

WESTMEAD HOSPITAL FOUNDATION

ABN 89 050 329 925

Financial Report

For the year ended 30th June 2021

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Directors' Report

The Directors of Westmead Hospital Foundation (the "Foundation") present their report together with the financial statements for the year ended 30 June 2021 and the Independent Audit Report thereon.

Directors' details

The names and details of the Foundation's directors in office during the financial year and until the date of this report are set out below. Directors were in office for this entire period unless otherwise stated.

Professor Jeremy R Chapman AC

MB BChir MD FRACP FRCP

Non-executive Director since 27 November 1996

Clinical Director, Medicine & Cancer Services, Westmead Hospital;

Renal Physician and Director, Western Renal Services;

Past President, the Transplantation Society; Chair, Australian Bone Marrow Donor Registry;

Editor-in-Chief Transplantation Journals.

Mr James Nguyen

BComm(Finance)/Laws LLB

Director, Chairperson since 03 October 2018

General Counsel & Company Secretary, Financial Service Pty Ltd

Member of the UNSW Alumni & Engagement Committee.

Having started his career in employment law at DLA Piper, James worked in private practice specialising in banking and finance at Gilbert + Tobin and K&L Gates. He then moved in-house at NAB in 2010 and Rabobank as a Senior Legal Counsel. He was Head of Legal at TEG which includes Ticketek, TEG Dainty, TEG Live and TEG Analytics from 2017, and has been General Counsel & Company Secretary at R Financial Service, a fintech start up since 2020. James is a multi-award-winning lawyer, being a recipient of the 2014 UNSW Young Alumni of the Year Award, a finalist in the Lawyers Weekly Sports & Entertainment Lawyer of the Year Award in 2019 and 2020, being listed on the In-house Leaders List of Australasian Lawyers Magazine in 2019 and 2020 and the Legal 500 GC Powerlist in 2019.

Mr Syed Ahmed

MBA, MIS (Hons), BComm (BIS)

Director since 06 March 2019

Combining a career spanning over 20 years with strong academic credentials, Syed has deep experience in synthesizing business outcomes through the technologies that enable them. He has worked across global corporate enterprises to early stage start-ups, delivering innovative digital experiences as well as mission-critical enterprise IT systems. Syed currently serves as Chief Digital Officer of Innowell, a joint venture between PwC and Sydney University. He has previously worked across technology management, strategy and advisory roles across a range of organisations including RACV, Bupa, ThoughtWorks, Servcorp, Perpetual and Avanade. He also provides advice to early-stage tech start-ups, mentors a small number of start-up founders and helps out as a judge in start-up competitions. He is a recognised conference speaker and contributes regularly to technology publications. Syed has a Bachelor of Commerce in Business Information Systems, a Master of Information Systems (Honours) in Artificial Intelligence, and an MBA from AGSM.

Directors' Report (Continued)

Directors' details (Continued)

Ms Caroline Farmer

RN, Coronary Care Certificate, Bachelor of Health Science, Masters of Health Services Management, Executive Masters of Public Administration, Graduate Australian Institute of Company Directors

Director since 11 November 2020

Director Nursing & Midwifery, and Clinical Governance, Western Sydney Local Health District;

Caroline (Carol) was appointed as Western Sydney Local Health District's Director of Nursing & Midwifery and Clinical Governance in July 2019. Carol joined us from the Ministry of Health where she was the Director, Patient Safety ensuring commitment to safety and quality across the system and through working collaboratively with the Clinical Excellence Commission, drives contemporary practises in strengthening monitoring and reporting, governance, and strategic direction. Prior to becoming Director of Patient Safety First, Caroline was for approximately three years the General Manager of Primary Health Care which includes Remote Health, Alcohol and Other Drugs, Oral Health, Community and Prison Health in Central Australia, based in Alice Springs, following 8 years in Director of Nursing and Midwifery Services (DONMS) and General Manager positions in NSW Tertiary Referral Hospitals.

Caroline is an experienced health care professional having held senior management roles in the public health care sector and has particular interests in clinical governance, patient safety, leadership and management.

