



Health Services Charitable Gifts Board

2021-22 Annual Report

Health Services Charitable Gifts Board

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To:

The Hon. Chris Picton, MP

Minister for Health and Wellbeing

This annual report will be presented to Parliament to meet the statutory reporting requirements of *Health Services Charitable Gifts Act, 2011* and the requirements of Premier and Cabinet Circular *PC013 Annual Reporting*.

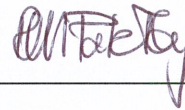
This report is verified to be accurate for the purposes of annual reporting to the Parliament of South Australia.

Submitted on behalf of the Health Services Charitable Gifts Board by:

Ms Robyn Pak-Poy
Chairman

Date 26-10-22

Signature



From the Chief Executive

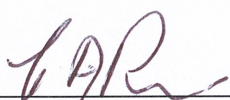
The Board's Annual Report sets out how the Board has been able to provide a significant flow of funds to its Public Health Entity (PHE) stakeholders in accordance with the purposes for which funds are held and in line with priorities decided by the PHEs.

Following a very good investment return in 2020-21 buoyed by strong investment markets fuelled by government stimulus across the globe, the 2021-22 financial year saw a significant decline in investment values and returns, caused by a range of factors including inflationary expectations, the Ukraine war, and supply-chain issues.

For the Board, the one exception to the negative returns was the ground-lease on Town Acre 86. Due to the 5-yearly revaluation lease determination occurring, this led to an increase in the value of the ground lease.

The Board invests with a long-term target of CPI + 3% and follows clearly defined investment policies and strategies. As a result of the policies and strategies, which include accessing skilled investment expertise provided by Funds SA, the Board remains in a strong position to continue providing ongoing funds at similar levels in 2022-23 and beyond.

The Board continues to provide governance and integrity to the holding and investing of charitable gifts and donations to ensure that ongoing significant funding streams are available for PHEs and that funds are applied in accordance with their charitable nature, legislation and wishes of donors.



Christopher Peirce
Executive Officer
Health Services Charitable Gifts Board

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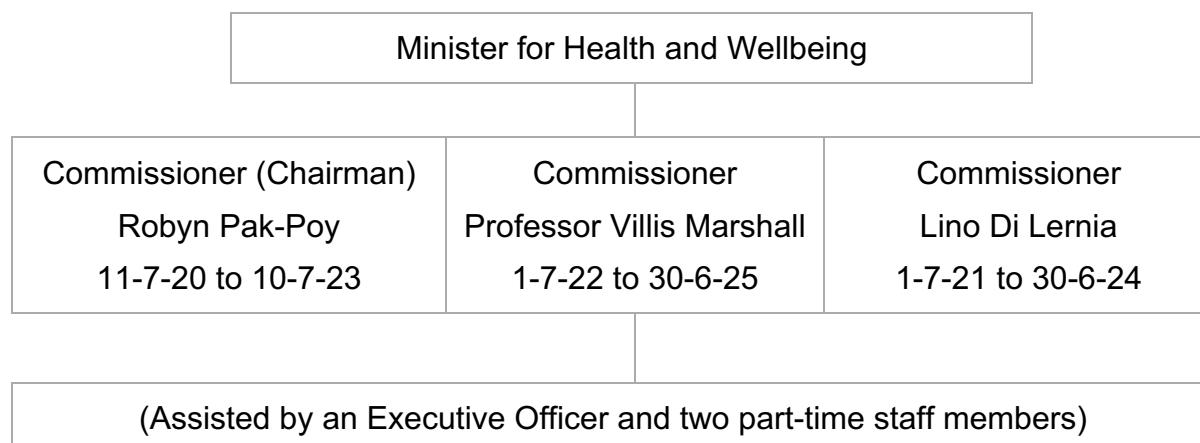
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Overview: about the agency

Our strategic focus

Our Purpose	The purpose of the Health Services Charitable Gifts Board (Board) is to hold charitable gifts and donations received by public hospitals and research institutions. Funds held are invested to earn a return for the hospitals and institutions concerned. Funds are then applied for research, services, and equipment in accordance with the purpose for which they were originally donated or gifted.
Our Vision	To provide excellence in the Board's stewardship, investment and application of funds held by the Board to benefit PHEs and relevant research bodies in their delivery of services, equipment, and research in accordance with the <i>Health Services Charitable Gifts Act, 2011 (HSCG Act)</i> .
Our Values	The Board operates ethically to fund research and other expenditure by the various PHEs for which it holds funds. The Board acts commensurate with the perpetual nature of the Board.
Our functions, objectives, and deliverables	1. To provide excellence in the Board's stewardship, investment and application of funds held by it to benefit PHEs and relevant research bodies in their delivery of services, equipment, and research in accordance with the HSCG Act. 2. To target best practice throughout the Board's operations. 3. To act in a timely, principled, and ethical manner to address funding requests, seeking accountability for the funds being spent by PHEs and ensuring that funding provided to them is done so on a long-term sustainable basis.

Our organisational structure



Changes to the agency

During 2021-22 there were no changes to the Board's structure and objectives because of internal reviews or machinery of government changes.

Our Minister

Hon Chris Picton MP is the Minister for Health and Wellbeing in South Australia. The Minister oversees health, wellbeing, mental health, ageing well, substance abuse and suicide prevention.



Our Executive team

Chairman – Robyn Pak-Poy

Ms Pak-Poy's expertise to the Board is in areas of legal, contractual and trust matters. As well as her interests in governance, she has been a member of various finance, audit, safety, and quality committees.

Commissioner – Professor Villis Marshall

Professor Marshall's expertise to the Board is in areas of PHEs, research and clinical matters as well as numerous health administration, mentoring and teaching positions.

Commissioner – Lino Di Lernia

Mr Di Lernia's expertise to the Board is in the areas of commercial property, finance, and senior executive management across the private and public sector.

Legislation administered by the agency

None

Other related agencies (within the Minister's area/s of responsibility)

Central Adelaide Local Health Network
Northern Adelaide Local Health Network
Southern Adelaide Local Health Network
Women's and Children's Health Network
South Australian Ambulance Service - MedStar
Yorke and Northern Local Health Network
Eyre and Far North Local Health Network
Flinders and Upper North Local Health Network
Limestone Coast Local Health Network

The agency's performance

Performance at a glance

Total Assets held at 30 June 2022 were \$162.66m, an increase from \$157.62m at 30 June 2021.

This increase occurred even though strong investment gains made in previous years were partly reversed in the current year, as concerns mounted over various global issues that include new pandemic waves, rising inflation caused by supply difficulties, and the implementing of tightening fiscal measures by central banks, resulting in dampened investor expectations and sentiment.

Factors influencing the increase in assets included:

- the revaluation of the Board's key property asset;
- receipt of several large bequests during the financial year; and
- under-claiming by PHEs of Board approved budgets.

Funds SA provides the Board with high calibre investment advice, which will continue to assist it to generate sufficient income to enable the Board to maintain a significant sustainable flow of funds to PHEs for the foreseeable future.

Funds SA, the Board's funds investment manager, has indicated the poor investment performance in 2021-22 was significantly affected by factors such as:

- higher than expected inflation caused primarily by supply chain problems due to factors such as the Ukraine war and the Covid-19 global pandemic, leading to,
- central banks globally sharply increasing interest rates to try to control inflation, which in turn led to declining bond and equity market valuations and the increased possibility of recession.

The year was unusual as defensive assets performed as poorly as growth assets.

The Board works closely with Funds SA and continues to invest for the longer term. This approach has proven successful as investment returns have compared favourably with the long-term targets set.

With assistance from Funds SA, the Board undertook a major review of its investment strategy during the year. Whilst changes to the investment policy were minor and did not change the Board's overall strategy, the Board decided to consolidate its investment options within its Funds SA portfolio.

The major determinants of the Board's performance over the last 10 years are shown on the next page. These are: HSCGB income earned; gifts received; and payments to PHEs by HSCGB.

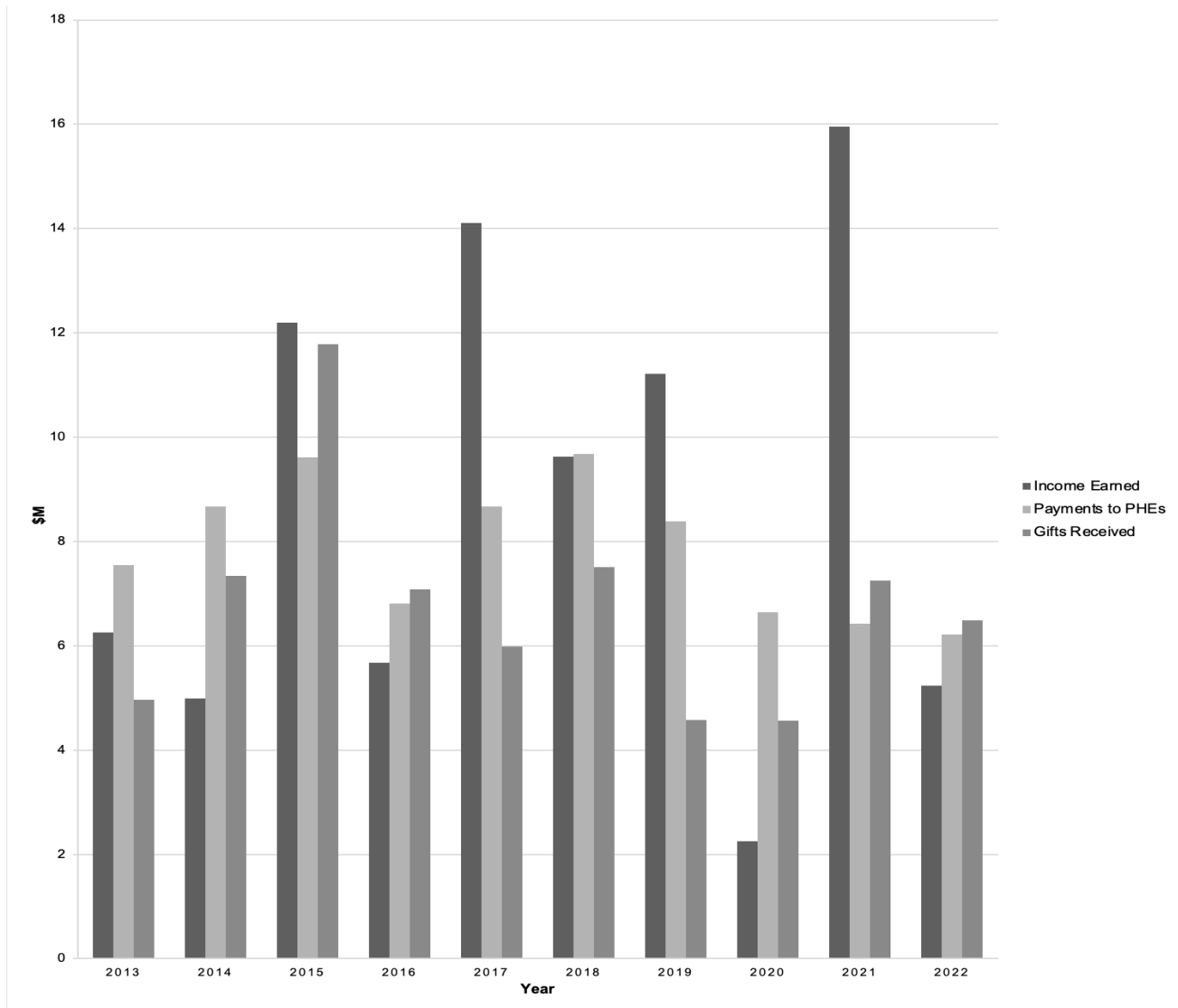
Gifts from bequests tend to fluctuate from year to year and there has been a trend over time for other donations to decline. However, during 2021-22 several large

bequests were received totalling over \$3.45m, which provided the Board with a higher than usual bequest total for the year.

The amount available to be spent from accounts such as Doctors' Right of Private Practice continues to decline, as funds held in these accounts are falling with the change in arrangements relating to Private Practice income in recent years.

For the 2021-22 year the Board approved expenditure totalling \$10.92m. Of this amount, PHEs claimed \$6.21m as spent. This underspend by PHEs continues a longer-term trend (\$6.21m in funds was provided during 2020-21 against an approved budget of \$11.55m).

HSCGB Income Earned, Gifts Received and Payments to PHEs 2013-2022



Agency contribution to whole of Government objectives

Key objective	Agency's contribution
More jobs	Funding various positions within PHEs providing research and other services
Lower costs	Focus on efficiencies ensuring prudent, merit-based funding and accountability
Better Services	Ensuring prudent, merit-based funding and accountability for expenditure and compliance with best practice policies

Agency specific objectives and performance

Agency objectives	Indicators	Performance
Transfer of Gifts and Donations	Gifts and donations and supporting paperwork pursuant to the HSCG Act are forwarded by PHEs to the Board.	This helps ensure that all funds donated to PHEs are forwarded to the Board for application as intended under the HSCG Act.
Expenditure Monitoring	Expenditure for which funding from the Board is sought is prioritised by the PHE, duly authorised by the appointed PHE delegate, and the PHE is compliant with Government policy and procedure.	Funds applied by HSCGB are applied for the purpose they were donated and for the highest priority as identified by the relevant PHE.
Investment Returns	Investments have been made in line with the Board approved, institution standard, and investment policies which are regularly reviewed and maintained by the Board. This includes the monitoring and comparison of returns.	This helps generate a sustainable flow of funds to fund various charitable programs and purposes including medical research year-on-year.
Publicity, Communication and Consultation	Encouragement of continued compliance with the HSCG Act is a result of communication and consultation with relevant stakeholders in relation to achievements and performance of the Board. These outcomes result from direct written communications, publications,	Ensuring that stakeholders are aware of the operations of the Board and the initiatives that it funds as well as encouraging compliance with the HSCG Act.

Agency objectives	Indicators	Performance
	website, and face-to-face meetings with stakeholders.	
Pandemic Preparedness and Covid-19 Return to Work Plan	Since February 2020, the Board has prepared and put into place a preparedness plan of action should another Covid-19 outbreak (or a new pandemic) occur. The Board has implemented (and continues to review and update) a return-to-work plan outlining procedures for staff to follow before, during and after restrictions.	The Board transitions to working from home quickly and with no disruption to services due to its robust O365 practices, the portability of necessary office equipment and the ability to maintain not only staff communication but communication with key stakeholders throughout a restriction period.

Corporate performance summary

Total Assets held at 30 June 2022 were \$162.66m, (\$157.62m at 30 June 2021). This variation was driven by the following key factors:

- A revaluation of the Board's key property asset with a 5-yearly ground rent review resulting in an increase in value of \$9.1m;
- Underclaiming of budgets approved by HSCGB with funds expended by PHEs at \$6.21m, less than the budget sought by PHEs and approved by HSCGB of \$10.92m; and
- Continued inflows of gifts and donations above the longer-term trend of \$6.48m (\$7.25m in 2021).

Employment opportunity programs

Program name	Performance
No specific Board employment opportunity programs were in place during 2021-22	Nil

Agency performance management and development systems

Performance management and development system	Performance
Staff Performance Development Reviews	Staff undertake internal performance development reviews on a yearly basis. Internal and external training is provided where appropriate to staff.

Work health, safety and return to work programs

Program name	Performance
OHS Policy	The Board has a Workers Health and Safety policy and associated processes in place with internal training provided on induction.
Mental Health Initiatives	No specific Mental Health initiatives were in place during 2021-22. Staff worked cooperatively to monitor whether specific measures were required. Specific measures were not necessary. During peak periods of Covid-19 in the community, staff worked from home where necessary and communicated extensively by telephone and electronically.
No other programs were in place	In accordance with SA Health directives and public orders staff returned to working from the office as soon as practical.

Workplace injury claims	Current year 2021-22	Past year 2020-21	% Change (+ / -)
Total new workplace injury claims	0	0	0%
Fatalities	0	0	0%
Seriously injured workers*	0	0	0%
Significant injuries (where lost time exceeds a working week, expressed as frequency rate per 1000 FTE)	0	0	0%

**number of claimants assessed during the reporting period as having a whole person impairment of 30% or more under the Return to Work Act 2014 (Part 2 Division 5)*

Work health and safety regulations	Current year 2021-22	Past year 2020-21	% Change (+ / -)
Number of notifiable incidents (<i>Work Health and Safety Act 2012, Part 3</i>)	0	0	0%
Number of provisional improvement, improvement and prohibition notices (<i>Work Health and Safety Act 2012 Sections 90, 191 and 195</i>)	0	0	0%

Return to work costs**	Current year 2021-22	Past year 2020-21	% Change (+ / -)
Total gross workers compensation expenditure (\$)	0	0	0%
Income support payments – gross (\$)	0	0	0%

**before third party recovery

Data for previous years is available at: [Data.SA](#)

Executive employment in the agency

Executive classification	Number of executives
Nil	0

Data for previous years is available at: [Data.SA](#)

The [Office of the Commissioner for Public Sector Employment](#) has a [workforce information](#) page that provides further information on the breakdown of executive gender, salary and tenure by agency.

Financial performance

Financial performance at a glance

The following is a summary of the overall financial position of the Board. Full audited financial statements for 2021-2022 are attached to this report.

Statement of Comprehensive Income	2021-22 Budget \$000s	2021-22 Actual \$000s	Variation \$000s	2020-21 Actual \$000s
Total Income	11,088	11,720	632	23,213
Total Expenses	16,514	6,684	(9,830)	6,882
Net Result	(5,426)	5,036	(390)	16,331
Total Comprehensive Result	(5,426)	5,036	(390)	16,331

Statement of Financial Position	2021-22 Actual \$000s	2020-21 Actual \$000s
Current assets	6,440	11,370
Non-current assets	158,499	148,353
Total assets	164,939	159,723
Current liabilities	2,234	2,060
Non-current liabilities	49	43
Total liabilities	2,283	2,103
Net assets	162,656	157,620
Equity	162,656	157,620

Funds received for the 2021-22 financial year are shown below and comprise contributions from estates and gifts to different units of the Royal Adelaide Hospital (RAH) and other public health entities.

Total Funds Received	2021-22 (\$'000)	2020-21 (\$'000)
Bequests	4,470	5,850
Gifts and Donations Other Than Bequests	2,016	1,405
Total Funds Received	6,486	7,255

Total Investment Earnings	2021-22 (\$'000)	2020-21 (\$'000)
Investment revenue	2,088	13,467
Rental and other revenue	3,146	2,491
Total Investment Earnings	5,234	15,958
Total Income	11,720	23,213

For the 2021-22 financial year funds (bequests, gifts, and donations) were received in respect of the following public health entities:

2021-22 Funds Received PHE	2021-22 Bequests (\$'000)	2021-22 Other (\$'000)	2021-22 Total (\$'000)
RAH and Breastscreen SA	2,173	1,452	3,625
RAH, TQEH*, Hampstead Joint Funds	0	6	6
Pt Pirie	94	0	94
TQEH	80	42	122
Women's & Children's Hospital	1,723	408	2,131
Lyell McEwin and Modbury Hospitals	0	12	12
Flinders Medical Centre (FMC) and Noarlunga	0	5	5
Mount Gambier and Whyalla	0	18	18
SA Pathology & Hanson Centre	399	74	473
Total	4,469	2,017	6,486

*The Queen Elizabeth Hospital

Consultants disclosure

The following is a summary of external consultants that have been engaged by the Board, the nature of work undertaken, and the actual payments made for the work undertaken during the financial year.

Consultancies with a contract value below \$10,000 each

Consultancies	Purpose	\$ Actual payment
All consultancies below \$10,000 each - combined	Various	Nil

Consultancies with a contract value above \$10,000 each

Consultancies	Purpose	\$ Actual payment
Nil		Nil
	Total	Nil

Data for previous years is available at: [Data.SA](#)

See also the [Consolidated Financial Report of the Department of Treasury and Finance](#) for total value of consultancy contracts across the South Australian Public Sector.

Contractors disclosure

The following is a summary of external contractors that have been engaged by the Board, the nature of work undertaken, and the actual payments made for work undertaken during the financial year.

Contractors with a contract value below \$10,000

Contractors	Purpose	\$ Actual payment
All contractors – below \$10,000 each - combined	Building maintenance and fire safety services	\$21,108
All contractors – below \$10,000 each - combined	Information technology, trust audit, records management; and security services	\$35,440

Contractors with a contract value above \$10,000 each

Contractors	Purpose	\$ Actual payment
Nil		
	Total	Nil

Data for previous years is available at: [Data.SA](#)

The details of South Australian Government-awarded contracts for goods, services, and works are displayed on the SA Tenders and Contracts website. [View the Board list of contracts.](#)

The website also provides details of [across government contracts.](#)

Other financial information

Investments

The Board continues to hold most of its investments in investment products with Funds SA. These investments are made in accordance with the Board's investment policies which are reviewed annually. During the financial year Funds SA assisted the Board to undertake a major review of its investment strategy.

The Board asked Funds SA to conduct a similar review of the Ray and Shirl Norman Cancer Research Trust that the Board administers.

Whilst changes to the investment policy were minor and did not change the Board's overall strategy, the Board decided to accept Funds SA's recommendations and consolidate its investment options within its Ray and Shirl Norman portfolio. This was completed near year end and implemented in July 2022.

