

Royal Brisbane and Women's Hospital Foundation

2020 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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1. Glossary

AASBs	Australian Accounting Standards, as issued by Australian Accounting Standards Board.
AFRC	Audit, Finance and Risk Committee, a sub-committee of the Foundation Board.
Charter for Growth	The Foundation's Strategic Plan.
KPI	Specific metric for achievement of target.
RBWH or The Hospital	Royal Brisbane and Women's Hospital.
Tertiary Hospital	Major hospital that usually has a full complement of services including paediatrics, obstetrics, general medicine, gynaecology, various branches of surgery and psychiatry.
The Foundation	Royal Brisbane and Women's Hospital Foundation.

2. Background

The purpose of Royal Brisbane and Women’s Hospital Foundation (the Foundation) is to inspire the community to invest in patient care initiatives, including staff education, medical and clinical research with the aim of saving and improving lives. The Foundation supports the Royal Brisbane and Women’s Hospital (RBWH) as a world class health institution by:

- funding of centres of excellence that undertake clinical research;
- grants to young first-time researchers, who are embarking on their career as a clinician and potential clinical researcher;
- funding of equipment for research;
- training of professionals; and
- promoting health education in the community.

Being a tertiary referral teaching hospital located in Metro North Hospital and Health Service (MNHHS), RBWH fulfils a significant role in the Queensland community and beyond. Apart from providing high quality medical care it fulfils a significant teaching and research role with links to Queensland’s major tertiary institutions.

The core to the Foundation’s success is its reputation as a leading hospital foundation and its commitment to building strong relationships with the community and its supporters. The generosity of donors to the Foundation, whether it be time or financial support, make this possible.

2.1 The Foundation’s Primary Objective through to 2023-24

Central to the Foundation’s Strategic Plan through to 2023-24 is its vision to create better health for Queenslanders today, tomorrow and always.

This annual report outlines the progress the Foundation made in the first half of the 2019-20 financial year to restructure the workforce with the appointment of two new leadership positions and execute Royal Giving Day. Our focus in the second half of the financial year shifted to the COVID-19 pandemic and our key role in fundraising to support lifesaving research and front line health worker support.

The Foundation supports the Queensland Government’s objective to Keep Queenslanders healthy, by supporting the delivery of quality front line services by the RBWH in its role within the public health system.

3. Regulatory Framework

The Foundation was established in 2003 following the merger of Royal Women’s Hospital Foundation and Royal Brisbane Hospital Foundation. It 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 (as issued by AASB), the *Financial and Performance Management Standard 2019* of the *Financial Accountability Act 2009* and the *Australian Charities and Not-for profits Commission Act 2012* and associated regulation.

4. Operating Environment

4.1 Statutory Obligations – Review and Progress

The Foundation's primary statutory obligations are detailed in *Hospital Foundations Act 2018*. The objective of the Foundation is to raise money for RBWH to provide better treatment methods and improve patient outcomes.

Compliance with this is reviewed annually as part of the Foundation's strategic review process.

4.2 Strategic Risks, Opportunities, Challenges and Potential Impacts

The Foundation's thinking has been influenced by an earlier strategic management review. This understanding, together with recent analysis, has been used to influence the Foundation's future opportunities and strategic goals.

Strategic risks include potential damage to the Foundation's profile and reputation through specific fundraising campaigns, inability to raise funds particularly in uncertain economic environments, challenges in prioritisation of distributing funds to the Hospital given competing areas of need and maintaining an adequately skilled and engaged workforce and volunteer community.

5. Current Year Strategic Goals

For the year ended 30 June 2020, the key strategic goals (or directions) of the Foundation (refer Attachment two) and the key performance indicators (KPIs) used to assess performance were:

#	Strategic direction	KPIs
1	Build our profile and reputation	Increased profile in all channels Number of award nominations for philanthropic and donor impact
2	Build our fundraising income	Growth in fundraising income Increase donor retention through improved stewardship Growth in number of donors Growth in notified bequest donors Growth in number of corporate supporters
3	Increase our distributions	Growth in investment Growth in income and corpus Distributions, cash or in-kind
4	Invest in our people	Culture surveys and benchmarks Staff recognized for superior performance

6. Achievement of Current Year Strategic Goals

The Foundation measures and reports to the Board, and Audit, Finance and Risk Committee (AFRC), progress via bimonthly strategic mapping.

Considering the key strategic directions above, the following has been achieved:

1. The Foundation is currently one of the leading hospital foundations in Queensland due to its continuing success, as demonstrated by its distribution to mission (3 – Increase our distributions).
2. The Foundation conducted its first ever ‘Royal Giving Day’, a major fundraising initiative which raised more than \$500,000 (2 – Build our fundraising income).
3. The Foundation executed a highly successful coronavirus fundraising campaign (Coronavirus Action Fund - CAF) which raised approximately \$5.8 million to support lifesaving COVID-19 medical research, preventative and mental health projects (1 Building our profile and reputation, 2 – Build our fundraising income).
4. The Foundation undertook a brand refresh in October 2019 to enhance its profile and positioning to both internal and external stakeholders (1 – Building our profile and reputation).
5. In continuing with the focus on core fundraising activities and as a result of planning around COVID-19 the Foundation transferred the television assets formally to RBWH in June 2020. Due to COVID-19, the patient entertainment service was provided free to hospital patients from March 2020. The administration of clinical trials was also transferred to the RBWH along with life to date surplus’ generated (3 – Increase our distributions).

6. The Foundation underwent a staff restructure and appointed two new leadership positions – a Director of Communications and Engagement and a Director of Philanthropy and Development (4 – Invest in our people).
7. A new Customer Relationship Management (CRM) system (Raiser’s Edge) was implemented and this was critical to both Royal Giving Day and the CAF campaign. It will also underpin best practice stakeholder and donor relation programs now and into the future (2 – Build our fundraising income).
8. The corpus of the Foundation has allowed the Foundation to transfer significant funds to Metro North Hospital and Health Service for the Herston Biofabrication Facility. The Foundation continues to focus on increasing corpus to ensure continuity of distributions to mission and sufficiency of funds to cover operating costs (3 – Increase our distributions).
9. Flexible working arrangements and a staff incentive program have been maintained, as well as regular appreciation sessions conducted with full time and volunteer team members (4 – Invest in our people).
10. The Foundation increased its mission support and has made commitments to distribution CAF funding in financial year 2020-21 (3 – Increase our distributions).

7. Future Strategic Goals

Key objectives to be achieved by 2023-24 are to:

- ensure sustainable distributions by distributing 60 – 80 per cent of surpluses each year; and
- establish a corpus of \$50 million to fund larger and longer-term research initiatives.

The following activities are planned for 2020-21:

- Develop a strategy to ensure that key RBWH clinical research areas and research teams are supported and promoted.
- Develop a strategy to ensure that key areas of the RBWH are supported so that additional patient care funds are provided.
- Increase the amount of funds raised by 15 per cent to support an increased distribution to mission so more lives are saved and improved.

Accordingly, the Foundation’s future strategic goals are to:

1. Become known throughout Queensland as the leading philanthropic entity that supports RBWH medical and clinical research and enhances patient care.
2. Grow the Foundation’s ability to deliver distributions to its mission.
3. Seek opportunities for alliances with RBWH and Metro North Hospital and Health Service, donors and stakeholders.
4. Apply a sound financial model which ensures the Foundation meets its mission.
5. Create a culture where everyone is passionate about the Foundation’s mission.

The next five years will be impacted by the expected economic downturn and as a result prudent management of the Foundation corpus will be required. The Foundation will continue to increase its financial and other support for the hospital to assist it with a variety of initiatives. The appointment of a new investment advisor will be important to secure the long-term future of the Foundation's assets.

8. Financial Performance

8.1 Receipts and Disbursements

The following summarises the historical performance of the Foundation as extracted from the audited financial statements:

Table 1

	2016	2017	2018 ⁽¹⁾	2019 ⁽¹⁾	2020
	\$m	\$m	\$m	\$m	\$m
Income ⁽¹⁾	15.7	14.1	16.0	14.4	14.2
Expenses ⁽²⁾	3.6	4.2	4.3	3.7	4.3
Distributions ⁽¹⁾	4.2	6.2	6.8	12.7	10.1
Net Surplus/(Deficit)	7.9	3.7	4.9	(2.0)	(0.2)
Expenses %	23%	30%	27%	26%	31%
Distributions %	27%	44%	42%	88%	71%
Net Surplus/(Deficit) %	50%	26%	31%	(14%)	(2%)

⁽¹⁾ To ensure comparability, figures reported for 2018, 2019 and 2020 include the income, expenses and distributions associated with the administration of Clinical Trials and the Television Operations business. This is compared to the statutory financial statements, whereby accounting standards require that these items are presented as a net value for 'discontinued operations' in the year in which the decision was made to execute the return. A reconciliation to the statutory financial statements is as follows:

Table 2

	2019	2020
Statutory income (Statement of Comprehensive Income)	8.4	13.4
Add back: Clinical trial income (Note 2)	5.3	0.2
Add back: TV Operations income (Note 3)	0.7	0.6
Income per Table 1	14.4	14.2
Statutory Grants and Other Hospital Distributions (Note 14)	3.5	9.3
Add back: Clinical trial distributions (Note 2)	2.4	0.1
Add back: Clinical trial employee expenses (Note 2)	0.3	0.2
Add back: Clinical trial return of surplus (Note 2)	6.5	0.5
Distributions per Table 1	12.7	10.1

⁽²⁾ Total expenses (continued and discontinued operations) minus Grants and Other Hospital Distributions (note 14).

For the year ended 30 June 2020, the Foundation achieved income of \$14.2 million ⁽¹⁾. This is an excellent result and reflective of achievement of the Foundation's strategic goals. These funds have been apportioned as:

- 71 per cent to mission (\$10.1 million);
- Negative two per cent to balance sheet. This reflects the significant distribution being made to MNHHS for the Herston Biofabrication Facility; and
- 31 per cent to operational costs. The majority of these operational costs are covered by revenue from commercial and investment activities.

8.2 Historical equity position

The following summarises the historical equity position of the Foundation as extracted from the audited financial statements:

	2016	2017	2018	2019	2020
	\$m	\$m	\$m	\$m	\$m
Net Assets	35.9	39.6	44.5	42.4	42.0

A key component of ensuring the generational viability of the Foundation is a continued strengthening of its balance sheet. As the balance sheet grows in the future, so does its ability to increase the quantum of its support to mission.

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 33 per cent of the equity held is for a variety of special purpose funds which are earmarked to support numerous medical research projects and other initiatives including those associated with COVID-19. There is a large flow through of these funds as money is used for its intended purposes and replaced by further fundraising income.

9. Key Financial Achievements

- Successful COVID-19 medical research, preventative and mental health projects fundraising campaign raising \$5.8 million.
- \$10.1 million was distributed to RBWH in support of its health initiatives. The Foundation continues to increase its support of RBWH to further medical and clinical research and provide optimal health care and services.
- Income of \$14.2 million.
- Equity position of \$42 million. This will allow the Foundation to invest in future initiatives. This is the eleventh substantial year in a row.
- The Foundation's total expenditure is a very acceptable 30 per cent of gross revenue, with the majority of fixed costs being covered by income from the Foundation's commercial and investment activities, despite a weakened investment market.
- The Foundation is in a very strong financial position which ensures it is able to self-fund through its balance sheet and investments.

