



***Mater Hospitals' Appeal Limited***

*As trustee for the  
Mater Foundation*

ABN 96 723 184 640

**Annual Report**  
***For the year ended 30 June 2014***

*Registered office of the trustee:  
Raymond Terrace  
South Brisbane  
QLD 4101  
Incorporated 6th March, 1989*

**Mater Foundation**  
**Annual report**  
**For the financial year ended 30 June 2014**

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Corporate information	1
Directors' report	3
Auditor's independence declaration	5
Statement of financial position	6
Statement of profit & loss and other comprehensive income	7
Statement of changes in trust funds	8
Statement of cash flows	9
Notes to the financial statements	10
Directors' declaration	22
Audit report	23

**Mater Foundation  
Annual report  
For the financial year ended 30 June 2014**

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**Corporate information**

**ABN 96 723 184 640**

The directors of Mater Hospitals' Appeal Limited acting as trustee of the Mater Foundation (the Trust) submit the financial report of the entity for the year ended 30 June 2014.

**Directors**

The following persons were directors of Mater Hospitals' Appeal Limited as a trustee for the Mater Foundation during the whole of the financial year and up to the date of this report:

Mr Philip Hennessy (Chairman)  
Mr Simon R Porter (Deputy chairman)  
Ms Kate Farrar (resigned 20/02/2014)  
Mr Xavier Kelly  
Mr John McCoy  
Mrs Elizabeth R McGrath OAM (resigned 30/06/2014)  
Mr Bill Noye  
Mr Joseph O'Brien  
Dr John O'Donnell  
Mr Allan Pidgeon  
Prof John Prins  
Ms Rebecca Pullar  
Mr Jason Titman  
Mr Bill Ryan (Resigned on 10/10/2013)

**Secretary**

Mr Laurence Rogencamp

**Registered office and principal place of business**

580 Stanley Street,  
South Brisbane  
Queensland,  
Australia

**Solicitors**

Rogencamp and Co Lawyers  
Brisbane, Queensland, Australia

**Mater Foundation**  
**Annual report**  
**For the financial year ended 30 June 2014**

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**Corporate information (continued)**

**Bankers**

Australia and New Zealand Bank Ltd  
Brisbane, Queensland, Australia

St George Bank Ltd  
Brisbane, Queensland, Australia

**Auditors**

Grant Thornton Audit Pty Ltd  
Brisbane, Queensland, Australia

## **Directors' report**

### **Principal activities**

The principal objective of the Mater Foundation is to promote the provision of:

- (a) High quality nursing, medical and paramedical care and necessary support services.
- (b) Continuing education, orientation and in-service programs;
  - (i) To enable all hospital personnel to maintain their knowledge and skills,
  - (ii) To improve the service of individual departments of the Mater Group Hospitals.
- (c) The highest standard of patient care which is in accordance with sound Catholic teaching and which is concerned with the total well-being of all patients.
- (d) The education of medical undergraduates and post graduates, students and graduate nurses, student and graduate members of the paramedical and non-medical disciplines.
- (e) Research programs to enhance all services within the goal of introducing challenge into the environment and changes as desirable in accordance with modern technology and which will improve patient care.
- (f) The development, improvement and acquisition of property and facilities associated with the provision of health care services.
- (g) All such things as are incidental or conclusive;
  - (i) To attain any or all of the above objectives or
  - (ii) To the provision of health care services in the Mater Group Hospitals.

### **Operating Results**

The surplus from ordinary activities for the entity for this financial year ended 30 June 2014 is \$22,308,235 (2013: surplus of \$12,517,039)

The trust is a tax-exempt body, and accordingly no provision has been made for income tax on the Trust's net surplus.

### **Significant changes in the state of affairs**

There have been no significant changes in the state of affairs of the entity during the year.

### **After balance sheet date events**

No matters or circumstances have arisen since the end of the financial year which significantly affected or may affect the operations of the entity, the results of those operations, or the state of affairs of the entity in future financial years.

