

# far north queensland hospital foundation



| ANNUAL REPORT 2010 - 2011 |



putting the pieces together  
for a **healthier** north

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## GENERAL INFORMATION

These financial statements cover the Far North Queensland Hospital Foundation.

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

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

Ground Floor Block E  
Cairns Base Hospital Car Park  
Corner Grove & Digger Streets  
CAIRNS QLD 4870

A description of the Foundation's objectives and principal activities is included in the notes to the financial statements.

For information in relation to the Foundation's financial statements please call 07 4226 6634, email [gm@fnqhf.org.au](mailto:gm@fnqhf.org.au) or visit the Foundation's website [www.fnqhf.org.au](http://www.fnqhf.org.au)

Amounts shown in these financial statements may not add to the correct sub-totals or totals due to rounding.

Front cover: Paediatric procedure room,  
Emergency Department, Cairns Base Hospital

## VISION STATEMENT

"Superior Health Care Provision in Far North Queensland."

## MISSION STATEMENT

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

## PRINCIPAL ACTIVITIES

Funding the purchase of state-of-the-art equipment and establishment of first class health related facilities;

Assisting in the establishment of Far North Queensland as a centre of excellence in health services by funding, supporting and encouraging education and research;

Providing support services for the patients and staff.



Maud Way celebrated 20 years of service as a volunteer



## MEMBERS OF THE FOUNDATION

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

Members of the Far North Queensland Hospital Foundation for the year 2010/2011

### CHAIRMAN

Dr Ken Chapman MB BS (Qld)

### DEPUTY CHAIRMAN

Mr Graham Coonan BCom. FCA

### MEMBERS

Ms Patricia Bailey

Professor Caroline de Costa FRCS FRANZCOG FRCOG MPH

Ms Julie Hartley-Jones CBE

Mr Charles Marino LLB

Mr Robert McGill

Mr Peter Piccone

Cairns District Health Council

Mr Steve Russell

- appointed as ex officio member

### SECRETARY

Ms Terri Knight

*During the year four meetings of the Far North Queensland Hospital Foundation were held.*



Management staff: Glenys Duncombe, Tony Franz, Anne Chirio, Steve McGuiness



Back row: Mr Robert McGill, Mr Graham Coonan, Dr Ken Chapman, Mr Charles Marino, Mr Steve Russell

Front row: Ms Patricia Bailey, Ms Julie Hartley-Jones, Ms Terri Knight

Absent: Professor Caroline de Costa, Mr Peter Piccone

Name	Number Eligible to Attend	Number Attended
K Chapman	4	4
G Coonan	4	3
P Bailey	4	1
C de Costa	4	1
J Hartley-Jones	4	3
C Marino	4	3
R McGill	4	3
P Piccone	4	2
S Russell	4	3





## CHAIRMAN'S REPORT

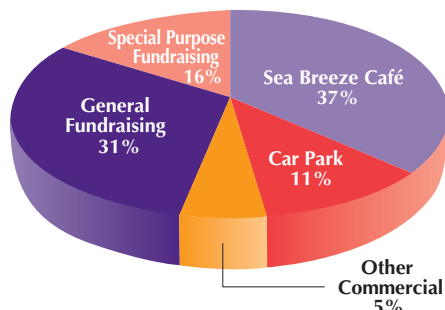
The year in review marked another milestone in the redevelopment of the Cairns Base Hospital with some big associated changes for the Far North Queensland Hospital Foundation. November 2010 saw the opening of the Foundation's new office and new bigger car park in the Block E development across Lake St from the main hospital campus. This move allowed the old car park and Foundation office to be demolished and handed over as the site of the major new Block D development which is now underway and will provide a very substantial and much needed boost to bed numbers and services when it opens in 2013.

The new car park is more removed from the existing hospital buildings than the old one and the early financial performance has been significantly less due to lower parking fee revenues and higher operating costs. It is expected that revenues will improve over time and particularly once the Block D development opens and is connected to the car park by a covered walkway over Lake St.

2010-11 was also a year of natural disasters and tough economic conditions which impacted on the fundraising performance of the Foundation but strong trading in the Sea Breeze Café made up for this to some extent and saw a solid financial result overall. The operating surplus before distribution of grants for the year was \$1,217,979, down 16% on the previous year but a very respectable result in the circumstances.

Major appeals for the flood, cyclone, tsunami and earthquake disasters during the year and the tough economic environment in North Queensland had a significant effect on the Foundation's fundraising performance with the fundraising gross profit contribution of \$704,914 being 26% down from the year before.

**Contributions to operating surplus**



The Foundation's commercial business operations however produced another record result with a fantastic result from the Sea Breeze Café overcoming reduced income from the new car park. The gross profit contribution from commercial business units for the year was \$1,358,166 an increase of 6% on the previous year and importantly leaving a healthy surplus after covering all administrative and operating expenses of the Foundation. This means that supporters of the Foundation can be sure that 100% of all donations and fundraising income is spent locally and directly on improving health care provision as intended.

During the year a total of \$525,000 was spent on specialized medical equipment and other support for health services in Far North Queensland including items such as cardiac monitors and televisions for the redeveloped and expanded Emergency Department at Cairns Base Hospital, a specialist neonatal treatment cot and dialysis equipment for Cooktown hospital. A full list of donations throughout the year can be found on page 9 of this report.

In addition some \$480,000 has been raised to date and set aside for a new kids playground on the roof deck beside the Paediatric Unit of Cairns Base Hospital. Stage 1 of this major project is expected to cost \$600,000 with the whole project totaling around \$1.2 million.

The Foundation is also gearing up to install a patient television system at every bed and waiting room in the new Block D development and to develop another retail outlet in this building and has set aside funds for these major project commitments over the next few years.

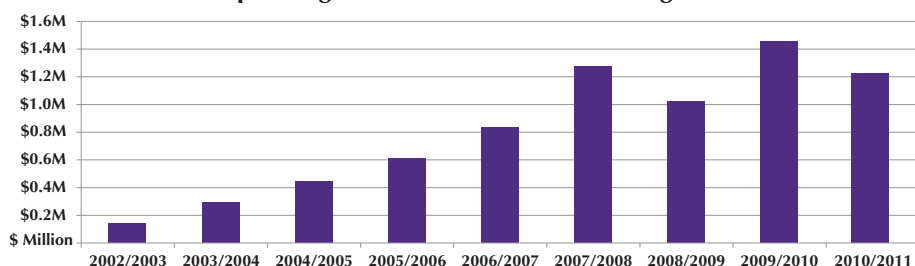
The Foundation has continued to expand its activities into the region with active Friends of the Foundation Committees working hard to support their local hospitals at Gordonvale, Babinda, Mareeba, Cow Bay and Cooktown. The volunteer service also grew during the year adding food and beverage services in the new Liz Plummer Cancer Care Centre to the services provided. Our sincere thanks go to all these hard working volunteers who contribute so much and are the heart and soul of the Foundation.

