allow the Foundation to comfortably fund its planned expansion of commercial activities (see our strategic goals). This is the fifth record year in a row.
- These results have placed the Foundation in a very strong financial position. They ensure the Foundation is able to self-fund through its balance sheet and investments.
- The Foundation's total overheads are a very acceptable 22% of gross revenue. These are totally covered by income from the Foundation's commercial and investment activities.
- The Foundation has been restructured to reflect the Four Pillars of Business – Commercial, Business Development, Marketing and Finance. This has resulted in greater autonomy and accountability of all team members.
- Commercial operations have expanded to include, car parking, hospital televisions and some retail. As well as providing untied income to the Foundation, these activities represent additional support of mission to RBWH. Several commercial opportunities have been rejected following due diligence and one did not proceed due to circumstances outside the Foundation's control.
- Board reporting continues to be improved, as has IT infrastructure and the team's working environment.
- Strategic and Operational Plan and Budget cycle have been developed and approved.
- The Foundation has been repositioned as the main fundraising body for RBWH, not just clinical research.
- The Foundation's brand and messaging has been developed in support of the above objective.
- Close working relationships have been developed with Hospital executive with greater support from the wider hospital community. This has led to a re-direction and/or creation of new income streams to the Foundation, most notably in the area of clinical trials. An example is the fundraising/committee set up with Cancer Care Services which has resulted in sizeable clinical trials income being entrusted to the Foundation.
- A major Government grant was announced in mid-June detailing an allocation of \$1.62m towards the hospital's P.A.R.T.Y. Program with an agreement that this funding would be channelled through the Foundation over a period of three (3) years commencing in the 2013/14 financial year.

- Accounting and reporting systems have been redesigned to achieve streamlined and segmented monthly reporting which clearly details the undirected and directed components of the Foundation's business.
- Governance at all levels has been improved.
- Staff provided with educational support in order to assist with career development.
- The Foundation assumed control of the RBWH Volunteer Service.
- Volume Two of the Foundation's book "Royal Mums: A Collection of Memories" was launched as a commercial success.
- A major joint fundraising initiative, "The Weekend to End Women's Cancers", was agreed with QIMR in support of the biomedical and clinical aspects of women's cancers.
- Achieved positive publicity and media coverage to enhance the reputation of the hospital as a provider of high quality patient care and a champion of internationally-recognised research.
- The Foundation's brand was evolved to incorporate the crown icon in order to contemporise its image and more closely associate the Foundation with the "Royal".

9. Success Principles

The Foundation's continuing success and ability to support RBWH is based on two simple principles:

9.1 The Team

We recognise that our staff and volunteers are our most valued asset and we have created a work environment that brings out the best in each of us, where we:

- believe in ourselves, each other, our services and our organisation;
- respect and serve each other and internal and external stakeholders equally;
- own our actions, promises and professional behaviours;
- value innovation and creativity as it helps to reinvent ourselves and our business;
- model best practice and ethical behaviour in business, management and governance;
- concentrate on our strengths rather than our weaknesses; and
- create a flexible work environment where everyone enjoys coming to work.

9.2 Our Donors and Stakeholders

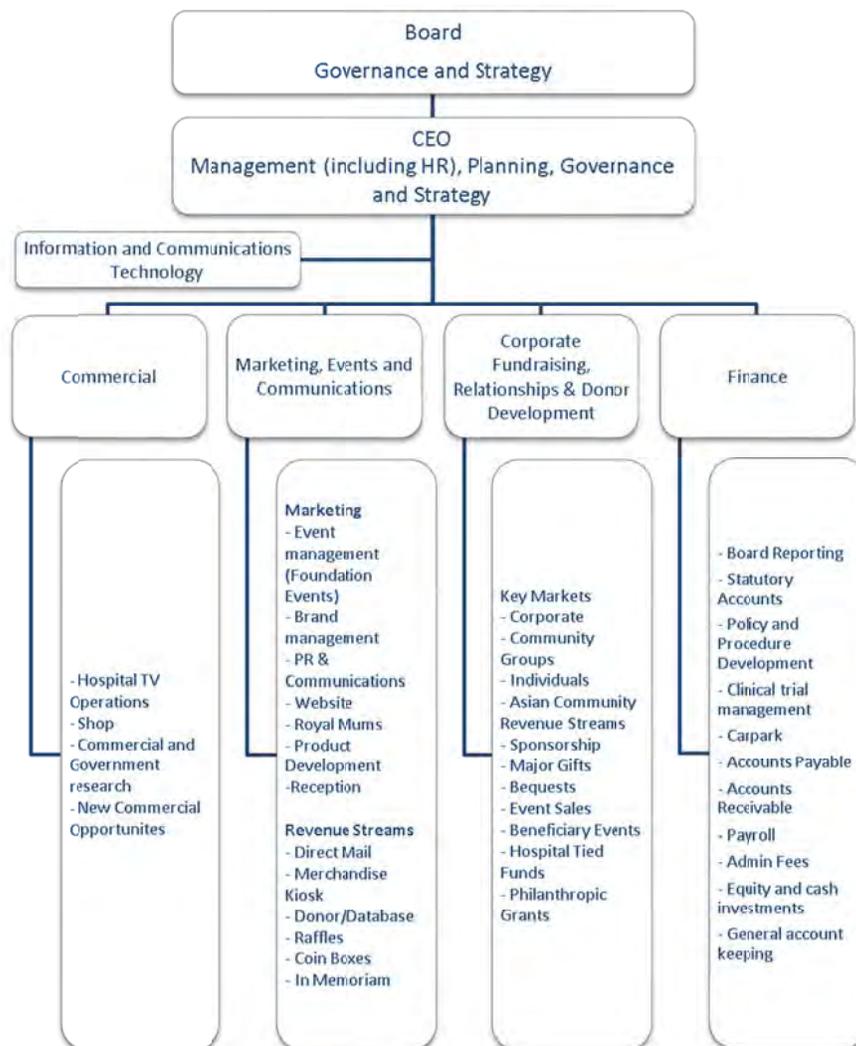
We practice a simple philosophy that at every interaction we aim to delight the donor/stakeholder. We recognise that professional, friendly relationship management is the cornerstone of our business. Our experience is that if we do this well, our business grows by word of mouth.

We thank our many donors, stakeholders, and volunteers for their generous support and friendship.



10. Governance and Internal Control

10.1 Pillars of Business



10.2 Our Patron

RBWH Foundation is honoured to have Her Excellency, Ms Penelope Wensley AC, Governor of Queensland, as our patron.

We thank her for her endorsement and ongoing support.

10.3 Our Board

Name	Term of Appointment	Number of Meetings Attended out of six.
Warwick Parer	7 April 2015	6
Hamish JL Doley	7 April 2013 #	4
Lawrie W Powell	7 April 2013 #	5
Jenniwyaty Luhur	7 April 2013 *	2
Peter Fardoulis	7 April 2013 #	3
John George	7 April 2015	6
Bruce Humphrys	7 April 2013 #	2
Scott McMullen	7 April 2015	3
Laura Perkins	7 April 2015	5
Cass George	7 April 2015	4
Paul Alexander	New appointment in terms of recent amendments to the Hospital Foundations Act 1982.	2

Notes

Appointments pending Governor in Council approval to renew

* resigned as at 7 April 2013

Board Profiles

The Hon Warwick Parer AM, BComm (Melb), FAIMM Chair

The Honourable Warwick Parer AM first became a member of the Australian Senate in 1985, and from March 1996 to October 1998 he was Minister for Resources and Energy. He retired from the Senate in 2000. Mr Parer has since held the position of Chair of the Coalition of Australian Governments Independent Energy Review Panel and was a member of the Governing Council of the Old Parliament House (Queensland). He also served as President of the Queensland Liberal Party from 2006 until February 2008. In 2012, he was appointed Chair of Stanwell Corporation, the largest energy provider in Queensland.

Hamish Doley BSc, BComm, CA, FFin

Deputy Chair, Chair of the Finance and Risk Committee

Hamish is a Partner of KPMG and a member of the Institute of Chartered Accountants Australia, focusing on providing audit and advisory services to private and family businesses through the KPMG Private Enterprise Practice based in Brisbane.

Prior to joining KPMG, Hamish attained a Bachelor of Commerce and a Bachelor of Science at University of Queensland, which led to his interest and support for medical research.

Hamish has provided support and pro-bono advisory services to Boards of other not-for-profit organisations through community initiatives such as the Australia Business Arts Foundation.

Professor Lawrie Powell AC, MD, PhD, FRCP, FRACP

Member of the Research Advisory Committee, and University of Queensland representative

Professor Powell originally undertook his postgraduate training at the then Royal Brisbane Hospital before heading overseas to undertake further study and various positions at hospitals in London, America and Denmark.



Back in Australia, he was awarded a personal Chair by the University of Queensland in 1978 and then, in collaboration with Professor June Halliday and Professor Graham Cooksley, he established an internationally recognised liver research group.

In 1990, Professor Powell was appointed Director of Queensland Institute of Medical Research (QIMR) where, amongst other achievements, he was instrumental in the successful development and planning of the \$64 million Cancer Research Centre.

Professor Powell has received numerous national and international awards in recognition of his research contributions and has held many prestigious positions including President of the International Association for the Study of Liver (1986 to 1988). Professor Powell is currently Director of Research at RBWH, honorary Senior Principal Research Fellow of QIMR and Professor Emeritus at The University of Queensland.

Jenniwayt Luhur OAM, Assoc Dip (Music)

Ms Jenniwayt Luhur is a Director of Maximus International Pty Ltd. She is also President of the Buddha's Light International Association of Queensland.

Jenniwayt was awarded 'Volunteer of the Year' in 2002 by the then Royal Brisbane Hospital and Royal Women's Hospital Health Service District in recognition of her contribution to the hospitals and health district through raising funds for medical research.

Jenniwayt resigned from the Board in April 2013 after a decade of dedicated service to the Foundation. She will be sadly missed for her professionalism, quite aura and great respect she engendered from everyone she met. In 2012, she was awarded an Order of Australia for her service to the Foundation and Buddha's Light International Association of Queensland.

Peter Fardoulis AM, LFAIB, JP, Dip Mech & Eng, Chartered Builder, Hon Prof Building & Construction Central Queensland University)

Peter has been the Managing Director of Peter Fardoulis Constructions since 1976. He was a Board member of Opera Queensland (1981 to 2008) and the Crèche & Kindergarten Association of Queensland (1967 to 2008). He is also a past National President of the Australian Institute of Building.

In 2005, Peter was appointed Member of the Order of Australia (AM) for services to the building industry and to the community through arts, medical, children's and church organisations.

