



"Providing the extras that make a difference"

ANNUAL REPORT

2009/2010

CHAIRMAN'S REPORT

It is my privilege to present the Report of the Townsville Hospital Foundation for the 2009 - 2010 financial year. The information is current as at 30th June 2010.

Board Membership

The Townsville Hospital Foundation is governed by a Board of Members appointed by the Governor of Council on the nomination of the Minister for Health in consultation with the Board who are drawn from the health, medical and other professions, industry, commerce, university and the community.

The Board members serve in a voluntary capacity.

The Board Members do not receive income, allowances or expenses.

The Board has the responsibility for governance, strategic planning, financial control and operational oversight of the Foundation. It operates in compliance with the *Hospitals Foundation Act 1982* and relevant financial legislation.

The Members of the Foundation (and their retirement dates) were as follows:

Judge Stuart Durward SC LLB GAICD (Chairman)	02.12.2013
Associate Professor Vic Callanan AM, FANZCA, FCICM, FFPMANZCA, FACTM, Dip.DHM (Deputy Chairman)	02.12.2011
Jennie Woodward	02.12.2011
Fay Barker OAM FAICD	02.12.2013
Louise Boyle	02.12.2011
Errol Wenck BCom.	02.12.2011
Tom Cummins	02.12.2013
Dominique Tim So BCom LLB	02.12.2013
Emeritus Professor Barbara Hayes , OAM, DipNEd, BA(Hons), MSc, DNSc, RN, RM, RPN, FRCNA (DLF), FACMHN, FACTM (Em)	02.12.2013
Margaret Phillips – Honorary Member, representative District Health Council	

BOARD MEMBERS



Stuart Durward, Chairman



Assoc Prof Vic Callanan,
Deputy Chairman



Errol Wenck



Fay Barker



Jennie Woodward



Louise Boyle



Barbara Hayes



Tom Cummins



Dominique Tim So



Margaret Phillips

Meetings

The Foundation Board meetings were held regularly and according to business requirements.

Research Committee

The Foundation continues to manage Research Funds for clinical trials and other local medical projects and activities.

Strategic Planning

The Strategic direction of the Foundation is monitored and reviewed regularly by the Board in accordance with the Strategic Plan.

Staff

The Foundation's daily business and operational planning is administered by the Manager Mrs Simone Ryan. During the year we acquired the services of Ms. Ally Cantwell who has brought marketing and activity planning skills to the Foundation.

Other short term administrative support was provided as required during the year.

Secretary

The Manager of the Townsville Hospital Mrs Mary Bonner has maintained a connection with the Foundation as acting Statutory Secretary and we are grateful for her interest and support. Mrs Bonner attends meetings and meets with the Chairman and the Foundation Manager from time to time as necessary.

Strategic and Project Developments

The Foundation is making progress with a plan to move its operational base to a stand-alone building on the hospital campus. This building will provide working accommodation for staff, volunteers and project participants in a safe and healthy environment that will be conducive to greater efficiencies. The funding model for the building will engage community, government and business support on land leased from the hospital, which will also provide the utility and service infrastructure to the site.

The development of an educational and health training programme for pregnant women has reached its final stage of review and marketing agenda, prior to its launch in early 2011. The programme is focussed on a DVD and other material that deals with the issue of Foetal Alcohol Syndrome (FAS), a preventable but prevalent health issue in the broader community.

Financial Management

The Foundation continues with a strategic aim of expanding and enhancing its revenue base. The Financial Records of the Foundation are audited annually by a QAO contract auditor.

Operations, Projects, Finance and Activities

There are reported elsewhere in this Report.

Conclusion

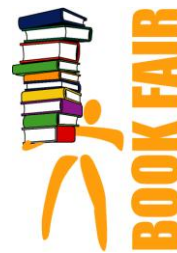
The Board acknowledges the invaluable and dedicated service of the Foundation Manager Mrs Simone Ryan and the services of other staff. I am grateful for the constructive contributions of my colleagues on the Board and for their continued support for me as Chairman. I acknowledge the support of the Deputy Chairman Dr. Vic Callanan who has acted in my office from time to time in my absence.

Judge Stuart Durward SC
Chairman
Townsville Hospital Foundation.

Foundation Fundraising Activities

Despite the global economic challenges experienced this year, the Townsville Hospital Foundation significantly improved its presence within the corporate community and its recognition within the Townsville Health District. Several new partnerships were established during the course of the financial year and the Foundation enjoyed an increase in positive media.

