

Far North Queensland Hospital Foundation

2020-2021 Annual Report

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Aboriginal and Torres Strait Islander people are advised that this publication may contain words, names, images, and descriptions of people who have passed away.

We acknowledge Aboriginal peoples and Torres Strait Islanders as this country's First Nations people.

We recognise the ancestral lands of the many traditional and cultural custodians that make up the region known, in contemporary terms, as Cairns and Hinterland and Torres and Cape where we work to provide safe and quality health services. We pay our respect to Elders past, present and emerging.

The head office and principal place of business of the Far North Queensland Hospital Foundation is:

Ground Floor, Block E, Cairns Hospital
Corner Grove & Digger Streets
CAIRNS QLD 4870

To provide feedback or request copies of this annual report please call (07) 4226 6634, or email ceo@fnqhf.org.au or visit the Foundation website www.fnqhf.org.au/annual-reports

Compliance Letter

31 August 2021

The Honourable Yvette D'Ath MP
Minister for Health and Ambulance Services
GPO Box 48
BRISBANE QLD 4001

Dear Minister,

I am pleased to submit for presentation to the Parliament the Annual Report 2020-2021 and financial statements for the Far North Queensland Hospital Foundation.

I certify that this Annual Report complies with:

- the prescribed requirements of the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2019*, and
- the detailed requirements set out in the Annual report requirements for Queensland Government agencies.

A checklist outlining the annual reporting requirements can be found on pages 21 and 22 of this report.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Ken Chapman', is positioned above the printed name.

Ken Chapman
Chairperson
Far North Queensland Hospital Foundation

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From the Chair and Chief Executive

The 2020-2021 financial year at the Far North Queensland Hospital Foundation will be remembered as a challenging, yet rewarding one.

As we all faced the new uncertain reality of COVID-19 and then dealt with the response and recovery, the Far North Queensland Hospital Foundation has adapted to a whole new reality. The traditional ways of doing business were challenged. However, with a positive attitude and a lot of energy and engagement from the entire team, a lot was achieved in 2020-2021.

Firstly, we would like to acknowledge the engagement and efforts displayed by staff, volunteers, directors, hospital staff, donors, sponsors, and all associated in response to the COVID-19 pandemic. Our focus was managing the transition while maintaining high-quality services, focusing our energy on delivering outcomes for superior healthcare in Far North Queensland.

The leadership team welcomed a new Financial Controller and Board Secretary, Mr Joe Cristaldi. This appointment will bring a whole new level of expertise in the areas of Finance and Governance to the Far North Queensland Hospital Foundation. New executives lead to new ideas and possibilities.

Overall, 2020-2021 proved to be another solid year for the Far North Queensland Hospital Foundation with grant funding in excess of \$1.32 million. This is a strong result considering the COVID-19 limitations imposed. This follows on from last year when more than \$2.89 million was granted.

As the Far North Queensland Hospital Foundation enters its 24th year, we are proud to have contributed more than \$25 million in grant funding to hospitals from Tully to the Torres Strait during this time.



Dr Ken Chapman
Chairperson



Mr Tony Williamson
Chief Executive Officer

About us

The Far North Queensland Hospital Foundation (the Foundation) was established on 21 March 1997. The Foundation has all the objects, functions and powers set down in the *Hospital Foundations Act 2018* and various other Acts of Parliament.

The Foundation is a non-profit, charitable organisation that endeavours to assist the activities and services of the Cairns and Hinterland Hospital and Health Service (CHHHS) and more recently the Torres and Cape Hospital and Health Service (TCHHS).

Vision

Superior healthcare in Far North Queensland.

Purpose

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

Values

The Foundation's principal activities are to:

- fund the purchase of state-of-the-art equipment and establish 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; and
- provide support services for the patients and staff.

The Foundation's principal place of business is located at Cairns Hospital.

Regional community-based fundraising activities are organised under the banner of the Friends of the Foundation (the FOFs). The FOFs are an active and growing network of volunteer groups within the CHHHS, with branches in Atherton, Cow Bay, Croydon, Gordonvale, Herberton, Innisfail, Mareeba, Mossman, and Tully. FOFs in the TCHHS include branches in Cooktown and Weipa.

Queensland Government objectives for the community

The Foundation's *Strategic Plan 2021–2025* supports Queensland Government's objectives for the community and helps align its activities with the Unite & Recover priorities.

The Foundation contributes to the Government's objectives for the Community to:

- safeguarding our health
- growing our regions
- supporting jobs
- backing frontline services.

Strategic direction

The Foundation's *Strategic Plan 2021-2025* articulates the Foundation's seven Strategic Objectives. The key strategies to achieve the Strategic Objectives follow.

- 1. Facilitate the addition of new services and upgrade existing services in Far North Queensland Hospitals**
 - Work with CHHHS and TCHHS to identify priority areas for augmenting services
 - Aligning fundraising to service uplift priorities
 - Work towards a full tertiary university hospital in Cairns.
- 2. Maximise the profitability of our commercial operations**
 - Maximise operating profits to provide maximum funds available to be donated to fund state-of-the-art equipment, health facility upgrades, research, and education grants to provide better healthcare in the community
 - Maximise operating profits of the cafes and carpark.
- 3. Increase fundraising income**
 - Maximise fundraising profits
 - Deliver and maintain two major fundraising events
 - Introduce a new 3rd party event each year
 - Market and promote the bequest program
 - Increase regular payroll giving by 5%.
- 4. Strategic marketing and communication to maximise community support, fundraising and advocacy for services development**
 - Maintain and develop relationships and communications with the CHHHS and clinical community
 - Improve print, social media and communications
 - Continual Public Relations and community engagement.
- 5. Ensure appropriate expenditure management and maximise the strategic benefits of grant funding**
 - Maximise the benefits in aligning with the needs of the Hospital and Health Service with donations of equipment to health facilities
 - Improve the awareness of the education and personal development grants with a focus on research.
- 6. Maintain, improve, and further develop the Volunteer Program throughout the CHHHS and TCHHS**
 - Grow the volunteer program to expand numbers to assist with fundraising activities, events and hospital services
 - Build the FOFs Network
 - Expand FOFs network in TCHHS.
- 7. Maintain the Foundation's good governance standards**
 - Ensure External Audit and Office of Health Statutory Agencies compliance is met.

Achieving Our Aims - Grant Funding

During the past year, the Foundation has pursued its vision to provide superior healthcare in Far North Queensland through the donation of over \$1.32 million towards healthcare services in this region.

In the 2020-2021 year, the Foundation funded the annual Research Grants program awarding 17 successful submissions a total of \$149,800.

This figure was supplemented by the many services and tasks undertaken by the Foundation's volunteer team and staff. Many of the services provided by the Foundation have become an integral part of hospital life.

This now takes the Foundation's total grant funding contribution since its inception to more than \$25 million.

The impact of COVID-19 pandemic response resulted in the Foundation significantly refocusing its services in the 2020-2021 year.

Items purchased in 2020-2021 included:

Cairns Hospital

Equipment	Cost	Total
Full Body Infant Mannequin		43,090
Simpad including accessories		5617
DatamedFT ECG License		39,450
CareScape Central Monitoring Device B450		89,800
Defibrillator		18,493
Tribute Medication Cart with drawers		2599
Tivoli Sofa		770
Transonic Flow Meter including accessories		43,448
RealCare Geriatric Experience and Sensory Impairment Kit		7340
Sonosite Ultrasound System including transducer		36,500
Optis OCT Integrated System		99,000
6 x Chill Single Seat Lounge with Arms	885	5313
AngioJet Ultra Thrombectomy Console		49,995
2 x Dialysis chairs "T688"	6730	13,460
26 x Venice Linea Four Legs Visitor Chairs & 8 x Chill Single Seat Lounge		15,208
Apple iPad Pro 11 - Covid Campaign		1669
Osi spinal & imaging table including accessories and positioner		206,646
Sonosite VA Bundle		23,000
		\$701,397

Atherton Hospital

Equipment	Cost	Total
Vital Signs Monitor		17,566
2 x Vital Signs Monitor	4462	8924
Reclining / Overnight Chair		2970
2 x Symphony Breast pumps	2417	4833
2 x Portable Oxygen Concentrators	1800	3600
		\$37,893

Babinda Hospital

Equipment	Cost	Total
Vital Signs Monitor		17,943
		\$17,943

Innisfail Hospital

Equipment	Cost	Total
Mini Birth Pool in a Box		1263
AV500 AccuVein Handheld Unit		6800
Ear toilet packages		6665
Cystofibrescope		14,243
		\$28,970

Mareeba Hospital

Equipment	Cost	Total
Washer / Disinfector		29,113
		\$29,113

Mossman Hospital

Equipment	Cost	Total
2 x Acella Therapy Integrated	8545	17,090
Vital Signs Monitor		2362
IC100 iCare Tonometer		6030
		\$25,482

Tully

Equipment	Cost	Total
iCare Tonometer		5620
Swift Patient Mover		2395
		\$8,015

Yarrabah Hospital

Equipment	Cost	Total
Vital Signs Monitor		17,943
		\$17,943

Cooktown Hospital

Equipment	Cost	Total
Centrella Smart Bed		21,920
Blanket Warmer		10,225
5 x Alaris GP-G Volumetric Pumps	1264	6319
		\$38,464

Weipa Hospital

Equipment	Cost	Total
Hand wound table / manual wheelchair		2243
Tumble Forms 2 feeder Seats including tray		5626
		\$7869

Support programs

Volunteer Services

The volunteer program at the Cairns Hospital has now been operating for over 30 years. For the past 24 years the Foundation has managed the volunteer program.

Our volunteer team continues to assist with patient and support services, fundraising and commercial activities for visitors and staff at the Cairns Hospital, as well as several other hospitals and clinics in the CHHHS and TCHHS. We are extremely fortunate to be able to count on these people to donate their time and skills to help the Foundation achieve its vision.

The scope of volunteer activities is truly impressive. Their services at the Cairns Hospital alone include staffing the hospital information desks; assisting in the cardiac conditioning program; assisting with the playscheme program in the paediatric ward; helping with food and beverage services to patients and visitors in rehab; providing clerical and administrative support services all throughout the departments; and generally assisting wherever possible.