John J George

John George has owned and operated a number of retail and wholesale businesses in the Australian fresh food sector since 1980, but is best known for his role as Managing Director and Co-Founder of Australia's largest supplier and manufacturer of fresh chilled foods, Mrs Crocket's.

Since the mid-1990s, John and his brothers have been involved in expanding the family's property investment, management and development business which is known as The George Group. John has also served as Director and Chair for the Board of the Centre for Food Technology and was on the Board of the Queensland Institute of Technology as well as holding various other educational advisory positions.

Bruce Humphrys

Bruce Humphrys is the Managing Partner of Brisbane and Perth-based law firm HopgoodGanim. Bruce began his legal career with the firm in 1979 and has been the Managing Partner since 2001.



He is responsible for leading the firm's 30 partners and over 200 employees.

Under Bruce's leadership, HopgoodGanim has experienced significant growth to become one of Queensland's largest independent law firms and is consistently recognised by independent adjudicators as one of Australia's most successful legal practices.

In November 2012, HopgoodGanim merged with Perth firm QLegal to create a presence on both sides of the country. Before his current role, Bruce was one of the firm's lead partners within the commercial property group. During his career as a property lawyer, he was involved in many of South-East Queensland's largest property development projects.

Scott McMullen, BA, BSOCWK, Grad Cert HM, MAASW

Scott McMullen has a clinical background as a social worker and initially worked in forensic psychiatry at the Park Centre for Mental Health. He then managed the Rehabilitation Service as a member of the hospital executive and was an active driver of the hospital's redevelopment. Following this, Scott worked in Corporate Office for Queensland Health which led to a four-month role in Bundaberg as part of the Queensland Health Response Team. Scott then returned to Brisbane where he took up the role of Team Leader Mental Health, Central Area Health Service, and for two years following that was the Deputy Director, Clinical Governance, Central Area Health Service. Following Queensland Health's restructure in 2008, Scott took up the acting role as Director of Allied Health at RBWH and in 2009 moved into the permanent position of Executive Director of Corporate Services at RBWH. He now holds the position of Interim Lead Manager for Corporate Services for Metro North Hospital and Health Service.

Scott has also held a number of Board positions for Queensland University Rugby Club, Drug Arm Queensland and the Nyunda Park Cooperative. Additionally, he held the executive position of Vice President of the Mental Health Association of Queensland.

Laura Perkins

Laura Perkins was born and educated in the United States and obtained a Bachelor of Business degree from California State University. Since then she has worked as a financial analyst and training specialist and has owned several businesses.

Cass George

Cass George had a career in early childhood education and is a speech and drama teacher. Cass is also on the Australian Youth Orchestra National Advisory Council.

**Dr Paul Alexander AO,
Chair, Metro North Hospital and Health Board**

Dr Paul Alexander has had an extensive career in the Australian Defence Force. He is an experienced Senior Medical Officer with 32 years' experience across clinical executive posts. He has also held Board positions in military, private practice, commercial and not-for-profit organisations.

Paul has recently completed his tenure as Commander, Joint Health and Surgeon General, Australian Defence Force, where he was responsible for the provision of health care to the Australian Defence Force. In 2011, Paul was made an Officer in the Military Division of the Order of Australia for distinguished service to Defence in the field of health.



CEO Profile

Peter Treseder AM, OAM, KSJ, CCEO, JP, DipFm, GradCertBus (Philanthropy & Npst), EMFIA, FAICD, FAIM, FIIDM, CFRE, MBA (Distinction)

Peter joined RBWH Foundation as CEO in July 2009. He gained experience in fundraising for the hospital sector through his six-year role as Executive Director of The Millennium Foundation Ltd (TMF), which is the fundraising arm of Westmead Hospital and Westmead Millennium Institute. Peter's responsibilities included strategic direction and leadership of the team. Prior to his appointment with TMF, Peter worked in commercial/retail banking for 22 years with a focus on credit quality, corporate reconstructions and corporate affairs.

10.4 Our Committees

The Board and management of the Foundation are extremely grateful to the many people who give generously of their time, knowledge, resources, advice, contacts and energy to not only assist in raising funds for RBWH but to ensure the Foundation continues to operate efficiently and invest prudently in projects that will provide the most benefit to the health and wellbeing of our patients.

We are truly indebted to these individuals for their support and generosity.

Finance & Risk Committee

The purpose of the Finance and Risk Committee (the Committee) is to assist the Board in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control, the Foundation's investment strategy, the audit process, strategic and annual planning, and the Foundation's process for monitoring compliance with laws and regulations and the code of conduct.

The Foundation has adopted the single '**Code of Conduct for the Queensland Public Service**' which was brought in on 1 January 2011. The Code is based on the public sector principles as outlined in the Public Sector Ethics Act 1994 (PSEA):

- Integrity and impartiality.
- Promoting the public good.
- Commitment to the system of government.
- Accountability and transparency.

All employees are expected to uphold the Code by committing to and demonstrating the intent and spirit of the ethics principles and values. The Foundation's Charter for Growth reflects the ethics principles in section 4 of PSEA and demonstrates that integrity and accountability are integrated into the Foundation's strategies, objectives and actions. The Code is applicable to employees of the Foundation and includes volunteers, students, contractors, consultants and anyone employed in any other capacity.

The Committee meets six times a year and systems are in place to ensure the effective, efficient and economical operation of its function. The Committee is independent of management and the authorised auditors. Financial advice is provided by JB Were in relation to the equities portion of the Foundation's investment portfolio. The internal audit function has had due regard to Treasury's Audit Committee Guidelines.

Risk is a standing item on the Committee's agenda and headline risks are reported to each Board meeting.



During 2013/14, the Committee intends to commission the development of a new Risk Framework for implementation during that year.

Committee members include:

- Hamish Doley (Chair), BSc, BCom, CA, FFin (Board member)
- John George (Board member)
- John McFarlane (independent member)

Research Advisory Committee

The purpose of the Research Advisory Committee is to assist the Board in fulfilling its oversight responsibilities for the administration of funding health science research at the Hospital.

Committee members include:

- Professor Mervyn Eadie AO, MD, PhD (Chair) #
 - Professor Emeritus UQ.
 - Chair, QH Central Human Research Ethics Committee
- Professor Gerard Byrne BSc (Med) MBBS (Hons) PhD FRANZCP(Chair)#
 - Head, Academic Discipline of Psychiatry, UQ
- Professor Lawrie Powell, AC, FTSE, MD, PhD, DUniv (Griff), FRACP, FRCP (Lond), FRCPT
 - Director of Research, RBWH
- Professor Murray Mitchell, DPhil, DSc, FRSNZ
 - Director, UQ Centre for Clinical Research
- Professor Robert Tindle PhD
 - Professor Emeritus UQ
 - Director (Retired) Sir Albert Sakzewski Virus Research Centre, RCH and Clinical Medical Virology Centre, UQ
- Professor Glenn Gardner RN, PhD, FRCNA
 - Professor of Clinical Nursing, Director RBWH / QUT Centre for Clinical Nursing
- Dr Peter Roeser MD, FRACP, FRCPA
 - Retired Physician, UQ Department of Medicine
- Dr Roger Allison MBBS, D Obst, MRCP, FRCR, FRACR, FACHPM
 - Executive Director, Cancer Care Services, RBWH (left this role during the year)
- Professor Ron Dickinson BSc Hons, PhD
 - Professorial Research Fellow, Director, Centre for Studies in Drug Disposition, UQ
- Professor Denis Moss BSc, PhD
 - Head, Epstein-Barr Virus Biology Lab, QIMR
- Dr Jacobus Ungerer, MBChB, MMed (chem pat), MBL, FRCPA
 - A/Director Chemical Pathology, Pathology Queensland
- Dr Ian Wilkey, MBBS BSc FRCPA FAFPHM.
 - Retired, formerly Medical Superintendent, RBH.
- Ms Judith Catherwood BComm, BSc(Hons) Dietetics, PG Cert Strategic Workforce Planning
 - Executive Director Allied Health, RBWH
- Professor Joan Webster
 - Director of Nursing Research, RBWH
- Professor Grant Ramm
 - Group Leader, Hepatic Fibrosis Laboratory, QIMR
- Adjunct Assoc. Professor Lesley Fleming OAM (retired from RAC Nov 2012)
 - Executive Director Nursing, RBWH

Notes

Professor Eadie resigned from the Committee in Dec 2012. Professor Gerard Byrne has been appointed as the new Chair.

Royal Doodle Do Committee

The purpose of the Royal Doodle Do Committee is to organise the annual dinner which raises funds for motor neurone disease research at RBWH.

Committee members include:

- Nicole Hutchinson (Chair)
- Leeanne O'Grady Woods
- Deborah Henderson
- Peter Roy
- Karen Gallagher
- Rita Grice

Butterfly Ball Committee

The purpose of the Butterfly Ball Committee is to organise the annual ball which in recent years has been focussed on raising funds for the Perinatal Research Centre.

Committee members include:

- Penny Williams (Chair)
- Jenniwaty Luhur
- Nancy Liu
- Lyna Chen
- Professor Paul Colditz
- Cathy Yang
- Kaley Butten
- Melinda Butterfield
- Ralph Smith

Butterfly Babies Committee

Butterfly Babies is a new initiative of RBWH Foundation focussed on raising funds for the Perinatal Research Centre. The Committee organises a number of events and initiatives throughout the year and has taken over the responsibilities of the Butterfly Ball Committee for the 2013 event.

Committee members include:

- Kathy O'Connor (Chair)
- Amanda Barnett
- Dr Tracey Bjorkman
- Annie Boyd
- Kaley Butten
- Johnson Chen
- Toni Dougall
- Dr Janet Hammill
- Leisa Jones
- Lyna Chen

- Nancy Liu
- Cally Lyons
- Diane Mace
- Ralph Smith
- Judy Ward
- Professor Paul Colditz
- Troy Williams
- Cathy Yang

Right Royal Affair Committee

The purpose of the Right Royal Affair Committee is to organise the annual Right Royal Affair black tie dinner which raises untied funds for the Foundation's research grants program.

Committee members include:

- Raewyn Bailey (Chair)
- Lisa Moricz
- Bianca Baron
- Helen Debenham
- Cass George
- Laura Perkins
- Ari Panagiotou

10.5 Our People

The Foundation has a small but dedicated team of people who believe in RBWH and are committed to ensuring the hospital is able to provide the best care possible to its patients, ensuring the best outcomes for them and their families. Our staff work tirelessly to raise funds for research, equipment and other services. Staff are regularly supported in their efforts by their own family and friends, and to them we are also grateful.