### **Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section S60-40 of the ACNC Act 2012 is set out on page 5.

**Directors' report (continued)**

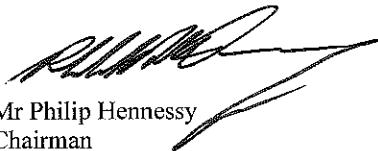
**Meetings of directors**


	Full meetings of directors		Operations, Finance & Audit Committee meetings	
	A	B	A	B
Mr Philip Hennessy	6	5	6	5
Mrs Elizabeth R McGrath	6	5	-	-
Mr Simon R Porter	6	6	6	5
Dr John O'Donnell	6	6	-	-
Mr Allan Pidgeon	6	5	6	4
Mr Xavier Kelly	6	3	-	-
Mr Bill Noye	6	5	6	4
Mr John McCoy	6	5	-	-
Ms Rebecca Pullar	6	3	-	-
Prof John Prins	6	5	-	-
Ms Kate Farrar	6	1	-	-
Mr Joseph O'Brien	6	5	-	-
Mr Jason Titman	6	5	-	-
Mr Bill Ryan	6	-	-	-

A = Number of meetings held

B = Number of meetings attended

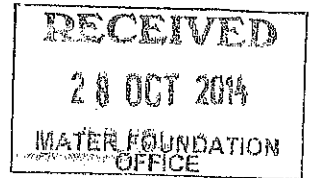
This report is made in accordance with a resolution of directors.

  
Mr Philip Hennessy  
Chairman

  
Mr Simon R Porter  
Deputy Chairman



Grant Thornton



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**Auditor's Independence Declaration  
To the Directors of Mater Hospitals Appeal Limited as Trustee for the Mater  
Foundation**

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 Mater Hospitals Appeal Limited as Trustee for the Mater Foundation for the year ended 30 June 2014, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.

*Grant Thornton*

GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants

M S Bell  
Partner - Audit & Assurance

Brisbane, 9 October 2014

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**Directors' report (continued)**

{The Auditor's Independence Declaration will be provided by your Auditor.}

**Mater Foundation**  
**Annual report**  
**For the financial year ended 30 June 2014**

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**Statement of financial position**

	Notes	2014 \$	2013 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	2	13,694,359	10,006,807
Trade and other receivables	3	656,626	581,608
Inventories	4	116,408	166,422
Work in progress	5	10,483,815	7,484,592
Other financial assets	6	11,066,242	5,043,912
Other assets	7	57,751	49,476
<b>Total current assets</b>		<u><b>36,075,201</b></u>	<u><b>23,332,817</b></u>
<b>Non-current assets</b>			
Property, plant and equipment	8	28,609	38,700
Intangible assets	9	250,273	-
<b>Total non-current assets</b>		<u><b>278,882</b></u>	<u><b>38,700</b></u>
<b>Total assets</b>		<u><b>36,354,083</b></u>	<u><b>23,371,517</b></u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	10	2,422,863	3,237,468
Committed trust distributions	11	2,433,549	1,933,906
Unearned income	12	285,521	148,851
Provisions	13	864,886	852,613
<b>Total current liabilities</b>		<u><b>6,006,819</b></u>	<u><b>6,172,838</b></u>
<b>Non-current liabilities</b>			
Provisions	13	389,709	350,886
<b>Total liabilities</b>		<u><b>6,396,528</b></u>	<u><b>6,523,724</b></u>
<b>Net assets</b>		<u><b>29,957,555</b></u>	<u><b>16,847,793</b></u>
<b>Trust funds</b>			
Capital	14	20	20
Funds held in trust	15	29,957,535	16,847,773
<b>Total trust funds</b>		<u><b>29,957,555</b></u>	<u><b>16,847,793</b></u>

This is to be read in conjunction with the notes to the financial statements.