During 2020-2021, around 90 Foundation volunteers contributed 15,000 hours of unpaid labour to the Cairns Hospital. Hundreds more Foundation volunteers lent their support to fundraising events during the year, devoting an additional total of around 10,000 hours.

These hours are lower than the previous year due to the impact of COVID-19.

At the end of January 2021, all volunteers were allowed back into the hospital campuses.

Friends of the Foundation – Volunteer Services

The FOF is an active and growing network of volunteer groups throughout the CHHHS, with branches in Atherton, Babinda, Cow Bay, Croydon, Gordonvale, Herberton, Innisfail, Mareeba, Mossman, and Tully.

There are also active groups within the TCHHS with FOFs in Cooktown and Weipa.

Collectively, the FOFs raised \$256,567 towards the improvement of healthcare services in their respective communities.

Commercial Operations

The Foundation operates a number of profitable commercial businesses, which enables the organisation to cover its administration and operating expenses, while maximising the funds available for donation back into healthcare services.

During the past year, the Sea Breeze Café, dCafe, Block E car park and vending machines continued to ensure that patients and visitors to the Cairns Hospital received quality services that enhanced their comfort.

Net profit from our commercial operations totalled \$892,307 which was an increase on last year's result and can be directly related to the COVID-19 restrictions.

Sea Breeze Café

Located in Block B, the Sea Breeze Café provides quality food and retail services to patients, staff, and visitors to the Cairns Hospital, from its scenic location opposite the Cairns Esplanade. The café, which boasts two large outdoor dining areas has become an integral part of the hospital's social life.

dCafe

Located in Block D, the dCafe offers a wide range of nutritious food and drinks in a relaxed and modern outdoor setting overlooking the Cairns Esplanade. Patients, staff and visitors to the Cairns Hospital can enjoy a full selection of hot meals, wraps, rolls, salads, organic coffee, smoothies, juices and tea.

Vending Machines

The Foundation coordinates the placement of a range of food and beverage vending services, including soft drink machines, coffee machines and snack food machines. The Foundation also manages the Automatic Teller Machines at the Cairns Hospital.

Cairns Hospital Block E Car Park

The Foundation manages the Block E car park at the Cairns Hospital. With 667 car parking spaces, including 24 spaces reserved for people with a disability, the car park provides a crucial service to hospital staff, patients and visitors.

A link bridge over Lake Street located on level two of the Block E car park and level two of Block D provides staff, patients and visitors easy access from the car park to the hospital. The car park is equipped with video surveillance which is particularly appreciated by hospital staff who finish their shifts at night or during the early hours.

Fundraising

The Foundation covers all its administration and operating expenses from the profits generated by the organisation's commercial businesses, including the Sea Breeze Café, dCafe, the Block E hospital car park and the vending machines. This means 100 per cent of monies donated to the Foundation are guaranteed to be used for the purpose intended.

The Foundation has forged strong and rewarding relationships with individuals, local businesses and service organisations that recognise the importance of the Foundation's goals and have been motivated to provide monetary and in-kind donations to help the charity achieve those goals.

For the 2020-2021 year, the Foundation raised \$1.10 million in donations, \$613,575 in Specific Purpose fundraising activities and \$182,450 in bequests.

Governance

The Board of the Foundation has primary responsibility to establish strategic direction, pursue established objectives and monitor business performance. The Board diligently applies best practice corporate governance principles in fulfilling this responsibility and has committed to the highest level of integrity in the conduct of its operations.

The Board members of the Foundation, who are appointed by the Governor in Council under section 30 of the *Hospital Foundations Act 2018*, are drawn from the business, community, medical and university fraternities.

The Board members of the Foundation are not remunerated.

Our Board

The Board recognises its overriding responsibility to act honestly, fairly, diligently and in accordance with the *Hospital Foundations Act 2018*, the *Financial Administration and Audit Act 1977* and the *Public Sector Ethics Act 1994* in serving the interests of the community, as well as the Foundation's employees, volunteers and supporters.

The responsibilities of the Board include:

- developing, reviewing and approving strategic plans, business plans, the annual budget and financial plans, including available resources and major capital expenditure initiatives
- making decisions in relation to matters of a sensitive, extraordinary or strategic nature
- monitoring management's performance in achieving any strategies and budgets approved by the Board
- ensuring best practice corporate governance
- reviewing and approving applications for the funding of equipment, facility enhancement, and research and education
- reviewing and approving annual statutory accounts and other reporting and monitoring financial results on an ongoing basis
- providing advice and counsel to management on a periodic and ad hoc basis
- appointing and if appropriate removing the Chief Executive Officer (CEO) and approving succession plans
- ratifying the appointment and, where appropriate the termination of the direct reports to the CEO
- monitoring the performance of the CEO and senior management and approving remuneration policies and practices for the CEO and senior management
- enhancing and protecting the reputation of the Foundation
- reporting to the Minister
- ensuring appropriate compliance frameworks and controls are in place and are operating effectively
- approving the effectiveness of and compliance with policies governing the operations of the Foundation
- monitoring compliance with regulatory requirements and ethical standards.

Membership

The selection of candidates for membership of the Foundation takes into account the requirements and recommendations of section 30 of the *Hospital Foundations Act 2018*, and any additional requirements of the Minister. The Foundation's membership currently comprises:

- the nominee of the chairperson of the CHHHS Board
- a practising hospital clinician
- senior person from the James Cook University School of Medicine and Dentistry
- the Chief Executive Officer of the CHHHS
- members with a strong commercial background
- members with strong accounting and finance skills
- members with strong legal skills
- members with strong community and fundraising expertise
- overall appropriate experience and gender diversity.

Board members – Term and basis of appointment

Name	Term	Basis of Appointment
Dr Kenneth (Ken) Chapman MB BS (Qld) FAICD, AFRACMA Chairperson	Originally appointed 24 March 1997 Active term: 12 December 2019 to 30 September 2024	Dr Chapman is the Chairperson of Skyrail-ITM and executive director of the Chapman Group of Companies and has experience as a Director and Chairman of a variety of public, private and not-for-profit organizations.
Jodi Peters B Bus GAICD, FIML Deputy Chairperson	Ex-officio member as CHHHS Board Chair's nominee Active term: 15 May 2017 to 31 March 2022	Ms Peters is presently the Business Manager of Peters Bosel Lawyers and Managing Director of business consultancy The 20/20 Group Australia Pty Ltd
Patricia Bailey Board Member	Originally appointed 24 April 2003 Active term: 30 September 2019 to 30 September 2024	Ms Bailey is the Operations Manager and special events coordinator for the Cairns District Rugby League.
Professor William McBride MBBS, DTM&H, FRACP, FRCPA, PhD Board Member	Originally appointed 21 July 2011 Active term: 30 September 2019 to 30 September 2024	Professor McBride is Head of James Cook University's School of Medicine clinical campus at the Cairns Hospital. Professor McBride resigned from this position on 1 February 2021.
Dr Edward Strivens MBBS, BSc, FACRRM, FRACP	Originally appointed 20 October 2017 Active term: 20 October 2017 to 30 September 2024	Dr Strivens is the Regional Geriatrician and Clinical Director for Older Person Health Services in Cairns and Hinterland Health Service District in Far North Queensland. He is also an Adjunct Professor with James Cook University School of Medicine and Dentistry.
Joanne Parisi, LLB (Hons) B. Econ Board Member	Originally appointed 12 December 2019 Active term: from 30 September 2019 to 30 September 2022	Ms Parisi is a practising lawyer and is a director of MacDonnells Law, a state-based law firm with offices in Cairns and Brisbane.

Name	Term	Basis of Appointment
Robyn Boundy Adv Dip Bus Man Board Member	Originally appointed 12 December 2019 Active term: from 30 September 2019 to 30 September 2022	Ms Boundy is a very long serving Chair & Consumer Representative across many sectors of the CHHHS. Qld State Vice President Pork Qld Inc. Owner & manager of multiple businesses
Danae Jones Board Member	Originally appointed 12 December 2019 Active term: from 30 September 2019 to 30 September 2022	Ms Jones is the founder and Managing Director of Danae Jones Consulting Pty Ltd, a full-service boutique marketing, media and public relations company.
Tina Chinnery Board Member	Originally appointed 12 December 2019 Active term: from 30 September 2019 to 30 September 2022	Ms Chinnery is the CEO of the CHHHS.
John Andrejic BCom CA Board Member Resigned	Originally appointed 5 September 2014 Active term: 30 September 2019 to 30 November 2020	Mr Andrejic was the Chief Executive Officer of the Cairns Regional Council. Mr Andrejic resigned from the Board on 30 November 2020.
Steve Russell Board Member Retired	Originally appointed 21 July 2011 Active term: 20 October 2017 to 30 September 2020	Mr Russell is a past member and Chair of the Innisfail and Cairns District Health Councils. Mr Russell retired from the Board on 30 September 2020.

During the year, six meetings of the Far North Queensland Hospital Foundation were held.

Name	Number Eligible to Attend	Number Attended
K Chapman	6	6
J Peters	6	6
P Bailey	6	6
W McBride	6	5
E Strivens	6	5
T Chinnery	5	3
J Parisi	6	5
R Boundy	6	6
D Jones	6	6
J Andrejic - Resigned	2	2
S Russell - Retired	1	1

Committees

Audit, Risk and Remuneration Committee (ARRC)

The Foundation ARRC observed the terms of its charter during the course of the year.

The ARRC comprises of at least three members including at least two Directors of the Board of the Foundation with one of the members being the Chairperson of the Foundation.

The Foundation Board appoints members of the ARRC on an annual basis and identifies one of the members other than the Chairperson of the Foundation to Chair the ARRC.

During the year, four meetings of the Foundation ARRC were held.

ARRC Members are Mr John Andrejic (Chairperson) Resigned 30 November 2020, Ms Lisa Whitton (Interim Acting Chairperson), Dr Ken Chapman and Ms Jodi Peters.

Name	Number Eligible to Attend	Number Attended
J Andrejic – ARRC Chair until 30/11/2020	2	2
K Chapman	4	4
J Peters	4	4
L Whitton – ARRC Interim Chair	2	2

Research and Education Committee (REC)

During the year, the Foundation established a Research and Education Committee (REC). The REC observed the terms of its charter during the course of the year.

The REC comprises at least three members of the Board of the Foundation.

