St Vincent's Curran Foundation
Financial Report 2017

ST VINCENT'S
CURRAN
FOUNDATION

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CORPORATE INFORMATION

Trustee	St. Vincent's Curran Trustee Limited	
Foundation	St Vincent's Curran Foundation	
Directors	Mr R Haddock AM (Foundation Chair)	Prof. A Schembri
	Mr R Cusack	Mr S Black
	Mr P Burges	Ms C Stahl
	Mr J Byrne	
Principal registered office	Level 3, de Lacy Building, 390 Victoria Street, Darlinghurst NSW 2010	
Principal Activity	Public Ancillary Fund supporting the purposes in the trust deed	
Auditor	Ernst & Young, 200 George Street Sydney, NSW 2000	
Website address	www.supportstvincents.com.au	
ABN	94 674 597 413	

PROFIT OR LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017

	Notes	2017 $'000	2016 $'000
Revenue	2	**1,496**	1,481
Donations and bequests	3	**12,189**	7,346
Total revenue and other income		**13,685**	8,827
Operating expenses	4	**707**	716
Other expenses		**-**	3
Depreciation		**9**	3
Total expenses		**716**	**722**
Surplus before grants given		**12,969**	8,105
Endowment funds from current year available for distribution	8	**1,256**	1,119
Special project funds from current year available for distribution	8	**10,494**	5,571
Surplus for the year attributable to the Foundation		**1,219**	1,415
Total comprehensive income for the year		**1,219**	1,415

BALANCE SHEET
AT 30 JUNE 2017

	Notes	2017 $'000	2016 $'000
ASSETS			
Current assets			
Cash and cash equivalents		**13,202**	8,132
Investments	5	**23,736**	22,564
Receivables	6	**384**	417
Other assets		**68**	658
Total current assets		**37,390**	31,771
Non-current assets			
Plant and equipment	7	**-**	9
Total non-current assets		**-**	9
Total assets		**37,390**	31,780
LIABILITIES			
Current liabilities			
Provisions	8	**12,471**	8,095
Trade and other payables		**15**	-
Total current liabilities		**12,486**	8,095
Net assets		**24,904**	23,685
Settled funds		**1**	1
Retained surplus		**24,903**	23,684
Total equity		**24,904**	23,685

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017

	Settled Funds	Retained surpluses	Total
	$'000	$'000	$'000
2017			
Balance 1 July 2016	**1**	**23,684**	**23,685**
Total comprehensive income for the year	-	**1,219**	**1,219**
Balance 30 June 2017	**1**	**24,903**	**24,904**
2016			
Balance 1 July 2015	1	22,269	22,270
Total comprehensive income for the year	-	1,415	1,415
Balance 30 June 2016	1	23,684	23,685

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2017

	Notes	2017 $'000	2016 $'000
Cash flows from operating activities			
Receipts from special projects appeals, direct appeals and in memoriam gifts		**11,235**	5,505
Endowment benefactors' donations and bequests		**1,894**	1,531
Endowment grants paid		**(1,030)**	(930)
Special projects grants paid		**(6,344)**	(1,790)
Payments to suppliers and employees		**(707)**	(807)
Interest received		**22**	65
Net cash inflow from operating activities	10	**5,070**	3,574
Net increase in cash and cash equivalents		**5,070**	3,574
Cash and cash equivalents at the beginning of the year		**8,132**	4,558
Cash and cash equivalents at the end of the year		**13,202**	8,132

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting

The financial report of the St Vincent's Curran Foundation (the 'Foundation') is a general purpose financial report that has been prepared in accordance with the requirements of the Trust Deed for the Foundation, Australian Accounting Standards – Reduced Disclosure Requirements (RDR), the Australian Charities and Not-for-Profits Commission Act 2012 and other authoritative pronouncements of the Australian Accounting Standards Board (AASB).

Reporting Basis and Conventions

The financial report has been prepared under the historical cost convention as modified by the revaluation of investments at fair value. It does not take into account changing money values or, except for investments, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

Significant accounting judgments, estimates and assumptions

Accounting policies are selected and applied in a manner which ensures that the resultant financial information satisfies the concepts of relevance and reliability, thereby ensuring the substance of the underlying transaction and other events is reported.

In the application of RDR management is required to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other various factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(b) Rounding of amounts

Amounts in the financial report have been rounded to the nearest thousand dollars in accordance with Australian Accounting Standards, or in certain cases, to the nearest dollar.

(c) Revenue recognition

Revenue is recognised at the fair value of consideration received or receivable, when the Foundation is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Revenue from fundraising

Cash donations and bequests have been recognised as revenue to the extent that they have been deposited in the bank and recorded in the Foundation's accounting records, which are the point at which the Foundation gains control of the contributions. Other income is brought to account on an accruals basis.

Investment income

Investments are managed by independent fund managers who report on a monthly basis. Investments are accounted for at market value. Dividend and interest income earned on investments are brought to account when due and receivable.

Interest income

Interest income is recognised as it accrues, taking into account the effective interest method on the financial asset.