Investing with Funds SA (a large institutional investment specialist servicing the South Australian Government and its statutory authorities) continues to provide the Board with advantages, including:

- Access to leading institutional investment consultants, fund managers and investment strategies generally not accessible to smaller investors;
- The economies of scale arising from Funds SA's over \$39 billion (as at 30 June 2022) funds under management;
- A broad suite of investment implementation alternatives, enabling customisation of the Board's investment strategies to achieve the specific requirements of the various Trusts and bequests administered by the Board;
- Comprehensive institutional quality investment administration and reporting services; and
- Specialist investment governance supported by an extensive risk management framework.

The Board's property investments are discussed later in this report.

The Board meets regularly with Funds SA personnel. In addition, Board staff are in frequent contact with Funds SA personnel.

Investment Advisor

Under Section 23 of the HSCG Act, a public sector employee appointed by the Minister for Health and Wellbeing is to hold a position as Investment Advisor to the Board.

The Board met with Mr Munro from SAFA, the appointed Investment Advisor quarterly throughout the financial year. The meetings with Mr Munro were of a general nature in relation to the investment environment, performance of the Board's investment manager, Funds SA, and investment risk management as they pertained to the Board's investments.

The progress of the investment strategy review that was conducted by Funds SA, was discussed with Mr Munro regularly throughout the lengthy review process. The investment policies were then reviewed in early 2022 following completion of the strategy review and its approval by the Board. As a matter of course, the investment

policies are referred to Mr Munro for comment. Mr Munro continues to be supportive of the Board's approach towards risk and its investment strategies.

No specific advice was given, or formal recommendations made to the Board by Mr Munro during the financial year.

Investment Strategies

The Board's investing responsibilities extend across several trusts and bequests, each with specific requirements and constraints and, accordingly, require tailored investment strategies.

The Board has developed and maintained an investment strategy for each portfolio it administers in consultation with Funds SA.

HSCGB Pool portfolio

This portfolio comprises over 400 individual funds, trusts, or bequests with sufficient commonality of purpose to allow their aggregation for investment purposes.

This portfolio includes the Martin Portfolio, which was previously reported separately due to its size with its value at 30 June 2022 being \$68.64m. Operationally the Martin portfolio has always been run as part of the HSCGB Pool. As reported in 2021, the Board made the decision to align the reporting of funds in line with how the investments are managed since 1 July 2020.

HSCGB Pool Policy Criteria

Investing Time Horizon	10+ years
Current June 30 Target Return	3.0% pa over CPI

Portfolio Investment Components:

Funds SA Administered Assets:

- Funds SA Balanced;
- Funds SA Cash; and
- Funds SA Moderate

Following the investment strategy review referred to above and consequential changes to the investment policy, the Board no longer invests in Funds SA Capital Defensive or Funds SA High Growth options and significantly reduced its balance in Funds SA Cash. Funds previously invested in these options are now invested in Funds SA Moderate and Balanced products. The effect of this change was to achieve implementation efficiencies, a modest increase in expected returns over the forecast horizon, with a modest increase in risk, while remaining within the investment parameters established by the Board. This change also had the effect of increasing the likelihood that the real value of the Pool will be maintained over the investment period.

Additional Direct Investments:

- Land on the south-west corner of Pulteney Street and Rundle Mall, situated in Town Acre (**TA 86**) and Part Town Acre 85 (**TA 85**), where the building now known as Rundle Square is situated. This land is held in perpetuity as part of the Martin Portfolio. Income from the ground lease granted over the land is for the benefit of the RAH;
- Loan at a concessional interest rate to SAHMRI to purchase and establish a Cyclotron facility;
- First mortgage charge over advances made to the Port Pirie Hospital Inc. This loan is long-standing and interest free; and
- Small commercial property in Waymouth Street Adelaide.

The Ray and Shirl Norman Cancer Research Trust (Norman Trust)

This portfolio comprises a bequest from the late Raymond Simpson Norman to establish the Ray and Shirl Norman Cancer Research Trust (**Norman Trust**), further particulars of which are set out later in this report.

Norman Trust Investment Policy Criteria

Investing Time Horizon	10+ years
Current June 30 Target Return	3.4% pa over CPI

Portfolio Investment Components:

Funds SA administered assets:

- Funds SA High Growth;
- Funds SA Cash; and
- Funds SA Moderate

In recognition of the long-term nature and certainty of funding commitments of this Trust, the Board has maintained a more aggressive investment strategy than the HSCGB Pool. This has served the Trust well with its value growing from the original value of \$4.4m at the time of Mr Norman's death in late 2009 to this year's value of \$7.42m due to consistent strong growth in earlier years. The Board was appointed as Trustee by the Supreme Court in November 2011 to this testamentary trust. Significant funding has been advanced for cancer research by the Trust over this period since the Board's appointment as trustee and the Trust's assets have also grown over this time.

Following the investment strategy review completed near year-end by Funds SA, and the implementation of consequential changes to the investment policy for this trust the Board as trustee no longer invests Trust funds in Funds SA Moderate, Funds SA High Growth, and Funds SA Cash, with all funds invested in the Funds SA Balanced option. The effect of this change was to achieve implementation efficiencies, a small increase

in expected returns over the forecast horizon, with a small increase in risk, while remaining within the investment parameters established by the Board.

D E Brown Charitable Trust (Brown Trust)

This Trust was established by deed poll on 17 December 2014. The late Mrs Brown left the residue of her estate for the “*benefit of sufferers from kidney diseases or complaints*”. Following a Supreme Court decision, the deed poll was executed, providing for the HSCGB to act as trustee.

Brown Trust Investment Policy Criteria

Investing Time Horizon	4+ years
Current June 30 Target Return	2.0% pa over CPI

Portfolio Investment Components:

Funds SA administered asset:

- Funds SA Conservative

PF Beinke Charitable Trusts

The three PF Beinke Charitable Trusts were established under a Deed of Trustee Retirement, Appointment, and Indemnity (**Deed**) in July 2020. The late Mr Beinke left the residue of his estate in equal parts to the Royal Adelaide Hospital, Flinders Medical Centre, and Daw Park Repatriation Hospital.

HSCGB is the trustee of the three trusts, which are detailed as follows:

Trust	Purpose
PF Beinke Charitable Trust – Royal Adelaide Hospital (The Chapel Fund)	<i>“... for the benefit of The Chapel Fund for the express purpose of providing education and training and associated expenses for Chaplains in their role at this institution”.</i>
PF Beinke Charitable Trust – Flinders Medical Centre (Pastoral Care Account)	<i>“... for the benefit of The Pastoral Care Account and for the express purpose of providing education and training and associated expenses for Chaplains in their role at this institution”.</i>
PF Beinke Charitable Trust – Daw Park Repatriation Hospital (Pastoral Care Chapel Account)	<i>“... for the benefit of The Pastoral Care Chapel Account and for the express purpose of providing education and training and associated expenses for Chaplains in their role at this institution”.</i>

As the trusts have near identical purposes, albeit at different locations they have similar investment policy criteria which is summarised below:

PF Beinke Trusts Investment Policy Criteria

Investing Time Horizon	4+ years
Current June 30 Target Return	2.0% pa over CPI

Portfolio Investment Components:

Funds SA administered asset:

- Funds SA Conservative

Investment performance

The 2021-22 after-costs investment returns for each Board administered investment portfolio are shown in the following table.

Investment		5 Years % pa		3 Years % pa		1 Year % pa	
Performance. By Portfolio	Current Target Invest. Return	Actual Return	Real Return	Actual Return	Real Return	Actual Return	Real Return
HSCGB Pool	CPI + 3%	5.4%	2.8%	4.4%	1.2%	3%	-2.9%
Norman portfolio	CPI +3.4%	5.6%	3%	3.8%	0.6%	-5.4%	-11.5%
The following portfolios are entirely invested in the Funds SA Conservative option. Returns reported below are the Funds SA reported rates							
D E Brown	CPI +2.0%	3.2%		1.3%		-6.4%	
PF Beinke (RAH)	CPI +2.0%	n/a		n/a		-6.4%	
PF Beinke (FMC)	CPI +2.0%	n/a		n/a		-6.4%	
PF Beinke (Daw Pk)	CPI +2.0%	n/a		n/a		-6.4%	

Discussions with the Board's investment advisor were extensive throughout the year and are summarised above on page 8 of this report. Returns this year have been poor reflecting a combination of events such as the pandemic, the macroeconomic response to the pandemic, supply issues, war and global tensions and the cyclical nature of events, which have not been apparent to the extent seen during 2022 for decades.

The Board remains confident that the risk-adjusted investment returns generated from the assets managed by Funds SA will meet the Board's investment objectives, thereby assisting to maximize within prudent parameters, the future distributions from each portfolio.

Property Assets

The Board owned one building in the 2021-22 year, a suite of four offices located at 234-240 Waymouth Street Adelaide. The Board occupies 240 Waymouth Street, with the remainder of the property (numbers 234-238) leased to commercial tenants. As at 30 June 2022, the Board reviewed the value of its direct property investment to ensure that all property is valued at fair value in accordance with Board policies. The Board plans to hold this property at least for the medium term.

In addition, the Board in accordance with section 25 of the HSCG Act holds in perpetuity:

- Ground on which the Rundle Square building is located - Town Acre 86 and part Town Acre 85.

The Board (and its predecessors) have held this land since the early 1900s.

Pursuant to the head lease, which expires in 2052, the Town Acre 86 investment is re-valued every 5 years. Rent is adjusted whenever the 5-yearly professional revaluation is completed. The 2021 5-yearly revaluation process was completed in March 2022 and resulted in an increase in the land value of \$9.1m from \$27.2m to \$36.3m.

Investment Loan to SAHMRI to Finance the Establishment of Cyclotron Facility at SAHMRI

In the 2012-13 year, following extensive consultation with the RAH and other interested stakeholders, the Board entered a strategic investment to fund the establishment of a cyclotron facility, by providing a 15-year secured loan to SAHMRI.

The loan is at a concessional interest rate in recognition of the benefits accruing from this facility and is secured against investments held in a separate subsidiary of SAHMRI.

A cyclotron makes relatively short-lived radioisotopes, which are used for medical imaging and research. These radioisotopes can be used in PET scans which are used in the diagnosis and staging of cancer. Most of the isotopes produced for these studies have a short half-life and rapidly degrade. With the establishment of a cyclotron in Adelaide, it is possible to utilise isotopes for a range of research and medical treatment applications, which would not have been possible previously. As a result, the benefits accruing to PHEs such as the RAH are significant.

In accordance with the loan documentation, principal repayments to HSCGB under the finance facility commenced during 2018-19 and have continued since.

Other information

Other information requested by the Minister or other significant issues affecting the Board or reporting pertaining to independent functions are set out in the pages following.

Funds Applied

The Board approved requests from PHEs for \$10.92m of funding and against that, a total of \$6.21m was applied on account of expenditure claimed during the 2021-22 year by PHEs. Details of funding applications are shown in the following table.

FUNDS APPLIED 2021-22 FINANCIAL YEAR

<i>RAH</i>	\$m
Grants – fellowship, scholarship, and research	1.13
Salary and Consumables - research	1.73
Salary and Consumables – non-research	1.47
Equipment – research, non-research and clinical	0.10
Volunteer Support	0.40
Conferences and Training (including travel), Professional Fees	0.05
<i>RAH/TQEH/Hampstead Joint Funds, Modbury, Lyell McEwin, Breastscreen SA</i>	
Salary and Consumables – research, non-research; Conferences and Training (including Travel) and Volunteer Support	0.12
<i>SA Pathology and Hanson Centre (includes Centre for Cancer Biology)</i>	
Salary and Consumables – research; non-research; Conferences and Training	0.13
Equipment – research	0.36
<i>Women's and Children's Hospital</i>	
Salary and Consumables – research; Conferences and Training and Volunteer Support	0.17

SALHN

Salary and Consumables – research; Conferences and Training	0.50
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Mt Gambier and SAAS (MedSTAR)

Equipment – research and non-research	0.05
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Total	\$6.21m
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Applications in relation to PHE expenditure on Salary and Consumables – Research	\$m
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Cancer	0.28
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Cardiology	0.24
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Endocrine	0.21
-----------	------

Gastroenterology	0.09
------------------	------

Oral and Maxillofacial	0.02
------------------------	------

Orthopaedic	0.09
-------------	------

Renal	0.07
-------	------

Rheumatology	0.27
--------------	------

Other (General, Rehabilitation, Genetics, Allergy)	0.53
--	------

Allergy	0.04
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Respiratory	0.11
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Total	\$1.95m
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The sources of funds applied were the following accounts:

\$m

RAH

Various RAH Research Accounts	1.10
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RAH Doctors Right to Private Practice Earnings Accounts	0.23
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Rheumatology, Oncology and Various Speciality Accounts	0.48
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Heart Donations Research Account	0.16
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Various RAH Bequest Accounts	0.15
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	\$m
RAH (cont)	
Martin Bequest	1.92
Nimmo Bequest	0.13
Overton Bequest	0.20
Shadgett Bequest	0.18
MG and SM Helpman Bequest	0.14
Gum Bequest	0.20
Hanson Centre for Cancer Research/SA Pathology	
Various Hanson Centre for Cancer Research and SA Pathology Accounts	0.11
T J Ashton Bequest	0.37
Women's & Children's Hospital	
Various WCH bequest accounts	0.05
Various WCH accounts	0.01
HE Robinson Bequest	0.11
Joint RAH-TQEH/TQEH/ NALHN/ Mt Gambier/ MedSTAR	0.67
Total	\$6.21m

Bequests Received 2021-22

RAH and TQEH / SA Pathology & Hanson

M Bessen	B Bond	JE Cameron	C Clarke
J Clothier	B Churches	R Foster	B Gillard
MG Helpman	SM Helpman	JA Hunt	RW Johns
G King	M Lagzdins	J Laird	P Levick
EM Lowe	J Mitchell	MJ Nitschke	P Phillips
GJ Reid	JA Rover	AH Schlank	H Spry
M Wigglesworth	LMH Williams		

Women's & Children's Hospital

JE Allen	GA Carter	FM Colmer	EM McDonald
J Melrose	MK Milne	L Reichstein	HE Robinson
AH Schlank	TB Steadman	JH Whitehead	

Pt Pirie

S Reni

Risk management

Risk and audit at a glance

The Board maintains a risk policy and register which the Board regularly reviews. All risk and audit matters are brought to the Board for consideration.

The audit of the Board is conducted by the Auditor-General. The audit of the five administered entities is conducted by ATA Audits. The Independent Auditor Reports and Audited Financial Statements are included as part of this report.

Fraud detected in the agency

Category/nature of fraud	Number of instances
Nil to report	0

NB: Fraud reported includes actual and reasonably suspected incidents of fraud.

Strategies implemented to control and prevent fraud

The Board has a fraud policy in place and adherence to that policy is mandatory for all Commissioners, Employees and Contractors. The policy details action to be taken to address the issue of fraud should it arise.

Data for previous years is available at: [Data.SA](#)

Public interest disclosure

Number of occasions on which public interest information has been disclosed to a responsible officer of the Board under the <i>Public Interest Disclosure Act 2018</i>	0
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Data for previous years is available at: [Data.SA](#)

Note: Disclosure of public interest information was previously reported under the *Whistleblowers Protection Act 1993* and repealed by the *Public Interest Disclosure Act 2018* on 1/7/2019.

Reporting required under any other act or regulation

Act or Regulation

Health Services Charitable Gifts Act 2011

30—Reports

- (1) The Board must, on or before 31 October in each year, deliver to the Minister separate reports on the operations of—
 - (a) the Board; and
 - (b) subject to the regulations, any trust established under section 20, during the financial year ending on the preceding 30 June.
- (2) Each report must include the audited accounts of the Board or trust (as the case may be) for the relevant financial year.
- (3) The report on the operations of the Board under subsection (1)(a) must include the following:
 - (a) if the Board has, in the relevant financial year, applied a portion of the charitable assets that is attributable to a gift to or for the benefit of an entity or body to some other entity or body, a statement of reasons for the Board's decision to so apply the portion;
 - (b) a summary of any advice given, or recommendations made, by the public sector employee under section 23 in the relevant financial year;
 - (c) any other information prescribed by regulation.
- (4) The Minister must, within 12 sitting days after receiving each report under this section, have copies of the report laid before both Houses of Parliament.

Health Services Charitable Gifts Act 2011 - Regulations

7—Reports

For the purposes of section 30(3)(c) of the Act, the following information is to be included in the Board's annual report in relation to the relevant financial year:

- (a) a summary of the Board's investment portfolio, investment objectives and strategies;
- (b) the names of the public health entities to which a portion of the charitable assets has been applied;
- (c) the purposes for which portions of the charitable assets have been applied and the total amount applied for each purpose;
- (d) if the Board holds property on trust for the purposes of a charitable health trust under section 20 of the Act—the purposes for which trust money has been applied;
- (e) a summary of the activities of, and advice given to the Board by, a committee established under section 24 of the Act.

Source of Funds held

Funds and other assets that have been given to PHEs, by way of bequests, other donations and gifts from corporate and community groups and individuals, and as a result of various fundraising programs, vest with the HSCGB.

PHEs are also able to transfer property to the Board pursuant to Section 17 of the HSCG Act. No transfers occurred during the 2021-22 financial year.

Proclaimed Institutions

PHEs proclaimed under Section 4 of the HSCG Act for the full financial year are listed below.

The parts of Central Adelaide Local Health Network Inc. (CALHN) known as:

- Royal Adelaide Hospital (RAH);
- The Queen Elizabeth Hospital (TQEH);
- South Australian Dental Health Service;
- SA Pathology; and
- Breastscreen SA.

The parts of the Southern Adelaide Local Health Network Inc. (SALHN) known as:

- Flinders Medical Centre;
- Repatriation General; and
- Noarlunga Hospital.

The parts of Northern Adelaide Local Health Network Inc. (NALHN) known as:

- Modbury Hospital; and
- Lyell McEwin Hospital.

The part of the South Australian Ambulance Service Incorporated known as MedSTAR.

The part of the Women's and Children's Health Network Inc. (WCHN) known as the Women's and Children's Hospital.

The parts of Yorke and Northern Local Health Network known as:

- Port Pirie Hospital; and
- Wallaroo Hospital.

The parts of Flinders and Upper North Local Health Network known as:

- Port Augusta Hospital; and
- Whyalla Hospital.

The part of Eyre and Far North Local Health Network known as Port Lincoln Hospital.

The part of Limestone Coast Local Health Network known as Mt Gambier Hospital.

The South Australian Health and Medical Research Institute Limited (SAHMRI) is the only prescribed research body as defined in Section 3 of the HSCG Act.

The Board does not hold property on trust for the purposes of a charitable health trust under section 20 of the HSCG Act.

There were no committees established during the 2021-22 financial year under Section 24 of the HSCG Act.

Board Policies

The Board has reviewed and updated the policies that cover the way funds are managed, invested, and applied. New and additional policies have been established where considered appropriate.

Funds vested in the Board are used for the purpose for which they were donated. This is almost always at the institution for which the assets are held. In instances where the funds cannot be used for the purpose donated at that institution, consultation as provided for under Section 18(3) of the HSCG Act is undertaken to determine whether funds can be redirected to enable them to be used for the purpose intended. No such transfers occurred in the financial year.

Projects funded

During the year, RAH requested significant funding for a Da Vinci XI Robotic Assisted Surgical System. The Da Vinci XI System provides world class minimally invasive robotic assisted surgery in cancer and other fields. Although ultimately not purchased in 2021-22, funding for the Da Vinci XI System has been committed to be provided during 2022-23.

The list of projects funded during the 2021-22 financial year is extensive. Detailed below are some of the projects where significant funds were advanced during the year:

Research and Research Equipment:

- (CRIPS) Assessment of safety and hospital resource utilization of ED initiated CTCA in intermediate risk ACS patients: a randomized control trial;
- (CRIPS) Aboriginal dialysis models of care – improving health outcomes in Aboriginal patients by improving adherence to dialysis treatment;
- (CRIPS) Advanced Recovery Room Care – an iterative model to improve outcomes and reduce cost in perioperative care;
- (CRIPS) Reducing unplanned chronic dialysis start – implementing pathways for integrated tertiary and primary care of advanced chronic kidney disease (CKD);
- Development of new approaches to measure proteolysis and glycosylation profiling of high and low affinity corticosteroid-binding globulin (CBG) in septic shock using mass spectrometry;
- Identification and therapeutic modulation of inflammatory pathways as novel lung macrophage-targeted treatments for COPD/Emphysema;
- Elucidating coding region targets of micro RNAs;

- Identifying genetic and immunological defects as druggable targets for patients with haematological malignancies;
- Recent onset rheumatoid arthritis program;
- Investigating novel biomarkers of Rheumatoid Arthritis pathogenesis and response to conventional disease modifying agents in Rheumatoid Arthritis;
- Does resection of metastatic lateral lymph nodes in patients with rectal cancer improve survival?;
- Clinical testing of new T-cell therapy for adult and paediatric patients with aggressive primary brain cancers;
- Cardiovascular outcomes of Transcatheter Aortic Valve Replacement (TAVR);
- SA Cancer Research Biobank – contribution towards ensuring maintenance of the Biobank which provides tumour tissue samples for medical research to improve patient outcomes; and
- Funding of research equipment including Incucyte S3; Optima Max-XP Centrifuge; Stereo fluorescence dissecting microscope with camera; Leica MistoCore BIOCUT microtome and waterbath; Promega GloMax Explorer Luminometer; Tissue Tek TEC6 Tissue Embedding Station; 5910R refrigerated centrifuge with rotor and adaptors; Mastercycler PCR machines x2 and Eppendorf Mastercycler X50 and X50i; Beckman JLA-10 fibre-lite canisters; SP8 Oil Objective for Multiphoton Imaging system.