The Foundation Board appoints members of the REC on an annual basis.

REC Members are Dr William (John) McBride (Chairperson), Dr Edward Strivens and Ms Robyn Boundy.

During the year, one meeting of the Foundation's REC was held.

Name	Number Eligible to Attend	Number Attended
W McBride	1	1
E Striven	1	1
R Boundy	1	1

Executive Management

Tony Williamson B. Comm FAICD

Chief Executive Officer – joined the Foundation in January 2020.

Responsibilities: to provide the Foundation with executive and strategic leadership, and operational management, including responsibility for managing progress towards achievement of the Foundation's vision, objectives and strategic directions.

Joe Cristaldi CPA, B.Bus, B.Comm

Financial Controller and Company Secretary – joined the Foundation in March 2021

Responsibilities: to provide the Foundation with accurate and reliable financial and regulatory compliance, including financial forecasting and budgets, preparation of all financial reports and providing strategic recommendations to the CEO and Board.

Steve McGuinness

Manager, Commercial Operations – joined the Foundation in June 2009.

Responsibilities: to manage and administer the Foundation's commercial operations in support of the Foundation's objectives including the development of strategies and implementation of approved plans so as to advance the profitability of the Foundation's commercial departments.

Glenys Duncombe

Fundraising and Marketing Manager – joined the Foundation in September 2004.

Responsibilities: to develop and maintain relationships with communities, groups and individuals relevant to the Foundation and to develop and manage fundraising and marketing projects and activities that will benefit the Foundation.

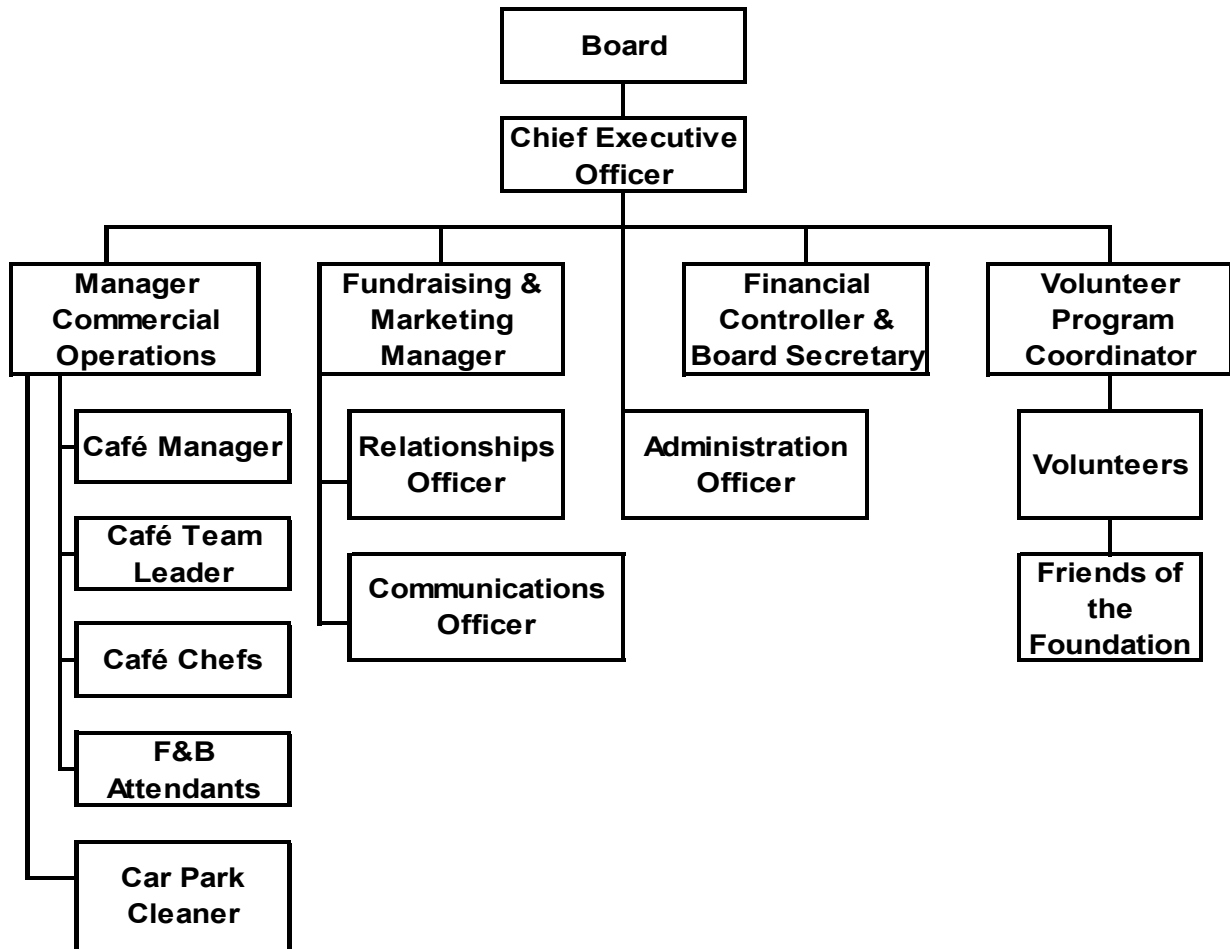
Annette Jarrett

Volunteer Program Coordinator – joined the Foundation in May 2019.

Responsibilities: to manage, administer and monitor the Volunteer Program in support of the Foundation's objectives so as to advance the profile and services provided by the Foundation. This role has expanded to oversee and coordinate the Friends of the Foundation throughout the Far North Queensland region.

Organisational structure and workforce profile

Foundation Organisational Chart



Strategic workforce planning and performance

The Foundation has a committed team comprising staff and volunteers who are focused on achieving the Foundation's vision, mission and strategic objectives. At 30 June 2021, the Foundation had 25 full-time equivalent employees.

To ensure flexible work arrangements for the staff, the Foundation reviews all reasonable requests from employees regarding flexible work requirements. This often involves changes to start and finish times, working from home and taking time off in lieu of additional hours worked outside of normal working hours. During the COVID-19 pandemic, the Foundation continued to achieve results by optimising flexible and remote working arrangements.

The Foundation is committed to assisting staff balance their work and personal commitments.

Employees across the Foundation contributed to the COVID-19 pandemic response in a range of different ways including:

- continuing to deliver essential services in line with normal arrangements
- performing different work functions within the Far North Queensland Hospital Foundation to help respond to emerging needs.

Early retirement, redundancy, and retrenchment

During the 2020-2021 year there were no payments made due to early retirement, redundancy, or retrenchment.

Risk Management

The Foundation has a robust financial management system and a safe work culture, and it continues to work to the objective of maintaining and improving its good governance standards.

The Foundation Board and senior management are committed to mitigating the risk of unacceptable costs or losses associated with the operations of the Foundation and managing the risks that may affect the ability of the Foundation to continue to provide services.

Internal Audit

The Foundation Board considered it unnecessary to establish an internal audit function due to:

- the relatively small size of the Foundation
- the Foundation having well developed financial systems that operate efficiently, effectively, and economically
- the existing governance structure and meeting schedule remaining adequate
- the Foundation having never received a qualified audit since inception in 1997.

Queensland Public Service Ethics and Values

The Foundation has established a Code of Conduct consistent with the *Public Sector Ethics Act 1994* which applies to Board members and senior executives.

Foundation senior managers are signatories of this Code of Conduct.

All other employees are signatories of the Queensland Government Public Sector Code of Conduct.

The Foundation values reflect the Queensland public service five values – customers first, ideas into action, unleash potential, be courageous, and empower people.

Human Rights

The main objects of the *Queensland Human Rights Act 2019* are to protect and promote human rights; help build a culture in the Queensland public sector that respects and promotes human rights; and to help promote a dialogue about the nature, meaning and scope of human rights. The Foundation staff understand that human rights protect the dignity and worth of all human beings regardless of background, what you look like, what you think, what you believe or any other status or characteristic.

Details of any human rights complaints received by the Foundation - Nil

Staff have been assigned to complete the *Introduction to the Queensland Human Rights Act 2019*.

Information Systems and Recordkeeping

The Far North Queensland Hospital Foundation complies with the provisions of the *Public Records Act 2002*, *Information Standard 40: Record Keeping* and *Information Standard 31: Retention and Disposal of Public Records*.

Performance

In a challenging year, the Foundation's overall performance can best be summarised by reviewing the Strategic objectives as set in the 2020-2024 Strategic Plan.

Strategic Objectives and Performance indicators

- Facilitate the addition of new services and upgrade existing services in Far North Queensland Hospitals
 - The Foundation is working closer with CHHHS and TCHHS to identify priority areas to augment services by aligning fundraising to service uplift priorities.
- Maximise the profitability of our commercial operations
 - Constant review, reworking and research allows the Foundation to offer competitive commercial operations that are profitable. The profitability of our commercial operations is what funds 100% of the operational costs of the Foundation.
- Increase fundraising income
 - Achieved the leading fundraising profile in the Far North Queensland region. This is done through high profile external events, third party events, gifts in wills, payroll giving and general donations. This is all supported by the volunteers throughout the region.
- Strategic marketing and communication to maximise community support, fundraising and advocacy for services development
 - Achieved strong media and communication relationships in Far North Queensland through continual public relations and community engagement. Furthermore, developed and maintained relationships with the CHHHS, TCHHS and the clinical community.
- Ensure appropriate expenditure management and maximise the strategic benefits of grant funding
 - Achieved grant funding equal to fundraising income.
- Maintain, improve, and further develop the Volunteer Program throughout the CHHHS and TCHHS
 - Maintaining a Volunteer Program that is proud and growing.
- Maintain the Foundation's good governance standards
 - Achieved an unqualified audit result.

Financial summary

The 2020-2021 financial year was a challenging, yet successful year for the Foundation. The financial results were very similar to the previous year.

The Foundation posted an operating result, before distribution of grants, of \$2.42 million – compared to the previous year's result of \$2.65 million.

Revenue totalled \$5.37 million compared to the previous year's \$5.49 million, representing a 2.2 per cent decrease. This similar result was due to the ongoing success of the commercial operations, a greater network of fundraisers throughout the FOF's network and a great team effort from the staff at the Foundation.