The members of the board of the Foundation are also volunteers and I would particularly like to pay tribute to Peter Piccone and Professor Caroline de Costa who retired at the end of their terms in March 2011. Piccones SUPA IGA have been great supporters of the Foundation and Peter has made an active contribution to the board since 2007. Caroline has provided strong clinical input and wisdom to the board since 2005 and was also responsible for establishing the Foundation's Research and Career Development Awards programme which is a great initiative supporting capacity building in the North. Our thanks to Peter and Caroline for their contributions.

Looking back, 2010-11 was a challenging year but one of solid results and good progress overall. Tony Franz, Steve McGuinness, Glenys Duncombe, Anne Chirio and their teams have done a sterling job and put the Foundation now in the best position it has ever been to make a real and lasting contribution to health care in the region. We look forward to continuing that work as we progress towards our vision of superior health care provision in Far North Queensland.

**Dr Ken Chapman.**

**Operating result before distribution of grants**





Some of our wonderful volunteers with Thelma Bryan who celebrated 20 years of service

## THE YEAR IN REVIEW

Despite the trying economic conditions in Cairns along with numerous worldwide natural disasters, the 2010-11 year was a successful year for the Far North Queensland Hospital Foundation. During the year the Foundation made \$525,000 in donations towards the improvement in the quality of health care provision in Far North Queensland.

Significant contributions made by the Foundation during the course of 2010-11 were funding towards equipment required for the Emergency Department redevelopment and the purchase of an additional Giraffe

Omnibed for the Special Care Baby Unit to assist with the treatment of sick and/or premature babies. The Foundation also provided funding to supply a renal dialysis machine and 4 dialysis chairs to the Cooktown dialysis satellite in order to provide an expanded service to those patients dialysing away from their homes in Cooktown.

On the 8th of November 2010 the Foundation moved to new premises on the corner of Grove & Digger Streets in the new Block E building which provides street frontage which will surely aid the Foundation in its development. Block E also houses the

Cairns Base Hospital car park and the Liz Plummer Cancer Care Centre.

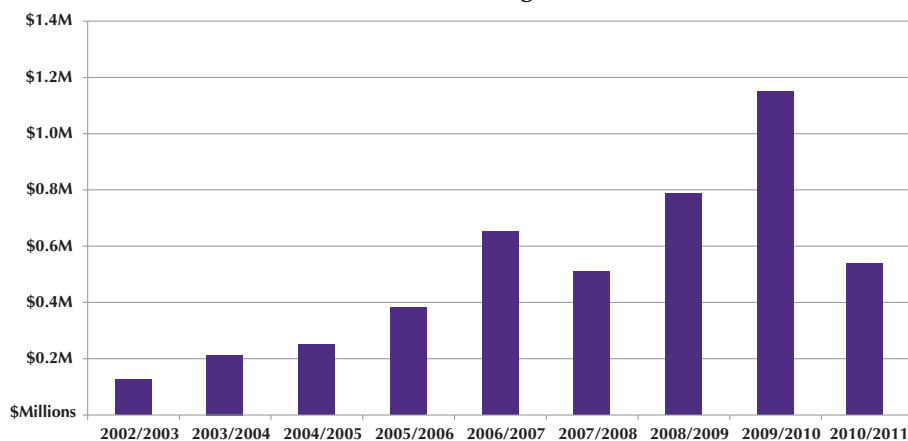
The Foundation operates a number of profitable commercial businesses which enables it to cover its administration and operating expenses. The Sea Breeze Café, Television Service and the Telephone System ensured that patients and visitors were continually provided with quality services that made their visit to the hospital more comfortable and reassuring.

The Foundation also provides essential non-medical support to the patients, visitors and staff at Cairns Base Hospital through the Volunteer Program.



Liz Plummer Cancer Care Centre

### Distribution of grants



## THE YEAR IN REVIEW

### VOLUNTEER SERVICES

Celebrating its 22nd year, the Volunteer Program continues to provide a most valuable service to the patients, visitors and staff of the Cairns Base Hospital and Cairns & Hinterland Health Service District. We should always acknowledge the contributions of these people who donate their time and skills to the Foundation's vision.

Foundation staff have concentrated on maximising the efforts of our many volunteers and ensuring that their contribution really does make a difference. Volunteers provide important services that benefit everyone who visits the hospital. These services range from manning the Information Desks, assisting in the Cardiac Rehabilitation Unit, coordinating the Paediatric Playscheme Program, assisting with food and beverage services to patients and visitors in the Liz Plummer Cancer Care Centre, providing clerical and admin support services and generally assisting wherever possible in and around Cairns Base Hospital. These marvellous people also assist with the Foundation's commercial and fundraising activities and their contributions are significant.

### COMMERCIAL OPERATIONS

The Foundation manages a number of commercial operations that provide it with a sound business base - a platform from which its other activities can operate and at the same time maximise the funds that are available to be donated back into health care services.

Revenue growth of 8.7% to a total of \$2.1 million was realised from our commercial operations which resulted

in a gross profit of \$1.35 million which was 64.7% of total revenues derived from our commercial departments.

#### *Sea Breeze Café*

The Sea Breeze Café provides quality food and retail services to the patients, staff and visitors to the hospital in a magical location overlooking the Cairns esplanade. At the same time it generates substantial funds that are donated back into health care services. It has indoor and outdoor dining for up to 60 people and has a view to rival any in Cairns. The café has indeed become an integral part of life at the hospital.



#### *Vending machines*

The Foundation coordinates the placement of a variety of food and beverage vending services that include soft drink machines, coffee machines and snack food machines. A Phoneaway/phonecard vending machine supports the telephones installed by the Foundation at each bedside throughout the Cairns Base Hospital. We also manage the Automatic Teller Machine, a very necessary service provided by the Foundation.

