

# FAR NORTH QUEENSLAND HOSPITAL FOUNDATION



## ANNUAL REPORT 2004 - 2005





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## VISION STATEMENT

"Superior Health Care Provision in  
Far North Queensland."

## MISSION STATEMENT

"To contribute to improvement in  
the quality of health care provision  
in Far North Queensland through  
the funding of modern equipment,  
facilities, education, training and  
research and through the provision  
of support services."

## PRINCIPAL ACTIVITIES

Fund the purchase of state-of-the-art  
equipment and establishment of first  
class health related facilities;  
Assist in the establishment of Far  
North Queensland as a centre of  
excellence in health services by  
funding, supporting and encouraging  
education and research;  
Provide support services for the  
patients and staff.

The Far North Queensland Hospital Foundation was established on 21st March 1997 under the provisions of the Hospitals Foundations Act 1982. As such it has all of the objects, functions and powers set down in the Hospitals Foundations Act 1982 and various other Acts of Parliament.

## MEMBERS OF THE FOUNDATION

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MEMBERS OF THE FOUNDATION, WHO ARE APPOINTED BY THE GOVERNOR IN COUNCIL,  
ARE DRAWN FROM THE BUSINESS AND MEDICAL COMMUNITIES.

Members of the Far North Queensland Hospital  
Foundation for the year 2004/2005

### CHAIRMAN

Dr Ken Chapman MB BS (Qld)  
- re-appointed for a term of 3 years  
expiring 23rd March 2008

### DEPUTY CHAIRMAN

Mr Russell Beer LLB  
- appointed for a term of 4 years  
expiring 23rd March 2008

### MEMBERS

Mr Graham Coonan BCom. FCA  
Mr Philip Cammish  
- appointed for a term of 3 years  
expiring 23rd March 2008

Mrs Cheryl Campbell  
- appointed for a term of 4 years  
expiring 23rd March 2008

Ms Sharon Jones (resigned 12th January 2005)  
Mr Scott Thompson  
Ms Patricia J Bailey  
- appointed for a term of 3 years  
expiring 23rd March 2006

Cairns District Health Council  
Mr Theo Bacalakis  
- appointed as ex officio member

### SECRETARY

Mr Brett Grosser



DURING THE YEAR SEVEN MEETINGS  
OF THE FAR NORTH QUEENSLAND  
HOSPITAL FOUNDATION WERE HELD.

## CHAIRMAN'S REPORT



BY DR KEN CHAPMAN

The 2005 financial year represents a real milestone for the Far North Queensland Hospital Foundation. This was the year we completed the last of the improvement program at the Cairns Base Hospital that we began back in 1997 and also the year we paid off the residual loans taken out in 2001 to fund the Sea Breeze Café development. The repayment did not however stop us from making a quarter of a million dollars worth of donations and grants throughout the year, as well as continuing the valuable volunteer and other services.

The new year finds the Foundation financially strong and debt free with a renewed focus on community fundraising and maximising our contribution to the improvement of health care in Far North Queensland.

Great credit in this must go to General Manager, Tony Franz, and his hard working team who have done a tremendous job throughout the year. Former Fundraising and Marketing Manager, Nick Bernabei, moved on after handing over to Glenys Duncombe in September 2004 and our thanks and best wishes go to Nick on his new career.

Our volunteers give their time freely for the benefit of patients and staff and our most sincere thanks go to one and all for the great contribution they make. Thanks also to my fellow board members who voluntarily give their services to this very worthy cause.

The year in review was a milestone that leaves the Foundation strong and with a history of achievement that will only grow over time. We look forward to continuing this progress and working tirelessly towards our vision of superior health care provision in Far North Queensland.



"...MAKING A QUARTER OF A MILLION DOLLARS WORTH OF DONATIONS AND GRANTS THROUGHOUT THE YEAR, AS WELL AS CONTINUING THE VALUABLE VOLUNTEER AND OTHER SERVICES."



## THE YEAR IN REVIEW

DURING THE 2004/2005 YEAR THE FAR NORTH QUEENSLAND HOSPITAL FOUNDATION MADE SIGNIFICANT IMPROVEMENTS TO THE PROFITABILITY OF THE COMMERCIAL OPERATIONS ALONG WITH IMPROVEMENTS TO REVENUE DERIVED FROM FUNDRAISING ACTIVITIES AND EVENTS. THE SEA BREEZE CAFÉ, TELEVISION SERVICE AND THE COMPLETION OF THE PHONE AWAY BEDSIDE SYSTEM ENSURED THAT PATIENTS AND VISITORS WERE CONTINUALLY PROVIDED WITH QUALITY SERVICES THAT MADE THEIR VISIT TO THE HOSPITAL MORE COMFORTABLE AND REASSURING.