Revenue from the Foundation-managed cafes on the Cairns Hospital campus totalled \$2.27 million which was an increase on the previous year's result of \$1.99 million.

The Block E car park realised revenue of \$624,338 compared to the previous year's result of \$534,433.

The Foundation's fundraising efforts achieved \$2.17 million (revenue before direct costs) which was slightly down on last year's result of \$2.55 million.

Total expenses (excluding distributions of grants) at \$2.95 million is a slight increase from prior years (4 per cent) but is in line with the last four year's results.

Checklist

Summary of requirement		Basis for requirement	Annual report reference
Letter of compliance	<ul style="list-style-type: none"> A letter of compliance from the accountable officer or statutory body to the relevant Minister/s 	ARRs – section 7	3
Accessibility	<ul style="list-style-type: none"> Table of contents Glossary 	ARRs – section 9.1	4
	<ul style="list-style-type: none"> Public availability 	ARRs – section 9.2	2
	<ul style="list-style-type: none"> Interpreter service statement 	<i>Queensland Government Language Services Policy</i> ARRs – section 9.3	2
	<ul style="list-style-type: none"> Copyright notice 	<i>Copyright Act 1968</i> ARRs – section 9.4	2
	<ul style="list-style-type: none"> Information Licensing 	<i>QGEA – Information Licensing</i> ARRs – section 9.5	2
General information	<ul style="list-style-type: none"> Introductory Information 	ARRs – section 10.1	2
	<ul style="list-style-type: none"> Machinery of Government changes 	ARRs – section 10.2, 31 and 32	(if applicable)
	<ul style="list-style-type: none"> Agency role and main functions 	ARRs – section 10.2	6-12
	<ul style="list-style-type: none"> Operating environment 	ARRs – section 10.3	6-12
Non-financial performance	<ul style="list-style-type: none"> Government's objectives for the community 	ARRs – section 11.1	6-12
	<ul style="list-style-type: none"> Other whole-of-government plans / specific initiatives 	ARRs – section 11.2	N/A
	<ul style="list-style-type: none"> Agency objectives and performance indicators 	ARRs – section 11.3	19
	<ul style="list-style-type: none"> Agency service areas and service standards 	ARRs – section 11.4	N/A
Financial performance	<ul style="list-style-type: none"> Summary of financial performance 	ARRs – section 12.1	19
Governance – management and structure	<ul style="list-style-type: none"> Organisational structure 	ARRs – section 13.1	16
	<ul style="list-style-type: none"> Executive management 	ARRs – section 13.2	15
	<ul style="list-style-type: none"> Government bodies (statutory bodies and other entities) 	ARRs – section 13.3	N/A

Summary of requirement		Basis for requirement	Annual report reference
	<ul style="list-style-type: none"> Public Sector Ethics 	<i>Public Sector Ethics Act 1994</i> ARRs – section 13.4	17
	<ul style="list-style-type: none"> Human Rights 	<i>Human Rights Act 2019</i> ARRs – section 13.5	17
	<ul style="list-style-type: none"> Queensland public service values 	ARRs – section 13.6	6
Governance – risk management and accountability	<ul style="list-style-type: none"> Risk management 	ARRs – section 14.1	17
	<ul style="list-style-type: none"> Audit committee 	ARRs – section 14.2	14
	<ul style="list-style-type: none"> Internal audit 	ARRs – section 14.3	17
	<ul style="list-style-type: none"> External scrutiny 	ARRs – section 14.4	N/A
	<ul style="list-style-type: none"> Information systems and recordkeeping 	ARRs – section 14.5	17
Governance – human resources	<ul style="list-style-type: none"> Strategic workforce planning and performance 	ARRs – section 15.1	16
	<ul style="list-style-type: none"> Early retirement, redundancy and retrenchment 	Directive No.04/18 <i>Early Retirement, Redundancy and Retrenchment</i> ARRs – section 15.2	17
Open Data	<ul style="list-style-type: none"> Statement advising publication of information 	ARRs – section 16	2
	<ul style="list-style-type: none"> Consultancies 	ARRs – section 33.1	N/A
	<ul style="list-style-type: none"> Overseas travel 	ARRs – section 33.2	N/A
	<ul style="list-style-type: none"> Queensland Language Services Policy 	ARRs – section 33.3	N/A
Financial statements	<ul style="list-style-type: none"> Certification of financial statements 	FAA – section 62 FPMS – sections 38, 39 and 46 ARRs – section 17.1	54
	<ul style="list-style-type: none"> Independent Auditor's Report 	FAA – section 62 FPMS – section 46 ARRs – section 17.2	55-57

FAA *Financial Accountability Act 2009*

FPMS *Financial and Performance Management Standard 2019*

ARRs *Annual report requirements for Queensland Government agencies*

**Far North Queensland Hospital Foundation
(ABN 42 980 569 986)**

**Financial Statements
For the year ended 30 June 2021**

Far North Queensland Hospital Foundation
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**Far North Queensland Hospital Foundation
Statement of Comprehensive Income
For the year ended 30 June 2021**

	Note	2021 \$	2020 \$
Income			
Revenue from contracts with customers	6	2,972,102	2,676,656
Other revenue	6	2,147,347	2,503,415
Finance income	7	19,621	49,743
Other income	8	234,366	260,028
Total income		<u>5,373,436</u>	<u>5,489,842</u>
Expenses			
Cost of sales	9	981,035	876,633
Fundraising and marketing expenses	10	160,388	188,883
Depreciation	18	98,127	100,309
Distribution of grants	14	1,316,496	2,897,671
Employee expenses	11	1,414,062	1,361,801
Supplies and services	12	240,716	249,743
Other expenses	13	60,312	62,901
Total expenses		<u>4,271,136</u>	<u>5,737,941</u>
Operating result for the year		<u>1,102,300</u>	<u>(248,099)</u>
Other comprehensive income		-	-
Total comprehensive income		<u><u>1,102,300</u></u>	<u><u>(248,099)</u></u>

The accompanying notes form part of these statements

**Far North Queensland Hospital Foundation
Statement of Financial Position
As at 30 June 2021**

	Note	2021 \$	2020 \$
Current assets			
Cash and cash equivalents	15	4,091,643	2,660,940
Trade and other receivables	16	46,810	143,263
Inventories	17	33,482	23,031
Prepayments		12,533	33,074
Total current assets		<u>4,184,468</u>	<u>2,860,308</u>
Non-current assets			
Property, plant and equipment	18	317,032	396,763
Total non-current assets		<u>317,032</u>	<u>396,763</u>
Total assets		<u>4,501,500</u>	<u>3,257,071</u>
Current liabilities			
Trade and other payables	19	1,042,170	905,022
Provisions	20	114,373	103,061
Total current liabilities		<u>1,156,543</u>	<u>1,008,083</u>
Non-current liabilities			
Provisions	20	21,027	27,358
Total non-current liabilities		<u>21,027</u>	<u>27,358</u>
Total liabilities		<u>1,177,570</u>	<u>1,035,441</u>
Net assets		<u>3,323,930</u>	<u>2,221,630</u>
Equity			
Accumulated surplus	21	3,323,930	2,221,630
Total equity		<u>3,323,930</u>	<u>2,221,630</u>

The accompanying notes form part of these statements

**Far North Queensland Hospital Foundation
Statement of Changes in Equity
For the year ended 30 June 2021**

	Accumulated surplus \$	Total equity \$
Balance at 1 July 2020	<u>2,221,630</u>	<u>2,221,630</u>
Operating result		
Operating result for the year	1,102,300	1,102,300
Other comprehensive income	-	-
Total comprehensive income	<u>1,102,300</u>	<u>1,102,300</u>
Balance at 30 June 2021	<u><u>3,323,930</u></u>	<u><u>3,323,930</u></u>
 Balance at 1 July 2019	 <u>2,469,729</u>	 <u>2,469,729</u>
Operating result		
Operating result for the year	(248,099)	(248,099)
Other comprehensive income	-	-
Total comprehensive income	<u>(248,099)</u>	<u>(248,099)</u>
Balance at 30 June 2020	<u><u>2,221,630</u></u>	<u><u>2,221,630</u></u>

The accompanying notes form part of these statements

**Far North Queensland Hospital Foundation
Statement of Cash Flows
For the year ended 30 June 2021**

	Note	2021 \$	2020 \$
Cash flows from operating activities			
<i>Inflows:</i>			
Cash receipts from ordinary operations		5,564,359	5,324,290
Interest received		19,621	49,743
GST input tax credits from ATO		317,634	276,724
CHHHS trust funds received		26,593	1,248,375
<i>Outflows:</i>			
Employee expenses		(1,381,918)	(1,402,352)
Other supplies and services		(1,557,637)	(1,560,124)
Grants		(1,316,496)	(2,897,671)
GST paid to suppliers		(191,191)	(152,718)
CHHHS trust funds utilised		<u>(31,866)</u>	<u>(709,790)</u>
Net cash provided by/(used in) operating activities	24	<u>1,449,099</u>	<u>176,477</u>
Cash flows from/(used in) investing activities			
Payments for property, plant and equipment		(18,396)	(53,101)
Proceeds from sale of property, plant and equipment		<u>-</u>	<u>13,637</u>
Net cash from/(used in) investing activities		<u>(18,396)</u>	<u>(39,464)</u>
Net increase/(decrease) in cash and cash equivalents		1,430,703	137,013
Cash and cash equivalents at 1 July		<u>2,660,940</u>	<u>2,523,927</u>
Cash and cash equivalents at 30 June	15	<u>4,091,643</u>	<u>2,660,940</u>

The accompanying notes form part of these statements

Far North Queensland Hospital Foundation
Notes to the Financial Statements
For the year ended 30 June 2021

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Note 1 Reporting entity

Objectives and principal activities

Far North Queensland Hospital Foundation (the "Foundation") is a Hospital Foundation established on 21 March 1997 under the *Hospital Foundations Act 2018* and is a statutory body. The Foundation does not control other entities. The financial statements include the value of all income, expenses, assets, liabilities and equity for the Foundation as an individual entity.

The Foundation is a not-for-profit entity and is controlled by the State of Queensland. The head office and principal place of business of the Foundation is Ground Floor, Block E, Corner Grove and Digger Streets, Cairns QLD 4870.

The principal activities of the Foundation are to 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; and provide support services for the patients and staff.