10. Success Principles

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

10.1 Our values

The Foundation has adopted the Queensland Government Public Service Values. The Foundation's ambition is to be a high performing, impartial and productive workforce. It is committed to a way of working where:

- All leaders and employees make decisions based on values;
- Leaders demonstrate the values as role models for employees; and
- We prioritize quality, inclusion, diversity, creativity, and collaboration every day.

The five values that guide our behaviour and the way the Foundation does business:

- Generosity of spirit;
- Ideas are encouraged and explored;
- Integrity and honesty;
- Individual responsibility for actions, promises and behaviours;
- Respectfulness.

10.2 People

Donors and Supporters

The Foundation practices a simple philosophy that at every interaction each team member aims to delight donors and stakeholders. It is recognised that professional, friendly relationship management is the cornerstone of the business. A donor centric approach is critical to building a strong philanthropic and engagement culture.

The Foundation thanks our many donors, stakeholders, RBWH Executive and staff, and volunteers for their generous support and friendship.

Our Team

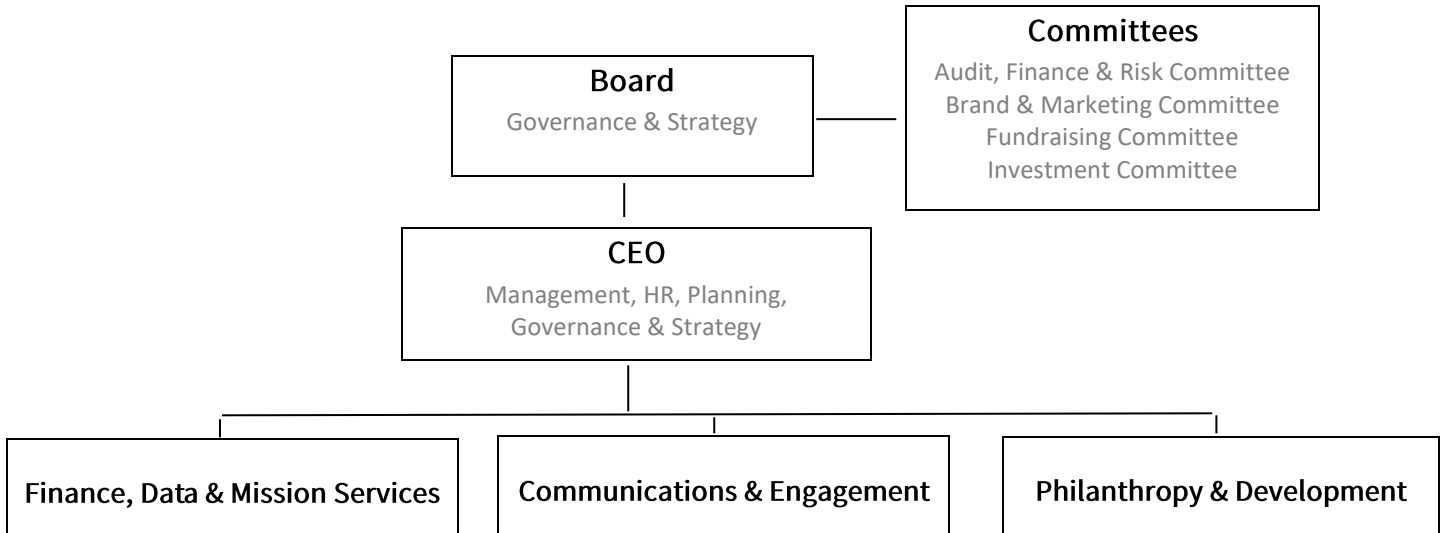
It is recognised that the staff and volunteers are the Foundation's most valued asset and it strives to achieve a work environment that brings out the best in each person, where everyone:

- believes in themselves, each other, services provided and the organisation;
- respects and serves each other and internal and external stakeholders equally;
- owns their actions, promises and professional behaviours;
- values innovation and creativity as it helps to reinvent each individual and our purpose; and
- models best practice and ethical behaviour in all elements of conduct.

11. Governance and Internal Control

11.1 Operating model

During the financial year, the Foundation worked within the following operating structure:



11.2 Patron

RBWH Foundation is honoured to have His Excellency, Paul de Jersey AC, QC, Governor of Queensland, as its patron.

We thank him for his endorsement and ongoing support.

11.3 Board

During the year, four new members of the Board were appointed.

Relevant details of the Board are:

Name of the Government body	RBWH Foundation		
Act or instrument	<i>Hospital Foundations Act 2018</i>		
Functions	Governance and strategy		
Achievements	Delivered another positive financial result for the people of Queensland		
Financial Reporting	The Foundation's financial statements are prepared in accordance with Australian Accounting Standards (as issued by AASB), the <i>Financial and Performance Management Standard 2019 of the Financial Accountability Act 2009</i> and the <i>Australian Charities and Not-for profits Commission Act 2012</i> and associated regulation.		
Remuneration	The Board serves voluntarily and no remuneration is paid		
Position and original appointment date	Current term	Name	Meetings attended
Chair (25/11/2016)	12/12/2019-30/9/2024	Leona Murphy	5 (6)
Deputy Chair (14/12/2018)	14/12/2018-30/9/2020	Anthony Di Marco	5 (6)
Member (25/11/2016)	12/12/2019-30/9/2024	Alanna Geary	4 (6)
Member (25/11/2016)	12/12/2019-30/9/2024	Luca Fu	6 (6)
Member (25/11/2016)	12/12/2019-30/9/2024	Owen Ung	4 (6)
Member (25/11/2016)	12/12/2019-30/9/2024	John McFarlane	6 (6)
Member (14/12/2018)	14/12/2018-30/9/2020	Sharyn Ghidella	6 (6)
Member (14/12/2018)	14/12/2018-30/9/2020	Susan Buckley	6 (6)
Member (14/12/2018)	14/12/2018-30/9/2020	John Barton	6 (6)
Member (14/12/2018)	14/12/2018-30/9/2020	Kristin Devitt	3 (3)
Member (12/12/2019)	12/12/2019-30/9/2022	Leith Wiblen	5 (6)
Member (12/12/2019)	12/12/2019-30/9/2022	Nicole Radice	6 (6)
Member (12/12/2019)	12/12/2019-30/9/2022	David Rosengren	5 (6)
Ex-Officio ⁽¹⁾ to 12/12/2019		Cliff Pollard	0 (6)
Ex-Officio ⁽¹⁾ from 12/12/2019		Kim Johnston	4 (6)
Total out of pocket expenses	Nil		

⁽¹⁾ Metro North Board's representative as per *Hospital and Health Boards Act 2011*

Board Profiles

Leona Murphy Chair

Leona has had an extensive corporate career and is an experienced executive with over 20 years' experience in senior executive roles for ASX Top 20 listed companies.

Her successful executive career has seen her work across all aspects of business. With a personal passion for creating community value and community resilience, she led an instrumental program on Global Resilience, was the Co-Chair of the Board for the United Nations Environmental Program Finance Initiatives Principles for Sustainable Insurance and was a member of the Business Advisory Council for World Vision Australia.

In 2015 she was recognised in the Global Category as one of Australia's Top 100 Women of Influence in the awards sponsored by the Australian Financial Review.

Her personal passion for community work has led her to RBWH Foundation as Leona believes that a strong health services sector is fundamental to building a resilient community and she is committed to dedicating time to assisting the Foundation deliver on its long-term goals, helping deliver better ways to better health.

Anthony (Nino) Di Marco Deputy Chair Chair of the Fundraising Committee

Nino Di Marco is the former CEO of Royal Flying Doctor Service (RFDS Queensland Section) and has over 25 years' experience in leadership and management. As part of his responsibilities while at RFDS, he was responsible for the strategic direction of the RFDS in Queensland with nine bases, 400 employees, turnover of \$95 million, and a balance sheet of \$120 million. Nino also sat on the National Executive of the RFDS National Organisation.

Nino is Chairman of Australian Affordable Housing Securities Ltd, and also Deputy Chair of Brisbane South Primary Health Network, part of a national health initiative by the Commonwealth Government to support primary health providers – GPs and allied health professionals – to provide coordinated, efficient and effective medical services to patients.

Nino holds an economics degree from the University of New England, and a Post Graduate Diploma in Finance and Investment. He is also a Fellow of the Australian Institute of Management and a Graduate of the Australian Institute of Company Directors.

Adjunct Associate Professor Alanna Geary **Member of the Fundraising Committee**

Alanna is the Executive Director of Nursing and Midwifery, Metro North Hospital and Health Service, Australia's largest hospital and health service.

Alanna has professional oversight for approximately 9000 Nurses and Midwives across the health service, with in excess of 3500 at the Royal Brisbane & Women's Hospital. Alanna has worked in healthcare as a nurse and midwife for nearly 40 years with the greatest proportion of that in senior nursing and midwifery roles at the RBWH. Alanna has a General Nursing Certificate, a Midwifery Certificate, a Bachelor of Nursing from the University of Southern Queensland and a Masters of Health Science obtained in 2001 from Griffith University. Alanna is a Fellow of the Australian College of Nursing and holds Adjunct Professor titles from University of Queensland, Queensland University of Technology, Griffith University and the University of the Sunshine Coast.

Alanna has extensive healthcare leadership and management experience and is passionate about the unique role of nurses and midwives in the delivery of healthcare. Additionally she is committed to ensuring that as well as being the largest Hospital and Health Service in the country, that nurses and midwives in MNHHS, of which RBWH nurses and midwives comprise the largest number, are at the forefront of all clinical and healthcare decision making. To this end as a Board member of the RBWH Foundation she is committed to ensuring that the face of the Foundation and the RBWH is ever present in Queensland and at the leading edge of healthcare, to improve clinical outcomes for patients who utilise health services.

Luca Fu

Luca is Managing Director of YFG Shopping Centres Pty Ltd, Australia's largest privately-owned shopping centre portfolio, and has forged a successful career in property development and management since migrating to Australia from Taiwan in 1991.

Luca oversees a portfolio with an asset value in excess of \$2 billion, more than 1,600 retailers and annual customer traffic of over 80 million visitors.

A committed philanthropist, he is a significant contributor to numerous community organisations as well as a benefactor of health, education, heritage and the arts. Long term benefaction relationships include more than 20 years supporting RBWH Foundation and Mater Foundation. He is a founding benefactor of the Sister Angela Mary Legacy Fund with the Mater Foundation, benefactor of the Brisbane City Hall restoration, a proud sponsor of the Out of the Box Festival at Queensland Performing Arts Centre and has been supporting the Buddha Birth Day Festival at South Bank since its inception more than 20 years ago.

Professor Owen Ung MBBS, FRACS, FAICD

Owen Ung is a breast and endocrine surgeon and Director of the Metro North Comprehensive Breast Cancer Institute. He is a committed clinician, researcher and teacher.