Our team includes:

CEO

Peter Treseder AM, OAM, KSJ, CCEO, JP, DipFm, GradCertBus (Philanthropy & Npst), EMFIA, FAICD, FAIM, FIIDM, CFRE, MBA (Distinction)

Marketing, Events & Communications Pillar

Karen Gallagher BA, MFIA
Marketing, Events & Communications Manager

Rita Grice
Fundraising & Administration Officer

Polly Brown BBus (Communications)
Marketing Projects Officer (part-time)

Simone Cooper (joined in April 2013)
Hospital Volunteers Manager (part-time)



Relationships and Donor Development Pillar

Ari Panagiotou BComm
Manager of Corporate Fundraising and Development

Rachell Buckley BBus
Relationship and Business Development Manager

Ross Birkett
Planned Giving Manager (part time)

Gail Headley (joined August 2012)
Community Development and Engagement Manager

Cathy Yang BA, MPhil
Business Development Manager

Harriett Carter MFIA
Grants Program Coordinator
(Contractor from Strategic Grants, June 2013 – August 2013)

Commercial Pillar

Neal Stephen BA, mARMS
Commercial Operations Manager

Diana Christie
Commercial Officer – TVs

Megha Ahuja
Commercial Officer – TVs

Apple Valentine
Casual TV Sales

Andrew Christie
MATV Maintenance and relief Casual TV Sales

Todd Manion
Casual TV Sales

Finance Pillar

Julie Wright CA (NZ) (resigned January 2013)
Financial Controller (part time)

Kaelah Bosanquet B Bus (Accounting & Banking & Finance), Grad Cert (Bus Admin), CA (joined December 2012)
Financial Controller (part time)

Cathy Johnstone
Financial Assistant (part-time)



10.7 Our Volunteers

There are many individuals who volunteer their time and energy to help the Foundation staff at various events throughout the year. There are also volunteers who regularly report for duty in the Foundation's shop at the hospital. We are extremely grateful to those volunteers who return time and again to assist us whenever they can. These include:

Leanne Barron
 Anne Gallagher
 Sarah Johnstone
 Musitapa Kamalijiang
 Samaira Nazim
 Chloe Parker
 Christine Pererra
 Lesley Waugh

We also welcome the Hospital Volunteers to the Foundation's team. The Hospital Volunteers workforce joined the Foundation in May 2013. There are over 100 dedicated individuals in the team who all carry out significant duties across RBWH. They are an inspirational group from varied backgrounds, with some members having volunteered their services for many decades.

11. Mission Support

Total mission support was \$2,598,044 composed of:

- Research and Hospital Administration \$682,055
- Research Grants and Donations \$1,473,002
- Hospital TV Operations \$442,987

Additionally, we distributed \$733,170 to the Hospital for the upgrade of the televisions which was capitalised to assets (note 15 of the financial statements refers).

11.1 Research

The Foundation's primary method of distributing funds raised for clinical research conducted at the hospital is through its annual Research Grant Awards program.

Grant submissions are received from across the hospital campus for a diverse range of proposed research projects. Each of these submissions is reviewed by the Foundation's Research Advisory Committee which then awards the grants based on merit. The grants are designed to enable projects to get off the ground and establish a basis from which the researchers can apply for more substantial grants from larger external bodies. The grants include Research Initiative Grants, Nursing and Allied Health Research Grants and Patricia Dukes Fellowship Grants.

The Foundation also provides funding to a number of research centres based at RBWH for ongoing projects. Some examples of this ongoing research funding include:

- Burns, Trauma & Critical Care Research Centre – the Foundation supported further research in this centre through the continuation of the three-year sponsorship arrangement negotiated with Brisbane-based construction company Epoca. This sponsorship enables the centre to continue its research work in areas such as the application of antibiotic therapy in critically ill patients and improving the psychological health of burns patients.



- Neurology Research Centre – the Foundation continued to raise tied funds for this Centre through events such as the annual Royal Doodle Do. This event specifically raises money for ongoing research in the area of motor neurone disease where RBWH-based researchers are focussed on developing reliable markers for the disease's progression. Funds to this Centre have also supported research into movement disorders with papers published on a link found between severe anxiety, depression and the onset of Parkinson's disease.
- Perinatal Research Centre – This Centre completed its five-year Brain Research Advances in Newborns (BRAIN) Project during 2012/2013 with funds raised by the Foundation. The Foundation also established the Butterfly Babies initiative which is now focussed on raising funds for this Centre and its continuing research into conditions such as prematurity, stillbirth and development of the baby's brain.

11.2 Other Activities

Throughout 2012/2013 financial year, the Foundation has raised money and provided funding for a number of items and activities at the hospital that are not necessarily research related. A sample of these activities include:

- The specially equipped and staffed RBWH Milk Bank officially opened in November 2012. This facility provides clinically screened and pasteurised human donor breast milk to premature babies when their mothers are unable to produce their own. The Foundation provided funding to purchase necessary equipment for the Milk Bank and is continuing to fund ongoing costs such as milk bottles and freezer bags.
- Continuation of funding for the Prevent Alcohol and Risk-related Trauma in Youth (P.A.R.T.Y.) program – a program designed to educate high school students on the injury-producing risks related to alcohol and drug usage. The Foundation negotiated a three-year sponsorship deal with RACQ for this program with 2012/2013 being the second of the three-year term. This sponsorship is being used to fund project planning for the roll-out of the program to centres in regional Queensland.
- Through close relationship management, the Foundation established "The Lachlan Hornery Trust Fund" with the support of the Hornery Family/Hornery Trading Group. Through the Fund, the family hope to raise funds to enable RBWH Cancer Care Services to provide essential services, purchase new equipment and provide greater support to staff and patients within the service.
- The Cancer Care Patient Education Room was updated following a grant from the Collier Charitable Fund and a gift from a private donor. The upgrade has provided a more holistic environment for patients who have been newly diagnosed with cancer and their families.
- The Cancer Care staff rest area outside RBWH's Joyce Tweddell Building was revitalised with funding from the bequest of a former RBWH staff member.
- The HADS Unit (RBWH Alcohol and Drug Services) was painted and the garden upgraded the Foundation's relationship with Lend Lease and their decision to include RBWH as a staff project during its annual "Community Day".
- Purchase of portable DVD players for patients in the Burns, Youth Mental Health and Cancer Care Units.
- Refurbishment of a gym area within the Physiotherapy Department for the use of the Queensland Motion Analysis Centre.
- Funding of medical staff to attend various international conferences and training programs.
- Sponsorship of the annual RBWH Health Care Symposium and associated awards.

12. Funding of Mission

The core means by which this has been achieved is via relationship fundraising, commercial and investing activities:

- Developing long term relationships with supporters.
- Growth and diversification of the Foundation's community of supporters.
- Ensuring the means of communicating with the Foundation's community – excellence in communication and data base management are the key.
- Using all appropriate fundraising tools, techniques and resources, including events, direct mail, bequest programs, and community engagement programs, amongst other activities.
- A dominant aspect of the fundraising plan is that it should be a lifelong process of building support, based on long-term, positive and mutually beneficial relationships between donors, prospective donors, the community at large and the Foundation. If done well, a very personal relationship will be created between donors and the Foundation, one in which basic values and purposes are reinforced over time and in which regular communication and stewardship are critical ingredients.
- The establishment of financially viable commercial and investment activities.

The success of this plan is evidenced by the increasing availability of funds and resources to support the hospital, its staff and patients in areas not otherwise funded by Queensland Health.

13. External Scrutiny

There have been no external agency reviews or audits conducted on the Foundation during the reporting period, apart from the financial audit which is disclosed in the attached statutory accounts for 2013.

14. Machinery of Government Changes

There has been no machinery of government changes which have affected the Foundation during the reporting period.

As at 1 July 2012, the Hospital and Health Boards Act 2011 provides local control of hospitals and health services via the Hospital and Health Boards that have been established. In accordance with a recent amendment to the Hospital Foundations Act 1982, the Chairperson or that person's nominee of the local Hospital and Health Board is now a member of the Foundation's Board.

At the time of writing, it is unclear what effect, if any, the current management changes (streamlining of service delivery) to Metro North Hospital and Health Service will have on the Foundation.

15. Review of Proposed Forward Operations

Plans and priorities are reviewed continuously by the Board and management team to ensure that these remain consistent to the strategic plan.

16. Workforce Planning, Attraction and Retention

We have created a flexible working environment (in terms of flexible hours and working from home arrangements) and have improved the work space. Workforce planning is continuously reviewed depending upon the daily needs of the Foundation. We have a performance management framework which includes induction processes, educational opportunities (for example, the CEO recently completed an MBA), performance management (including a KPI structure linked to job descriptions and budgets), and a recognition and rewards program.

Much use is made of volunteer assistance on our committees and in relation to organisation of our various fundraising initiatives. We also seek the support of a professional recruitment agency when hiring permanent employees to the team. This assists us in attracting the brightest and best and ensures that we maintain a professional approach to every aspect of our operations. Our workforce profile is included under point 10.5.

As a result of these initiatives, we have experienced a stable workforce (100% retention rate) and high job satisfaction confirmed from annual survey.

17. Information Systems and Record Keeping

The Foundation complies with the provisions of the Public Records Act 2002, Information Standard 40: Record Keeping and Information Standard, 31: Retention and Disposal of Public Records.

18. Open Data – Consultancies, and Overseas Travel

No consultancies were used by the Foundation and no overseas travel was conducted by the Foundation during the reporting period.

Attachment One Compliance Letter

The Honourable Lawrence Springborg MP
Minister for Health
Parliament House
Brisbane Qld 4000

9 September 2013

Dear Minister *Lawrence*,

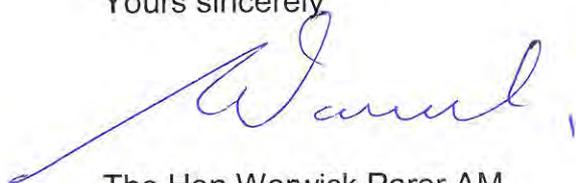
I am pleased to present the Annual Report 2012-2013 and financial statements for Royal Brisbane and Women's Hospital Foundation.

I certify that this Annual Report complies with the:

- prescribed requirements of the Financial Accountability Act 2009 and the Financial and Performance Management Standard 2009, and
- detailed requirements set out in the Annual Report requirements for Queensland Government agencies.

A checklist outlining the annual reporting requirements can be found at page twenty eight of this Annual Report or accessed at www.rbwhfoundation.com.au.

Yours sincerely



The Hon Warwick Parer AM
Chair

Attachment Two

Charter for Growth – Royal Brisbane and Women’s Hospital Foundation: 2011/12 – 2012/13

MISSION

The perfect world

Raising funds to support Royal Brisbane & Women’s Hospital (the Hospital) to further medical research and provide optimal health care and services.