**Mater Foundation**  
**Annual report**  
**For the financial year ended 30 June 2014**

**Statement of profit & loss and other comprehensive income**

	Notes	2014 \$	2013 \$
<b>Revenue</b>			
Lottery proceeds		47,044,664	38,771,965
Fundraising and donation income		15,643,488	13,089,582
Interest income		346,683	222,628
Retail sales		414,508	355,017
Investment income		321,868	31,195
Other revenue from ordinary activities		72,478	46,168
Impairment reversal		596,885	824,965
<b>Total revenue</b>		<b>64,440,574</b>	<b>53,341,520</b>
<b>Expenses</b>			
Employee expenses		8,902,564	7,468,770
Lottery expenses		27,149,275	22,049,320
Fundraising and donation expenses		3,446,489	2,300,828
Cost of sales		194,380	142,261
Administration expenses		2,406,645	2,182,471
Depreciation and amortisation expense		32,986	2,596,438
Write off of intangible assets		-	4,084,393
<b>Total expenses</b>		<b>42,132,339</b>	<b>40,824,481</b>
<b>Net operating surplus/(deficit)</b>		<b>22,308,235</b>	<b>12,517,039</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Net surplus/(deficit)</b>		<b>22,308,235</b>	<b>12,517,039</b>
<b>Total comprehensive income</b>		<b>22,308,235</b>	<b>12,517,039</b>

This is to be read in conjunction with the notes to the financial statements.

**Mater Foundation**  
**Annual report**  
**For the financial year ended 30 June 2014**

**Statement of changes in trust funds**

	Notes	Total equity \$	Endowment \$	Endowment earnings \$	Discretionary \$	Specific \$
<b>Balance at 1 July 2012</b>		12,468,012	3,236,900	338,254	3,435,967	5,456,891
Net operating surplus/(deficit)		12,517,039	1,011,091	129,956	5,109,025	6,266,967
Trust distributions and adjustments		(8,137,278)	361,757	-	(5,713,055)	(2,785,980)
<b>Balance at 30 June 2013</b>	<b>15</b>	<b>16,847,773</b>	<b>4,609,748</b>	<b>468,210</b>	<b>2,831,937</b>	<b>8,937,878</b>
Balance at 1 July 2013		16,847,773	4,609,748	468,210	2,831,937	8,937,878
Net operating surplus/(deficit)		22,308,235	3,852,670	170,241	12,375,319	5,910,005
Trust distributions and adjustments		(9,198,473)	-	-	(3,923,873)	(5,274,600)
<b>Balance at 30 June 2014</b>	<b>15</b>	<b>29,957,535</b>	<b>8,462,418</b>	<b>638,451</b>	<b>11,283,383</b>	<b>9,573,283</b>

This is to be read in conjunction with the notes to the financial statements.

**Mater Foundation**  
**Annual report**  
**For the financial year ended 30 June 2014**

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**Statement of cash flows**

	Notes	2014 \$	2013 \$
<b>Cash flows from operating activities</b>			
Receipts in the course of operations		60,739,049	51,767,495
Payments in the course of operations		(43,000,738)	(33,934,271)
Interest received		346,683	222,628
<b>Net cash inflow/(outflow) from operating activities</b>	<b>16</b>	<u><b>18,084,994</b></u>	<u><b>18,055,852</b></u>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(22,895)	-
Payments for investments		(5,425,445)	(1,200,961)
Payments for intangibles		(250,273)	(2,292,347)
<b>Net cash inflow/(outflow) from investing activities</b>		<u><b>(5,698,613)</b></u>	<u><b>(3,493,308)</b></u>
<b>Cash flows from financing activities</b>			
Distribution to beneficiaries		(8,698,829)	(8,451,137)
<b>Net cash inflow/(outflow) from financing activities</b>		<u><b>(8,698,829)</b></u>	<u><b>(8,451,137)</b></u>
<b>Net increase in cash and cash equivalents</b>		3,687,552	6,111,407
Cash and cash equivalents at the beginning of the financial year		10,006,807	3,895,400
<b>Cash and cash equivalents at end of period</b>	<b>2</b>	<u><b>13,694,359</b></u>	<u><b>10,006,807</b></u>

This is to be read in conjunction with the notes to the financial statements.

## **Notes to the financial statements**

### **1. Summary of significant accounting policies**

#### **General information**

Mater Foundation operates as a trust with Mater Hospitals' Appeal Ltd acting as its corporate trustee. The corporate trustee is a company limited by guarantee, incorporated, domiciled and operating in Australia.

Mater Hospitals' Appeal Ltd is a subsidiary of Mater consolidated group and Mater Misericordiae Health Services Brisbane Ltd is the sole member of Mater Hospitals' Appeal Ltd.

#### **(a) Financial reporting framework**

The financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Mater Foundation. The Directors have determined that the entity is not a reporting entity.