Mr David O'Neil

Fellow in Club Administration (FICA), Active Certified Club Manager (ACCM)

Director since 07 August 2020

David O'Neil is a hospitality veteran, with 35 years industry experience – 27 of which have been as a Chief Executive Officer and Company Secretary, and almost 17 of which have been as Group CEO of CHRG (formerly referred to as Castle Hill RSL Group).

David is not only an active member of the club industry, he is also an active member of the north-west community, where he is responsible for five hospitality and leisure venues on behalf of the group's Board of Directors and Members, including Club Parramatta, Castle Hill RSL, Lynwood Country Club, Lynwood Golf and Castle Hill Fitness & Aquatic Centre. Prior to joining Castle Hill RSL Club, David was appointed CEO of Five Dock RSL Club at 27. Over the years, David has played a pivotal role in training and mentoring some of the industry's most successful hospitality managers – lecturing at TAFE NSW and facilitating courses for a number of registered training organisations. David has held a number of industry advisory positions with the Registered Clubs Association (RCA), Australian Hospitality Review Panel (AHRP) and Club Management Development Association (CMDA). David also continues to be an active ambassador of the Club Managers Association, where over a 35 year period he has contributed at Zone, State and Federal level, in roles including Zone Education Officer, Zone President, Chairman of the Board of Management Studies and Vice President of the Club Managers Association of Australia. David is a Life Member of the Club Managers Association of Australia.

Directors' Report (Continued)

Directors' details (Continued)

Ms Jenelle Matic

Director since 11 November 2021

Acting General Manager, Western Sydney Local Health District

Joining Western Sydney Local Health District in 2018, Jenelle was the Operations Director, Surgery & Anaesthetics for Westmead and Auburn Hospitals. In February 2021 she was appointed to the General Manager, Auburn Hospital, and in September 2021 accepted the role of acting General Manager, Westmead Hospital. Jenelle has an academic background in both business and nursing, having spent extensive time in front line and management roles across NSW Health LHD's and within tertiary and metropolitan facilities, in the fields of acute care nursing, patient safety, quality and medical operations. Jenelle is passionate about ensuring there is a responsive, effective and quality based approach to service delivery. She brings a strong commitment to safety, quality and staff engagement and looks forward to continuing to serve the people of western Sydney.

Mr Mathew Fisher

BA (Theatre, Theory and Practice), Grad Dip (Bus Admin), Cert in Fundraising, FIA

Director since 11 August 2021, Resigned on 10 December 2021

Mathew started his career in sales and marketing, before moving into the for-purpose space with the Foundation in its previous iteration, the Westmead Medical Research Foundation. Since then, Mathew has worked as Development Manager at the Ingham Institute for Applied Medical Research and most recently as Manager of Philanthropy and Community Engagement at the ACRF. Presently, he is the CEO of the Foundation and serves as an executive director.

Ms Rebecca Tyson

Masters of Business Administration (Health Management)

Director since 16 September 2020, Resigned on 20 September 2021

Rebecca was the General Manager of Westmead Hospital, Western Sydney Local Health District. She has held senior management and leadership positions in allied health and corporate services spanning over 20 years. Her past positions include Acting General Manager and Operations Director of St George Hospital, Director of Corporate Services of Campbelltown & Camden Hospitals and Director of Allied Health of Campbelltown & Camden Hospitals.

The following Directors resigned during the financial year:

- Ms Robynne Cooke resigned on 19 October 2020
- Mr Joe Conneely resigned on 11 August 2020

Dividends

The constitution of the Foundation prohibits the payment of dividends.

Directors' Report (Continued)

Objective

Westmead Hospital Foundation raises funds for health care and research at Westmead Hospital. The Foundation aims to give everyone who is sick access to the best possible treatment and care, funding state of the art medical equipment, lifesaving research and enhanced services.

The Foundation's funds are applied for the benefit of its key stakeholder, Westmead Hospital. Health care at Westmead is provided by 8,500 staff with 1 million patient visits each year. Serving three primary local government areas (LGA's) as its local Hospital with specialist support provided to 14 local government areas across Greater Western Sydney. Specialist care is again provided to patients referred in from all across Australia. Innovations in treatment and research at Westmead helps people the world over.