His current affiliations are:

Professor of Surgery, University of Queensland and visiting specialist surgeon at the Royal Brisbane and Women's Hospital, Wesley Private and St Andrews War Memorial Hospital in Brisbane, Queensland, Australia.

He sits on Federal Council for the Australian Medical Association (AMA) and the Royal Australasian College of Surgeons (RACS). He is President Elect and executive member of Breast Surgery International (BSI) of the international Surgical Society (ISS).

John McFarlane

Chair of the Audit, Finance and Risk Committee

Member of the Investment Committee

John has more than 25 years in leading roles in corporate finance, investments and projects largely within the resources and technology industries. Combined with 20 years of public company board and committee experience, John has a broad and practical corporate knowledge base.

For the past 15 years as a professional investor, John has developed his private investment interests specialising in primary and secondary capital investments in junior companies. The core pillar to this business has been the application of extensive due diligence and detailed corporate analysis which his business has undertaken on more than 500 companies.

John has brought this analytical discipline to RBWH Foundation having been a member of the Audit, Finance and Risk Committee since 2010 and now serves as AFRC Chair.

Kristin Devitt

Chair of the Brand and Marketing Committee

Kristin Devitt has forged a successful career spanning more than 20 years as a broadcast journalist and communications strategist, and since founding KDPR in 2003, has become a trusted advisor to leaders in business, government and the professions on all aspects of communication.

Kristin is well known for her strategic nous and ability to problem solve and build brands and she loves working with decision-makers who are prepared to think outside the box on communications strategy. Her investment in the success of her clients has allowed her to build long-lasting, trusted relationships with some of Queensland's most influential individuals and organisations.

Change management, place making, launches, mergers, advocacy, reputation, digital presence and creative development are her particular areas of interest. Highly skilled in reputation management and crisis communications, Kristin is also in-demand as a media trainer and public speaking coach, and is a regular guest speaker, facilitator and MC at Brisbane business and fundraising events, and a regular panelist on ABC Radio Brisbane.

The Office of Women (Queensland) named Kristin as one of ten women in the 1990s to have contributed in a significant way to Queensland as part of the Q150 celebrations. She has held several Board and Committee roles including Women in Media Queensland, La Boite Theatre Company, the National Board of the Public Relations Institute of Australia (PRIA) and Australia-Israel Chamber of Commerce Qld (AICC).

Kristin is a champion for change, particularly on the subject of gender equality, and is an outspoken advocate for the empowerment of women.

Sharyn Ghidella
Member of the Brand and Marketing Committee

Australian television journalist and news presenter Sharyn Ghidella was born in Babinda, Queensland, Australia. Since graduating with a Degree in Communication from Queensland University of Technology in 1986, Sharyn has pursued a varied and successful career in the media.

Sharyn's first foray into television was as a journalist in North Queensland, reporting and producing for NQTV News and the weekly regional current affairs program, Newsweek.

Relocating to Brisbane, Sharyn worked for 10 News, before heading to the National Nine Newsroom in Sydney, where she rose through the ranks from an on-the-road reporter to presenter of The Early News and Qantas Inflight News. Sharyn was later appointed the news presenter for the Today Show, before making the move to Seven News Brisbane in 2007 as a weekend presenter.

Other hosting duties with Seven included presenting the news on Weekend Sunrise, before commencing reading the nightly news in 2013 which Sharyn now presents alongside Max Fitcher.

Throughout her career, Sharyn has had a strong link to various charitable organisations, including The Humpty Dumpty Foundation and Variety, the Children's Charity. She is currently an ambassador for The Allison Baden-Clay Foundation and The Kokoda Track Foundation.

Sharyn has also volunteered with Meals on Wheels, is a former Board Member of Queensland Theatre and has been a proud ambassador for the Queensland Firebirds.

Susan Buckley
Chair of the Investment Committee
Member of the Fundraising Committee

With over 30 years' experience in financial markets, Susan Buckley leads QIC's Global Liquid Strategies (GLS) capability in the successful management of a diverse range of global listed market solutions for QIC's clients.

Before joining QIC in November 2001, Susan held positions as the Head of Strategy for NRMA Asset Management; Senior Vice President at Bankers Trust Funds Management; and Manager, Fixed Interest, at Suncorp Investment Management. Susan also worked as an economist for National Australia Bank and was Director, Foreign Exchange Services with Syntec Economic Services.

Susan has a Bachelor of Economics (University of Queensland), a Graduate Diploma in Economics (University of Melbourne), and an MBA (University of Queensland) and is a member of Chief Executive Women. Susan holds an Appointment of Responsible Manager under QPC's Australian Financial Services Licence, ASIC.

In recognition of her career success, Susan was awarded the 2005 Insto Magazine Bond Manager of the Year Award, the 2011 Telstra Business Women's Hudson Private and Corporate Sector Award (Qld) and most recently, University of Queensland Vice-Chancellor's Alumni Excellence Award, October 2017.

John Barton
Member of the Audit, Finance and Risk Committee
Member of the Investment Committee

John Barton is Director and CEO of boutique financial services firm, MGD Wealth.

In addition to his leadership and management responsibilities, John is regularly involved in strategic matters for executive, professional and business owner clients and has a strong focus on the charitable and not-for-profit sector as part of our Philanthropic Advisory team. Over the years, John has been a regular supporter, fundraiser and participant of a number of charitable causes including St Vincent de Paul's annual CEO Sleep Out and more recently as a participant in the annual Chain Reaction Challenge, raising funds for Ronald McDonald House (SEQ) and the AEIOU Foundation.

Prior to joining MGD, John held senior leadership roles with Shadforth Financial Group, Tynan Mackenzie, ipac and AXA Asia Pacific. His career has presented him with opportunities to work both locally and internationally – in Melbourne, Sydney, Hong Kong and the United Kingdom. His experience across financial services is complemented by his knowledge and passion in the area of behavioural economics – the study of emotions and psychology and how they influence real world finance and investment decisions.

Nicole Radice
Member of the Fundraising Committee

Nicole Radice is a Partner in the Corporate Advisory and Governance practice of HopgoodGanim Lawyers and has worked at the firm for the past 23 years.

Throughout her career, she has built a highly successful corporate law practice advising public and private companies on corporate structuring and governance matters, directors' duties and the dynamics of board operations.

In 2019, she was recognised as a Leading Commercial Lawyer – Queensland in Doyle's Guide and was named in the 12th edition (2019/2020) of Best Lawyers in Australia for corporate law. She is a member of the Australian Institute of Company Directors (MAICD), Fellow of the Australian Institute of Management (FAIM) and member of Women on Boards.

Leith Wiblen
Member of the Audit, Finance and Risk Committee

Leith Wiblen is the General Manager of People and Culture at Queensland Airports Ltd.

With experience in executive HR roles held within Australia and throughout the Asia Pacific, Leith contributes a combination of real-world business and specialist HR expertise towards employee and industrial relations, organisational dynamics, strategy, and human capital development.

She has extensive experience in the industrial relations landscape, union and EBA negotiations from her time with Starwood Hotels & Resorts (now Marriott International Inc.), Star Entertainment Group and Queensland Airports Ltd. An accredited Gallup Strengths coach, Leith is passionate about leadership development, in tandem with performance accountability.

Leith is a member of the Industry Advisory Board for Griffith University – Department of Tourism, Sport & Hotel Management, Business School and is extremely pleased with the opportunity to compliment her current executive experience with the meaningful work that the Foundation performs.

Dr David Rosengren

Dr Rosengren is a Specialist Emergency Medicine specialist with more than 20 years of clinical and leadership experience in both public and private hospital emergency departments.

While continuing to work as a clinician in the Emergency and Trauma Centre at Royal Brisbane and Women's Hospital, he has in more recent times embraced opportunities with operational executive roles in the public hospital setting.

Over the past three years he has been the Deputy and Acting Chief Operating Officer for Metro North Hospital and Health Service, the largest public hospital network in Australia.

Having recently commenced as the Executive Director of Royal Brisbane and Women's Hospital, Dr Rosengren has the responsibility of overseeing the continued legacy of more than 150 years of extraordinary health service from the largest hospital in Australia.

Associate Professor Kim Johnston

Metro North's Board representative as per *Hospital and Health Boards Act 2011*

Member of the Brand and Marketing Committee

Dr Kim Johnston has an extensive background researching strategic communication, workplace communication, and community engagement, particularly focusing how organisations can affect stakeholder change. Dr Johnston's research experience has extended across government, private, and the non-profit sectors, and works to translate empirical research to actionable outcomes.

She researches social impact, strategic communication and engagement, particularly focusing on how organisations influence stakeholders in a range of community, corporate and government settings.

Dr Johnston leads the Stakeholder Engagement Research Group. Her current funded research projects focus on community engagement for preparedness in disasters (BNHCRC), the environment (Healthy Land and Water Ltd), and social impact (Australian Meat Processors), with extended research interests in workplace communication. Dr Johnston teaches postgraduate and undergraduate public relations courses in community engagement, issues management, and corporate media strategy.

11.4 Committees

Audit, Finance and Risk Committee

The Audit, Finance and Risk Committee assists 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 Committee has observed the terms of its charter and had due regard to Queensland Treasury's *Audit Committee Guidelines*. The Committee is pleased to confirm that each audit recommendation by Queensland Audit Office is being taken seriously and dealt with appropriately to improve the Foundation's business. All the prior year recommendations have been dealt with satisfactorily and no new recommendations were made in 2019-20.

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.

Risk is a standing item on the Committee's agenda and headline risks are reported to each Board meeting. The size of the Foundation does not justify an internal audit function. Key risk areas as identified and reported then drive the improvement of processes within the Foundation.

The Committee serves voluntarily without remuneration. Committee members include:

- John McFarlane (Chair and Board member)
- John Barton (Board member)
- Leith Wiblen (Board member)
- Peter Lyons (Independent member)
- Sarah Willoughby (Independent member)
- Simone Garske (RBWH Foundation representative)
- Kaelah Bosanquet (RBWH Foundation representative)

Investment Committee

The Investment Committee was formed in 2020-21 and assists the Board in reviewing the objectives, strategies, risk and return outcomes associated with the Foundation's investments. The committee has the following responsibilities:

- Provide input into investment objectives consistent with Foundation Board policies, growth strategy and risk appetite.
- Engage the Board in determining the medium to longer term objectives for Foundation investments and policies in relation to investments aligned to the agreed risk appetite of the Board.
- Support management in determining investment strategy and implementing recommendations in relation to investments.
- Provide the Board with updates in relation to regular reviews of risk and return outcomes from investments.
- Assist in identifying key emerging issues and opportunities related to investments.
- Participate in review of investment advisors and managers.

- Assist in the relationship management of identified investment advisors and managers.

The Committee meets a minimum of four times per year, with authority to convene additional meetings, as circumstances require.

Committee members include:

- Susan Buckley (Chair and Board member)
- John McFarlane (Board member)
- John Barton (Board member)
- Charles Woodhouse (Independent member)
- Simone Garske (RBWH Foundation representative)
- Kaelah Bosanquet (RBWH Foundation representative)

Brand and Marketing Committee

The Committee assists Board with advice on branding and marketing.

