



Financial Report

**Flinders Medical Centre Foundation Inc**

Year Ended 30 June 2014

## **BOARD OF MANAGEMENT'S REPORT**

### **FLINDERS MEDICAL CENTRE FOUNDATION INC FOR THE YEAR ENDED 30 JUNE 2014**

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Your Board of Management submit the financial report of Flinders Medical Centre Foundation Inc for the year ended 30 June 2014.

#### **Board of Management Members**

The names of the board of management members throughout the year and at the date of this report are:

Alan Young (Chairman)  
Tom Rayner  
Tony Davison  
Daniel Gallagher  
David Smith  
Sue Crawford  
Michael Luchich  
John Oliver  
Paul Worley  
David Day  
Tom Phillips  
Deb Palmer (CEO)

#### **Significant Changes**

No significant change in the nature of these activities occurred during the year.

#### **Operating Result**

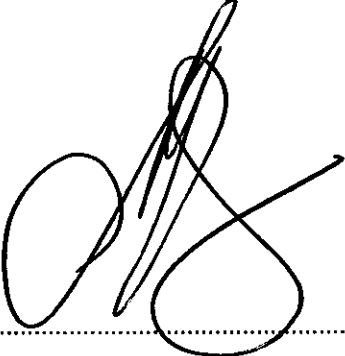
The profit after providing for income tax amounted to \$297,302 (2013: \$1,233,673).

The Directors confirm that the Foundation has maintained its policy of ensuring that 100% of donations reach their intended purpose. Through prudent management of funds held, the Foundation has generated sufficient returns to meet administration and fund raising expenses.

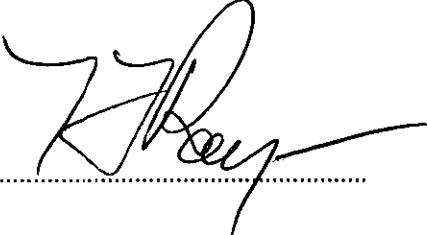
#### **Auditors Independence Declaration**

A copy of the Auditor's Independence Declaration as required under s.60-40 of the Australian Charities and Not-for-profits Commission Act 2012 is included in page 2 of this financial report and form part of the Board of Management's Report.

Signed in accordance with a resolution of the members of the Board of management.



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**AUDITOR'S INDEPENDENCE DECLARATION  
TO THE DIRECTORS OF FLINDERS MEDICAL CENTRE FOUNDATION INC**

In accordance with the requirements of section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012, as lead auditor for the audit of Flinders Medical Centre Foundation Inc for the year ended 30 June 2014, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

*Grant Thornton*

GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



S K Edwards  
Partner – Audit & Assurance

Adelaide, 14 November 2014

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FLINDERS MEDICAL CENTRE FOUNDATION INC

STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2014

	Note	Consolidated Group		Parent Entity	
		2014	2013	2014	2013
		\$	\$	\$	\$
Revenue	2	6,843,276	6,681,994	6,351,087	5,380,452
Cost of sales		180,485	152,160	-	-
Employee benefits expense		903,886	774,896	552,519	445,523
Depreciation and amortisation expenses		532,677	533,395	532,407	532,407
Grants expenditure		1,490,466	2,296,213	1,490,466	2,296,213
Special events		2,250,592	451,558	2,250,592	451,558
Fundraising expenses		76,684	71,769	76,684	71,769
Finance costs		188,235	177,570	188,235	177,570
Other expenses		922,949	990,760	837,192	912,187
<b>Profit before income tax</b>		<u>297,302</u>	<u>1,233,673</u>	<u>422,992</u>	<u>493,225</u>
Income tax expense	3	-	-	-	-
<b>Profit for the year</b>	4	<u>297,302</u>	<u>1,233,673</u>	<u>422,992</u>	<u>493,225</u>
Other comprehensive income		-	-	-	-
<b>Total comprehensive income for the year</b>		<u>297,302</u>	<u>1,233,673</u>	<u>422,992</u>	<u>493,225</u>
<b>Profit attributable to members of the entity</b>		<u>297,302</u>	<u>1,233,673</u>	<u>422,992</u>	<u>493,225</u>
<b>Total comprehensive income attributable to members of the entity</b>		<u>297,302</u>	<u>1,233,673</u>	<u>422,992</u>	<u>493,225</u>