Principal activities

The principal activities of the Foundation during the year were:

- Raising funds and enhancing community awareness in support of medical research and related health care at Westmead Hospital.
- Managing funds on behalf of third parties who are clinicians associated with Westmead Hospital and the Western Sydney Local Health District, and researchers associated with Westmead Hospital. At 30 June 2021, these funds totalled \$2,986,700 (2020: \$2,808,449). These funds were used to provide continuing education for the Departments associated with the clinicians and included scholarships for researchers working in those Departments; and to purchase equipment required by clinicians and researchers.

During the year, the Foundation focused on continuing to build local community support with individuals, groups and businesses in Greater Western Sydney. The Foundation remains committed to its Regular Giving program and in retaining and increasing commitments from key supporters. In addition, the Foundation actively engaged with key stakeholders and disbursed \$780,876 (2020: \$4,440,047) to them.

There were no significant changes in the nature of the activities of the Foundation during the year.

Operating results for the year

Donations and other charitable collections during the year were \$1,599,839 which decreased by 19% compared to the same period last year whereas fundraising and campaign expenses increased. Consequently, the net fundraising figure dropped by 36% to \$1,257,296 (2020: \$1,956,068). Operating costs reduced by 7% to \$334,465 (2020: \$361,556). Net surplus for the year was \$926,379 (2020: a deficit of \$2,832,824).

There has not been any change to the Foundation's investment strategy, which focuses on low-risk investments to make steady returns. The Foundation's investments have been structured into 2 segments - a core fund where investments are held longer term; and an endowment fund which comprises investments that can be liquidated and available on a short term basis to meet funding requirements. Net finance income during the year was \$762,126 compared to a net loss of \$9,999 in prior year.

Directors' Report (Continued)

Significant changes in the state of affairs

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

Significant events after the reporting period

There have been no significant events occurring after the reporting period which may affect either the Foundation's operations or results of those operations or the Foundation's state of affairs.

Liability of members

The maximum liability of each member in the event of a winding up is \$5. The number of members at the end of the year was 155 (2020: 156). In total, the members' liability amounts to \$775 (2020: \$780).

Indemnification and insurance of directors and officers

The directors and officers of the Foundation are indemnified by the Foundation against losses or liabilities which they may sustain or incur as an officer of the Foundation in the proper performance of their duties.

Directors' meetings

The number of directors' meetings and number of meetings attended by each of the directors of the Foundation during the financial year are:

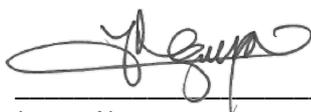
Director	Board meetings	
	Attended (A)	Held (B)
Professor Jeremy R Chapman AC	9	10
Mr James Nguyen	10	10
Mr Syed Ahmed	9	10
Ms Caroline Farmer	5	10
Mr David O'Neil	7	10
Ms Robynne Cooke	4	4
Mr Joe Conneely	1	1
Ms Rebecca Tyson	5	7

Where: - Column A: Number of meetings attended
 - Column B: Number of meetings held during the time the director held office during the year

Auditor's independence declaration

The directors have received a declaration from the auditor of Westmead Hospital Foundation.

Signed in accordance with a resolution of the directors.



James Nguyen
 Chair
 28 January 2022

Auditor's Independence Declaration

TO THE DIRECTORS OF WESTMEAD HOSPITAL FOUNDATION

In accordance with the requirements of section 60-40 of the *Australian Charities and Not for Profits Commission act 2012*, as lead auditor for the audit of Westmead Hospital Foundation for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been;

- (i) No contraventions of the auditor independence requirements as set out in the Australian Charities and Not-for-profit Commission Act 2012 in relation to the audit; and
- (ii) No contraventions of any applicable code of professional conduct in relation to the audit.

