

HOUSE OF ASSEMBLY
LAID ON THE TABLE

28 November 2013

The Health Services Charitable Gifts Board

Annual Report 2012-2013

HSCGB
Health Services
Charitable Gifts
Board

Hon, Jack Snelling M.P.
Minister for Health and Ageing

Dear Minister

In accordance with the *Health Services Charitable Gifts Act 2011* I am pleased to submit the annual report and financial statements for the Health Services Charitable Gifts Board for presentation to Parliament,

This report provides an accurate account of the operations of the Health Services Charitable Gifts Board for the financial year ending 30 June 2013, in compliance with the Department of the Premier and Cabinet Circular on annual reporting requirements.

Yours faithfully,



Robyn Pak-Poy
Chairman

16 September 2013

Health Services Charitable Gifts Board
Annual Report 2012-13

© Government of South Australia, 16 September 2013
ABN 49 517 603 275

ISBN 978-0-646-91469-5
ISSN 2203-210X

This annual report was prepared by the Health Services Charitable Gifts Board.

A copy of the annual report can be obtained by contacting the Executive Officer to the Board.

240 Waymouth Street
Adelaide, SA 5000

PO Box 6276
Halifax Street SA 5000

Telephone: 08 8221 7125
Facsimile: 08 8221 6273

THE HEALTH SERVICES CHARITABLE GIFTS BOARD REPORT 2012-2013

INTRODUCTION

The Health Services Charitable Gifts Board (HSCGB) is pleased to submit to the Honourable Minister for Health and Ageing, the second Annual Report covering the institutions proclaimed as Public Health Entities under Section 4 of the *Health Services Charitable Gifts Act, 2011*. This annual report covers the activities of the HSCGB for the year ended 30 June 2013.

The General Purpose Financial Report, comprising the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and Notes to and Forming Part of the Financial Statements are submitted together with a copy of the Independent Audit Report from the Auditor General. A Special Purpose Financial Report covering the separately administered Ray and Shirl Norman Cancer Research Trust of which the Board is the trustee, is also provided.

The Health Services Charitable Gifts Board began operations on July 1, 2011, with the commencement of the *Health Services Charitable Gifts Act, 2011*, (HSCGB Act). The HSCGB replaced the former Commissioners of Charitable Funds. Under section 5 of the HSCGB act the Commissioners of Charitable Funds continues as the Health Services Charitable Gifts Board.

The Health Services Charitable Gifts Board (collectively the Board and individually the Commissioners) is a body politic and corporate created July 1, 2011 for the purpose of administering gifts made for the maintenance and support of Public Health Entities in South Australia.

The body the Board replaces, the Commissioners of Charitable Funds, was established in 1875 for the purpose of administering gifts made for the maintenance and support of Public Charitable Institutions. Under the transition assets held as part of the charitable asset prior to the transition to the new act continue as part of the charitable asset under the new act.

The responsibilities of the Board can be summarised as follows, to:

- receive, hold, manage and apply the assets held for the benefit of public health entities;
- act as trustee in relation to various other assets;
- determine after consultation with those considered appropriate by the Board; suitable investment strategies for the charitable assets and other property vested in the Board;
- consult with any person considered appropriate by the Board in relation to the application of funds by the Board under this act and in the case of funds applied for the purposes of clinical equipment or research, to consult with any prescribed research body and any advisory committee established under the HSCGB Act; and
- fulfill any duties that arise out of the functions of the Board under this Act and provide advice to the Minister as appropriate.

Funds and other assets have been given to proclaimed institutions and vest in the HSCGB Board by way of:

- bequests;
- donations and gifts received from corporate and community groups and individuals; and
- the proceeds from other corporate, community and institutional fund raising programs.

During the financial year just ended no other property was transferred to the Board as is permitted under section 17 of the HSCGB Act.

BOARD POLICIES

The Board has established and updated a number of policies that cover the way that the funds are managed, invested, and applied.

Pursuant to the Board's Application of Charitable Asset Policy and the HSCGB Act, funds vested in the Commissioners are used for the purpose for which they were donated. This is almost always at the institution for which the assets are held. In rare instances where the funds cannot be used for the purpose donated at that institution, consultation as provided for under section 18(3) of the HSCGB Act will be undertaken to determine whether funds can be redirected to enable them to be used for the purpose intended.

PROCLAIMED INSTITUTIONS

“Proclaimed Public Health Entities” under section 4 of the *Health Services Charitable Gifts Act, 2011* for the full financial year are as follows:

- The parts of Central Adelaide Local Health Network Incorporated known as:
 - Royal Adelaide Hospital;
 - The Queen Elizabeth Hospital;
 - South Australian Dental Health Service; and
 - SA Pathology.
- The parts of Country Health SA Local Health Network Incorporated known as:
 - Mount Gambier Hospital;
 - Port Augusta Hospital;
 - Port Lincoln Hospital;
 - Port Pirie Hospital;
 - Wallaroo Hospital; and
 - Whyalla Hospital.
- The parts of Northern Adelaide Local Health Network Incorporated known as:
 - Modbury Hospital; and
 - Lyell McEwin Hospital.
- The parts of the Southern Adelaide Local Health Network Incorporated known as:
 - Flinders Medical Centre;
 - Repatriation General Hospital; and
 - Noarlunga Hospital.
- The part of the Womens and Children’s Health Network Incorporated known as the Womens and Childrens Hospital; and
- The part of the South Australian Ambulance Service Incorporated known as MedSTAR.

The Board has continued to meet with many parties in relation to the operation of the Act in an effort to ensure that the Act operates as smoothly and effectively as possible.

PRESCRIBED RESEARCH BODY

The South Australian Health Medical Research Institute (SAHMRI) is a prescribed research body as defined under section 3 of the HSCGB Act. The Board has met with SAHMRI personnel on a range of issues during the year.

For the financial year just ended and at the date of the completion of this report no funds are or have been held on behalf of SAHMRI.

RESEARCH ADVISORY COMMITTEE

The Minister of Health and Ageing has appointed a Research Advisory Committee comprised of various eminent people from within the SA Health sector pursuant to section 24 of the HSCGB Act. The purpose of the Committee is to provide advice the Board, particularly in the areas of research and clinical expenditure requests and evaluation of applications for research funding from the Norman Trust. The Committee met for the first time near the end of the financial year. This meeting was preliminary in nature.

CHARITABLE HEALTH TRUSTS

No charitable health trusts have been established pursuant to section 20 of the HSCGB Act.

OTHER TRUSTS ADMINISTERED BY THE BOARD

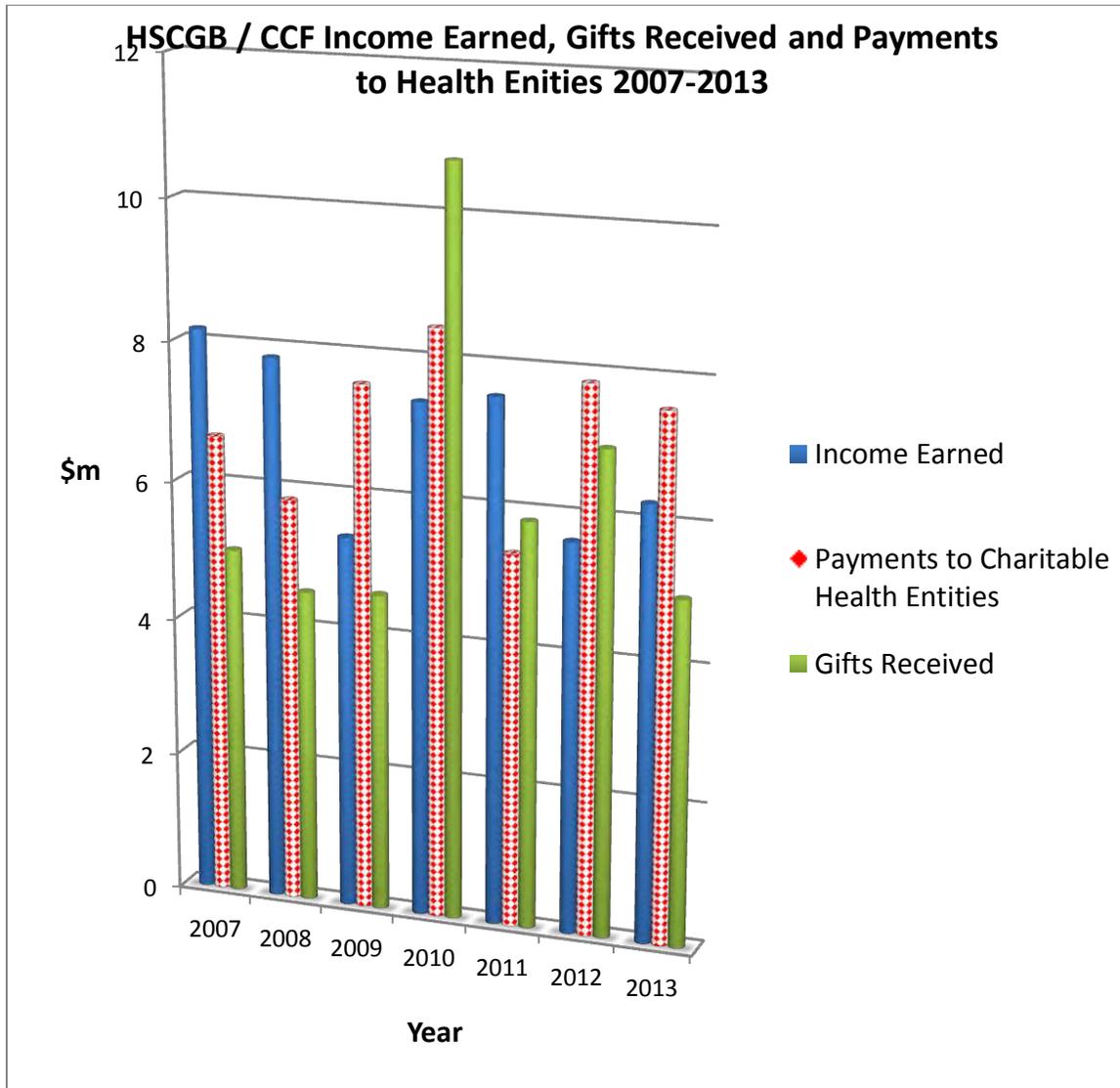
The Board acts as trustee of the Ray and Shirl Norman Cancer Research Trust (Norman Trust). This matter has been discussed in more detail on page 14 of this report.