The accompanying notes form part of the financial statements

FLINDERS MEDICAL CENTRE FOUNDATION INC

STATEMENT OF FINANCIAL POSITION  
FOR THE YEAR ENDED 30 JUNE 2014

	Note	Consolidated Group		Parent Entity	
		2014	2013	2014	2013
		\$	\$	\$	\$
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	5	9,269,332	8,228,613	9,238,924	8,177,323
Trade and other receivables	6	649,949	817,827	619,375	830,221
Other current assets	7	10,672	810,748	6	800,525
<b>TOTAL CURRENT ASSETS</b>		<b>9,929,953</b>	<b>9,857,188</b>	<b>9,858,305</b>	<b>9,808,069</b>
<b>NON-CURRENT ASSETS</b>					
Financial assets	8	5,037,106	4,305,608	5,010,110	4,278,613
Intangibles assets	9	78,461	114,086	-	-
Property, plant and equipment	9	25,382,728	25,886,539	25,370,473	25,875,248
<b>TOTAL NON-CURRENT ASSETS</b>		<b>30,498,295</b>	<b>30,306,233</b>	<b>30,380,583</b>	<b>30,153,861</b>
<b>TOTAL ASSETS</b>		<b>40,428,248</b>	<b>40,163,421</b>	<b>40,238,888</b>	<b>39,961,930</b>
<b>CURRENT LIABILITIES</b>					
Trade and other payables	10	1,208,846	1,134,023	1,725,138	1,755,130
Employee provisions	11	105,376	81,928	65,652	55,403
Unearned income	12	45,425	364,395	-	314,515
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,359,647</b>	<b>1,580,346</b>	<b>1,790,790</b>	<b>2,125,048</b>
<b>NON-CURRENT LIABILITIES</b>					
Borrowings	13	3,325,286	3,137,062	3,325,286	3,137,062
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>3,325,286</b>	<b>3,137,062</b>	<b>3,325,286</b>	<b>3,137,062</b>
<b>TOTAL LIABILITIES</b>		<b>4,684,933</b>	<b>4,717,408</b>	<b>5,116,076</b>	<b>5,262,110</b>
<b>NET ASSETS</b>		<b>35,743,315</b>	<b>35,446,013</b>	<b>35,122,812</b>	<b>34,699,820</b>
<b>TOTAL MEMBERS FUNDS</b>					
Retained earnings		35,743,315	35,446,013	35,122,812	34,699,820
<b>TOTAL MEMBERS FUNDS</b>		<b>35,743,315</b>	<b>35,446,013</b>	<b>35,122,812</b>	<b>34,699,820</b>

The accompanying notes form part of the financial statements

**FLINDERS MEDICAL CENTRE FOUNDATION INC**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2014**

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	<b>Consolidated Retained Earnings \$</b>	<b>Parent Retained Earnings \$</b>
<b>Balance at 30 June 2012</b>	<b><u>34,212,340</u></b>	<b><u>34,206,595</u></b>
Total comprehensive income for the year	<u>1,233,673</u>	<u>493,225</u>
<b>Balance at 30 June 2013</b>	<b><u>35,446,013</u></b>	<b><u>34,699,820</u></b>
Total comprehensive income for the year	<u>297,302</u>	<u>422,992</u>
<b>Balance at 30 June 2014</b>	<b><u>35,743,315</u></b>	<b><u>35,122,812</u></b>