#### *Television*

The Foundation installed and operates the integrated multi-access television system throughout the hospital. This offers a rental service that gives patients five free to air channels, five pay-TV

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

#### *Block E Car park*

On November 15, 2010 the Block E car park commenced operation. With 667 car parking spaces, 24 spaces reserved for people with a disability, the new car park continues to provide a crucial service to the hospital's staff and visitors. Visitor parking fees at \$2.00 per hour up to a maximum of \$5.00 for any 24-hour period is a small investment for the security and ease of parking on site at the hospital. The car park has video surveillance and security guard patrols ensuring a safe environment for the vehicles and their drivers. This is especially important for hospital staff after hours. The car park also accommodates a large number of hospital pool vehicles ensuring quick and easy access for staff.





## THE YEAR IN REVIEW

### FUNDRAISING

The Foundation covers all its administration and operating expenses out of the profits from its commercial businesses such as the Sea Breeze Cafe and the Block E hospital car park so 100% of monies donated are guaranteed to go to the purpose intended. A number of strong relationships and partnerships were formed with individuals, local businesses and service organisations that made monetary and in-kind donations that were significant to the Foundation's achievements. Many thanks to all who supported us throughout the year and special thanks to our major supporters.

The following organisations made donations in excess of \$2,000

- Babinda Bendigo Bank Community Branch
- Bendigo Bank
- Brian White & Associates
- Cairns Regional Council
- Coffee Plus
- Commonwealth Bank
- COUCH
- Ergon Energy
- Far North Wholesalers
- Gambling Community Benefit Fund
- Hedley Homes
- McDonald's Cairns
- Michael Aw The Good Guys United Way Program
- Mills Family Foundation
- Mt Sheridan Plaza Baby Competition
- Nu Nu Restaurant
- Paradise Palms Resort and Country Club
- Piccones SUPA IGA
- Qld Hotels Association
- Rotary Club of Mareeba
- Trinity Petroleum
- Wayne Leonard Motorcycles
- Woolworths Fresh Food Kids Hospital Appeal
- Yellow Pages

The Foundation continued working on raising the profile of its major fundraising events and activities whilst always on the lookout for additional events to complement the annual calendar. The major fundraising events and activities were:

- Yellow Pages™ Cardiac Challenge cycle ride to Cooktown
- Wayne Leonard's Cairns to Port Douglas Motorcycle Muster
- Sea Fm's Give Me 5 For Kids
- Cairns Central Xmas Wrap
- Unit's Jet Ski Fund Run
- Bendigo Bank Baggit For Kids
- The Great Wheelbarrow Race



Clockwise: Unit's Jet Ski Fund Run, 4th Annual Yellow Pages™ Cardiac Challenge





## ACHIEVING OUR AIMS

In striving towards our Vision of "Superior Health Care Provision in Far North Queensland" the Foundation made over \$525,000 in donations to health care services. This figure is supplemented by the many services and tasks undertaken by the Foundation and its volunteer team. Many of the services provided by the Foundation have become an integral part of hospital life. One can only imagine the financial benefit of these services to the community if it was costing appropriately.



Wayne & Rhonda Leonard handing over the Giraffe Omnibed



10th Annual Wayne Leonard's Motorcycle Muster



Baz & Pacey of Sea Fm and the Give Me 5 For Kids team





## ACHIEVING OUR AIMS

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

- Jointly funded with COUCH to purchase 2 Navigator GPS lymphatic mapping probes for the Operating Theatres
- Purchased a Spectra Knee continuous passive movement machine for the Orthopaedic Ward
- Purchased distraction therapy equipment for the Paediatric procedure room in the Emergency Department
- Purchased 16 televisions with ceiling brackets for the Emergency Department
- Purchased an Oxylog 3000 Plus ventilator for the Emergency Department
- Purchased additional patient monitoring equipment for the redeveloped Emergency Department
- Purchased a Giraffe Omnibed for the Special Care Baby Unit
- Purchased 2 BiliSoft LED phototherapy systems for the Special Care Baby Unit
- Purchased a vital signs monitor complete with stand for the Paediatric Ward
- Purchased an i-Stat Analyser complete with printer, rechargeable power pack, and simulator for the Integrated Women's Health Unit and Special Care Baby Unit
- Purchased 4 vital signs monitors complete with stands for the Integrated Women's Health Unit
- Purchased 2000 copies of the 24 Hour Cotside Assist Baby Manual for Dads for the Integrated Women's Health Unit
- Funded the associated conference costs for a Cairns Sexual Health employee to attend the Australasian HIV/AIDS Conference in Sydney
- Funded the enrolment costs for a Cairns Sexual Health employee to study a post-graduate certificate in Sexual Health
- Purchased a vital signs monitor complete with stand for the Rehabilitation Unit
- Purchased a vital signs monitor complete with stand for the Cardiology Unit
- Purchased a Hemochron Signature Plus micro-coagulation timer for the Cardiology Unit
- Purchased a television and wall bracket for the waiting area in Medical Imaging
- Purchased a portable Rhino-laryngoscope for the Oncology Unit
- Funded the kids with Diabetes camp/family weekend
- Purchased an Electrocardiograph machine for Medical 6 Ward
- Purchased a Nimbus 3 alternating pressure relieving mattress for the Principal Item Equipment Service (PIES)
- Purchased 2 vital signs monitors complete with stands for the Medical 3 Ward
- Purchased a vital signs monitor complete with stand for the Medical 4 Oncology Ward
- Purchased a vital signs monitor complete with stand for the Medical 6 Ward
- Purchased a BladderScan portable bladder volume measurement ultrasound for Medical 4 Oncology Ward
- Purchased a ZooPals Turtle examination table for Yarrabah Health Service
- Funded the associated travel and course costs for an Innisfail Hospital Allied Health employee to attend a 3 day Physiotherapy Aide Course
- Purchased a Niki T34 syringe pump driver for the Tully Nursing Home
- Funded the purchase/installation costs of 2 televisions complete with nurse-call pendants for the Babinda Hospital
- Purchased 9 Hilite patient chairs for the Mareeba District Hospital
- Purchased a DermLite DL3 dermatoscope for the Cooktown Multipurpose Health Service
- Purchased a dialysis machine and 4 dialysis treatment chairs for the Cooktown Dialysis Satellite Unit
- Funded the annual Research and Career Development Awards
- Funded rental fees and the commissioning/decommissioning of the Vitalcall alarm service for numerous palliative care patients
- Assisted the Friends of the Foundation to make numerous donations to the health services in their local community
- The Foundation continues to provide important support services to the patients, visitors and staff in hospitals across the Far North



STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2011

	Note	2011 \$	2010 \$
<b>Income from continuing operations</b>			
<b>Revenue</b>			
Revenue from sale of goods	4(a)	2,099,371	1,931,360
Revenue from fundraising	4(b)	884,804	1,123,526
Finance income	5	137,394	79,025
Increase in market value of investments	10	9,567	21,577
<b>Total income from continuing operations</b>		<b>3,131,136</b>	<b>3,155,488</b>
<b>Expenses from continuing operations</b>			
Cost of sales	4(a)	741,205	646,253
Cost of fundraising	4(b)	149,044	139,993
Employment expenses	6	786,416	703,028
Supplies and services	7	121,445	110,128
Other expenses	8	37,970	30,685
Depreciation	9	77,077	72,978
<b>Total expenses from continuing operations</b>		<b>1,913,157</b>	<b>1,703,065</b>
<b>Operating result before distribution of grants</b>		<b>1,217,979</b>	<b>1,452,423</b>
Distribution of grants	11	(524,616)	(1,150,323)
<b>Operating result from continuing operations</b>		<b>693,363</b>	<b>302,100</b>
<b>Total comprehensive income</b>		<b>693,363</b>	<b>302,100</b>

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2011

ACCUMULATED SURPLUS

<b>Balance at 1 July</b>		2,361,734	2,059,634
Operating result from continuing operations		693,363	302,100
<b>Balance at 30 June</b>	19	<b>3,055,097</b>	<b>2,361,734</b>

The statement of comprehensive income and the statement of changes in equity are to be read in conjunction with the accompanying notes to the financial statements.





STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2011

	Note	2011 \$	2010 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	12	3,178,574	2,556,876
Trade and other receivables	13	14,783	42,915
Inventories	14	21,190	18,801
Prepayments		-	4,941
<b>Total current assets</b>		<b>3,214,547</b>	<b>2,623,533</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	15	117,731	128,564
<b>Total non-current assets</b>		<b>117,731</b>	<b>128,564</b>
<b>Total assets</b>		<b>3,332,278</b>	<b>2,752,097</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	16	250,242	373,784
<b>Total current liabilities</b>		<b>250,242</b>	<b>373,784</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	17	26,939	16,579
<b>Total non-current liabilities</b>		<b>26,939</b>	<b>16,579</b>
<b>Total liabilities</b>		<b>277,181</b>	<b>390,363</b>
<b>Net assets</b>		<b>3,055,097</b>	<b>2,361,734</b>
<b>EQUITY</b>			
Accumulated surplus	19	3,055,097	2,361,734
<b>Total equity</b>		<b>3,055,097</b>	<b>2,361,734</b>

The statement of financial position is to be read in conjunction with the accompanying notes to the financial statements.



STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2011

	Note	2011 \$	2010 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts in the course of operations		3,236,642	3,239,942
Cash payments in the course of operations			
Employee expenses		(765,495)	(684,931)
Supplies and services		(1,286,556)	(854,041)
Distribution of grants	11	(524,616)	(1,150,323)
Investment income		137,394	79,025
GST received from customers		1,343	3,900
GST paid to suppliers		(10,332)	(27,168)
GST paid to Australian Tax Office		(218,498)	(201,312)
GST received from Australian Tax Office		118,060	153,016
<b>Net cash from operating activities</b>	22	687,942	558,107
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for property, plant and equipment		(66,244)	(6,038)
<b>Net cash from investing activities</b>		(66,244)	(6,038)
<b>Net increase in cash and cash equivalents</b>		621,698	552,070
Cash and cash equivalents at beginning of financial year		2,556,876	2,004,806
<b>Cash and cash equivalents at end of financial year</b>	12	3,178,574	2,556,876

The statement of cash flows is to be read in conjunction with the accompanying notes to the financial statements.





## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

### 1. OBJECTIVES AND PRINCIPAL ACTIVITIES OF THE FOUNDATION

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

The principal activities of the Foundation is 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; Provide support services for the patients and staff.

### 2. BASIS OF PREPARATION

#### (a) Statement of compliance

The Foundation has prepared these financial statements in compliance with section 42 of the Financial and Performance Management Standard 2009.

These financial statements are general purpose financial statements and have been prepared on an accrual basis in accordance with Australian Accounting Standards ("AASBs") and interpretations. In addition, the financial statements comply with Treasury's Minimum Reporting Requirements for the year ended 30 June 2011, and other authoritative pronouncements.

With respect to compliance with AASBs and interpretations, the Foundation has applied those requirements applicable to not-for-profit entities, as the Foundation is a not-for-profit entity.

#### (b) Basis of measurement

The financial report has been prepared on the historical cost basis.

#### (c) Functional and presentation currency

The financial statements are presented in Australian dollars, which is the Foundation's functional currency.

#### (d) Use of estimates and judgements

The preparation of financial statements in conformity with AASBs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

There have been no critical judgements made in applying accounting policies that are likely to have a significant effect on the amounts recognised in the financial statements. Similarly, there are no assumptions and estimation uncertainties that are likely to have a significant risk of resulting in a material adjustment within the next financial year.

### 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

#### (a) Cash and cash equivalents

For the purposes of the Statement of Financial Position and the Statement of Cash Flows, cash assets include all cash and cheques receipted but not banked at 30 June as well as deposits at call with financial institutions.

#### (b) Receivables

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 as all receivables are collectable. 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.

#### (c) Financial instruments

##### (i) Non-derivative financial assets

The Foundation initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets are recognised initially on the trade date at which the Foundation becomes a party to the contractual provisions of the instrument.

The Foundation derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Foundation is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Foundation has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Foundation has the following non-derivative financial assets:

##### Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents, and trade and other receivables.

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less.

##### (ii) Non-derivative financial liabilities

Financial liabilities are recognised initially on the trade date at which the Foundation becomes a party to the contractual provisions of the instrument. The Foundation derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Foundation has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Foundation has the following non-derivative financial liabilities: trade and other payables.

Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest rate method.

#### (d) Inventories

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.

#### (e) Property, plant and equipment

##### (i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour,

any other costs directly attributable to bringing the asset to a working condition for its intended use, the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net and included in the statement of comprehensive income.

Items of property, plant and equipment with a cost or other value equal to or in excess of \$500 are recognised for financial reporting purposes in the year of acquisition. Items with a lesser value are expensed in the year of acquisition.

##### (ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Foundation and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in expenses as incurred.

##### (iii) Depreciation

Depreciation is recognised in expenses on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment.

The estimated useful lives in the current and comparative periods are as follows:

• Leasehold improvements	10 years
• Plant and equipment	5 - 10 years
• Furniture and fittings	5 years
• Specialised hire equipment	5 years
• Motor vehicles	5 years

Depreciation methods, useful lives and residual values are reassessed at the reporting date.