With the implementation of the HSCGB Act the Board was able to assume its role as co-trustee of the Sheila Helpman Estate. Subsequently on review of the situation the Board has elected to withdraw from this role. This matter has also been discussed in more detail on page 13 of this report.

KEY INDICATORS

Total Assets at 30 June 2013 were \$99.06m, (2012, \$92.8m); a 6.7% increase. This was despite a decline in the bequests received for the year. The RAH Research Fund continues to focus as an effective fundraiser.

Payments to public health entities for fellowships, education, research, patient assistance and equipment were \$7.5m compared to \$7.8m in the prior year.



In 2010 funds from a large estate were received. In the following year this gift was separated from the charitable gift and is now administered as a separate trust.

FUNDS RECEIVED

Funds received for the 2012-2013 financial year were \$4.97m (\$6.96m in 2012) and comprised contributions from estates and gifts to different units of the Royal Adelaide Hospital and other public health entities that have discrete fundraising programs.

During the year bequests were received through the following estates:

- Erica Downing;
- Robert Excell;
- Joan Kennewell;
- Helena Richardson;
- Henry Edward Robinson;
- Tecla Mae Shaw;
- George Southgate; and
- Marie Turrell

Funds were received in respect of the following prescribed health entities:

- Royal Adelaide Hospital;
- Lyell McEwin Hospital;
- Modbury Hospital;
- Mount Gambier & District Hospital
- SA Pathology Services and Hanson Institute;
- The Queen Elizabeth Hospital; and
- Womens' and Childrens' Hospital

SOURCES OF FUNDS USED

In response to requests for funding a total of \$7.6m (2012, \$7.8m) was advanced to public health institutions to further their work and research during the year.

Sources of Funds Used are summarized in the table below:

Expenditure in relation to:	\$m
<i>RAH & Hanson Centre:</i>	
Equipment (<i>refer table on next page for further details</i>)	1.9
Research salaries, consumables and salary support including various academic chairs (<i>refer table on next page for further details</i>)	2.5
Research Fund costs including fundraising	0.9

Scholarships, Grants and Fellowships	1.3
RAH & SA Path Medical Library	0.2
Travel to and attendance at conferences and training	0.2
RAH Volunteer Support and recognition and other expenditure	0.2
Payment to SAHMRI for Heart Research Theme Leader's Clinical work at RAH	0.3
<i>Other institutions: Mt Gambier and Womens' and Childrens' Hospital</i>	0.1
	\$7.6m

Payment of \$0.25m was made to SAHMRI as a contribution towards the cost of the Heart Research Theme Leader, Professor Stephen Nicholls, a world leader whose work involves both SAHMRI and the RAH. This payment was to cover the cost of Professor Nicholls clinical involvement at the RAH and was made after consultation with the RAH. This payment was made from funds held on behalf of the RAH.

Major equipment purchased includes the following, which were part of total expenditure of \$1.9M:

Expenditure in relation to:	\$m
Angio suite	0.4
Hanson equipment – including Selicline NGS workstation motorized and Rotary Microtone	0.7
Radiopharmaceutical lab	0.5
Ultrasound and ultra-sonagraph	0.1

Estate support of research salaries, consumables and salary support including various academic chairs totaled \$2.5M and included:

Expenditure in relation to:	\$m
Helpman - Cardio Chair	0.2
Martin Estate – Cancer Chair	0.1
Nimmo	0.1
Gum – Endocrine	0.2
Lane – Glenside _ Schizophrenia, Pediatric Development	0.1

Captain Courageous – Diamond Fan Black Anemia	0.1
Prostrate Cancer	0.1
Fred Shahin – Leukemia	0.1

Sources of Funds Used

Major sources of these funds from which these payments were made are:

RAH Expenditure in relation to:	\$m
General RAH Programs:	
• Martin Estate	1.7
• Nimmo Estate	0.4
• Miller Estate	0.1
• RAH Doctors Right To Private Practice Earnings	0.6
Rheumatology Unit	0.6
Other RAH Departmental Donation Accounts	0.4
RAH Research Funds:	
• Overton Bequest	0.2
• Helpman Family Foundation	0.3
• Cowen Bequest	0.1
• Gum Bequest	0.1
• Other	0.5
• General Research Fund	0.1
• Captain Courageous	0.1
• Intensive Care	0.1
• Prostrate Cancer	0.1
• Special Campaign Fund	0.1
Hanson Centre for Cancer Research – RAH Research Fund	1.5
• MF Burns Bequest	0.2
• MF Kellett Bequest	0.1
Fay Fuller Fellowship	0.2
Other institutions	0.1
	\$7.6m

Transfer of Monies Held for Metropolitan Domiciliary Care Services and the Intellectual Disability Services Council

In addition to the expenditure detailed above \$0.8m was transferred to Families SA in accordance with the transitional provisions applying to the introduction of the new Act whereby monies formerly held on constructive trust for Metropolitan Domiciliary Care Services and the Intellectual Disability Services Council were to be transferred upon receipt of formal requests.

INVESTMENTS

The Board has appropriate prudential and financial management arrangements in line with the requirements of the Act. These include strategies and policies addressing investment in cash, term deposits, property and listed equities. Strategies used include:

- Risk weightings – using credit rating agency data;
- Diversification of investments with varying maturities from various Australian banks and financial institutions in the case of fixed interest investments;
- Diversification of Australian equity investments held amongst blue-chip and similar stocks spread between defensive and cyclical stocks;
- External expert advice;
- Detailed reporting to the Board; and
- Regular periodic and systematic reviews of investments held.

The Board has engaged Mr Trevor Kennett to assist with its current review of its investment policy.

The 2013 financial year was a mixed year for investments with conditions able to be characterised by declining domestic interest rates, a volatile but improving equity market and soft demand for property investments. In this environment the Board has been able to achieve solid results for its cash and equity investments.

Regular reviews and advice are sought from external equity investment advisors and brokers.

PROPERTY ASSETS

The Board has developed a property policy to cover the Board's investments in direct real estate.

The Board owns five direct property investments. These are listed below along with their locations:

- Office building - 8 Greenhill Road, Wayville;
- Office building and warehouse- 346 Torrens Road, Croydon Park;
- Offices - 234-240 Waymouth Street, Adelaide;
- Warehouse - 4 Archer Place, Clare;
- Ground on which Citicentre building located -Town Acre 86.

The Board has held all of these properties for some years.

A strata-title at 118 Halifax Street, Adelaide, which was previously used partly to house the Board's office, was sold during the financial year. The Board's office was relocated to 240 Waymouth Street, Adelaide, when the tenant moved from that property on the completion of their lease.

Over half of the Croydon Park property has been leased from July 1, 2013 to a SA Government tenant. The remainder of the property is for lease. As a result the property has been reclassified from held for sale to held for long-term rental. The Clare warehouse has been for sale or lease during the financial year. The property at 234-238 Waymouth Street remains for lease

The properties portfolio continues to make a positive contribution to the overall performance of the investment portfolio. The Board continues to use professional property managers to assist them in ensuring that the Board's properties are appropriately managed and maintained. As at June 30, 2013 the Board revalued these investments to reflect current market value.

The ground lease on Town Acre 86 is professionally revalued every 5 years, the most recent being in August 2011. This determines the rental payable on the ground lease.

OTHER MATTERS

Investment Advisor

The Board met regularly during the financial year with Mr. Kevin Cantley, General Manager of the South Australian Government Financing Authority who has been appointed by the Minister of Health and Ageing to advise the Board on investment and

related matters pursuant to section 23 of the HSCGB Act. The meetings were of a general nature and were in relation to the investment activities of the Board.

No specific advice has been given or formal recommendations made to the Board by Mr. Cantley during or since the end of the financial year.

Mr. Cantley was very supportive of the initiatives of the Board to review investment policies and strategies during the year.

Transfer of Specified Property to a Health Advisory Council (HAC)

No application has been made by a HAC to transfer property pursuant to section 26 of the HSCGB Act.

MAJOR BEQUESTS

Thomas Martin Estate

The Martin Town Acre 86 situated in the central business district of Adelaide was bequeathed to the Royal Adelaide Hospital as part of the Thomas Martin Estate and this property as well as Part Town Acre 85 is vested with the Commissioners in perpetuity in accordance with the provisions of the *Health Services Charitable Gifts Act, 2011* and section 25 of that act in particular.