**The accompanying notes form part of the financial statements**

FLINDERS MEDICAL CENTRE FOUNDATION INC

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2014

	Note	Consolidated Group		Parent Entity	
		2014	2013	2014	2013
		\$	\$	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Consulting fees received		51,479	132,841	-	-
Donations received		969,590	883,844	969,590	1,113,844
Grants received		437,708	539,830	437,708	511,323
Bequests received		537,988	642,266	537,988	642,266
Special events		2,279,546	1,081,616	2,262,809	1,081,616
Other income received		13,516	17,232	9,320	37,232
Interests received		287,074	310,187	287,073	309,881
Cancer campaign		114,337	84,593	114,337	84,593
Dividends received		296,767	1,318,237	296,767	190,912
Receipts from Food & Beverage sales		404,681	304,466	-	-
Rental income (Cancer Centre)		832,593	751,048	864,921	764,418
Research and development grants		(1,909,406)	(2,015,570)	(1,909,406)	(2,015,570)
Administration expenses		(762,604)	(1,754,699)	(596,814)	(800,193)
Salaries and employee entitlements		(880,790)	(771,818)	(547,255)	(470,711)
Special events		(1,527,689)	(451,558)	(1,527,246)	(451,558)
Fundraising expenses		(76,684)	(71,769)	(76,684)	(71,769)
<b>Net cash provided by operating activities</b>	<b>14 (b)</b>	<b>1,068,106</b>	<b>1,000,746</b>	<b>1,123,108</b>	<b>926,284</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Purchase of property, plant and equipment		(28,866)	(12,279)	(27,632)	-
Capitalised intangibles purchased		-	(114,086)	-	-
Proceeds from sale of intangible assets		35,354	-	-	-
Net (purchases)/ proceeds from sale of investments		(33,875)	(395,078)	(33,875)	(385,578)
<b>Net cash used in investing activities</b>		<b>(27,387)</b>	<b>(521,443)</b>	<b>(61,507)</b>	<b>(385,578)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
		-	-	-	-
<b>NET INCREASE IN CASH HELD</b>		<b>1,040,719</b>	<b>479,303</b>	<b>1,061,601</b>	<b>540,706</b>
<b>CASH AT THE BEGINNING OF THE YEAR</b>		<b>8,228,613</b>	<b>7,749,310</b>	<b>8,177,323</b>	<b>7,636,617</b>
<b>CASH AT THE END OF THE YEAR</b>	<b>14 (a)</b>	<b>9,269,332</b>	<b>8,228,613</b>	<b>9,238,924</b>	<b>8,177,323</b>

The accompanying notes form part of the financial statements

## FLINDERS MEDICAL CENTRE FOUNDATION INC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

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#### NOTE 1 - PRINCIPAL ACCOUNTING POLICIES

This financial report includes the consolidated financial statements and notes of Flinders Medical Centre Foundation Inc and controlled entity (the "Group"). Flinders Medical Centre Foundation Inc. is an association incorporated in South Australia under the Associations Incorporation Act (SA) 1985.

##### **Basis of preparation**

The financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Associations Incorporations Act (SA)1985. The financial report have been prepared in accordance with the requirements of the Australian Charities and Not-for-profits Commission Act 2012. The committee has determined that the association is not a reporting entity.

These financial statements do not conform with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations and the disclosure requirements of AASB 101 'Presentation of Financial Statements', AASB 107 'Statement of Cash Flows', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', AASB 1031 'Materiality' and AASB 1048 'Interpretation and Application of Standards'.

The following is a summary of the material accounting policies adopted by the association in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

##### **Adoption of new and revised accounting standards**

The Group has adopted the following revisions and amendments to AASB's issued by the Australian Accounting Standards Board and IFRS issued by the International Accounting Standards Board, which are relevant to and effective for the Group's financial statements for the annual period beginning 1 July 2013:

- AASB 10 Consolidated Financial Statements
- AASB 12 Disclosure of Interests - Other
- AASB 13 Fair Value Measurements

Management has reviewed the requirements of the above standards and has concluded that there was no effect on the classification or presentation of balances.

The financial Statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

##### **(a) Income Tax**

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense.

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Current and deferred income tax expense (income) is charge or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014

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NOTE 1 - PRINCIPAL ACCOUNTING POLICIES

(a) **Income Tax (Cont)**

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

The parent, being an association, is exempt from income tax under the current provisions of the Income Tax Assessment Act 1997.

Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

(b) **Property, Plant and Equipment**

Each class of property, plant and equipment are carried at cost or fair value less, where applicable, any accumulated depreciation, and impairment losses.

**Plant and Equipment**

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by the association to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to present values in determining recoverable amounts.

Gains and losses on disposals are determined by comparing process with the carrying amount.

These gains and losses are included in the statement of profit and loss and other comprehensive income. When revalued assets are sold, amounts included in the revaluation relating to that asset are transferred to retained earnings.

**FLINDERS MEDICAL CENTRE FOUNDATION INC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014**

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**NOTE 1 - PRINCIPAL ACCOUNTING POLICIES (CONT)**

**(c) Depreciation**

The depreciable amount of all fixed assets are depreciated on a straight line basis over the useful lives of the assets to the association commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable asset are:

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
Furniture and equipment	10% - 40%
Buildings	2%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

**(d) Impairment of Assets**

At each reporting date, the association reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value-in-use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the association estimates the recoverable amount of the cash-generating unit to which the asset belongs.

**(e) Employee Entitlements**

Provision is made for the association's liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled using related on-costs. Employee entitlements payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those entitlements.

Contributions are made by the association to an employee superannuation fund and are charged as an expense when incurred.

**(f) Cash and cash equivalents**

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

**(g) Revenue**

Donations and bequests are recognised as revenue upon receipt.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Dividend revenue is recognised when the association has established that it has a right to receive a dividend.

Grant revenue is recognised in the statement of profit or loss and comprehensive income when it is controlled. When there are conditions attached to the grant revenue relating to the use of those grants for specific purpose it is recognised in the balance sheet as a liability until such conditions are met or services provided.

All revenue is stated net of the amount of goods and services tax (GST).

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014

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NOTE 1 - PRINCIPAL ACCOUNTING POLICIES (CONT)

(h) **Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(i) **Comparative Figures**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(j) **Critical Accounting Estimates and Judgements**

The Board of Management evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and based on current trends and economic data, obtained both externally and within the association.

(k) **Foreign Currency Transactions and Balances**

**Functional and presentation currency**

The functional currency of each group entity is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

**Transaction and balances**

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the transaction of monetary items are recognised in the cash statement of comprehensive income, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange difference arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the statement of profit or loss and comprehensive income.

(l) **Unexpended Grants**

The association receives grant monies to fund projects either for contracted period of time or for specific projects irrespective of the period of time required to complete those projects. It is the policy of the association to treat grants monies as unexpended grants in the statement of financial position where the entity is contractually obliged to provide the services in a subsequent financial period to when the grant is received or in the case of specific project grants where the project has not been completed.

(m) **Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

FLINDERS MEDICAL CENTRE FOUNDATION INC

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014

	Consolidated Group		Parent Entity	
	2014	2013	2014	2013
	\$	\$	\$	\$
<b>NOTE 2 - REVENUE</b>				
<b>Operating activities</b>				
Consulting Fees	119,835	132,841	-	-
Donations	969,590	883,844	969,590	1,113,844
Grants	183,708	305,124	183,708	305,124
Bequests	537,988	642,266	537,988	642,266
Special events	2,479,926	1,081,616	2,479,927	1,081,616
Cancer Centre Campaign	97,157	84,593	97,157	84,593
Food & Beverage Sales	404,681	304,466	-	-
Rental Income (Cancer Centre)	770,373	1,042,667	802,701	1,056,037
	<u>5,563,258</u>	<u>4,477,417</u>	<u>5,071,071</u>	<u>4,283,480</u>
<b>Non-operating activities</b>				
Contribution to administrative costs	9,589	17,232	9,588	37,232
Exchange rate loss	-	(26)	-	-
Interest received	287,074	310,187	287,073	309,881
Dividends received	285,732	1,374,737	285,732	247,412
Realised and unrealised gain on investments	697,623	502,447	697,623	502,447
	<u>1,280,018</u>	<u>2,204,577</u>	<u>1,280,016</u>	<u>1,096,972</u>
<b>Total Revenue</b>	<u>6,843,276</u>	<u>6,681,994</u>	<u>6,351,087</u>	<u>5,380,452</u>