The Sea Breeze Café has established itself as an integral part of hospital life, providing quality services in a beautiful setting. The television and telephone systems have made a patient's visit to the hospital more comfortable and our vending services along with our management of the Automatic Teller Machine ensure patients and visitors have easy access to a variety of products.

The Foundation continues to develop its presence throughout the community and make a real impact on the quality of health care in the Far North. During the year the Foundation made more than \$249,000 in donations towards the improvement of our local health services.

The Foundation continues to provide essential non-medical support to the patients, visitors and staff at Cairns Base Hospital. The assistance provided through the Volunteer Program is especially important as visitors are faced with finding their way around the hospital environment.

Our many activities throughout the year saw our profile enhanced as we progressively become recognised as one of the Far North's leading charities making a real difference to the provision of local health care services.



## THE YEAR IN REVIEW

### VOLUNTEER SERVICES

Celebrating its 16th year, the Volunteer Program continues to provide a most valuable service to the patients, visitors and staff of the Cairns Base Hospital. We should always acknowledge the contributions of these people who donate their time and skills to the Foundation's vision.

Foundation staff have concentrated on maximising the efforts of our many volunteers and ensuring that their contribution really does make a difference. Volunteers provide important services that benefit everyone who visit the hospital. These services range from operating the internal mail trolley, running the Information Desk and providing Hospital Guides. These marvellous people have also been busy working with the Foundation's commercial and fundraising activities and their contributions are telling.

The success of the Volunteer Program has reached far and wide as we continue to recruit many new volunteers through word of mouth and testimonials. It has been said that our best advertisement are the conversations that occur on the bus as our volunteers share their experiences and pleasure from their day's work at the hospital. With their bright uniforms they can't be missed. We are indebted to all those volunteers who gave of their time and efforts.



### COMMERCIAL OPERATIONS

THE FOUNDATION MANAGES A NUMBER OF COMMERCIAL OPERATIONS THAT PROVIDE IT WITH A SOUND BUSINESS BASE - A PLATFORM FROM WHICH ITS OTHER ACTIVITIES CAN OPERATE AND AT THE SAME TIME MAXIMISE THE FUNDS THAT ARE AVAILABLE TO BE DONATED BACK INTO HEALTH CARE SERVICES.

### SEA BREEZE CAFE

The Sea Breeze Café provides quality food and retail services to the patients, staff and visitors to the hospital in a magical location overlooking the Cairns esplanade. At the same time it generates substantial funds that are donated back into health care services. It has indoor and outdoor dining for up to 60 people and has a view to rival any in Cairns. We are very proud that we have created a comfortable and scenic environment for people to relax whilst visiting or working at Cairns Base Hospital. The café has indeed become an integral part of life at the hospital.

The coffee served at the café is just wonderful and the freshly baked muffins are the perfect accompaniment. As well as the great food there is a range of gift items, toys, toiletries, magazines, etc that will make a visit to the hospital more comfortable.

Whilst the 2005 year saw a slight decrease in café revenue of just under 1%, the work done on improving the costs associated with operating the café, resulted in an improvement to the gross profit of just under 10%.



## THE YEAR IN REVIEW

### VENDING MACHINES TELEPHONE SYSTEM

The Foundation coordinates and manages a variety of vending services that include seven soft drink machines, five snack food machines, two Health Station vending machines and six phoneaway/phonecard machines. We also manage the Automatic Teller Machine, a very necessary service provided by the Foundation.

A further four phoneaway/phonecard vending machines were installed during the year following completion of the installation by the Foundation of a telephone at the bedside of every patient in the hospital. A very valuable service for patients, family and staff.

The combined revenue derived from these departments improved on last year by just under 41% with an improvement to gross profit of over 43%.



### CAR PARK

The car park continues to provide a crucial service to the hospital's staff and visitors. As roadside parking is scarce around the hospital campus, the provision of 420 undercover parking spaces provides a secure and comfortable environment and meets the large demand. The \$3.00 entry fee is a small investment for the security and ease of parking on site at the hospital. The car park has video surveillance and security guard patrols ensuring a safe environment for the vehicles and their drivers. This is especially important for hospital staff after hours.

The car park also accommodates a large number of hospital pool vehicles ensuring quick and easy access for staff. Access to the car park can also be activated through the staff proximity card and paid for through payroll deductions. The Foundation offers free parking to visiting Medical Officers and the Clergy enabling them easy access in emergencies 24 hours per day.

Revenue from the car park increased by just under 10% which in turn improved the gross profit by the same margin, just under 10%.



### TELEVISION

The Foundation installed and manages the integrated multi-access television system throughout the hospital. This offers a rental service that gives patients five free to air channels, five pay-TV channels and an information/educational channel and four radio channels. The system is self-access allowing patients to view the television immediately without the involvement of hospital staff. A Foundation staff member visits each bed daily to check the TV and collect rental payment. The benefits of this service have been acknowledged by everyone involved as it provides patients with some of the comforts of home without being a burden on medical and nursing staff.