KEY GOALS

Outcomes we will achieve

1. To establish a business structure which will enable the Foundation to grow and drive revenue growth through diversification and financial accountability.	2. To continue to position the Foundation as the primary fundraising arm of the Hospital.	3. To grow the Foundation through excellence in fundraising practice to a significant giver of funds to the Hospital.	4. To grow the support and recognition of the Foundation in northern NSW and Qld.	5. To ensure appropriate Corporate Governance standards are maintained.	6. To operate in a financially prudent manner.	7. To create an environment where employees’ and volunteer contributions are valued, recognized and rewarded.
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KEY STRATEGIES

How we will achieve our success

<ul style="list-style-type: none"> Develop appropriate Pillars of Business. Appropriate change management with all stakeholders, particularly the Foundation’s staff. 	<ul style="list-style-type: none"> Continued engagement of Hospital executive. Increased engagement of the Hospital’s staff as regards initiating and supporting Foundation fundraising activities. 	<ul style="list-style-type: none"> To develop a best practice and sustainable fundraising model using traditional and innovative techniques. Reduce supplier power by diversifying income streams to include an increasing number or commercial opportunities. To determine a diverse portfolio of revenue streams. To focus fundraising/commercial efforts on the achievement of undirected monies which ensure the Foundation’s liquidity. To explore the strategic use of online technologies to keep pace with change. 	<ul style="list-style-type: none"> Raise awareness of the Foundation in the catchment communities via innovative linkages with community groups and corporates. To increasingly activate patient support through greater linkages with the Hospital. To continue to develop the Royal Mum’s initiative and launch the Royal Family. 	<ul style="list-style-type: none"> To ensure that senior staff and Board have a clear understanding of corporate governance and this is actively pursued at all levels of the Foundation. Actively engage the Finance and Risk Committee. 	<ul style="list-style-type: none"> To determine the most impactful use of donor’s money. To ensure that operating expenses are at low end of peer group. 	<ul style="list-style-type: none"> To maintain a Board focus to ensure a higher level view of this aspect of the business.
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PERFORMANCE MEASURES

How will we measure our success

<ul style="list-style-type: none"> New Pillars of Business running smoothly and achieving budget. 	<ul style="list-style-type: none"> Tangible support provided by Hospital Executive. Messages and position statement incorporated into all communications by the Foundation and Hospital. Foundation and Hospital staff fully engaged in the process. 	<ul style="list-style-type: none"> To grow annual undirected fundraising income to \$3m by 2013/14. 	<ul style="list-style-type: none"> Active donor data bases increased from 5,000 to 15,000 by 2012/14 	<ul style="list-style-type: none"> Clean financial audit reports received. Finance and Risk Committee meeting with defined purpose and agenda. Effective working relationship between the Board and senior Foundation staff. 	<ul style="list-style-type: none"> To achieve adequate ranking amongst peer group. 	<ul style="list-style-type: none"> Top quartile performance in annual staff satisfaction survey.
--	---	--	---	---	---	---

FINANCIAL OBJECTIVE

How we will fund our goals

Create a long – term, sustainable fundraising revenue stream.

GUIDING VALUES

How we work together

COMMITMENT We believe in ourselves , each other, our services and our organisation .	RESPECT We respect and serve each other and internal and external stakeholders equally.	RESPONSIBILITY We all own our actions, promises and professional behaviours .	INNOVATION We value innovation and creativity as it helps to reinvent ourselves and our business.	PROFESSIONALISM We model best practice and ethical behaviour in business, management and governance.
---	---	--	---	---

Attachment Three

Charter for Growth – Royal Brisbane and Women’s Hospital Foundation: 2013/14 – 2017/18

MISSION

The perfect world

Supporting Royal Brisbane & Women’s Hospital and related health facilities to further medical research and provide optimal health care and services for Queenslanders.

KEY GOALS

Outcomes we will achieve

- | | | | | | |
|--|--|---|---|--|---|
| 1. To seek opportunities for alliances with other hospital foundations, hospitals, donors and stakeholders, which drives expansion of commercial opportunities and revenue growth. | 2. To grow the Foundation’s corpus through excellence in fundraising practice. | 3. To apply a sound financial model which ensures the Foundation meets its mission. | 4. To position the Foundation as the major hospital based charity in Qld. | 5. To ensure high Corporate Governance standards are maintained at all levels of the Foundation. | 6. To create an environment where employees’ and volunteers’ contributions are valued, recognised and rewarded. |
|--|--|---|---|--|---|

KEY STRATEGIES

How we will achieve our success

- | | | | | | |
|---|---|--|---|---|---|
| <ul style="list-style-type: none"> We will ensure that each of our commercial initiatives is operating successfully. We will continually seek out and evaluate business and alliance opportunities. | <ul style="list-style-type: none"> We will continue to develop a best practice and sustainable fundraising model using traditional and innovative techniques. We will develop a diverse portfolio of revenue streams. We will focus our efforts on the achievement of undirected monies in order to ensure the Foundation’s liquidity. We will explore the strategic use of online techniques to keep pace with change. | <ul style="list-style-type: none"> We will grow the corpus and distribute its earnings as appropriate annually. We will conservatively manage the balance sheet via appropriate investment strategies. | <ul style="list-style-type: none"> We will review and amend the brand as appropriate to reflect changing market circumstances. | <ul style="list-style-type: none"> We will ensure that senior staff and the Board have a clear understanding of corporate governance and that this is actively pursued at all levels of the Foundation. We will actively engage the Finance and Risk Committee. | <ul style="list-style-type: none"> We will ensure that the needs and contributions of employees and volunteers receive high level attention. |
|---|---|--|---|---|---|

PERFORMANCE MEASURES

How will we measure our success

- | | | | | | |
|--|---|--|--|---|---|
| <ul style="list-style-type: none"> New commercial opportunities and alliances adding value to the business via positive revenues. | <ul style="list-style-type: none"> Pre Distribution Annual Surplus (PDAS) increased to \$9m by 2018. Annual undirected net income increased to 50% of PDAS by 2018. Mission support to be 35% of (PDAS) by 2018. | <ul style="list-style-type: none"> Balance sheet equity to reach \$35m by 2018. | <ul style="list-style-type: none"> Active donor data bases increased from 10,000 to 50,000 by 2018. | <ul style="list-style-type: none"> Unqualified annual financial audit reports received. All Finance and Risk Committee meetings have a defined purpose and agenda. Effective working relationship between the Board and senior Foundation staff. | <ul style="list-style-type: none"> Top quartile performance in annual staff satisfaction survey. |
|--|---|--|--|---|---|

FINANCIAL OBJECTIVE

How we will fund our goals

Create a long – term, sustainable fundraising revenue stream.

GUIDING VALUES

How we work together

- | | | | | |
|---|---|---|---|---|
| <p>COMMITMENT
We believe in ourselves, each other, our services and our organisation.</p> | <p>RESPECT
We respect and serve each other and internal and external stakeholders equally.</p> | <p>RESPONSIBILITY
We all own our actions, promises and professional behaviours.</p> | <p>INNOVATION
We value innovation and creativity as it helps to reinvent ourselves and our business.</p> | <p>PROFESSIONALISM
We model best practice and ethical behaviour in business, management and governance.</p> |
|---|---|---|---|---|

CONTRIBUTION TO GOVERNMENT OBJECTIVES FOR THE COMMUNITY

The Foundation supports the Queensland Government’s “Getting Queensland back on track” objectives for the community. Particularly, revitalisation of front line health services for families.

ATTACHMENT FOUR – Compliance Checklist

Summary of requirement		Basis for requirement	Annual report reference
Letter of compliance	<ul style="list-style-type: none"> A letter of compliance from the accountable officer or statutory body to the relevant Minister 	ARRs – section 8	25
Accessibility	<ul style="list-style-type: none"> Table of contents Glossary 	ARRs – section 10.1	3
	<ul style="list-style-type: none"> Public availability 	ARRs – section 10.2	4
	<ul style="list-style-type: none"> Interpreter service statement 	ARRs – section 10.3	2
	<ul style="list-style-type: none"> Copyright notice 	ARRs – section 10.4	2
	<ul style="list-style-type: none"> Information licensing 	ARRs – section 10.5	-
General information	<ul style="list-style-type: none"> Introductory Information 	ARRs – section 11.1	5
	<ul style="list-style-type: none"> Agency role and main functions 	ARRs – section 11.2	5
	<ul style="list-style-type: none"> Operating environment 	ARRs – section 11.3	5
	<ul style="list-style-type: none"> Machinery of Government changes 	ARRs – section 11.4	24
Non-financial performance	<ul style="list-style-type: none"> Government objectives for the community 	ARRs – section 12.1	5,7,10
	<ul style="list-style-type: none"> Other whole-of-government plans / specific initiatives 	ARRs – section 12.2	-
	<ul style="list-style-type: none"> Agency objectives and performance indicators 	ARRs – section 12.3	6,7
	<ul style="list-style-type: none"> Agency service areas, service standards and other measures 	ARRs – section 12.4	6,7
Financial performance	<ul style="list-style-type: none"> Summary of financial performance 	ARRs – section 13.1	8
	<ul style="list-style-type: none"> Chief Finance Officer (CFO) statement 	ARRs – section 13.2	-
Governance – management and structure	<ul style="list-style-type: none"> Organisational structure 	ARRs – section 14.1	12
	<ul style="list-style-type: none"> Executive management 	ARRs – section 14.2	16
	<ul style="list-style-type: none"> Related entities 	ARRs – section 14.3	-
	<ul style="list-style-type: none"> Boards and committees 	ARRs – section 14.4	13
	<ul style="list-style-type: none"> Public Sector Ethics Act 1994 	ARRs – section 14.5	16

ATTACHMENT FOUR – Compliance Checklist

Summary of requirement	Basis for requirement	Annual report reference
Governance – risk management and accountability <ul style="list-style-type: none"> • Risk management • External Scrutiny • Audit committee • Internal Audit • Public Sector Renewal Program • Information systems and recordkeeping 	ARRs – section 15.1	16
	ARRs – section 15.2	23
	ARRs – section 15.3	-
	ARRs – section 15.4	16
	ARRs – section 15.5	-
	ARRs – section 15.7	24
Governance – human resources <ul style="list-style-type: none"> • Workforce planning, attraction and retention and performance • Early retirement, redundancy and retrenchment • Voluntary Separation Program 	ARRs – section 16.1	24
	Directive No.11/12 <i>Early Retirement, Redundancy and Retrenchment</i> ARRs – section 16.2	-
	ARRs – section 16.3	-
Open Data <ul style="list-style-type: none"> • Open Data 	ARRs – section 17	24
Financial statements <ul style="list-style-type: none"> • Certification of financial statements • Independent Auditors Report • Remuneration disclosures 	FAA – section 62 FPMS – sections 42, 43 and 50 ARRs – section 18.1	30
	FAA – section 62 FPMS – section 50 ARRs – section 18.2	30
	<i>Financial Reporting Requirements for Queensland Government Agencies</i> ARRs – section 18.3	30

FAA *Financial Accountability Act 2009* FPMS *Financial and Performance Management Standard 2009*

ARRs *Annual report requirements for Queensland Government agencies*

Royal Brisbane & Women's Hospital Foundation
(ABN 37 882 212 480)

Financial Statements

For the year ended 30 June 2013

Royal Brisbane & Women's Hospital Foundation Financial Statements 2012-13

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Statement of Changes in Equity	5
Statement of Cash Flows	6
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General Information

These financial statements cover Royal Brisbane & Women's Hospital Foundation (the Foundation).