On this site, at the south-eastern corner of Pulteney Street and Rundle Mall the Citi Centre was completed in August 1988.

Town Acre 86 and part 85 is valued at \$21.5m for rental purposes. The Commissioners receive an 8% rent based on the “site” or unimproved valuation. This income is used to pay for many important programs at the Royal Adelaide Hospital. The Martin Estate was valued at \$35.653m as at 30 June 2013.

Nimmo Estate

Rowland Harrold Nimmo died on July 13, 1956. Subject to a life interest to his brother he left a half share of his residual estate to the Royal Adelaide Hospital. At June 30, 2013 this was valued at \$4.614m and is used to finance a visiting professor position at the Royal Adelaide Hospital.

Acraman Estate

Emilie Mary Acraman died on April 22, 1950 leaving her residual estate to the Royal Adelaide Hospital. At June 30, 2013 this was valued at \$1.384m and is used to finance a visiting professor position at the Royal Adelaide Hospital and is used to assist the work of the Royal Adelaide Hospital.

Trevis Roberts Rheumatology Research Fund

Reta May Roberts died 19 August 1996 and in her will creating the Trevis Roberts Rheumatology Fund. At June 30, 2013 this was valued at \$1.803m and is used for research in rheumatology.

AA Shadgett Estate

Alan Albion Shadgett died 6 February 2006 and left a share of his residual estate for research at the Royal Adelaide Hospital. At June 30, 2013 this was valued at \$1.789m.

Overton Estate

Ida Mary Overton died August 28, 2002. As a generous donor to the arts and medical research during her lifetime Mrs. Overton bequeathed a half share of the residue of the estate to the Royal Adelaide Hospital Research Fund and the Flinders Medical Centre Foundation. The portion of the fund associated with the Royal Adelaide Hospital was valued at \$4.113m as at 30 June 2013. The bequest finances research grants.

Helpmann Family Foundation

Under the *Health Services Charitable Gifts Act 2011* the Commissioners were able to fulfil the testamentary request of the late Sheila Helpmann to perform the role of co-trustee for the purposes of administering the Helpmann Family Foundation.

Following a review of this role and acting on specialist advice received the Board has withdrawn during the financial year from its role as co-trustee and any role within the Helpmann Family Foundation.

For the 2012-2013 Financial Year:

- Income from the Helpmann Estates for the 2013 financial year was \$0.227m. Since the Helpmann Family Foundation was established in 1995, the total value of assets under management has increased from \$5.7m to \$10.2m as at 30 June 2013.
- The Helpmann Chair in Cardio Vascular Surgery at the Royal Adelaide Hospital was financed from the Helpmann Family Foundation in 2012 – 2013 at a cost of \$0.17m. .

George Edward Southgate

George Edward Southgate who died January 6, 2010 left one half of his residual estate for the purposes of establishing the George Southgate Medical Research

Trust Fund to finance from the earnings of the fund certain medical research within the Hanson Institute, with payments to commence after June 12, 2013.

At June 30, 2013 the balance of this fund was \$1.187m.

Norman Trust

The Ray and Shirl Norman Cancer Research Trust (Norman Trust) which is valued at over \$5 million was established as a testamentary trust to be used at the RAH for the purpose of the prevention and cure of cancer and anything incidental or conducive to those purposes.

Following calls for applications the Board, with the aid of specialist advice selected two projects to be funded. Funding commitments of \$0.32 million was made to these two projects; of which \$0.19 million (inc GST) was paid. The remainder of these grants will be paid in future financial years. Since the end of the financial year a further call for funding applications for research funding for projects that qualify under the terms of the Norman Trust has been made.

Separate financial statements, consistent with section 22 of the HSCGB Act are included as supplementary statements to the Board's financial statements for the financial year just ended.

DEDUCTIBLE GIFT RECIPIENT (DGR) STATUS

The Health Services Charitable Gifts Board is both a public ancillary fund as defined by the Income Tax Assessment Act (1997), and a deductible gift recipient (DGR). This status applies because the funds held are all applied to benefit hospitals and health research institutions. The Board is thus considered to be a charitable institution. Donations to the Board for the appropriate purposes are tax-deductible. By virtue of the Board's DGR status the Board is not subject to income tax resulting in the Board being able to receive a refund of the franking credits attached to dividends received from Australian listed companies.

The Ray and Shirl Norman Cancer Research Trust, of which the Board is trustee also has DGR status.

COMMISSIONERS AND STAFF

Each Commissioner is appointed for a term of three years pursuant to Section 5 of the *Health Services Charitable Gifts Act 2011 (SA)*.

Ms Judith Worrall was appointed as a Commissioner in 2004 and was reappointed as a Commissioner in 2007 and 2010, concluding her term at 30 June 2013. She was appointed as Chairman on 20 November 2007 and reappointed on July 1, 2011 when the Health Services Charitable Gifts Board commenced. The Board

would like to thank Ms Worrall for her service to the work of the Board during her period as a Commissioner.

Ms Robyn Pak-Poy was appointed as a Commissioner from 11 July 2008 and was reappointed in 2011. She was appointed Chairman on 17 July 2013.

Mr Geoff Loveday was first appointed as a Commissioner on 29 June 2006 and was reappointed in 2009 and 2012.

Professor Villis Marshall was appointed as a Commissioner from 1 July 2013.

Mr Chris Peirce is employed as Executive Officer for the Health Services Charitable Gifts Board pursuant to section 12 of the HSCGB Act. Ms Chenoa Makris is employed on a part-time basis to assist Mr Peirce.

The Board met 11 times during the financial year. In addition the Board between meetings, addressed numerous matters by electronic means.

The Board has a policy to address the conduct of meetings and resolution of urgent matters electronically.

Mr John Yeatman is contracted to provide accounting and taxation services to the Board. The Crown Solicitor provides legal services to the Board. Ongoing property management services are contracted from Jones Lang LaSalle. The two properties for sale are listed with CBRE. Macquarie Private Wealth provides financial investment advisory and broking services. Mr Trevor Kennett has been contracted to aid and guide the Board's internal review of its investment policies.



9th Floor
State Administration Centre
200 Victoria Square
Adelaide SA 5000
DX 56208
Victoria Square
Tel +618 8226 9640
Fax +618 8226 9688
ABN 53 327 061 410
audgensa@audit.sa.gov.au
www.audit.sa.gov.au

INDEPENDENT AUDITOR'S REPORT

To the Chairman Health Services Charitable Gifts Board

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 29(2) of the *Health Services Charitable Gifts Act 2011*, I have audited the accompanying financial report of the Health Services Charitable Gifts Board for the financial year ended 30 June 2013. The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2013
- a Statement of Financial Position as at 30 June 2013
- a Statement of Changes in Equity for the year ended 30 June 2013
- a Statement of Cash Flows for the year ended 30 June 2013
- notes, comprising a summary of significant accounting policies and other explanatory information
- a Statement of Comprehensive Income for the year ended 30 June 2013 for the Ray and Shirl Norman Cancer Research Trust
- a Statement of Financial Position as at 30 June 2013 for the Ray and Shirl Norman Cancer Research Trust
- a Statement of Changes in Equity for the year ended 30 June 2013 for the Ray and Shirl Norman Cancer Research Trust
- notes to and forming part of the financial statements for the Ray and Shirl Norman Cancer Research Trust
- a Certificate from the Chairman and the Executive Officer.

The Commissioners' Responsibility for the Financial Report

The Commissioners are responsible for the preparation of the financial report that gives a true and fair view in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards, and for such internal control as the Commissioners determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the requirements of the *Public Finance and Audit Act 1987* and Australian Auditing Standards. The auditing standards require that the auditor comply with relevant ethical requirements and that the auditor plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Commissioners, as well as the overall presentation of the financial report.

Opinion

In my opinion the financial report gives a true and fair view of the financial position of the Health Services Charitable Gifts Board as at 30 June 2013, its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.



S O'Neill
AUDITOR-GENERAL
16 September 2013

HEALTH SERVICES CHARITABLE GIFTS BOARD
ABN: 49 517 603 275

RAY & SHIRL NORMAN CANCER RESEARCH TRUST
ABN: 48 360 657 320

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

HEALTH SERVICES CHARITABLE GIFTS BOARD

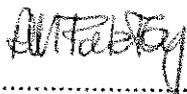
Certification of the Financial Statements

We certify that the attached general purpose financial statements for the Health Services Charitable Gifts Board (formerly the Commissioners of Charitable Funds and referred to in the attached as "HSCGB" or "the Board"):

- comply with relevant Treasurer's instructions issued under section 41 of the *Public Finance and Audit Act 1987*, and relevant Australian accounting standards;
- are in accordance with the accounts and records of the Board; and
- present a true and fair view of the financial position of the Health Services Charitable Gifts Board as at 30 June 2013 and the results of its operation and cash flows for the financial year.

We certify that the internal controls employed by the Health Services Charitable Gifts Board for the financial year over its financial reporting and its preparation of the general purpose financial statements have been effective throughout the reporting period and there are reasonable grounds to believe the Board will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board this 12th day of September 2013.