Book Fair



With the help and support of our community, our sponsors and supporters, we sold some 30,000 books. The Foundation's famous pre-loved book sale, raised in excess of \$23,000 - A great success!

First on the list of purchases was hydration equipment for renal patients at the Townsville Hospital. Thanks to the support of our local community, these patients have this additional equipment available for their use.



Cardiac Services Masquerade Ball

The 2009 inaugural Cardiac Services Masquerade Charity Ball was held on Black Friday at Rydges Southbank, raising \$11,000 to benefit the Cardiac Services Institute.



The event proved to be a frightfully enjoyable evening of food, entertainment and fun as well as a successful fundraiser for Townsville Hospital's Cardiac Services.

Sponsorship & Support

Thanks to our network of supporters and sponsors we were able to progress with projects to improve facilities and provide equipment within the Townsville Hospital. This assistance has proved invaluable to us throughout the financial year, helping us in our cause to provide the extras that make a difference.

Give Me 5 for Kids 2010



The Townsville Community once again backed a wonderful cause in the annual June 102.3 4TO FM Give me 5 for Kids fundraiser.

For the fifth year running, our friends at 4TO FM put in a tremendous effort of rallying up the local community to raise funds for the Children's Ward of the Townsville Hospital.

\$24, 000 was raised thanks to Townsville businesses, the local community and hospital staff - over \$10, 000 of which was raised by the RSL Women's Auxiliary. With an ongoing association with the Hospital, the Auxiliary enthusiastically got behind the campaign to see a great result for the 2010 4TO FM Give me 5 for Kids fundraising appeal.



AMIEU Members

Local meatworkers are making a real difference to patients of the Townsville Hospital Emergency Department (ED) thanks to donations received directly from their salaries.

The ongoing support of the Australasian Meat Industry Employees Union (AMIEU) has this year enabled the purchase of cutting edge ultrasound equipment for the ED.

To date a total of \$256,000 has been received through the programme.



Xstrata North Qld Community Partnership Program



Thanks to the generous support of the Xstrata Community Partnership Program North Queensland, Townsville Hospital's Emergency Department has been equipped with \$34 000 in additional vital equipment this year.

Xstrata Community Partnership Program funding has seen the purchase of a portable operating lamp, ventilator and diagnostic sets for use by the air retrieval team and within the Hospital ED.

Since 2005, the Xstrata Community Partnership Program has contributed in excess of \$200,000 to our local Hospital through the Townsville Hospital Foundation.

Local Artist Transforms Children's Ward

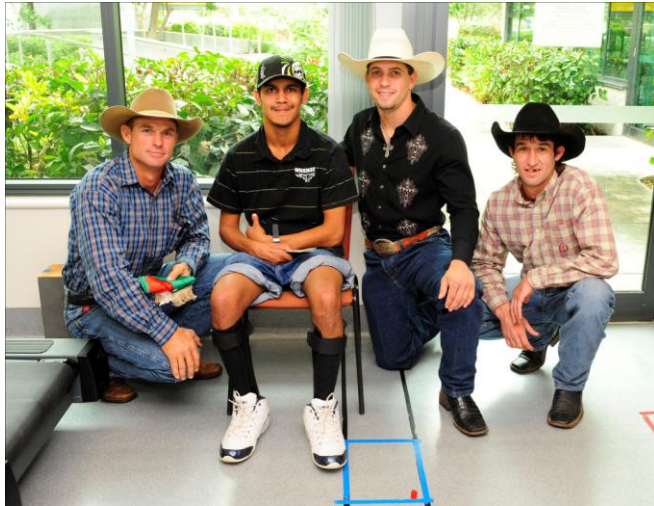
Jenny Finn, local Townsville artist was commissioned by the Foundation in 2009 to provide some diversion therapy murals for the ward. This 'idea' became a major project for the Foundation, with Jenny completely transforming the once colourless unit into an amazing 'child friendly' work of art. Our little patients and their families are now greeted at the Children's Ward by a bright array of Australian bush scenes and wonderful tropical coloured murals, that each have a story for the children to discover.....thanks Jenny!



Visits

We are fortunate to have enjoyed the support of high profile entertainers and inspirational sportsmen and women to assist us in our programme of regular visits through the Townsville Hospital.

These visits go a long way towards making a patients day a little brighter, lifting spirits and breaking the monotony of their stay in hospital.