Committee members include:

- Kristin Devitt (Chair and Board member)
- Sharyn Ghidella (Board member)
- Natalie Hocking (Independent member)
- Dr Kim Johnston (MNHHS and Foundation Board member)
- Simone Garske (RBWH Foundation representative)
- Emily Anderson (RBWH Foundation representative)

Fundraising Committee

The Committee assists the Board with advice on fundraising.

Committee members include:

- Nino Di Marco (Chair and Deputy Chair Board)
- Susan Buckley (Board member)
- Nicole Radice (Board member)
- Alanna Geary (Board member)
- Ken Freer (for Giving Day)
- Simone Garske (RBWH Foundation representative)
- Nadeyn Barbieri (RBWH Foundation representative)

11.5 People

The Foundation has a small but dedicated team of people who believe in the RBWH and are committed to ensuring the Hospital continues to deliver world class health care to the people of Queensland and beyond. All staff work tirelessly to work with donors who share our passion for research, equipment and other programs that enhance the patient experience.

The Leadership Team includes:

Chief Executive Officer

- Simone Garske CFRE, B Bus (Communications), MBA (QUT)

Simone was appointed on 3 December 2018. With a background in philanthropy and advancement in higher education, she has significant expertise in leading teams and building philanthropic programs that deliver real impact for change. With a focus on campaign and major gift strategy, Simone has achieved significant outcomes for education and research. As CEO at RBWH Foundation she is leading the transformation of philanthropy healthcare for Queensland's largest hospital.

Simone is a Certified Fundraising Executive. She is also a Director on the Asia Pacific Board of the Council for Advancement and Support of Education and has a Bachelor of Business (Communication) and a Master of Business Administration from Queensland University of Technology.

Chief Financial Officer

- Kaelah Bosanquet B Bus (Accounting, Banking and Finance), Grad Cert (Bus Admin), CA

Director of Communications and Engagement

- Emily Anderson Bachelor of Arts; Graduate Diploma in Communications

Director of Philanthropy and Development

- Nadeyn Barbieri Graduate Diploma of Business (Philanthropy and Non Profit); Graduate Diploma of Business (Arts Administration); Diploma of Arts, and CFRE

11.6 Public Sector Ethics

The Foundation has adopted the single Code of Conduct for the Queensland Public Service (the Code) 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; and
- 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 the 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, students, contractors, consultants and anyone employed in any other capacity. Regular training is provided to all team members to ensure that the code is fully understood and enacted.

11.7 Volunteers

The RBWH Foundation is indebted to the many volunteers who support the hospital. 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. The volunteers continued to provide support while being offsite as a result of COVID-19.

12. Mission Support

Total mission support of \$10.1 million was composed of:

• Hospital programs	\$316,641
• Education and training	\$99,106
• Medical equipment	\$297,600
• Patient care	\$358,693
• Research	\$3,240,050
• Contribution to MNHHS for Herston Biofabrication Facility	\$5,000,000
Sub-total excluding clinical trials	\$9,312,091 ⁽¹⁾
• Clinical trials	\$741,921 ⁽²⁾
Total	\$10,054,012

⁽¹⁾ 2019-20 Audited Financial Statements; Note 14 Grants and Other Hospital Distributions

⁽²⁾ 2019-20 Audited Financial Statements; Note 2 – Discontinued Operations

12.1 Research

The Foundation's key priority is to support the research culture and programs at the RBWH. A key outcome of this strategy is through an 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 hospital'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. In 2019-20, \$900,000 was distributed by RBWH Foundation via Research Project Grants and \$150,000 in Robert and Janelle Bird Postdoctoral Research Fellowships.

The funding to MNHHS for the Herston Biofabrication Unit is also characterised as research.

The Foundation provides valuable space through tenancy of laboratories in QIMR's Bancroft Centre to enable key research groups to continue their work. Some other examples of the ongoing research being funded by the Foundation include:

- Research funding to support investigator-initiated studies within the Department of Intensive Care Services at RBWH;
- Funding of a COVID-19 Research Coordinator at RBWH;
- Funding of COVID-19 ASCOT Trials to UQCCR;
- Funding of Prostate Cancer Research project;
- Funding of a Research Coordinator of Colorectal Research;
- Funding of a Nurse Research position to drive the research agenda within Surgical and Perioperative Services.

12.2 Other activities

Throughout 2019-20, the Foundation has raised money and provided funding for a number of important priorities – these include:

- Purchase of COVID-19 Personal Protective Equipment;
- Co-funding of a ‘coffee cart’ during COVID-19 to support RBWH Staff;
- Purchase of Simulation Mannequins for use in Perioperative Nursing Education
- Purchase of Mammographic Unit;
- Refurbishment of patient lounges
- Purchase and fit-out of a NeoRESQ van for premature babies;
- Continuation of the Adolescent Mental Health Unit’s Mindful Programs;
- Continuation of funding for running the Prevent Alcohol-Related Trauma in Youth (P.A.R.T.Y.) Program;
- Continuation of the Patients-in-Need Service - clothing and other essential items to patients who arrive at hospital and require support;
- Support of the Sexual Assault Unit, providing clothing and essential items to women and men in need;
- Support of the Burnslife Program;
- Ongoing funding of the Queensland Motion Analysis Centre;
- Continuation of funding for the Therapy Dog program;
- Funding of medical staff to attend various conferences and training programs;
- Sponsorship of the annual RBWH Health Care Symposium and associated awards;
- Sponsorship of Metro North’s Research Excellence Awards;
- Support of Team Royal – an initiative designed to engage hospital staff and develop a more cohesive culture across all departments.

13. External Scrutiny

There was one external agency review or audit conducted on the Foundation during the reporting period. This was the financial audit as disclosed in the attached statutory accounts.

14. Strategic Workforce Planning and Performance

The Foundation has embraced working remotely and flexible arrangements with staff. In conjunction with a robust performance management process, this ensures that staff expectations and learning and development opportunities are a priority.

There is a performance management framework which includes induction processes, educational opportunities, performance management (including a KPI structure linked to job descriptions and budgets). The Foundation has a full-time equivalent staff of 16 (30 June 2020).

Much use is made of volunteer assistance on the various committees and in relation to organisation of the various fundraising initiatives. Recruitment is done in line with the Foundation’s recruitment policy and remuneration policy when hiring permanent employees to the team. This assists in attracting the brightest and best and ensures that a professional approach to every aspect of operations is maintained.

During the current year, the team and management team participated in a variety of staff engagement activities. A culture survey was conducted which informed a series of staff workshops and team building

activities. Staff were also recognised for superior performance through an incentive scheme program which recognises employees who have exceeded their KPIs.

15. Information Systems and Record Keeping

The Foundation invested in a state-of-the art CRM in 2019-20 that supports the data needs of the organisation.

We adopt and follow the Queensland Government guidelines on data collection, privacy, and records management.

16. Human Rights Act 2019

The Queensland *Human Rights Act 2019* came into effect on 1 January 2020 to protect and promote human rights; help build a culture in the Queensland public sector that respects and promotes human rights; and to help promote a dialogue about the nature, meaning and scope of human rights. Foundation staff understand that human rights protect the dignity and worth of all people.

No human rights complaints were received by the Foundation at the end the reporting period.

Staff are required to complete introductory training on the *Human Rights Act 2019*.

17. Open Data – Consultancies, Overseas Travel and Government Bodies

No expenditure was incurred with regards to overseas travel, consultancy services and implementation of the Queensland Language Services Policy during 2019-20.

18. Attachment One

Compliance Letter

The Honourable Steven Miles MP
Deputy Premier, Minister for Health and Minister for Ambulance Services
Ministerial Office
1 William Street
Brisbane QLD 4000

28 August 2020

Dear Deputy Premier

I am pleased to submit for presentation to Parliament the Annual Report 2019-2020 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 2019*, 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 28 of this Annual Report or accessed at www.rbwhfoundation.com.au.

Yours sincerely



Leona Murphy
Chair

19. Attachment Two



STRATEGIC PLAN 2019-20 – 2023-24 RBWH Foundation

Our Vision:	To create better health for all Queenslanders today, tomorrow and always.
Our Purpose:	We inspire our community to invest in patient care, innovation research and education that saves and improves lives.
Impact Statement:	The Foundation fosters a culture of giving to benefit the health and wellbeing of the people it serves. Our purpose is to ensure the very best health care is available for everyone. We are focussed on building relationships with our donors and partners to ensure that patients and their families receive the very best support.

Key Strategies:	Strategic Direction 1 Building our Profile and Reputation	Strategic Direction 2 Building our Fundraising Income	Strategic Direction 3 Increasing our Distributions	Strategic Direction 4 Investing in our people
	1.1 Develop RBWH Foundation’s brand positioning and key messaging to build its profile internally and externally. 1.2 Develop strong relationships with key influencers including RBWH staff and internal and external stakeholders. 1.3 Strengthen RBWH Foundation’s reputation as a trusted partner and collaborator in contribution to mission. 1.4 Honour and recognise the impact of philanthropy through communication, events and award programs.	2.1 Achieve significant revenue growth of 15% year on year. 2.2 Improve the donor’s experience through donor journey mapping and high-level stewardship programs to increase loyalty, engagement and level of support. 2.3 Increase the number of donors to the Foundation. 2.4 Develop programs and platforms to drive higher return, lower effort income streams such as corporates, major gifts, bequests and regular giving. 2.5 Design systems and processes to facilitate best practise philanthropy programs. 2.6 Focus fundraising efforts on untied funds within the following key strategic areas: <ul style="list-style-type: none"> • Foundation Future’s Fund • Medical Research • Education and Staff • Patient Care 	3.1 Ensure Foundation’s critical support, both in dollars and volunteer contribution, is aligned with hospital priorities in research, education and patient care. 3.2 Build robust governance mechanism through relevant hospital committees to maximise impact. 3.3 Develop innovative granting programs around key themes. 3.4 Strengthen grant reporting and acquittals and provide impact reports to donors and sponsors. 3.5 Increase commercial and investment income generation and identify new future sources. 3.6 Ensure sustainable distributions by distributing 60% - 80% of its surpluses each year. 3.7 Build our corpus to \$50M by 2030.	4.1 Ensure a high performing, sustainable organisation where our people thrive and excel. 4.2 Attract and retain skilled and engaged staff and volunteers. 4.3 Foster a learning culture and performance culture through KPI accountability. 4.4 Ensure results driven culture and team support through policy frameworks and best practice models.

Performance measures:	<ul style="list-style-type: none"> • Increased profile in all channels • Number of award nominations for philanthropic and donor impact 	<ul style="list-style-type: none"> • Growth in Fundraising income • Increase donor retention through improved stewardship • Growth in number of donors • Growth in notified bequest donors • Growth in number of corporate supporters 	<ul style="list-style-type: none"> • Growth in commercial income • Growth in investment • Growth in income and corpus • Distributions, cash or in-kind. 	<ul style="list-style-type: none"> • Culture surveys and benchmarks • Staff recognised for superior performance
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Statement of Impact: RBWH will be a global centre of excellence focussed on the care and treatment of all Queenslanders. With the support of research, education and focus on patient care, it will be known for its impact nationally and internationally.