**NOTE 3 - INCOME TAX EXPENSE**

Current tax	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**NOTE 4 - SURPLUS FOR THE YEAR**

Surplus for the year has been determined after:

Expenses:				
Depreciation of property, plant and equipment	532,677	533,395	532,407	532,407
Remuneration of auditor:				
Audit or review services	13,500	13,400	13,500	13,400
Other Services	-	-	-	-
Total Remuneration	<u>13,500</u>	<u>13,400</u>	<u>13,500</u>	<u>13,400</u>
Finance costs unwinding of discount (Note 13)	<u>188,235</u>	<u>177,570</u>	<u>188,235</u>	<u>177,570</u>

**FLINDERS MEDICAL CENTRE FOUNDATION INC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014**

	Consolidated Group		Parent Entity	
	2014	2013	2014	2013
	\$	\$	\$	\$
<b>NOTE 5 - CASH AND CASH EQUIVALENTS</b>				
Cash on hand	1,750	1,750	-	-
Cash at bank	2,213,749	1,796,087	2,184,129	1,745,874
Cash on deposits	7,053,833	6,430,776	7,054,795	6,431,449
	<u>9,269,332</u>	<u>8,228,613</u>	<u>9,238,924</u>	<u>8,177,323</u>

**NOTE 6 - TRADE AND OTHER RECEIVABLES**

Trade receivables	401,215	699,786	297,104	664,209
Provision for doubtful debts	(52,228)	(77,500)	(21,250)	(58,450)
Imputation credits	78,753	67,718	78,753	67,718
Other receivables	222,209	127,823	264,768	156,744
	<u>649,949</u>	<u>817,827</u>	<u>619,375</u>	<u>830,221</u>

**NOTE 7 - OTHER CURRENT ASSETS**

Prepayments	10,672	733,575	6	723,352
GST Receivable	-	77,173	-	77,173
	<u>10,672</u>	<u>810,748</u>	<u>6</u>	<u>800,525</u>

**NOTE 8 - FINANCIAL ASSETS**

(a) Financial assets at fair value through profit or loss	5,037,106	4,305,608	5,010,108	4,278,611
(b) Investment in subsidiaries	-	-	2	2
	<u>5,037,106</u>	<u>4,305,608</u>	<u>5,010,110</u>	<u>4,278,613</u>

(a) The financial assets at fair value through profit or loss comprised of publicly traded shares listed on the ASX.

(b) Investment in subsidiaries, refer to note 19.

FLINDERS MEDICAL CENTRE FOUNDATION INC

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014

	Consolidated Group		Parent Entity	
	2014	2013	2014	2013
	\$	\$	\$	\$
<b>NOTE 9</b>				
<b>(a) PROPERTY, PLANT AND EQUIPMENT</b>				
Furniture and equipment - at cost	96,849	95,885	83,606	83,606
Less: accumulated depreciation	(82,729)	(81,951)	(81,741)	(80,963)
	<u>14,120</u>	<u>13,934</u>	<u>1,865</u>	<u>2,643</u>
Buildings (Cancer Centre) - at cost	26,581,885	26,581,444	26,581,885	26,581,444
Less: accumulated depreciation	(1,240,468)	(708,839)	(1,240,468)	(708,839)
	<u>25,341,417</u>	<u>25,872,605</u>	<u>25,341,417</u>	<u>25,872,605</u>
Software - at cost	27,191	-	27,191	-
Less: accumulated depreciation	-	-	-	-
	<u>27,191</u>	<u>-</u>	<u>27,191</u>	<u>-</u>
Total Property, Plant and Equipment	<u>25,382,728</u>	<u>25,886,539</u>	<u>25,370,473</u>	<u>25,875,248</u>
			<b>Property, Plant, and Equipment</b>	
	<b>Software</b>	<b>Buildings</b>	<b>Equipment</b>	<b>Total</b>
	\$	\$	\$	\$
Balance at the beginning of the year	-	25,872,605	13,934	25,886,539
Additions	27,191	270	1,405	28,866
Depreciation expense	-	(531,458)	(1,219)	(532,677)
Carrying amount at the end of the year	<u>27,191</u>	<u>25,341,417</u>	<u>14,120</u>	<u>25,382,728</u>
<b>(b) INTANGIBLES</b>				
Trademarks - Development Costs	78,461	114,086	-	-
	<u>78,461</u>	<u>114,086</u>	<u>-</u>	<u>-</u>
			<b>Consolidated Group</b>	<b>Parent Entity</b>
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	\$	\$	\$	\$
<b>NOTE 10 - TRADE AND OTHER PAYABLES</b>				
GST Payable	32,241	22,699	26,893	16,820
Trade payables and accruals	1,176,605	1,111,324	1,698,245	1,738,310
	<u>1,208,846</u>	<u>1,134,023</u>	<u>1,725,138</u>	<u>1,755,130</u>
<b>NOTE 11 - EMPLOYEE PROVISIONS</b>				
Provision for employee entitlements	105,376	81,928	65,652	55,403