*Troy Dunn & International Bull riders
visit a Rehab patient.*



*Young fans grab autographs
from their V8 Supercar Heroes*

Volunteer Services

The Townsville Hospital Foundation was awarded a share in the 2010-2011 Queensland Country Credit Union Community Grants Scheme.

The \$7000 local grant will go towards the development and improvement of the Townsville Hospital Foundation's Volunteer Program.



The single most desired outcome of our Volunteer Expansion Project is to meet the needs of the Townsville Hospital Redevelopment and to continue the same level of care and attention to patients, staff and visitors. Being awarded this QCCU grant means we can expand our volunteer base and continue to provide this service to the Townsville community.



Generous Supporters of the Foundation

The following people have helped us to make a difference in the lives of those in need. We take this opportunity to thank them for their valued support.

- 4TOFM
- Amazing Meats
- Royal Children's Hospital Foundation
- Alcoholics Anonymous
- Alice River Lions
- Andos Amusements
- Australian Defence Forces
- Australian Meat Industry Workers
- Bunnings Warehouse
- Cactus Jacks
- Castle Hill Lions & Lions Ladies
- Cathedral School
- Channel 7
- Chris Boyle Payless Chemists
- Coogee Chemicals
- Dewys Auto Electrical
- Flight Centre Fairfield Waters
- Hills on Hollywood
- Home Hill Bowls Club
- Horizon Meats
- Hot FM
- James Cook University
- Jupiters
- McDonalds Crocodiles
- Medico News
- Mix 106.3
- NQ Fury
- NQ Wheels and Castors
- Pegasys Signs
- The Bulletin
- Ryan Catholic College
- Queensland Country Credit Union
- RSL Ladies Auxillary
- Sensis Yellow Pages
- Spotlight
- St Margaret Marys College
- Stefan Salons
- Terry O'Brien
- Telstra Country Wide
- Theiss Contractors
- Tom's Tavern
- Townsville City Libraries
- Townsville Grammar School
- Townsville Police
- Townsville Rotary
- Townsville Show Society
- Townsville Sun
- NQ Toyota Cowboys
- 4TTT Radio
- Walters Supa IGA
- Westpac Bank Townsville
- Wilson Ryan & Grose
- WIN Television
- Woolworths Deeragun
- Xstrata Qld
- Zinc FM

Financial Statements
2009 - 2010



If you would like a copy of this report or any further information on the work of the Townsville Hospital Foundation, please contact our Office:

PO Box 670, IMB 84, Townsville QLD 4810

Telephone (07) 4796 1337

Facsimile (07) 4796 1347

Email Simone@thfoundation.org.au

www.thfoundation.org.au

TOWNSVILLE HOSPITAL FOUNDATION

ABN 81 763 914 979

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

TOWNSVILLE HOSPITAL FOUNDATION
ABN 81 763 914 979

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General Information	

These financial statements cover the Townsville Hospital Foundation.

The Townsville Hospital Foundation is a Hospital Foundation established under the provisions of the Hospital Foundations Act 1982.

The Foundation is controlled by the State of Queensland which is the ultimate parent.

The object of the foundation is to acquire, manage and apply property and income to continuing objects within or associated with the Townsville General Hospital in respect of the health and well-being of people, provision of improved facilities for education in medicine, and preventative medicine, the discovery of the nature, origins and causes of disease, research into and development of branches of medical and other health sciences, technological research with a view to general improvement in health services and the production and marketing of results of research and development.

The principal place of business of the foundation is:

Townsville Hospital Foundation
Townsville Hospital
100 Angus Smith Drive
Douglas QLD 4814

For information in relation to the Foundation's Financial Statements :

Phone : 07 4796 1337
Facsimile: 07 4796 1347
E-Mail: simone@thfoundation.org.au
Web Site: www.thfoundation.org.au

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

TOWNSVILLE HOSPITAL FOUNDATION
ABN 81 763 914 979

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2010

	Note	2010 \$	2009 \$
Income from Continuing Operations			
Revenue	2	423,284	430,890
Grant Income		<u>59,899</u>	<u>128,358</u>
Total Income from Continuing Operations		483,183	559,247
 Employee benefits expense	3	(120,865)	(149,584)
Administration Expenses		(6,965)	(8,617)
Supplies & Services	3	(387,388)	(280,188)
Other expenses		<u>(945)</u>	<u>(27,785)</u>
Total Expenses from Continuing Operations		<u>(516,163)</u>	<u>(466,174)</u>
Operating Result from Continuing Operations		<u>(32,980)</u>	<u>93,074</u>
 Total Comprehensive Income		<u>(32,980)</u>	<u>93,074</u>