"THE SUCCESS OF OUR COMMERCIAL OPERATIONS MEAN THAT PROFITS FUND ALL ADMINISTRATIVE, STAFFING AND OTHER COSTS SO THAT EVERY FUNDRAISING DOLLAR RECEIVED GOES DIRECTLY TO THE PURPOSE INTENDED."



## THE YEAR IN REVIEW

### FUNDRAISING

The Foundation once again witnessed continued improvement in fundraising income and it was another very successful year. Special thanks this year go to Nick Bernabei who was the Foundation's Fundraising & Marketing Manager for three and a half years until resigning to take a position with the ANZ Bank in September 2004. The new Fundraising & Marketing Manager is Ms Glenys Duncombe who started in September 2004 and has made a great contribution to the

organisation and looks set to take it to the next level in its development.

Both Nick and Glenys coordinated the year's fundraising activities and due to their professionalism and commitment more than \$392,000 was raised by the Foundation.

Local businesses and the public embraced our major fundraising activities. Some of the major events and organisations that contributed were the Wayne Leonard's Cairns to Mission Beach Motorcycle Muster, ANZ Bank Charity Golf Day, Diabetes Golf Day, Holiday Inn Cairns Golf Day, Give Me 5 For Kids, Cairns

Central Xmas Wrap, Cairns Amateurs Hats and High Tea, Rise & Shine Breakfast, Skyrail, AMP Foundation, Cairns Central Shopping Centre, Smithfield Centre along with other supporters whose contributions were important in achieving this goal.

The Foundation formed a number of strong partnerships with local businesses and service organisations that made donations in pursuit of our goals. Many thanks to all who supported us throughout the year and special thanks to our major supporters.

IN STRIVING TOWARDS OUR VISION OF "SUPERIOR HEALTH CARE PROVISION IN FAR NORTH QUEENSLAND" THE FOUNDATION MADE OVER \$249,000 IN DONATIONS TO HEALTH CARE SERVICES. THIS FIGURE IS SUPPLEMENTED BY THE MANY SERVICES AND TASKS UNDERTAKEN BY THE FOUNDATION AND ITS VOLUNTEER TEAM. MANY OF THE SERVICES PROVIDED BY THE FOUNDATION HAVE BECOME AN INTEGRAL PART OF HOSPITAL LIFE. ONE CAN ONLY IMAGINE THE FINANCIAL BENEFIT OF THESE SERVICES TO THE COMMUNITY IF IT WAS COSTED APPROPRIATELY.





## ACHIEVING OUR AIMS

THE FOLLOWING IS A LIST OF THE FOUNDATION'S MAJOR PURCHASES AND ACHIEVEMENTS OF THE YEAR:

- Purchased 50 Hilite patient chairs for Cairns Base Hospital
- Purchased 6 Neo-Pro Bi-Wave mattresses for Cairns Base Hospital
- Purchased a Regency Care chair complete with IV pole, tray and accessories for Cairns Base Hospital
- Purchased 2 Neo-Pro Bi-Wave mattresses for Cooktown Hospital
- Purchased 2 Neo-Pro Bi-Wave mattresses for the Intensive Care Unit
- Purchased 6 Thompson Maxilift treatment chairs for the Oncology Ward
- Purchased a shower commode for Occupational Therapy
- Purchased a television for the Oncology Ward
- Purchased a television for the Medical 4 Ward
- Purchased a television and DVD player for Neuro Diagnostics
- Purchased an exercise cycle for Cardiology
- Purchased an Alpha 111 Vitalograph for Cardiology
- Purchased a digital camera for the Renal Department
- Purchased art supplies for Cairns Integrated Mental Health Program - Consumer Art Expo for Mental Health Week
- Purchased a memory blanket for the Women's Health Unit
- Purchased educational resources, books, videos, etc., for the Women's Health Unit
- Purchased a Symphony breast pump complete with stand and accessories for the Women's Health Unit
- Purchased a clothes drier for the Special Care Baby Unit
- Purchased an electric breast pump for the Special Care Baby Unit
- Purchased a FunMobile for the Paediatrics Ward
- Purchased 16 Dalcross Compact single sofa beds for the Paediatrics Ward
- Purchased a television for the waiting area in Surgery
- Purchased a television and DVD player for the Paediatric treatment room in the Emergency Department
- Purchased a set of baby scales for the Emergency Department
- Funded a Midwifery Education Scholarship
- Funded the refurbishment of the interview room in the Special Care Baby Unit
- Funded the Kids With Diabetes Camp
- Funded the purchase of items for memory/treasure boxes for Palliative Care
- Funded rental fees and the commissioning/decommissioning of the Vitalcall alarm service for numerous Palliative Care patients
- Assisted the Friends of the Foundation to make numerous donations to the health services in their local community
- The Foundation continues to provide important support services to the patients, visitors and staff in hospitals across the Far North



## THE FUTURE

The Foundation has established itself as a dynamic not-for-profit organisation that is making a difference in the quality of health care provision in Far North Queensland.