.....
R M PAK-POY - Chairman



.....
C A PEIRCE - Executive Officer

HEALTH SERVICES CHARITABLE GIFTS BOARD

STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended 30 June 2013

	Note No.	2013 \$'000	2012 \$'000
Income			
Trust Funds			
Gifts to public health entities vesting in the Board		4,742	6,730
Revenue from Helpmann Family Foundation	1.3	227	229
		<u>4,969</u>	<u>6,959</u>
Income			
Investment of Funds			
Interest Revenue		1,924	2,398
Dividends & Trust Distributions		1,008	845
Imputation credits	2(f)	397	333
Rental Revenue	15	2,794	2,987
Net gain (loss) from the disposal of investments	5	73	(1,282)
Net gain from the disposal of investment properties	6	27	-
Property Revaluation	2(n) & 15	13	333
Other Revenue		16	9
		<u>6,252</u>	<u>5,623</u>
Total Income		<u>11,221</u>	<u>12,582</u>
Expenses			
Administration Expenses			
Administration costs	7	159	179
Accounting fees	8	20	21
Auditors remuneration	9	42	29
Commissioners remuneration	10	52	52
Consultancy fees	11	5	-
Investment property expenses	15	231	234
Other		29	16
		<u>538</u>	<u>531</u>
Expenses			
Application of funds for public health entities:			
Research, equipment, patient amenities and other approved expenses of public health entities		7,553	7,838
Total Expenses		<u>8,091</u>	<u>8,369</u>
Net Profit		<u>3,130</u>	<u>4,213</u>
Other Comprehensive Income			
Financial Asset revaluations taken to Equity		3,217	(1,294)
Revaluation adjustments on financial assets disposed of during the period		(69)	1,271
Net gain (loss) on financial assets taken to equity		<u>3,148</u>	<u>(23)</u>
Net Profit & Total Comprehensive Result		<u>6,278</u>	<u>4,190</u>

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

HEALTH SERVICES CHARITABLE GIFTS BOARD

STATEMENT OF FINANCIAL POSITION

As at 30 June 2013

	Note No.	2013 \$'000	2012 \$'000
Current Assets			
Cash and cash equivalents	12	37,187	20,929
Other financial assets	13	3,700	19,272
Receivables	14	911	1,627
Investment properties held for sale	15	900	4,975
Total Current Assets		<u>42,698</u>	<u>46,803</u>
Non-Current Assets			
Other financial assets	13	23,555	17,614
Investment properties	15	32,910	29,095
Total Non-Current Assets		<u>56,465</u>	<u>46,709</u>
Total Assets		<u>99,163</u>	<u>93,512</u>
Current Liabilities			
Payables	16	96	111
Other current liabilities	17	12	559
Total Current Liabilities		<u>108</u>	<u>670</u>
Total Liabilities		<u>108</u>	<u>670</u>
Net Assets		<u>99,055</u>	<u>92,842</u>
Trust Funds			
Trust funds		95,935	92,870
Asset revaluation surplus (deficit)		3,120	(28)
Retained earnings		-	-
Total Trust Funds	18	<u>99,055</u>	<u>92,842</u>
Unrecognised contractual commitments	21		
Contingent assets and liabilities	22		

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

HEALTH SERVICES CHARITABLE GIFTS BOARD

STATEMENT OF CHANGES IN EQUITY

For the Year Ended 30 June 2013

	Note No.	Trust Funds \$'000	Asset Revaluation Surplus \$'000	Retained Earnings \$'000	Total Trust Funds \$'000
Balance at 30 June 2011		94,205	(98)	-	94,107
Less: Ray & Shirl Norman Cancer Research Trust transferred	1.1	(4,989)	93	-	(4,896)
Restated Balance 30 June 2011		89,216	(5)	-	89,211
Gain(Loss) on Revaluation of investments	2(m)	-	(1,294)	-	(1,294)
Realised Investment Revaluation Transferred		-	1,271	-	1,271
Net income recognised directly in equity for 2011-12		-	(23)	-	(23)
Net Profit for 2011-12		-	-	4,213	4,213
Total comprehensive result for 2011-12		-	(23)	4,213	4,190
Net Profit Distributed to Trust Funds		4,213	-	(4,213)	-
Less: Amounts transferred to Payables					
Metropolitan Domiciliary Care Services	1.1 & 17	(497)	-	-	(497)
Intellectual Disability Services Council Inc	1.1 & 17	(62)	-	-	(62)
		(559)	-	-	(559)
Total Change for the period		3,654	(23)	-	3,631
Balance at 30 June 2012		92,870	(28)	-	92,842
Gain(Loss) on Revaluation of investments	2(m)	-	3,217	-	3,217
Realised Investment Revaluation Transferred		-	(69)	-	(69)
Net income recognised directly in equity for 2012-13		-	3,148	-	3,148
Net Profit for 2012-13		-	-	3,130	3,130
Total comprehensive result for 2012-13		-	3,148	3,130	6,278
Net Profit Distributed to Trust Funds		3,065	-	(3,065)	-
Less: Amounts transferred to					
Metropolitan Domiciliary Care Services	1.1 & 17	-	-	(48)	(48)
Intellectual Disability Services Council Inc	1.1 & 17	-	-	(17)	(17)
		3,065	-	(3,130)	(65)
Total Change for the period		3,065	3,148	-	6,213
Balance at 30 June 2013		95,935	3,120	-	99,055

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

HEALTH SERVICES CHARITABLE GIFTS BOARD

STATEMENT OF CASH FLOWS

For the Year Ended 30 June 2013

	Note No.	2013 \$'000	2012 \$'000
Cash Flows from Operating Activities			
Cash Inflows			
Rent		3,361	2,967
Dividends and trust distributions		1,008	844
Imputation credits		332	423
Interest		2,545	2,764
Other Income		26	
Helpmann Family Foundation		227	229
Donations to public health entities vesting in the Board		4,565	6,572
Cash generated from operations		<u>12,064</u>	<u>13,799</u>
Cash Outflows			
Supplies and services		(562)	(539)
Research, equipment, patient amenities and other approved expenses of public health entities		(7,666)	(7,816)
GST paid to the ATO		(279)	(247)
Cash used in operations		<u>(8,507)</u>	<u>(8,602)</u>
Net cash provided by operating activities	19	<u>3,557</u>	<u>5,197</u>
Cash flows from Investing Activities			
Cash Inflows			
Proceeds from the sale of investment property		306	-
Proceeds from the sale/maturity of investments		17,015	7,867
Cash generated from investing activities		<u>17,321</u>	<u>7,867</u>
Cash Outflows			
Purchase of improvements to investment properties		(7)	-
Purchase of investments		(3,989)	(3,630)
Payment to Norman Trust		-	(561)
Payments to -			
- Intellectual Disability Services Council Inc	1.1 & 17	(79)	-
- Metro Domiciliary Care Services	1.1 & 17	(545)	-
Cash used in investing activities		<u>(4,620)</u>	<u>(4,191)</u>
Net cash provided by (used in) investing activities		<u>12,701</u>	<u>3,676</u>
Net increase/(decrease) in cash and cash equivalents		16,258	8,873
Cash and cash equivalents at 1 July		20,929	12,056
Cash and cash equivalents at 30 June	12	<u>37,187</u>	<u>20,929</u>

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

HEALTH SERVICES CHARITABLE GIFTS BOARD

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2013

1 Objectives of the Health Services Charitable Gifts Board

The Health Services Charitable Gifts Act 2011 was proclaimed on 30 June 2011 for commencement on 1 July 2011 (the Act). The Public Charities Funds Act 1935 (old Act) was consequentially repealed however the operations of the Commissioners of Charitable Funds continued in existence as the Health Services Charitable Gifts Board.

Pursuant to the Act, prescribed gifts made to or received by public health entities (as defined in the Act and Regulations) vest in the Board. A prescribed gift means property given to a public health entity. Such gifts form part of the charitable asset, which the Board prudentially manages and applies for the benefit of public health entities.

These financial statements have been prepared in accordance with the requirements of the Act. Comparative figures, unless otherwise indicated, have not been adjusted.

1.1 Vesting of Gifts

On the commencement of the Act all property previously vested in the Commissioners of Charitable Funds formed part of the charitable assets of the Board.

The transitional provisions of the Act require the Board to transfer funds held for the Intellectual Disability Services Council Inc and Metropolitan Domiciliary Care Services to the responsible Minister on request. Such a request was received during the year and payment in full was made during May 2013 of all amounts held on behalf of the above bodies. Up until the time of payment the funds held were administered as if they were vested funds notwithstanding their disclosure as current liabilities in the prior year.

The Act enables the Board to act as trustee or co-trustee of a trust where the Board is named or otherwise asked to act in those roles. In the previous financial year the Board was appointed as trustee of the Ray & Shirl Norman Cancer Research Trust (Norman Trust). As the assets have not vested in the Board the operations of the Norman Trust are reported separately from those of the Board. This separation was implemented in the previous financial year.

HEALTH SERVICES CHARITABLE GIFTS BOARD

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2013

The Act provides the Governor with the power to nominate additional public health entities by proclamation. Such proclamation was made on 28 June 2012 nominating the following as public health entities for the purposes of the Act.:

- *Lyell McEwin Hospital*
- *Flinders Medical Centre*
- *Repatriation General Hospital*
- *Noarlunga Hospital*
- *Women's and Children's Hospital*
- *MedSTAR (SA Ambulance Service)*

During the current financial year funds have been received from some of these organisations.