Clinical Equipment and other significant programs:

- Part Funding Vascular Technical Suite Imaging System;
- WCH Telemedicine Trial;
- Beyond Choosing Wisely at the WCHN – an expansion of the global clinical evaluation program to all divisions, including non-clinical areas, to build on the improvement in resource utilisation, reduction in patient appointment/wait time and clinical and treatment benefits achieved through the initial program;
- Volunteer support to the RAH/Hampstead and TQEH including volunteer reward and recognition events, service badges, volunteer uniforms, travel costs, salary support for the Volunteer's Coordinator and admin support.

In addition to the above, many other meaningful programs were supported such as:

- Professional and Skills Development Workshops (including conferences and seminars);
- Staff recognition events;
- Christmas Cheer for patients and staff spending Christmas in hospital;
- Support for patients suffering financial hardship;
- Various patient support programs in various departments including Mental Health, Renal, Rehabilitation, NICU and Oncology.

- Significant research projects are also funded by the Board as Trustee of the Ray and Shirl Norman Cancer Research Trust (details can be found under “**Other Administered Entities**” on page 32).

Through the various initiatives related to the management of investments and application of funds to PHEs, the Board has helped facilitate a significant flow of funds year on year to its principal PHE stakeholders.

Consultation undertaken

During the year the Board sought and obtained, where appropriate, specialist advice and input to aid it in its assessment of matters brought before it as is provided for under Section 15(d) of the HSCG Act.

Prescribed Research Body

SAHMRI is declared as a prescribed research body as defined under Section 3 of the HSCG Act. As a prescribed research body, SAHMRI pursuant to Section 4 of the HSCG Act cannot be declared a PHE.

The Board consulted with SAHMRI in relation to new matters involving expenditure to be applied for the purposes of clinical equipment or research during the 2021-22 financial year as is required under Section 15(d) of the HSCG Act.

No funds have been held for or on SAHMRI’s behalf during or at the end of the financial year or in the period up to the completion of this report.

Other Administered Entities

Separate audited financial statements are included as part of the supplementary statements appended to this report.

The Ray and Shirl Norman Cancer Research Trust (Norman Trust)

Valued at 30 June 2022 at \$7.42m, the Ray and Shirl Norman Cancer Research Trust was established by the late Mr Norman with the income from the Trust to be used for the purpose of the prevention and cure of cancer and anything incidental or conducive to those purposes.

During the financial year, funding of \$0.52m was applied to the following multi-year research projects:

- Whether high-grade serious ovarian cancer be eradicated using a novel antibody drug conjugate with bystander killing.
- BCR-ABL1 independent genomic factors that influence treatment decisions and outcome for patients with chronic myeloid leukaemia
- Assessing novel therapeutics for the treatment of chemotherapy-resistant ovarian cancer
- Can senolytic agents, which target senescent bone marrow mesenchymal stromal cells, inhibit the progression of multiple myeloma?

- Development of new combination immunotherapies for glioblastoma based on Chimeric Antigen Receptor (CAR)-T cell and Bispecific T cell Engager (BiTE) technologies.

As at 30 June 2022, research funding committed to and not yet due for these projects totalled \$0.75m.

The Dorothy E Brown Charitable Trust (Brown Trust)

This Trust was established by deed poll dated 17 December 2014 for the “*benefit of sufferers from kidney diseases or complaints*”. Under the deed poll “*trust monies are to only be expended on benefits that such patients would not normally receive or enjoy as patients of hospitals*”.

At 30 June 2022 the balance of the Trust was \$0.23m. Trust funds are invested with Funds SA in its Conservative Investment Product.

During 2021-22 the Board provided funding from the trust of \$20,000 for holiday dialysis treatments for haemodialysis patients. This allowed patients to continue to receive dialysis treatment, using the SA Dialysis Truck, during a short holiday to regional SA.

PF Beinke Charitable Trusts

The three PF Beinke Charitable Trusts were established under a Deed of Trustee Retirement, Appointment and Indemnity (**Deed**) in July 2020. The late Mr Beinke left the residue of his estate in equal parts to the Royal Adelaide Hospital, Flinders Medical Centre and Daw Park Repatriation Hospital for the purpose and education of chaplains at the three institutions. HSCGB as trustee of the three trusts collectively referred to as the Beinke Trusts include supplementary financial statements for the financial year just ended.

Since their commencement the Beinke Trusts have provided funding for attendance of Chaplains at relevant conferences and other professional development and training for Chaplains at the three institutions.

PF Beinke Charitable Trust – Royal Adelaide Hospital (The Chapel Fund)

The PF Beinke Charitable Trust – Royal Adelaide Hospital (The Chapel Fund) was established in July 2020 to manage the funds “... *for the benefit of The Chapel Fund for the express purpose of providing education and training and associated expenses for Chaplains in their role at this institution*”.

At 30 June 2022 the balance of the Trust was \$0.25m. Trust funds are invested with Funds SA in its Conservative Investment Product.

PF Beinke Charitable Trust – Flinders Medical Centre (Pastoral Care Account)

The PF Beinke Charitable Trust – Flinders Medical Centre (Pastoral Care Account) was established in July 2020 to manage the funds “... *for the benefit of The Pastoral Care Account and for the express purpose of providing education and training and associated expenses for Chaplains in their role at this institution*”.

At 30 June 2022 the balance of the Trust was \$0.25m. Trust funds are invested with Funds SA in its Conservative Investment Product.

PF Beinke Charitable Trust – Daw Park Repatriation Hospital (Pastoral Care Chapel Account)

The PF Beinke Charitable Trust – Daw Park Repatriation Hospital (Pastoral Care Chapel Account) was established in July 2020 to manage the funds “... *for the benefit of The Pastoral Care Chapel Account and for the express purpose of providing education and training and associated expenses for Chaplains in their role at this institution*”.

At 30 June 2022 the balance of the Trust was \$0.25m. Trust funds are invested with Funds SA in its Conservative Investment Product.

Other Matters

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

No application has been made by a HAC to transfer property to the HSCGB as is permitted under Section 26 of the HSCG Act.

Major Bequests

Thomas Martin Estate

TA 86, which is the land on the south-west corner of Pulteney Street and Rundle Mall in the central business district of Adelaide, was bequeathed to the RAH as part of the Thomas Martin Estate and this property is vested with the Board in perpetuity in accordance with the provisions of Section 25 of the HSCG Act.

On this site, the Citicentre building construction was completed in August 1988.

Together with Part Town Acre 85, which was purchased by the Board in 1981, the Board receives an 8% rent based on the “site” or unimproved valuation. Pursuant to the Head Lease this valuation is reviewed every five years with the most recent review completed in March 2022. The Board also receives an additional annual payment equivalent to 4% of the net profit of the property. This income is used to pay for many important programs at the RAH. The Martin Estate was valued at \$68.64m as at 30 June 2022.

Summary of Major Bequests

The Board has received a number of bequests on behalf of PHEs. The larger of these bequests, along with the PHE for which they are left and their purpose, are summarised in the following table.

	Balance 30 June 2022	\$m
E Acraman Bequest - RAH <i>Expenditure at the RAH</i>		1.86
TJ Ashton Bequest - Hanson Centre for Cancer Research <i>Cancer Research</i>		3.22

	Balance 30 June 2022	\$m
L Balchin Bequest - RAH Research Fund <i>Research</i>		1.62
T Steadman- WCH <i>Expenditure at the WCH</i>		1.61
C Clarke - RAH Research Fund <i>Expenditure at the RAH</i>		1.44
B Gum Bequest - RAH Hospital Research Institute <i>Endocrine research</i>		1.10
S and C Hugo Fund - RAH Research Fund <i>Endocrine research and development of medicines and treatments of diseases of an endocrine nature</i>		1.41
M Keyhoe – RAH <i>General cancer research</i>		1.04
E Law-Smith Bequest – RAH Research Fund <i>General research expenditure</i>		2.92
T Martin Bequest -RAH <i>Expenditure at the RAH</i>		68.64
L Moser Estate - RAH <i>Expenditure at the RAH</i>		1.27
E & PA Munday Memorial Fund - RAH <i>Expenditure at the RAH</i>		3.36
R Nimmo Bequest - RAH <i>Expenditure such as visiting professor position at RAH</i>		4.92
M Overton Bequest - RAH Research Fund <i>Various medical research grants and equipment</i>		4.53
J Penna Bequest – RAH Research Fund (1) <i>Cancer research</i> (2) <i>Macular degeneration research</i>		1.56 1.56
Trevis Roberts Rheumatology Research Fund - RAH <i>Rheumatology research</i>		2.47
AA Shadgett Bequest - RAH <i>Research</i>		1.92
George Southgate Fund - Hanson Centre for Cancer Research <i>Research other than reproductive</i>		1.64

Significant recurrent income is received from the bequests listed below. The total income on hand at 30 June 2021 is:

Balance 30 June 2022	
	\$m
M G Helpman & S M Helpman Estates - RAH <i>General purposes of cardiovascular investigation at the RAH</i>	2.99
HE Robinson Bequest - WCH <i>General purposes of the Women's and Children's</i>	1.62

Registered Charities and Deductible Gift Recipient (DGR) Status

The Board is registered with the Australian Charities and Not-for-profits Commission (ACNC) as a charity and therefore is eligible for the various tax concessions, benefits, and exemptions available to charities under Commonwealth law. The Board also has DGR status from the Australian Taxation Office and as such donations to the Board for the appropriate purposes are tax-deductible.

The Norman, DE Brown and three Beinke Trusts are also registered with the ACNC.

Reporting required under the Carers' Recognition Act 2005

The *Carers' Recognition Act 2005* is deemed applicable for the following: Department of Human Services, Department for Education, Department for Health and Wellbeing, Department of State Development, Department of Planning, Transport and Infrastructure, South Australia Police and TAFE SA.

Section 7: Compliance or non-compliance with section 6 of the Carers Recognition Act 2005 and (b) if a person or body provides relevant services under a contract with the organisation (other than a contract of employment), that person's or body's compliance or non-compliance with section 6.

No services provided.

Public complaints

Number of public complaints reported

Reporting on the number of complaints received is mandated. If your agency does not have an approved set of complaint categories in place, please use the complaint categories in the table below.

Complaint categories	Sub-categories	Example	Number of Complaints 2021-22
Professional behaviour	Staff attitude	Failure to demonstrate values such as empathy, respect, fairness, courtesy, extra mile; cultural competency	0
Professional behaviour	Staff competency	Failure to action service request; poorly informed decisions; incorrect or incomplete service provided	0
Professional behaviour	Staff knowledge	Lack of service specific knowledge; incomplete or out-of-date knowledge	0
Communication	Communication quality	Inadequate, delayed or absent communication with customer	0
Communication	Confidentiality	Customer's confidentiality or privacy not respected; information shared incorrectly	0
Service delivery	Systems/technology	System offline; inaccessible to customer; incorrect result/information provided; poor system design	0
Service delivery	Access to services	Service difficult to find; location poor; facilities/ environment poor standard; not accessible to customers with disabilities	0
Service delivery	Process	Processing error; incorrect process used; delay in processing application; process not customer responsive	0
Policy	Policy application	Incorrect policy interpretation; incorrect policy applied; conflicting policy advice given	0

Complaint categories	Sub-categories	Example	Number of Complaints 2021-22
Policy	Policy content	Policy content difficult to understand; policy unreasonable or disadvantages customer	0
Service quality	Information	Incorrect, incomplete, out dated or inadequate information; not fit for purpose	0
Service quality	Access to information	Information difficult to understand, hard to find or difficult to use; not plain English	0
Service quality	Timeliness	Lack of staff punctuality; excessive waiting times (outside of service standard); timelines not met	0
Service quality	Safety	Maintenance; personal or family safety; duty of care not shown; poor security service/ premises; poor cleanliness	0
Service quality	Service responsiveness	Service design doesn't meet customer needs; poor service fit with customer expectations	0
No case to answer	No case to answer	Third party; customer misunderstanding; redirected to another agency; insufficient information to investigate	0
		Total	0

Additional Metrics	Total
Number of positive feedback comments	0
Number of negative feedback comments	0
Total number of feedback comments	0
% complaints resolved within policy timeframes	0%

Data for previous years is available at: [Data.SA](#)

Service Improvements

No public complaints were received during the 2021-22 year.

The Complaint Management System has been managed in the past with a collection of policies and procedures. This has now been refined and upgraded into a single policy and procedure. It is reviewed annually by the Board.

Compliance Statement

Health Services Charitable Gifts Board is compliant with Premier and Cabinet Circular 039 – complaint management in the South Australian public sector

Yes

Health Services Charitable Gifts Board has communicated the content of PC 039 and the Board's related complaints policies and procedures to employees.

Yes

Appendix: Audited financial statements 2021-22

INDEPENDENT AUDITOR'S REPORT



Government of South Australia

Auditor-General's Department

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To the Chair of the Board Health Services Charitable Gifts Board

Opinion

I have audited the financial report of the Health Services Charitable Gifts Board for the financial year ended 30 June 2022.

In my opinion, the accompanying financial report of the Health Services Charitable Gifts Board is in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act*, Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and Australian Accounting Standards including:

- a) giving a true and fair view of the Health Services Charitable Gifts Board as at 30 June 2022, its financial performance and its cash flows for the year then ended, and
- b) complying with Division 60 of the Australian Charities and Not-for-profits Commission Regulations 2013

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2022
- a Statement of Financial Position as at 30 June 2022
- a Statement of Changes in Equity for the year ended 30 June 2022
- a Statement of Cash Flows for the year ended 30 June 2022
- notes, comprising material accounting policies and other explanatory information
- a Certificate from the Chair and Executive Officer.

Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of the Health Services Charitable Gifts Board. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* have been met.

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

Responsibilities of the Executive Officer and the Commissioners for the financial report

The Executive Officer is responsible for the preparation of the financial report that gives a true and fair view in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987*, Australian Accounting Standards, and for such internal control as management determines 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.

In preparing the financial report, the Executive Officer is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

The Commissioners of the Health Services Charitable Gifts Board are responsible for overseeing the entity's financial reporting process.

Auditor's responsibilities for the audit of the financial report

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* section 29(2) of the *Health Services Charitable Gifts Act 2011*, I have audited the financial report of the Health Services Charitable Gifts Board for the financial year ended 30 June 2022.

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

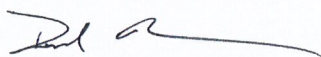
As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Health Services Charitable Gifts Board's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Officer
- conclude on the appropriateness of the Executive Officer's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

My report refers only to the financial report described above and does not provide assurance over the integrity of electronic publication by the entity on any website nor does it provide an opinion on other information which may have been hyperlinked to/from the report.

I communicate with the Executive Officer and the Commissioners of the Health Services Charitable Gifts Board about, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.



Daniel O'Donohue
Assistant Auditor-General (Financial Audit)

28 October 2022

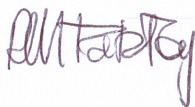
HEALTH SERVICES CHARITABLE GIFTS BOARD
ABN 49 517 603 275

CERTIFICATION OF THE FINANCIAL STATEMENTS

We certify that the:

- financial statements of the Health Services Charitable Gifts Board ("HSCGB" or "the Board"):
 - are in accordance with the accounts and records of the Board;
 - comply with relevant Treasurer's instructions;
 - present a true and fair view of the financial position of the Health Services Charitable Gifts Board at the end of the financial year and the result of its operations and cash flows for the financial year; and
 - comply with the relevant accounting standards and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013;
- internal controls employed by the Health Services Charitable Gifts Board for the financial year over its financial reporting and its preparation of financial statements have been effective.
- that there are reasonable grounds to believe that the Board will be able to pay its debts as and when they fall due.

Signed in accordance with a resolution of the Board members.



.....
R Pak-Poy - Chair
26 / 10 / 22



.....
C Peirce - Executive Officer
26 / 10 / 22

HEALTH SERVICES CHARITABLE GIFTS BOARD

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2022

	Note	2022 \$'000	2021 \$'000
Income			
Revenue from gifts to public health entities vesting in the Board	4.1	5,949	6,925
Revenue from charitable foundations and other trusts	4.2	537	330
Investment revenue	4.3	2,088	13,467
Rental revenue	4.4, 8.2	3,119	2,467
Other income		27	24
Total income		<u>11,720</u>	<u>23,213</u>
Expenses			
Employee and Commissioners benefits expense	5.3	333	317
Supplies and services	6.1	102	105
Depreciation	6.2	4	10
Funds distributed to public health entities and prescribed research bodies	6.3	6,216	6,418
Investment property expenses	8.2	29	32
Total expenses		<u>6,684</u>	<u>6,882</u>
Net result		<u>5,036</u>	<u>16,331</u>
Other Comprehensive Income			
Share of income allocated to Beinke Trusts		-	(7)
Total comprehensive result		<u><u>5,036</u></u>	<u><u>16,324</u></u>

The accompanying notes form part of these financial statements.

HEALTH SERVICES CHARITABLE GIFTS BOARD

STATEMENT OF FINANCIAL POSITION

as at 30 June 2022

	Note	2022 \$'000	2021 \$'000
Current assets			
Cash and cash equivalents	7.1	3,107	2,364
Receivables	7.2	1,333	3,746
Other financial assets	7.3	2,000	5,260
Total current assets		<u>6,440</u>	<u>11,370</u>
Non-current assets			
Other financial assets	7.3	120,324	119,054
Property, plant & equipment	8.1	33	36
Investment properties	8.2	38,142	29,263
Total non-current assets		<u>158,499</u>	<u>148,353</u>
Total assets		<u>164,939</u>	<u>159,723</u>
Current liabilities			
Payables	9.1	2,210	1,841
Employee benefits	5.4	22	15
Other liabilities	9.2	2	204
Total current liabilities		<u>2,234</u>	<u>2,060</u>
Non-current liabilities			
Employee benefits	5.4	49	43
Total non-current liabilities		<u>49</u>	<u>43</u>
Total liabilities		<u>2,283</u>	<u>2,103</u>
Net assets		<u>162,656</u>	<u>157,620</u>
Equity			
Funds held		162,656	157,620
Retained earnings		-	-
Total equity	10.1	<u>162,656</u>	<u>157,620</u>

The accompanying notes form part of these financial statements.

HEALTH SERVICES CHARITABLE GIFTS BOARD

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2022

	Note	Funds held \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2020		141,296	-	141,296
Net result for 2020-21		-	16,331	16,331
Share of income allocated to Beinke Trusts		-	(7)	(7)
Total comprehensive result for 2020-21		-	16,324	16,324
Allocation to funds held		16,324	(16,324)	-
Total change for the period		16,324	(16,324)	-
Balance at 30 June 2021	10.1	157,620	-	157,620
Net result for 2021-22		-	5,036	5,036
Total comprehensive result for 2021-22		-	5,036	5,036
Allocation to funds held		5,036	(5,036)	-
Total change for the period		5,036	(5,036)	-
Balance at 30 June 2022	10.1	162,656	-	162,656

The accompanying notes form part of these financial statements.

HEALTH SERVICES CHARITABLE GIFTS BOARD

STATEMENT OF CASH FLOWS

for the year ended 30 June 2022

	Note	2022 \$'000	2021 \$'000
Cash flows from operating activities			
Cash inflows			
Rent received		3,202	2,850
Imputation credits received		159	177
Interest received		93	118
Other receipts		35	23
Receipts from charitable foundations and other trusts		537	341
Receipts from gifts to public health entities vesting in the Board		4,361	5,058
Proceeds from disposal of investments from gifts to public health entities		4,343	157
Cash generated from operations		<u>12,730</u>	<u>8,724</u>
Cash outflows			
Payments for supplies and services and investment property expenses		(145)	(161)
Employee benefits payments		(283)	(312)
Payments to public health entities and prescribed research bodies		(5,952)	(5,533)
Other payments		-	(7)
GST paid to the ATO		(228)	(226)
Cash (used in) operations		<u>(6,608)</u>	<u>(6,239)</u>
Net cash provided by/(used in) operating activities	10.2	<u>6,122</u>	<u>2,485</u>
Cash flows from investing activities			
Cash inflows			
Proceeds from the sale of financial assets		2,000	1,493
Proceeds from SAHMRI loan repayments		1,500	1,500
Cash generated from investing activities		<u>3,500</u>	<u>2,993</u>
Cash Outflows			
Purchase of improvements to investment properties		-	-
Purchase of property, plant & equipment		-	(36)

HEALTH SERVICES CHARITABLE GIFTS BOARD

STATEMENT OF CASH FLOWS

for the year ended 30 June 2022

	Note	2022 \$'000	2021 \$'000
Cash flows from investing activities (continued)			
Cash Outflows (continued)			
Purchase of financial assets		(8,876)	(4,211)
Other payments		(3)	-
Cash (used in) investing activities		<u>(8,879)</u>	<u>(4,247)</u>
Net cash provided by/(used in) investing activities		<u>(5,379)</u>	<u>(1,254)</u>
Net increase in cash and cash equivalents		743	1,231
Cash and cash equivalents at the beginning of the period		<u>2,364</u>	<u>1,133</u>
Cash and cash equivalents at the end of the period	7.1	<u><u>3,107</u></u>	<u><u>2,364</u></u>

The accompanying notes form part of these financial statements.