The Foundation has experienced continued growth over the past twelve months. This included the establishment of new commercial income streams that will ensure that the Foundation continues to deliver support to hospitals in a professional and efficient manner. At the same time the Foundation will continue to monitor and improve the profitability of its commercial operations.

The Foundation relies on the support of many volunteers and donors. These people have enormous influence on the Foundation and ultimately on the way local health care services are provided. Their donation of either time or money is precious. They are the core of the Foundation and its inspiration.



## STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2005

	NOTE	2005 \$	2004 \$
REVENUES FROM ORDINARY ACTIVITIES			
Revenue from sale of goods	2	1,315,653	1,268,770
Revenue from fundraising	3	392,405	320,792
Interest		10,449	6,875
		-----	-----
TOTAL REVENUES FROM ORDINARY ACTIVITIES		1,718,507	1,596,437
EXPENSES FROM ORDINARY ACTIVITIES			
Cost of sales	2	(520,512)	(554,776)
Cost of fundraising	3	(43,707)	(69,836)
Employment expenses	4	(520,939)	(483,805)
Supplies and services	5	(86,726)	(97,672)
Other	6	(21,702)	(21,294)
Depreciation		(72,886)	(69,510)
Borrowing costs		(6,976)	(10,048)
		-----	-----
NET SURPLUS FROM ORDINARY ACTIVITIES BEFORE DISTRIBUTION OF GRANTS		445,059	289,496
Distribution of grants	7	(249,490)	(213,509)
		-----	-----
Retained surplus	16	195,569	75,987
		=====	=====

THE ACCOMPANYING NOTES FORM PART OF THESE STATEMENTS.

## STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 30 JUNE 2005

	NOTE	2005 \$	2004 \$
<b>CURRENT ASSETS</b>			
Cash assets	8	371,744	202,578
Receivables	9	17,123	35,499
Inventories	10	15,448	13,995
		-----	-----
TOTAL CURRENT ASSETS		404,315	252,072
		-----	-----
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	11	363,280	427,754
		-----	-----
TOTAL NON-CURRENT ASSETS		363,280	427,754
		-----	-----
TOTAL ASSETS		767,595	679,826
		=====	=====
<b>CURRENT LIABILITIES</b>			
Payables	12	99,414	106,092
Interest bearing liabilities	13	-	36,048
Provisions	14	14,709	9,350
		-----	-----
TOTAL CURRENT LIABILITIES		114,123	151,490
		-----	-----
<b>NON-CURRENT LIABILITIES</b>			
Interest bearing liabilities	13	-	71,549
Provisions	14	1,116	
		-----	-----
TOTAL NON-CURRENT LIABILITIES		1,116	71,549
		-----	-----
TOTAL LIABILITIES		115,239	223,039
		=====	=====
NET ASSETS		652,356	456,787
		=====	=====
<b>EQUITY</b>			
Retained surplus	16	652,356	456,787
		-----	-----
TOTAL EQUITY		652,356	456,787
		=====	=====

THE ACCOMPANYING NOTES FORM PART OF THESE STATEMENTS.

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2005

	Note	2005 \$	2004 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts in the course of operations		1,853,512	1,716,694
Cash payments in the course of operations		(1,244,389)	(1,334,349)
Distribution of grants	7	(249,490)	(213,509)
Interest received		10,449	6,875
Borrowing costs		(6,976)	(10,048)
Gross GST collected from customers - paid to ATO		(128,130)	(139,030)
Gross GST paid to suppliers - received from ATO		50,196	54,696
		-----	-----
NET CASH PROVIDED BY OPERATING ACTIVITIES	18(b)	285,172	81,329
		-----	-----
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for property, plant and equipment		(8,412)	(26,643)
		-----	-----
NET CASH (USED IN) INVESTING ACTIVITIES		(8,412)	(26,643)
		-----	-----
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of borrowings		(107,594)	(83,816)
		-----	-----
Net cash (used in) financing activities		(107,594)	(83,816)
		-----	-----
NET INCREASE/(DECREASE) IN CASH HELD		169,166	(26,130)
Cash at the beginning of the financial year		202,578	228,708
		-----	-----
CASH AT THE END OF THE FINANCIAL YEAR	18(a)	371,744	202,578
		=====	=====

THE ACCOMPANYING NOTES FORM PART OF THESE STATEMENTS.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

## 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The Far North Queensland Hospital Foundation was established on 21 March 1997 under the Hospitals Foundations Act 1982 and is a statutory body.

The significant policies that have been adopted in the preparation of this financial report are:

## (A) BASIS OF PREPARATION

The financial report is a general-purpose financial report that has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Abstracts and the Financial Management Standard 1997.