#### (f) Impairment

##### (i) Financial assets

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Losses are recognised in finance costs and reflected in an allowance account against receivables.

Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through income.

##### (ii) Non-financial assets

The carrying amounts of the Foundation's non-financial assets, other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in expenses.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

### 3. SIGNIFICANT ACCOUNTING POLICIES

#### (f) Impairment

##### (ii) Non-financial assets (continued)

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. As the entity is a not-for-profit entity, value in use is the depreciated 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 entity would, if deprived of the asset, replace its remaining future economic benefits.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. 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.

#### (g) Employee benefits

Employer superannuation contributions, annual and long service leave are regarded as employee benefits. Payroll tax and workers compensation insurance are a consequence of employing employees but are not counted in an employee's total remuneration package. They are recognised separately as employee related expenses.

#### (i) Superannuation

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

#### (ii) Other long-term employee benefits

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. The calculation is performed using the projected unit credit method. Any actuarial gains or losses are recognised in expenses in the period in which they arise.

#### (iii) Termination benefits

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.

#### (iv) Short-term 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.

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.

#### (h) Provisions

A provision is recognised if, as a result of a past event, the Foundation has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects

current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance costs.

#### (i) Payables

Trade creditors are recognised upon receipt of the goods or services ordered and are measured at the nominal amount i.e. agreed purchase/contract price, gross of applicable trade and other discounts. Amounts owing are unsecured and are generally settled on 30 day terms.

#### (j) Revenue

##### (i) Sales revenue

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances. Revenue is recognised when persuasive evidence exists that the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably.

##### (ii) Fundraising revenue

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

#### (k) Finance income

Finance income comprises interest and dividend income on funds invested. Interest income is recognised as it accrues, using the effective interest method. Dividends are re-invested for additional units.

#### (l) Lease payments

Payments made under operating leases are recognised as expenses on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

The Foundation had no assets under finance lease during the current year and the previous year.

#### (m) 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 WorkCover Queensland in respect of its obligations for employee compensation.

#### (n) Income tax

The entity is a state body as defined under the Income Tax Assessment Act and is exempt from Commonwealth taxation with the exception of Fringe Benefits Tax (FBT) and Goods and Services Tax (GST).

#### (o) Issuance of financial statements

The financial statements are authorised for issue by the Chairman and General Manager at the date of signing the Management Certificate.

#### (p) Goods and services tax

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.

#### (q) Rounding and comparatives

Amounts included in the financial statements are in Australian dollars and have not been rounded to the nearest \$1,000.

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

#### (r) New standards and interpretations not yet adopted

The following standards, amendments to standards and interpretations were on issue at the reporting date but not yet effective. They are available for early adoption at 30 June 2011, but have not been applied in preparing this financial report:

	Effective for annual report periods beginning on or after
• AASB 9 <i>Financial Instruments</i> (December 2010)	1 January 2013
• AASB 124 <i>Related Party Disclosures</i> (December 2009)	1 January 2011
• AASB 1053 <i>Application of Tiers of Australian Accounting Standards</i>	1 July 2013
• 2009-11 <i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2009)</i>	1 January 2013
• 2009-12 <i>Amendments to Australian Accounting Standards in relation to AASB 8 Operating Segments (December 2009)</i>	1 January 2011
• 2009-14 <i>Amendments to Australian Interpretation - Prepayments of a Minimum Funding Requirement (Interpretation 14) (December 2009)</i>	1 January 2011
• AASB 2010-2 <i>Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements</i>	1 July 2013
• AASB 2010-4 <i>Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project</i>	1 January 2011
• AASB 2010-5 <i>Amendments to Australian Accounting Standards</i>	1 January 2011
• AASB 2010-6 <i>Amendments to Australian Accounting Standards - Disclosures on Transfers of Financial Assets</i>	1 July 2011
• AASB 2010-7 <i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)</i>	1 January 2013

Management has yet to assess the impact that AASB 9 Financial Instruments and 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 is likely to have on the financial statements of the Foundation as it is anticipated that further amendments will occur. The Foundation does not expect to implement the amendments prior to the adoption date of 1 January 2013.

The reported results and position of the Foundation will not change on adoption of the other pronouncements as they do not result in any changes to the Foundation's existing accounting policies. Adoption will, however, result in changes to information currently disclosed in the financial statements. The Foundation does not intend to adopt any of these pronouncements before their effective dates.





NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

	2011 \$	2010 \$
<b>4. REVENUE</b>		
<b>(a) Revenue from sale of goods</b>		
<b>Sales revenue</b>		
Sea Breeze Cafe	1,662,875	1,466,548
Vending machines	24,920	22,441
Telephone	18,735	18,596
Television	102,513	109,120
Car park	255,712	292,949
Sundry	34,616	21,706
	2,099,371	1,931,360
<b>Cost of sales</b>		
Sea Breeze Cafe	715,307	623,315
Vending machines	-	105
Telephone	15,747	14,914
Television	8,342	7,919
Sundry	1,809	-
	741,205	646,253
<b>Gross profit</b>		
Sea Breeze Cafe	947,568	843,233
Vending machines	24,920	22,336
Telephones	2,988	3,682
Television	94,171	101,201
Car park	255,712	292,949
Sundry	32,807	21,706
	1,358,166	1,285,107
<b>(b) Revenue from fundraising</b>		
<b>Fundraising and other contributions</b>		
Fundraising for general purposes	634,597	758,756
Fundraising for specific purposes	195,346	305,204
	829,943	1,063,960
Volunteer service	52,365	54,680
Specialised equipment scheme	2,496	4,886
	884,804	1,123,526
<b>Cost of fundraising</b>		
Fundraising	125,029	111,927
Volunteer service	23,237	27,048
Specialised equipment scheme	778	1,018
	149,044	139,993
<b>Gross profit</b>		
Fundraising	704,914	952,033
Volunteer service	29,128	27,632
Specialised equipment scheme	1,718	3,868
	735,670	983,533

	2011 \$	2010 \$
<b>5. FINANCE INCOME</b>		
Interest	122,723	79,025
Dividends	14,671	-
	137,394	79,025
<b>6. EMPLOYMENT EXPENSES</b>		
Wages and salaries	683,221	617,306
Employer superannuation contributions	60,125	54,600
Workers compensation	3,883	3,798
Other	39,187	27,324
	786,416	703,028

At year-end, there were 16 (2010: 15) employees employed on a full-time equivalent basis.