The foundation is established by Order in Council under the *Hospital Foundations Act 1982* and is a statutory body within the meaning given in the *Financial Accountability Act 2009*.

To the best of the knowledge of the Board of Royal Brisbane & Women's Foundation, during the course of the last financial year there have been no breaches by the Foundation of the *Hospital Foundations Act 1982* (the Act).

The principal place of business of Royal Brisbane & Women's Hospital Foundation is:

Block 20
Royal Brisbane and Women's Hospital
Butterfield Street
Herston
QLD 4006

A description of the nature of the Foundation's operations and its principal activities is included in the notes to the financial statements.

For information in relation to the Foundation's financial statements, please call (07) 3636-7588, email info@rbwhfoundation.com.au or visit the Foundation's Internet site www.rbwhfoundation.com.au.

Amounts shown in these financial statements may not add to the correct sub-totals or totals due to rounding.



Royal Brisbane & Women's Hospital Foundation

Statement of Comprehensive Income
for the year ended 30 June 2013

	Notes	2013 \$	2012 \$
Income from Continuing Operations			
Fundraising Activities, Special Events, Donations and Bequests	2	4,012,884	3,338,588
Merchandising Activities		73,464	87,366
Research Grants and Clinical Trials	3	2,085,922	690,290
Financial Income	4	713,471	589,803
Carpark Rental Income		1,393,638	1,339,926
Realised (Loss) / Gain on Sale of Available-for-Sale Financial Assets		111,197	(5,511)
Hospital TV Operations Income		659,911	635,026
Other Revenue	5	203,209	206,837
Total Income from Continuing Operations		9,253,697	6,882,324
Expenses from Continuing Operations			
<i>Operating Expenses</i>			
Foundation Employee Expenses	6 & 21	1,010,838	894,014
Event Expenses		614,157	486,895
Fundraising Expenses		124,661	109,732
Merchandising Expenses		31,052	54,574
Depreciation	7	53,526	16,300
Finance / Borrowing Costs	4	88,766	57,358
Other Expenses	8	144,064	107,560
<i>Hospital and Research Distributions</i>			
Research and Hospital Administration	9	682,055	539,203
Research Grants and Donations		1,473,002	647,460
Hospital TV Operations Expenses	10	442,987	540,509
Total Expenses from Continuing Operations		4,665,106	3,453,606
Surplus from Continuing Operations		4,588,591	3,428,719
Other Comprehensive Income			
Net (Decrease) / Increase in Fair Value of Available-For-Sale Financial Assets		610,605	(343,074)
Total Other Comprehensive (Loss) / Income		610,605	(343,074)
Total Comprehensive Income		5,199,195	3,085,645

The accompanying notes form part of these financial statements.



Royal Brisbane & Women's Hospital Foundation

Statement of Financial Position
as at 30 June 2013

	Notes	2013 \$	2012 \$
Current Assets			
Cash and Cash Equivalents	11	1,566,911	5,596,018
Trade and Other Receivables	12	2,102,253	1,321,433
Inventories	13	19,855	26,209
Held-to-Maturity Financial Assets	14	9,934,829	2,835,408
Other Current Assets		14,243	519
Total Current Assets		<u>13,638,092</u>	<u>9,779,585</u>
Non Current Assets			
Available-for-Sale Financial Assets	14	5,374,359	4,007,587
Property, Plant and Equipment	15	764,711	55,295
Total Non Current Assets		<u>6,139,070</u>	<u>4,062,882</u>
Total Assets		<u>19,777,161</u>	<u>13,842,468</u>
Current Liabilities			
Trade and Other Payables	16	1,062,099	464,252
Accrued Employee Benefits	17	266,772	177,997
Income in Advance		42,950	-
Other Current Liabilities	18	22,014	47,498
Total Current Liabilities		<u>1,393,833</u>	<u>689,748</u>
Non Current Liabilities			
Accrued Employee Benefits	17	31,414	-
Total Non Current Liabilities		<u>31,414</u>	<u>-</u>
Total Liabilities		<u>1,425,246</u>	<u>689,748</u>
Net Assets		<u>18,351,915</u>	<u>13,152,720</u>
Equity			
Accumulated Surplus		17,727,847	13,139,257
Fair Value Reserve		624,068	13,463
Total Equity		<u>18,351,915</u>	<u>13,152,720</u>

The accompanying notes form part of these financial statements.



Royal Brisbane & Women's Hospital Foundation

Statement of Changes in Equity
for the year ended 30 June 2013

	Accumulated Surplus \$	Fair Value Reserve \$	TOTAL \$
Balance as at 1 July 2011	9,629,592	437,484	10,067,076
Reclassification in Respect of Prior Year Losses on Sale of Available-for-Sale Financial Assets	80,946	(80,946)	-
Restated Balance as at 1 July 2011	9,710,538	356,538	10,067,076
Surplus from Continuing Operations	3,428,719	-	3,428,719
<i>Other Comprehensive Income</i>			
Decrease in Fair Value of Available-For-Sale Financial Assets	-	(343,075)	(343,075)
Total Comprehensive Income for the Year	3,428,719	(343,075)	3,085,644
Balance as at 30 June 2012	13,139,257	13,463	13,152,720
Balance as at 1 July 2012	13,139,257	13,463	13,152,720
Surplus from Continuing Operations	4,588,591	-	4,588,591
<i>Other Comprehensive Income</i>			
Increase in Fair Value of Available-For-Sale Financial Assets	-	610,605	610,605
Total Comprehensive Income for the Year	4,588,591	610,605	5,199,195
Balance as at 30 June 2013	17,727,847	624,068	18,351,915

The accompanying notes form part of these financial statements.



Royal Brisbane & Women's Hospital Foundation
Statement of Cash Flows
for the year ended 30 June 2013

	Notes	2013 \$	2012 \$
Cash flows from Operating Activities			
<i>Inflows:</i>			
Fundraising Activities, Special Events, Donations and Bequests		3,802,802	3,384,839
Merchandising Activities		73,464	87,829
Research Grants and Clinical Trials		1,472,748	691,931
Car Park Rental Income		1,404,629	1,271,333
Hospital TV Operations Income		649,226	601,607
GST Collected From Customers		395,393	317,310
Other Income		216,262	196,178
<i>Outflows:</i>			
Employee Expenses		(894,640)	(1,200,705)
Event Expenses		(652,888)	(444,632)
Fundraising Expenses		(107,287)	(113,107)
Research Administration and Clinical Trials		(666,023)	(794,968)
Merchandising Expenses		(23,883)	(82,593)
Research Grants		(937,661)	(800,881)
Hospital TV Operations		(434,941)	(266,666)
GST Paid to Suppliers		(298,442)	(192,827)
GST Remitted to ATO		(119,817)	(107,360)
Other Expenses		(141,820)	(177,238)
Net Cash Provided by Operating Activities		<u>3,737,123</u>	<u>2,370,060</u>
Cash flows from Investing Activities			
<i>Inflows:</i>			
Interest Income		459,000	365,130
Dividend Income		207,475	66,590
Distribution Income		-	28,812
Proceeds from Sales of Available-For-Sale Financial Assets		2,765,977	2,395,792
Proceeds from Sales of Held-to-Maturity Financial Assets		590,000	-
<i>Outflows:</i>			
Payments for Property, Plant and Equipment		(739,534)	(47,183)
Payments for Available-For-Sale Financial Assets		(3,404,981)	(2,883,392)
Payments for Held-to-Maturity Financial Assets		(7,557,553)	(653,452)
Management Fees		(86,614)	(21,097)
Net Cash Used in Investing Activities		<u>(7,766,230)</u>	<u>(748,801)</u>
Net Cash Provided by / (Used in) Financing Activities		<u>-</u>	<u>-</u>
Net Increase / (Decrease) in Cash and Cash Equivalents		(4,029,107)	1,621,259
Cash and Cash Equivalents at Beginning of Financial Year		5,596,019	3,974,760
Cash and Cash Equivalents at End of Financial Year	11	<u><u>1,566,911</u></u>	<u><u>5,596,019</u></u>

The accompanying notes form part of these financial statements.



Royal Brisbane & Women's Hospital Foundation

Notes to and forming part of the financial statements for the year ended 30 June 2013

Objectives and Principal Activities of the Foundation

Note 1:	Summary of Significant Accounting Policies
Note 2:	Fundraising Activities, Special Events, Donations and Bequests
Note 3:	Research Grants and Clinical Trials
Note 4:	Financial Income and Finance Costs
Note 5:	Other Revenue
Note 6:	Employee Expenses
Note 7:	Depreciation
Note 8:	Other Expenses
Note 9:	Research and Hospital Administration
Note 10:	Hospital TV Operations
Note 11:	Cash and Cash Equivalents
Note 12:	Trade and Other Receivables
Note 13:	Inventories
Note 14:	Financial Assets
Note 15:	Property, Plant and Equipment
Note 16:	Trade and Other Payables
Note 17:	Accrued Employee Benefits
Note 18:	Other Current Liabilities
Note 19:	Commitments for Expenditure
Note 20:	Contingencies
Note 21:	Key Executive Management Personnel and Remuneration



Royal Brisbane & Women's Hospital Foundation

Notes to and forming part of the financial statements for the year ended 30 June 2013

Objectives and Principal Activities of the Foundation

The objective of the foundation is to raise money to help fund clinical research, purchase vital pieces of equipment and enable key health professionals to attend additional training programs, conferences and seminars.

The Foundation is funded for the services it delivers through donations, sponsorship and support from the broader community, including individuals, businesses, community groups and commercial activities.