It has been prepared on the basis of historical costs and except where stated, does not take into account changing money values or current valuations of non-current assets.

These accounting policies have been consistently applied and, except where there is a change in accounting policy, are consistent with those of the previous year.

Where necessary, comparative information has been reclassified to achieve consistency in disclosure with current financial year amounts and other disclosures.

## (B) REVENUE RECOGNITION

## Sales revenue

Sales revenue comprises revenue earned from the provision of products or services to hospital staff and third parties. Sales revenue is recognised when the goods are provided or when the fee in respect of services provided is receivable.

## Fundraising revenue

Fundraising revenue is recognised when received. The amount and timing of receipts is dependent upon the various fundraising events organised during the year.

## Interest income

Interest income is recognised as it accrues.

## (C) INCOME TAX

The Foundation has been granted exemption from income tax under section 50-B of the Income Tax Assessment Act 1997, FBT exemption under section 123C of the Fringe Benefits Tax Assessment Act 1986 and GST concessions under Division 176 of A New Tax System (Goods and Services Tax) 1999 (GST). As such, GST credits receivable from/payable to the ATO are recognised and accrued.

## (D) RECEIVABLES

## Trade debtors

Trade debtors to be settled in 30 days are carried at amounts due. The recovery of debts is assessed at balance date and specific provision is made for any doubtful accounts.

## (E) INVENTORIES

Inventories are valued at the lower of cost and net realisable value. Cost is based on the first-in first-out principle. Net realisable value is determined on the basis of the Foundation's normal selling patterns.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES  
[continued]

## (F) PROPERTY, PLANT AND EQUIPMENT

## Asset recognition

The Foundation records all purchases of property, plant and equipment amounting to \$500 or more as assets in its asset register.

## Acquisition

Items of property, plant and equipment are initially recorded at cost and depreciated as follows.

## Depreciation

Items of property, plant and equipment are depreciated using the straight-line method over their estimated useful lives.

The depreciation rates used for each class of asset are generally as follows:

	2005	2004
Leasehold improvements	10%	10%
Plant and equipment	20%	20%
Furniture and fittings	20%	20%
Specialised hire equipment	20%	20%

Assets are depreciated from the date of acquisition.

## (G) PAYABLES

Payables are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the Foundation. Trade creditors are normally settled within 60 days.

## (H) EMPLOYEE BENEFITS

Annual leave unpaid at 30 June 2005 has been provided for to the extent of the Foundation's commitment at that date and has been measured on the basis of when the liability is expected to be settled.

Long service leave accrued to 30 June 2005 has been measured at nominal amounts based on current wage and salary rates.

Sick leave is non-vesting.

The Foundation contributes on behalf of its employees to various industry superannuation funds and the contributions are expensed as incurred on a monthly basis.

## (I) SUPPORT FROM CAIRNS DISTRICT HEALTH SERVICE

The Foundation receives support for its activities from the Cairns District Health Service. This support is primarily in the form of office accommodation and associated services. It is not practicable to accurately quantify the value of this support and accordingly it has not been recognised in this financial report.

## (J) ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Financial Reporting Council has determined that all entities preparing general purpose financial statements will apply the Australian Equivalents to International Financial Reporting Standards (IFRSs) for reporting periods beginning on or after 1 January 2005.

The Foundation has not identified any significant key differences in accounting policies which have arisen from the adoption of Australian Equivalents to IFRSs.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

	2005	2004
	\$	\$
<b>2. SALES</b>		
<b>SALES INCOME</b>		
Sea Breeze Cafe	940,257	946,673
Vending machines	57,714	49,207
Telephone	33,370	15,500
Television	80,621	79,484
Car park	178,785	162,807
Sundry	24,906	15,099
	-----	-----
	1,315,653	1,268,770
	-----	-----
<b>COST OF SALES</b>		
Sea Breeze Cafe	461,477	510,351
Vending machines	24,755	24,444
Telephone	27,342	13,069
Television	6,938	6,912
	-----	-----
	520,512	554,776
	-----	-----
<b>GROSS PROFIT</b>		
Sea Breeze Cafe	478,780	436,322
Vending machines	32,959	24,763
Telephone	6,028	2,431
Television	73,683	72,572
Car park	178,785	162,807
Sundry	24,906	15,099
	-----	-----
	795,141	713,994
	=====	=====

	2005	2004
	\$	\$
<b>3. FUNDRAISING</b>		
<b>FUNDRAISING AND OTHER CONTRIBUTIONS</b>		
Fundraising for general purpose	202,310	175,555
Fundraising for specific purposes	133,583	92,694
Volunteer service	49,767	45,563
Specialised equipment scheme	6,745	6,980
	-----	-----
	392,405	320,792
	-----	-----
<b>COST OF FUNDRAISING</b>		
Fundraising	14,546	40,283
Volunteer service	25,440	27,154
Specialised equipment scheme	3,721	2,399
	-----	-----
	43,707	69,836
	-----	-----
<b>GROSS PROFIT</b>		
Fundraising	321,347	227,966
Volunteer service	24,327	18,409
Specialised equipment scheme	3,024	4,581
	-----	-----
	348,698	250,956
	=====	=====