For information in relation to the Foundation's financial statements please call (07) 4226 6634, email ceo@fnqhf.org.au or visit the Foundation's website www.fnqhf.org.au

Note 2 Basis of accounting

Statement of compliance

The financial statements have been prepared in compliance with the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2019* and the *Australian Charities and Not-for-profits Commission Act 2012* and *Australian Charities and Not-for-profits Commission Regulation 2013*.

The Foundation is a not-for-profit entity and these general-purpose financial statements are prepared in compliance with the requirements of Australian Accounting Standards – Reduced Disclosure Requirements and Interpretations and in accordance with all applicable new and amended Australian Accounting Standards as well as the Queensland Treasury's Minimum Reporting Requirements for the year ended 30 June 2021, along with any other authoritative pronouncements.

Authorisation of financial statements for issue

The financial statements are authorised for issue by the Chief Executive Officer and the Board Chair of the Foundation as at the date of signing the Management Certificate.

Underlying measurement basis

The historical cost convention is used as the measurement basis. The financial statements are prepared on an accrual basis (with the exception of the Statement of Cash Flows which is prepared on a cash basis).

Currency and rounding

These financial statements are presented in Australian dollars, which is the Foundation's functional currency and are rounded off to the nearest dollar.

Comparatives

Comparative information has been reclassified where necessary to be consistent with disclosures in the current reporting period.

Current / non-current classification

Assets are classified as 'current' where their carrying amount is expected to be realised within 12 months after the reporting date. Liabilities are classified as 'current' when they are due to be settled within 12 months after the reporting date, or the Foundation does not have the right to defer settlement to beyond 12 months after the reporting date. All other assets and liabilities are classified as non-current.

Goods and Services Tax (GST) and other similar taxes

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

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

The Foundation is a state body as defined under the *Income Tax Assessment Act 1997* and has been endorsed by the Commissioner of Taxation as an income tax exempt charity pursuant to sections 24AK of the *Income Tax Assessment Act 1997*, with the exemption of Fringe Benefit Tax (FBT) and Goods and Services Tax (GST). FBT and GST are the only taxes accounted for by the Foundation. GST credits receivable from and GST payable to the ATO are recognised.

Note 3 Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

The most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Note 16 – Trade and other receivables
- Note 18 – Depreciation expense
- Note 20 – Provisions

Management is not aware of any assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year.

Note 4 Standards issued but not yet effective

A number of new standards and amendments to standards are effective for annual periods beginning after 1 July 2020, and have not been applied in preparing the Foundation's financial statements. No new accounting standards applicable for the first time in 2020-21 had a material impact on the foundation. The following new standards may have an impact on the Foundation's financial statements, although any such impact has not yet been fully assessed.

- *AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*. AASB 1060 sets out a new separate disclosure Standard to be applied by all entities that are reporting under Tier 2 of the Differential Reporting Framework in *AASB 1053 Application of Tiers of Australian Accounting Standards*. The Standard has been developed based on a new methodology and principles to be used in determining the Tier 2 disclosures that are necessary for meeting user needs, to replace the current Reduced Disclosure Requirements (RDR) framework.

The Foundation does not plan to adopt these standards early.

Note 5 Significant accounting policies

The accounting policies set out below and throughout the notes of the financial statements have been applied consistently to all periods presented in these financial statements.

5.1 Volunteer services

The Foundation has elected not to recognise volunteer services as either revenue or other form of contribution received. As such, any related consumption or capitalisation of such services is also not recognised.

5.2 Leases

The Foundation is the lessee of a number of leases, for which no or little lease payments are made. These have been identified as peppercorn leases which are currently not recognised in the Foundation's financial statements. The Foundation does not intend to apply the fair value measurement requirements to these leases until such time as this requirement is mandated.

Foundation as lessee

At inception of a contract, the Foundation assesses whether the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Foundation where the Foundation is a lessee. However, all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low value assets continue to be recognised as an operating expense on a straight-line basis over the term of the lease. Office printers are the only assets under lease arrangements and have been classified as low value assets.

Concessionary Leases

For leases that have significantly below-market terms and conditions principally to enable the Foundation to further its objectives (commonly known as peppercorn/concessionary leases), the Foundation has adopted the temporary relief under *AASB 2018-8 Amendments to Australian Accounting Standards – Right of Use Assets of Not-for-Profit Entities* and measures the right of use assets at cost on initial recognition. The value of the peppercorn property lease at cost is \$nil.

5.3 Financial instruments

Recognition, initial measurement and derecognition

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Foundation becomes a party to the contractual provisions of the instrument.

A financial asset, unless it is a trade receivable without a significant financing component, or a financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards of ownership are transferred.

A financial liability is derecognised when its contractual obligations are discharged, cancelled or expire.

Classification and subsequent measurement

Financial assets

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

- amortised cost
- fair value through profit or loss
- equity instruments at fair value through other comprehensive income
- debt instruments at fair value through other comprehensive income

Classifications are determined by both:

- the Foundation's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance income, finance costs or other financial items, except for impairment of trade receivables which is presented within other expenses.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss:

- 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

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Foundation has determined that all of its financial assets fall within the amortised cost category.

Financial liabilities

For the purpose of subsequent measurement, financial liabilities are classified as measured at amortised cost or fair value through profit or loss. A financial liability is classified as fair value through profit or loss if it is held-for-trading. Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The Foundation has only financial liabilities classified as measured at amortised cost.

5.4 Impairment

Non-derivative financial assets

Financial assets and contract assets

The Foundation uses forward looking information to recognise expected credit losses – the ‘expected credit losses (ECL) model’. Instruments within the scope of the new requirements include loans and trade receivables.

The Foundation considers a broad range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial assets that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk (‘Stage 1’) and
- financial assets that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low (‘Stage 2’).

‘Stage 3’ would cover financial assets that have objective evidence of impairment at the reporting date.

‘12-month expected credit losses’ are recognised for the first category while ‘lifetime expected credit losses’ are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial asset.

Trade and other receivables and contract assets

The Foundation makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Foundation uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Foundation assesses impairment of trade receivables on a collective basis as they possess credit risk characteristics based on the days past due. The Foundation allows 1% for amounts that are 30 to 60 days past due, 1.5% for amounts that are between 60 and 90 days past due and writes off fully any amounts that are more than 90 days past due.

Non-financial assets

At each reporting date, the Foundation reviews the carrying amounts of its non-financial assets, to determine whether there is any indication of impairment. If any such indication exists then the asset’s recoverable amount is estimated.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. As the Foundation is a not-for-profit entity, value in use is the written down current replacement cost of an asset as the future economic benefits of the asset are not primarily dependent on the asset’s ability to generate net cash inflows and as the Foundation would, if deprived of the asset, replace its remaining future economic benefits.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount.

Impairment losses are recognised in expenses.

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.

Note 6 Revenue

Revenue from contracts with customers (under AASB 15)

Revenue from sale of goods and services

	2021	2020
	\$	\$
Café	2,270,799	1,990,199
Car park	624,329	534,433
Telephone	20	95
Television	-	40,217
Vending machines	58,424	62,204
	<u>2,953,572</u>	<u>2,627,148</u>
Revenue from fundraising		
Entrant / nominee fees	<u>18,530</u>	<u>49,508</u>
Total	<u>2,972,102</u>	<u>2,676,656</u>

Revenue arises mainly from the sale of goods at the cafés and certain vending machines within Cairns Hospital as well as car park income from vehicles parked in the Block E car park. Revenue which was received from the rental of televisions to patients within Cairns Hospital was discontinued during the previous financial year.

Revenue is measured at fair value and is recognised on the completed delivery of the goods or service, which occurs at the point of sale.

Revenue (under AASB 1058)

Revenue from fundraising

	2021	2020
	\$	\$
Fundraising for general purposes	1,102,221	1,684,903
Fundraising for specific purposes	613,575	530,689
Volunteer service	57,548	53,273
Art Unions	70,117	57,537
Bequests	182,450	100,000
Grants	3,500	46,743
Sponsorships	60,636	21,200
Other miscellaneous fundraising	57,300	9,070
	<u>2,147,347</u>	<u>2,503,415</u>

Disaggregation of revenue from fundraising

In the table above, revenue from fundraising is disaggregated by major sources/types of revenue. All revenue from fundraising is derived in the one geographical region – Far North Queensland.

Performance obligations and revenue recognition policies

Revenue from fundraising is accounted for under AASB 15 where the income arises from an agreement which is enforceable and contains sufficiently specific performance obligations. As such, the revenue is recognised when each performance obligation is satisfied. The performance obligations are varied based on the requirements under the relevant funding agreements, donation conditions or fundraising purpose. Cash is generally received upfront. Each performance obligation is considered to ensure that the recognition of revenue reflects the transfer of control.

Where the amount received is not enforceable or does not have sufficiently specific performance obligations the transaction will be accounted for under AASB 1058. For those amounts, the timing of income recognition under AASB 1058 is on receipt unless the transaction gives rise to a liability or other performance obligation at the time of receipt.

Distribution of Grants

Where there is a present obligation under a funding agreement, the Foundation recognises an expense.

Note 7 Finance income

	2021	2020
	\$	\$
Interest income under the effective interest method on:		
Cash and cash equivalents	19,621	49,743
Total interest income arising from financial assets measured at amortised cost	<u>19,621</u>	<u>49,743</u>

Finance income comprises interest on funds invested. Interest income is recognised as it accrues, using the effective interest method.

Note 8 Other income

	2021	2020
	\$	\$
ATO Cashboost	-	100,000
JobKeeper subsidy	217,500	126,000
ATM commissions	16,851	18,898
Insurance recoveries	-	5,077
Volunteer grants	-	7,000
Miscellaneous income	15	3,053
	<u>234,366</u>	<u>260,028</u>

Note 9 Cost of sales

	2021 \$	2020 \$
Café	980,774	876,193
Telephone	45	90
Vending machines	216	350
	<u>981,035</u>	<u>876,633</u>

Note 10 Fundraising and marketing expenses

	2021 \$	2020 \$
Fundraising	137,007	169,249
Volunteer service	23,381	19,634
	<u>160,388</u>	<u>188,883</u>

Note 11 Employee expenses

	2021 \$	2020 \$
Wages and salaries	1,283,216	1,230,513
Employer superannuation contributions	112,743	105,405
Workers' compensation	7,954	8,590
Other	10,149	17,293
	<u>1,414,062</u>	<u>1,361,801</u>

The number of directly engaged full-time equivalent employees as at 30 June 2021 is 25 (2020: 17).