Values: (The Foundation also recognises the RBWH values of respect, teamwork & compassion)	Generosity of Spirit	Ideas are encouraged & explored	Integrity & Honesty	Responsible for my actions, promises & behaviours	Respectfulness
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20. Attachment Three – Compliance Checklist

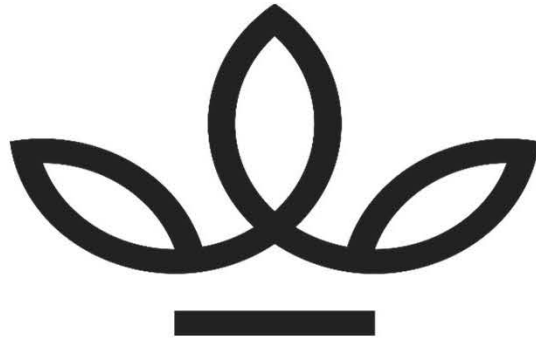
Summary of requirement		Basis for requirement	Annual report reference
Letter of compliance	<ul style="list-style-type: none"> A letter of compliance from the accountable officer or statutory body to the relevant Minister/s 	ARRs – section 7	25
Accessibility	<ul style="list-style-type: none"> Table of contents 	ARRs – section 9.1	3
	<ul style="list-style-type: none"> Glossary 		4
	<ul style="list-style-type: none"> Public availability 	ARRs – section 9.2	2
	<ul style="list-style-type: none"> Interpreter service statement 	<i>Queensland Government Language Services Policy</i> ARRs – section 9.3	2
	<ul style="list-style-type: none"> Copyright notice 	<i>Copyright Act 1968</i> ARRs – section 9.4	2
	<ul style="list-style-type: none"> Information Licensing 	<i>QGEA – Information Licensing</i> ARRs – section 9.5	2
General information	<ul style="list-style-type: none"> Introductory Information 	ARRs – section 10.1	5
	<ul style="list-style-type: none"> Machinery of Government changes 	ARRs – section 10.2, 31 and 32	-
	<ul style="list-style-type: none"> Agency role and main functions 	ARRs – section 10.2	5
	<ul style="list-style-type: none"> Operating environment 	ARRs – section 10.3	6
Non-financial performance	<ul style="list-style-type: none"> Government's objectives for the community 	ARRs – section 11.1	5/11
	<ul style="list-style-type: none"> Other whole-of-government plans / specific initiatives 	ARRs – section 11.2	-
	<ul style="list-style-type: none"> Agency objectives and performance indicators 	ARRs – section 11.3	7
	<ul style="list-style-type: none"> Agency service areas and service standards 	ARRs – section 11.4	-
Financial performance	<ul style="list-style-type: none"> Summary of financial performance 	ARRs – section 12.1	9
Governance – management and structure	<ul style="list-style-type: none"> Organisational structure 	ARRs – section 13.1	12
	<ul style="list-style-type: none"> Executive management 	ARRs – section 13.2	20
	<ul style="list-style-type: none"> Government bodies (statutory bodies and other entities) 	ARRs – section 13.3	-
	<ul style="list-style-type: none"> Public Sector Ethics 	<i>Public Sector Ethics Act 1994</i> ARRs – section 13.4	21
	<ul style="list-style-type: none"> Human Rights 	<i>Human Rights Act 2019</i> ARRs – section 13.5	24
	<ul style="list-style-type: none"> Queensland public service values 	ARRs – section 13.5	11
Governance – risk management	<ul style="list-style-type: none"> Risk management 	ARRs – section 14.1	19
	<ul style="list-style-type: none"> Audit committee 	ARRs – section 14.2	19

Summary of requirement	Basis for requirement	Annual report reference	
and accountability	• Internal audit	ARRs – section 14.3	20
	• External scrutiny	ARRs – section 14.4	24
	• Information systems and recordkeeping	ARRs – section 14.5	24
Governance – human resources	• Strategic workforce planning and performance	ARRs – section 15.1	23
	• Early retirement, redundancy and retrenchment	Directive No.04/18 <i>Early Retirement, Redundancy and Retrenchment</i> ARRs – section 15.2	-
Open Data	• Statement advising publication of information	ARRs – section 16	24
	• Consultancies	ARRs – section 33.1	25
	• Overseas travel	ARRs – section 33.2	25
	• Queensland Language Services Policy	ARRs – section 33.3	25
Financial statements	• Certification of financial statements	FAA – section 62 FPMS – sections 42, 43 and 50 ARRs – section 17.1	30
	• Independent Auditor's Report	FAA – section 62 FPMS – section 50 ARRs – section 17.2	30

FAA *Financial Accountability Act 2009*

FPMS *Financial and Performance Management Standard 2019*

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 2020

**Royal Brisbane & Women's Hospital Foundation
Financial Statements
For the Year Ended 30 June 2020**

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Royal Brisbane & Women's Hospital Foundation

Statement of Comprehensive Income

For the year ended 30 June 2020

	Notes	2020 \$	2019 \$
Income from Continuing Operations			
Donations and Fundraising Income	4	8,922,786	2,647,280
Contractual Contributions	5	1,853,110	2,153,864
User Charges and Fees	6	161,135	366,375
Grant Income	7	872,780	940,319
Finance Income	8	1,102,294	1,836,541
Other Revenue	9	521,236	510,741
Total Income from Continuing Operations		13,433,342	8,454,920
Expenses from Continuing Operations			
Employee Expenses	10	2,140,201	1,904,527
Supplies and Services	11	1,075,738	1,043,353
Depreciation & amortisation		20,838	9,343
Finance Costs	8	129,764	121,936
Loss on Sale/Re-measurement of Assets	12	234,600	73,819
Other Expenses	13	397,801	244,987
Grants and Other Hospital Distributions	14	9,312,091	3,472,072
Total Expenses from Continuing Operations		13,311,033	6,870,037
Net Result from Continuing Operations		122,308	1,584,883
Discontinued Operations			
Loss for the year from discontinued operations - Clinical Trials	2	(530,999)	(3,928,838)
Profit for the year from discontinued operations - TV Operations	3	160,454	317,325
Net deficiency		(248,237)	(2,026,630)
Other Comprehensive Income		-	-
Total Comprehensive Loss		(248,237)	(2,026,630)

The accompanying notes form part of these financial statements.

Royal Brisbane & Women's Hospital Foundation

Balance Sheet

As at 30 June 2020

	Notes	2020	2019
		\$	\$
Current Assets			
Cash and Cash Equivalents	15	10,942,823	3,391,853
Receivables	16	1,693,574	1,756,756
Term Deposits	17	19,777,451	24,483,390
Other Current Assets		50,531	157,635
Total Current Assets		32,464,379	29,789,635
Assets of discontinued operation - Clinical Trials	2	2,080,693	6,868,783
Assets of discontinued operation - TV Operations	3	46,732	260,473
		34,591,804	36,918,891
Non Current Assets			
Financial Assets at Fair Value	17	13,037,722	12,361,313
Investment Properties	18	6,230,000	3,930,000
Property, Plant and Equipment		55,365	31,493
Total Non Current Assets		19,323,086	16,322,806
Total Assets		53,914,890	53,241,696
Current Liabilities			
Payables	19	8,859,795	3,226,874
Accrued Employee Benefits	20	221,266	336,445
Other current liabilities	21	726,708	298,952
Total Current Liabilities		9,807,769	3,862,271
Liabilities of discontinued operation - Clinical Trials	2	2,080,693	6,868,783
Liabilities of discontinued operation - TV Operations	3	2,692	44,342
		11,891,154	10,775,396
Non Current Liabilities			
Accrued Employee Benefits	20	31,256	31,818
Total Non Current Liabilities		31,256	31,818
Total Liabilities		11,922,410	10,807,214
Net Assets		41,992,481	42,434,482
Equity			
Accumulated Surplus		41,992,481	42,434,482
Total Equity		41,992,481	42,434,482

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 2020

	Accumulated Surplus \$	TOTAL \$
Balance as at 1 July 2018	44,461,112	44,461,112
Operating Result	(2,026,630)	(2,026,630)
Total Comprehensive Income for the Year	<u>(2,026,630)</u>	<u>(2,026,630)</u>
Balance as at 30 June 2019	<u>42,434,482</u>	<u>42,434,482</u>
Balance as at 1 July 2019	42,434,482	42,434,482
Retrospective changes from AASB15 - grants in capacity of financial administrator, Note 1(h)	(193,765)	(193,765)
Operating Result	(248,237)	(248,237)
Total Comprehensive Income for the Year	<u>(248,237)</u>	<u>(248,237)</u>
Balance as at 30 June 2020	<u>41,992,481</u>	<u>41,992,481</u>

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 2020

	Notes	2020 \$	2019 \$
Cash flows from Operating Activities			
<i>Inflows:</i>			
Donations and Fundraising Activities		6,711,304	3,110,379
User Charges and Fees		2,812,498	3,307,866
Grants and Clinical Trial Income		954,319	6,442,641
Other income		516,075	482,050
GST Collected from Customers		949,154	961,820
<i>Outflows:</i>			
Employee Expenses		(2,395,393)	(2,380,444)
Supplies and Services		(1,252,442)	(1,412,447)
Grants and Other Hospital Distributions		(3,541,342)	(5,789,079)
GST Paid to Suppliers		(613,412)	(578,519)
GST Remitted to ATO		(380,943)	(405,527)
Other Expenses		(396,065)	(233,378)
Net Cash Provided by Operating Activities		3,363,752	3,505,362
Cash flows from Investing Activities			
<i>Inflows:</i>			
Interest Income		793,987	1,067,629
Dividend Income		599,328	915,587
Proceeds from Sales of Financial Assets at Fair Value		7,515,209	2,312,577
Proceeds from maturity of term deposits		23,976,291	6,696,438
<i>Outflows:</i>			
Payments for Property, Plant and Equipment		(53,150)	(36,399)
Payments for Financial Assets at Fair Value		(8,454,317)	(3,030,276)
Funds transferred to term deposits		(15,482,369)	(10,508,256)
Management Fees		(108,593)	(121,971)
Net return of clinical trial surplus to RBWH		(4,605,374)	-
Net Cash Used in Investing Activities		4,181,012	(2,704,671)
Net Cash Provided by / (Used in) Financing Activities		-	-
Net Increase in Cash and Cash Equivalents		7,544,765	800,691
Cash and Cash Equivalents at Beginning of Financial Year		3,398,058	2,597,367
Cash and Cash Equivalents at End of Financial Year	15	10,942,823	3,398,058

The accompanying notes form part of these financial statements.

Royal Brisbane & Women's Hospital Foundation

Notes to the financial statements

For the year ended 30 June 2020

Note 1 – Basis of Financial Statement Preparation

(a) General Information about the Reporting Entity

These financial statements cover the Royal Brisbane and Women's Hospital Foundation (the Foundation). The Foundation is a Statutory Body established under the *Hospital Foundations Act 1982*. The objective of the Foundation is to raise money to help fund clinical research, hospital programs, purchases of vital pieces of equipment, enable key health professionals to attend training programs and provide better patient care. The Foundation does not control other entities. The financial statements include the value of all income, expenses, assets, liabilities and equity for the Foundation as an individual entity.