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

	2005	2004
	\$	\$
<b>4. EMPLOYMENT EXPENSES</b>		
Wages and salaries	465,952	426,382
Employment superannuation contributions	41,277	37,905
Workers compensation	8,334	8,608
Other	5,376	10,910
	-----	-----
	520,939	483,805
	=====	=====

Number of employees employed on a full-time equivalent basis	No.	No.
	11	11

**5. SUPPLIES AND SERVICES**

Consultants	12,000	12,000
Banking and merchant fees	4,947	4,846
Computer repairs and support	3,545	3,335
Cleaning	5,678	10,172
Motor vehicle operating costs	20,385	21,063
Repairs and maintenance	20,040	26,616
Printing and stationery	10,738	12,896
Other	9,393	6,744
	-----	-----
	86,726	97,672
	=====	=====

**6. OTHER**

External audit fees	5,000	4,250
Insurance	16,702	17,044
	-----	-----
	21,702	21,294
	=====	=====

**7. GRANTS AND CONTRIBUTIONS**

During the year, the Foundation funded equipment purchases and/or services as follows:

<b>Cairns Base Hospital</b>		
Med 4 Clinics Trust Fund	6,635	-
Medical Research Trust Fund	5,681	-
Cardiac Rehab Trust Fund	4,223	-
Laryngectomy Support Group	1,860	-
Neurology	6,280	-
Physician	10,000	-
Intensive Care	9,068	13,001
Medicine	-	1,300
Emergency Medicine	2,738	4,927
Paediatrics	28,717	132,649
Women's Health	6,669	3,231
Palliative Care	8,894	-
Mental Health	-	5,052
Orthopaedics	-	1,012
Renal Medicine	-	5,322
Cardiology	5,455	7,665
Diabetes	3,470	5,769
Neurology	-	5,250
Cairns other	79,627	8,009
Cooktown Hospital	14,890	4,596
Mossman Hospital	31,234	2,192
Gordonvale Hospital	6,449	3,206
Community Health	12,546	-
Aplin St	-	5,829
Cow Bay Clinic	906	3,774
Sundry	4,148	725
	-----	-----
	249,490	213,509
	=====	=====

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

	2005	2004
	\$	\$
<b>8. CASH ASSETS</b>		
Cash on hand	13,403	12,374
Cash at bank	98,262	139,103
Cash on deposit (at call)	260,079	51,101
	-----	-----
	371,744	202,578
	=====	=====

**9. RECEIVABLES****CURRENT**

Trade debtors	8,763	27,542
Prepayments	8,360	7,957
	-----	-----
	17,123	35,499
	=====	=====

No interest is earned on amounts due from debtors.

**10. INVENTORIES****CURRENT**

Sea Breeze Cafe	6,398	6,373
Specialised equipment scheme	4,194	4,617
Vending machines – stock	2,061	1,649
Telephone system cards	2,795	1,356
	-----	-----
	15,448	13,995
	=====	=====

**11. PROPERTY, PLANT AND EQUIPMENT**

Leasehold improvements, at cost	302,060	302,060
Accumulated amortisation	(96,586)	(66,393)
	-----	-----
	205,474	235,667
	-----	-----
Plant and equipment, at cost	319,298	315,800
Accumulated depreciation	(175,198)	(138,965)
	-----	-----
	144,100	176,835
	-----	-----
Furniture and fittings, at cost	34,914	30,000
Accumulated depreciation	(21,491)	(15,782)
	-----	-----
	13,423	14,218
	-----	-----
Specialised hire equipment, at cost	8,520	8,520
Accumulated depreciation	(8,237)	(7,486)
	-----	-----
	283	1,034
	-----	-----
Total property, plant and equipment, at net book value	363,280	427,754
	=====	=====

Plant and equipment and leasehold improvements are valued at cost in accordance with Queensland Treasury's Non-Current Asset Accounting Guidelines for the Queensland Public Sector (May 2001)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

## 11. PROPERTY, PLANT AND EQUIPMENT [continued]

## ASSET RECONCILIATION

	LEASEHOLD IMPROVEMENTS	PLANT AND EQUIPMENT	FURNITURE AND FITTINGS	SPECIALISED EQUIPMENT	TOTAL
	\$	\$	\$	\$	\$
CARRYING AMOUNT AT 1 JULY 2004	235,667	176,835	14,218	1,034	427,754
Acquisitions	-	3,498	4,914	-	8,412
Depreciation/amortisation	(30,193)	(36,233)	(5,709)	(751)	(72,886)
	-----	-----	-----	-----	-----
CARRYING AMOUNT AT 30 JUNE 2005	205,474	144,100	13,423	283	363,280
	-----	-----	-----	-----	-----