HEALTH SERVICES CHARITABLE GIFTS BOARD

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

1 About the Health Service Charitable Gifts Board

The *Health Services Charitable Gifts Act 2011* was proclaimed on 30 June 2011 and commenced on 1 July 2011 (the HSCG Act).

The Board does not control any other entity and has no interests in unconsolidated structured entities. The financial statements and accompanying notes include all the controlled activities of the Board.

1.1 Basis of preparation

The financial statements are general purpose financial statements prepared in compliance with:

- section 23 of the *Public Finance and Audit Act 1987*;
- Treasurer's Instructions and Accounting Policy Statements issued by the Treasurer under the *Public Finance and Audit Act 1987*;
- the *Australian Charities and Not-for-profit Commission Act 2012*; and
- relevant Australian Accounting Standards.

For the purposes of preparing the financial statements the Board is a not-for-profit entity. The financial statements have been prepared based on a 12 month period and presented in Australian currency. The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured.

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

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

Assets and liabilities that are to be sold, consumed or realised as part of the normal operating cycle have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

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

HEALTH SERVICES CHARITABLE GIFTS BOARD

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

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

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

The Board is liable for GST, emergency services levy and local government rates.

2 Objectives of the Health Services Charitable Gifts Board

Pursuant to the HSCG Act, prescribed gifts made to or received by public health entities (as defined in the HSCG Act and Regulations) vest in the Board. A prescribed gift means property given to a public health entity (PHE). The Board holds these gifts, donations and bequests and ensures they are applied in accordance with donors' intentions, such as supporting volunteers, medical research, equipment for wards and patient comfort.

These financial statements have been prepared in accordance with the requirements of the HSCG Act.

2.1 Vesting of Gifts

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

The HSCG Act enables the Board to act as trustee or co-trustee of a trust where the Board is named or otherwise asked to act in those roles.

The Board has been appointed as trustee of the following trusts (refer to notes 2.3 to 2.5):-

- Ray & Shirl Norman Cancer Research Trust (Norman Trust).
- Dorothy E Brown Charitable Trust (Brown Trust).
- P F Beinke Charitable Trust - Royal Adelaide Hospital (The Chapel Fund).
- P F Beinke Charitable Trust - Flinders Medical Centre (Pastoral Care Account).
- P F Beinke Charitable Trust - Daw Park Repatriation Hospital (Pastoral Care Chapel Account).

As the assets of the trusts have not vested in the Board, the operations of each trust are reported separately from those of the Board.

HEALTH SERVICES CHARITABLE GIFTS BOARD

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

2.2 Investment of Funds

Under the HSCG Act the Board has all the powers of a natural person that are capable of being exercised by a body corporate. It is able to determine appropriate investment strategies to apply.

Pursuant to section 23 of the HSCG Act, the Board meets regularly with the public sector employee who has been nominated by the Minister for Health and Wellbeing.

The Board is registered as a Prescribed Public Authority and primarily invests in a range of managed investment unit trust products offered by Funds SA. Funds SA is a South Australian Government owned corporation investing and managing the monies of prescribed authorities. There has been significant volatility in markets during the period and whilst Funds SA has very clear policies in mitigating risk, the Board's investment returns for the year reflect these global trends.

2.3 Ray & Shirl Norman Cancer Research Trust (Norman Trust)

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

The Board administers the revenues, expenses, assets and liabilities in accordance with the terms of the document establishing the Norman Trust. As these funds do not form part of the charitable asset they are not recognised in the Board's financial statements.

Note 13 includes a summary of the financial results of the Norman Trust for the year.

2.4 Dorothy E Brown Charitable Trust (Brown Trust)

The Board was appointed as trustee of the Brown Trust on 17 December 2014 pursuant to a Deed Poll following Supreme Court action required to clarify the terms of the will of the late Mrs Dorothy E Brown.

The Board administers the revenues, expenses, assets and liabilities in accordance with the terms of the document establishing the Brown Trust. As these funds do not form part of the charitable asset they are not recognised in the Board's financial statements.

Note 14 includes a summary of the financial results of the Brown Trust for the year.

HEALTH SERVICES CHARITABLE GIFTS BOARD

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

2.5 P F Beinke Charitable Trusts (Beinke Trusts)

Pursuant to the Will of Mr Peter Francis Beinke the residual balance of his estate was to be held in three separate Charitable Trusts, one for each of the Royal Adelaide Hospital, Flinders Medical Centre and Daw Park Repatriation Hospital.

Each Trust was entitled to one third of the balance of his estate for the specific purpose of "providing education and training and associated expenses for Chaplains in their role at each institution".

In accordance with a Deed of Trustee Retirement Appointment & Indemnity dated 1 July 2020 the Board was appointed as trustee to each of these trusts which have been identified as:

- P F Beinke Charitable Trust - Royal Adelaide Hospital (The Chapel Fund)
- P F Beinke Charitable Trust - Flinders Medical Centre (Pastoral Care Account)
- P F Beinke Charitable Trust - Daw Park Repatriation Hospital (Pastoral Care Chapel Account)

The Board administers the revenues, expenses, assets and liabilities in accordance with the terms of the document establishing the Beinke Trusts. As these funds do not form part of the charitable asset they are not recognised in the Board's financial statements.

Notes 15 includes a summary of the financial results of each of the Beinke Trusts for the year.

2.6 Impact of COVID-19 pandemic on the HSCGB

The COVID-19 pandemic has impacted the operations of the Board and these impacts are included under the relevant disclosure notes.

The key impact in 2021-22 relates to increased volatility in the valuation outcomes of managed investment unit trust products offered by Funds SA as a result of Australian and overseas financial markets (note 7.3).

Rental returns and property valuation assumptions related to retail and commercial rental property holdings may be impacted in the future. The Board's real estate investments are not affected at present.

The functions and general operations of the Board have been able to continue during the pandemic with only minor disruptions arising from modifications to ensure a safe working environment for the Board members, staff and others. These modifications include the use of technology to enable work from home as necessary.

HEALTH SERVICES CHARITABLE GIFTS BOARD

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

	Note	2022 \$'000	2021 \$'000
3 Significant transactions with government related entities			
The Board invests the majority of its funds through Funds SA. Information about transactions and balances between the Board and Funds SA are set out below.			
Income (expense):			
(Loss)/gain on financial assets		(7,365)	14,446
Total income/(expense) from Funds SA		(7,365)	14,446
Current assets:			
Investments in unlisted unit trusts at fair value		500	3,760
Non-current assets:			
Investments in unlisted unit trusts at fair value		111,470	108,700
Collectively but not individually significant transactions with government related entities			
Quantitative information about transactions and balances between the Board and other SA Government entities are set out below.			
Income:			
Interest revenue		97	109
Expenses:			
Funds distributed to public health entities and prescribed research bodies		6,216	6,418
Current assets:			
Secured loan at cost		1,500	1,500
Non-current assets:			
Secured investment at cost		445	445
Secured loan at cost		8,409	9,909
Current liabilities:			
Payables		1,995	1,757

HEALTH SERVICES CHARITABLE GIFTS BOARD

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

	Note	2022 \$'000	2021 \$'000
4 Income			
4.1 Revenue from gifts to public health entities vesting in the Board			
Revenue from gifts to public health entities vesting in the Board		<u>5,949</u>	<u>6,925</u>
Gifts of cash vesting in the Board are recognised on receipt. Bequests and legacies are also recognised on their receipt from the administrator or executors of an estate. Gifts other than cash vesting in the Board are recognised as income at fair value, with a corresponding asset of the Board when control of the asset passes.			
4.2 Revenue from charitable foundations and other trusts			
Revenue from charitable foundations and other trusts		<u>537</u>	<u>330</u>
Where the Board is an income beneficiary of a charitable foundation or trust the income has been recorded separately in the Statement of Comprehensive Income on its receipt. The Board has no ownership interest or control of the assets or management of the respective charitable foundation or trust.			
4.3 Investment (expense) revenue			
Funds SA			
(Loss)/gain on financial assets		<u>(7,365)</u>	<u>14,446</u>
Gain/(loss) from disposal of other financial assets		5	(11)
Imputation credits		469	159
Interest & dividend revenue		100	110
Net gain/(loss) from fair value adjustment of investment properties	8.2	8,879	(1,237)
		<u>9,453</u>	<u>(979)</u>
Total investment revenue		<u>2,088</u>	<u>13,467</u>

HEALTH SERVICES CHARITABLE GIFTS BOARD

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

	Note	2022 \$'000	2021 \$'000
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4.3 Investment (expense) revenue (continued)

The Board invests in a number of Funds SA investment funds which are unit trust structures. As at 1 July 2018 Funds SA's unit trusts made an irrevocable election to become Attribution Management Investment Trusts (AMIT) under Division 276 of the ITAA1997. Under tax law, AMITs are not required to make distributions, however unit holders still have clearly defined rights and entitlement. AMITs use the principles of attribution of income rather than the previous 'present entitlement' under the old trust rules. As a result the Board still has an 'attributable amount' to the taxable income of the units it holds within Funds SA's investment options, although no physical distribution is required.

Interest income includes interest received on bank accounts, interest from investments and other interest received. Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

The gain/(loss) on disposal of financial assets arose as a consequence of the disposal of shares in ASX listed companies vesting in the Board from bequests from deceased estates. As the current investment policies of the Board recommend these type of investments are to be held in Funds SA products the shares were sold as soon as possible following vesting. The change in the value of these investments from the initial date of vesting and realisation resulted in a net loss on disposal inclusive of transaction costs.

Due to the nature of the transaction the Board is of the view that the proceeds from the sale of these securities should be disclosed as an operating cash flow rather than an investing cash flow for the purposes of the Statement of cash flows.

4.4 Rental revenue

Rental revenue	3,119	2,467
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Rental income arising on investment properties is accounted for on a straight line basis over the term of the lease.

HEALTH SERVICES CHARITABLE GIFTS BOARD

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

	Note	2022 \$'000	2021 \$'000
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5 Board and employees

5.1 Key management personnel

Key management personnel of the Board include the Minister, the three Commissioners, the Executive Officer and the Business Services Supervisor. Total compensation for key management personnel is set out below.

The compensation disclosed in this note excludes salaries and other benefits the Minister receives. The Minister's remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account under section 6 of the *Parliamentary Remuneration Act 1990*.

Compensation:

Salaries and other short-term employee benefits	247	242
Post-employment benefits	25	22
Total	<u>272</u>	<u>264</u>

Transactions with key management personnel and other related parties

The Board is a statutory authority established pursuant to the *Health Services Charitable Gifts Act 2011*

Related parties of the HSCGB include all key management personnel and their close family members; all public authorities that are controlled and consolidated into the whole of government financial statements and other interests of the Government.

Information about significant transactions and balances between HSCGB and Other SA Government controlled entities are disclosed at note 3.

HEALTH SERVICES CHARITABLE GIFTS BOARD

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

	Note	2022 \$'000	2021 \$'000
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5.2 Commissioners

The following held the position of Commissioner during the year:

Ms Robyn Pak-Poy (Chair)

Prof Villis Marshall

Mr Carmelo Di Lernia

Remuneration of Commissioners

No. of people

No. of people

The number of Commissioners whose remuneration received or receivable falls within the following bands :

\$0 - \$19,999	1	2
\$20,000 - \$39,999	2	1

Total number of Commissioners

3	3
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The total remuneration received or receivable by those Commissioners was \$70,000 (2021: \$51,000) which includes sitting fees, superannuation contributions and any other salary sacrifice arrangements and are also included in notes 5.1 and 5.3.

On 24 June 2021 his Excellency the Governor approved an increase in remuneration to the members of the Board with application from that date.

5.3 Employee and Commissioners benefits expense

\$'000

\$'000

Salary and wages	227	239
Superannuation paid	23	22
Annual leave accrual	7	(1)
Long service leave accrual	6	6
Employee benefits expense	263	266
Commissioners' remuneration	64	47
Superannuation paid	6	4
5.2	70	51
Total employee and Commissioners benefits expense	333	317

HEALTH SERVICES CHARITABLE GIFTS BOARD

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

	Note	2022 \$'000	2021 \$'000
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5.3 Employee and Commissioners benefits expense (continued)

Employee benefits expense includes all costs related to employment including wage, salaries, non-monetary benefits and leave entitlements. These are recognised when incurred, at nominal value.

Superannuation expenses represent the Board's contributions to superannuation plans in respect of current services of current employees.

No employee received remuneration equal to or greater than the base executive remuneration level.

5.4 Employee benefits - liability

- Current

Annual leave	22	15
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- Non-current

Long service leave	49	43
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These benefits accrue as a result of services provided up to the reporting date that remain unpaid.

Annual leave and sick leave:

The annual leave liability is expected to be payable within 12 months and is measured at the nominal amount expected to be paid.

No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees is estimated to be less than the annual entitlement for sick leave.

Long Service Leave:

The estimated long service leave liability has been measured at nominal value as the total amount of the liability is not material and would approximate the result if it had been calculated using the projected unit credit method.

HEALTH SERVICES CHARITABLE GIFTS BOARD

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2022

	Note	2022 \$'000	2021 \$'000
6 Expenses			
Employee and Commissioner benefits expenses are disclosed in note 5.3.			
6.1 Supplies and services			
Accounting fees		38	36
Auditor's remuneration		30	23
Consultants		-	1
General administration expenses		34	45
		<u>102</u>	<u>105</u>

Supplies and services generally represent day-to-day running costs, including maintenance costs, incurred in the normal operations of the Board. These items are recognised as an expense in the reporting period they are incurred.

Auditor's remuneration comprises audit fees paid/payable to the Auditor-General's Department for work performed under the *Public Finance and Audit Act 1987*. No other services were provided by the Auditor-General's Department.

6.2 Depreciation

Depreciation on computer equipment	-	10
Depreciation on other equipment	4	-
	<u>4</u>	<u>10</u>

All non-current assets, having a limited useful life, are systematically depreciated over their useful lives in a manner that reflects the consumption of their service potential. Depreciation is applied to tangible assets such as property, plant and equipment.

HEALTH SERVICES CHARITABLE GIFTS BOARD

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

	Note	2022 \$'000	2021 \$'000
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6.2 Depreciation (continued)

Useful life

Depreciation is calculated on a diminishing value basis over the estimated useful life of the following classes of asset as follows:

Class of asset	Useful life (years)
Computer equipment	2 to 5
Other equipment	10 to 15

Review of accounting estimates

Assets' residual values, useful lives and depreciation methods are reviewed and adjusted, if appropriate, on an annual basis. Changes in expected life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the time period or method, as appropriate.

6.3 Funds distributed to public health entities and prescribed research bodies

Funds distributed to public health entities and prescribed research bodies

6,216	6,418
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Funds distributed to public health entities and prescribed research bodies are recognised as an expense once the expenditure claim has been determined to be correct and in accordance with the budgets previously approved by the Board of \$16,015,000 (2021: \$11,321,000).

7 Financial assets

7.1 Cash and cash equivalents

- Current

Cash at bank

3,107	2,364
3,107	2,364

Interest rate risk

Cash at bank earns a floating interest rate. The carrying amount of cash and cash equivalents represent fair value.

HEALTH SERVICES CHARITABLE GIFTS BOARD

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2022

	Note	2022 \$'000	2021 \$'000
7.2 Receivables			
- Current			
<u>Statutory receivables</u>			
Imputation credits receivable		469	159
Prepayments - Legal fees		2	8
Total statutory receivables		<u>471</u>	<u>167</u>
<u>Other receivables</u>			
Gifts to public health entities vesting in the Board accrued		624	295
Interest income accrued		28	24
Other income receivable		3	3
Prepayments - Other		7	3
Proceeds from sale of shares		-	3,079
Rental income accrued		200	175
Total other receivables		<u>862</u>	<u>3,579</u>
		<u>1,333</u>	<u>3,746</u>

Statutory receivables do not arise from contracts with customers. They are recognised and measured similarly to contractual receivables (except impairment).

Gifts to public health entities vesting in the Board accrued includes gifts received by the PHEs prior to 30 June 2022 and not paid until July 2022.

Receivables, prepayments and accrued revenues are non-interest bearing. Receivables are held with the objective of collecting the contractual cash flows and they are measured at amortised cost. Rental income accrued includes an estimated amount for improved rent of \$200,000 (2021: \$175,000) due from the head lessee of Town Acre 86. Apart from this amount there is no significant concentration of credit risk.

Refer to note 12.2 for further information on risk management.

HEALTH SERVICES CHARITABLE GIFTS BOARD

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

	Note	2022 \$'000	2021 \$'000
7.3 Other financial assets			
- Current			
Investments in Funds SA unlisted unit trusts at fair value		500	3,760
Secured loan at cost		1,500	1,500
		<u>2,000</u>	<u>5,260</u>
- Non-current			
Investments in Funds SA unlisted unit trusts at fair value		111,470	108,700
Secured investment at cost		445	445
Secured loan at cost		8,409	9,909
		<u>120,324</u>	<u>119,054</u>

Investments are recognised and derecognised on trade date and are initially measured at fair value, net of transaction costs.

The Board classifies its other investments into the following categories:

- financial assets at fair value through profit and loss, or
- amortised cost.

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

Financial assets at fair value through the profit and loss:

These assets are measured initially at fair value excluding any transaction costs that are directly attributable to the acquisition or issue of the financial asset. Transaction costs on financial assets at fair value through profit or loss are expensed immediately. Subsequent to initial recognition, all instruments held at fair value through profit and loss are measured at fair value with changes in their fair value recognised in the Statement of Comprehensive Income.

The worldwide COVID-19 pandemic has resulted in increased volatility of financial markets. The Board's financial assets are primarily invested in investment products offered by Funds SA. For these products the determination of fair value and actions to manage portfolio risk are undertaken by Funds SA and monitored by the Board.

Amortised cost:

These are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Board's management have the ability and the positive intention to hold to maturity. They are measured at amortised cost.

HEALTH SERVICES CHARITABLE GIFTS BOARD

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

	Note	2022 \$'000	2021 \$'000
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7.3 Other financial assets (continued)

Secured investment at cost

The secured investment is an advance to the Port Pirie Regional Health Service Inc. (Service) in the form of a first mortgage over land and buildings held by the Service. Since commencement this investment has been interest free. Under the terms of the agreement this represents an asset of the Service and as a result no income is allocated to the Service on this component of their funds. The Board has no intention of varying the original arrangement.

Secured loan at cost

The Board provided a loan of \$15 million to South Australian Health and Medical Research Institute (SAHMRI) in the 2014 year for a total period of 15 years. The funds were used to acquire, establish and commission a cyclotron facility in South Australia to produce isotopes for use by South Australian organisations.

Only interest was payable on the loan for the first 5 years. Principal and interest payments applied from the quarter ended December 2018.

The loan is secured against other funds held and invested by SAHMRI Investments Pty Ltd and guaranteed by SAHMRI. The interest rate is based on the Reserve Bank of Australia Cash Rate plus a margin of 0.75%.

Interest and principal payments have been made in accordance with the principal loan terms and the Board considers that the loan was not impaired as at 30 June 2022. Therefore, it is appropriate to show the principal payments due in the ensuing 12 months as a current asset with the remainder disclosed as a non-current asset.

Investments in Funds SA unlisted unit trusts at fair value

The Board is a Prescribed Public Authority and holds significant financial assets in a range of managed investment unit trust products offered by Funds SA. Based on the nature of the underlying assets of each fund, amounts invested in the Funds SA Cash B - Taxed Fund have been classified as current and all other funds are classified as non-current.

The fair value of investments in unlisted trusts is based on fair value reported by the managers of such funds. The fair value of all of these instruments have been categorised as Level 2.

(a) Categorisation and maturity analysis of other financial assets - refer note 12.2

(b) Risk exposure information - refer note 12.2

HEALTH SERVICES CHARITABLE GIFTS BOARD

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

	Note	2022 \$'000	2021 \$'000
8 Non-financial assets			
8.1 Property, plant & equipment			
- Non-current			
Computer equipment at cost		-	40
Less: Accumulated depreciation		-	(40)
		<u>-</u>	<u>-</u>
Other equipment at cost		36	36
Less: Accumulated depreciation		(3)	-
		<u>33</u>	<u>36</u>
Total property plant and equipment		<u>33</u>	<u>36</u>

The Board holds its property, plant and equipment for their service potential (value in use).

Property, plant and equipment with a value equal to or in excess of \$5,000 is capitalised, otherwise it is immediately expensed. Property, plant and equipment owned by the Board is recorded at fair value. Detail about the Board's approach to fair value is set out in note 12.1.