(b) Authorisation of Financial Statements for Issue

The financial statements are authorised for issue by the Chief Executive Officer and Chair of the Board at the date of signing the Management Certificate.

(c) Compliance with Prescribed Requirements

The financial statements have been prepared in compliance with the *Financial Accountability Act 2019*, the *Financial and Performance Management Standard 2009* and the *Australian Charities and Not-for-Profits Commission Act 2012 and Regulation 2013*.

The Foundation is a not-for-profit entity and these general purpose financial statements are prepared in compliance with the requirements of Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations applicable to not-for-profit entities.

The financial Statements are prepared on an accrual basis (with the exception of the statement of cash flows which is prepared on a cash basis).

(d) Underlying Measurement Basis

The historical cost convention is used as the measurement basis except investment properties and available for sale financial assets which are measured as fair value.

(e) Presentation matters

Currency and Rounding - Amounts included in the financial statements are in Australian dollars. Amounts are rounded to the nearest dollar.

Comparatives – Comparative information reflects the audited 2018-19 financial statements with the exception of changes required to comparative disclosure of discontinued operations (Notes 2 & 3).

Current/Non-Current Classification - Assets are classified as 'current' where their carrying amount is expected to be realised within 12 months after the reporting date. Liabilities are classified as 'current' when they are due to be settled within 12 months after the reporting date, or the Foundation does not have an unconditional right to defer settlement to beyond 12 months after the reporting date. All other assets and liabilities are classified as non-current.

(f) Impact of COVID-19 on Financial Statements

On 11 March 2020, the World Health Organization declared a pandemic due to the spread of coronavirus (SARS-CoV-19) across the world. Due to the spread of the coronavirus, global and local economies have been significantly affected, for example due to restrictions in production, trade and consumption or due to travel bans and social distancing requirements.

In the financial year ended 30 June 2020, the impact on the RBWH Foundation is as disclosed in Note 18 Investment Properties in respect of valuation.

Royal Brisbane & Women's Hospital Foundation

Notes to the financial statements

For the year ended 30 June 2020

Note 1 – Basis of Financial Statement Preparation (continued)

(g) Taxation

The Foundation is exempt from income tax under the *Income Tax Assessment Act 1936* and is exempt from other forms of Commonwealth taxation with the exception of Fringe Benefits Tax (FBT) and Goods and Services Tax (GST).

Trade debtors and creditors in the Balance Sheet are shown inclusive of GST. Accrued receivables and payables are shown exclusive of GST. GST credits receivable from, and GST payable to, the ATO at reporting date are separately recognised in receivables within Note 16.

(h) Key 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:

Valuation of Investment Property - Note 18

Accrued Employee Benefits - Note 20

There is also judgement involved in identifying performance obligations in the Foundation's contracts with customers as well as in determining whether a present obligation exists in respect of the contribution to Metro North Hospital & Health Service for the Herston Biofabrication Unit (Note 19).

Royal Brisbane & Women's Hospital Foundation

Notes to the financial statements

For the year ended 30 June 2020

(I) New and Revised Accounting Standards

First time mandatory application of Australian Accounting Standards and Interpretations

Three new accounting standards were adopted for the first time in 2019-20:

- AASB 15 *Revenue from Contracts with Customers*
- AASB 1058 *Income of Not-for-Profit Entities*
- AASB 16 *Leases*

AASB 15 Revenue from Contracts with Customers

AASB 15 establishes a new five-step model for recognising revenue from contracts with customers, which includes television hire income in Note 3, sponsorships and fundraising event income in Note 4, user charges and fees in Note 6, some of the foundation's grants in Note 7 and rental income and merchandise sales in Note 10. The foundation is now required to identify performance obligations in its contracts with customers and recognise revenue as or when the performance obligations are satisfied.

The Foundation also performed the principal vs agent under AASB 15 and determined that for hospital conferences and workshops the appropriate classification was the Foundation as agent. There was no material measurement impact of this change.

There was no other measurement impacts upon adoption of AASB 15.

AASB 1058 Income of Not-for-Profit Entities

AASB 1058 applies to the foundation's grants and contributions that are not contracts with customers, being bequests and memorial gifts and donations received in Note 4, contractual contributions in Note 5 and some of the foundation's grants in Note 7. Revenue for these grants continues to be recognised upfront on receipt of the funding, consistent with prior accounting treatment. The foundation did not have any specific purpose capital grants. Overall, there was no transitional impact from adopting AASB 1058.

As a result of the adoption of AASB 1058 and AASB 15 increased other current liabilities by \$183,765 on 1 July 2019. This was due to the classification of grants whereby the Foundation is merely the financial administrator. No income is recognised in the financial statements and the Foundation only records an obligation to expend the grant funds at the researchers discretion. There was a corresponding impact on Retained Earnings as at 1 July 2019.

AASB 16 Leases

AASB 16 requires all non-cancellable leases to be accounted for on balance sheet as right-of-use assets and lease liabilities, except for short-term leases and leases of low value assets. The foundation does not have any non-cancellable leases which required recognition as right of use assets and lease liabilities.

Comparative figures for 2018-19 have not been restated on adoption of these three standards.

Early Adoption of Accounting Standards and Interpretations

No Accounting Pronouncements were early adopted in the 2019-20 financial year.

Voluntary Changes in Accounting Policy

No voluntary changes in accounting policies occurred during the 2019-20 financial year.

Royal Brisbane & Women's Hospital Foundation

Notes to the financial statements

For the year ended 30 June 2020

Note 2 - Discontinued Operations - Administration of Clinical Trials

On 12 April 2019, the Foundation and the Royal Brisbane Women's Hospital (RBWH) entered into an agreement to transfer the financial administration of the clinical trials to the RBWH. This decision was made as part of the Foundation refocusing on core fundraising activities. The return was executed by way of a transfer of the finance and administrative functions currently carried out by the Foundation; to the relevant departments of the RBWH.

	2020	2019
	\$	\$
Clinical Trial Income	210,922	5,269,233
<i>Clinical Trial Distributions</i>		
Clinical Trial Expenses (Distributions)	(22,490)	(2,429,736)
Clinical Trial Employee Expenses	(210,922)	(301,977)
Return of surplus to RBWH	(508,509)	(6,466,358)
	<u>(741,921)</u>	<u>(9,198,071)</u>
	<u><u>(530,999)</u></u>	<u><u>(3,928,838)</u></u>

Clinical trial income is recognised once contract milestones have been completed or records have been monitored by the sponsor to ensure protocols have been followed. Income recorded in 2020 represents only the recovery of Clinical Trial Employee Expenses paid by the Foundation. During 2020, the surplus payable to RBWH was recalculated and an adjustment of \$508,509 was recorded.

The major classes of assets and liabilities of the Clinical Trials classified as a discontinued operation as at 30 June each year are as follows:

	2020	2019
	\$	\$
Assets		
Cash held in term deposits to fund surplus return liability	2,080,693	6,073,242
Trade Debtors	-	573,681
Accrued Income	-	221,860
Assets of discontinued operation	<u>2,080,693</u>	<u>6,868,783</u>
Liabilities		
Accounts Payable	-	65,387
Accruals	-	303,744
Provision for annual leave	-	23,570
Provision for long service leave	-	9,724
Surplus return liability (i)	<u>2,080,693</u>	<u>6,466,358</u>
Liabilities of discontinued operation	<u>2,080,693</u>	<u>6,868,783</u>
Net assets directly associated with discontinued operation	<u><u>-</u></u>	<u><u>-</u></u>

(i) The surplus return liability represents the net surpluses to be returned to the RBWH as a function of the discontinuation of the clinical trials administration. These surpluses were earned by the Foundation over the period of time from when the Foundation commenced administering the Clinical Trials until 30 June 2020. The obligation to return the surpluses was agreed as part of the arrangement to transfer the financial administration to the RBWH. The majority of the surplus was returned in 2020 with the final amount to be returned post 30 June 2020 (representing only trade debtors collected by the Foundation in the last quarter of 2020).

Royal Brisbane & Women's Hospital Foundation

Notes to the financial statements

For the year ended 30 June 2020

Note 3 – Discontinued Operations - TV Operations

On 10 October 2019 the Foundation resolved to transfer the television assets to RBWH at the end of June 2020. As a result of planning around COVID-19 and a request from RBWH, it was decided to permanently cease charging public patients for the TV service and to provide free television for all patients in the hospital effective 18 March 2020. At 30 June 2020, the TV Operations business is classified and disclosed as a discontinued operation. The results of the TV Operations business for the year are presented below:

	2020	2019
	\$	\$
<i>Revenue from contracts with customers</i>		
Television hire income	571,225	787,827
<i>TV Operations expenses</i>		
Supplies and services	(235,950)	(240,608)
Wages & salaries	(107,274)	(179,335)
Annual leave expense	2,625	1,291
Employer superannuation contributions	(10,191)	(17,037)
Long service leave expense	(1,953)	(2,483)
Depreciation	(16,650)	(32,330)
Write-down of property, plant and equipment	(41,378)	-
	<u>(410,771)</u>	<u>(470,502)</u>
	<u>160,454</u>	<u>317,325</u>

Revenue from television hire is recognised on delivery of the television service to the patient. Property, plant and equipment was written down to its recoverable value of \$nil upon classification as a discontinued operation. This is on the basis all assets associated with the TV Operations have been gifted to the RBWH.

The major classes of assets and liabilities of the TV operations business classified as a discontinued operation as at 30 June each year are as follows:

	2020	2019
	\$	\$
<i>Current Assets</i>		
Cash	643	6,205
Trade and other receivables	46,089	196,240
Property, plant & equipment	-	58,028
Assets of discontinued operation	<u>46,732</u>	<u>260,473</u>
<i>Current Liabilities</i>		
Trade creditors	2,692	11,613
Wages & bonus accrual	-	12,548
Provision for annual leave	-	13,064
Provision for long service leave	-	7,116
Liabilities of discontinued operation	<u>2,692</u>	<u>44,342</u>
<i>Net assets directly associated with discontinued operation</i>	<u>44,040</u>	<u>216,131</u>

Royal Brisbane & Women's Hospital Foundation

Notes to the financial statements

For the year ended 30 June 2020

Note 4 – Donations and Fundraising Income

	2020	2019
		\$
<i>Revenue recognised on receipt in accordance with AASB 1058</i>		
Bequests and memorial gifts	1,448,198	652,500
Donations received	4,543,403	926,290
Donations received - In-Kind	2,300,000	-
Sponsorships	167,000	-
<i>Revenue from contracts with customers</i>		
Sponsorships	74,567	316,193
Fundraising event income	389,617	752,297
Total	8,922,786	2,647,280

Accounting Policy

Bequests, memorial gifts, donations and gifts and sponsorships that are non-reciprocal in nature (i.e. do not require any goods or services to be provided in return) are recognised upon receipt in accordance with AASB 1058 *Income of Not-for-Profit Entities*. The Foundation also receives contribution of assets which are recognised at fair value on the date of acquisition in the Balance Sheet, with a corresponding amount of revenue recognised in the Statement of Comprehensive Income. On 22 June 2020, the Foundation took legal title of a property gifted by a donor. Revenue from sponsorships or event registrations are recognised as the performance obligations within the contracts are satisfied.