**FLINDERS MEDICAL CENTRE FOUNDATION INC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014**

	Consolidated Group		Parent Entity	
	2014	2013	2014	2013
	\$	\$	\$	\$
<b>NOTE 12 - UNEXPENDED GRANTS</b>				
Specific project grants received	45,425	364,395	-	314,515

**NOTE 13 - BORROWINGS NON-CURRENT**

Government loan	3,325,286	3,137,062	3,325,286	3,137,062
	<u>3,325,286</u>	<u>3,137,062</u>	<u>3,325,286</u>	<u>3,137,062</u>

The loan from the South Australian Government is repayable 10 years from the date of execution of the facility agreement, 12 August 2010. No interest is payable under the terms of the loan agreement. In accordance with the accounting standards borrowings have been discounted to their net present value using a discount rate of 6%.

	Consolidated Group		Parent Entity	
	2014	2013	2014	2013
	\$	\$	\$	\$
<b>NOTE 14 - CASH FLOW INFORMATION</b>				
a. Reconciliation of cash:				
Cash on hand	1,750	1,750	-	-
Cash at bank	2,213,749	1,796,087	2,184,129	1,745,874
Cash on deposit	7,053,833	6,430,776	7,054,795	6,431,449
	<u>9,269,332</u>	<u>8,228,613</u>	<u>9,238,924</u>	<u>8,177,323</u>
b. Reconciliation of cash flow from operations with surplus				
Profit for the year	297,302	1,233,673	422,992	493,225
Non-cash flows in profit:				
Depreciation	532,677	533,395	532,407	532,407
Realised and unrealised loss on investments	(697,623)	(502,447)	(697,623)	(502,447)
Finance costs	188,224	177,570	188,224	177,570
Changes in assets and liabilities				
Decrease/(Increase) in trade and other receivables	167,878	(477,808)	210,846	(456,435)
Decrease/(Increase) in other current assets	800,077	(765,326)	800,520	(757,026)
Increase/(Decrease) in payables	75,093	425,760	(29,992)	1,131,503
Increase/(Decrease) in provisions	23,448	11,534	10,249	(7,028)
(Decrease)/Increase in unearned income	(318,970)	364,395	(314,515)	314,515
	<u>1,068,106</u>	<u>1,000,746</u>	<u>1,123,108</u>	<u>926,284</u>

## FLINDERS MEDICAL CENTRE FOUNDATION INC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

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#### NOTE 15 - RELATED PARTY INFORMATION

The names of the persons on the Board of Management of Flinders Medical Centre Foundation Inc at any time during the year were as follows:

Mr Alan Young (Chairman)	Prof. John Oliver
Mr Daniel Gallagher	Mr Tony Davison
Mr Michael Luchich	Mr Tom Rayner
Mrs Sue Crawford	Mr Tom Phillips
Mr David Smith	Mr Paul Worley
Mr David Day	Ms Deborah Palmer

#### Related Party Transactions

During the year ended 30 June 2014 the following related party transactions took place between members of the Board of Management and Flinders Medical Centre Foundation Inc.