	2011	2010
<b>7. SUPPLIES AND SERVICES</b>		
Consultants	12,000	12,000
Banking and merchant fees	5,833	5,915
Computer repairs and support	6,168	4,963
Cleaning	11,879	6,577
Consumables	5,253	-
PCard purchases	8,753	-
Motor vehicle operating costs	17,262	16,617
Repairs and maintenance	20,021	33,529
Printing and stationery	20,588	18,167
Security	4,182	4,182
Telephone	4,941	3,344
Other	4,575	4,834
	121,445	110,128
<b>8. OTHER EXPENSES</b>		
External audit fees	15,100	11,200
Legal fees	2,772	-
Insurance	20,098	19,485
	37,970	30,685

Total external audit fees relating to the 2010-11 financial year are estimated to be \$15,100 (2010 \$11,200). There are no non audit services included in this amount.

	2011	2010
<b>9. DEPRECIATION</b>		
Depreciation and amortisation were incurred in respect of:		
Leasehold improvements	30,939	30,939
Plant and equipment	34,735	33,813
Furniture and fittings	4,429	1,175
Specialised hire equipment	110	173
Motor vehicles	6,864	6,878
	77,077	72,978



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

	2011 \$	2010 \$
<b>10. MARKET VALUATION OF INVESTMENTS</b>		
DDH investment access funds at beginning of year	242,545	220,968
Dividend reinvestment	14,671	-
Increase in market value	9,567	21,577
	-----	-----
Market valuation at end of year	266,783	242,545
	-----	-----

**11. GRANTS AND SUBSIDIES**

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

Cairns Base Hospital		
Emergency Medicine	75,689	57,620
Aged Care	4,243	4,156
Paediatrics	76,153	153,312
Women's Health	29,257	57,271
Palliative Care	1,376	1,937
Thoracic	-	269,939
Medical Imaging	599	182
Oncology	54,453	3,410
Mental Health	8,436	4,751
Renal Medicine	4,472	14,427
Cardiology	12,374	205,570
Orthopaedics	9,379	-
Diabetes	9,450	501
Other	69,725	104,890
Physicians Fund	10,839	1,932
Medical 4 Clinics	8,789	11,844
Medical Research	13,156	134,491
NSP Vending	-	7,494
Research	3,439	11,611
Sundry	22,569	10,935
Gordonvale Friends of the Foundation	25,072	32,233
Babinda Friends of the Foundation	591	-
Mareeba Friends of the Foundation	4,268	-
Cooktown Hospital	52,534	5,343
Gordonvale Hospital	3,298	15,770
Mossman Hospital	5,189	26,779
Innisfail Hospital	1,455	2,694
Babinda Hospital	2,600	11,124
Yarrabah Hospital	6,520	-
Tully Hospital	2,426	-
Mareeba Hospital	4,553	-
Cow Bay Clinic	1,712	107
	-----	-----
	524,616	1,150,323
	-----	-----

**12. CASH AND CASH EQUIVALENTS**

Cash on hand	41,732	29,612
Cash at bank	133,091	256,256
Deposits and investments (at call)	3,003,751	2,271,008
	-----	-----
	3,178,574	2,556,876
	-----	-----

Deposits and managed investments schemes are held with Queensland Treasury Corporation (QTC) and DDH Graham Limited. QTC deposits are bearing floating interest rates between 5.30% and 5.48%. The investment with DDH Graham Limited is an investment access fund.

	2011 \$	2010 \$
<b>13. TRADE AND OTHER RECEIVABLES</b>		
<b>Current</b>		
Trade debtors	14,783	42,915
	-----	-----

No interest is earned on amounts due from debtors. No provision for impairment during the financial year has been recognised as the amounts are fully collectible.

**14. INVENTORIES**

<b>Current</b>		
P-Cards	240	-
Sea Breeze Cafe	19,923	14,383
Specialised equipment scheme	-	778
Telephone system cards	1,027	3,640
	-----	-----
	21,190	18,801
	-----	-----

**15. PROPERTY, PLANT AND EQUIPMENT**

Leasehold improvements, at cost	309,390	310,180
Accumulated amortisation	(280,290)	(250,141)
	-----	-----
	29,100	60,039
	-----	-----
Plant and equipment, at cost	313,564	336,320
Accumulated depreciation	(264,268)	(296,900)
	-----	-----
	49,296	39,420
	-----	-----
Furniture and fittings, at cost	50,108	35,978
Accumulated depreciation	(31,271)	(34,345)
	-----	-----
	18,837	1,633
	-----	-----
Specialised hire equipment, at cost	-	4,616
Accumulated depreciation	-	(4,506)
	-----	-----
	-	110
	-----	-----



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

	2011 \$	2010 \$
<b>15. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)</b>		
Motor vehicles, at cost	34,325	34,325
Accumulated depreciation	(13,827)	(6,963)
	-----	-----
	20,498	27,362
	-----	-----

	2011 \$	2010 \$
Total property, plant and equipment, at net book value	117,731	128,564
	-----	-----

Plant and equipment and leasehold improvements are shown at amortised cost in accordance with Queensland Treasury's Non-Current Asset Accounting Guidelines for the Queensland Public Sector June 2005, revised February 2008.

**Reconciliation**

	Leasehold improvements \$	Plant and equipment \$	Furniture and fittings \$	Specialised equipment \$	Motor vehicles \$	Total \$
<b>2011</b>						
Carrying amount at 1 July	60,039	39,420	1,633	110	27,362	128,564
Acquisitions	-	44,611	21,633	-	-	66,244
Disposals	-	-	-	-	-	-
Depreciation/amortisation	(30,939)	(34,735)	(4,429)	(110)	(6,864)	(77,077)
	-----	-----	-----	-----	-----	-----
Carrying amount at 30 June	29,100	49,296	18,837	-	20,498	117,731
	=====	=====	=====	=====	=====	=====
<b>2010</b>						
Carrying amount at 1 July	90,978	67,196	2,808	282	34,240	195,504
Acquisitions	-	6,038	-	-	-	6,038
Disposals	-	-	-	-	-	-
Depreciation/amortisation	(30,939)	(33,814)	(1,175)	(172)	(6,878)	(72,978)
	-----	-----	-----	-----	-----	-----
Carrying amount at 30 June	60,039	39,420	1,633	110	27,362	128,564
	=====	=====	=====	=====	=====	=====

The Foundation has plant and equipment and furniture and fittings with an original cost of \$114,012 and a written down value of nil still being used in the provision of services. These assets are being replaced as they become unserviceable or if no longer required are written off after the required board approval.