Short-term employee benefits - wages, salaries and sick leave

Wages and salaries due but unpaid at the reporting date are recognised in the Statement of Financial Position at the current salary rate(s). As the Foundation expects such liabilities to be wholly settled within 12 months of reporting date, the liabilities are recognised at undiscounted amounts.

Prior history indicates that on average, sick leave taken each reporting period is less than the entitlement accrued. This is expected to continue in future periods. Accordingly, it is unlikely that existing accumulated entitlements will be used by employees and no liability for unused sick leave entitlements is recognised. As sick leave is non-vesting, an expense is recognised for this leave as it is taken.

Other long-term employee benefits - annual and long service leave

Annual leave and long service leave liabilities are classified and measured as other long-term employee benefits as the Foundation does not expect to wholly settle all such liabilities within the 12 months following reporting date.

Other long-term employee benefits are presented as current liabilities where the Foundation does not have an unconditional right to defer payment for at least 12 months after the end of the reporting period.

Far North Queensland Hospital Foundation
Notes to the Financial Statements
For the year ended 30 June 2021

Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments take into account anticipated future wage/salary levels, expected employee departures and periods of ineligible service. These are discounted using market yields on Australian Government bond rates at the end of the reporting period that coincide with the expected timing of estimated future payments.

All directly associated on-costs (e.g. employer superannuation contributions, payroll tax and workers' compensation insurance) are also recognised as liabilities, where these on-costs are material.

Superannuation

Employer superannuation contributions are paid to nominated defined contribution superannuation schemes. Contributions are expensed in the period in which they are paid or payable.

Workers' compensation insurance

Workers' compensation insurance is a consequence of employing employees but is not counted in an employee's total remuneration package. It is an employee benefit, but is recognised separately as employee related expenses.

Special payments

Special payments include ex gratia expenditure and other expenditure that the Foundation is not contractually or legally obliged to make to other parties. The total of all special payments (including those of \$5,000 or less) is included below. However, descriptions of the nature of special payments are only provided for those greater than \$5,000.

The Foundation made one special payment of \$4,809 during 2021. There was one special payment of \$75,397 made during 2020 to the former CEO for six months' salary on termination of his employment contract. This is included in wages and salaries above.

Note 12 Supplies and services

	2021 \$	2020 \$
Banking and merchant fees	57,234	42,343
Cleaning	10,162	12,653
Communications	9,063	6,025
Computer expenses	25,907	34,364
Consultants and contractors	31,390	37,930
Consumables	3,614	1,945
Fees and permits	5,663	3,924
Motor vehicle expenses	5,551	6,912
Printing and stationery	23,693	22,832
Recruitment costs	-	999
Repairs and maintenance	53,087	64,084
Security	4,435	4,570
Staff parking cards	5,056	4,678
Travel expenses	5,861	6,484
	<u>240,716</u>	<u>249,743</u>

Note 13 Other expenses

	2021 \$	2020 \$
Audit fees - audit of the financial statements	12,500	11,000
Insurance	33,578	33,234
Legal costs	14,234	18,667
	<u>60,312</u>	<u>62,901</u>

Insurance

The Foundation's property, plant and equipment and other risks are insured and premiums are being paid on a risk assessment basis. In addition, the Foundation pays premiums to Work Cover Queensland in respect of its obligations for employee compensation (refer to Note 11).

Note 14 Distribution of grants

	2021 \$	2020 \$
Cairns and Hinterland Hospital and Health Service		
Aged Care	14,815	6,004
Atherton Hospital	17,566	38,720
Atherton Hospital (Friends of the Foundation)	20,243	83,745
Babinda Hospital	17,943	97,742
Babinda Hospital (Friends of the Foundation)	-	4,364
Cairns Hospital	267,616	745,180
Cardiology	196,373	333,198
Coronary care	24,383	20,745
Cow Bay Primary Health Centre (Friends of the Foundation)	9,148	4,150
Diabetes	13,179	14,853
Emergency medicine	39,450	44,519
Gordonvale Hospital (Friends of the Foundation)	4,320	17,942
Herberton (Friends of the Foundation)	3,333	1,710
Innisfail Hospital	-	179,125
Innisfail Hospital (Friends of the Foundation)	33,727	45,615
Intensive care	55,068	12,804
Liz Plumber Cancer Centre	3,806	1,174
Mareeba Hospital	2,140	167,577
Mareeba Hospital (Friends of the Foundation)	31,307	246,255
Medical 4 clinics	-	3,956
Medicine	10,121	16,567
Mental health	10,337	4,737
Millaa Millaa Health Centre	4,475	2,940
Mossman Hospital	31,776	140,298
Nursing	3,988	-
Oncology	28,961	14,860
Paediatrics	111,934	66,061
Professional development and training	1,343	31,241
Renal research and medicine	61,913	527
Research	214,275	199,486
Sundry	3,559	2,687
Thoracic	-	67,200
Tully Hospital	8,015	173,874
Tully Hospital (Friends of the Foundation)	1,199	12,592
Vascular Unit Trust Fund	1,441	8,061
Yarrabah Hospital	17,943	45,512
Torres and Cape Hospital and Health Service		
Cooktown Hospital (Friends of the Foundation)	41,992	-
Cooktown Hospital	-	1,224
Weipa Hospital	8,807	40,426
	<u>1,316,496</u>	<u>2,897,671</u>

In the prior financial year, the Foundation received funds from and to manage on behalf of the Cairns and Hinterland Hospital and Health Service (CHHHS). This was recognised as a liability as the Foundation has an obligation to spend these funds in line with a Memorandum of Understanding

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entered into with the CHHHS. These purchases (\$31,866) have been recognised in the financial statements as a reduction in the liability raised and not as a distribution of grant funds in the above table, and therefore the CHHHS funds do not appear in this table. The remaining liability is shown in Note 19.

Note 15 Cash and cash equivalents

	2021	2020
	\$	\$
Cash on hand	61,100	38,652
Cash at bank	1,083,779	790,864
QTC cash funds	2,946,764	1,831,424
Cash and cash equivalents in the Statement of Cash Flows	<u>4,091,643</u>	<u>2,660,940</u>

Cash and cash equivalents include cash on hand and deposits held at call with financial institutions.

A deposit is held with the Queensland Treasury Corporation (QTC) reflecting the value of the Foundation's investment account. The value of these deposits as at 30 June 2021 was \$2,946,764 (2020: \$1,831,424) and the annual effective interest rate was 0.51% (2020: 0.86%)

Restricted cash

The Foundation collects fundraising receipts for specific purposes and that can only be spent on approved items relating to those purposes. As such, these funds are restricted and cannot be used for any other purpose. The amounts below are within the balance of cash and cash equivalents.

The Foundation also holds Cairns and Hinterland HHS funds in trust.

	2021	2020
	\$	\$
Cairns and Hinterland HHS funds held in trust	533,312	538,585
Restricted cash - other	1,163,899	840,943
Total restricted cash	<u>1,697,211</u>	<u>1,379,528</u>

Note 16 Trade and other receivables

	2021	2020
<i>Current</i>	\$	\$
Trade receivables	46,810	36,263
ATO receivable – CashBoost	-	50,000
JobKeeper subsidy	-	57,000
	<u>46,810</u>	<u>143,263</u>

Trade debtors are recognised at the amounts due at the time of sale or service delivery i.e. the agreed purchase/contract price. Settlement of these amounts is required within 30 days from invoice date.

The collectability of receivables is assessed periodically with provision being made for impairment where necessary. There has been no provision for impairment as at 30 June 2021 (2020: nil) as all receivables are deemed collectable.

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The ageing of the receivables and allowance for impairment provided for above are as follows:

Ageing of trade receivables 2021

	<i>Less than 30 days</i>	<i>31 - 60 days</i>	<i>61 - 90 days</i>	<i>More than 90 days</i>	<i>Total</i>
	\$	\$	\$	\$	\$
Receivables	37,675	8,500	635	-	46,810
Allowance for impairment	-	-	-	-	-
Carrying amount	37,675	8,500	635	-	46,810

Ageing of trade receivables 2020

	<i>Less than 30 days</i>	<i>31 - 60 days</i>	<i>61 - 90 days</i>	<i>More than 90 days</i>	<i>Total</i>
	\$	\$	\$	\$	\$
Receivables	23,727	333	153	12,050	36,263
Allowance for impairment	-	-	-	-	-
Carrying amount	23,727	333	153	12,050	36,263

Information about the Foundation's exposure to credit and market risks and impairment losses for trade and other receivables is included in Note 25.

Note 17 Inventories

	2021	2020
	\$	\$
Café	30,636	22,092
Car parking cards	2,637	468
Telephone system cards	-	45
Vending machine	209	426
	33,482	23,031

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business.

Note 18 Property, plant and equipment

Reconciliation of carrying amount

	Leasehold improvements \$	Furniture and fittings \$	Plant and equipment \$	Motor vehicle \$	Total \$
Cost					
Balance at 1 July 2019	697,554	82,389	250,398	61,612	1,091,953
Additions	-	-	18,192	34,909	53,101
Disposals	-	-	-	(29,492)	(29,492)
Balance at 30 June 2020	697,554	82,389	268,590	67,029	1,115,562
Balance at 1 July 2020	697,554	82,389	268,590	67,029	1,115,562
Additions	-	-	18,396	-	18,396
Disposals	-	-	(5,754)	-	(5,754)
Balance at 30 June 2021	697,554	82,389	281,232	67,029	1,128,204
Depreciation and impairment					
Balance at 1 July 2019	(348,656)	(46,034)	(194,507)	(48,107)	(637,304)
Depreciation for the year	(68,820)	(4,605)	(22,450)	(4,434)	(100,309)
Disposals	-	-	-	18,814	18,814
Balance at 30 June 2020	(417,476)	(50,639)	(216,957)	(33,727)	(718,799)
Balance at 1 July 2020	(417,476)	(50,639)	(216,957)	(33,727)	(718,799)
Depreciation for the year	(68,820)	(4,557)	(19,514)	(5,236)	(98,127)
Disposals	-	-	5,754	-	5,754
Balance at 30 June 2021	(486,296)	(55,196)	(230,717)	(38,963)	(811,172)
Carrying amounts					
At 1 July 2019	348,898	36,355	55,891	13,505	454,649
At 30 June 2020	280,078	31,750	51,633	33,302	396,763
At 30 June 2021	211,258	27,193	50,515	28,066	317,032

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out above.