Horwood Audit Services Pty Ltd

Brian Taylor
Auditor
28 January 2022

Statement of Profit or Loss and Other Comprehensive Income For the year ended 30th June 2021

	Notes	2021 \$	2020 \$
Revenue	4	1,622,137	1,979,512
Research grants, equipment funding and other distributions	5	(780,876)	(4,440,047)
Fundraising and campaign expenses	5	(342,543)	(10,733)
Personnel expenses	13	(168,304)	(182,661)
Depreciation and amortisation expenses		(24,612)	(23,739)
Administration expenses		(141,549)	(155,156)
Surplus/ (deficit) from operating activities		164,253	(2,832,824)
Finance income	6	762,126	(9,999)
Net finance income/(loss)		762,126	(9,999)
Surplus / (deficit) for the year		926,379	(2,842,823)
Other comprehensive income		-	-
Total surplus / (deficit) for the year		926,379	(2,842,823)

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position as at 30th June 2021

	Notes	2021 \$	2020 \$
Assets			
Current assets			
Cash	7	2,133,672	1,552,225
Trade and other receivables	8	58,588	282,202
Financial investments	9	12,309,090	11,473,641
Total current assets		14,501,350	13,308,068
Non-current assets			
Property, plant and equipment	10	3,785	6,965
Intangibles	11	28,076	49,507
Total non-current assets		31,861	56,472
Total assets		14,533,211	13,364,540
Liabilities and funds			
Current liabilities			
Trade and other payables	12	96,737	23,050
Third party funds under administration	5	2,986,700	2,808,449
Employee benefit liabilities		-	6,282
Total current liabilities		3,083,437	2,837,781
Non-current liabilities			
Employee benefit liabilities		-	3,364
Total non-current liabilities		-	3,364
Total liabilities		3,083,437	2,841,145
Funds			
Accumulated funds	14	8,316,407	7,358,461
Reserves	15	3,133,367	3,164,934
Total funds		11,449,774	10,523,395
Total liabilities and funds		14,533,211	13,364,540

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Changes in Funds For the year ended 30th June 2021

	Accumulated funds	WMIMR Building Fund Reserve	Westmead Hospital Approved Support Fund Reserve	Allocated Specific Purpose Fund Reserve Total Funds	Total Funds
	\$	\$	\$	\$	\$
At 1 July 2020	7,358,461	4,562	294,396	2,865,976	10,523,395
Surplus for the year	926,379	-	-	-	926,379
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	926,379	-	-	-	926,379
Transfer from WMIMR Building Fund Reserve	-	-	-	-	-
Transfer to Westmead Hospital Approved Support Funds Reserve	(2,988)	-	2,988	-	-
Transfer from Allocated Specific Purpose Fund Reserve	34,555	-	-	(34,555)	-
At 30 June 2021	8,316,407	4,562	297,384	2,831,421	11,449,774

The above Statement of Changes in Funds should be read in conjunction with the accompanying notes.

Statement of Changes in Funds For the year ended 30th June 2021

	Accumulated funds	WMIMR Building Fund Reserve	Westmead Hospital Approved Support Fund Reserve	Allocated Specific Purpose Fund Reserve Total Funds	Total Funds
	\$	\$	\$	\$	\$
At 1 July 2019	9,890,314	4,562	292,765	3,178,577	13,366,218
Surplus/(deficit) for the year	(2,842,823)	-	-	-	(2,842,823)
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	(2,842,823)	-	-	-	(2,842,823)
Transfer from WMIMR Building Fund Reserve	-	-	-	-	-
Transfer to Westmead Hospital Approved Support Funds Reserve	(1,631)	-	1,631	-	-
Transfer from Allocated Specific Purpose Fund Reserve	312,601	-	-	(312,601)	-
At 30 June 2020	7,358,461	4,562	294,396	2,865,976	10,523,395

The above Statement of Changes in Funds should be read in conjunction with the accompanying notes.

Statement of Cash Flows

For the year ended 30th June 2021

	Note	2021 \$	2020 \$
Operating activities			
Donations and other charitable collections		1,952,532	2,098,474
Payments to suppliers and employees		(600,788)	(752,708)
Financial investment income		225,580	438,099
Research grants, equipment funding and other donations		(780,877)	(4,440,047)
Net cash flows from operating activities	16	<u>796,447</u>	<u>(2,656,182)</u>
Investing activities			
Acquisition of property, plant and equipment		-	(7,388)
(Purchase of)/proceeds from financial investments		(215,000)	(466,000)
Net cash flows (used in)/from investing activities		<u>(215,000)</u>	<u>(473,388)</u>
Financing activities			
Net cash flows from/(used in) financing activities		<u>-</u>	<u>-</u>
Net (decrease)/increase in cash and cash equivalents		581,447	(3,129,570)
Cash and cash equivalents at 1 July		1,552,225	4,681,795
Cash and cash equivalents at 30 June	7	<u><u>2,133,672</u></u>	<u><u>1,552,225</u></u>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the financial statements For the year ended 30 June 2021

1. General information and statement of compliance

The financial report includes the financial statements and notes of Westmead Hospital Foundation (the "Foundation"). These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Commission Act 2012. They have been prepared under the assumption that the Foundation operates on a going concern basis.