1.2 Investment of Funds

The Act rectifies many of the deficiencies and limitations of the old Act particularly in relation to the investment powers of the Board. Included in the transitional provisions is a clause which confirms that past acts under the old Act are to be treated as being valid which resolves the issues referred to in prior years.

The Board has all the powers of a natural person that are capable of being exercised by a body corporate. It is able to determine appropriate investment strategies to apply. The old Act, by comparison, had very limited investment powers.

Pursuant to section 23 of the Act, the Board meets regularly with the public sector employee who has been nominated by the Minister. Acting on a suggestion arising from a meeting the Board agreed to engage a consultant with expertise to assist the Board with a review to strengthen and improve the Board's investment policies.

1.3 Helpmann Family Foundation

The income received from the Helpmann Family Foundation has been recorded separately in the Statement of Comprehensive Income as none of the assets contained in the SM & MG Helpmann Estates have been received by the Board but remain assets of the Foundation.

When the current Act commenced the Board formally assumed its role as co-trustee of the S M Helpmann Estate. Subsequent advice obtained from the Crown Solicitor was that the Board should not act in this role. The Board has accepted that advice and has withdrawn as co-trustee.

HEALTH SERVICES CHARITABLE GIFTS BOARD

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2013

1.4 Ray & Shirl Norman Cancer Research Trust

The Board was appointed as sole trustee of the Norman Trust on 21 September 2011 by way of orders from the Supreme Court of South Australia.

The assets have not vested in the Board but are administered by them as trustee in accordance with the terms of the document establishing the Norman Trust.

Included in these financial statements at pages 30 to 35 are special purpose financial reports for the Norman Trust for the year ended 30 June 2013.

2 Summary of Significant Accounting Policies

a) Statement of Compliance

The Health Services Charitable Gifts Board has prepared these financial statements in compliance with section 23 of the *Public Finance and Audit Act 1987*.

The financial statements are general purpose financial statements. The accounts have been prepared in accordance with relevant Australian Accounting Standards and Treasurer's Instructions and Accounting Policy Statements (APS) promulgated under the provision of the Public Finance and Audit Act 1987.

The Board has applied Australian Accounting Standards that are applicable.

Australian accounting standards and interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Board for the reporting period ending 30 June 2013, refer Note 4.

b) Basis of Preparation

The preparation of the financial statements requires:

- the use of certain accounting estimates and requires management to exercise its judgement in the process of applying the Board's accounting policies. The areas involving a higher degree of judgement or where assumptions and estimates are significant to the financial statements are outlined in the applicable notes;

- accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events are reported; and

HEALTH SERVICES CHARITABLE GIFTS BOARD

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2013

- compliance with accounting policy statements issued pursuant to section 41 of the Public Finance and Audit Act 1987. In the interest of public accountability and transparency the accounting policy statements require the following note disclosures, which have been included in this financial report:

a) expenses incurred as a result of engaging consultants (as reported in the Statement of Comprehensive Income); and

b) employees whose normal remuneration is equal to or greater than the base executive remuneration level (within \$10,000 bandwidths) and the aggregate of the remuneration paid or payable or otherwise made available, directly or indirectly by the entity to those employees.

The Board's Statement of Comprehensive Income, Statement of Financial Position and Statement of Changes in Equity have been prepared on an accruals basis and are in accordance with historical cost convention, except for certain assets that were valued in accordance with the valuation policy applicable.

The Statement of Cash Flows has been prepared on a cash basis.

The financial statements have been prepared on a twelve month period and presented in Australian currency.

The Board has been granted exemption from APS 2.1 contained within the *Accounting Policy Framework IV - Financial Asset and Liability Framework* which requires that financial assets be reported at cost. As a result the Board continues to report its financial assets at market value as this is considered to be appropriate given the nature of the activities of the Board and the users of the financial statements.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2013 and the comparative information presented.

c) Reporting Entity

The financial report covers the Health Service Charitable Gifts Board as an individual reporting entity. The Board was established pursuant to the Health Services Charitable Gifts Act 2011.

HEALTH SERVICES CHARITABLE GIFTS BOARD

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2013

d) Comparative Information

The presentation and classification of items in the financial statements are consistent with prior periods except where a specific accounting standard and/or accounting policy statement have required a change.

Where the presentation or classification of items in the financial statements have been amended comparative figures have been adjusted to conform to changes in presentation or classification in these financial statements unless impracticable.

The restated comparative amounts do not replace the original financial statement for the preceding period.

e) Rounding

All amounts in the financial statements and accompanying notes have been rounded to the nearest thousand dollars (\$'000).

f) Taxation and Imputation Credits

The Health Services Charitable Gifts Board is exempt from income tax and has been issued with Deductible Gift Recipient (DGR) status by the Australian Taxation Office (ATO). As a result, a donation received by the Board may be an allowable deduction to the donor.

Notwithstanding the income tax exempt status, the Board is entitled to a refund of excess imputation credits. The Board recognises the entitlement to this refund as revenue at the time of receipt of the franked dividend or distribution.

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

- when the GST incurred on a purchase of goods or services is not recoverable from the ATO, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item, and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST payable to the ATO is included as part of payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing activities, which is payable to the ATO is classified as part of operating cash flows.

HEALTH SERVICES CHARITABLE GIFTS BOARD

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2013

Unrecognised contractual commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to the ATO. If GST is not payable to, or recoverable from the ATO, the commitments and contingencies are disclosed on a gross basis.

g) Events after the reporting period

Adjustments are made to amounts recognised in the financial statements, where an event occurs after 30 June and before the date the financial statements are authorised for issue, where those events are material and provide information about conditions that existed at 30 June.

Note disclosure is made about events between 30 June and the date the financial statements are authorised for issue where the events relate to a condition which arose after 30 June and which may have a material impact on the results of subsequent years.

h) Income and Expenses

Income and expenses are recognised in the Board's Statement of Comprehensive Income when and only when it is probable that the flow of economic benefits to or from the entity will occur and can be reliably measured.

Income and expenses have been aggregated according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

Revenues

Revenues are measured at fair value of consideration received or receivable. Revenue is recognised for major activities as follows;

Rental income arising on investment properties is accounted for on a straight line basis over the lease term.

Income from the disposal of non-current assets is recognised when control of the asset has passed to the buyer and is determined by comparing proceeds to the carrying amount. When revalued assets are sold, the revaluation increments are transferred to retained earnings.

Assets other than cash vesting in the Board are recognised at fair value as an asset and income of the Board when control of the asset passes.

HEALTH SERVICES CHARITABLE GIFTS BOARD

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2013

i) Allocation of Net Profit to Trust Funds

The Board maintain sufficient information for each individual fund to be able to determine each fund's corpus and accumulation amount. Generally corpus amounts are not immediately available to the public health entities whereas accumulation amounts are immediately available.

The net profit is allocated to each individual fund recognising the corpus and accumulation components of the fund and the underlying nature of the assets comprising the pool assets. Interest, rent and dividend type income from pooled assets are treated as accumulation income. Other transactions related to the holding of pooled shares and pooled investment properties are treated as corpus income (ie realised and unrealised gains).

Accumulation income is allocated to each fund based on the average balance of pooled funds invested by each individual fund after allowing for administration expenses.

In allocating the corpus income, first the proportion of pool assets sourced from corpus balances compared to the total pool is determined and applied to corpus income. This proportion of the corpus income is allocated proportionately to each fund with a corpus amount invested in the pool. The remainder of corpus income is allocated to each fund based on the average balance of pooled funds invested by each individual fund.

j) Current and Non-Current Classification

Assets and liabilities are characterised as either current or non-current in nature. The Board has a clearly identifiable operating cycle of twelve months. Assets and liabilities that are sold, consumed or realised as part of the normal operating cycle even when they are not expected to be realised within twelve months after the reporting date have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

k) Cash and Cash Equivalents

Cash and cash equivalents recorded in the Statement of Financial Position includes cash on hand, deposits held at call and other short-term, highly liquid investments with maturities of three months or less that are readily converted to cash and which are subject to insignificant risk of changes in value.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

Cash is measured at nominal value.

HEALTH SERVICES CHARITABLE GIFTS BOARD

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2013

l) Receivables

Receivables include amounts receivable from goods and services and imputation credits refundable.

Receivables are generally settled within 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement.

Collectability of receivables is reviewed on an ongoing basis. No allowance has been raised for bad or doubtful debts as there is no evidence that the Board will not be able to collect any debts due.

m) Other Financial Assets

The Board classifies its investments into the following categories: held to maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and at each reporting date.

Held to maturity investments - these are non derivative financial assets with fixed or determinable payments and fixed maturities that the Board's management have the ability and the positive intention to hold to maturity.

Available-for-sale financial assets - these assets include marketable equity securities. They are included in non-current assets unless management intend to dispose of the investment within twelve months of the balance sheet date. They are measured at fair value with changes to fair value taken to the Investment Reserve established for that purpose.

Purchase and sale of investments are recognised on trade date - the date on which the Board commit to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs. Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred.

Shares and other financial assets have been recorded at fair value at 30 June 2013.

HEALTH SERVICES CHARITABLE GIFTS BOARD

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2013

n) Investment Properties

Investment properties, comprising freehold land and office buildings, are held for long-term rental yields and, apart from a minor area of one property, are not occupied by the Board. The Board has determined that it is appropriate to treat all properties as investment properties.