	2011 \$	2010 \$
<b>16. TRADE AND OTHER PAYABLES</b>		
<b>Current</b>		
Trade creditors	113,643	298,851
Customer deposits	26,171	260
Payroll liabilities	5,816	4,856
GST	35,166	10,830
Accrued annual leave	34,190	26,862
Sundry creditors and accruals	35,256	32,125
	-----	-----
	250,242	373,784
	=====	=====

	2011 \$	2010 \$
<b>17. PROVISIONS</b>		
<b>Non-current</b>		
Long service leave	26,939	16,579
	-----	-----
<b>Movement in provisions</b>		
Balance at the beginning of the year	16,579	13,625
Additional provisions	10,360	2,954
	-----	-----
Balance at the end of the year	26,939	16,579
	=====	=====





## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

### 18. FINANCIAL INSTRUMENTS

#### (a) Financial risk management

##### (i) Overview

The Foundation has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Foundation's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout this financial report.

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 General Manager who implements the changes. The Foundation does not enter into any derivative financial instruments and does not speculate in any type of financial instruments.

##### (ii) 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 influenced mainly by the individual characteristics of each customer. The Foundation's customers primarily consist of government entities and sponsorships. An allowance for impairment is recognised when it is expected that any receivables are not collectible. The allowance consists of allowances for specific accounts. The Foundation does not require any collateral in respect of trade and other receivables.

The Foundation limits its exposure to credit risk by only investing in at call deposits and managed funds with Queensland Treasury Corporation and DDH Graham Limited. Management does not expect any counterparty to fail to meet its obligations.

##### (iii) Liquidity risk

Liquidity risk is the risk that the Foundation will not be able to meet its financial obligations as they fall due.

The Foundation manages liquidity risk by monitoring its cash position on a weekly basis.

##### (iv) Market risk

Market risk is the risk that the changes in market prices, such as 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 managed funds and does not trade in derivatives. However, volatility in investments in managed funds may result in some impact on the statement of comprehensive income.

##### Currency risk

The Foundation is not exposed to currency risk.

##### Interest rate risk

Interest rate risk refers to the risk that changes in interest rates will affect the Foundation's income or the value of its obligations.

The Foundation does not have any borrowings as at the reporting period.

The financial assets subject to floating interest rate risk are cash and deposits at call. The Foundation does not hedge its interest rate risk and is therefore subject to short-term fluctuations in interest rates.

##### Other market price risks

The Foundation is not exposed to other market price risks.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

18. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Credit risk

The exposure to credit risk at balance date in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any provisions for impairment.

The following table represents the Foundation's maximum exposure to credit risk based on contractual amounts net of any allowances:

Maximum exposure to credit risk	Note	2011 \$	2010 \$
<b>Financial assets</b>			
Cash and cash equivalents	12	3,178,574	2,556,876
Trade debtors	13	14,783	42,915
Total		3,193,357	2,599,791

Financial assets past due but not impaired

	Less than 30 days	30-60 days	Overdue 61-90 days	More than 90 days	Total
<b>2011</b>					
Trade debtors	8,792	153	291	5,547	14,783
Total	8,792	153	291	5,547	14,783
<b>2010</b>					
Trade debtors	21,018	6,210	15,687	-	42,915
Total	21,018	6,210	15,687	-	42,915

No collateral is held as security and no credit enhancements relate to financial assets held by the Foundation.

At the reporting date, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

The Foundation also manages credit risk through diversification and its reliance on DDH Graham Limited as a fund administrator of Q Invest, which is a jointly owned entity by the State Public Sector Superannuation Scheme and Queensland Investment Corporation, a Statutory Government Owned Corporation.

(c) Liquidity risk

The Foundation is exposed to liquidity risk in respect of its payables.

The Foundation manages liquidity risks through the use of cash and deposits at call. This aims to reduce the exposure to liquidity risk by ensuring the Foundation has sufficient funds available to meet employee and supplier obligations as they fall due. This is achieved by ensuring that minimum levels of cash are held within the various accounts so as to match the expected duration of the various employee and supplier liabilities.

The following table sets out the liquidity risk of financial liabilities held by the Foundation. It represents the contractual maturity of financial liabilities, calculated based on cash flows relating to the repayment of outstanding amounts at balance date.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

18. FINANCIAL INSTRUMENTS (CONTINUED)

	Note	<1 year \$	Payable in 1-5 years \$	>5 years \$	Total \$
<b>2011</b>					
<b>Financial liabilities</b>					
Trade and other payables	16	250,242	-	-	250,242
		=====	=====	=====	=====
<b>2010</b>					
<b>Financial liabilities</b>					
Trade and other payables	16	373,784	-	-	373,784
		=====	=====	=====	=====

(d) Market risk

The Foundation does not trade in foreign currency and is not materially exposed to commodity price changes. The Foundation is exposed to interest rate risk through its managed funds deposited with DDH Graham Limited. The Foundation does not undertake any hedging in relation to interest rate risk.

Interest rate sensitivity analysis

The following interest rate sensitivity analysis depicts the outcome to profit and loss 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 \$27,291 (2010: \$22,714). This is predominantly attributable to the Foundation's exposure to variable interest rates on its capital guaranteed cash fund.

	Carrying Amount \$	-1% Surplus \$	-1% Equity \$	+1% Surplus \$	+1% Equity \$
<b>2011</b>					
Cash and cash equivalents	3,178,574	(27,291)	(27,291)	27,291	27,291
		-----	-----	-----	-----
		(27,291)	(27,291)	27,291	27,291
		=====	=====	=====	=====
<b>2010</b>					
Cash and cash equivalents	2,556,876	(22,714)	(22,714)	22,714	22,714
		-----	-----	-----	-----
		(22,714)	(22,714)	22,714	22,714
		=====	=====	=====	=====





NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

	2011	2010
	\$	\$
<b>19. ACCUMULATED SURPLUS</b>		
Accumulated surplus comprises:		
Unrestricted funds	2,422,029	1,774,940
Restricted funds	633,068	586,794
	-----	-----
	3,055,097	2,361,734
	=====	=====

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

**20. INDUSTRY SEGMENT**

The Foundation operates predominantly in Far North Queensland in providing funding and resources to aid health service provision in the region.

**21. CONTINGENT LIABILITIES**

The Foundation has no known material contingent liabilities.