1. Summary of Significant Accounting Policies

(a) Statement of Compliance

The financial statements have been prepared in compliance with the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*.

These financial statements are general purpose financial statements and have been prepared on an accrual basis in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations.

With respect to compliance with Australian Accounting Standards and Interpretations, the Foundation has applied those requirements applicable to not-for-profit entities, as the Foundation is a not-for-profit public sector entity.

Except where stated, the historical cost convention is used.

The financial statements' presentation currency is the Australian Dollar.

(b) The Reporting Entity

The financial statements include the value of all revenues, expenses, assets, liabilities and equity of the Foundation. There are no controlled entities.

(c) Fundraising Activities, Special Events, Donations and Bequests

Revenue from fundraising activities, special events, donations and bequests are recognised as income when received. The amount and timing of receipts is dependent on a number of fundraising activities including direct mail donations, personal and corporate donations and special events. Revenue from registrations for conferences and tickets sales for events are recognised on an accruals basis.

Bequest income varies from year-to-year depending on the number and value of bequests received.

(d) Research Grants and Clinical Trials

Income from research grants administered by the Foundation that are non-reciprocal in nature are recognised as revenue when they are received. Income from research grants administered by the Foundation that are reciprocal in nature are recognised as services are rendered and / or contract milestones are completed.

Research grants payable are accounted for when grants are awarded and accepted.

Income from clinical trials is recognised as income under the stage of completion method when services are rendered and / or contract milestones are completed.

(e) Car Park Rental Income

Car park rental income is recognised on a straight-line basis over the term of the lease.

(f) Hospital TV Operations Income

Hospital TV operations income is recognised on an accruals basis. The amount and timing of receipts is dependent on the number of patients occupying beds, the reliability of the television at the bedside and the uptake of the service by the patients.

(g) Financial Income

Dividend income is recognised when the shareholder's right to receive payment is established. Interest income is recognised using the effective interest method.

(h) Merchandising Sales

Income from sales of merchandise are recognised when goods are received.

Revenue is shown exclusive of GST.



Royal Brisbane & Women's Hospital Foundation

Notes to and forming part of the financial statements for the year ended 30 June 2013

(i) Cash and Cash Equivalents

For the purposes of the Statement of Financial Position and the Statement of Cash Flows, cash assets include all cash and cheques received but not banked at 30 June as well as short term deposits at call with financial institutions that are readily convertible to known amounts of cash with an original maturity of three months or less.

(j) Trade and Other Receivables

Trade debtors are recognised at amortised cost. Settlement of these amounts is required within 30 days from invoice date.

The collectability of receivables is assessed periodically with provision being made for impairment. All known bad debts were written-off as at 30 June.

Other debtors generally arise from transactions outside the usual operating activities of the Foundation and are recognised at amortised cost. Terms are a maximum of 30 days, no interest is charged and no security is obtained.

(k) Inventories

Inventories held for sale are valued at the lower of cost and net realisable value.

Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition.

Net realisable value is determined on the basis of the Foundation's normal selling pattern. Expenses associated with selling costs are deducted to determine net realisable value.

(l) Financial Instruments

Classification

The Foundation classifies and measures its financial assets in the following categories:

- Cash and cash equivalents – held at fair value through profit and loss
- Receivables - held at amortised cost
- Held to maturity investment - held at amortised cost
- Available-for-sale financial assets – held at fair value through profit and loss
- Payables - held at amortised cost

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at the end of each reporting date.

(i) Financial assets at fair value through profit or loss are financial assets held for trading.

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are expected to be settled within 12 months; otherwise they are classified as non-current.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting period which are classified as non-current assets. Loans and receivables are included in trade and other receivables (note 12) in the balance sheet.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Foundation's management has the positive intention and ability to hold to maturity. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the end of the reporting period, which are classified as current assets.

The held-to-maturity financial assets are term deposits held with financial institutions with an original maturity date of greater than 90 days.

(iv) Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of the investment within 12 months of the end of the reporting period. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.



Royal Brisbane & Women's Hospital Foundation

Notes to and forming part of the financial statements for the year ended 30 June 2013

(l) Financial Instruments (cont'd)

Classification (cont'd)

The Foundation's investment in equity securities and managed funds are classified as available-for-sale financial assets. These investments are managed by JBWere Pty Ltd and the performance of such is monitored by the Foundation's Risk and Audit Committee which meets at least bi-monthly.

Recognition and Derecognition

Regular way purchases and sales of financial assets are recognised on trade-date – the date on which the group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to profit and loss as gains and losses from investment securities.

Measurement

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Loans and receivables and held-to-maturity investments are subsequently carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in profit or loss within other income or other expenses in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in profit or loss as part of revenue from continuing operations when the group's right to receive payments is established. Interest income from these financial assets is included in the net gains/(losses).

Impairment

The Foundation assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the assets are impaired.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

(m) Property, Plant and Equipment

Cost is determined as the value given as consideration plus costs incidental to the acquisition, including all other costs incurred in getting the assets ready for use. However, any training costs are expensed as incurred.

Items of property, plant and equipment with a cost or other value equal to or in excess of the following thresholds are recognised for financial reporting purposes in the year of acquisition:

Plant and Equipment	\$5,000
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Items with a lesser value are expensed in the year of acquisition unless they form a network of assets.

(n) Depreciation of Property, Plant and Equipment

Property, plant and equipment is depreciated on a straight-line basis so as to allocate the net cost or revalued amount of each asset, less its estimated residual value, progressively over its estimated useful life to the Foundation.

For each class of depreciable asset the following depreciation and amortisation rates are used:

Class	Rate %
Plant and equipment:	
Furniture & fittings	20.00
Computer equipment	33.33
TV operations equipment	5.00 - 20.00



Royal Brisbane & Women's Hospital Foundation

Notes to and forming part of the financial statements for the year ended 30 June 2013

(o) Impairment of Non-Current Assets

All non-current physical and intangible assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, the department determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

The asset's recoverable amount is determined as the higher of the asset's fair value less costs to sell and depreciated replacement cost.

An impairment loss is recognised immediately in the Statement of Comprehensive Income, unless the asset is carried at a revalued amount. When the asset is measured at a revalued amount, the impairment loss is offset against the asset revaluation surplus of the relevant class to the extent available.

(p) Impairment of Non-Current Assets (cont'd)

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(q) Prepayments

Prepayments are recognised on a straight-line basis over the period covered by the invoice, from the date of purchase of goods or delivery of service.

(r) Leases

Operating lease payments are recognised on a straight-line basis over the period of the lease.

(s) Payables

Trade creditors are recognised at amortised cost. Amounts owing are unsecured and are generally settled on 30 day terms.

(t) Employee Benefits

Employer superannuation contributions, annual leave and long service leave are regarded as employee benefits.

Workers' compensation insurance is a consequence of employing employees, but is not counted in an employee's total remuneration package. They are not employee benefits and are recognised separately as employee related expenses.

Wages, Salaries and Sick Leave

Wages and salaries due but unpaid at reporting date are recognised in the Statement of Financial Position at the current salary rates.

For unpaid entitlements expected to be paid within 12 months, the liabilities are recognised at their undiscounted values. Entitlements not expected to be paid within 12 months are classified as non-current liabilities and recognised at their present value, calculated using yields on Fixed Rate Commonwealth Government bonds of similar maturity, after projecting the remuneration rates expected to apply at the time of likely settlement.

Prior history indicates that on average, sick leave taken each reporting period is less than the entitlement accrued. This is expected to continue in future periods. Accordingly, it is unlikely that existing accumulated entitlements will be used by employees and no liability for unused sick leave entitlements is recognised.

As sick leave is non-vesting, an expense is recognised for this leave as it is taken.

Bonus Payments

A liability is recognised for the amount expected to be paid under short-term cash bonus plans if the Foundation has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

The maximum bonus an employee is entitled to is 5% of their total remuneration package. The bonus is only payable upon firstly meeting financial criteria as set by the Board of the Foundation and thereafter upon successfully achieving individual KPI's as set by the Chief Executive Officer on a year by year basis.

Superannuation

Employer superannuation contributions are expensed in the period in which they are paid or payable to a superannuation provider of the employee's choice.



Royal Brisbane & Women's Hospital Foundation

Notes to and forming part of the financial statements for the year ended 30 June 2013

(t) Employee Benefits (cont'd)

Key Executive Management Personnel and Remuneration

Key executive management personnel and remuneration disclosures are made in accordance with section 5 of the Financial Reporting Requirements for Queensland Government Agencies issued by Queensland Treasury. Refer to note 22 for the disclosures on key executive management personnel and remuneration.

Annual and Long Service Leave

The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(u) Provisions

Provisions are recorded when the Foundation has a present obligation, either legal or constructive as a result of a past event. They are recognised at the amount expected at reporting date for which the obligation will be settled in a future period. Where the settlement of the obligation is expected after 12 or more months, the obligation is discounted to the present value using an appropriate discount rate.

(v) Insurance

The Foundation's non-current physical assets and other risks are insured through the Queensland Government Insurance Fund, premiums being paid on a risk assessment basis. In addition, the Foundation pays premiums to WorkCover Queensland in respect of its obligations for employee compensation.

(w) Taxation

The Foundation has been endorsed by the Commissioner of Taxation as an income tax exempt charity pursuant to Section 50-5 of the *Income Tax Assessment Act 1997*. The Foundation is exempted from Fringe Benefits Tax under Section 57a of the *Fringe Benefit Tax Assessment Act 1986*. Accordingly the Foundation is exempted from Commonwealth taxation with the exception of Goods and Services Tax (GST). GST is the only tax accounted for by Royal Brisbane & Women's Hospital Foundation. GST credits receivable from, and GST payable to the ATO, are disclosed at note 12 & 16.

(x) Issuance of Financial Statements

The financial statements are authorised for issue by the board of Royal Brisbane & Women's Hospital Foundation at the date of signing the Management Certificate.

(y) Accounting Estimates and Judgements

The preparation of financial statements necessarily requires the determination and use of certain critical accounting estimates, assumptions, and management judgements that have the potential to cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Such estimates, judgements and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods as relevant.

Estimates and assumptions that have a potential significant effect are outlined in the following financial statement notes:

Accrued Employee Benefits - note 17
Contingencies - note 20



Royal Brisbane & Women's Hospital Foundation

Notes to and forming part of the financial statements for the year ended 30 June 2013

(y) Accounting Estimates and Judgements (cont'd)

The Australian government passed its Clean Energy Act in November 2011 with a start date of 1 July 2012. The legislation will result in the introduction of a price on carbon emissions made by Australian businesses from 1 July 2012.