Investment properties are initially measured at cost, including transaction costs, and are subsequently measured at fair value. Any gains or losses arising from changes in fair value are recognised in the Statement of Comprehensive Income in the periods in which they arise.

The property previously occupied by the Board in Halifax Street, Adelaide was sold during the current financial year. The Board's office was moved to a portion of the property situated in Waymouth Street, Adelaide.

Fair market values of the properties are reviewed annually by the Board. This process occurred as at 30 June 2013. These values were determined after considering:

- review of valuation data obtained from the Valuer General;
- earnings capitalisation rates; and
- other relevant information publically available, including an assessment of the nature, location and condition of the asset concerned.

The Board's interest in Town Acre 86 has been revalued as at 30 June 2013 in line with the Valuer General's assessment as to the value at that date. The last independently obtained value of the property for rental determination purposes pursuant to the head lease agreement was obtained during the current year but implemented as at the previous financial year's balance date.

As a result of suspected structural concerns at the Board's Greenhill Road, Wayville property, engineers were engaged to investigate further (Note 22). Their report was received after the end of the financial year and identified issues that needed further monitoring and investigation.

The valuation of the Clare property was reduced by \$100,000 from the Valuer General's assessment of the property following consultation with the local agent and in recognition of the difficulty in selling the property at the previous valuation.

HEALTH SERVICES CHARITABLE GIFTS BOARD

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2013

In the latest review the Board, after reviewing all the information available, determined that, valuations in line with values provided by the Valuer General as at 30 June 2013 were appropriate in the current market for commercial property for the Greenhill Road, Wayville, Waymouth Street, Adelaide and Torrens Road, Croydon properties.

Except for Town Acre 86 the properties were last independently valued at 30 June 2009.

o) Impairment

All non-current assets are tested for an indication of impairment at each reporting date. Where there is an indication of impairment, the recoverable amount is estimated. An amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

For revalued assets an impairment loss is offset against the respective Revaluation Surplus.

Impairment is generally limited to where an asset's replacement cost is falling.

p) Liabilities

Liabilities have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

Payables

Payables include accrued expenses and net GST Payable on taxable supplies less anticipated input credits.

Accrued expenses represents goods and services provided by other parties during the period that are unpaid at the year end of the reporting period and where an invoice has not been received.

All payables are measured at their nominal amount are unsecured and are normally settled within 30 days from the date of the invoice or date the invoice is first received.

HEALTH SERVICES CHARITABLE GIFTS BOARD

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2013

q) Unrecognised contractual commitments and contingent assets and liabilities

Commitments include operating, capital and outsourcing arrangements arising from contractual or statutory sources and are disclosed at their nominal value.

Contingent assets and contingent liabilities are not recognised in the Statement of Financial Position but are disclosed by way of a note and, if quantifiable, are measured at nominal value.

Unrecognised contractual commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to the ATO. If GST is not payable to, or recoverable from the ATO, the commitments and contingencies are disclosed on a gross basis.

3 Financial Risk Management

The Board is exposed to a variety of financial risks, market risk, credit risk and liquidity risk. Risk management policies and practices are in accordance with internal written policies and approved by the Board.

The Board has non-interest bearing assets (cash on hand and on call and receivables), liabilities (payables) and interest bearing assets (held to maturity investments).

The Board's exposure to cash flow interest risk is minimal. The Board is exposed to price risk for changes in interest rates that relate to investments at fair value.

The Board has exposure to market risk in relation to its equity investment portfolio. The portfolio is diversified, regularly reviewed and invested pursuant to external investment advice.

The Board has no significant concentration of credit risk. The Board has policies and procedures in place to ensure that transactions occur with entities with appropriate credit ratings.

4 New and revised accounting standards and policies

The Board has assessed the impact of the new and amended standards and interpretations and considers there will be no impact on the accounting policies or the financial statements of the Board.

Other than as disclosed above the Commissioners did not voluntarily change any of its accounting policies during 2012-2013.

HEALTH SERVICES CHARITABLE GIFTS BOARD

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2013

	2013 \$'000	2012 \$'000
5 Gain (loss) from disposal of investments		
Shares in listed companies		
Proceeds from disposal	1,449	1,191
Less: Costs of disposal	(5)	(6)
	<u>1,444</u>	<u>1,185</u>
Less Net carrying value at time of disposal	<u>1,439</u>	<u>1,196</u>
	<u>5</u>	<u>(11)</u>
Add amounts already recognised in equity:		
- Current year loss	75	(155)
- Cumulative loss from previous years	(7)	(1,116)
	<u>68</u>	<u>(1,271)</u>
Net gain (loss) on disposal	<u><u>73</u></u>	<u><u>(1,282)</u></u>

6 Gain (loss) from disposal of investment properties

Proceeds from disposal	317	-
Less: Costs of disposal	(10)	-
	<u>307</u>	<u>-</u>
Less carrying value of investment property sold		
- Original cost of investment property	319	-
- Revaluation adjustments previously recognised in income	(39)	-
	<u>280</u>	<u>-</u>
Net gain on disposal	<u><u>27</u></u>	<u><u>-</u></u>

HEALTH SERVICES CHARITABLE GIFTS BOARD

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS For the Year Ended 30 June 2013

	2013	2012
	\$'000	\$'000

7 Administration costs

Included in Administration Costs are employment benefit expenses paid, accrued or adjusted during the year:

Salary and wages	116	106
Employment on-costs - Superannuation	10	10
Other employee related expenses	8	21
Total employee benefits expense	<u>134</u>	<u>137</u>
General administration expenses	<u>25</u>	<u>42</u>
Total Administration costs	<u>159</u>	<u>179</u>

No employees earned or were remunerated at a level equal to or in excess of the base executive remuneration level.

Remuneration of employees reflects all costs of employment including salaries and wages, superannuation contributions, and any other salary sacrifice benefits.

8 Accounting fees

During the year the Board engaged the following professional service provider:

John Yeatman - Chartered Accountant	<u>20</u>	<u>21</u>
-------------------------------------	-----------	-----------

9 Auditors remuneration

Audit fees payable to the Auditor General	<u>42</u>	<u>29</u>
---	-----------	-----------

No other services were provided by the Auditor General.

HEALTH SERVICES CHARITABLE GIFTS BOARD

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2013

	2013 \$'000	2012 \$'000
10 Commissioners remuneration		
Total remuneration of Commissioners	<u>52</u>	<u>52</u>
Number of Commissioners whose remuneration was within the following bands		
\$10,000 - \$19,999	Number <u>2</u>	Number <u>2</u>
\$20,000 - \$29,999	Number <u>1</u>	Number <u>1</u>

Commissioners remuneration reflects all costs of performing Commissioners' duties including sitting fees, superannuation contributions and any other salary sacrifice arrangements. Total remuneration received by Commissioners was \$52,000 (2012: \$52,000).

Amounts paid to a superannuation plan for the Commissioners was \$4,000 (2012: \$4,000)

Unless otherwise disclosed, transactions between members are on conditions no more favourable than those that it is to expect the entity would have adopted if dealing with the related party at arm's length in the same circumstances.

The Commissioners holding office during the year were:
 Judith Worrall (Chair) - retired from all offices 30 June 2013;
 Geoff Loveday;
 Robyn Pak-Poy (appointed as Chairman from 1 July 2013).
 Villis Marshall was appointed to the Board from 1 July 2013.

11 Consultancy fees

Trevor Kennett	<u>5</u>	<u>-</u>
----------------	----------	----------

Mr Kennett has been engaged to assist with a review of the investment policies and strategy of the Board.

12 Cash and cash equivalents

Cash at bank - at call	13,187	2,244
Short term deposits - less than 3 months to maturity	<u>24,000</u>	<u>18,685</u>
	<u>37,187</u>	<u>20,929</u>

Cash and cash equivalents as at 30 June 2013 were considerably higher than normal in preparation for the provision of a secured loan in relation to the cyclotron facility at SAHMRI.

HEALTH SERVICES CHARITABLE GIFTS BOARD

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS For the Year Ended 30 June 2013

	2013 \$'000	2012 \$'000
13 Financial assets		
- Current		
Short term deposits - more than 3 months but less than 12 months to maturity	3,700	19,272
	<u>3,700</u>	<u>19,272</u>
- Non-Current		
Secured investment at cost	445	445
Shares in listed companies and other securities at market value	23,110	17,169
	<u>23,555</u>	<u>17,614</u>

The secured investment is an advance to the Port Pirie Regional Health Service Inc in the form of a first mortgage over land and buildings held by the Service. Since commencement this investment has been interest free. Under the terms of the agreement the Service has foregone income allocations on an equivalent amount.

The Board has no intention of varying the original arrangement.

14 Receivables

- Current		
Interest income accrued	231	852
Rental income accrued	175	424
Prepayments and recoveries - Legal fees	104	-
Prepayments and recoveries - Other	4	17
GST receivable on accrued income	-	2
Imputation credits receivable	397	332
	<u>911</u>	<u>1,627</u>

As at 30 June 2013 \$104,000 in fees paid to the Crown Solicitor's Office in relation to disputes and other issues associated with various deceased estates in which the Board has an interest were recognised as receivables. On finalisation of these matters, the costs will be recovered/offset against the funds received from the respective estates.

Interest rate and credit risk

The above receivables are non-interest bearing. The carrying amount approximates net fair value due to being receivable on demand. Rental income accrued includes \$175,000 (2012: \$416,000) outstanding from the head lessee of Town Acre 86. Apart from this amount there is no significant concentration of credit risk.