Westmead Hospital Foundation is a not-for-profit entity limited by guarantee and is domiciled in Australia. The Foundation is exempt from income tax.

The registered office and the principal place of the business of the Foundation is 166-174 Hawkesbury Road, Westmead, NSW 2145.

The financial statements for the year ended 30 June 2021 were approved and authorised for issue by the Board of Directors on 28 January 2022.

2. Significant accounting policies

2.1 Basis of preparation

The financial report has been prepared on historical cost basis except for financial investments that have been measured at fair value.

The financial report is presented in Australian dollars dollar (\$).

2.2 Going concern

The financial statements have been prepared on a going concern basis, which contemplates the continuity of normal operations and the realisation of assets and discharges of liabilities in the ordinary course of business.

2.3 New and amended accounting policies adopted by the Foundation

The Foundation has adopted all standards which became effective for the first time at 01 July 2020. The adoption of these standards has not caused any material adjustments to the reported financial position, performance and cash flow of the company.

2.4 Summary of significant accounting policies

a) Current versus non-current classification

The Foundation presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

Notes to the financial statements (continued) For the year ended 30 June 2021

2.4 Summary of significant accounting policies (Continued)

a) Current versus non-current classification (Continued)

All other assets are classified as non-current. A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Foundation classifies all other liabilities as non-current.

b) Cash

Cash in the statement of financial position comprises cash at bank and on hand with a maturity of three months or less. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash as defined above.

c) Trade and other receivables

Trade and other receivables are generally settled within 60 day terms.

d) Financial instruments - initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Foundation's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Foundation has applied the practical expedient, the Foundation initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Foundation has applied the practical expedient are measured at the transaction price determined under AASB15. In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Foundation's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Foundation commits to purchase or sell the asset.

Notes to the financial statements (continued) For the year ended 30 June 2021

2.4 Summary of significant accounting policies (Continued)

d) Financial instruments - initial recognition and subsequent measurement (Continued)

Subsequent measurement

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes cash, securities and other properties which the Foundation had not irrevocably elected to classify at fair value through OCI.

e) Fair value measurement

The Foundation measures financial instruments such as derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or;
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Foundation.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. The Foundation uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Fair-value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed in financial instruments (including those carried at amortised cost).

Notes to the financial statements (continued)

For the year ended 30 June 2021

2.4 Summary of significant accounting policies (Continued)

f) Property, plant and equipment

(i) Owned assets

Items of plant and equipment are stated at cost less accumulated depreciation and impairment losses. Where parts of an item of plant and equipment have different useful lives, they are accounted for as separate items of plant and equipment.

(ii) Subsequent costs

The Foundation recognises in the carrying amount of an item of plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied within the item will flow to the Foundation and the cost of the item can be measured reliably. All other costs are recognised in the profit or loss as an expense as incurred.

(iii) Depreciation

Depreciation is charged to the profit or loss on a straight-line basis over the estimated useful lives of each part of an item of plant and equipment. The estimated useful lives in the current and comparative periods for plant and equipment is 3 to 7 years. The residual value, if not insignificant, is reassessed annually.

(iv) Derecognition

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss and other comprehensive income when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

g) Impairment of non-financial assets

The carrying amount of the Foundation's assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit (CGU) exceeds its recoverable amount. Impairment losses are recognised in the profit or loss, unless an asset has previously been re-valued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through profit or loss.

Calculation of recoverable amount

Receivables with a short duration are not discounted.

Impairment of receivables is not recognised until objective evidence is available that a loss event has occurred. Receivables are individually assessed for impairment. The recoverable amount of other assets is the greater of their fair value less costs to sell and value in-use. In assessing value in-use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs.