TOWNSVILLE HOSPITAL FOUNDATION
ABN 81 763 914 979

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2010

	Note	2010 \$	2009 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	1,481,653	1,503,746
Trade and other receivables	6	103,077	11,840
Other current assets	7	5,796	11,591
TOTAL CURRENT ASSETS		<u>1,590,526</u>	<u>1,527,177</u>
TOTAL ASSETS		<u><u>1,590,526</u></u>	<u><u>1,527,177</u></u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	58,198	54,349
Other	9	92,480	-
TOTAL CURRENT LIABILITIES		<u>150,678</u>	<u>54,349</u>
TOTAL LIABILITIES		<u><u>150,678</u></u>	<u><u>54,349</u></u>
NET ASSETS		<u><u>1,439,848</u></u>	<u><u>1,472,828</u></u>
EQUITY			
Accumulated Surplus		<u>1,439,848</u>	<u>1,472,828</u>
TOTAL EQUITY		<u><u>1,439,848</u></u>	<u><u>1,472,828</u></u>

TOWNSVILLE HOSPITAL FOUNDATION
ABN 81 763 914 979

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2010

	Accumulated Surplus \$	Total \$
Balance at 1 July 2008	1,379,755	1,379,755
Operating Result from Continuing Operations	<u>93,073</u>	<u>93,073</u>
Balance at 30 June 2009	<u>1,472,828</u>	<u>1,472,828</u>
Operating Result from Continuing Operations	<u>(32,980)</u>	<u>(32,980)</u>
Balance at 30 June 2010	<u><u>1,439,848</u></u>	<u><u>1,439,848</u></u>



TOWNSVILLE HOSPITAL FOUNDATION
ABN 81 763 914 979

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2010

	Note	2010 \$	2009 \$
Cash flows from operating activities			
Receipts from Gifts and Donations		252,562	233,990
Receipts from Grant Income		59,899	128,358
Receipts from Fundraising Activities		102,095	128,093
Interest Received		25,071	64,132
Rental Income		44,799	34,792
Payments to Suppliers and Employees		(400,027)	(336,740)
Payments in relation to Reserach Expenses		(106,493)	(102,820)
Net cash used in operating activities	14	<u>(22,094)</u>	<u>149,805</u>
Net decrease in Cash and cash equivalents held		(22,094)	149,805
Cash and cash equivalents at beginning of year		<u>1,503,746</u>	<u>1,353,941</u>
Cash and cash equivalents at end of year	14	<u><u>1,481,652</u></u>	<u><u>1,503,746</u></u>



TOWNSVILLE HOSPITAL FOUNDATION
ABN 81 763 914 979

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

Objectives and Principal Activities of the Foundation

The object of the foundation is to acquire, manage and apply property and income to continuing objects within or associated with the Townsville General Hospital in respect of the health and well-being of people, provision of improved facilities for education in medicine, and preventative medicine, the discovery of the nature, origins and causes of disease, research into and development of branches of medical and other health sciences, technological research with a view to general improvement in health services and the production and marketing of results of research and development.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of Compliance

The Townsville Hospital Foundation has prepared these financial statements in compliance with section 43 of the Financial and Performance Management Standard 2009.

These financial statements are general purpose and financial statements, and have been prepared on an accrual basis in accordance with Australian Accounting Standards and Interpretations. In addition, the financial statements comply with Treasury's Minimum Reporting Requirements for the year ending 30 June 2010, and other authoritative pronouncements.

With respect to compliance with Australian Accounting Standards and Interpretations, the Townsville Hospital Foundation has applied those requirements applicable to not-for-profit entities, as the Townsville Hospital Foundation is a not-for-profit entity. Except where stated, the historical cost convention is used.

(b) The Reporting Entity

The financial statements cover the Townsville Hospital Foundation as an individual entity. Townsville Hospital Foundation is a statutory body in Australia under the *Hospitals Foundation Act 1982*.

(c) Income Tax

The entity is a State body as defined under the Income Tax Assessment Act 1936 and is exempt from Commonwealth taxation with the exception of Fringe Benefits Tax (FBT) and Goods and Services Tax (GST).

FBT and GST are the only taxes accounted for by the Townsville Hospital Foundation. GST credits receivable from, and GST payable to the ATO, are recognised (refer to note 8).

(d) Financial Instruments

Recognition

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

Classification

Financial instruments are classified and measured as follows:

- Cash and Cash Equivalents
- Trade and Other Receivables - held at amortised cost
- Trade and Other Payables - held at amortised cost.