#### **(b) Statement of compliance**

The report has been prepared in accordance with the requirements of the ACNC Act 2012, and the following applicable Australian Accounting Standards and Australian Accounting Interpretations:

AASB 101: Presentation of Financial Statements;  
AASB 107: Statement of Cash Flows;  
AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors;  
AASB 119: Employee Benefits;  
AASB 1031: Materiality;  
AASB 1048: Interpretation and Application of Standards;

No other accounting standards, interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

#### **(c) Basis of preparation**

The financial report has been prepared on an accrual basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

#### **(d) Revenue recognition**

Revenue is recognised at fair value of the consideration received net of the amount of goods and services tax (GST) payable to the taxation authority. Revenue from special purpose fundraising that runs for more than one year is recognised when received.

#### **Lottery revenue**

Lottery revenue includes revenue from various lottery draws. This revenue is recognised when the lottery is drawn.

#### **Fundraising revenue**

Fundraising revenue includes revenue from fundraising events and projects. This revenue is recognised when the fundraising project is completed or the event has taken place.

#### **Donations**

Donations are recognised as income when received.

## **Notes to the financial statements (continued)**

### **1. Summary of significant accounting policies (continued)**

#### **(d) Revenue recognition (continued)**

##### **Interest income**

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

##### **Donor acquisition income**

Donor acquisition income is recognised as income when received.

##### **Unearned income**

- Fundraising - represents income received for events and activities that have not taken place by 30 June 2014.
- Lottery - represents net proceeds of lotteries in progress but not drawn at 30 June 2014.

#### **(e) Property, plant and equipment**

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

##### **(f) Depreciation**

All assets have limited useful lives and are depreciated/amortised using the straight-line method over their estimated useful lives. Assets are depreciated or amortised from the time an asset is completed and held ready for use. Depreciation rates and methods are reviewed annually for appropriateness. When changes are made, adjustments are reflected prospectively in the current and future periods only. Depreciation and amortisation are expensed.

**The depreciation rates used for each class of assets are as follows:**

<i>Plant and equipment</i>	<i>10-33%</i>
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#### **(g) Intangible assets**

Intangible assets are recorded at cost less accumulated amortisation and impairment. Amortisation is charged on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period, with any changes being recognised as a change in accounting estimate.

#### **(h) Impairment of assets**

At each reporting date, the entity reviews the carrying values of its tangible and intangible 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 and loss and other comprehensive income. At 30 June, the provision for impairment was not required and therefore a reversal of impairment was recognised as income in the Statement of profit and loss and other comprehensive income.

## **Notes to the financial statements (continued)**

### **1. Summary of significant accounting policies (continued)**

#### **(i) Employee benefits**

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave, when it is probable that settlement will be required and they are capable of being measured reliably. Liabilities recognised in respect of employee benefits expected to be settled within 12 months, are measured at their normal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of employee benefits which are not expected to be settled within 12 months are measured at the present value of the establishment future cash outflows to be made by the entity in respect of services provided by employee for those benefits.

#### **(j) Cash and cash equivalents**

Cash comprises of cash on hand, cash at bank and term deposit. As at 30 June 2014, Mater Foundation has one (1) term deposit investment held with the St George Bank, with a maturity date of 24 September 2014. St George Bank has a high credit rating and the term deposit has a high level of liquidity which is subject to an insignificant risk of change in value.

#### **(k) 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 taxation authority. 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.

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

#### **(l) Income tax**

The entity is exempt from income tax under section 50-5 of the Income Tax Assessment Act 1997 and accordingly Accounting Standard AASB 112 "Income Tax" has not been applied to this financial report.

#### **(m) Provisions**

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

#### **(n) Committed Trust Distributions**

Distributions, from the net income of the Trust, that have been approved by the Trustee but have not been paid in cash to the beneficiaries are shown in the accounts as a liability.

#### **(o) Work in progress**

*Lotteries:* The cost of the houses and land under construction plus completed house packages which are yet to be allocated to a specific lottery.

#### **(p) Critical accounting estimates and judgments**

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



## **Notes to the financial statements (continued)**

### **1. Summary of significant accounting policies (continued)**

#### **(g) Financial assets**

Financial assets are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in the Statement of profit and loss and other comprehensive income.