The flexible market-based price phase of the carbon pricing mechanism will commence on 1 July 2015. It will be preceded by a three-year period during which the price of permits will be fixed at \$23 per tonne or carbon dioxide equivalent in year one, \$24.15 in year two and \$25.40 in year three.

Section 4.3.4 of Queensland Treasury's report on 'Carbon Price Impacts for Queensland' dated August 2011 indicates that, for non-residential construction activities, costs may increase by between 0.7 per cent and 0.8 per cent over the period 2012-13 to 2015-16.

On this basis and other information available, the introduction of the carbon pricing mechanism is not expected to have a significant impact on the Foundation's critical accounting estimates, assumptions and management judgements.

(z) Rounding and Comparatives

Amounts included in the financial statements are in Australian dollars and have been rounded to the nearest \$1.

Comparative information has been restated where necessary to be consistent with disclosures in the current reporting period.

(aa) New and Revised Accounting Standards

AASB 1053 Application of Tiers of Australian Accounting Standards applies as from reporting periods beginning on or after 1 July 2013. AASB 1053 establishes a differential reporting framework for those entities that prepare general purpose financial statements, consisting of two Tiers of reporting requirements - Australian Accounting Standards (commonly referred to as 'Tier 1'), and Australian Accounting Standards - Reduced Disclosure Requirements (commonly referred to as 'Tier 2'). Tier 1 requirements comprise the full range of AASB recognition, measurement, presentation and disclosure requirements that are currently applicable to reporting entities in Australia. The only difference between the Tier 1 and Tier 2 requirements is that Tier 2 requires fewer disclosures than Tier 1.

Details of which disclosures in standards and interpretations are not required under Tier 2 reporting are set out in amending standards AASB 2010-2, AASB 2011-2, AASB 2011-6 and AASB 2011-11 (which also apply from reporting periods beginning on or after 1 July 2013). However, Treasury and Trade's Financial Reporting Requirements effectively do not allow application of AASB 2011-6 in respect of controlled entities, associates or interests in jointly controlled entities.

Pursuant to AASB 1053, and in accordance with Queensland Treasury and Trade's policy, the Foundation has chosen to adopt Tier 2 requirements for their general purpose financial statements. As also permitted by Queensland Treasury and Trade, the Foundation voluntarily adopted AASB 1053 earlier than its effective date. The Foundation has elected to apply AASB 1053 as from the reporting period 1 July 2012 to 30 June 2013.

On this basis, key disclosures the Foundation no longer needs to include are:

- the disclosure in this note regarding the expected implication for the Foundation of Australian Accounting Standards and Interpretations that have been issued but are not yet effective;
- a Statement of Financial Position as at the beginning of the earliest comparative period, if an accounting policy is applied retrospectively, if a retrospective restatement of items is made in the financial statements, or if an item is reclassified in the financial statements;
- the reconciliation of the carrying amount of property, plant and equipment for the comparative period;
- the reconciliation of the Foundation's operating result to its net cash from operating activities; and
- many of the disclosures required in relation to financial instruments, particularly all disclosures that convey information about the various risks the Foundation is exposed to from its financial instruments.

The Foundation is not permitted to early adopt a new or amended accounting standard ahead of its specified commencement date unless approval is obtained from Queensland Treasury and Trade. Therefore, no other accounting standards and interpretations that have been issued but are not yet effective have been adopted by the Foundation ahead of their effective dates. The Foundation will apply these standards and interpretations once they become effective.

Australian Accounting Standard changes applicable for the first time as from 2012-13 have had the following impacts on the Foundation's financial statements, as explained below:

AASB 2011-9 *Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income* [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049] applies as from reporting periods beginning on or after 1 July 2012. The only impact for the Foundation will be that, in the Statement of Comprehensive Income, items within the 'Other Comprehensive Income' section will need to be presented in different sub-sections, according to whether or not they are subsequently re-classifiable to the operating result. Whether subsequent re-classification is possible depends on the requirements or criteria in the accounting standard/interpretation that relates to the item concerned.



Royal Brisbane & Women's Hospital Foundation

Notes to and forming part of the financial statements for the year ended 30 June 2013

	2013	2012
	\$	\$
2. Fundraising Activities, Special Events, Donations and Bequests		
Bequests & memorial gifts	911,879	1,211,341
Donations received	1,177,487	834,597
Non-tax deductible gifts	29,118	19,414
Hospital & university events	201,199	285,366
Fundraising projects	1,693,201	987,870
Total	<u>4,012,884</u>	<u>3,338,588</u>
3. Research Grants and Clinical Trials		
Clinical trials	865,787	403,057
Research and Hospital grants	1,220,135	287,233
Total	<u>2,085,922</u>	<u>690,290</u>
4. Financial Income and Finance Costs		
Interest income on managed funds	45,015	9,801
Interest income on bank deposits	440,841	416,954
Dividend income on Australian equity funds	227,614	163,047
Total Finance Income	<u>713,471</u>	<u>589,803</u>
Bank Charges	15,140	15,911
Management fees*	73,625	41,447
Total Finance Costs	<u>88,766</u>	<u>57,358</u>
* Refer to note 1 (v) for further details.		
5. Other Revenue		
Hospital shop rental income	10,400	18,900
Reimbursement of Bancroft Centre rental *	181,818	155,497
Other	10,991	32,440
Total	<u>203,209</u>	<u>206,837</u>
* Refer note 9.		



Royal Brisbane & Women's Hospital Foundation

Notes to and forming part of the financial statements for the year ended 30 June 2013

	Note	2013 \$	2012 \$
6. Employee Expenses			
Foundation Employee Benefits			
Wages and salaries		837,529	774,385
Annual leave expense*		52,555	26,502
Employer superannuation contributions*		75,462	66,851
Long service leave expense*		41,148	21,668
Employee Related Expenses			
Workers compensation premium*		4,145	4,608
Total Foundation Employee Benefits		1,010,838	894,014
Clinical Trial Employee Benefits			
	9		
Wages and salaries		131,121	88,659
Annual leave expense*		1,606	9,000
Employer superannuation contributions*		11,805	7,928
Long service leave expense*		2,360	(5,905)
Total Clinical Employee Benefits		146,892	99,682
Research Staff Employee Benefits			
	9		
Wages and salaries		8,997	-
Annual leave expense*		763	-
Employer superannuation contributions*		816	-
Total Research Staff Employee Benefits		10,575	-
Volunteer Manager Employee Benefits			
	9		
Wages and salaries		5,187	-
Annual leave expense*		262	-
Employer superannuation contributions*		467	-
Total Volunteer Employee Benefits		5,915	-
Hospital TV Staff Employee Benefits			
	10		
Wages and salaries		275,757	251,193
Employer superannuation contributions*		24,846	22,650
Total Hospital TV Staff Employee Benefits		300,603	273,842
Total Employee Expenses funded by the Foundation		1,474,823	1,267,538

* Refer to Note 1 (t).

The number of employees including both full-time employees and part-time employees measured on a full-time equivalent basis is:

Number of Foundation employees	9	8
Number of Hospital & TV Staff	7	2
	16	10

Refer Note 21 for Key Executive Management Personnel and Remuneration



Royal Brisbane & Women's Hospital Foundation

Notes to and forming part of the financial statements for the year ended 30 June 2013

	2013	2012
	\$	\$
7. Depreciation		
Depreciation was incurred in respect of:		
Furniture and fittings	10,962	6,128
Computer equipment	11,477	9,956
TV Operations equipment	31,097	217
Total	<u>53,526</u>	<u>16,300</u>

8. Other Expenses

Insurance premiums - QGF	10,090	8,145
External audit fees*	17,900	19,420
Other administration expenses	116,074	79,995
Total	<u>144,064</u>	<u>107,560</u>

* Total audit fees paid to Queensland Audit Office relating to the 2012-13 financial statements are estimated to be \$17,900 (2012: \$17,900).

There are no non-audit services included in this amount.

9. Research and Hospital Administration

Bancroft Centre rental *	155,945	155,497
Clinical trial expenses **	313,529	234,191
Hospital & Research Medical & Administration expenses ***	212,579	149,516
Total	<u>682,055</u>	<u>539,203</u>

* Refer to note 5 and note 19.

** Includes salaries for Clinical Nurses of \$146,892 (2012: \$99,682)

*** Includes salaries for Research Staff of \$10,575 (2012: nil) and Volunteer Manager of \$5,916 (2012: nil)

10. Hospital TV Operations

Hospital TV salaries and wages	300,603	273,842
Hospital TV expenses and distributions	142,383	266,666
Total	<u>442,987</u>	<u>540,509</u>



Royal Brisbane & Women's Hospital Foundation

Notes to and forming part of the financial statements for the year ended 30 June 2013

	2013 \$	2012 \$
11. Cash and Cash Equivalents		
Current		
Fetty cash and floats	1,920	1,105
Cash at bank	1,428,615	842,803
Cash management accounts and termdeposits	136,376	4,752,110
Total	<u><u>1,566,911</u></u>	<u><u>5,596,018</u></u>

Cash at bank earns interest at variable rates between 0.77% and 2.75% at 30 June 2013, (2012: between 0.05% and 6.26%).

12. Trade and Other Receivables

Trade debtors	585,977	114,873
GST receivable	136,473	-
GST payable	(118,109)	-
	<u>18,364</u>	<u>-</u>
Accrued income *	1,439,296	1,055,829
Investment income receivable	58,616	149,449
Other receivables	-	1,282
Total	<u><u>2,102,253</u></u>	<u><u>1,321,433</u></u>

There was no provision made for impairment of receivables in 2012-13 (2011-12: Nil).