HEALTH SERVICES CHARITABLE GIFTS BOARD

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS For the Year Ended 30 June 2013

	2013 \$'000	2012 \$'000
15 Investment properties		
- At fair value		
Balance at the beginning of the financial year	34,070	33,737
Disposals at carrying value	(280)	-
Capitalised subsequent expenditure	7	-
Net revaluation increment	13	333
Balance at the end of the financial year	<u>33,810</u>	<u>34,070</u>
- Current		
Investment properties - held for sale	900	4,975
- Non-Current		
Investment properties - held for long term rental	32,910	29,095
	<u>33,810</u>	<u>34,070</u>
<p>The property at Torrens Road Croydon \$3,775,000 (2012: \$3,975,000) has been reclassified from 'held for sale' to 'held for long term rental'. During the year a long term lease was negotiated for a majority of the building commencing on 1 July 2013.</p> <p>The property at Halifax Street Adelaide (2012: \$280,000) was previously classified as 'held for long term rental' but was sold during the financial year.</p>		
Amounts recognised in the income statement for investment properties		
Rental Income	2,794	2,987
Direct operating expenses	231	234
Total amount recognised	<u>2,563</u>	<u>2,753</u>
16 Payables		
Accrued expenses	50	54
GST payable	46	57
	<u>96</u>	<u>111</u>

HEALTH SERVICES CHARITABLE GIFTS BOARD

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS For the Year Ended 30 June 2013

	2013 \$'000	2012 \$'000
17 Other liabilities		
Unearned revenue	12	-
Metropolitan Domiciliary Care Services	-	497
Intellectual Disability Services Council Inc	-	62
	<u>12</u>	<u>559</u>

In accordance with the Act, funds previously held for Metropolitan Domiciliary Care Services and Intellectual Disability Services Council Inc were paid in full to the responsible Minister during May 2013.

18 Trust funds

Funds held on behalf of the following public health entities or their successor bodies:

Royal Adelaide Hospital - General (see below)	82,221	77,236
Royal Adelaide Hospital - Glenside Campus	692	681
Royal Adelaide Hospital - Private Practice Funds (see below)	4,437	3,987
Hillcrest Hospital	94	86
Pt Augusta Hospital & Regional Health Service Inc	21	19
Pt Lincoln Health & Hospital Services Inc	348	322
Pt Pirie Regional Health Service Inc	526	519
The Queen Elizabeth Hospital	935	730
SA Dental Service	7	7
The Whyalla Hospital & Health Services Inc	269	238
Mt Gambier & Districts Health Service Inc	649	597
Northern Yorke Peninsula Regional Health Service	26	24
SA Pathology	8,120	8,396
Women's & Children's Hospital (refer Note 1.1)	526	-
Lyell McEwin Hospital (refer Note 1.1)	184	-
	<u>99,055</u>	<u>92,842</u>

The Board holds \$4,437,000 (2012: \$3,987,000) from the Royal Adelaide Hospital doctors' right to private practice at the hospital. These amounts have been held and administered by the Board for many years and are now disclosed separately above. As a result the comparative balance for 'Royal Adelaide Hospital - General' has been revised from \$81,222,000 to \$77,236,000.

These funds are not included by the Act as charitable assets however they continue to be held at the request of the Royal Adelaide Hospital and SA Health. Until otherwise instructed these funds will continue to be managed by the Board as if they were charitable assets.

HEALTH SERVICES CHARITABLE GIFTS BOARD

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS For the Year Ended 30 June 2013

	2013 \$'000	2012 \$'000
19 Reconciliation of net cash from operating activities to net profit:		
Net profit from operations	3,130	4,213
Adjustments for non cash items:		
(Profit)/Loss on disposal of listed securities	(73)	1,282
(Profit)/Loss on disposal of investment property	(27)	-
Loss/(Gain) on revaluation of investment properties	(13)	(333)
Non-cash transactions for public charitable institutions	(113)	(144)
Income Allocations to Intellectual Disability Services Inc and Metropolitan Domiciliary Care Service	(65)	-
Changes in assets and liabilities:		
Decrease/(Increase) in receivables	887	77
(Increase)/Decrease in imputation credits receivable	(64)	90
(Increase)/Decrease in prepayments	(104)	-
(Decrease)/Increase in payables	(3)	35
Increase/(Decrease) in unearned revenue	12	(23)
(Decrease)/Increase in GST payable	(10)	-
	<u>427</u>	<u>984</u>
Net cash from operating activities	<u>3,557</u>	<u>5,197</u>

HEALTH SERVICES CHARITABLE GIFTS BOARD

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS For the Year Ended 30 June 2013

20 Financial Instruments/Financial Risk Management

Details of significant accounting policies and methods adopted including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised with respect to each class of financial asset and financial liability are disclosed in *Note 2 Summary of Significant Accounting Policies*.

	Note	Carrying Amount		Fair Value	
		2013	2012	2013	2012
Financial Assets					
- Cash & Cash equivalents	12	37,187	20,929	37,187	20,929
- Other financial assets	13	27,255	36,886	27,255	36,886
- Receivables (*)	14	514	1,293	514	1,293
Total Financial Assets		<u>64,956</u>	<u>59,108</u>	<u>64,956</u>	<u>59,108</u>
Financial Liabilities					
- Payables (*)	16	50	54	50	54
- Other financial liabilities	17	12	559	12	559
Total Financial Liabilities		<u>62</u>	<u>613</u>	<u>62</u>	<u>613</u>

a) Credit Risk

(*) Receivable and payable amounts disclosed here exclude amounts relating to imputation credits refundable and GST payable, as these obligations are sourced in Legislation.

Credit risk arises when there is the possibility of the Board's debtors defaulting on their contractual obligations resulting in financial loss to the Board. The Board measures credit risk on a fair value basis and monitor the risk on a regular basis.

The Board has policies and procedures in place to manage credit risk and to ensure that transactions occur with customers with appropriate credit history. The Board does not hedge its financial assets.

As referred to at Note 13 the Board holds a first mortgage charge over advances made to the Port Pirie Regional Health Service Inc.

There is no evidence to indicate that any of the financial assets are impaired.

HEALTH SERVICES CHARITABLE GIFTS BOARD

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2013

The following table discloses the maturity analysis of financial assets and financial liabilities.

	Note	Contractual maturities			
		2013 \$'000	< 1 year \$'000	1-5 years \$'000	>5 years \$'000
Financial Assets					
- Cash & Cash equivalents	12	37,187	37,187	-	-
- Other financial assets	13	27,255	3,700	-	23,555
- Receivables	14	514	514	-	-
Total Financial Assets		64,956	41,401	-	23,555
Financial Liabilities					
- Payables	16	50	50	-	-
- Other financial liabilities	17	12	12	-	-
Total Financial Liabilities		62	62	-	-

	Note	Contractual maturities			
		2012 \$'000	< 1 year \$'000	1-5 years \$'000	>5 years \$'000
Financial Assets					
- Cash & Cash equivalents	12	20,929	20,929	-	-
- Other financial assets	13	36,886	19,272	-	17,614
- Receivables	14	1,293	1,293	-	-
Total Financial Assets		59,108	41,494	-	17,614
Financial Liabilities					
- Payables	16	54	54	-	-
- Other financial liabilities	17	559	559	-	-
Total Financial Liabilities		613	613	-	-

b) Liquidity risk

Liquidity risk arises where the Board is unable to meet its financial obligations as they fall due.

Due to the nature and operations of the Board's exposure to liquidity risk is insignificant.

The carrying amount of financial liabilities recorded above represent the Board's maximum exposure to financial liabilities.

HEALTH SERVICES CHARITABLE GIFTS BOARD

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS For the Year Ended 30 June 2013

c) Market risk

Market risk is the risk that changes in market prices will affect the fair value of financial instruments.

By virtue of gifts and bequests the Board's hold tradeable securities and will always be subject to market risks as capital securities have fluctuating market prices.

The Board seeks to reduce market risk of the investment portfolio by ensuring that it is not, in the opinion of the Board, overly exposed to one company or one particular sector of the market. The relative weightings of the individual securities and market sectors are reviewed and the risk appropriately managed.

The Board has formulated investment policies that set guidelines as to the maximum amount of the investment portfolio that can be invested in any one company or group of companies of an index.

- Sensitivity Analysis

A general fall in the fair value of long term investments of 5% and 10%, if equally spread over all assets in the portfolio, would lead to a reduction of in value of \$1,155,000 (2012:\$858,000) and \$2,310,000 (2012:\$1,717,000) respectively. The Asset Revaluation Surplus at 30 June 2013 had a balance of \$3,120,000 (2012:\$28,000 - deficit).

The Board believes the underlying quality of the assets support the conclusion that the value of financial assets are not overstated.

HEALTH SERVICES CHARITABLE GIFTS BOARD

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS For the Year Ended 30 June 2013

21 Unrecognised Contractual Commitments

Operating lease arrangements

Unrecognised amounts due under operating leases over investment properties owned by the Board. No amount has been recognised in the financial statements to 30 June 2013.

The properties owned by the Board are leased to third parties for commercial use. Lease terms vary between lessees with most requiring the payment of outgoings by the lessee.