Items of property, plant and equipment with a cost or other value equal to more than \$500, and with a useful life of more than one year, are recognised at acquisition.

Actual cost is used for the initial recording of all non-current physical asset acquisitions. Cost is determined as the value given as consideration plus costs incidental to the acquisition, including all other costs incurred in getting the assets ready for use, such as architects' fees and engineering design fees. However, any training costs are expensed as incurred.

Property, plant and equipment is measured at cost net of accumulated depreciation and any impairment in accordance with Queensland Treasury Non-Current Asset Policies for the Queensland Public Sector.

Plant and equipment

The Foundation has plant and equipment with a written down value of nil still being used in the provision of services. Most of the items identified were equipment assets used in connection with café operations.

Replacement of other fully depreciated plant and equipment assets will be dependent on age, condition and funding availability.

There are no plant and equipment assets identified as idle or restricted in use.

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Impairment of non-current assets

All non-current assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, the Foundation determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

The asset's recoverable amount is determined as the higher of the asset's fair value less costs to sell and depreciated replacement cost.

An impairment loss is recognised immediately in the Statement of Comprehensive Income.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income.

Estimation of useful lives of assets

The useful lives could change significantly as a result of technical innovations or some other event. The depreciation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Property, plant and equipment is depreciated on a straight-line basis over its estimated useful life.

Any expenditure that increases the capacity or service potential of an asset and major components purchased specifically for particular assets are capitalised and depreciated over the remaining useful life of the asset to which they relate.

Depreciation rates used for each asset class are as follows:

Class	Depreciation rates used	Useful lives
Leasehold improvements	10%	10 years
Plant and equipment	10% – 25%	4 – 10 years
Furniture and fittings	7.5%	13.33 years
Motor vehicles	15%	6.67 years

Note 19 Trade and other payables

	2021 \$	2020 \$
Trade and other payables	171,493	189,233
Accrued wages	47,113	26,002
Accrued expenses	15,015	11,000
Cairns and Hinterland HHS funds held in trust	533,312	538,585
Customer deposits	48,907	81,376
Contract liabilities	147,380	30,236
Goods and Services Tax	53,889	9,581
Pay as you go withholding	13,538	11,054
Superannuation payable	11,523	7,955
	<u>1,042,170</u>	<u>905,022</u>

These amounts represent liabilities for goods and services provided to the Foundation prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 - 60 days of recognition.

Employee liabilities

Employer superannuation contributions, annual leave entitlements and long service leave entitlements are regarded as employee benefits.

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. As sick leave is non-vesting, an expense is recognised for this leave as it is taken.

The Foundation's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on-costs. That benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on AA credit-rated or government bonds that have maturity dates approximating the terms of the Foundation's obligations.

Termination benefits are recognised as an expense when the Foundation is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Foundation has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting period, then they are discounted to their present value.

A liability is recognised for the amount expected to be paid under short-term cash bonus plans if the Foundation has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Wages and salaries due but unpaid at reporting date are recognised in the Statement of Financial Position at current salary rates. As the Foundation expects such liabilities to be wholly settled within 12 months of reporting date, the liabilities are recognised at undiscounted amounts.

Note 20 Provisions

	2021 \$	2020 \$
<i>Current</i>		
Annual leave	57,456	59,487
Long service leave	56,917	43,574
	<u>114,373</u>	<u>103,061</u>
<i>Non-current</i>		
Long service leave	<u>21,027</u>	<u>27,358</u>
Balance at 1 July	130,420	172,219
Provision made during the year	100,914	101,368
Provisions used during the year	(103,122)	(150,340)
Unwinding of discounts	7,189	7,173
Balance at 30 June	<u>135,401</u>	<u>130,420</u>

Long service leave

The provision for long service leave represents the Foundation's best estimate of the future benefit that employees have earned. The amount and timing of the associated outflows is uncertain and dependant on employees attaining the required years of services. Where the Foundation no longer has the ability to defer settlement of the obligation beyond 12 months from the reporting date, liabilities are presented as current. This would usually occur when employees are expected to reach the required years of service in the 12 months from reporting date. The discount rate used to determine the present value of future benefits at 30 June 2021 range from 0.09% to 34.05% depending on the year the entitlement is expected to be provided to the employee.

Note 21 Accumulated surplus

	2021 \$	2020 \$
Unrestricted funds	2,160,030	1,380,687
Restricted funds	1,163,899	840,943
Balance at 30 June	<u>3,323,929</u>	<u>2,221,630</u>

Accumulated surplus

Included in the accumulated surplus are certain amounts raised which are unspent at year end and whose expenditure is restricted for specific purposes, e.g. specific hospital wards, departments, etc. These are reported as restricted cash balances in Note 15.

Note 22 Commitments

Grant Commitments

Commitments to external grant recipients at reporting date are payable:

	2021 \$	2020 \$
Not later than 1 year	134,880	185,060
Later than 1 year but no later than 3 years	35,200	59,927
	<u>170,080</u>	<u>244,987</u>

There were no other commitments for expenditure at 30 June 2021.

Note 23 Contingencies

The Foundation has no known material contingent liabilities at reporting date

Note 24 Reconciliation of cash flows from operating activities

	2021 \$	2020 \$
Operating result for the year	1,102,300	(248,099)
Add: non-cash items:		
Depreciation	98,127	100,309
Less: non-cash items:		
Reduction in provisions	4,981	21,349
Gain on sale of property, plant and equipment	-	(2,959)
Change in operating assets and liabilities		
Trade and other receivables	96,453	(115,809)
Inventories	(10,451)	7,072
Prepayments	20,542	(672)
Trade and other payables	137,148	415,286
Net cash provided by/(used in) operating activities	<u>1,449,099</u>	<u>176,477</u>

Note 25 Financial instruments

A financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity. The Foundation holds financial instruments in the form of cash, receivables and payables.

Recognition

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Foundation becomes party to the contractual provisions of the financial instrument.

Classification

Financial instruments are classified under AASB 9. The Foundation does not enter into transactions for speculative purposes, nor for hedging.

The Foundation has the following categories of financial assets and financial liabilities.

	2021	2020
	\$	\$
Financial assets		
Cash and cash equivalents - held at amortised cost	4,091,643	2,660,940
Trade and other receivables - held at amortised cost	46,810	143,263
Total financial assets	<u>4,138,453</u>	<u>2,804,203</u>
Financial liabilities		
Trade and other payables - held at amortised cost	<u>830,867</u>	<u>782,410</u>

No financial assets and financial liabilities have been offset and presented as net in the Statement of Financial Position.

The Foundation is exposed to a variety of financial risks - credit risk, liquidity risk and market risk.

The members of the Foundation are responsible for monitoring and managing the financial risks of the Foundation. They monitor these risks through regular board meetings where monthly management accounts are presented. Any changes identified are communicated to the Chief Executive Officer who implements the changes. The Foundation does not enter into any derivative financial instruments and does not speculate in any type of financial instruments.

<i>Risk exposure</i>	<i>Measurement method</i>
Credit risk	Ageing analysis, cash inflows at risk
Liquidity risk	Monitoring of cash flows by management
Market risk	Interest rate sensitivity analysis

(a) Credit risk

Credit risk is the risk of financial loss to the Foundation if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Foundation's receivables from customers and other financial assets.

The Foundation's exposure to credit risk is managed through regular analysis of credit counterparty ability to meet payment obligations. The carrying amount of financial assets represents the maximum credit exposure.

Investments in financial instruments are required to be made with Queensland Treasury Corporation (QTC) or similar commonwealth bodies or financial institutions in Australia in line with the requirements of the *Statutory Bodies Financial Arrangements Act 1982*.

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No collateral is held as security relating to the financial assets held by the Foundation.

Cash and cash equivalents

The Foundation may be exposed to credit risk through its investments in the QTC Cash Fund and QTC Working Capital Facility. The QTC Cash Fund is an asset management portfolio that invests with a wide range of high credit rated counterparties. Deposits with the QTC Cash Fund are capital guaranteed. Working Capital Facility deposits have a duration of one day and all investments are required to have a minimum credit rating of "A-", therefore the likelihood of the counterparty having capacity to meet its financial commitments is strong.

Trade and other receivables

The Foundation assesses the credit risk before providing goods or services and applies normal business credit protection procedures to minimise the risk.

The Foundation does not require collateral in respect of trade and other receivables. The Foundation does not have trade receivables for which no loss allowance is recognised because of collateral.

(b) Liquidity risk

Liquidity risk is the risk that the Foundation will not have the resources required at a particular time to meet its obligations to settle its financial liabilities. The Foundation is exposed to liquidity risk through its trading in the normal course of business. The Foundation aims to reduce the exposure to liquidity risk by ensuring that sufficient funds are available to meet employee and supplier obligations at all times.

The only financial liabilities which expose the Foundation to liquidity risk are trade and other payables. All financial liabilities are current in nature and will be due and payable within twelve months. As such no discounting of cash flows has been made to these liabilities in the Statement of Financial Position.

	<1 year	Payable in	>5 years	Total
	\$	1-5 years	\$	\$
		\$		
2021				
Trade and other payables	830,867	-	-	830,867
	<u>830,867</u>	<u>-</u>	<u>-</u>	<u>830,867</u>
2020				
Trade and other payables	782,410	-	-	782,410
	<u>782,410</u>	<u>-</u>	<u>-</u>	<u>782,410</u>

(c) Market risk - Interest rate risk

The Foundation is exposed to interest rate risk as it holds cash deposits in interest bearing accounts. Changes in interest rates will affect the Foundation's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Foundation only holds deposits at call and does not trade in derivatives. The Foundation does not hedge its interest rate risk and is therefore subject to short-term fluctuations in interest rates.