TOWNSVILLE HOSPITAL FOUNDATION
ABN 81 763 914 979

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

The entity does not enter into transactions for speculative purposes, nor for hedging. Apart from cash and cash equivalents, the entity holds no financial assets classified at fair value through profit and loss.

All other disclosures relating to the measurement and financial risk management of financial instruments held by the entity are included in Note 12.

(e) Employee Benefits

A liability is recognised for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Employees of the Foundation are members of either AMP or SunSuper. Contributions made on behalf of employees into their respective superannuation schemes are charged and expensed as the contributions are paid or become payable.

(f) 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.

(g) Receivables

Trade and other receivables 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. All known bad debts were written-off as at 30 June.

(h) Revenue and Other Income

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets is the rate inherent in the instrument.

All revenue is stated net of the amount of goods and services tax (GST).

Grants, contributions, donations and gifts that are non-reciprocal in nature are recognised as revenue in the year in which the entity obtains control over them. Where grants are received that are reciprocal in nature, revenue is recognised over the term of the funding arrangement.

Contributed assets are recognised at their fair value. Contributions of services are recognised only when a fair value can be determined reliably and the services would be purchased if they had not been donated.

TOWNSVILLE HOSPITAL FOUNDATION
ABN 81 763 914 979

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

(i) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flow on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(j) Comparative Figures

When required by Accounting Standards, comparative figures would be adjusted to conform to changes in presentation for the current year. No adjustments were required to be made to comparative figures.

(k) Rounding

Amounts included in the financial statements are in Australian dollars and have been rounded to the nearest \$1

(l) Services Received Free of Charge or for Nominal Value

Contributions of services are recognised only if the services would have been purchased if they had not been donated and their fair value can be measured reliably. Where this is the case, an equal amount is recognised as revenue and an expense.

(m) Trade and Other Payables

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

(n) Issuance of Financial Statements

The financial statements are authorised for issue by the Chairman and Foundation Manager at the date of signing the Certificate of the Townsville Hospital Foundation.

(o) Judgements

The preparation of financial statements necessarily requires the determination and use of certain critical accounting estimates, assumptions, and management judgements that have the potential to cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Such estimates, judgements 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 future periods as relevant. There are no assumptions that have a potential significant effect on the financial statements.

(p) New and Revised Accounting Standards

The Foundation did not voluntarily change any of its accounting policies during 2009-10. Those new and amended Australian accounting standards that were applicable for the first time in the 2009-10 financial year and that had a significant impact on the Foundation's financial statements are as follows.

TOWNSVILLE HOSPITAL FOUNDATION
ABN 81 763 914 979

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

The Townsville Hospital Foundation complied with the revised AASB 101 Presentation of Financial Statements as from 2009- 10. This revised standard does not have any measurement or recognition implications. Pursuant to the change of terminology used in the revised AASB 101, the Balance Sheet is now re-named to the Statement of Financial Position, and the Cash Flow Statement has now been re-named to Statement of Cash Flows. The former Income Statement has been replaced by a Statement of Comprehensive Income. In line with the new concept of 'comprehensive income', the bottom of this new statement contains certain transactions that previously were detailed in the Statement of Changes in Equity (refer to the items under the sub-heading "Other Comprehensive Income" in the new Statement of Comprehensive Income). The Statement of Changes in Equity now only includes details of transactions with owners in their capacity as owners, in addition to the total comprehensive income for the relevant components of equity.

The Foundation is not permitted to early adopt a new or amended accounting standard ahead of the specified commencement date unless approval is obtained from the Treasury Department. Consequently, the Foundation has not applied any Australian accounting standards and interpretations that have been issued but are not yet effective. The Foundation applies standards and interpretations in accordance with their respective commencement dates.

At the date of authorisation of the financial statements, the Foundation does not expect any material impact from the future application of the following new or amended Australian accounting standards with future commencement dates as set out below.