Future minimum rentals revenues under non-cancellable operating commercial property leases (exclusive of GST)

	2013 \$'000	2012 \$'000
Due within one year	2,718	2,671
Due between one and five years	9,026	10,376
Due after five years	1,983	2,146
	<u>13,727</u>	<u>15,193</u>

The lease over the Citi Centre property is for ground rent only and comprises base annual rental (paid monthly) of 8% of the value of the land. This value is determined every 5 years with the most recent independent valuation done as at August 2011.

This base rent is supplemented each year by the payment of 4% of the net rental for the entire property. This at risk component has not been included in the above calculation.

22 Contingent assets and liabilities

At balance date the Board is not aware of any contingent assets.

The Board has a contingent liability in relation to structural issues at the Board's investment property at Greenhill Road, Wayville as follows.

Prior to the end of the financial year the Board was made aware of potential structural issues at its investment property at Greenhill Road, Wayville. Engineering firm John Bay and Associates were engaged to investigate this matter. Their initial report indicates that the property remains acceptable to use in its current configuration as an office building and that further investigation and ongoing monitoring was required.

HEALTH SERVICES CHARITABLE GIFTS BOARD
 - as trustee RAY & SHIRL NORMAN CANCER RESEARCH TRUST
 STATEMENT OF COMPREHENSIVE INCOME
 For the Year Ended 30 June 2013

	Note No.	2013 \$	2012 \$
Income			
Investment of Funds			
Interest Revenue		32,804	27,369
Dividends & Trust Distributions		230,978	199,560
Imputation credits		83,637	70,446
Net gain (loss) from the disposal of financial assets	3	21,012	(37,777)
Total Income		<u>368,431</u>	<u>259,598</u>
Expenses			
Administration costs	4	18,099	9,021
Research funding	5	172,727	-
Total Expenses		<u>190,826</u>	<u>9,021</u>
Net Profit		<u>177,605</u>	<u>250,577</u>
Other Comprehensive Income			
Financial Asset revaluations taken to Equity		652,304	(386,084)
Revaluation adjustments on financial assets disposed of during the period	3	(21,272)	33,420
Net gain (loss) on financial assets taken to equity		631,032	(352,664)
Net Profit & Total Comprehensive Result		<u>808,637</u>	<u>(102,087)</u>

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

HEALTH SERVICES CHARITABLE GIFTS BOARD
- as trustee RAY & SHIRL NORMAN CANCER RESEARCH TRUST
STATEMENT OF FINANCIAL POSITION
As at 30 June 2013

	Note No.	2013 \$	2012 \$
Current Assets			
Cash at bank		398,178	393,905
Short term deposits - less than 3 months to maturity		400,000	405,803
Accrued revenue		2,319	397
GST Receivable		17,273	-
Imputation credits receivable		83,637	70,446
Total Current Assets		<u>901,407</u>	<u>870,551</u>
Non-Current Assets			
Other financial assets at Fair Value	2.3	4,703,341	3,933,045
Total non-Current Assets		<u>4,703,341</u>	<u>3,933,045</u>
Total Assets		<u>5,604,748</u>	<u>4,803,596</u>
Current Liabilities			
Accrued Expenses		1,536	9,021
Total Current Liabilities		<u>1,536</u>	<u>9,021</u>
Total Liabilities		<u>1,536</u>	<u>9,021</u>
Net Assets		<u>5,603,212</u>	<u>4,794,575</u>
Trust Funds			
Trust funds		4,403,529	4,403,529
Asset Revaluation Surplus (Deficit)		184,631	(446,401)
Retained earnings		1,015,052	837,447
Total Trust Funds		<u>5,603,212</u>	<u>4,794,575</u>

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

HEALTH SERVICES CHARITABLE GIFTS BOARD
- as trustee RAY & SHIRL NORMAN CANCER RESEARCH TRUST
STATEMENT OF CHANGES IN EQUITY
For the Year Ended 30 June 2013

	Note No.	Trust Funds	Asset Revaluation Surplus	Retained Earnings	Total Trust Funds
Balance at 30 June 2011		-	-	-	-
Transfer from HSCGB		4,990,399	(93,737)	-	4,896,662
Transfer retained earnings of fund		(586,870)	-	586,870	-
Restated Balance 30 June 2011		4,403,529	(93,737)	586,870	4,896,662
Gain(Loss) on Revaluation of investments		-	(386,084)	-	(386,084)
Realised Investment Revaluation Transferred	3	-	33,420	-	33,420
Net income recognised directly in equity for 2011-12		-	(352,664)	-	(352,664)
Net Profit for 2011-12		-	-	250,577	250,577
Total comprehensive result for 2011-12		-	(352,664)	250,577	(102,087)
Total Change for the period		-	(352,664)	250,577	(102,087)
Balance at 30 June 2012		4,403,529	(446,401)	837,447	4,794,575
Gain(Loss) on Revaluation of investments		-	652,304	-	652,304
Realised Investment Revaluation Transferred	3	-	(21,272)	-	(21,272)
Net income recognised directly in equity for 2012-13		-	631,032	-	631,032
Net Profit for 2012-13		-	-	177,605	177,605
Total comprehensive result for 2012-13		-	631,032	177,605	808,637
Total Change for the period		-	631,032	177,605	808,637
Balance at 30 June 2013		4,403,529	184,631	1,015,052	5,603,212

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

HEALTH SERVICES CHARITABLE GIFTS BOARD
- as trustee RAY & SHIRL NORMAN CANCER RESEARCH TRUST
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2013

2013	2012
\$	\$

1 Objectives of the Trust

The Ray & Shirl Norman Cancer Research Trust ('Trust' or 'Fund') was created under the will of Mr Raymond Norman who passed away on 23 March 2006. All income derived by the Trust is to be "used for the purpose of the prevention and cure of cancer and anything incidental or conducive to those purposes".

Under the terms of the will the Royal Adelaide Hospital (RAH) was appointed as trustee of the Fund and were required to administer the Fund for the designated purpose. Following legal advice that the RAH was not able to act as trustee application was made to the Supreme Court and the Health Services Charitable Gifts Board (HSCGB) assumed the role as sole Trustee from 21 September 2011.

2 Statement of Principal Accounting Policies

2.1 Format of the Accounts

The attached financial reports and related notes are special purpose financial statements that provide information on the value and operations of the trust being administered. No Accounting Standards and other mandatory reporting requirements are applied in the preparation and presentation of this Statement.

The Statements have been prepared on an accrual basis and are in accordance with the historical cost convention, except for certain assets that were valued in accordance with the valuation policy applicable.

Dividend and distribution income is recognised on receipt.

2.2 Taxation and Imputation Credits

The Ray & Shirl Norman Cancer Research Trust is exempt from income tax and has been granted status as a Charitable Fund.

As a Charitable Fund the Trust is entitled to a refund of imputation credits. Entitlement to this refund is recognised as revenue at the time of receipt of the franked dividend or distribution.

HEALTH SERVICES CHARITABLE GIFTS BOARD
 - as trustee RAY & SHIRL NORMAN CANCER RESEARCH TRUST
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 For the Year Ended 30 June 2013

2013 2012
 \$ \$

2.2 Taxation and Imputation Credits (cont)

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

- when GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office (ATO), in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to the ATO is included as part of the receivables or payables in the Statement of Financial Position.

2.3 Basis of valuation of assets and liabilities

Cash and Cash Equivalents are carried at nominal amounts. Cash and cash equivalents recorded in the Statement of Financial Position includes cash on hand, deposits held at call and other short-term, highly liquid investments with maturities of three months or less that are readily converted to cash and which are subject to insignificant risk of changes in value.

Shares and other financial assets have been recorded at fair value at 30 June 2013

Accrued Revenue and Accrued Expenses are carried at their nominal amounts.

3 Gain (loss) from disposal of financial assets

Shares in listed companies		
Proceeds from disposal	719,611	418,954
Less: Costs of disposal	(3,255)	(2,307)
	<u>716,356</u>	<u>416,647</u>
Less Net carrying value at time of disposal	(716,616)	(421,004)
	<u>(260)</u>	<u>(4,357)</u>
Less amounts already recognised in equity:		
- Current year	56,489	20,294
- Cumulative loss from previous years	(35,217)	(53,714)
	<u>21,272</u>	<u>(33,420)</u>
Net Loss on Disposal	<u>21,012</u>	<u>(37,777)</u>

HEALTH SERVICES CHARITABLE GIFTS BOARD
 - as trustee RAY & SHIRL NORMAN CANCER RESEARCH TRUST
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 For the Year Ended 30 June 2013

	2013	2012
	\$	\$
4 Administration costs		
Bank Fees	70	-
General administration expenses (see below)	18,029	9,021
	<u>18,099</u>	<u>9,021</u>

This represents a recovery by the Health Services Charitable Gifts Board to cover various administrative tasks undertaken and costs incurred in its capacity as trustee of the Ray & Shirl Norman Cancer Research Trust.

5 Research funding

Research funding (net of GST)	<u>172,727</u>	<u>-</u>
-------------------------------	----------------	----------

The Will establishing the Ray & Shirl Norman Cancer Research Trust required the income of the fund to be used "...for the prevention and cure of cancer.." and during the year funds were provided in support of cancer research projects.

Following a competitive scientific review process, two projects were selected for funding in the 2013 and 2014 calendar years. At 30 June 2013 amounts agreed to pursuant to the funding arrangements but not yet due totalled \$300,000 (net of GST).

As these amounts are not yet due they have not been recognised in these financial statements.