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Interest rate sensitivity analysis

The following interest rate sensitivity analysis depicts the outcome to net surplus and equity if interest rates were to change by +/- 1% from the year-end rates applicable to the Foundation's financial assets and liabilities. With all other variables held constant, the Foundation would have a surplus and equity increase/(decrease) of \$40,305 (2020: \$26,223). This is predominantly attributable to the Foundation's exposure to variable interest rates on its capital guaranteed cash fund.

	Carrying amount \$	Surplus \$	-1% Equity \$	Surplus \$	+1% Equity \$
2021					
Cash and cash equivalents	4,030,543	(40,305)	(40,305)	40,305	40,305
		<u>(40,305)</u>	<u>(40,305)</u>	<u>40,305</u>	<u>40,305</u>
	Carrying amount \$	Surplus \$	-1% Equity \$	Surplus \$	+1% Equity \$
2020					
Cash and cash equivalents	2,622,288	(26,223)	(26,223)	26,223	26,223
		<u>(26,223)</u>	<u>(26,223)</u>	<u>26,223</u>	<u>26,223</u>

(d) Fair value

The fair value of trade receivables and trade payables is assumed to approximate the value of the original transaction, less any allowance for impairment.

Note 26 Related parties

Details of key management personnel (KMP)

The following details for KMP include those Foundation positions that had authority and responsibility for planning, directing and controlling the activities of the Foundation during 2020 and 2021.

Position	Position responsibility
Board of Directors <ul style="list-style-type: none"> • Dr Kenneth Chapman (Chairman) • Mr John Andrejic (resigned 30 November 2020) • Ms Patricia Bailey • Ms Robyn Boundy • Ms Tina Chinery • Ms Clare Douglas (resigned 20 March 2020) • Ms Danae Jones • Professor William McBride • Ms Joanne Parisi • Ms Jodi Peters (Cairns and Hinterland Hospital and Health Service Board Chairperson's nominee) • Mr Stephen Russell (resigned 30 September 2020) • Dr Edward Strivens 	The strategic leadership, guidance and effective oversight of the management of the Foundation, including its operational and financial performance.
Audit, Risk and Remuneration Committee Chair <ul style="list-style-type: none"> • Lisa Whitton (appointed 2 February 2021) • Mr John Andrejic (resigned 30 November 2020) 	The strategic leadership, guidance and effective oversight of the management of the Foundation, including its operational and financial performance.
Chief Executive Officer <ul style="list-style-type: none"> • Anthony Franz (1 July 2019 – 5 January 2020) • Tony Williamson (6 January 2020 to 30 June 2021) 	Responsible for the strategic leadership and direction of the Foundation.

KMP remuneration policies

No board members received or were entitled to receive any fees or other benefits during the year.

Remuneration and other terms of employment for the Foundation's other KMP are specified in employment contracts. The contracts provide for the provision of performance-related cash payments and other benefits including motor vehicles. Remuneration expenses for these KMP comprises the following components:

Short term employee expenses which include:

- salaries and allowances earned and expensed for the entire year, or for that part of the year during which the employee occupied the specified position.
- performance payments recognised as an expense during the year.
- non-monetary benefits - consisting of provision of vehicle together with fringe benefits tax applicable to the benefit.

Long term employee expenses - mainly annual leave and long service leave entitlements earned and expensed for the entire year, or for that part of the year during which the employee occupied the specified position.;

Post-employment expenses - mainly superannuation contributions; and

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Termination benefits - include payments in lieu of notice on termination and other lump sum separation entitlements (excluding annual and long service leave entitlements) payable on termination of employment or acceptance of an offer of termination of employment.

The following disclosures focus on the expenses incurred by the Foundation during the respective reporting periods that is attributable to key management positions. Therefore, the amounts disclosed reflect expenses recognised in the Statement of Comprehensive Income.

Remuneration expenses

2021

Position	Short-term employee expenses		Long-term employee expenses	Post-employment expenses	Termination benefits	Total expenses
	Monetary expenses \$	Non-monetary expenses \$	\$	\$	\$	\$
Chief Executive Officer	149,929	-	25,066	14,243	-	169,656

2020

Position	Short-term employee expenses		Long-term employee expenses	Post-employment expenses	Termination benefits	Total expenses
	Monetary expenses \$	Non-monetary expenses \$	\$	\$	\$	\$
Chief Executive Officer (1 July 2019 to 5 January 2020)	88,130	-	50,496	15,199	75,397	229,222
Chief Executive Officer (6 January 2020 to date)	65,544	-	8,110	6,193	-	79,847

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Transactions with key management personnel

Loans to directors

The Foundation does not have any loans with KMP.

Transactions with key management personnel

KMP may have used the Foundation managed car park or made purchases from the Foundation managed cafés during the year. All such transactions were conducted on an arm's-length basis and on normal commercial terms.

Professor William McBride ceased employment with James Cook University on 8 January 2021 but commenced in a voluntary adjunct appointment role on 9 January 2021. James Cook University is the beneficiary of research grant funding, \$142,060 in the 2021 year (2020: \$185,000). All grants are awarded on a competitive arm's-length basis.

Ms Jodi Peters is Business Manager at Peters Bosel Lawyers which provided legal services to the Foundation for which they were paid \$14,234 (2020: \$18,667). These services are provided on a normal arm's-length basis.

Apart from the details disclosed in this note, no member of the Board 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.

KMPs from time to time provide donations and sponsorship to the Foundation on the same basis as the general public and are not individually disclosed.

Transactions with related entity

Transactions with Cairns and Hinterland Hospital and Health Service (CHHHS):

The Foundation received \$26,593 (2020: \$1,248,375) from and to manage on behalf of the CHHHS. This has been recognised as a liability as the Foundation has an obligation to spend these funds in line with a Memorandum of Understanding entered into with the CHHHS. During the year, the Foundation has made approved purchases with these funds totalling \$31,866 (2020: 709,790). These purchases have been recognised in the financial statements as a reduction in the liability raised and not as a distribution of grant funds in the above table, and therefore the CHHHS funds do not appear in this table. The remaining liability is shown in Note 19.

During the year, the Foundation provided a volunteer service to the Cairns 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 (2020: \$39,020) towards the Foundation's costs in this regard. In addition, the Cairns 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).

The foundation also has several leases with CHHHS for a nominal fee.

Note 27 COVID-19 impacts

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic, which continues to spread throughout Australia. The spread of COVID-19 has caused significant volatility in Australian and overseas. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the Australian and international economies, as such, the Foundation is unable to determine if it will have a long-term material impact to its operations.

As a result of the restrictions imposed by the government in March 2020, the Foundation was impacted in many ways. As the 2020-21 year progressed all operations resumed to near full capacity. Both café's, the carpark and the vending machines resumed normal operations and we welcomed all Volunteers back in January 2021.

While the full impact of COVID-19 on the Foundation is unclear at this stage, the Foundation will continue to operate within all relevant guidelines and continue to provide a platform for fundraising for local health facilities in Far North Queensland.

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Management Certificate
For the year ended 30 June 2021**

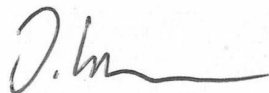
These general-purpose financial statements have been prepared pursuant to s.62(1) of the *Financial Accountability Act 2009* (the Act), section 39 of the *Financial and Performance Management Standard 2019*, the *Australian Charities and Not-for-profits Commission Act 2012 and Regulation 2013* and other prescribed requirements. In accordance with s.62(1)(b) of the Act and s.60.15 of the *Australian Charities and Not-for-profits Commission Regulation 2013*, we certify that in our opinion:

- a) the prescribed requirements for establishing and keeping the accounts 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 and the *Australian Charities and Not-for-profits Commission Act 2012*, the transactions of Far North Queensland Hospital Foundation for the financial year ended 30 June 2021 and of the financial position of the Far North Queensland Hospital Foundation at the end of that year; and
- c) we acknowledge responsibility under s.7 and s.11 of the *Financial and Performance Management Standard 2019* for the establishment and maintenance, in all material respects, of an appropriate and effective system of internal controls and risk management processes with respect to financial reporting throughout the reporting period.
- d) there are reasonable grounds to believe the Far North Queensland Hospital Foundation will be able to pay all of its debts as and when they become due and payable.



Ken Chapman
Chairman
Far North Queensland Hospital Foundation

31 / 08 / 2021



Tony Williamson
Chief Executive Officer
Far North Queensland Hospital Foundation

31 / 08 / 2021

INDEPENDENT AUDITOR'S REPORT

To the Board of Far North Queensland Hospital Foundation

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Far North Queensland Hospital Foundation.

In my opinion, the financial report:

- a) gives a true and fair view of the entity's financial position as at 30 June 2021, and its financial performance and cash flows for the year then ended
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019, the *Australian Charities and Not-for-profits Commission Act 2012*, the Australian Charities and Not-for-profits Commission Regulation 2013 and Australian Accounting Standards - Reduced Disclosure Requirements.

The financial report comprises the statement of financial position as at 30 June 2021, 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 including summaries of significant accounting policies and other explanatory information, and the management certificate.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the 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 entity in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and 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 my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

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

Responsibilities of the entity for the financial report

The Board is responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019, the *Australian Charities and Not-for-profits Commission Act 2012*, the Australian Charities and Not-for-profits Commission Regulation 2013 and Australian Accounting Standards - Reduced Disclosure Requirements, and for such internal control as the Board determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The Board is also responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the entity or to otherwise cease operations.

Auditor's responsibilities for the audit of the financial report

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 the 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 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 the 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. This is not done for the purpose of expressing an opinion on the effectiveness of the entity's internal controls, but allows me to express an opinion on compliance with prescribed requirements.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the entity.
- Conclude on the appropriateness of the entity'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 my opinion. I base my conclusions on the audit evidence obtained up to the date of my 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.

I communicate with the Board regarding, 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 my audit.

Report on other legal and regulatory requirements

Statement

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2021:

- a) I received all the information and explanations I required.
- b) I consider that, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.

Prescribed requirements scope

The prescribed requirements for the establishment and keeping of accounts are contained in the *Financial Accountability Act 2009*, any other Act and the Financial and Performance Management Standard 2019. The applicable requirements include those for keeping financial records that correctly record and explain the entity's transactions and account balances to enable the preparation of a true and fair financial report.



Carolyn Dougherty
as delegate of the Auditor-General

31 August 2021

Queensland Audit Office
Brisbane