Impairment:

Property, plant and equipment has not been assessed for impairment as they are non-cash generating assets, that are held for continued use of their service capacity.

8.2 Investment properties

- At fair value

Opening balance at the beginning of the period	29,263	30,500
Net gain/(loss) from fair value adjustment	8,879	(1,237)
Balance at the end of the financial year	<u>38,142</u>	<u>29,263</u>
- Non-current		
Investment properties - held for long term rental	38,142	29,263
	<u>38,142</u>	<u>29,263</u>

HEALTH SERVICES CHARITABLE GIFTS BOARD

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2022

	Note	2022 \$'000	2021 \$'000
8.2 Investment properties (continued)			
Amounts recognised in profit for investment properties			
Rent and recoveries income		3,119	2,467
Direct operating expenses		(29)	(18)
Rent Abatement (Town Acre 86)		-	(14)
		<u>(29)</u>	<u>(32)</u>
Total amount recognised in profit for the year		<u>3,090</u>	<u>2,435</u>

Investment properties represent properties held to earn rentals and/or capital appreciation. Notwithstanding the occupation of a small area of one of the properties, the Board has determined that it is appropriate to treat all properties as investment properties.

Investment properties are initially measured at cost, including transaction costs, and are subsequently measured at fair value. Any change in fair value is recognised in the Statement of Comprehensive Income in the period in which it arises. The properties are not depreciated.

In accordance with the terms of the lease an independent valuation of the Board's interest in Town Acre 86 (Citi Centre) was valued with application from 20 August 2021. Simon Hickin from M3 Property undertook the valuation and as a result there has been an increase in carrying value of \$8,475,000 during the year (2021: decrease \$1,075,000).

Following the renewal of the lease several years ago to August 2052 an extensive upgrade was undertaken of both the retail and office areas of the building constructed on the land that is the subject of the lease. Pursuant to the lease the lessee is entitled to an abatement of the rent during the period of the upgrades.

The total rent abatement expense was confirmed at \$751,000 for the life of the projects. This amount was apportioned as follows:

- Year ended 30 June 2019	\$ 566,000
- Year ended 30 June 2020	\$ 171,000
- Year ended 30 June 2021	\$ 14,000

236-240 Waymouth Street Adelaide was valued at 30 June 2022 by the Valuer General. This resulted in an increase in the carrying value for the year of \$404,000 (2021: decrease \$162,000).

HEALTH SERVICES CHARITABLE GIFTS BOARD

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

	Note	2022 \$'000	2021 \$'000
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8.2 Investment properties (continued)

Fair value measurements for investment properties recognised as at 30 June 2022 are the amounts for which the properties could be exchanged between willing parties in an arms length transaction, based on current prices in an active market for similar properties. The fair values have been determined by the Board with reference to external valuations as determined by the Valuer General or independent property values having appropriate, recognised professional qualifications and recent experience in the location and category of property being valued.

The fair value of all investment properties have been categorised as Level 2.

The worldwide COVID-19 pandemic has resulted in concerns over rental returns and valuation assumptions, particularly for commercial property holdings. At present all properties are fully tenanted and no rental concessions have been provided.

9 Liabilities

9.1 Payables

- Current

Statutory payables

GST payable	117	50
Accrued expenses - Auditor General	30	30
	<u>147</u>	<u>80</u>

Other payable

Accrued expenses - other	<u>2,063</u>	<u>1,761</u>
	<u>2,210</u>	<u>1,841</u>

Accrued expenses includes claims and other reimbursements due to public health entities of \$1,995,000 (2021: \$1,757,000).

Payables and accruals are raised for all amounts owing but unpaid. Sundry payables are normally settled within 30 days from the date the invoice is first received. All payables are non-interest bearing. The carrying amount of payables represents fair value to their short-term nature.

Statutory payables do not arise from contracts but are sourced in legislation.

The net amount of GST payable to the ATO is included as part of payables.

HEALTH SERVICES CHARITABLE GIFTS BOARD

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

	Note	2022 \$'000	2021 \$'000
9.2 Other liabilities			
- Current			
Rent received in advance		2	204
10 Other disclosures			
10.1 Total equity			
Funds held on behalf of the following public health entities or their successor bodies:			
Royal Adelaide Hospital - General		132,919	127,650
Royal Adelaide Hospital - Private Practice Funds		1,627	1,888
Royal Adelaide Hospital - Glenside Campus		506	543
Hillcrest Hospital		139	146
Port Augusta Hospital & Regional Health Service		30	32
Port Lincoln Health & Hospital Services		627	660
Port Pirie Regional Health Services		682	600
Modbury Hospital		210	247
The Queen Elizabeth Hospital		1,671	1,719
Whyalla Hospital and Health Service		425	431
Mount Gambier and Districts Health Service		513	592
Northern Yorke Peninsula Health Service		39	41
SA Pathology		12,651	13,339
Women's & Children's Hospital		8,060	6,523
Lyell McEwin Hospital		619	649
Flinders Medical Centre		1,161	1,737
Noarlunga Hospital		575	610
BreastScreen SA		3	3
MedSTAR Emergency Medical Retrieval		59	62
Royal Adelaide Hospital, The Queen Elizabeth Hospital & Hampstead Joint Funds		140	148
		<u>162,656</u>	<u>157,620</u>

Allocation of Net Profit to Funds:

Income generated by pooled assets held by the Board is distributed to individual funds based on the average balance of each fund after allowing for administration expenses incurred.

Gifts, other investment income and expenses that are directly related to an individual fund are allocated directly to that fund.

HEALTH SERVICES CHARITABLE GIFTS BOARD

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

	Note	2022 \$'000	2021 \$'000
10.2 Cash flows			
Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing activities, which is payable to the ATO, is classified as part of operating cash flows.			
Cash flow reconciliation			
Reconciliation of cash and cash equivalents at the end of the reporting period:			
Cash and cash equivalents disclosed in the Statement of financial position		3,107	2,364
Balance per Statement of cash flows		3,107	2,364
Reconciliation of net result to net cash provided by operating activities:			
Net result for the year		5,036	16,331
Non-cash items:			
Loss/(gain) on disposal of financial assets		(5)	11
(Gain)/loss on financial assets		7,365	(14,446)
Net/(gain) loss from fair value adjustment of investment properties		(8,879)	1,237
Depreciation		4	10
		(1,515)	(13,188)
Movement in assets and liabilities:			
Decrease/(increase) in operating receivables		2,731	(1,753)
(Increase)/decrease in imputation credits receivable		(310)	18
Increase in payables		302	870
Increase in employee entitlements		13	5
(Decrease)/increase in unearned revenue		(202)	202
Increase in GST payable		67	-
		2,601	(658)
Net cash generated from operating activities		6,122	2,485

HEALTH SERVICES CHARITABLE GIFTS BOARD

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

11 Outlook

11.1 Unrecognised contractual commitments

Investment property operating lease arrangements

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

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

	2022	2021
	\$'000	\$'000
Due within one year	2,958	2,214
Due between one and two years	2,944	2,210
Due between two and three years	2,940	2,210
Due between three and four years	2,937	2,210
Due between four and five years	2,904	2,207
Due after five years	72,993	56,871
Total commitments	87,676	67,922

The lease over the Citi Centre property is for ground rent only and comprises base annual rental (paid monthly) of 8% of the value of the land. The value of the land is reviewed every 5 years in accordance with the lease. The most recent determination was undertaken in 2021 and completed in 2022. It is effective from August 2021.

The lease has been renewed for a period of 33 years to August 2052. An extensive upgrade of both the retail and office areas of the building constructed on the land being leased was undertaken in recent years. Pursuant to the lease the lessee is entitled to an abatement of the rent during the period of the upgrades. The period of abatement finished in July 2021.

This base rent is supplemented each year by the payment of 4% of the Lessee's net income. This at risk component has not been included in the above calculation.

11.2 Contingent assets and liabilities

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

HEALTH SERVICES CHARITABLE GIFTS BOARD

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2022

11.3 COVID-19 Pandemic

The COVID-19 Pandemic is expected to impact the operations of the Board in 2022-23. The key expected impacts are:

- volatility in financial markets will impact overall returns and valuations of financial assets;
- unknown impact on commercial real estate returns and valuations arising from a period of shut down and lock down; and
- general economic uncertainty potentially reducing the willingness of donees to make donations or bequests to the public health entities and the increasing funding requirements of the public health entities.

11.4 Events after the reporting period

No events requiring disclosure occurred between 30 June and the date the financial statements were authorised.

12 Measurement and risk

12.1 Fair value

AASB 13 *Fair Value Measurement* defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, in the principal or most advantageous market, at the measurement date.

Initial recognition:

Non-current tangible assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition.

Where assets are acquired at no value, or minimum value, they are recorded at fair value in the Statement of Financial Position.

HEALTH SERVICES CHARITABLE GIFTS BOARD

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2022

12.1 Fair value (continued)

Revaluation:

Property, plant and equipment is subsequently measured at fair value after allowing for accumulated depreciation.

The revaluation process is reviewed by the Executive Officer and the Board each year.

Non-current tangible assets are valued at fair value and revaluation of non-current assets or group of assets is only performed when the fair value at the time of acquisition is greater than \$1.5 million and estimated useful life is greater than three years.

The Board has no property, plant and equipment assets with a value greater than \$1.5 million at acquisition. No revaluations have been performed.

Investment properties have a value greater than \$1.5 million therefore have been revalued, refer to note 8.2.

Fair value hierarchy:

The Board classifies fair value measurement using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements, based on the data and assumptions used in the most recent revaluation:

- Level 1 - traded in active markets and is based on unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at measurement date.
- Level 2 - not traded in an active market and are derived from inputs (inputs other than quoted prices included within level 1) that are observable for the asset, either directly or indirectly.
- Level 3 - not traded in an active market and are derived from unobservable inputs.

Fair value of financial assets at fair value through profit and loss and of investment properties have been categorised as level 2. For more information and disclosures regarding fair value measurement techniques used, refer to note 7.3 for financial assets and note 8.2 for investment properties.

HEALTH SERVICES CHARITABLE GIFTS BOARD

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2022

12.2 Financial instruments

Financial risk management:

The Board manages risk and its policies are in accordance with the SA Government *Risk Management Guide* and the principles established in the Australian Standard *Risk Management Principles and Guidelines*.

The Board's exposure to financial risk (liquidity risk, credit risk and market risk) is low due to the nature of financial instruments held.

Liquidity risk:

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

Other than the specific items mentioned below the Board's exposure to liquidity risk is considered insignificant based on past experience and current assessment of risk.

Details of significant accounting policies and methods adopted including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised with respect to each class of financial asset and financial liability are disclosed in the respective note.

As previously outlined in these financial statements the Board now primarily invests through various products offered by Funds SA. Funds SA is a large institutional investment specialist servicing the South Australian Government and its statutory authorities. The Board no longer actively invests directly in tradeable securities but rather in unlisted units in investment funds managed by Funds SA. The Board's liquidity risk for these products is now the risk of a request to redeem units not being satisfied by Funds SA in the required timeframe.

The Board is satisfied that the resulting liquidity risk is also insignificant based on Funds SA liquidity risk management policies as follows;

- The allocation of cash in the strategic asset allocation of each investment option is set at a sufficient level to manage expected cash redemptions, and
- A large proportion of each investment option is invested in highly liquid investments as actively traded equities, unit trusts or securities with short term maturities.

Credit risk:

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

HEALTH SERVICES CHARITABLE GIFTS BOARD

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2022

12.2 Financial instruments (continued)

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

Note 7.3 refers to the Board holding a first mortgage charge over advances made to the Port Pirie Regional Health Service Inc. as well as to the long term secured loan made to SAHMRI to establish a cyclotron facility.

The Board does not consider that any of the financial assets are impaired.

Refer to note 7.2 and 7.3 for further information.

Market risk:

Market risk is the risk that investment returns generated by the different financial markets will be volatile and will deviate from long-term expectations over the short/medium term.

As previously outlined in these financial statements the Board now primarily invests through various investment products offered by Funds SA. The Board no longer actively invests directly in tradeable securities but rather in unlisted units in investment funds managed by Funds SA. The Board's market risk is now the risk of a change in value of underlying assets adversely affecting the value of the Board's investment in these units.

The Board is satisfied that the resulting market risk has been significantly reduced based on Funds SA market risk management policies as follows;

- Ensuring a diversity of exposures to different financial markets and sub-markets; and
- Ensuring asset allocations for different investment options are consistent with the time horizon of each.

Sensitivity Analysis:

A general fall in the fair value of long term investments in unlisted unit trusts of 5% and 10%, if equally spread over all assets in the portfolio, would lead to a reduction in value of \$5,573,000 (2021: \$5,435,000) and \$11,147,000 (2021: \$10,870,000) respectively.

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

HEALTH SERVICES CHARITABLE GIFTS BOARD

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2022

12.2 Financial instruments (continued)

Categorisation of financial instruments

Details of material accounting policy information and methods adopted including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised with respect to each class of financial asset and financial liability disclosed in the respective financial asset/liability note.

On initial recognition, a financial asset is classified as measured at amortised cost or fair value through profit or loss.

A financial asset is measured at amortised cost if it meets both of the following conditions:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at fair value through profit or loss unless it has been measured at amortised cost or fair value through other comprehensive income.

The Board measures financial instruments at either amortised cost or fair value through profit or loss as applicable.

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

Carrying value of financial assets and financial liabilities	Note	Carrying amount/ fair value	Contractual maturities		
		2022 \$'000	< 1 year \$'000	1-5 years \$'000	>5 years \$'000
<u>Financial Assets</u>					
Cash and cash equivalents					
Cash and cash equivalents	7.1	3,107	3,107	-	-
Financial assets at amortised cost					
Receivables *	7.2	855	855	-	-
Other financial assets	7.3	122,324	2,000	6,000	114,324
Total Financial Assets		126,286	5,962	6,000	114,324
<u>Financial Liabilities</u>					
Financial liabilities at amortised cost					
Payables *	9.1	2,063	2,063	-	-
Total Financial Liabilities		2,063	2,063	-	-

HEALTH SERVICES CHARITABLE GIFTS BOARD

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2022

12.2 Financial instruments (continued)

Carrying value of financial assets and financial liabilities	Note	Carrying amount/ fair value	Contractual maturities		
		2021 \$'000	< 1 year \$'000	1-5 years \$'000	>5 years \$'000
Financial Assets					
Cash and cash equivalents					
Cash and cash equivalents	7.1	2,364	2,364	-	-
Financial assets at amortised cost					
Receivables *	7.2	3,576	3,576	-	-
Other financial assets	7.3	124,314	5,260	6,000	113,054
Total Financial Assets		130,254	11,200	6,000	113,054
Financial Liabilities					
Financial liabilities at amortised cost					
Payables *	9.1	1,761	1,761	-	-
Total Financial Liabilities		1,761	1,761	-	-

* Total amounts disclosed here exclude statutory amounts. Receivables do not include prepayments as these are not financial instruments. Prepayments are presented in note 7.2.

All amounts recorded are carried at cost.

The receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables. This includes Commonwealth, State and Local Government taxes and equivalents, fees and charges; Auditor General's Department audit fees.

HEALTH SERVICES CHARITABLE GIFTS BOARD

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2022

2022	2021
\$	\$

13 Ray & Shirl Norman Cancer Research Trust

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

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

The following summary of the financial results for the year of the Ray & Shirl Norman Cancer Research Trust are included for information purposes only. All amounts are rounded to the nearest dollar.

Schedule of income and expenses

Total investment income (expense)	(354,481)	1,459,005
Total expenses	555,811	444,702
Total comprehensive result	<u>(910,292)</u>	<u>1,014,303</u>

Schedule of financial position

Total assets	7,423,196	8,334,896
Total liabilities	1,155	2,563
Net assets	<u>7,422,041</u>	<u>8,332,333</u>

14 Dorothy E Brown Charitable Trust

The Dorothy E Brown Charitable Trust ('Trust' or 'Fund') was established by Deed Poll dated 17 December 2014 pursuant to Section 21 of the *Health Services Charitable Gifts Act 2011*.

In accordance with the will of Mrs Dorothy E Brown dated 16 August 1971 the residue of her estate was bequeathed to the now defunct Hospitals Department of the South Australian Government for the "benefit of sufferers from kidney diseases or complaints". The amount of the residue was held by SA Health from October 2009 and was the subject of Supreme Court proceedings seeking directions in relation to the residue.

HEALTH SERVICES CHARITABLE GIFTS BOARD

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2022

2022	2021
\$	\$

14 Dorothy E Brown Charitable Trust (continued)

The judgement of the Court from those proceedings was that the deceased's will established a charitable trust and that, having consented to its appointment, HSCGB should be appointed as trustee of this charitable trust. The Deed Poll dated 17 December 2014 appoints the HSCGB as trustee and provided further guidance of the administration of the charitable trust.

Under the terms of the Deed Poll the HSCGB was appointed as trustee and an initial sum of \$286,621 was provided by SA Health to be administered by the HSCGB. These funds are invested through Funds SA in an account in the name of the Trust.

In accordance with the judgment the terms of the Trust were varied whereby -

- the trust monies (income and/or capital) may be applied for the benefit of any patient of a hospital incorporated under the *Health Care Act 2008* who is suffering from a kidney disease or complaint; and
- the trust monies (income and/or capital) shall be expensed on benefits that such patients would not normally receive or enjoy as patients of those hospitals.

The following summary of the financial results for the year of the Dorothy E Brown Charitable Trust are included for information purposes only. All amounts are rounded to the nearest dollar.

Schedule of income and expenses

Total income	(16,593)	28,841
Total expenses	<u>20,770</u>	<u>25,770</u>
Total comprehensive result	<u>(37,363)</u>	<u>3,071</u>

Schedule of financial position

Total assets	232,047	294,410
Total liabilities	<u>-</u>	<u>25,000</u>
Net assets	<u>232,047</u>	<u>269,410</u>

HEALTH SERVICES CHARITABLE GIFTS BOARD

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2022

2022	2021
\$	\$

15 P F Beinke Charitable Trusts

In accordance with the Will of Mr Peter Francis Beinke dated 19 February 2014, the residue of his estate was to be used to establish three Charitable Trusts "...for the express purpose of providing education and training and associated expenses for Chaplains in their role at (one of three institutions)".

The residue of his estate was therefore split into three equal parts to create the following Trusts:

- Royal Adelaide Hospital (The Chapel Fund)
- Flinders Medical Centre (Pastoral Care Account)
- Daw Park Repatriation Hospital (Pastoral Care Chapel Account)

The amount of this residue was held by Australian Executor Trustees Limited (AET) since his death in March 2014. Pursuant to a Deed of Trustee Retirement, Appointment & Indemnity dated 1 July 2020 AET retired as trustee and the Health Services Charitable Gifts Board (HSCGB) was appointed in its place.

On finalisation of the Estate of Mr P F Beinke, AET transferred three amounts of \$249,998 each to the HSCGB in its capacity as Trustee of each of the Charitable Trusts. These funds were initially invested through HSCGB pooled assets and interest paid to the Charitable Trust. In due course all funds were transferred to, and are now invested through Funds SA in an account in the name of the Trust.

The following summary of the financial results for the year of the P F Beinke Charitable Trust - Royal Adelaide Hospital (The Chapel Fund) are included for information purposes only. All amounts are rounded to the nearest dollar.

Schedule of income and expenses

Total income	(16,850)	23,842
Total expenses	3,792	2,780
Total comprehensive result	<u>(20,642)</u>	<u>21,062</u>

Schedule of financial position

Total assets	253,440	273,840
Total liabilities	3,022	2,780
Net assets	<u>250,418</u>	<u>271,060</u>

HEALTH SERVICES CHARITABLE GIFTS BOARD

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2022

2022	2021
\$	\$

15 P F Beinke Charitable Trusts (continued)

The following summary of the financial results for the year of the P F Beinke Charitable Trust - Flinders Medical Centre (Pastoral Care Account) are included for information purposes only. All amounts are rounded to the nearest dollar.

Schedule of income and expenses

Total income	(16,957)	23,821
Total expenses	770	1,399
Total comprehensive result	<u>(17,727)</u>	<u>22,422</u>

Schedule of financial position

Total assets	254,693	272,825
Total liabilities	-	405
Net assets	<u>254,693</u>	<u>272,420</u>

The following summary of the financial results for the year of the P F Beinke Charitable Trust - Daw Park Repatriation Hospital (Pastoral Care Chapel Account) are included for information purposes only. All amounts are rounded to the nearest dollar.

Schedule of income and expenses

Total income	(16,957)	23,821
Total expenses	770	1,399
Total comprehensive result	<u>(17,727)</u>	<u>22,422</u>

Schedule of financial position

Total assets	254,693	272,825
Total liabilities	-	405
Net assets	<u>254,693</u>	<u>272,420</u>

**INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEE OF THE RAY AND SHIRL NORMAN CANCER RESEARCH TRUST****Qualified Opinion**

We have audited the financial report of the Ray and Shirl Norman Cancer Research Trust (the Entity), which comprises the statement of financial position at 30 June 2022, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, and the certification of the financial statements by those charged with governance.