Baker Young Stockbrokers Limited provides investment advice and transacts in shares listed public companies on behalf of the Flinders Medical Centre Foundation. Mr Alan Young, the Chairman of the Board of Management is a Director of Baker Young Stockbrokers Limited. Alan Young, the Chairman of FMCF received a Directors fee of \$25,000 from FBE Pty Ltd for the year ended 30 June 2014.

Channel 7 Adelaide provided television air time and access to its premises to the Flinders Medical Centre Foundation Inc. Mr Tony Davidson, a director of the Board of Management is the General Manager of Channel 7 Adelaide.

#### Key Management remuneration

	Consolidated Group		Parent Entity	
	2014	2013	2014	2013
	\$	\$	\$	\$
Ms Deborah Palmer	107,437	-	107,437	-
Ms Deborah Heithersay	100,457	124,797	100,457	124,797
	<u>207,894</u>	<u>124,797</u>	<u>207,894</u>	<u>124,797</u>

#### NOTE 16 - CONTINGENT LIABILITY

Flinders Medical Centre Foundation Incorporated have provided a guarantee and indemnity facility in the form of a first registered fixed and floating charge over all assets of FBE Pty Ltd.

Other than the above, the group is not aware of any contingent liabilities that should be disclosed in accordance with AASB 137.

#### Funding Commitments

The retained earnings represents unspent donations and funds received. As at the balance date, the retained earnings relates to surpluses which can be used to meet the constitutional commitments of the Foundation.

#### NOTE 17 - EVENTS OCCURRING AFTER THE BALANCE DATE

No matters or events have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Entity, the results of its operations, or the state of affairs of the Entity in subsequent financial year.



**FLINDERS MEDICAL CENTRE FOUNDATION INC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014**

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**NOTE 18 - ASSOCIATION DETAILS**

The principal place of business of the Association is:

Flinders Medical Centre Foundation Inc  
Flinders Drive  
BEDFORD PARK SA 5042

**NOTE 19 - CONTROLLED ENTITIES**

	<b>Country of Incorporation</b>	<b>Percentage Owned (%)</b>
<b>Controlled Entities Consolidated</b>		
- FBE Pty Ltd	Australia	100%
- Tbar Pty Ltd	Australia	100%

FBE Pty Ltd was registered on 10 September 2007 as a wholly-owned subsidiary of Flinders Medical Centre Foundation Incorporated. The share capital of FBE Pty Ltd consists of 1 ordinary share at \$1.

FBE Pty Ltd was established to provide consultancy and training services.

Tbar Pty Ltd started trading in August 2012 as a wholly-owned subsidiary of Flinders Medical and was established to provide sales of food and beverage.

**NOTE 20 - ECONOMIC DEPENDENCE**

Flinders Medical Centre Foundation Inc is dependent on continuous receipt of donations for the majority of its revenue to operate the business. At the date of this report the board of directors has no reason to believe that donations will cease.

**FLINDERS MEDICAL CENTRE FOUNDATION INC.**

**STATEMENT BY BOARD OF MANAGEMENT  
FOR THE YEAR ENDED 30 JUNE 2014**

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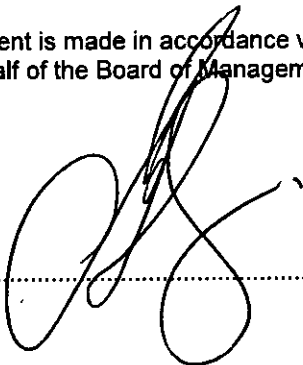
The Board of Management has determined that the association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