Dividend income

Dividend income is recognised in the income statement when receivable.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Goods and services tax

Revenue, expenses and assets are recognised net of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the acquisition cost of the asset or as an item of expense.

Receivables and payables are stated at amounts that include GST. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

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

(e) Income taxation

The Foundation is a charitable institution for the purposes of Australian taxation legislation and is therefore exempt from income tax under Section 50-5 of the Income Tax Assessment Act 1997. This exemption has been confirmed by the ATO. The Foundation holds deductible gift recipient status and has been endorsed as a Charitable Fund (health promotion charity).

(f) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

Cash and cash equivalents are carried at face value of the amounts deposited. The carrying amount of cash and cash equivalents approximates fair value. For the purposes of the cash flow statement, cash includes cash on hand and in banks in the name of the Foundation. It does not include managed investments.

(g) Plant and equipment

Plant and equipment is measured at historical cost less accumulated depreciation and impairment losses.

Items of plant and equipment are depreciated on the straight-line method over their estimated useful lives. The expected useful life for plant and equipment is 3-8 years.

The estimation of useful lives, residual value and the depreciation method applied to an asset are reviewed at least annually.

(h) Investments

The Foundation classifies investments at fair value through profit or loss. Investments at fair value through profit or loss are initially recognised at fair value plus directly attributable transaction costs. Subsequent to initial recognition financial assets at fair value through profit or loss are measured at fair value with gains or losses recognised in the profit or loss in the period in which they arise.

Fair values of the investments are established by reference to unit prices quotes by fund managers.

(i) Application of funds

The trust funds are held available for the purpose specified in the Trust Deed for the Foundation.

Each year, the surplus for the year is available for disbursement by the Trustee in its absolute discretion in accordance with Clause 4 of the Trust Deed for the Foundation and the constitution of the Trustee.

The portion of the surplus relating to unrealised gains and losses on investments has not been distributed but transferred directly to Undistributed Income together with benefactors' donations and general bequests.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The balance of the surplus is transferred to the provision for grants, including realised gains which are made available for distribution in the year they are realised. All payments of grants are made from the provision for grants.

(j) Comparative information

Comparative information is reclassified where appropriate to enhance comparability

2 REVENUE

	2017	2016
	$'000	$'000
Investment Income (i)	**1,163**	1,171
Function and Catering Income	**333**	239
Other income	**-**	71
	1,496	1,481

(i) Investment income

Unrealised fair value (loss)/ gains on investments	**(66)**	365
Interest income	**22**	66
Distribution reinvestment	**1,207**	740
	1,163	1,171

3 DONATIONS AND BEQUESTS

Endowment bequests	**708**	61
Endowment benefactors' donations	**1,129**	1,434
Endowment benefactors' donations – Jarry Fund	**57**	36
Donations – general appeals	**583**	226
Donations – special project appeals	**9,712**	5,571
Donations – in memoriam/other	**-**	18
	12,189	7,346

4 OPERATING EXPENSES

All staff engaged to undertake the activities for St Vincent's Curran Foundation are employed by St Vincent's Hospital Sydney Limited ('SVHS Ltd'). SVHS Ltd is partly reimbursed for these costs by the Foundation and other SVHA Entities.

5 INVESTMENTS

Investments managed by third parties and under the control of the Trustee at 30 June:

Fair value of the investments:		
Vanguard Investments	**12,852**	12,280
BlackRock Asset Management	**10,884**	10,284
	23,736	22,564

These investments are classified as current as technically they can be realised within the next 12 months. However, it is the intention of the Foundation to hold these as long term investments.

	2017	2016
6 RECEIVABLES	$'000	$'000
Investment income receivable	**384**	417
	384	417

7 PLANT AND EQUIPMENT

Cost	**44**	44
Accumulated depreciation	**(44)**	(35)
Net book value	**-**	9

8 PROVISIONS

Provision for Grants (i)	**12,471**	8,095
	12,471	8,095
(i) Movement in the provision for grants		
Opening balance at 1 July	**8,095**	4,125
Endowment grants available for distribution from current year	**1,256**	1,119
Special project grants available for distribution from current year	**10,494**	5,571
Grants paid during the year (ii)	**(7,374)**	(2,720)
Closing balance at 30 June	**12,471**	8,095
Endowment income available for distribution from current year (iii)	**1,256**	1,119
Special project income available for distribution from current year	**10,494**	5,571
	11,750	6,690

(ii) Grants paid during the year		
Endowment grants	**1,030**	931
Special project grants:		
Heart failure and transplant unit	**-**	200
Curran Grant for Nurse Call System	**-**	**250**
Fragile X Project	**55**	**28**
Upgrade of 9 North Geriatrics Ward	**-**	**130**
HIV Future Fund	**120**	**120**
Bone Marrow Transplant Ward	**2,501**	-
Intensive Care Unit	**1,120**	-
SVPH Centre for Family Based Mental Health	**650**	-
SVP Capital Fund	**1,152**	**510**
Intensive care research appeal	**60**	23
Minimally invasive valve trials	**-**	266
Other special projects	**686**	262
	7,374	2,720

(iii) Endowment grants available for distribution from current year

The Foundation has committed to provide $1,256,000 (2016: $1,119,000) in endowment grants to SVHA Ltd related entities.