Notes to the financial statements (continued)

For the year ended 30 June 2021

2.4 Summary of significant accounting policies (Continued)

g) Impairment of non-financial assets (Continued)

Reversals of impairment

An impairment loss in respect of a receivable carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

h) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

Website development costs

Costs incurred in relation to the development of the Foundation's website and related software is capitalised and amortised over four years. Costs incurred in relation to the subsequent maintenance of the website is expensed in profit or loss as incurred.

i) Trade and other payables

Trade and other payables are stated at cost. Trade accounts payable are normally settled within 60 days.

j) Employee benefit liabilities

Long service leave and annual leave

(i) Wages and salaries

Liabilities for wages and salaries, including non-monetary benefits which are expected to be settled within 12 months of the reporting date are recognised in respect of employee's services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

Notes to the financial statements (continued)

For the year ended 30 June 2021

2.4 Summary of significant accounting policies (Continued)

j) Employee benefit liabilities (Continued)

(ii) Long-term service benefits and annual leave

The Foundation does not expect its long service leave or annual leave benefits to be settled wholly within 12 months of each reporting date. The Foundation recognises a liability for long service leave and annual leave measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(iii) Accumulated superannuation plans

Obligations for contributions to accumulated superannuation plans are recognised as an expense in the profit or loss as incurred.

k) Share capital

Westmead Hospital Foundation has no share capital, as it is a company limited by guarantee.

l) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Foundation and the revenue can be reliably measured, regardless of when the payment is received. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Foundation has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements, has pricing latitude, and is also exposed to inventory and credit risks. The specific recognition criteria described below must also be met before revenue is recognised.

(i) Donations and other charitable collections income

Donations and other charitable collections income is recognised as income when received or fully committed.

(ii) Directed donations and bequests income

Directed donations and bequests are recognised as income when received, as the Foundation maintains control of the funds as long as it complies with the requirements of the fund. These amounts are not repayable.

(iii) Interest income

Interest income is recorded using the effective interest rate (EIR) method. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in the statement of profit or loss and other comprehensive income.

m) Taxes

In accordance with the provisions of the *Australian Income Tax Assessment Act 1997*, the Foundation is exempt from income tax.

Notes to the financial statements (continued) For the year ended 30 June 2021

2.4 Summary of significant accounting policies (Continued)

m) Taxes (Continued)

Goods and services tax (GST)

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

- When the GST incurred on a sale or purchase of assets or services is not payable to or recoverable from the taxation authority, in which case the GST is recognised as part of the revenue or the expense item or as part of the cost of acquisition of the asset, as applicable
- When receivables and payables are stated with the amount of GST included

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

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

3. Significant accounting judgements, estimates and assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates. The significant estimates and judgements made have been described below.

3.1 Impairment of non-financial assets

An impairment exists when the carrying value of an asset or CGU exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow (DCF) model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Foundation is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

3.2 Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Notes to the financial statements (continued)

For the year ended 30 June 2021

4. Revenue

	2021	2020
	\$	\$
Donations and other charitable collections	1,599,839	1,966,801
Other income	22,298	12,711
Total	1,622,137	1,979,512

5. Fundraising appeal monies

	2021	2020
	\$	\$
Summary of fundraising income and expenditure		
Donations and other charitable collections	1,599,839	1,966,801
Fundraising and campaign expenses	(342,543)	(10,733)
Net fundraising funds	1,257,296	1,956,068
Research grants, equipment funding and other distributions	(780,876)	(4,440,047)
Surplus arising from fundraising activities	476,420	(2,483,979)

Fundraising appeals conducted

During the financial year the following fundraising appeals were conducted, the monetary result of which was included in the profit or loss:

	2021	2020
	\$	\$
Community giving	93,048	146,104
Corporate giving	44,017	52,014
Trust and foundation	321,488	532,236
Personal giving	1,083,452	865,106
Mass marketing	44,565	30,152
In Kind Donation	13,269	341,189
Total	1,599,839	1,966,801

Notes to the financial statements (continued)

For the year ended 30 June 2021

5. Fundraising appeal monies (Continued)

Fundraising activity ratios	2021	2021	2020	2020
	\$	%	\$	%
Total cost of fundraising and donations	342,543		10,733	
Gross income from fundraising and donations	1,599,839	21.41	1,966,801	0.55
Net fundraising funds	1,257,296		1,956,068	
Gross income from fundraising and donations	1,599,839	79	1,966,801	99
Disbursements*	780,876		4,440,047	
Total expenditure (including disbursements)	1,452,885	54	4,812,335	92
Disbursements*	780,876		4,440,047	
Total income received	2,384,263	33	1,969,512	225

*Clinical care, equipment, research and other distributions.