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office.

Note 5 – Contractual Contributions

	2020	2019
	\$	\$
Contribution assigned by Queensland Health	1,853,110	2,153,664
Total	1,853,110	2,153,664

Accounting Policy

The Foundation has been assigned the rent from the Butterfield Street carpark (located at the RBWH) that would otherwise be payable by the carpark operator to the landlord (Queensland Health) and also receives a profit share. Car park rental and the profit share is recognised in the year it is received or in the year to which it relates. The Foundation has no role in the operations or income of the car park.

Note 6 – User Charges and Fees

	2020	2019
	\$	\$
Hospital conferences and workshops	161,135	366,375
Total	161,135	366,375

Accounting Policy

Revenue from conferences, seminars and workshops is recognised as the service of administration of the event is performed.

Royal Brisbane & Women's Hospital Foundation

Notes to the financial statements

For the year ended 30 June 2020

Note 7 – Grant Income

	2020	2019
	\$	\$
<i>Revenue from contracts with customers (AASB 15)</i>		
Grants received	449,312	500,858
<i>Other grants (AASB 1058)</i>		
Grants received	423,467	439,461
Total	872,780	940,319

Accounting Policy

Grants arise from transactions that are non-reciprocal in nature (i.e. do not require any goods or services to be provided in return to the grantor).

Where the grant agreement is enforceable and contains sufficiently specific performance obligations for the foundation to transfer goods or services to a third-party on the grantor's behalf, the grant is accounted for under AASB 15 *Revenue from Contracts with Customers*. In this case, revenue is initially deferred as unearned revenue and recognised as or when the performance obligations are satisfied. Otherwise, the grant is accounted for under AASB 1058 *Income of Not-for-Profit Entities*, whereby revenue is recognised upon receipt of the grant funding. The foundation did not receive any specific purpose capital grants in this financial year.

Disclosure - Grants

A grant received from the Department of Transport & Main Roads is identified as a contract with a customer under AASB 15. The Foundation's obligation under this grant is to deliver a specified number of youth programs across Queensland over 5 years. Total funding of \$527,064 was received in advance in 2019-20 (\$527,064 received in advance in 2018-19), this amount is allocated to the programs and revenue is recognised as the programs are delivered. The balance of the contract liability (deferred income) as at 30 June 2020 is \$395,298 (2019: \$219,610) and is included within the total disclosed at Note 21.

Other research grants were received in 2019-20 and have been recognised as revenue on receipt under AASB 1058. The terms of the grants are that they must be used to fund research in particular fields, however the obligations within do not contain a sufficient level of specificity to be considered performance obligations. At 30 June 2020, \$137,632 of these grants remain unspent. Use of these funds is restricted to research in the particular field and the foundation has budgeted to spend the funding on research in 2020-21.

Note 8 – Finance Income and Costs

	2020	2019
	\$	\$
Interest income on bank deposits	589,420	848,480
Dividend income on equity funds	512,874	988,061
Total Finance Income	1,102,294	1,836,541
Bank Charges	33,749	20,282
Management fees on managed funds	96,015	101,854
Total Finance Costs	129,764	121,936

Accounting Policy

Dividend income is recognised when the dividend is declared. Interest income is recognised using the effective interest method.

Royal Brisbane & Women's Hospital Foundation

Notes to the financial statements

For the year ended 30 June 2020

Notes 9 – Other Revenue

	2020	2019
	\$	\$
Rental Income from Investment Properties	415,021	407,769
Merchandise sales	45,530	102,305
ATO 'Cash boost for employers' subsidy	50,000	-
Other	10,685	667
Total	521,236	510,741

Notes 10 – Employee Expenses

	2020	2019
	\$	\$
Employee Benefits		
Wages and salaries	1,786,847	1,615,419
Annual leave expense	35,208	3,426
Employer superannuation contributions	160,658	153,173
Long service leave expense	12,258	23,478
Employee Related Expenses		
Workers' compensation premium	10,537	8,941
Other employee related expenses	134,694	100,089
Total Foundation Employee Benefits	2,140,201	1,904,527

Number of Employees:	16	18
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The number of employees as at 30 June, including both full-time and part-time employees, measured on a full-time equivalent basis.

Note: Excluded from employee benefits is \$210,922 (2019: \$303,632) of salaries and on-costs related to the employment of clinical trial nurses and hospital administration staff which has been accounted for under discontinued operations. This equates to 2.8 (2019: 2.8) full time equivalent employees. Also excluded is \$116,793 (2019: \$197,564) of salaries and on-costs related to the employment of TV operations staff which has been accounted for under discontinued operations. This equates to 2 (2019: 2) full time equivalent employees.

Accounting Policy

Short-term employee benefits - wages, salaries, annual and sick leave

Wages, salaries and annual leave due but unpaid at the reporting date are recognised in the Balance Sheet at the current salary rate(s). As the Foundation expects such liabilities to be wholly settled within 12 months of reporting date, the liabilities are recognised at undiscounted amounts.

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.

Royal Brisbane & Women's Hospital Foundation

Notes to the financial statements

For the year ended 30 June 2020

Notes 10 – Employee Expenses (continued)

Accounting Policy (continued)

Other long-term employee benefits - Long service leave

Long service leave liabilities are classified and measured as other long term employee benefits as the Foundation does not expect to wholly settle all such liabilities within the 12 months following reporting date.

Other long-term employee benefits are presented as current liabilities where the Foundation does not have an unconditional right to defer payment for at least 12 months after the end of the reporting period.

Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments take into account anticipated future wage/salary levels, expected employee departures and periods of ineligible service. These are discounted using market yields on Australian Government bond rates at the end of the reporting period that coincide with the expected timing of estimated future payments.

All directly associated on-costs (e.g. employer superannuation contributions and workers' compensation insurance) are also recognised as liabilities, where these on-costs are material.

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 up to 10% 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 KPIs as set by the Chief Executive Officer on a year by year basis. The KPIs of the Chief Executive Officer are set by the Board.

Superannuation

Superannuation benefits are provided through defined contribution (accumulation) plans, in accordance with employees' conditions of employment and employee instructions as to superannuation plan (where applicable).

Defined Contribution Plans – Employer contributions are based on rates specified under conditions of employment. The Foundation's contributions are expensed when they become payable at each fortnightly pay period.

Royal Brisbane & Women's Hospital Foundation

Notes to the financial statements

For the year ended 30 June 2020

Note 11 – Supplies and Services

	2020	2019
	\$	\$
Event Expenses	379,980	704,406
Marketing Expenses	492,307	233,758
Merchandise	21,620	34,674
Property expenses	181,831	70,516
Total	1,075,738	1,043,353

Note 12 – Loss on sale/re-measurement of assets

	2020	2019
	\$	\$
Realised gain on financial assets	(590,124)	(63,091)
Unrealised loss on financial assets	824,725	316,911
Unrealised gain on investment properties	-	(180,000)
Total	234,600	73,819

Note 13 - Other Expenses

	2020	2019
	\$	\$
Insurance premiums	20,584	17,589
External audit fees - Queensland Audit Office	44,500	20,500
IT expenses	165,018	79,978
Office Rent	39,996	39,996
Legal Fees	18,742	5,764
Other administration expenses	108,962	81,161
Total	397,801	244,987

Note 14 – Grants and Other Hospital Distributions

	2020	2019
	\$	\$
Research grants and expenditure	3,240,050	2,525,791
Contribution to Metro North Hospital & Health Service for Herston Biofabrication Unit	5,000,000	-
Medical Equipment	297,600	65,875
Educations and Training of Medical Staff	99,106	63,539
Hospital Programs	316,641	754,807
Patient Care	358,693	62,460
Total	9,312,091	3,472,072

Accounting Policy

Grants and other hospital distributions are recognised as expenditure upon acceptance and acknowledgement by the recipient.

Royal Brisbane & Women's Hospital Foundation

Notes to the financial statements

For the year ended 30 June 2020

Note 15 – Cash and Cash Equivalents

	2020	2019
	\$	\$
Petty cash and floats	750	1,680
Cash at bank	10,923,783	3,146,965
Cash management accounts	18,291	243,208
Total	10,942,823	3,391,853

Accounting Policy

Cash and cash equivalents include all cash and cheques received at 30 June as well as deposits held at call with financial institutions.

Note 16 – Receivables

	2020	2019
	\$	\$
Trade debtors	89,796	42,965
GST receivable	154,043	210,403
GST payable	(100,855)	(202,416)
	53,188	7,987
Accrued income	1,224,681	1,331,067
Investment income receivable	315,940	374,296
Other receivables	9,969	440
Total	1,693,574	1,756,756

Accounting Policy

Trade debtors are recognised at the nominal amounts due at the time of sale or service delivery i.e. the agreed purchase/contract price. Settlement terms are within 30 days from invoice date.

The collectability of receivables is assessed periodically with provision being made for expected credit losses. The loss allowance is estimated based on the probability and timing of potential defaults, and takes into account forecasts of future economic conditions as well as past events. All known bad debts were written-off as at 30 June.

There was no provision made for impairment of receivables in 2019-20 (2018-19: Nil).

Royal Brisbane & Women's Hospital Foundation

Notes to the financial statements

For the year ended 30 June 2020

Note 17 – Financial Assets

	2020	2019
	\$	\$
Current		
Term Deposits, at amortised cost:	<u>19,777,451</u>	<u>24,483,390</u>
Non Current		
Fixed interest corporate debt, at fair value	570,800	714,433
Australian equity funds, at fair value	8,082,487	7,480,578
International equity funds, at fair value	4,384,454	4,166,302
Total	<u>13,037,722</u>	<u>12,361,313</u>

Refer Note 23 for Accounting Policy on recognition of financial assets.

Note 18 – Investment Properties

	2020	2019
	\$	\$
Investment Properties, at fair value	<u>6,230,000</u>	<u>3,930,000</u>

Accounting Policy

The Foundation was gifted eleven properties through a bequest in a prior period. The Foundation was gifted one property as a donation during 2020. The properties have been recognised at market value upon receipt and will be accounted for using the fair value as at each reporting date.

Independent specific appraisals of the Foundation's investment properties were most recently performed as at 22 April 2020 for the properties gifted through a bequest and as at 9 June 2020 for the property gifted as a donation during the current period by Herron Todd White using fair value principles. The fair value of the investment properties was based on publicly available data on sales of similar properties in nearby localities within the twelve months prior to the date of the revaluation. In determining the values, adjustments were made to the sales data to take into account the location of the property, land size, the age of the house/unit, internal features/design and physical condition of each house/unit being valued. The future economic impact of COVID-19 has also been considered and the valuation uplift is only in respect of the property gifted in the financial year.

Gains or losses arising from changes in fair value of investment property are included in the operating result for the period in which they arise.