<i>Title</i>	<i>Operative for reporting periods beginning</i>
<i>AASB 9 Financial Instruments, AASB 2009-911 Amendments to Australian Accounting Standards arising from AASB 9</i>	1 January 2013
<i>AASB 124 Related Party Disclosures (revised December 2009), AASB 2009-12 Amendments to Australian Accounting Standards</i>	1 January 2011
<i>AASB 2009-5 Further amendments to Australian Accounting Standards arising from the Annual Improvements Project</i>	1 January 2010
<i>AASB 2009-8 Amendments to Australian Accounting Standards - Group Cash-settled Share-based Payment Transactions</i>	1 January 2010
<i>AASB 2009-10 Amendments to Australian Accounting Standards - Classification of Rights Issue [AASB 132] (October 2010)</i>	1 February 2010
<i>AASB 2009-14 Amendments to Australian Interpretation - Prepayments of a Minimum Funding Requirement</i>	1 January 2011
<i>Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments</i>	1 July 2010

TOWNSVILLE HOSPITAL FOUNDATION
ABN 81 763 914 979

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

	Note	2010 \$	2009 \$
2. REVENUE			
Revenue			
Gifts and Donations		252,562	233,990
Fundraising		56,535	19,334
Interest received		25,071	64,132
Rent Received		44,799	34,792
Other revenue		44,317	78,642
Total Revenue		<u>423,284</u>	<u>430,890</u>

3. EXPENSES

a) Employee benefits expense

Employee benefits expense			
Salaries and wages		111,273	141,042
Superannuation contributions - employees		9,592	8,542
		<u>120,865</u>	<u>149,584</u>

The number of employees including both full-time employees and part-time employees measured on a full-time equivalent basis is:

2.5 2.5

b) Supplies & Services

Conference Expenses	18,175	10,377
Donated Assets	181,849	91,794
Function Expenses	51,026	46,387
Insurance	4,063	5,539
Marketing	12,836	3,233
Motor vehicle expenses	5,256	5,409
Printing and stationery	8,317	7,392
Research Expenses	94,623	102,820
Other	11,244	7,237
	<u>387,388</u>	<u>280,188</u>

4. AUDITORS REMUNERATION

Auditors' remuneration	4,000	5,745
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Total external audit fees relating to the 2009-10 financial year are estimated to be \$5,400 (2009: \$5,726). There are no non-audit services included in this amount.



TOWNSVILLE HOSPITAL FOUNDATION
ABN 81 763 914 979

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

	Note	2010 \$	2009 \$
5. CASH AND CASH EQUIVALENTS			
Term Deposits - Foundation		396,748	394,417
Term Deposits - Research		525,000	525,000
Undeposited Funds		4,455	-
Cash at bank - Foundation		226,740	227,088
Cash at bank - Research		328,710	357,241
		<u>1,481,653</u>	<u>1,503,746</u>
6. TRADE AND OTHER RECEIVABLES			
CURRENT			
Trade receivables		103,077	11,840
Credit risk			
Trade and term receivables			
Past due and impaired		0	0
Past due but not impaired:			
< 30 days overdue		89,591	5,980
31 - 60 days overdue		1,600	1,760
61 - 90 days overdue		8,050	3,000
> 90 days overdue		3,836	1,100
Gross amount		<u>103,077</u>	<u>11,840</u>
7. OTHER ASSETS			
CURRENT			
Accrued Interest		3,106	9,363
Prepayments		2,690	2,228
		<u>5,796</u>	<u>11,591</u>

TOWNSVILLE HOSPITAL FOUNDATION
ABN 81 763 914 979

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

	Note	2010 \$	2009 \$
8. TRADE AND OTHER PAYABLES			
CURRENT			
Good and services tax		367	3,277
Accrued Expenses		3,910	3,495
Trade creditors		48,243	38,815
Payroll Liabilities		606	1,574
Withholding taxes payable		5,072	7,188
		<u>58,198</u>	<u>54,349</u>
9. OTHER LIABILITIES			
CURRENT			
Unearned Revenue		<u>92,480</u>	<u>-</u>

10. CONTINGENT ASSETS

There were no known contingent assets/liabilities of a significant nature at year end.

11. EVENTS AFTER THE BALANCE SHEET DATE

No events subsequent to the balance sheet date were noted requiring adjustment and disclosure in the financial statements.

12. FINANCIAL INSTRUMENTS

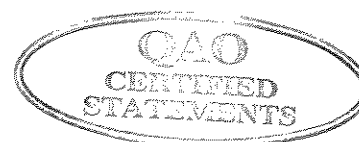
The Foundation's financial instruments consist mainly of deposits with banks, trade and other receivable and trade and other payable.

Financial Assets

Cash and Cash Equivalents	5	1,481,653	1,503,746
Trade and Other Receivables	6	<u>103,077</u>	<u>11,840</u>
		<u>1,584,730</u>	<u>1,515,586</u>

Financial Liabilities

Trade and Other Payables	8	<u>58,198</u>	<u>54,349</u>
		<u>58,198</u>	<u>54,349</u>



TOWNSVILLE HOSPITAL FOUNDATION
ABN 81 763 914 979

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

Financial Risk Management Policies

The main risks the foundation is exposed to through its financial instruments are interest rate risk, credit risk, liquidity risk and market risk.