In our opinion, except for the effects on the financial statements of the matter referred to below, the accompanying financial report of the Entity presents fairly, in all material respects, in accordance with the accounting policies described in the notes to the financial statements, the financial position of the trust at 30 June 2022 and its financial performance and its cash flows for the year then ended.

Basis for Qualified Opinion

The trust holds investments in three Funds SA products valued at \$6,993,318. As the underlying assets are custodially held, we were unable to verify the holdings directly, and therefore relied on the reports provided by Funds SA. At the time of audit, these reports provided by Funds SA were unaudited.

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Report section of our report. We are independent of the Entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other responsibilities in accordance with the Code.

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

Emphasis of Matter – Basis of Accounting

Without further modifying our opinion, we draw attention to Note 2 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the Ray and Shirl Norman Cancer Research Trust to meet the requirements of the Trustee's needs. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation of the financial report, and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

ATA Audits



Tammy Atkins
Director

27 September 2022
Adelaide SA

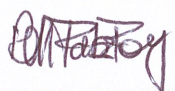
HEALTH SERVICES CHARITABLE GIFTS BOARD
as trustee for the
RAY & SHIRL NORMAN CANCER RESEARCH TRUST
ABN 48 360 657 320

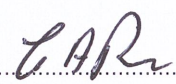
CERTIFICATION OF THE FINANCIAL STATEMENTS

We certify that the

- special purpose financial statements of the Ray & Shirl Norman Cancer Research Trust ("the Trust"):
 - are in accordance with the accounts and records of the Trust;
 - present a true and fair view of the financial position of the Ray & Shirl Norman Cancer Research Trust at the end of the financial year and the result of its operations and cash flows for the financial year; and
 - comply with Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.
- the internal controls employed by the Ray & Shirl Norman Cancer Research Trust for the financial year over its financial reporting and its preparation of special purpose financial statements have been effective.

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


.....
R Pak-Poy - Chair
26 / 09 / 22


.....
C Peirce - Executive Officer
26 / 9 / 22

HEALTH SERVICES CHARITABLE GIFTS BOARD
as trustee for the
RAY & SHIRL NORMAN CANCER RESEARCH TRUST

STATEMENT OF COMPREHENSIVE INCOME
for the Year Ended 30 June 2022

	Note	2022 \$	2021 \$
Income			
Interest revenue		43	93
(Loss) gain on financial assets	3	(389,012)	1,443,003
Imputation credits	2.2	34,488	15,909
Total (loss) income		<u>(354,481)</u>	<u>1,459,005</u>
Expenses			
Administration costs	4	35,750	31,856
Research funding	5	520,061	412,846
Total expenses		<u>555,811</u>	<u>444,702</u>
Net (deficit) income		<u>(910,292)</u>	<u>1,014,303</u>
Total comprehensive (deficit) income		<u><u>(910,292)</u></u>	<u><u>1,014,303</u></u>

The accompanying notes form part of these financial statements.

HEALTH SERVICES CHARITABLE GIFTS BOARD
as trustee for the
RAY & SHIRL NORMAN CANCER RESEARCH TRUST

STATEMENT OF FINANCIAL POSITION
as at 30 June 2022

	Note	2022 \$	2021 \$
Current assets			
Cash and cash equivalents	6	5,312	15,525
GST receivable		2,726	10,880
Imputation credits receivable	2.2	34,488	15,909
Other financial assets at fair value	7	387,352	389,694
Total current assets		429,878	432,008
Non-current assets			
Other financial assets at fair value	7	6,993,318	7,902,888
Total non-current assets		6,993,318	7,902,888
Total assets		7,423,196	8,334,896
Current liabilities			
Accrued administration costs		1,155	2,563
Total current liabilities		1,155	2,563
Total liabilities		1,155	2,563
Net assets		7,422,041	8,332,333
Trust funds			
Trust funds		4,403,529	4,403,529
Retained earnings		3,018,512	3,928,804
Total trust funds		7,422,041	8,332,333

The accompanying notes form part of these financial statements.

HEALTH SERVICES CHARITABLE GIFTS BOARD
as trustee for the
RAY & SHIRL NORMAN CANCER RESEARCH TRUST

STATEMENT OF CHANGES IN EQUITY
for the Year Ended 30 June 2022

	Note	Trust Funds \$	Retained Earnings \$	Total Trust Funds \$
Balance at 1 July 2020		<u>4,403,529</u>	<u>2,914,501</u>	<u>7,318,030</u>
Total comprehensive income for 2020-21		-	1,014,303	1,014,303
Total change for the period		<u>-</u>	<u>1,014,303</u>	<u>1,014,303</u>
Balance at 30 June 2021		<u>4,403,529</u>	<u>3,928,804</u>	<u>8,332,333</u>
Total comprehensive (deficit) for 2021-22		-	(910,292)	(910,292)
Total change for the period		<u>-</u>	<u>(910,292)</u>	<u>(910,292)</u>
Balance at 30 June 2022		<u>4,403,529</u>	<u>3,018,512</u>	<u>7,422,041</u>

The accompanying notes form part of these financial statements.

HEALTH SERVICES CHARITABLE GIFTS BOARD
as trustee for the
RAY & SHIRL NORMAN CANCER RESEARCH TRUST

STATEMENT OF CASH FLOWS
for the year ended 30 June 2022

	Note	2022 \$	2021 \$
Cash flows from operating activities			
Cash inflows			
Interest received		43	95
Imputation credits received		15,909	18,981
GST refunds received		13,614	13,634
Cash generated from operations		<u>29,566</u>	<u>32,710</u>
Cash outflows			
Payment for administration costs		(37,158)	(32,049)
Payment for research funding		(525,521)	(455,545)
Cash used in operations		<u>(562,679)</u>	<u>(487,594)</u>
Net cash (used in) operating activities	8	<u>(533,113)</u>	<u>(454,884)</u>
Cash flows from investing activities			
Cash inflows			
Proceeds from the sale of financial assets		522,900	465,000
Cash generated from investing activities		<u>522,900</u>	<u>465,000</u>
Cash used in investing activities		<u>-</u>	<u>-</u>
Net cash provided by investing activities		<u>522,900</u>	<u>465,000</u>
Net increase in cash and cash equivalents		(10,213)	10,116
Cash and cash equivalents at the beginning of the period		15,525	5,409
Cash and cash equivalents at the end of the period	6	<u><u>5,312</u></u>	<u><u>15,525</u></u>

The accompanying notes form part of these financial statements.

HEALTH SERVICES CHARITABLE GIFTS BOARD
as trustee for the
RAY & SHIRL NORMAN CANCER RESEARCH TRUST

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 30 June 2022

1 Objectives of the Trust

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

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

2 Statement of Principal Accounting Policies

2.1 Format of the Accounts

The attached financial reports and related notes are special purpose financial statements that provide information on the value and operations of the trust being administered.

The Statements have been prepared using the accrual basis of accounting and are in accordance with the historical cost convention, except for financial assets which are reported at Fair Value in accordance with the applicable valuation policy adopted.

2.2 Taxation and Imputation Credits

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

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

HEALTH SERVICES CHARITABLE GIFTS BOARD
as trustee for the
RAY & SHIRL NORMAN CANCER RESEARCH TRUST

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 30 June 2022

2.2 Taxation and Imputation Credits (continued)

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

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

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

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

2.3 Basis of valuation - Assets

Cash and cash equivalents

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

Other financial assets

The trustee is a Prescribed Public Authority which enables the Trust to invest through Funds SA. As these investments are managed and their performance evaluated in accordance with a documented investment strategy and the information reported to the trustee on a regular basis it is considered appropriate that they be designated as fair value through profit and loss.

Investments are recognised and derecognised on trade date and are initially measured at fair value, net of transaction costs.

HEALTH SERVICES CHARITABLE GIFTS BOARD
as trustee for the
RAY & SHIRL NORMAN CANCER RESEARCH TRUST

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 30 June 2022

2.3 Basis of valuation - Assets (continued)

Financial assets and liabilities held at fair value through the profit or loss are measured initially at fair value excluding any transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately. Subsequent to initial recognition, all instruments held at fair value through the profit or loss are measured at fair value with changes in their fair value recognised in the Statement of Comprehensive Income. Fair value of financial instruments are classified, according to fair value hierarchy, at level 2 - fair values that are based on inputs that are directly or indirectly observable for the asset.

Fair value of unlisted unit trusts

Investments in unlisted unit trusts are recorded at the fair value as reported by the managers of such funds as at 30 June 2022.

Due to the ongoing COVID-19 pandemic, global issues such as supply chain difficulties, war and global tightening of monetary policy by Governments there has been significant uncertainty and volatility in investment markets. This has led to poor returns in the current year, reversing many of the gains from the previous year.

2.4 Basis of valuation - General

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

HEALTH SERVICES CHARITABLE GIFTS BOARD
as trustee for the
RAY & SHIRL NORMAN CANCER RESEARCH TRUST

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 30 June 2022

	2022 \$	2021 \$
3 Investment income - Funds SA		
Gain (loss) on financial assets	<u>(389,012)</u>	<u>1,443,003</u>

The Trust invests in various Funds SA investment funds which are unit trusts. As at 1 July 2018 Funds SA's unit trusts made an irrevocable election to become Attribution Management Investment Trusts (AMIT) under Division 276 of the ITAA1997. Under the tax law, AMITs are not required to make distributions, however unit holders still have clearly defined rights and entitlement. AMITs use the principles of attribution of income rather than the previous 'present entitlement' under the old trust rules. As a result the Trust still has an 'attributable amount' to the taxable income of the units it holds within Funds SA's investment options, however no physical distribution is required.

4 Administration costs

Accounting services	4,620	4,356
Audit fees	1,100	1,100
General administration expenses	30,030	26,400
	<u>35,750</u>	<u>31,856</u>

Audit fees are paid to ATA Audits for audit services. No other services were provided by the audit firm.

General administration expenses are amounts paid to Health Services Charitable Gifts Board for the provision of administration services and other costs incurred in its capacity as trustee of the Ray & Shirl Norman Cancer Research Trust.

HEALTH SERVICES CHARITABLE GIFTS BOARD
as trustee for the
RAY & SHIRL NORMAN CANCER RESEARCH TRUST

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 30 June 2022

	2022	2021
	\$	\$

5 Research funding

Research funding (net of GST)	<u>520,061</u>	<u>412,846</u>
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The will establishing the Ray & Shirl Norman Cancer Research Trust required the income of the fund to be used "...for the prevention and cure of cancer.." and during the year funds were provided in support of cancer research projects.

At 30 June 2022 research funding amounts agreed to, but not yet due totalled \$775,483 (2021: \$1,300,964) (inclusive of any GST).

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

6 Cash and cash equivalents
- Current

NAB Business Account	<u>5,312</u>	<u>15,525</u>
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Interest rate risk

Cash at bank earns a floating interest rate. The carrying amount of cash and cash equivalents represents fair value.

HEALTH SERVICES CHARITABLE GIFTS BOARD
as trustee for the
RAY & SHIRL NORMAN CANCER RESEARCH TRUST

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 30 June 2022

	2022 \$	2021 \$
7 Other financial assets at fair value		
The trustee was is a Prescribed Public Authority and invests in unlisted unit trusts managed by Funds SA.		
Surplus cash and short term deposit assets of the Trust are invested in Funds SA Cash B - Taxed Fund and disclosed as current assets at fair value.		
Other investments with Funds SA are disclosed as non-current assets at fair value.		
- Current		
Investments in unlisted unit trusts at fair value	<u>387,352</u>	<u>389,694</u>
- Non-current		
Investments in unlisted unit trusts at fair value	<u>6,993,318</u>	<u>7,902,888</u>
8 Cash flow reconciliation		
Reconciliation of net (deficit) income to net cash (used in) provided by operating activities:		
Net (deficit) income	(910,292)	1,014,303
Add/less non cash items:		
Loss (gain) on financial assets	389,012	(1,443,003)
Total non cash items	<u>389,012</u>	<u>(1,443,003)</u>
Movement in assets and liabilities:		
(Increase) decrease in imputation credits receivable	(18,579)	3,072
Decrease (increase) in GST receivable	8,154	(4,062)
(Decrease) increase in payables	(1,408)	(25,194)
Total movement in assets and liabilities	<u>(11,833)</u>	<u>(26,184)</u>
Net cash (used in) operating activities	<u>(533,113)</u>	<u>(454,884)</u>

**INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEE OF THE DOROTHY E BROWN CHARITABLE TRUST****Qualified Opinion**

We have audited the financial report of the Dorothy E Brown Charitable Trust (the Entity), which comprises the statement of financial position as at 30 June 2022, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, and the certification of the financial statements by those charged with governance.

In our opinion, except for the effects on the financial statements of the matter referred to below, the accompanying financial report of the Entity presents fairly, in all material respects, in accordance with the accounting policies described in the notes to the financial statements, the financial position of the trust at 30 June 2022 and its financial performance and its cash flows for the year then ended.

Basis for Qualified Opinion

The trust holds investments in a Funds SA product valued at \$231,543. As the underlying assets are custodially held, I was unable to verify the holdings directly, and therefore relied on the reports provided by Funds SA. At the time of audit, these reports provided by Funds SA were unaudited.

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Report section of our report. We are independent of the Entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other responsibilities in accordance with the Code.

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

Emphasis of Matter – Basis of Accounting

Without further modifying our opinion, we draw attention to Note 2 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the Dorothy E Brown Charitable Trust to meet the requirements of the Trustee's needs. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation of the financial report, and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

ATA Audits



Tammy Atkins
Director

27 September 2022
Adelaide SA

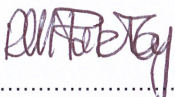
HEALTH SERVICES CHARITABLE GIFTS BOARD
as trustee for the
DOROTHY E BROWN CHARITABLE TRUST
ABN 76 417 094 848

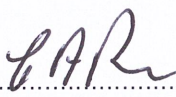
CERTIFICATION OF THE FINANCIAL STATEMENTS

We certify that the

- special purpose financial statements for the Dorothy E Brown Charitable Trust ("the Trust"):
 - are in accordance with the accounts and records of the Trust;
 - present a true and fair view of the financial position of the Dorothy E Brown Charitable Trust as the end of the financial year and the result of its operations and cash flows for the financial year; and
 - comply with Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.
- the internal controls employed by the Dorothy E Brown Charitable Trust for the financial year over its financial reporting and its preparation of special purpose financial statements have been effective.

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


.....
R Pak-Poy - Chair
26 / 09 / 22


.....
C Peirce - Executive Officer
26 / 9 / 22

HEALTH SERVICES CHARITABLE GIFTS BOARD
as trustee for the
DOROTHY E BROWN CHARITABLE TRUST

STATEMENT OF COMPREHENSIVE INCOME
for the Year Ended 30 June 2022

	Note	2022 \$	2021 \$
Income			
Gain on financial assets	3	(17,097)	28,575
Imputation credits	2.2	504	266
Total income		<u>(16,593)</u>	<u>28,841</u>
Expenses			
Administration costs	4	770	770
Charitable purposes funding	5	20,000	25,000
Total expenses		<u>20,770</u>	<u>25,770</u>
Net (deficit) income		<u>(37,363)</u>	<u>3,071</u>
Total comprehensive (deficit) income		<u><u>(37,363)</u></u>	<u><u>3,071</u></u>

The accompanying notes form part of these financial statements.

HEALTH SERVICES CHARITABLE GIFTS BOARD
as trustee for the
DOROTHY E BROWN CHARITABLE TRUST

STATEMENT OF FINANCIAL POSITION
as at 30 June 2022

	Note	2022 \$	2021 \$
Current assets			
Imputation credits receivable	2.2	504	265
Total current assets		504	265
Non-current assets			
Other financial assets	6	231,543	294,145
Total non-current assets		231,543	294,145
Total assets		232,047	294,410
Current liabilities			
Accrued expenses		-	25,000
Total liabilities		-	25,000
Net assets		232,047	269,410
Trust funds			
Trust funds		284,175	284,175
Accumulated (losses)		(52,128)	(14,765)
Total trust funds		232,047	269,410

The accompanying notes form part of these financial statements.

HEALTH SERVICES CHARITABLE GIFTS BOARD
as trustee for the
DOROTHY E BROWN CHARITABLE TRUST

STATEMENT OF CHANGES IN EQUITY
for the Year Ended 30 June 2022

	Note	Trust Funds	Retained earnings (accumulated losses)	Total Trust Funds
		\$	\$	\$
Balance at 1 July 2020		284,175	(17,836)	266,339
Total comprehensive income for 2020-21		-	3,071	3,071
Total Change for the period		-	3,071	3,071
Balance at 30 June 2021		284,175	(14,765)	269,410
Total comprehensive (deficit) for 2021-22		-	(37,363)	(37,363)
Total Change for the period		-	(37,363)	(37,363)
Balance at 30 June 2022		284,175	(52,128)	232,047

The accompanying notes form part of these financial statements.

HEALTH SERVICES CHARITABLE GIFTS BOARD
as trustee for the
DOROTHY E BROWN CHARITABLE TRUST

STATEMENT OF CASH FLOWS
for the year ended 30 June 2022

	Note	2022 \$	2021 \$
Cash flows from operating activities			
Cash inflows			
Imputation credits received		265	355
Cash generated from operations		<u>265</u>	<u>355</u>
Cash outflows			
Payment for administration costs		(770)	(770)
Payment for charitable purposes		(45,000)	-
Cash used in operations		<u>(45,770)</u>	<u>(770)</u>
Net cash (used in) operating activities	7	<u>(45,505)</u>	<u>(415)</u>
Cash flows from investing activities			
Cash inflows			
Proceeds from sale of financial assets		45,505	415
Cash generated from investing activities		<u>45,505</u>	<u>415</u>
Cash Outflows			
Purchase of financial assets		-	-
Cash used in investing activities		<u>-</u>	<u>-</u>
Net cash provided by investing activities		<u>45,505</u>	<u>415</u>
Net increase/(decrease) in cash and cash equivalents		-	-
Cash and cash equivalents at the beginning of the period		-	-
Cash and cash equivalents at the end of the period		<u><u>-</u></u>	<u><u>-</u></u>

As the Trust has very few receipt or payment transactions, it does not operate a bank account. Redemptions from the Funds SA investment and payments are made via the bank account of the Trustee as and when required.

The accompanying notes form part of these financial statements.

HEALTH SERVICES CHARITABLE GIFTS BOARD
as trustee for the
DOROTHY E BROWN CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 30 June 2022

1 Objectives of the Trust

The Dorothy E Brown Charitable Trust ('Trust' or 'Fund') was established by a Deed Poll dated 17 December 2014 pursuant to Section 21 of the *Health Services Charitable Gifts Act 2011*.

In accordance with the will of Mrs Dorothy E Brown dated 16 August 1971, the residue of her estate was bequeathed to the now defunct Hospitals Department of the South Australian Government for the "benefit of sufferers from kidney diseases or complaints". The amount of the residue was held by SA Health since October 2009 and was the subject of Supreme Court proceedings seeking directions in relation to the residue. The judgement of the Court from those proceedings was that the deceased's will established a charitable trust and that, having consented to its appointment, the Health Services Charitable Gifts Board (HSCGB) should be appointed as trustee of this charitable trust. The Deed Poll dated 17 December 2014 appoints the HSCGB as trustee and provided further guidance of the administration of the charitable trust. The funds are invested through Funds SA in an account in the name of the Trust.

In accordance with the judgment the terms of the Trust were varied whereby -

- the trust monies (income and/or capital) may be applied for the benefit of any patient of a hospital incorporated under the *Health Care Act 2008* who is suffering from a kidney disease or complaint; and
- the trust monies (income and/or capital) shall be expensed on benefits that such patients would not normally receive or enjoy as patients of those hospitals.

2 Summary of Principal Accounting Policies

The attached financial reports and related notes are special purpose financial statements that provide information on the value and operations of the trust being administered.

HEALTH SERVICES CHARITABLE GIFTS BOARD
as trustee for the
DOROTHY E BROWN CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 30 June 2022

2.1 Format of the Accounts

The Statements have been prepared using the accrual basis of accounting and are in accordance with the historical cost convention, except for financial assets which are reported at Fair Value in accordance with the applicable valuation policy adopted.

2.2 Taxation and Imputation Credits

The Dorothy E Brown Charitable Trust is exempt from income tax and has been granted status as a Charitable Fund.

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

2.3 Basis of valuation - Assets

Other financial assets

The trustee is a Prescribed Public Authority which enables the Trust to invest through Funds SA. As these investments are managed and their performance evaluated in accordance with a documented investment strategy and the information reported to the trustee on a regular basis it is considered appropriate that they be designated as fair value through profit and loss.

Investments are recognised and derecognised on trade date and are initially measured at fair value, net of transaction costs.

Financial assets and liabilities held at fair value through the profit or loss are measured initially at fair value excluding any transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately. Subsequent to initial recognition, all instruments held at fair value through the profit or loss are measured at fair value with changes in their fair value recognised in the Statement of Comprehensive Income. Fair value of financial instruments are classified, according to fair value hierarchy, at level 2 - fair values that are based on inputs that are directly or indirectly observable for the asset.