	2005	2004
	\$	\$
12. PAYABLES		
CURRENT		
Trade creditors	66,353	70,823
Customer deposits	1,045	1,635
Payroll liabilities	6,818	6,242
GST	20,198	23,142
Sundry creditors and accruals	5,000	4,250
	-----	-----
	99,414	106,092
	=====	=====

## 13. INTEREST BEARING LIABILITIES

CURRENT		
Queensland Treasury		
Corporation loan facility	-	36,048
	-----	-----
NON-CURRENT		
Queensland Treasury		
Corporation loan facility	-	71,549
	-----	-----

## 14. PROVISIONS

CURRENT		
Employee benefits	14,709	9,350
	-----	-----
	14,709	9,350
	=====	=====
NON-CURRENT		
Employee benefits	1,116	-
	=====	=====

## 15. ADDITIONAL FINANCIAL INSTRUMENTS DISCLOSURE

## (A) INTEREST RATE RISK

Other than the minimal risk in respect of cash at bank and on deposit (Note 8) the Foundation is not exposed to interest rate risk in respect of its financial assets and financial liabilities at balance date.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

## 15. ADDITIONAL FINANCIAL INSTRUMENTS DISCLOSURE

[continued]

## (B) CREDIT RISK EXPOSURES

Credit risk represents the loss that would be recognised if counter-parties failed to perform as contracted.

The credit risk on financial assets of the Foundation, which have been recognised on the statement of financial position, is the carrying amount net of any provision for doubtful debts.

The Foundation minimises concentrations of credit risk in so far as its transactions are undertaken with a large number of customers predominantly on cash terms.

## (C) NET FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

## Valuation approach

Net fair values of financial assets and liabilities are determined by the Foundation on the following basis. The carrying amounts of bank deposits, accounts receivable and payables approximate net fair value.

2005

\$

2004

\$

## 16. RETAINED SURPLUS

Retained surplus at the

beginning of the year

456,787

380,800

Net surplus for the year

195,569

75,987

Retained surplus at the

end of the year

652,356

456,787

## RETAINED SURPLUS COMPRISES:

Unrestricted funds

399,154

271,996

Restricted funds

253,202

184,791

652,356

456,787

Included in the retained surplus are certain amounts raised which are unspent at year end and whose expenditure is restricted for specific purposes, ie specific hospital wards, departments, etc.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

	2005	2004
	\$	\$
<b>17. INDUSTRY SEGMENT</b>		
The Foundation operates predominantly in Far North Queensland in providing funding and resources to aid health service provision in the region.		

**18. NOTES TO THE STATEMENT OF CASH FLOWS****(A) RECONCILIATION OF CASH**

For the purposes of the statement of cash flows, cash includes cash on hand and at bank and short-term deposits at call, net of outstanding bank overdrafts. Cash as at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

Cash on hand	13,403	12,374
Cash at bank	358,341	190,204
	-----	-----
	371,744	202,578
	=====	=====

**(B) RECONCILIATION OF NET SURPLUS TO NET CASH PROVIDED BY OPERATING ACTIVITIES**

Operating surplus before distribution of grants	445,059	289,497
Less: Distribution of grants	(249,490)	(213,509)
Add non-cash items:		
Depreciation	72,885	69,510
Amounts set aside to provisions	6,473	1,453
	-----	-----
Net cash provided by operating activities before change in assets and liabilities		
Change in assets and liabilities during the financial year:		
(Increase)/decrease in receivables	18,779	(17,008)
(Increase)/decrease in inventories	(1,453)	5,112
Increase/(decrease) in payables	(7,081)	(53,726)
	-----	-----
Net cash provided by operating activities	285,172	81,329
	=====	=====



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

## 19. RELATED PARTIES

## MEMBERS

The names of each person holding the position of member of the Foundation during the financial year are: Dr Kenneth Chapman (Chairman), Mr Russell Beer (Deputy Chairman), Ms Patricia Bailey, Mr Philip Cammish, Ms Cheryl Campbell, Mr Graham Coonan, Ms Sharon Jones, Mr Scott Thompson, Mr Theo Bacalakis (Ex Officio Member) and Mr Brett Grosser (Secretary). Dr Kenneth Chapman (Chairman) and Mr Graham Coonan completed their appointed terms as members of the Foundation on 23 March 2005 and were reappointed for a further term expiring on 23 March 2008. Ms Sharon Jones resigned her position on 12 January 2005.

Members received no remuneration from the Foundation for their services during the year.

Members may have used the Foundation car park or made purchases from the Sea Breeze Cafe during the year. All such transactions were conducted on an arms length basis and on normal commercial terms.