	2011	2010
	\$	\$

**22. NOTES TO THE STATEMENT OF CASH FLOWS**

**Reconciliation of surplus to net**

**cash from operating activities**

Operating result before		
distribution of grants	1,217,979	1,452,423
Less: Distribution of grants	(524,616)	(1,150,323)
<i>Add non-cash items:</i>		
Depreciation	77,077	72,978
Amounts set aside to provisions	10,360	8,254
	-----	-----

Net cash flows provided by		
operating activities before change		
in assets and liabilities	780,800	383,332

*Change in assets and liabilities*

*during the financial year:*

(Increase)/decrease in receivables	28,132	(28,609)
(Increase)/decrease in inventories	(2,389)	(5,324)
Increase/(decrease) in payables	(123,542)	207,516
(Increase)/decrease in prepayments	4,941	1,192
	-----	-----

Net cash flows from operating activities	687,942	558,107
	=====	=====

**23. RELATED PARTIES**

**Members**

The names of each person holding the position of member of the Foundation during the financial year are: Dr Kenneth Chapman (Chairman), Mr Graham Coonan (Deputy Chairman), Ms Julie Hartley-Jones, Ms Patricia Bailey, Professor Caroline de Costa, Mr Charles Marino, Mr Robert McGill, Mr Peter Piccone and Mr Steve Russell (Ex Officio Member). All members terms expired on 23 March 2011 and no further appointments were made until subsequent to 30 June 2011. Ms Terri Knight is Secretary.

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

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

Ms Julie Hartley-Jones and Ms Terri Knight were employed at the Cairns Base Hospital with which the Foundation has commercial dealings on a normal arms length basis from time to time.

Mr Charles Marino is a partner in Marino Moller Lawyers which provided legal services to the Foundation during the year for which they were paid \$2,773 (2010: nil). These services were provided on a normal arms length basis.

During the year, the Foundation provided a volunteer service to the Cairns Base Hospital. This involves the recruiting, coordination and management of a team of volunteers, which provides various services to that hospital and is in line with the objects of the Foundation. For this service the hospital contributed \$39,020 (2010: \$39,020) towards the Foundation's costs in this regard. In addition, the Cairns Base Hospital received significant benefits by way of equipment donated and benefits sponsored by the Foundation during the year (in accordance with the objects of the Foundation) as set out in Note 11.

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

**24. KEY MANAGEMENT PERSONNEL AND REMUNERATION**

Key management personnel include those positions that had authority and responsibility for planning, directing and controlling the activities of the Foundation. The remuneration and other terms of employment for key executive management personnel are specified in employment contracts. The contracts provide for the provision of short term employee benefits, post employment benefits and other benefits.

The General Manager (GM) was appointed on 2 February 2004 under a common law contract. The GM is responsible for the efficient, effective and economic administration of the Foundation. Short term employee benefits of \$93,331 (2010: \$92,569) and superannuation benefits of \$8,400 (2010: \$8,331) were paid to the GM. The long service leave provision was \$3,985 (2010: \$991).

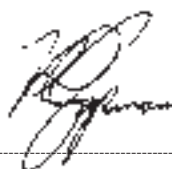


## CERTIFICATE OF THE FAR NORTH QUEENSLAND HOSPITAL FOUNDATION


These general purpose financial statements have been prepared pursuant to section 62(1) of the provisions of the Financial Accountability Act 2009 ("the Act") and other prescribed requirements. In accordance with section 62(1)(b) of the Act we certify that in our opinion:

- (a) the prescribed requirements in respect of the establishing and keeping the accounts of the Far North Queensland Hospital Foundation have been complied with in all material respects; and
- (b) the financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Foundation for the year ended 30 June 2011 and of the financial position of the Foundation at the end of the year.

Cairns, 30 August 2011



Dr Kenneth Chapman  
CHAIRMAN



Tony Franz  
GENERAL MANAGER

## INDEPENDENT AUDIT REPORT

### To the Board of the Far North Queensland Hospital Foundation

#### Report on the Financial Report

I have audited the accompanying financial report of Far North Queensland Hospital Foundation which comprises the statement of financial position as at 30 June 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and certificates given by the Chairman and General Manager for the financial administration of Far North Queensland Hospital Foundation, for the year ended 30 June 2011.

#### The Board's Responsibility for the Financial Report

The Board is responsible for the preparation and fair presentation of the financial report in accordance with prescribed accounting requirements identified in the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*, including compliance with applicable Australian Accounting Standards (including the Australian Accounting Interpretations). This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. These auditing standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of risks of material misstatement in the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control, other than in expressing an opinion on compliance with prescribed requirements. An audit also includes evaluating the appropriateness of accounting policies and the reasonableness of accounting estimates made by the Board, as well as evaluating the overall presentation of the financial report including any

mandatory financial reporting requirements as approved by the Treasurer for application in Queensland.

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

#### Independence

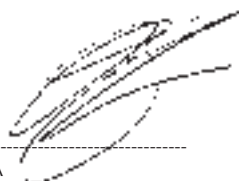
The *Auditor-General Act 2009* promotes the independence of the Auditor General and all authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can only be removed by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

#### Auditor's Opinion

In accordance with s.40 of the *Auditor-General Act 2009* -

- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion -
  - (i) the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and
  - (ii) the financial report has been drawn up so as to present a true and fair view, in accordance with the prescribed accounting standards of the transactions of the Far North Queensland Hospital Foundation for the financial year 1 July 2010 to 30 June 2011 and of the financial position as at the end of that year.



J ZABALA  
(as Delegate of the Auditor-General of Queensland)  
Cairns, 30 August 2011



## SPECIAL THANK YOU TO OUR MAJOR SUPPORTERS







# far north queensland hospital foundation

On November 15, 2010 the Block E car park commenced operation. With 667 car parking spaces, 24 spaces reserved for people with a disability, the new car park continues to provide a crucial service to the hospital's staff and visitors.

Photo courtesy of Daniel Blake

If you would like a copy of this report or any further information on the work of the Far North Queensland Hospital Foundation please contact us:

Ground Floor Block E

Cairns Base Hospital Car Park

Cnr Grove & Digger Streets Cairns

PO Box 957 Cairns QLD 4870

p 07 4226 6553 f 07 4226 6663

gm@fnqhf.org.au [www.fnqhf.org.au](http://www.fnqhf.org.au)

## INTERPRETER SERVICE

If you have difficulty in understanding the Annual Report, you can contact us and we will arrange an interpreter to effectively communicate the report to you.



putting the pieces together  
for a **healthier** north