HEALTH SERVICES CHARITABLE GIFTS BOARD
as trustee for the
DOROTHY E BROWN CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 30 June 2022

2.3 Basis of valuation - Assets (continued)

Fair value of unlisted unit trusts

Investments in unlisted unit trusts are recorded at the fair value as reported by the managers of such funds as at 30 June 2022.

Due to the ongoing COVID-19 pandemic, global issues such as supply chain difficulties, war and global tightening of monetary policy by Governments there has been significant uncertainty and volatility in investment markets. This has led to poor returns in the current year, reversing many of the gains from the previous year.

2.4 Basis of valuation - General

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

HEALTH SERVICES CHARITABLE GIFTS BOARD
as trustee for the
DOROTHY E BROWN CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 30 June 2022

	Note	2022 \$	2021 \$
3 Investment income - Funds SA			
(Loss) gain on financial assets		(17,097)	28,575

The Trust invests in the Funds SA Conservative B - Taxed Fund which is a unit trust structure. As at 1 July 2018 Funds SA's unit trusts made an irrevocable election to become Attribution Management Investment Trusts (AMIT) under Division 276 of the ITAA1997. Under the tax law, AMITs are not required to make distributions, however unit holders still have clearly defined rights and entitlement. AMITs use the principles of attribution of income rather than the previous 'present entitlement' under the old trust rules. As a result the Trust still has an 'attributable amount' to the taxable income of the units it holds within Funds SA's investment options, however no physical distribution is required.

4 Administration costs

Audit fees	770	770
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Audit fees are paid to ATA Audits for audit services. No other services were provided by the audit firm.

5 Charitable purpose funding

Salary costs	15,297	22,744
Travel and accommodation	4,703	2,256
	<u>20,000</u>	<u>25,000</u>

The terms of the Dorothy E Brown Charitable Trust require the fund be used for the "benefit of sufferers from kidney diseases or complaints". The expenditure for the year relates to salary, on-costs and accommodation for travel to regional areas of the State for dialysis support for sufferers of kidney diseases. Financial support was also provided to enable the furnishing of Transplant House for the benefit of kidney disease patients.

HEALTH SERVICES CHARITABLE GIFTS BOARD
as trustee for the
DOROTHY E BROWN CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 30 June 2022

	Note	2022 \$	2021 \$
6 Other Financial assets			
The Trust invests in the Funds SA Conservative B - Taxed Fund. As this is considered to be a long term holding it is disclosed as a non-current asset at fair value.			
Financial assets through profit and loss			
- Non-Current			
Investments in unlisted unit trusts at fair value		231,543	294,145
		<u>231,543</u>	<u>294,145</u>
7 Cash flow reconciliation			
Reconciliation of net profit (loss) to net cash (used in) operating activities:			
Net income (deficit)		(37,363)	3,071
Add/less non cash items:			
Loss (gain) on financial assets		17,097	(28,575)
Total non cash items		<u>17,097</u>	<u>(28,575)</u>
Movement in assets and liabilities:			
(Increase) decrease in imputation credits receivable		(239)	89
(Decrease) increase in payables		(25,000)	25,000
Total movement in assets and liabilities		<u>(25,239)</u>	<u>25,089</u>
Net cash (used in) operating activities		<u>(45,505)</u>	<u>(415)</u>

INDEPENDENT AUDITOR'S REPORT**To The Trustee for P F BEINKE CHARITABLE TRUST – ROYAL ADELAIDE HOSPITAL
(The Chapel Fund)****Qualified Opinion**

We have audited the financial report of the P F Beinke Charitable Trust - Royal Adelaide Hospital (The Chapel Fund or the Entity), which comprises the statement of financial position at 30 June 2022, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, and the certification of the financial statements by those charged with governance.

In our opinion, except for the effects on the financial statements of the matter referred to below, the accompanying financial report of the Entity presents fairly, in all material respects, in accordance with the accounting policies described in the notes to the financial statements, the financial position of the trust at 30 June 2022 and its financial performance and its cash flows for the year then ended.

Basis for Qualified Opinion

The trust holds investments in a Funds SA product valued at \$252,889. As the underlying assets are custodially held, we were unable to verify the holdings directly, and therefore relied on the reports provided by Funds SA. At the time of audit, these reports provided by Funds SA were unaudited.

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Report section of our report. We are independent of the Entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other responsibilities in accordance with the Code.

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

Emphasis of Matter – Basis of Accounting

Without further modifying our opinion, we draw attention to Note 2 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the Entity to meet the requirements of the Trustee's needs. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation of the financial report, and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

ATA Audits



Tammy Atkins
Director

27 September 2022
Adelaide SA

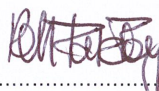
HEALTH SERVICES CHARITABLE GIFTS BOARD
as trustee for the
P F BEINKE CHARITABLE TRUST - ROYAL ADELAIDE HOSPITAL
(THE CHAPEL FUND)
ABN 13 679 538 125

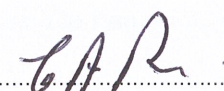
CERTIFICATION OF THE FINANCIAL STATEMENTS

We certify that the

- special purpose financial statements for the P F Beinke Charitable Trust - Royal Adelaide Hospital (The Chapel Fund) ("the Trust"):
 - are in accordance with the accounts and records of the Trust;
 - present a true and fair view of the financial position of the P F Beinke Charitable Trust - Royal Adelaide Hospital (The Chapel Fund) at the end of the financial year and the result of its operations and cash flows for the financial year; and
 - comply with Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.
- the internal controls employed by the P F Beinke Charitable Trust - Royal Adelaide Hospital (the Chapel Fund) for the financial year over its financial reporting and its preparation of special purpose financial statements have been effective.

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


.....
R Pak-Poy - Chair
26 / 09 / 22


.....
C Peirce - Executive Officer
26 / 9 / 22

HEALTH SERVICES CHARITABLE GIFTS BOARD
as trustee for the
P F BEINKE CHARITABLE TRUST - ROYAL ADELAIDE HOSPITAL
(THE CHAPEL FUND)

STATEMENT OF COMPREHENSIVE INCOME
for the Year Ended 30 June 2022

	Note	2022 \$	2021 \$
Income			
Interest revenue		-	2,479
(Loss) gain on financial assets		(17,401)	21,116
Imputation credits	2.2	551	247
Total income	3	<u>(16,850)</u>	<u>23,842</u>
Expenses			
Administration costs	4	770	-
Charitable purposes funding	5	3,022	2,780
Total expenses		<u>3,792</u>	<u>2,780</u>
Net (deficit) income		<u>(20,642)</u>	<u>21,062</u>
Total comprehensive (deficit) income		<u><u>(20,642)</u></u>	<u><u>21,062</u></u>

The accompanying notes form part of these financial statements.

HEALTH SERVICES CHARITABLE GIFTS BOARD
as trustee for the
P F BEINKE CHARITABLE TRUST - ROYAL ADELAIDE HOSPITAL
(THE CHAPEL FUND)

STATEMENT OF FINANCIAL POSITION
as at 30 June 2022

	Note	2022 \$	2021 \$
Current assets			
Imputation credits receivable	2.2	551	247
Total current assets		551	247
Non-current assets			
Other financial assets	6	252,889	273,593
Total non-current assets		252,889	273,593
Total assets		253,440	273,840
Current liabilities			
Accrued expenses		3,022	2,780
Total current liabilities		3,022	2,780
Total liabilities		3,022	2,780
Net assets		250,418	271,060
Trust funds			
Trust funds		249,998	249,998
Retained earnings		420	21,062
Total trust funds		250,418	271,060

The accompanying notes form part of these financial statements.

HEALTH SERVICES CHARITABLE GIFTS BOARD
as trustee for the
P F BEINKE CHARITABLE TRUST - ROYAL ADELAIDE HOSPITAL
(THE CHAPEL FUND)

STATEMENT OF CHANGES IN EQUITY
for the Year Ended 30 June 2022

	Note	Trust Funds	Retained earnings (accumulated losses)	Total Trust Funds
		\$	\$	\$
Transfer of Trust Funds		249,998	-	249,998
Total comprehensive income for 2020-21		-	21,062	21,062
Total Change for the period		249,998	21,062	271,060
Balance at 30 June 2021		249,998	21,062	271,060
Total comprehensive (deficit) for 2021-22		-	(20,642)	(20,642)
Total Change for the period		-	(20,642)	(20,642)
Balance at 30 June 2022		249,998	420	250,418

The accompanying notes form part of these financial statements.

HEALTH SERVICES CHARITABLE GIFTS BOARD
as trustee for the
P F BEINKE CHARITABLE TRUST - ROYAL ADELAIDE HOSPITAL
(THE CHAPEL FUND)

STATEMENT OF CASH FLOWS
for the year ended 30 June 2022

	Note	2022 \$	2021 \$
Cash flows from operating activities			
Cash inflows			
Imputation credits received		247	-
Receipts from interest		-	2,479
		<u>247</u>	<u>2,479</u>
Payment for administration costs		(770)	-
Payment for charitable purposes		<u>(2,780)</u>	<u>-</u>
Cash outflows		<u>(3,550)</u>	<u>-</u>
Net cash (used in) provided by operating activities	7	<u>(3,303)</u>	<u>2,479</u>
Cash flows from investing activities			
Cash inflows			
Proceeds from sale of financial assets		3,303	263
Cash generated from investing activities		<u>3,303</u>	<u>263</u>
Cash Outflows			
Purchase of financial assets		-	(252,740)
Cash (used) in investing activities		<u>-</u>	<u>(252,740)</u>
Net cash provided by (used in) investing activities		<u>3,303</u>	<u>(252,477)</u>
Cash flows from financing activities			
Cash inflows			
Trust capital received		-	249,998
Cash Outflows		<u>-</u>	<u>-</u>
Net cash provided by financing activities		<u>-</u>	<u>249,998</u>
Net increase/(decrease) in cash and cash equivalents		-	-
Cash and cash equivalents at the beginning of the period		-	-
Cash and cash equivalents at the end of the period		<u>-</u>	<u>-</u>

As the Trust has very few receipt or payment transactions, it does not operate a bank account. Redemptions from the Funds SA investment and payments are made via the bank account of the Trustee as and when required.

The accompanying notes form part of these financial statements.

HEALTH SERVICES CHARITABLE GIFTS BOARD
as trustee for the
P F BEINKE CHARITABLE TRUST - ROYAL ADELAIDE HOSPITAL
(THE CHAPEL FUND)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the Year Ended 30 June 2022

1 Objectives of the Trust

In accordance with the Will of Mr Peter Francis Beinke dated 19 February 2014, one third of the residue of his estate was to be used to establish a Charitable Trust for the benefit of the Hospital Pastoral Care Department of the Royal Adelaide Hospital "...for the express purpose of providing education and training and associated expenses for Chaplains in their role at this institution".

The amount of this residue was held by Australian Executor Trustees Limited (AET) since his death in March 2014. Pursuant to a Deed of Trustee Retirement, Appointment & Indemnity dated 1 July 2020 AET retired as trustee and the Health Services Charitable Gifts Board (HSCGB) was appointed in its place.

On finalisation of the Estate of Mr P F Beinke, AET transferred amounts totalling \$249,998 to the HSCGB in its capacity as Trustee of the Charitable Trust. These funds were initially invested through HSCGB pooled assets and interest paid to the Charitable Trust. In due course all funds were transferred to, and are now invested through Funds SA in an account in the name of the Trust.

2 Summary of Principal Accounting Policies

2.1 Format of the Accounts

The attached financial reports and related notes are special purpose financial statements that provide information on the value and operations of the trust being administered.

The Statements have been prepared using the accrual basis of accounting and are in accordance with the historical cost convention, except for financial assets which are reported at Fair Value in accordance with the applicable valuation policy adopted.

2.2 Taxation and Imputation Credits

The P F Beinke Charitable Trust - Royal Adelaide Hospital (the Chapel Fund) is exempt from income tax and has been granted status as a Charitable Fund.

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

HEALTH SERVICES CHARITABLE GIFTS BOARD
as trustee for the
P F BEINKE CHARITABLE TRUST - ROYAL ADELAIDE HOSPITAL
(THE CHAPEL FUND)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the Year Ended 30 June 2022

2.3 Basis of valuation - Assets

Other financial assets

The trustee is a Prescribed Public Authority which enables the Trust to invest through Funds SA. As these investments are managed and their performance evaluated in accordance with a documented investment strategy and the information reported to the trustee on a regular basis it is considered appropriate that they be designated as fair value through profit and loss.

Investments are recognised and derecognised on trade date and are initially measured at fair value, net of transaction costs.

Financial assets and liabilities held at fair value through the profit or loss are measured initially at fair value excluding any transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately. Subsequent to initial recognition, all instruments held at fair value through the profit or loss are measured at fair value with changes in their fair value recognised in the Statement of Comprehensive Income. Fair value of financial instruments are classified, according to fair value hierarchy, at level 2 - fair values that are based on inputs that are directly or indirectly observable for the asset.

Fair value of unlisted unit trusts

Investments in unlisted unit trusts are recorded at the fair value as reported by the managers of such funds as at 30 June 2022.

Due to the ongoing COVID-19 pandemic, global issues such as supply chain difficulties, war and global tightening of monetary policy by Governments there has been significant uncertainty and volatility in investment markets. This has led to poor returns in the current year, reversing many of the gains from the previous year.

2.4 Basis of valuation - General

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

HEALTH SERVICES CHARITABLE GIFTS BOARD
as trustee for the
P F BEINKE CHARITABLE TRUST - ROYAL ADELAIDE HOSPITAL
(THE CHAPEL FUND)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the Year Ended 30 June 2022

	Note	2022 \$	2021 \$
3 Income			
Interest		-	2,479
(Loss) gain on financial assets		(17,401)	21,116
		<u>(17,401)</u>	<u>23,595</u>

On initial receipt of funds from AET in the previous financial year the amounts were invested in the pooled assets of the HSCGB. A proportional share of the income generated by these assets were paid to the Trust by HSCGB and recorded as interest. For the current year all amounts were only invested with Funds SA.

The Trust invests in the Funds SA Conservative B - Taxed Fund which is a unit trust structure. As at 1 July 2018 Funds SA's unit trusts made an irrevocable election to become Attribution Management Investment Trusts (AMIT) under Division 276 of the ITAA1997. Under the tax law, AMITs are not required to make distributions, however unit holders still have clearly defined rights and entitlement. AMITs use the principles of attribution of income rather than the previous 'present entitlement' under the old trust rules. As a result the Trust still has an 'attributable amount' to the taxable income of the units it holds within Funds SA's investment options, however no physical distribution is required.

4 Administration costs

Audit fees	<u>770</u>	<u>-</u>
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Audit fees are paid to ATA Audits for audit services. No other services were provided by the audit firm.

5 Charitable purpose funding

Conferences and training	3,022	2,780
	<u>3,022</u>	<u>2,780</u>

The terms of the P F Beinke Charitable Trust - Royal Adelaide Hospital (The Chapel Fund) require the fund be used for the "...for the express purpose of providing education and training and associated expenses for Chaplains in their role at this institution". The expenditure for the year relates to registration fees for training events for attendance by Chaplains and counsellors of Royal Adelaide Hospital.

HEALTH SERVICES CHARITABLE GIFTS BOARD
as trustee for the
P F BEINKE CHARITABLE TRUST - ROYAL ADELAIDE HOSPITAL
(THE CHAPEL FUND)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the Year Ended 30 June 2022

	Note	2022 \$	2021 \$
6 Other Financial assets			
The Trust invests in the Funds SA Conservative B - Taxed Fund. As this is considered to be a long term holding it is disclosed as a non-current asset at fair value.			
Financial assets though profit and loss			
- Non-Current			
Investments in unlisted unit trusts at fair value		252,889	273,593
7 Cash flow reconciliation			
Reconciliation of net (deficit) income to net cash (used in) provided by operating activities:			
Net (deficit) income		(20,642)	21,062
Add/less non cash items:			
Loss (gain) on financial assets		17,401	(21,116)
Total non cash items		17,401	(21,116)
Movement in assets and liabilities:			
(Increase) in imputation credits receivable		(304)	(247)
Increase in payables		242	2,780
Total movement in assets and liabilities		(62)	2,533
Net cash (used in) provided by operating activities		(3,303)	2,479

INDEPENDENT AUDITOR'S REPORT**To The Trustee for P F BEINKE CHARITABLE TRUST – FLINDERS MEDICAL CENTRE
(Pastoral Care Account)****Qualified Opinion**

We have audited the financial report of the P F Beinke Charitable Trust - Flinders Medical Centre (Pastoral Care Account or the Entity), which comprises the statement of financial position at 30 June 2022, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, and the certification of the financial statements by those charged with governance.

In our opinion, except for the effects on the financial statements of the matter referred to below, the accompanying financial report of the Entity presents fairly, in all material respects, in accordance with the accounting policies described in the notes to the financial statements, the financial position of the trust at 30 June 2022 and its financial performance and its cash flows for the year then ended.

Basis for Qualified Opinion

The trust holds investments in a Funds SA product valued at \$254,140. As the underlying assets are custodially held, we were unable to verify the holdings directly, and therefore relied on the reports provided by Funds SA. At the time of audit, these reports provided by Funds SA were unaudited.

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Report section of our report. We are independent of the Entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other responsibilities in accordance with the Code.

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

Emphasis of Matter – Basis of Accounting

Without further modifying our opinion, we draw attention to Note 2 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the Entity to meet the requirements of the Trustee's needs. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation of the financial report, and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

ATA Audits



Tammy Atkins
Director

27 September 2022
Adelaide SA

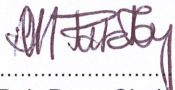
HEALTH SERVICES CHARITABLE GIFTS BOARD
as trustee for the
P F BEINKE CHARITABLE TRUST - FLINDERS MEDICAL CENTRE
(PASTORAL CARE ACCOUNT)
ABN 84 893 615 423

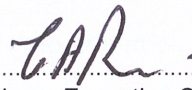
CERTIFICATION OF THE FINANCIAL STATEMENTS

We certify that the

- special purpose financial statements for the P F Beinke Charitable Trust - Flinders Medical Centre (Pastoral Care Account) ("the Trust"):
 - are in accordance with the accounts and records of the Trust;
 - present a true and fair view of the financial position of the P F Beinke Charitable Trust - Flinders Medical Centre (Pastoral Care Account) at the end of the financial year and the result of its operations and cash flows for the financial year; and
 - comply with Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.
- the internal controls employed by the P F Beinke Charitable Trust - Flinders Medical Centre (Pastoral Care Account) for the financial year over its financial reporting and its preparation of special purpose financial statements have been effective.

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


.....
R Pak-Poy - Chair
26 / 09 / 22


.....
C Peirce - Executive Officer
26 / 9 / 22

HEALTH SERVICES CHARITABLE GIFTS BOARD
as trustee for the
P F BEINKE CHARITABLE TRUST - FLINDERS MEDICAL CENTRE
(PASTORAL CARE ACCOUNT)

STATEMENT OF COMPREHENSIVE INCOME
for the Year Ended 30 June 2022

	Note	2022 \$	2021 \$
Income			
Interest revenue		-	2,479
(Loss) gain on financial assets		(17,510)	21,096
Imputation credits	2.2	553	246
Total income	3	<u>(16,957)</u>	<u>23,821</u>
Expenses			
Administration costs	4	770	-
Charitable purposes funding	5	-	1,399
Total expenses		<u>770</u>	<u>1,399</u>
Net (deficit) income		<u>(17,727)</u>	<u>22,422</u>
Total comprehensive (deficit) income		<u><u>(17,727)</u></u>	<u><u>22,422</u></u>

The accompanying notes form part of these financial statements.

HEALTH SERVICES CHARITABLE GIFTS BOARD
as trustee for the
P F BEINKE CHARITABLE TRUST - FLINDERS MEDICAL CENTRE
(PASTORAL CARE ACCOUNT)

STATEMENT OF FINANCIAL POSITION
as at 30 June 2022

	Note	2022 \$	2021 \$
Current assets			
Imputation credits receivable	2.2	553	246
Total current assets		553	246
Non-current assets			
Other financial assets	6	254,140	272,579
Total non-current assets		254,140	272,579
Total assets		254,693	272,825
Current liabilities			
Accrued expenses		-	405
Total current liabilities		-	405
Total liabilities		-	405
Net assets		254,693	272,420
Trust funds			
Trust funds		249,998	249,998
Retained earnings		4,695	22,422
Total trust funds		254,693	272,420

The accompanying notes form part of these financial statements.

HEALTH SERVICES CHARITABLE GIFTS BOARD
as trustee for the
P F BEINKE CHARITABLE TRUST - FLINDERS MEDICAL CENTRE
(PASTORAL CARE ACCOUNT)

STATEMENT OF CHANGES IN EQUITY
for the Year Ended 30 June 2022

	Note	Trust Funds \$	Retained earnings (accumulated losses) \$	Total Trust Funds \$
Transfer of Trust Funds	1	249,998	-	249,998
Total comprehensive income for 2020-21		-	22,422	22,422
Total Change for the period		249,998	22,422	272,420
Balance at 30 June 2021		249,998	22,422	272,420
Total comprehensive (deficit) for 2021-22		-	(17,727)	(17,727)
Total Change for the period		-	(17,727)	(17,727)
Balance at 30 June 2022		249,998	4,695	254,693

The accompanying notes form part of these financial statements.