8 PROVISIONS (continued)

Under the ATO's *Public Ancillary Fund Guidelines 2012*, a fund must distribute at least 4% of the market value of the fund's net assets from the previous financial year.

For the year ended 30 June 2017, the Foundation distributed 31% of the net assets from the 2016 financial year (2016: 12% of net assets from the 2015 financial year).

The net assets of the Foundation as at 30 June 2017 total $24,904,000. This exceeds the aggregate of the Transition Date Capital Funds amount and the Post Transition Enduring Funds amount in accordance with clause 5.2(b) of the Trust Deed for the Foundation.

	2017 $'000	2016 $'000
9 AUDITOR'S REMUNERATION		
Audit fee	**22**	19
	22	19
10 RECONCILIATION OF NET SURPLUS TO NET CASH INFLOW FROM OPERATING ACTIVITIES		
Net surplus for the year after grants provided	**1,219**	1,415
Unrealised loss/(gain) on investments	**66**	(365)
Investment income re-invested	**(1,207)**	(740)
Depreciation	**9**	3
Decrease/(Increase) in receivables	**607**	(709)
Increase in provisions	**4,376**	3,970
Net cash inflow from operating activities	**5,070**	3,574

11 DEDUCTIBLE GIFT RECIPIENT (DGR) STATUS

Under the Income Tax Assessment Regulations 1997, Public Ancillary Funds are only permitted to make donations to recipients endorsed as a DGR under Item 1 of section 30.15 of the Income Tax Assessment Act (ITAA) 1997. The Foundation is endorsed under Item 2 of section 30.15 of the ITAA 1997. St Vincent's Health Australia Limited ('SVHA Ltd') is endorsed under Item 1 of section 30.15 of ITAA 1997. Therefore, any donations received from Public Ancillary Funds are paid to SVHA Ltd related entities. Receipts for tax purposes are issued to the donor Public Ancillary Funds by the Foundation as agent for SVHA Ltd. Accordingly, these donations are not recognised in the financial statements of the Foundation.

Donations paid to SVHA Ltd related entities	**6,485**	6,713

12 KEY MANAGEMENT PERSONNEL

St Vincent's Curran Trustee Limited, a company limited by guarantee, was appointed as the sole corporate trustee of the St Vincent's Curran Foundation on 3 December 2015.

The names of the persons that were the Trustee Members of St Vincent's Curran Trustee Limited during the financial year were:

Mr C Curran AC (Chair)	Mr K Burges
Sr Sesarina Bau RSC	Mr J Dwyer AM
Monsignor Tony Doherty AM	Ms S McPhee AM

12 KEY MANAGEMENT PERSONNEL (continued)

The names of the persons who were the Directors of St Vincent's Curran Trustee Limited during the financial year were:

Mr R Haddock AM (Chair)
Mr S Black
Mr J Byrne
Mr P Burges
Mr R Cusack
Prof. A Schembri
Ms C Stahl

Executive Renumeration

The Trustees, Trustee Members, Board and Directors of the Board of the St Vincent's Curran Trustee Ltd received no remuneration in connection with the Foundation. The remuneration of executives was $478,394 (2016: $645,958) which was borne by the employing entity St Vincent's Hospital Sydney (SVHS Ltd). SVHS Ltd is partly reimbursed for these costs by the Foundation and other SVHA Entities.

The names and position of key management personnel were:

Ms Shanthini Naidoo - Chief Executive Officer
Ms Jane McCallum - Deputy Chief Executive Officer

13 CONTINGENT LIABILITES AND CONTINGENT ASSETS

The Foundation has no material contingent liabilities or assets at balance sheet date.

14 SUBSEQUENT EVENTS

No matters or circumstances have arisen since the end of the financial year which significantly affect or may significantly affect the operations of the Foundation.

DIRECTORS' DECLARATION

The Directors declare that the financial statements and notes for the Foundation as set out on pages 4 to 13:

(a) are in accordance with the Australian Charities and Not-for-Profits Commission Act 2012, including:

(i) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-Profits Commission Regulation 2013*; and

(ii) giving a true and fair view of the Foundation's financial position as at 30 June 2017 and of its performance for the year ended on that date; and

(b) there are no reasonable grounds to believe that the Foundation will not be able to pay its debts as and when they become due and payable.

In the Directors' opinion:

i. the Profit or Loss Account and Other Comprehensive Income gives a true and fair view of all income and expenditure of the Foundation; and

ii. the Balance Sheet gives a true and fair view of the state of affairs of the Foundation conducted by the Foundation; and

iii. the internal controls exercised by the Foundation are appropriate and effective in accounting for all income received and applied by the Foundation.

This declaration is made in accordance with a resolution of the Board of Directors of the Trustee and is signed for and on behalf of the Board by:

Mr R Haddock AM
Foundation Chair
25 October 2017

Mr S Black
Director
25 October 2017