### **2. Cash and cash equivalents**

	<b>2014</b>	<b>2013</b>
	\$	\$
Cash on hand	1,800	1,800
Cash at bank	8,692,559	5,399,149
Bank term deposits	5,000,000	4,605,858
<b>Total cash and cash equivalents</b>	<u><b>13,694,359</b></u>	<u><b>10,006,807</b></u>

### **3. Trade and other receivables**

Other debtors	656,626	581,608
<b>Total trade and other receivables</b>	<u><b>656,626</b></u>	<u><b>581,608</b></u>

**Mater Foundation**  
**Annual report**  
**For the financial year ended 30 June 2014**

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**Notes to the financial statements (continued)**

**4. Inventories**

	2014	2013
	\$	\$
Chicks in Pink store merchandise and gift shop stock	116,408	166,422
<b>Total inventories</b>	<u>116,408</u>	<u>166,422</u>

**5. Work in progress**

Lottery prize homes in progress	10,483,815	7,484,592
<b>Total work in progress</b>	<u>10,483,815</u>	<u>7,484,592</u>

Lottery Prize Homes in progress consists of the costs of land and houses under construction, plus the costs of completed house and land packages. These properties are expensed as Prize Costs when the relevant Prize Home Lottery game is drawn.

**6. Other financial assets**

Macquarie investments	11,066,242	5,640,797
Provision for impairment	-	(596,885)
<b>Total other financial assets</b>	<u>11,066,242</u>	<u>5,043,912</u>

The above asset manager has funds invested in the following asset classes: Australian Equities; Fixed Interest; Property Trusts; International Equities; and Cash.

**7. Other assets**

Prepayments	57,751	49,476
<b>Total other assets</b>	<u>57,751</u>	<u>49,476</u>

## Notes to the financial statements (continued)

### 8. Property, plant and equipment

	2014 \$	2013 \$
<b>Plant and equipment</b>		
Cost	100,931	97,419
Accumulated depreciation	(89,270)	(77,367)
<b>Total plant and equipment</b>	<u>11,661</u>	<u>20,052</u>
<b>Furniture, fittings and equipment</b>		
Cost	119,804	100,421
Accumulated depreciation	(102,856)	(86,544)
<b>Total furniture, fittings and equipment</b>	<u>16,948</u>	<u>13,877</u>
<b>Software</b>		
Cost	160,253	160,253
Accumulated depreciation	(160,253)	(155,482)
<b>Total software</b>	<u>-</u>	<u>4,771</u>
<b>Total property, plant and equipment at written down value</b>	<u>28,609</u>	<u>38,700</u>

Reconciliation of the carrying amounts of each class of property, plant and equipment are set out below:

	Plant and equipment \$	Furniture and fittings \$	Leasehold improvements \$	Software \$	Total \$
<b>Year ended 30 June 2013</b>					
Opening net book amount	37,960	41,404	129,979	5,964	215,307
Depreciation charge	(17,908)	(27,527)	(27,251)	(1,193)	(73,879)
Disposal of assets during the year	-	-	(102,728)	-	(102,728)
<b>Total property, plant and equipment at written down value</b>	<u>20,052</u>	<u>13,877</u>	<u>-</u>	<u>4,771</u>	<u>38,700</u>

**Mater Foundation**  
**Annual report**  
**For the financial year ended 30 June 2014**

**Notes to the financial statements (continued)**

**8. Property, plant and equipment (continued)**

	Plant and equipment \$	Furniture and fittings \$	Leasehold improvements \$	Software \$	Total \$
<b>Year ended 30 June 2014</b>					
Opening net book amount	20,052	13,877	-	4,771	38,700
Additions	3,512	19,383	-	-	22,895
Depreciation charge	(11,903)	(16,312)	-	(4,771)	(32,986)
<b>Total property, plant and equipment at written down value</b>	<b>11,661</b>	<b>16,948</b>	<b>-</b>	<b>-</b>	<b>28,609</b>

**9. Intangible assets**

	2014 \$	2013 \$
CRM & CMS Project	250,273	-
<b>Total intangible assets</b>	<b>250,273</b>	<b>-</b>

Reconciliation of the carrying amounts of intangible assets are set out below:

<b>Year ended 30 June 2013</b>	
Opening net book amount	4,314,605
Additions	2,292,347
Disposals	(4,084,393)
Amortisation	(2,522,559)
<b>Total intangible assets at written down value</b>	<b>-</b>
<b>Year ended 30 June 2014</b>	
Opening net book amount	-
Additions	250,273
<b>Total intangible assets at written down value</b>	<b>250,273</b>

The intangible assets as at 30 June 2014 consists of project costs that are in work in progress and the estimated life of this asset will only be determined once the project is finalised. Until the completion of this project the asset will not be amortised.