HEALTH SERVICES CHARITABLE GIFTS BOARD
as trustee for the
P F BEINKE CHARITABLE TRUST - FLINDERS MEDICAL CENTRE
(PASTORAL CARE ACCOUNT)

STATEMENT OF CASH FLOWS
for the year ended 30 June 2022

	Note	2022 \$	2021 \$
Cash flows from operating activities			
Cash inflows			
Imputation credits received		246	-
Receipts from interest		-	2,479
		<u>246</u>	<u>2,479</u>
Cash outflows			
Payment for administration costs		(770)	-
Payment for charitable purposes		(405)	(994)
		<u>(1,175)</u>	<u>(994)</u>
Net cash (used in) provided by operating activities	7	<u>(929)</u>	<u>1,485</u>
Cash flows from investing activities			
Cash inflows			
Proceeds from sale of financial assets		929	1,257
		<u>929</u>	<u>1,257</u>
Cash generated from investing activities			
		<u>929</u>	<u>1,257</u>
Cash Outflows			
Purchase of financial assets		-	(252,740)
		<u>-</u>	<u>(252,740)</u>
Net cash provided by (used in) investing activities		<u>929</u>	<u>(251,483)</u>
Cash flows from financing activities			
Cash inflows			
Trust capital received		-	249,998
		<u>-</u>	<u>249,998</u>
Cash Outflows			
		<u>-</u>	<u>-</u>
Net cash provided by financing activities		<u>-</u>	<u>249,998</u>
Net increase/(decrease) in cash and cash equivalents		-	-
Cash and cash equivalents at the beginning of the period		-	-
Cash and cash equivalents at the end of the period		<u>-</u>	<u>-</u>

As the Trust has very few receipt or payment transactions, it does not operate a bank account. Redemptions from the Funds SA investment and payments are made via the bank account of the Trustee as and when required.

The accompanying notes form part of these financial statements.

HEALTH SERVICES CHARITABLE GIFTS BOARD
as trustee for the
P F BEINKE CHARITABLE TRUST - FLINDERS MEDICAL CENTRE
(PASTORAL CARE ACCOUNT)

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 30 June 2022

1 Objectives of the Trust

In accordance with the Will of Mr Peter Francis Beinke dated 19 February 2014, one third of the residue of his estate was to be used to establish a Charitable Trust for the benefit of the Pastoral Care Department of the Flinders Medical Centre "...for the express purpose of providing education and training and associated expenses for Chaplains in their role at his institution".

The amount of this residue was held by Australian Executor Trustees Limited (AET) since his death in March 2014. Pursuant to a Deed of Trustee Retirement, Appointment & Indemnity dated 1 July 2020 AET retired as trustee and the Health Services Charitable Gifts Board (HSCGB) was appointed in its place.

On finalisation of the Estate of Mr P F Beinke, AET transferred amounts totalling \$249,998 to the HSCGB in its capacity as Trustee of the Charitable Trust. These funds were initially invested through HSCGB pooled assets and interest paid to the Charitable Trust. In due course all funds were transferred to, and are now invested through Funds SA in an account in the name of the Trust.

2 Summary of Principal Accounting Policies

2.1 Format of the Accounts

The attached financial reports and related notes are special purpose financial statements that provide information on the value and operations of the trust being administered.

The Statements have been prepared using the accrual basis of accounting and are in accordance with the historical cost convention, except for financial assets which are reported at Fair Value in accordance with the applicable valuation policy adopted.

2.2 Taxation and Imputation Credits

The P F Beinke Charitable Trust - Flinders Medical Centre (Pastoral Care Account) is exempt from income tax and has been granted status as a Charitable Fund.

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

HEALTH SERVICES CHARITABLE GIFTS BOARD
as trustee for the
P F BEINKE CHARITABLE TRUST - FLINDERS MEDICAL CENTRE
(PASTORAL CARE ACCOUNT)

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 30 June 2022

2.3 Basis of valuation - Assets

Other financial assets

The trustee is a Prescribed Public Authority which enables the Trust to invest through Funds SA. As these investments are managed and their performance evaluated in accordance with a documented investment strategy and the information reported to the trustee on a regular basis it is considered appropriate that they be designated as fair value through profit and loss.

Investments are recognised and derecognised on trade date and are initially measured at fair value, net of transaction costs.

Financial assets and liabilities held at fair value through the profit or loss are measured initially at fair value excluding any transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately. Subsequent to initial recognition, all instruments held at fair value through the profit or loss are measured at fair value with changes in their fair value recognised in the Statement of Comprehensive Income. Fair value of financial instruments are classified, according to fair value hierarchy, at level 2 - fair values that are based on inputs that are directly or indirectly observable for the asset.

Fair value of unlisted unit trusts

Investments in unlisted unit trusts are recorded at the fair value as reported by the managers of such funds as at 30 June 2022.

Due to the ongoing COVID-19 pandemic, global issues such as supply chain difficulties, war and global tightening of monetary policy by Governments there has been significant uncertainty and volatility in investment markets. This has led to poor returns in the current year, reversing many of the gains from the previous year.

2.4 Basis of valuation - General

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

HEALTH SERVICES CHARITABLE GIFTS BOARD
as trustee for the
P F BEINKE CHARITABLE TRUST - FLINDERS MEDICAL CENTRE
(PASTORAL CARE ACCOUNT)

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 30 June 2022

	Note	2022 \$	2021 \$
3 Income			
Interest		-	2,479
(Loss) gain on financial assets		(17,510)	21,096
Imputation credits		553	246
		<u>(16,957)</u>	<u>23,821</u>

On initial receipt of funds from AET in the previous financial year the amounts were invested in the pooled assets of the HSCGB. A proportional share of the income generated by these assets were paid to the Trust by HSCGB and recorded as interest. For the current year all amounts were only invested with Funds SA.

The Trust invests in the Funds SA Conservative B - Taxed Fund which is a unit trust structure. As at 1 July 2018 Funds SA's unit trusts made an irrevocable election to become Attribution Management Investment Trusts (AMIT) under Division 276 of the ITAA1997. Under the tax law, AMITs are not required to make distributions, however unit holders still have clearly defined rights and entitlement. AMITs use the principles of attribution of income rather than the previous 'present entitlement' under the old trust rules. As a result the Trust still has an 'attributable amount' to the taxable income of the units it holds within Funds SA's investment options, however no physical distribution is required.

4 Administration costs

Audit fees	<u>770</u>	<u>-</u>
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Audit fees are paid to ATA Audits for audit services. No other services were provided by the audit firm.

5 Charitable purpose funding

Conferences and training	-	1,399
	<u>-</u>	<u>1,399</u>

The terms of the P F Beinke Charitable Trust - Flinders Medical Centre (Pastoral Care Account) require the fund be used for the "...for the express purpose of providing education and training and associated expenses for Chaplains in their role at this institution". The expenditure for the year relates to registration fees for training events for attendance by Chaplains and counsellors of Flinders Medical Centre.

HEALTH SERVICES CHARITABLE GIFTS BOARD
as trustee for the
P F BEINKE CHARITABLE TRUST - FLINDERS MEDICAL CENTRE
(PASTORAL CARE ACCOUNT)

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 30 June 2022

	Note	2022 \$	2021 \$
6 Other Financial assets			
The Trust invests in the Funds SA Conservative B - Taxed Fund. As this is considered to be a long term holding it is disclosed as a non-current asset at fair value.			
Financial assets though profit and loss			
- Non-Current			
Investments in unlisted unit trusts at fair value		254,140	272,579
7 Cash flow reconciliation			
Reconciliation of net (deficit) income to net cash (used in) provided by operating activities:			
Net (deficit) income		(17,727)	22,422
Add/less non cash items:			
Loss (gain) on financial assets		17,510	(21,096)
Total non cash items		17,510	(21,096)
Movement in assets and liabilities:			
(Increase) in imputation credits receivable		(307)	(246)
(Decrease) increase in payables		(405)	405
Total movement in assets and liabilities		(712)	159
Net cash (used in) provided by operating activities		(929)	1,485

**INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEE OF THE P F BEINKE CHARITABLE TRUST – DAW PARK REPATRIATION HOSPITAL
(Pastoral Care Chapel Account)****Qualified Opinion**

We have audited the financial report of the P F Beinke Charitable Trust – Daw Park Repatriation Hospital (Pastoral Care Chapel Account or the Entity), which comprises the statement of financial position at 30 June 2022, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, and the certification of the financial statements by those charged with governance.

In our opinion, except for the effects on the financial statements of the matter referred to below, the accompanying financial report of the Entity presents fairly, in all material respects, in accordance with the accounting policies described in the notes to the financial statements, the financial position of the trust at 30 June 2022 and its financial performance and its cash flows for the year then ended.

Basis for Qualified Opinion

The trust holds investments in a Funds SA product valued at \$254,140. As the underlying assets are custodially held, we were unable to verify the holdings directly, and therefore relied on the reports provided by Funds SA. At the time of audit, these reports provided by Funds SA were unaudited.

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Report section of our report. We are independent of the Entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other responsibilities in accordance with the Code.

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

Emphasis of Matter – Basis of Accounting

Without further modifying our opinion, we draw attention to Note 2 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the Entity to meet the requirements of the Trustee's needs. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation of the financial report, and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

ATA Audits



Tammy Atkins
Director

27 September 2022
Adelaide SA

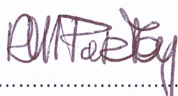
HEALTH SERVICES CHARITABLE GIFTS BOARD
as trustee for the
P F BEINKE CHARITABLE TRUST - DAW PARK REPATRIATION
HOSPITAL (PASTORAL CARE CHAPEL ACCOUNT)
ABN 55 419 022 646

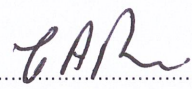
CERTIFICATION OF THE FINANCIAL STATEMENTS

We certify that the

- special purpose financial statements for the P F Beinke Charitable Trust - Daw Park Repatriation Medical Hospital (Pastoral Care Chapel Account) ("the Trust"):
 - are in accordance with the accounts and records of the Trust;
 - present a true and fair view of the financial position of the P F Beinke Charitable Trust - Daw Park Repatriation Hospital (Pastoral Care Chapel Account) at the end of the financial year and the result of its operations and cash flows for the financial year; and
 - comply with Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.
- the internal controls employed by the P F Beinke Charitable Trust - Daw Park Repatriation Hospital (Pastoral Care Chapel Account) for the financial year over its financial reporting and its preparation of special purpose financial statements have been effective.

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


.....
R Pak-Poy - Chair
26 / 09 / 22


.....
C Peirce - Executive Officer
26 / 9 / 22

HEALTH SERVICES CHARITABLE GIFTS BOARD
as trustee for the
P F BEINKE CHARITABLE TRUST - DAW PARK REPATRIATION HOSPITAL
(PASTORAL CARE CHAPEL ACCOUNT)

STATEMENT OF COMPREHENSIVE INCOME
for the Year Ended 30 June 2022

	Note	2022 \$	2021 \$
Income			
Interest revenue		-	2,479
(Loss) gain on financial assets		(17,510)	21,096
Imputation credits	2.2	553	246
Total income	3	<u>(16,957)</u>	<u>23,821</u>
 Expenses			
Administration costs	4	770	-
Charitable purposes funding	5	-	1,399
Total expenses		<u>770</u>	<u>1,399</u>
Net (deficit) income		<u>(17,727)</u>	<u>22,422</u>
Total comprehensive (deficit) income		<u><u>(17,727)</u></u>	<u><u>22,422</u></u>

The accompanying notes form part of these financial statements.

HEALTH SERVICES CHARITABLE GIFTS BOARD
as trustee for the
P F BEINKE CHARITABLE TRUST - DAW PARK REPATRIATION HOSPITAL
(PASTORAL CARE CHAPEL ACCOUNT)

STATEMENT OF FINANCIAL POSITION
as at 30 June 2022

	Note	2022 \$	2021 \$
Current assets			
Imputation credits receivable	2.2	553	246
Total current assets		553	246
Non-current assets			
Other financial assets	6	254,140	272,579
Total non-current assets		254,140	272,579
Total assets		254,693	272,825
Current liabilities			
Accrued expenses		-	405
Total liabilities		-	405
Net assets		254,693	272,420
Trust funds			
Trust funds		249,998	249,998
Retained earnings		4,695	22,422
Total trust funds		254,693	272,420

The accompanying notes form part of these financial statements.

HEALTH SERVICES CHARITABLE GIFTS BOARD
as trustee for the
P F BEINKE CHARITABLE TRUST - DAW PARK REPATRIATION HOSPITAL
(PASTORAL CARE CHAPEL ACCOUNT)

STATEMENT OF CHANGES IN EQUITY
for the Year Ended 30 June 2022

	Note	Trust Funds \$	Retained earnings (accumulated losses) \$	Total Trust Funds \$
Transfer of Trust Funds	1	249,998	-	249,998
Total comprehensive income for 2020-21		-	22,422	22,422
Total Change for the period		249,998	22,422	272,420
Balance at 30 June 2021		249,998	22,422	272,420
Total comprehensive (deficit) for 2021-22		-	(17,727)	(17,727)
Total Change for the period		-	(17,727)	(17,727)
Balance at 30 June 2022		249,998	4,695	254,693

The accompanying notes form part of these financial statements.

HEALTH SERVICES CHARITABLE GIFTS BOARD
as trustee for the
P F BEINKE CHARITABLE TRUST - DAW PARK REPATRIATION
HOSPITAL (PASTORAL CARE CHAPEL ACCOUNT)

STATEMENT OF CASH FLOWS
for the year ended 30 June 2022

	Note	2022 \$	2021 \$
Cash flows from operating activities			
Cash inflows			
Imputation credits received		246	-
Receipts from interest		-	2,479
		<u>246</u>	<u>2,479</u>
Cash outflows			
Payment for administration costs		(770)	-
Payment for charitable purposes		(405)	(994)
		<u>(1,175)</u>	<u>(994)</u>
Net cash (used in) provided by operating activities	7	<u>(929)</u>	<u>1,485</u>
Cash flows from investing activities			
Cash inflows			
Proceeds from sale of financial assets		929	1,257
Cash generated from investing activities		<u>929</u>	<u>1,257</u>
Cash Outflows			
Purchase of financial assets		-	(252,740)
Net cash provided by (used in) investing activities		<u>929</u>	<u>(251,483)</u>
Cash flows from financing activities			
Cash inflows			
Trust capital received		-	249,998
Cash Outflows		-	-
Net cash provided by financing activities		<u>-</u>	<u>249,998</u>
Net increase/(decrease) in cash and cash equivalents		-	-
Cash and cash equivalents at the beginning of the period		-	-
Cash and cash equivalents at the end of the period		<u>-</u>	<u>-</u>

As the Trust has very few receipt or payment transactions, it does not operate a bank account. Redemptions from the Funds SA investment and payments are made via the bank account of the Trustee as and when required.

The accompanying notes form part of these financial statements.

HEALTH SERVICES CHARITABLE GIFTS BOARD
as trustee for the
P F BEINKE CHARITABLE TRUST - DAW PARK REPATRIATION
HOSPITAL (PASTORAL CARE CHAPEL ACCOUNT)

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 30 June 2022

1 Objectives of the Trust

In accordance with the Will of Mr Peter Francis Beinke dated 19 February 2014, one third of the residue of his estate was to be used to establish a Charitable Trust for the benefit of the Pastoral Care Department of the Daw Park Repatriation Hospital "...for the express purpose of providing education and training and associated expenses for Chaplains in their role at this institution".

The amount of this residue was held by Australian Executor Trustees Limited (AET) since his death in March 2014. Pursuant to a Deed of Trustee Retirement, Appointment & Indemnity dated 1 July 2020 AET retired as trustee and the Health Services Charitable Gifts Board (HSCGB) was appointed in its place.

On finalisation of the Estate of Mr P F Beinke, AET transferred amounts totalling \$249,998 to the HSCGB in its capacity as Trustee of the Charitable Trust. These funds were initially invested through HSCGB pooled assets and interest paid to the Charitable Trust. In due course all funds were transferred to, and are now invested through Funds SA in an account in the name of the Trust.

2 Summary of Principal Accounting Policies

2.1 Format of the Accounts

The attached financial reports and related notes are special purpose financial statements that provide information on the value and operations of the trust being administered.

The Statements have been prepared using the accrual basis of accounting and are in accordance with the historical cost convention, except for financial assets which are reported at Fair Value in accordance with the applicable valuation policy adopted.

2.2 Taxation and Imputation Credits

The P F Beinke Charitable Trust - Daw Park Repatriation Hospital (Pastoral Care Chapel Account) is exempt from income tax and has been granted status as a Charitable Fund.

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

HEALTH SERVICES CHARITABLE GIFTS BOARD
as trustee for the
P F BEINKE CHARITABLE TRUST - DAW PARK REPATRIATION
HOSPITAL (PASTORAL CARE CHAPEL ACCOUNT)

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 30 June 2022

2.3 Basis of valuation - Assets

Other financial assets

The trustee is a Prescribed Public Authority which enables the Trust to invest through Funds SA. As these investments are managed and their performance evaluated in accordance with a documented investment strategy and the information reported to the trustee on a regular basis it is considered appropriate that they be designated as fair value through profit and loss.

Investments are recognised and derecognised on trade date and are initially measured at fair value, net of transaction costs.

Financial assets and liabilities held at fair value through the profit or loss are measured initially at fair value excluding any transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately. Subsequent to initial recognition, all instruments held at fair value through the profit or loss are measured at fair value with changes in their fair value recognised in the Statement of Comprehensive Income. Fair value of financial instruments are classified, according to fair value hierarchy, at level 2 - fair values that are based on inputs that are directly or indirectly observable for the asset.

Fair value of unlisted unit trusts

Investments in unlisted unit trusts are recorded at the fair value as reported by the managers of such funds as at 30 June 2022.

Due to the ongoing COVID-19 pandemic, global issues such as supply chain difficulties, war and global tightening of monetary policy by Governments there has been significant uncertainty and volatility in investment markets. This has led to poor returns in the current year, reversing many of the gains from the previous year.

2.4 Basis of valuation - General

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

HEALTH SERVICES CHARITABLE GIFTS BOARD
as trustee for the
P F BEINKE CHARITABLE TRUST - DAW PARK REPATRIATION
HOSPITAL (PASTORAL CARE CHAPEL ACCOUNT)

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 30 June 2022

	Note	2022 \$	2021 \$
3 Income			
Interest		-	2,479.00
(Loss) gain on financial assets		(17,510)	21,096
Imputation credits		553	246
		<u>(16,957)</u>	<u>23,821</u>

On initial receipt of funds from AET in the previous financial year the amounts were invested in the pooled assets of the HSCGB. A proportional share of the income generated by these assets were paid to the Trust by HSCGB and recorded as interest. For the current year all amounts were only invested with Funds SA.

The Trust invests in the Funds SA Conservative B - Taxed Fund which is a unit trust structure. As at 1 July 2018 Funds SA's unit trusts made an irrevocable election to become Attribution Management Investment Trusts (AMIT) under Division 276 of the ITAA1997. Under the tax law, AMITs are not required to make distributions, however unit holders still have clearly defined rights and entitlement. AMITs use the principles of attribution of income rather than the previous 'present entitlement' under the old trust rules. As a result the Trust still has an 'attributable amount' to the taxable income of the units it holds within Funds SA's investment options, however no physical distribution is required.

4 Administration costs

Audit fees	<u>770</u>	<u>-</u>
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Audit fees are paid to ATA Audits for audit services. No other services were provided by the audit firm.

5 Charitable purpose funding

Conferences and training	-	1,399
	<u>-</u>	<u>1,399</u>

The terms of the P F Beinke Charitable Trust - Daw Park Repatriation Hospital (Pastoral Care Chapel Account) require the fund be used for the "...for the express purpose of providing education and training and associated expenses for Chaplains in their role at this institution". The expenditure for the year relates to registration fees for training events for attendance by Chaplains and counsellors of Daw Park Repatriation Hospital.

HEALTH SERVICES CHARITABLE GIFTS BOARD
as trustee for the
P F BEINKE CHARITABLE TRUST - DAW PARK REPATRIATION
HOSPITAL (PASTORAL CARE CHAPEL ACCOUNT)

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 30 June 2022

	Note	2022 \$	2021 \$
6 Other Financial assets			
The Trust invests in the Funds SA Conservative B - Taxed Fund. As this is considered to be a long term holding it is disclosed as a non-current asset at fair value.			
Financial assets though profit and loss			
- Non-Current			
Investments in unlisted unit trusts at fair value		254,140	272,579
7 Cash flow reconciliation			
Reconciliation of net (deficit) income to net cash (used in) provided by operating activities:			
Net (deficit) income		(17,727)	22,422
Add/less non cash items:			
Loss (gain) on financial assets		17,510	(21,096)
Total non cash items		17,510	(21,096)
Movement in assets and liabilities:			
(Increase) in imputation credits receivable		(307)	(246)
(Decrease) increase in payables		(405)	405
Total movement in assets and liabilities		(712)	159
Net cash (used in) provided by operating activities		(929)	1,485