1. In the opinion of the Board of Management the financial report as set out on pages 3 to 16:
  - (a) The consolidated financial statements and notes of Flinders Medical Centre Foundation Inc are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:
    - (i) Giving a true and fair view of its financial position as at 30 June 2014 and of its performance for the financial year ended on that date; and
    - (ii) Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Australian Charities and Not-for-profits Commission Regulation 2013, and
  - (b) At the date of this statement, there are reasonable grounds to believe that Flinders Medical Centre Foundation Inc will be able to pay its debts as and when they fall due.
2. In accordance with section 35(5) of the Associations Incorporations Act, 1985, the Board of the Foundation hereby states that during the financial year ended 30 June 2014:
  - (a)
    - (i) no officer of Foundation;
    - (ii) no firm of which an officer is a member; and
    - (iii) no body corporate in which an officer has a substantial financial interest;

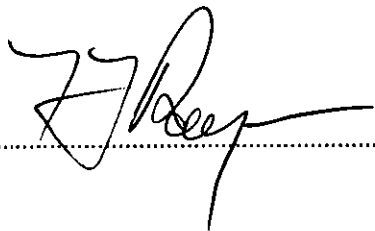
has or become entitled to receive a benefit as a result of a contract between the officer, firm or body corporate and the Foundation.

- (b) Except for the below transactions, no officer of the Foundation has received directly or indirectly from the Foundation any payment or other benefit of a pecuniary value other than those who are employees and remunerated under normal commercial terms.
  - (i) Baker Young Stockbrokers Limited provides investment advice and transacts in shares in listed public companies on behalf of the Flinders Medical Centre Foundation Inc. Mr. Alan Young, the Chairman of the Board of Management is a Director of Baker Young Stockbrokers Limited.
  - (ii) Channel 7 Adelaide provides television air time and access to its premises to the Flinders Medical Centre Foundation Inc. Mr Tony Davison, a Director of the Board of Management is the General Manager of Channel 7 Adelaide.
  - (iii) Directors and key management remuneration as disclosed in Note 15 to the financial report.

This statement is made in accordance with a resolution of the Board of Management and is signed for and on behalf of the Board of Management by:



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Signed at Adelaide this 14 day of November 2014

Level 1,  
67 Greenhill Rd  
Wayville SA 5034

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## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FLINDERS MEDICAL CENTRE FOUNDATION INC**

We have audited the accompanying financial report of Flinders Medical Centre Foundation Inc (the "Association"), which comprises the consolidated statement of financial position as at 30 June 2014, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information to the financial report and the statement by the Committee of Management comprising the Association and the entities it controlled at the year end or from time to time during the financial year.

### **Responsibility of the Committee of Management for the financial report**

The Committee of Management of the Association is responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies used and described in Note 1 to the financial report, which form part of the financial report, are appropriate to meet the needs of the members, the Australian Charities and Not-for-profits Commission Act 2012 and Associations Incorporation Act 1985 (SA). This responsibility includes such internal controls as the Committee of Management determine are necessary to enable the preparation of the financial report to be free from material misstatement, whether due to fraud or error.

### **Auditor's responsibility**

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards which require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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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 Association's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Committee of Management, as well as evaluating the overall presentation of the financial report.

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

### **Independence**

In conducting our audit, we have complied with the applicable independence requirements of the Accounting Professional and Ethical Standards Board and the Australian Charities and Not-for-profits Commission Act 2012.

### **Auditor's Opinion**

In our opinion,

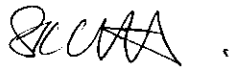
- a the financial report of Flinders Medical Centre Foundation Inc,
  - i presents fairly, in all material respects, the Association's and consolidated entity's financial position as at 30 June 2014 and of its performance and cash flows for the year then ended in accordance with the accounting policies described in Note 1; and
  - ii complies with Australian Accounting Standards, the Australian Charities and Not-for-profits Commission Act 2012 and the Australian Charities and Not-for-profits Commission Regulation 2013.

**Basis of accounting and restriction on distribution**

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of satisfying the requirements of the Associations Incorporation Act 1985 (SA). As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the members of Flinders Medical Centre Foundation Inc and should not be distributed to parties other than Flinders Medical Centre Foundation Inc.

*Grant Thornton*

GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



S K Edwards  
Partner – Audit & Assurance

Adelaide, 14 November 2014