The Board has overall responsibility for the establishment and oversight of the risk management framework.

The Foundation provides written principles for overall risk management, as well as policies covering specific areas. These policies focus on the unpredictability of financial markets and seek to minimise potential adverse effects on the financial performance of the Foundation.

Townsville Hospital Foundation measures risk exposure using a variety of methods as

Risk Exposure	Measurement method
Market risk	Interest rate sensitivity analysis
Credit risk	Ageing analysis, earnings at risk
Liquidity risk	Sensitivity analysis

Specific Financial Risk Exposures and Management

(a) Market risk

The entity does not trade in foreign currency and is not materially exposed to commodity price changes. The entity is exposed to interest rate risk through its cash deposited in interest bearing accounts. The entity does not undertake any hedging in relation to interest rate risk and manages its risk as per the liquidity risk management strategy.

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at reporting date whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

At 30 June 2010 the Foundation had approximately 98% of total assets held in either deposits held at call with banks or other short-term highly liquid term deposits. The foundation had no borrowings at 30 June 2010.

	Note	2010 \$	2009 \$
Floating rate instruments			
Cash and cash equivalents	5	559,905	584,329
Fixed rate instruments			
Cash and cash equivalents	5	921,748	919,417
		<u>1,481,653</u>	<u>1,503,746</u>

TOWNSVILLE HOSPITAL FOUNDATION
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

Sensitivity Analysis

The foundation has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in this risk.

At year end the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	Operating Result	Equity
Year ended 30 Jun 2010		
+/- 2% in interest rates	+/- \$29,633	+/- \$29,633
Year ended 30 Jun 2009		
+/- 2% in interest rates	+/- \$28,575	+/- \$28,575

The above interest rate sensitivity analysis has been performed on the assumption that all other variables remain unchanged.

(b) Liquidity Risk

Liquidity risk refers to the situation where the entity may encounter difficulty in meeting obligations associated with financial liabilities. The entity is exposed to liquidity risk in respect to its payables.

The entity manages liquidity risk through the use of a liquidity management strategy. This strategy aims to reduce the exposure to liquidity risk by ensuring the entity 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 bank accounts so as to match the expected duration of various employee and supplier liabilities.

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

	Note	2010 \$	2009 \$
<i>Financial liability maturity analysis</i>			
		Within 1 Year	
Financial liabilities due for payment			
Trade and other payables	8	58,198	54,349
Total contractual outflows		58,198	54,349
Total expected outflows		58,198	54,349
Net (outflow)/inflow on financial instruments		(58,198)	(54,349)

TOWNSVILLE HOSPITAL FOUNDATION
ABN 81 763 914 979

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

(c) Credit risk

Credit risk is managed through the use of a credit management strategy. This strategy aims to reduce the exposure to credit default by ensuring that the Foundation invests in secure assets and monitors all funds owed on a timely basis. Exposure to credit risk is monitored on an ongoing basis.

Credit risk exposures

The foundation is exposed to credit risk through its investments with the Commonwealth Bank, Queensland Country Credit Union and the Trust Company Limited . The Commonwealth Bank and Queensland Country Credit Union are highly rated/regulated banks and whilst not capital guaranteed, the likelihood of credit failure is remote. The Trust Company limited is an ASX listed company with over \$65bn under custody in property and infrastructure. The likelihood of credit failure is considered remote

The maximum exposure to credit risk by class of recognised financial assets at balance date, excluding the value of any collateral or other security held, is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the notes to and forming part of the financial statements at Note 6 .

There are no material amounts of collateral held as security at year end.

The foundation has no significant concentration of credit risk with any single counterparty or group of counterparties.

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality.

The foundation does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the association. The trade receivables balances at current and prior year end do not include any counterparties with external credit ratings.

Fair Values

Fair value estimation

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements. Carrying value approximates fair value unless otherwise disclosed.