## Notes to the financial statements (continued)

### 10. Payables

	2014	2013
	\$	\$
Trade creditors	1,361,987	125,589
Other creditors and accruals	731,104	1,613,130
Intercompany payables	329,772	1,498,749
<b>Total payables</b>	<u>2,422,863</u>	<u>3,237,468</u>

Intercompany payables to be read in conjunction with note 17 on page 21.

### 11. Committed Trust Distributions

Committed trust distributions	2,433,549	1,933,906
<b>Total committed trust distributions</b>	<u>2,433,549</u>	<u>1,933,906</u>

Distributions from the net income of the Trust that have been approved and minuted by the Trustee but have not been paid in cash to the beneficiaries are shown in the accounts as a liability.

### 12. Unearned income

Fundraising activities	360,209	381,585
Lottery activities	(74,688)	(232,734)
<b>Total unearned income</b>	<u>285,521</u>	<u>148,851</u>

## Notes to the financial statements (continued)

### 13. Provisions

	2014 \$	2013 \$
<b>Current liabilities</b>		
Employee benefits	864,886	852,613
<b>Total current liabilities</b>	<u>864,886</u>	<u>852,613</u>
<b>Non-current liabilities</b>		
Employee benefits	389,709	350,886
<b>Total non-current liabilities</b>	<u>389,709</u>	<u>350,886</u>
<b>Total provisions</b>	<u>1,254,595</u>	<u>1,203,499</u>

### 14. Capital

Settlement sum	20	20
<b>Total capital</b>	<u>20</u>	<u>20</u>

## **Notes to the financial statements (continued)**

### **15. Funds Held in Trust**

	<b>2014</b>	<b>2013</b>
	\$	\$
Endowment	8,462,418	4,609,748
Endowment Earnings	638,451	468,210
Discretionary	11,283,383	2,831,937
Specific	9,573,283	8,937,878
<b>Total funds held in trust</b>	<u><b>29,957,535</b></u>	<u><b>16,847,773</b></u>

#### **Endowment**

Funds donated to be held in perpetuity for a specific area, or for a specified time period. The terms of individual endowment receipts will define whether and when the endowment capital is available for distribution.

#### **Endowment earnings**

Income generated from endowment funds.

#### **Discretionary**

Funds donated and held where only the broad area (i.e. Mater Mother's Hospital, Mater Medical Research Institute etc.) is specified to be distributed at the discretion of the Mater Foundation Board.

#### **Specific**

Funds donated and held for a specific purpose (piece of equipment, service or area within Mater Health Services or Mater Medical Research Institute).

**Mater Foundation**  
**Annual report**  
**For the financial year ended 30 June 2014**

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**Notes to the financial statements (continued)**

**16. Cashflow information**

	2014 \$	2013 \$
a) Reconciliation of cash		
For the purposes of the statements of cash flows, cash includes cash on hand, cash at bank and short term deposits at call, net of outstanding bank overdrafts. Cash as at the end of the financial year as shown in the statements of cash flows is reconciled.		
<b>Cash and cash equivalents</b>	<u>13,694,359</u>	<u>10,006,807</u>
b) Reconciliation of profit from ordinary activities after income tax to net cash provided by operating activities		
	2014 \$	2013 \$
<b>Surplus for the year</b>	<b>22,308,235</b>	<b>12,517,039</b>
<b>Non cash items:</b>		
Impairment reversal	(596,885)	(824,965)
Amortisation/depreciation	32,986	2,596,438
Write off of intangible assets	-	4,084,393
Write off of property plant and equipment	-	102,728
<b>Net cash provided by operating activities before change in assets and liabilities</b>	<u>21,744,336</u>	<u>18,475,633</u>
<b>Change in operating assets and liabilities:</b>		
(Increase)/ decrease in inventories	50,014	5,771
(Increase)/ decrease in receivables	(75,018)	62,695
(Increase)/ decrease in other assets	(8,275)	2,299,739
(Increase)/ decrease in work in progress	(2,999,223)	(1,530,342)
(Increase) /decrease in financial assets	-	(31,195)
(Decrease)/ increase in trade creditors	(814,605)	(734,153)
(Decrease)/ increase in unearned income	136,670	(689,373)
(Decrease)/ increase in provisions	51,095	197,077
<b>Net cash inflow (outflow) from operating activities</b>	<u>18,084,994</u>	<u>18,055,852</u>