Disbursements by Third Party Funds

Third party funds are controlled by clinicians associated with Westmead Hospital and the Western Sydney Local Health District, and researchers are associated with Westmead Institute for Medical Research or Westmead Hospital.

	2021	2020
	\$	\$
Beginning balance	2,808,449	2,547,709
Contribution	252,142	481,696
Disbursement	(73,891)	(220,956)
Closing balance	2,986,700	2,808,449

6. Finance income

	2021	2020
	\$	\$
Financial investments income	141,676	389,351
Change in fair value of fixed interest securities	620,450	(399,350)
Net finance income	762,126	(9,999)

Notes to the financial statements (continued)
For the year ended 30 June 2021

7. Cash

	2021	2020
	\$	\$
Cash at bank and on hand	<u>2,133,672</u>	<u>1,552,225</u>

8. Trade and other receivables

	2021	2020
	\$	\$
Current		
Accounts receivable	24,406	239,286
Other debtors	34,182	42,916
Total	<u>58,588</u>	<u>282,202</u>

9. Financial investments

	2021	2020
	\$	\$
Financial investments	<u>12,309,090</u>	<u>11,473,641</u>

Fair value measurement

	Date of valuation	Fair value \$
<i>Financial assets at fair value through profit or loss:</i>		
Financial investments	30-Jun-21	12,309,090

Notes to the financial statements (continued)

For the year ended 30 June 2021

10. Property, plant and equipment

	2021	2020
	\$	\$
<i>Property, plant and equipment</i>		
At cost	90,030	90,030
Accumulated depreciation	(86,245)	(83,065)
Net carrying amount	3,785	6,965

Reconciliation of carrying amounts at the beginning and the end of the year

<i>Cost</i>	\$
Balance at 1 July 2020	90,030
Additions	-
Balance at 30 June 2021	90,030

<i>Accumulated depreciation</i>	
Balance at 1 July 2020	83,065
Depreciation charge for the year	3,180
Balance at 30 June 2021	86,245

11. Intangibles

	2021	2020
	\$	\$
<i>Websites</i>		
At cost	273,900	273,900
Accumulated amortisation	(245,824)	(224,393)
Net carrying amount	28,076	49,507

Reconciliation of carrying amounts at the beginning and the end of the year

<i>Websites</i>	\$
<i>Cost</i>	
Balance at 1 July 2020	273,900
Additions	-
Balance at 30 June 2021	273,900

<i>Accumulated amortisation</i>	
Balance at 1 July 2020	224,393
Amortisation charge for the year	21,431
Balance at 30 June 2021	245,824

Notes to the financial statements (continued)

For the year ended 30 June 2021

12. Trade and other payables

	2021	2020
	\$	\$
<i>Current</i>		
Creditors, accruals and other payables	<u>96,737</u>	<u>23,050</u>

13. Employee Remuneration

Employee benefits expense

	2021	2020
	\$	\$
Wages, salaries	146,202	170,710
Workers compensation insurance	-	946
Superannuation	8,109	12,350
Other employee benefits expenses/(credits)	13,993	(1,345)
Total employee benefits expense	<u>168,304</u>	<u>182,661</u>

14. Accumulated funds

	2021	2020
	\$	\$
Accumulated funds at beginning of year	7,358,461	9,890,314
Net surplus	926,379	(2,842,823)
Transfers (to)/from Westmead Hospital Approved Support Fund Reserve	(2,988)	(1,631)
Transfers from/(to) Allocated Specific Purpose Fund Reserve	34,555	312,601
Accumulated funds at end of year	<u>8,316,407</u>	<u>7,358,461</u>