Royal Brisbane & Women's Hospital Foundation

Notes to the financial statements

For the year ended 30 June 2020

Note 19 – Payables

	2020	2019
	\$	\$
Accounts Payable	808,598	890,540
Accruals	1,060,697	397,374
Contribution to Metro North Hospital & Health Service for Herston Biofabrication Unit	5,000,000	-
Research grants payable	1,890,500	1,938,960
Total	8,859,795	3,226,874

Accounting Policy

Accounts payable represent trade creditors that are recognised upon receipt of the goods or services ordered and are measured at the agreed purchase/contract price, gross of applicable trade and other discounts. Amounts owing are unsecured and are generally settled on 30 day terms. Research grants are recognised as being payable upon acceptance from the grant recipient of the grant terms and conditions.

In June 2020, the Foundation entered into a Funding Agreement with Metro North Hospital & Health Service whereby a commitment was made to contribute \$5 million of funding towards the establishment of the Herston Biofabrication Institute. In return, MNHHS agreed to use best endeavours to extend the deed of assignment for the Butterfield Street carpark rent (Note 5) which is due to expire in September 2023. The Foundation is required to pay MNHHS within 7 days of receipt of a correctly rendered invoice.

Note 20 – Accrued Employee Benefits

	2020	2019
	\$	\$
Current		
Wage and Bonus accrual	104,270	174,036
Annual leave payable	92,533	110,983
Long service leave payable	24,463	51,427
Total	221,266	336,445
Non-Current		
Long service leave payable	31,256	31,818
Total	31,256	31,818

Refer Note 11 for Accounting Policy

Note 21 - Other current liabilities

Deferred income (contract liabilities) (a)	467,943	298,952
Research expenditure liability	258,765	-
Total	726,708	298,952

(a) Accounting Policy - refer to Note 7 Grant Income and Note 1(h) New Accounting Standards - AASB 15

Note 22 – Information on Fair Value Measurement

The carrying amounts of trade receivables (Note 16) and payables (Note 19) approximate their fair value.

Investment properties (Note 18) measured at fair value are revalued on an annual basis either by appraisals undertaken by an independent professional valuer or internal expert. For financial reporting purposes, the revaluation process is managed by the Foundation's Finance Division, who determines the specific revaluation practices and procedures. The Finance Division undertakes annual reviews of the revaluation practices (after each year's revaluation exercise), and reports to the Foundation's Audit, Finance and Risk Committee regarding the outcomes of, and recommendations arising from, each annual review.

The fair values reported by the Foundation are based on appropriate valuation techniques that maximise the use of available and relevant observable inputs and minimise the use of unobservable inputs.

Royal Brisbane & Women's Hospital Foundation

Notes to the financial statements

For the year ended 30 June 2020

Note 23 – Financial Instruments

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Foundation's business model for managing them. In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

All financial liabilities are recognised initially at fair value. The Foundation's financial liabilities include payables and research expenditure liability.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- (1) Financial assets at amortised cost (debt instruments)
- (2) Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- (3) Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- (4) Financial assets at fair value through profit or loss

Categories 1 and 4 are relevant to the Foundation.

Financial assets at amortised cost (debt instruments)

The Foundation's financial asset at amortised cost include Trade debtors (Note 16) and Term deposits (Note 17). These assets 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. Term deposits are included in current assets as they have maturities of less than 12 months from the end of the reporting period.

Financial assets at fair value through profit or loss

The Foundation did not make an irrevocable election on transition to AASB 9 (1 July 2018) to measure equity instruments at fair value through OCI. As such, the Foundations investments in Australian and International equity funds are measured at fair value through profit or loss. The Foundation's investments in Fixed Interest corporate debt instruments, which form part of the total portfolio of investments are also measured at fair value through profit or loss.

The Foundation is exposed to credit risk in respect of its receivables (Note 16); liquidity risk in respect of its payables (Note 19); interest rate risk through its term deposits (Note 17) and price risk through its investments in Australian and International Equity Funds (Note 17). The Foundation manages its credit risk by monitoring the level of trade receivables on an ongoing basis. The Foundation manages its exposure to credits risk by ensuring it has sufficient funds to meet obligations as they fall due. This is achieved by ensuring that minimum levels of cash are held within the various bank and term deposit accounts. This includes ensuring sufficient cash is held to honour direct funds commitments (Note 26). The Foundation's investments in equity and debt securities are managed by an investment advisor and the performance of such is monitored by the Foundation's Investment Committee which meets at least bi-monthly.

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 Foundation's right to receive payments is established. Interest income from these financial assets is included in the net gains/(losses).

Financial liabilities

Payables are subsequently measured at amortised cost.

Royal Brisbane & Women's Hospital Foundation

Notes to the financial statements

For the year ended 30 June 2020

Note 23 – Financial Instruments (continued)

Impairment

For Trade debtors, the Foundation applies a simplified approach in calculating expected credit losses (ECLs). Therefore, the Foundation does not track credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. As the Foundation has no history of losses on Trade debtors, the result of this calculation is that no allowance for ECLs is recorded. Similarly, there is no ECL recorded on Term Deposits as there is no history of default.

Note 24 – Key Management Personnel (KMP) Disclosure

Details of 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 2019-20. Further information on these positions can be found in the body of the Annual Report under the section relating to Executive Management.

Position	Position Responsibility
Board of the Foundation	The strategic leadership, guidance and effective oversight of the management of the Foundation, including its operational and financial performance.
Chief Executive Officer	Responsible for the strategic leadership, direction and effective financial administration of the Foundation.

KMP Remuneration Policies

The remuneration policy for the Foundation's key executive management personnel is set by the Chairman of the Board within their authority under the Hospital Foundations Act 2018. The RBWH Foundation Board members receive no remuneration to hold their position on the Board. The remuneration and other terms of employment for the Chief Executive Officer is specified in their employment contract. The contract provides for the provision of performance-related cash bonuses.

The remuneration package for Chief Executive Officer comprises the following components:-

* Short term employee benefits which include:

- salaries and allowances earned and expensed for the entire year, or for that part of the year during which the employee occupied the specific position.
- performance payments recognised as an expense during the year.
- annual leave entitlements earned and expensed for the entire year.

* Long term employee expenses – long service leave entitlements earned and expensed for the entire year, or for that part of the year during which the employee occupied the specified position.

* Post employment benefits include superannuation contributions.

Royal Brisbane & Women's Hospital Foundation

Notes to the financial statements

For the year ended 30 June 2020

Note 24 – Key Management Personnel (KMP) Disclosure (continued)

Remuneration Expenses

1 July 2019 - 30 June 2020

Position	Short Term Employee Benefits		Post Employment Benefits \$'000	Long Term Employee Benefits \$'000	Total Remuneration \$'000
	Monetary Expenses \$'000	Non-Monetary Expenses \$'000			
	Chief Executive Officer	237.9			

1 July 2018 - 30 June 2019

Position	Short Term Employee Benefits		Post Employment Benefits \$'000	Long Term Employee Benefits \$'000	Total Remuneration \$'000
	Monetary Expenses \$'000	Non-Monetary Expenses \$'000			
	Chief Executive Officer (to 3 December 2018)	134.4			
Chief Executive Officer (from 3 December 2018)	139.1	0	13.2	0	152.3

Performance Payments

Performance bonuses may be paid or payable annually depending upon satisfaction of key criteria. Performance payments of the key executive management are capped at 10% 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.

The basis for performance bonuses paid or payable in relation to the 2019-20 financial year is set out below:

Position	Date Paid & Amount	Basis for payment
Chief Executive Officer	Expected to be paid on 25-Aug-20	The cash performance bonus was calculated by reference to the employment contract approved by the Board. The bonus paid equates to \$22,285 being 10% of total fixed remuneration and equates to the maximum payable.

Royal Brisbane & Women's Hospital Foundation

Notes to the financial statements

For the year ended 30 June 2020

Note 24 – Key Management Personnel (KMP) Disclosure (continued)

The basis for performance bonuses paid or payable in relation to the 2018-19 financial year is set out below:

Position	Date Paid & Amount	Basis for payment
Chief Executive Officer	Paid on 30-Aug-19 \$22,285	The cash performance bonus was calculated by reference to the employment contract approved by the Board. The bonus paid equates to \$22,285 being 10% of total fixed remuneration and equates to the maximum payable.

Note 25 – Related Party Transactions

The RBWH Foundation obtained related party declarations for each member of the board and key executive personnel for the period 1 July 2019 – 30 June 2020. Related party transactions during the year included \$10,780 paid to KD Public Relations Pty Ltd, an entity controlled by a KMP, for branding and public relations expenditure. The RBWH Foundation Board members receive no remuneration to hold their position on the Board.

Note 26 – Commitments

(a) Cancellable Operating Lease

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

	2020	2019
	\$	\$
Not later than one year	33,333	33,333
Total	33,333	33,333

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. The Foundation currently leases out this space for the use of researchers.

Management 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), section 43 of the *Financial and Performance Management Standard 2019* and other prescribed requirements. In accordance with section 62(1)(b) of the Act and s.60.15 of the *Australian Charities and Not-for-profits Commission Regulation 2013*, 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 and the *Australian Charities and Not-for-profits Commission Act 2012*, of the transactions of Royal Brisbane & Women's Hospital Foundation (the Foundation) for the financial year ended 30 June 2020 and of the financial position of the Foundation at the end of that year; and
- c) there are reasonable grounds to believe the Royal Brisbane and Women's Hospital Foundation will be able to pay all its debts, as and when they become due and payable.

We acknowledge responsibility under s.8 and 2.15 of the *Financial and Performance Management Standard 2019* for the establishment and maintenance, in all respects, of an appropriate and effective system of internal controls and risk management processes with respect to financial reporting throughout the period.



Leona Murphy
Chair
Date 28 August 2020



Simone Garaka
Chief Executive Officer
Date 28 August 2020

INDEPENDENT AUDITOR'S REPORT

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

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of the Royal Brisbane & Women's Hospital Foundation.

In my opinion, the financial report:

- a) gives a true and fair view of the entity's financial position as at 30 June 2020, and its financial performance and cash flows for the year then ended
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2009, the *Australian Charities and Not-for-profits Commission Act 2012*, the Australian Charities and Not-for-profits Commission Regulation 2013 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the management certificate.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

I am independent of the entity in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General of Queensland Auditing Standards*.

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

Other information

Other information comprises the information included in the entity's annual report for the year ended 30 June 2020, but does not include the financial report and my auditor's report thereon.

Those charged with governance are responsible for the other information.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of the entity 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 the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019, the *Australian Charities and Not-for-profits Commission Act 2012*, the Australian Charities and Not-for-profits Commission Regulation 2013 and Australian Accounting Standards, and for such internal control as the Board determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The Board is also responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the entity or to otherwise cease operations.

Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an **auditor's report that includes my opinion**. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the entity.

- Conclude on the appropriateness of the entity's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report on other legal and regulatory requirements


Statement

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2020:

- a) I received all the information and explanations I required.
- b) In my opinion, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.

Prescribed requirements scope

The prescribed requirements for the establishment and keeping of accounts are contained in the *Financial Accountability Act 2009*, any other Act and the Financial and Performance Management Standard 2019. The applicable requirements include those for keeping financial records that correctly record and explain the entity's transactions and account balances to enable the preparation of a true and fair financial report.



Charles Strickland
as delegate of the Auditor-General

31 August 2020
Queensland Audit Office
Brisbane