Mr Cammish and Mr Grosser were employed at the Cairns Base Hospital with which the Foundation has commercial dealings on a normal arms length basis from time to time. During the year, the Foundation provided a volunteer service to the Cairns Base Hospital. This involves the recruiting, coordination and management of a team of volunteers, which provides various services to that hospital and is in line with the objects of the Foundation. For this service the hospital contributed \$39,020 (2004: \$39,020) towards the Foundation's costs in this regard. In addition, the Cairns Base Hospital received significant benefits by way of equipment donated and benefits sponsored by the Foundation during the year (in accordance with the objects of the Foundation) as set out in Note 7.

Apart from the details disclosed in this note, no member of the Foundation has entered into a material contract with the Foundation since the end of the previous financial year and there were no material contracts involving members' interests subsisting at year-end.

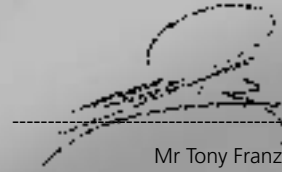
## CERTIFICATE OF THE FAR NORTH QUEENSLAND HOSPITAL FOUNDATION

This general purpose financial statements have been prepared pursuant to section 46F(1) of the provisions of the Financial Administration and Audit Act 1977 (the Act) and other prescribed requirements. In accordance with section 46F(3) of the Act we certify that in our opinion:

- (a) the prescribed requirements in respect of the establishing and keeping the accounts of the Far North Queensland Hospital Foundation have been complied with in all material respects; and
- (b) the financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Foundation for the year ended 30 June 2005 and of the financial position of the Foundation at the end of the year.

Cairns  
7th September 2005

  
 Dr Kenneth Chapman  
 CHAIRMAN

  
 Mr Tony Franz  
 GENERAL MANAGER

## INDEPENDENT AUDIT REPORT

To the Board of the Far North Queensland Hospital Foundation

**Scope**

*The Financial Report*

The financial report of Far North Queensland Hospital Foundation consists of the statement of financial performance, statement of financial position, statement of cash flows, notes to and forming part of the financial statements and certificates given by the Chairman and officer responsible for the financial administration of the Far North Queensland Hospital Foundation, for the year ended 30 June 2005.

*The Board's Responsibility*

The Board is responsible for the preparation and true and fair presentation of the financial report, the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error and for the accounting policies and accounting estimates inherent in the financial report.

*Audit Approach*

As required by law, an independent audit was conducted in accordance with QAO Auditing Standards to enable me to provide an independent opinion whether in all material respects the financial report is presented fairly, in accordance with the prescribed requirements, including any mandatory financial reporting requirements as approved by the Treasurer for application in Queensland.

*Audit procedures included –*

- examining information on a test/sample basis to provide evidence supporting the amounts and disclosures in the financial report;
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the Board;
- obtaining written confirmation regarding the material representations made in conjunction with the audit; and
- reviewing the overall presentation of information in the financial report.

**Independence**

The *Financial Administration and Audit Act 1977* promotes the independence of the Auditor-General and QAO authorised auditors.

The Auditor-General is the auditor of all public sector entities and can only be removed by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which powers are to be exercised.

The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

**Audit Opinion**

In accordance with s.46G of the *Financial Administration and Audit Act 1977* –

- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion –
  - (i) the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and
  - (ii) the statements have been drawn up so as to present a true and fair view, in accordance with the prescribed accounting standards of the transactions of the Far North Queensland Hospital Foundation for the financial year 1 July 2004 to 30 June 2005 and of the financial position as at the end of that year.

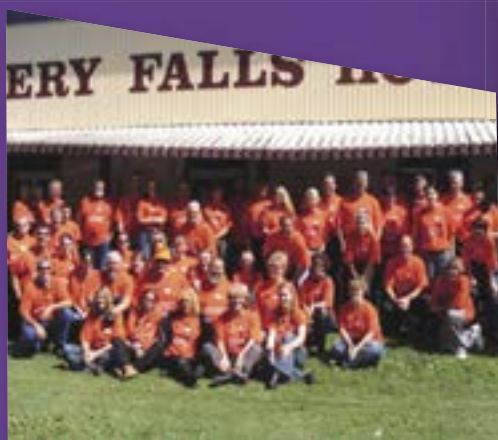


Mark Anders CA  
(as Delegate of the Auditor-General of Queensland)

Yungaburna  
12<sup>th</sup> September 2005

## FUNDRAISING

Wayne Leonard's Cairns to Mission Beach Motorcycle Muster





IF YOU WOULD LIKE A COPY OF THIS REPORT

OR ANY FURTHER INFORMATION ON THE

WORK OF THE FAR NORTH QUEENSLAND

HOSPITAL FOUNDATION PLEASE CONTACT

OUR STAFF AT ONE OF THE FOLLOWING:

GROUND FLOOR

CAIRNS BASE HOSPITAL CAR PARK

THE ESPLANADE CAIRNS

PO BOX 957 CAIRNS QLD 4870

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