15. Reserves

	2021	2020
	\$	\$
WIMR Building Fund Reserve		
Balance at beginning of year	4,562	4,562
Transfers to accumulated funds	-	-
Balance at end of year	<u>4,562</u>	<u>4,562</u>

Notes to the financial statements (continued)

For the year ended 30 June 2021

15. Reserves (Continued)

Westmead Hospital Approved Support Fund Reserve

Balance at beginning of year	294,396	292,765
Transfers from/(to) accumulated funds	2,988	1,631
Balance at end of year	297,384	294,396

Allocated Specific Purpose Fund Reserve

Balance at beginning of year	2,865,976	3,178,577
Transfers (to)/from accumulated funds	(34,555)	(312,601)
Balance at end of year	2,831,421	2,865,976

Total balance at year end	3,133,367	3,164,934
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Nature and purpose of reserves

The reserves reflect the decisions are taken by the Board to set aside funds for specific purposes. The Board then subsequently approves the application of these funds and then as required the reserves are transferred to accumulated funds.

WMIMR Building Fund Reserve

The WMIMR building fund reserve is set aside for use on the WMIMR building.

Westmead Hospital Approved Support Fund Reserve

The Westmead Hospital Approved Support Fund Reserve is set aside for the purpose of supporting Westmead Hospital.

Allocated Specific Purpose Fund Reserve

The Allocated Specific Purpose Reserve records amounts set aside for specifically allocated projects.

16. Reconciliation of Profit or Loss for the year to net cash from operating activities

	2021	2020
	\$	\$
Surplus/(deficit) for the year	926,379	(2,842,823)
Depreciation and amortisation	24,612	23,739
Non-cash investment (income)/loss	(620,450)	110,178
(Increase)/decrease in debtors	214,880	(208,375)
(Increase)/decrease other receivables and prepayments	8,734	50,882
Increase/(decrease) in creditors	73,687	(54,090)
Increase/(decrease) in other payables	178,251	260,740
Increase/(decrease) in provisions	(9,646)	3,567
Net cash provided by/(used in) operating activities	796,447	(2,656,182)

Notes to the financial statements (continued)
For the year ended 30 June 2021

17. Commitments

The Foundation did not have any commitments as at 30 June 2021 (2020: \$nil).

18. Contingencies

The Foundation did not have any contingencies as at 30 June 2021 (2020: \$nil).

19. Members' guarantee

The Foundation is limited by guarantee. In the event of winding up of the Foundation, a Member may be required to contribute a maximum of \$5 (2020: \$5) for the purpose of winding up.

20. Events after the reporting period

There were no material post balance events which would affect the financial position of the Foundation.

Directors' Declaration

In the opinion of the directors of Westmead Hospital Foundation (the "Foundation"):

- a. the financial statements and notes are in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012*, including:
 - i. giving a true and fair view of the Foundation's financial position as at 30 June 2021 and its performance, as represented by the results of its operations and its cash flows, for the year ended on that date; and
 - ii. complying with Australian Accounting Standards - Reduced Disclosure Requirements, including Australian Accounting Interpretations, the *Australian Charities and Not-for-Profits Commission Regulation 2013*.
- b. there are reasonable grounds to believe that the Foundation will be able to pay its debts as and when they become due and payable.
- c. the financial report gives a true and fair view of all income and expenditure of Westmead Hospital Foundation (previously known as Westmead Medical Research Foundation) with respect to fundraising appeal activities for the financial year ended 30 June 2021;
- d. the statement of comprehensive income is drawn up so as to give a true and fair view of income and expenditure of the Foundation for the year ended 30 June 2021 and a true and fair view with respect to fundraising appeals;
- e. the statement of financial position and statement of cash flows are drawn up so as to give a true and fair view of the state of affairs of the Foundation and cash flows as at 30 June 2021 with respect to fundraising appeals;
- f. the provisions and regulations of the *NSW Charitable Fundraising Act 1991* and the conditions attached to the authority to fundraise have been complied with by the Foundation; and
- g. the internal controls exercised by the Foundation are appropriate and effective in accounting for all income received and applied from any fundraising appeals.

On behalf of the Board,



James Nguyen
28 January 2022