## **Notes to the financial statements (continued)**

### **17. Related party transactions**

The following transactions occurred with related parties:

	<b>2014</b>	<b>2013</b>
	\$	\$
<b>Income from related party transactions</b>		
Mater Health Services Ltd	2,293	6,385
Mater Medical Research Institute Ltd	7,727	-
Mater Education Ltd		
<b>Expenses from related party transactions</b>		
Mater Health Services Ltd	3,079,228	186,216
Mater Medical Research Institute Ltd	3,588,407	-
Mater Education Ltd	49,472	-

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

<b>Payables from related party transactions</b>		
Mater Health Services Ltd	137,397	758,749
Mater Medical Research Institute Ltd	189,686	740,000
Mater Education Ltd	2,689	-

### **18. Changes in accounting standards**

The Board has reviewed applicable Accounting Standards which have been issued or amended but not yet effective, and do not believe any of them to have a material impact if they were to be adopted for this year end.

### **19. Events after the balance sheet date**

No matters or circumstances have arisen since the end of the financial year which significantly affected or may affect the operations of the entity, the results of those operations, or the state of affairs of the entity in future financial years.

**Mater Foundation  
Annual report  
For the financial year ended 30 June 2014**

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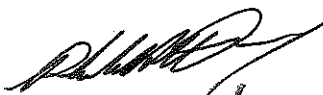
**Directors' declaration**

The Directors of the trustee company have determined that the Trust is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The directors of the trustee company declare that:

- (a) the financial statements and notes of the Trust 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 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 Act 2012), and
- (b) in the Director's opinion there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

This declaration is made and signed in accordance with a resolution of the Board of Directors of Mater Hospitals' Appeal Limited.



Mr Philip Hennessy  
Chairman



Mr Simon R Porter  
Deputy Chairman



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## **Independent Auditor's Report To the Member of Mater Hospitals Appeal Limited as Trustee for the Mater Foundation**

We have audited the accompanying financial report, being a special purpose financial report, of Mater Hospitals Appeal Limited as Trustee for the Mater Foundation (the "Company"), which comprises the statement of financial position as at 30 June 2014, the statement of profit or loss and other comprehensive income, statement of changes in trust funds and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the company.

### **Directors' responsibility for the financial report**

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Australian Charities and Not-for-profits Commission Act 2012. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### **Auditor's responsibility**

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require 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.

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

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

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

### **Independence**

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

### **Basis for qualified auditor's opinion**

Donations and other fundraising income are a significant source of fundraising revenue for the Mater Hospitals' Appeal Limited as Trustee for the Mater Foundation. The Mater Hospitals' Appeal Limited as Trustee for the Mater Foundation has determined that it is impracticable to establish control over the collection of donation and other fundraising income prior to entry into its financial records. Accordingly, as the evidence available to us regarding revenue from this source was limited, our audit procedures with respect to donation and other fundraising income had to be restricted to the amounts recorded in the financial records. We therefore are unable to express an opinion that donations and other fundraising income of the Mater Hospitals Appeal Limited as Trustee for the Mater Foundation recorded is complete.

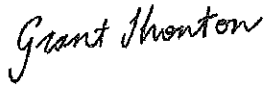
### **Qualified auditor's opinion**

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial report of Mater Hospitals Appeal Limited as Trustee for the Mater Foundation, presents fairly, in all material respects the financial position as at 30 June 2014 and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards and the accounting policies described in Note 1.



**Basis of accounting**

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 fulfilling the directors' financial reporting responsibilities under the Australian Charities and Not-for-profits Commission Act 2012. As a result, the financial report may not be suitable for another purpose.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



M S Bell  
Partner - Audit & Assurance

Brisbane, 9 October 2014