* Accrued income consists of the following:

Carpark income	905,590	890,000
Clinical trials income	73,679	-
FFRA Fellowship Funding	150,000	150,000
QIMR Weekend to End Women's Cancer Commitment	257,571	-
Other Accrued Income	52,456	15,829
Total Accrued Income	<u><u>1,439,296</u></u>	<u><u>1,055,829</u></u>

13. Inventories

Inventory held for distribution - at cost	19,855	26,209
Total	<u><u>19,855</u></u>	<u><u>26,209</u></u>

14. Financial Assets

Current

Held-to-maturity financial assets, at amortised cost:

Termdeposits	<u>9,934,829</u>	<u>2,835,408</u>
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Non Current

Available-for-sale financial assets, at fair value:

Fixed interest corporate debt	1,569,355	865,048
Australian equity fund	3,793,561	3,133,299
Australian shares	11,443	9,240
Total	<u><u>5,374,359</u></u>	<u><u>4,007,587</u></u>



Royal Brisbane & Women's Hospital Foundation

Notes to and forming part of the financial statements for the year ended 30 June 2013

15. Property, Plant and Equipment	2013	2012
	\$	\$
Furniture & fittings		
At cost	126,716	96,945
Less: Accumulated depreciation	(89,613)	(78,661)
	<u>37,103</u>	<u>18,284</u>
Computer equipment		
At cost	48,171	48,171
Less: Accumulated depreciation	(35,169)	(23,693)
	<u>13,001</u>	<u>24,478</u>
TV operations equipment		
At cost	745,920	12,750
Less: Accumulated depreciation	(31,313)	(217)
	<u>714,607</u>	<u>12,533</u>
Total	<u>764,711</u>	<u>55,295</u>

Property, Plant and Equipment Reconciliation

	Furniture & Fittings	Computer Equipment	TV Operations Equipment	Total
	\$	\$	\$	\$
Carrying Amount at 1 July 2012	18,284	24,478	12,533	55,295
Acquisitions	29,771	-	733,170	762,941
Depreciation	(10,952)	(11,477)	(31,097)	(53,525)
Carrying Amount at 30 June 2013	<u>37,103</u>	<u>13,001</u>	<u>714,606</u>	<u>764,711</u>

There was no impairment loss recorded on property, plant and equipment in 2012-13.

16. Trade and Other Payables	2013	2012
	\$	\$
Trade creditors	500,618	186,596
Accruals	192,480	48,154
Research grant creditors	369,000	225,001
GST receivable	-	(49,711)
GST payable	-	54,213
	<u>-</u>	<u>4,502</u>
Total	<u>1,062,099</u>	<u>464,252</u>

17. Accrued Employee Benefits	2013	2012
	\$	\$
Current		
Wages outstanding	30,553	20,781
Bonus outstanding	59,718	47,997
Annual leave payable	149,014	93,827
Long service leave payable	27,487	15,392
Total	<u>266,772</u>	<u>177,997</u>
Non-Current		
Long service leave payable	31,414	-
Total	<u>31,414</u>	<u>-</u>



Royal Brisbane & Women's Hospital Foundation

Notes to and forming part of the financial statements for the year ended 30 June 2013

	2013	2012
	\$	\$
18. Other Current Liabilities		
FAYG taxable payable	20,878	15,468
Superannuation payable	724	31,943
Other	412	87
	<u>22,014</u>	<u>47,498</u>

19. Commitments for Expenditure

(a) Cancellable Operating Lease

Commitments under operating leases at reporting date are inclusive of anticipated GST and are payable as follows:

Not later than one year	<u>27,720</u>	<u>25,800</u>
Total	<u>27,720</u>	<u>25,800</u>

Operating Lease represents a 75 year lease of half a floor in the Bancroft Centre of the Queensland Institute of Medical Research (QIMR) which requires two months notice in writing to terminate.

(b) Capital Expenditure Commitments

Material classes of capital expenditure commitments inclusive of anticipated GST, contracted for at reporting date but not recognised in the accounts payable are as follows:

TV Plant & Equipment

Payable:

Not later than one year	<u>529,918</u>	<u>1,285,303</u>
Total	<u>529,918</u>	<u>1,285,303</u>

20. Contingencies

Butterfield Street car park

During the 1997-98 financial year, Royal Brisbane Hospital Research Foundation entered into an agreement with Queensland Health to receive a fixed share of the car park income from the Butterfield Street car park. The agreement is for a period of 20 years and expires on 11 January 2018. The Butterfield Street car park was set up under a BOOT arrangement (Build, Own, Operate and Transfer) with the International Parking Group Pty Ltd.

In 1998, as part of the arrangement, Royal Brisbane Hospital Foundation received an upfront payment of \$2,425,511 (the initial rent). Under the Deed of Assignment dated 30 June 2000, the Foundation has agreed to the proportional refund of this initial rent in the event of the early termination of the lease.

As at 30 June 2013 the unexpired portion of this amount totalled \$545,742 (2012: \$667,016).

Rental income from the Butterfield Street car park totalled \$1,393,638 for the year (2012: \$1,339,926).

The members of the Board are of the opinion that provisions are not required in respect of this matters, as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement.



Royal Brisbane & Women's Hospital Foundation

Notes to and forming part of the financial statements for the year ended 30 June 2013

21. Key Executive Management Personnel and Remuneration

(a) Key Executive Management Personnel

The following details for key executive management personnel include those positions that had authority and responsibility for planning, directing and controlling the activities of the Foundation during 2012-13. Further information on these positions can be found in the body of the Annual Report under the section relating to Executive Management.

Position	Responsibilities	Current Incumbents	
		Contract classification and appointment authority	Date appointed to position
Chief Executive Officer	The Chief Executive Officer is responsible for the efficient, effective and economic administration of the Foundation.	Employment contract signed by the Chairman of the Board within his authority under the <i>Hospital Foundations Act 1982</i> .	20 July 2009

(b) Remuneration

Remuneration policy for the Foundation's key executive management personnel is set by the Chairman of the Board within his authority under the *Hospital Foundations Act 1982*. The remuneration and other terms of employment for the key executive management personnel are specified in employment contracts.

The contracts provide for the provision of performance-related cash bonuses.

For the 2012-13 year, remuneration of key executive management personnel increased by 3.1% (2012: 3.2%), in accordance with Board policy.

Remuneration packages for key executive management personnel comprise the following components:-

* Short term employee benefits which include:

Base - consisting of base salary, allowances and leave entitlements paid and provided for the entire year or for that part of the year during which the employee occupied the specified position. Amounts disclosed equal the amount expensed in the Statement of Comprehensive Income.

* Long term employee benefits include long service leave accrued.

* Post employment benefits include superannuation contributions.

* Redundancy payments are not provided for within individual contracts of employment. Contracts of employment provide only for notice periods or payment in lieu of notice on termination, regardless of the reason for termination.

* Performance bonuses may be paid or payable annually depending upon satisfaction of key criteria. Performance payments of the key executive management are capped at 5% of total fixed remuneration. The amounts payable are tied to the achievement of pre-determined Foundation and individual performance targets as agreed by the Board.

Total fixed remuneration is calculated on a "total cost" basis and includes the base and long term employee benefits.

Royal Brisbane & Women's Hospital Foundation

Notes to and forming part of the financial statements for the year ended 30 June 2013

21. Key Executive Management Personnel and Remuneration (cont'd)

(b) Remuneration (cont'd)

1 July 2012 - 30 June 2013

Position	Short Term Employee Benefits	Post Employment Benefits	Total Remuneration
	Base \$'000	\$'000	\$'000
Chief Executive Officer	182.0	16.4	198.4

1 July 2011 - 30 June 2012

Position	Short Term Employee Benefits	Post Employment Benefits	Total Remuneration
	Base \$'000	\$'000	\$'000
Chief Executive Officer	176.5	15.9	192.4

(c) Performance Payments

The basis for performance bonuses paid or payable in the 2012-13 financial year is set out below:

Position	Date Paid	Basis for payment
Chief Executive Officer	9 July 2013	The cash performance bonus was calculated by reference to the incentive scheme approved by the Board on 3 May 2012. The bonus paid equated to 5% as compared to the maximum of 5% of the total fixed remuneration payable.

The basis for performance bonuses paid or payable in the 2011-12 financial year is set out below:

Position	Date Paid	Basis for payment
Chief Executive Officer	10 July 2012	The cash performance bonus was calculated by reference to the incentive scheme approved by the Board on 19 August 2011. The bonus paid equated to 5% as compared to the maximum of 5% of the total fixed remuneration payable.



Royal Brisbane & Women's Hospital Foundation

Notes to and forming part of the financial statements for the year ended 30 June 2013

21. Key Executive Management Personnel and Remuneration (cont'd)

(c) Performance Payments (cont'd)

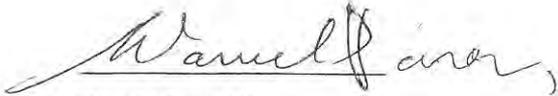
The aggregate performance bonuses paid to all key executive management personnel are as follows:

	2013	2012
Key Executive Management Personnel	\$9,895	\$9,620

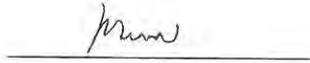
Certificate of the Royal Brisbane & Women's Hospital Foundation

These general purpose financial statements have been prepared pursuant to section 62(1) of the *Financial Accountability Act 2009* (the Act), relevant sections of the *Financial and Performance Management Standard 2009* and other prescribed requirements. In accordance with section 62(1)(b) of the Act we certify that in our opinion:

- a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- b) the financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of Royal Brisbane & Women's Hospital Foundation (the Foundation) for the financial year ended 30 June 2013 and of the financial position of the Foundation at the end of that year.



Warwick Parer AM
Chairman
9 August 2013



Peter Treseder AM
Chief Executive Officer
9 August 2013

INDEPENDENT AUDITOR'S REPORT

To the Board of Royal Brisbane and Women's Hospital Foundation

Report on the Financial Report

I have audited the accompanying financial report of Royal Brisbane and Women's Hospital Foundation, which comprises the statement of financial position as at 30 June 2013, the statement of comprehensive income, statement of financial position, 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 certificates given by the Chairman and Chief Executive Officer.

The Board's Responsibility for the Financial Report

The Board is responsible for the preparation of the financial report that gives a true and fair view in accordance with prescribed accounting requirements identified in the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*, including compliance with Australian Accounting Standards – Reduced Disclosure Requirements. The Board's responsibility also includes such internal control as the Board determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the Auditor-General of Queensland Auditing Standards, which incorporate the Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed 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 judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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, other than in expressing an opinion on compliance with prescribed requirements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board, as well as evaluating the overall presentation of the financial report including any mandatory financial reporting requirements approved by the Treasurer for application in Queensland.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

The *Auditor-General Act 2009* promotes the independence of the Auditor-General and all authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can be removed only by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

Opinion

In accordance with s.40 of the *Auditor-General Act 2009* –

- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion –
 - (i) the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects; and
 - (ii) the financial report presents a true and fair view, in accordance with the prescribed accounting standards – Reduced Disclosure Requirements, of the transactions of Royal Brisbane and Women's Hospital Foundation for the financial year 1 July 2012 to 30 June 2013 and of the financial position as at the end of that year.

Other Matters - Electronic Presentation of the Audited Financial Report

Those viewing an electronic presentation of these financial statements should note that audit does not provide assurance on the integrity of the information presented electronically and does not provide an opinion on any information which may be hyperlinked to or from the financial statements. If users of the financial statements are concerned with the inherent risks arising from electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.



D R ADAMS FCPA
Delegate of the Auditor-General of Queensland



Queensland Audit Office
Brisbane