13. FOUNDATION DETAILS

The registered office and principal place of business of the Foundation is:

Townsville Hospital Foundation
Townsville Hospital
100 Angus Smith Drive
Douglas QLD 4814

TOWNSVILLE HOSPITAL FOUNDATION
ABN 81 763 914 979

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

14. Reconciliation of operating surplus to Net Cash from Operating Activities

(a) Reconciliation of Cash

Cash at the end of financial year as shown in the Statement of Cash Flows is reconciled to the related items in the statement of financial position as follows:

Cash at Bank	559,904	584,328
Short term deposits	921,748	919,417
	<u>1,481,652</u>	<u>1,503,745</u>

(b) Reconciliation of cash flow from operations with profit from operations

Operating Result from Continuing Operations	(32,980)	93,073
Change in assets and liabilities:		
(Increase)/Decrease in Trade and Other Receivables	(91,237)	30,118
(Increase)/Decrease in Other Assets	5,794	6,851
Increase/(Decrease) in Trade and Other Payables	3,849	19,763
Increase/(Decrease) in Unearned Revenue	92,480	-
Net cash provided by (used in) operating activities	<u>(22,094)</u>	<u>149,805</u>

15. Commitments

The foundation does not have any commitments which are not disclosed in the financial statements.

TOWNSVILLE HOSPITAL FOUNDATION
ABN 81 763 914 979

CERTIFICATE OF THE TOWNSVILLE HOSPITAL FOUNDATION

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

- a) the prescribed requirements for establishing and keeping accounts have been complied with in all material respects; and
- b) the statements present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Townsville Hospital Foundation for the financial year ended 30 June 2010 and of the financial position of the Foundation at the end of that year.

A/ Chairman 
Vic Callanan

Foundation Manager 
Simone Ryan

Dated this 24 day of November 2010

INDEPENDENT AUDITOR'S REPORT

To the Board of the Townsville Hospital Foundation

Report on the Financial Report

I have audited the accompanying financial report of the Townsville Hospital Foundation which comprises the statement of financial position as at 30 June 2010, 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 Foundation Manager

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 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.

Basis for Qualified Auditor's Opinion

Donation revenue, reported in Note 2 as \$252,562 (2009: \$ 233,990), is a significant source of revenue for the Townsville Hospital Foundation. Due to the inherent nature of donations received, the Foundation has determined that it is impracticable to establish controls over the collection of donations prior to entry into its financial records. Accordingly, as the evidence available to me regarding revenue from this source was limited, my audit procedures with respect to donations had to be restricted to the amounts recorded in the financial records. I am therefore unable to and do not express an opinion on the completeness of donation revenue and whether all donations received by the Foundation have been brought to account and recorded in the financial report. My report for 2008-09 was also qualified on this basis.


Qualified Auditor's Opinion

In accordance with s.40 of the *Auditor-General Act 2009*, except for the effect of such adjustments, if any, as may have been determined to be necessary had I been able to satisfy myself as to the completeness of donation revenue, I certify that -

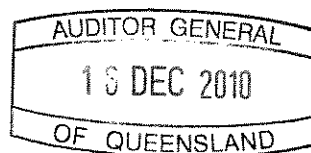
- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion –
 - (i) the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and
 - (ii) the financial report has been drawn up so as to present a true and fair view, in accordance with the prescribed accounting standards of the transactions of the Townsville Hospital Foundation for the financial year 1 July 2009 to 30 June 2010 and of the financial position as at the end of that year.

Emphasis of Matter – Section 45 of the Financial and Performance Management Standard 2009

Without further qualification to the opinion expressed above the Board of the Townsville Hospital Foundation has not met the requirement in section 45 of the *Financial and Performance Management Standard* in relation to the completion and audit of the financial statements within two months of the end of the financial year. This has had no financial effect on the information presented in the financial statements.



G G POOLE FCPA
Auditor-General of Queensland



Queensland Audit Office
Brisbane

INDEPENDENT AUDITOR'S REPORT

To the Board of the Townsville Hospital Foundation

Matters Relating to the Electronic Presentation of the Audited Financial Report

The auditor's report relates to the financial report of Townsville Hospital Foundation for the financial year ended 30 June 2010 included Townsville Hospital Foundation's website. The Board is responsible for the integrity of Townsville Hospital Foundation's website. I have not been engaged to report on the integrity of the Townsville Hospital Foundation's website. The auditor's report refers only to the statements named below. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report, available from Townsville Hospital Foundation, to confirm the information included in the audited financial report presented on this website.

These matters also relate to the presentation of the audited financial report in other electronic media including CD Rom.

Report on the Financial Report

I have audited the accompanying financial report of the Townsville Hospital Foundation which comprises the statement of financial position as at 30 June 2010, 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 Foundation Manager

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 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.

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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.

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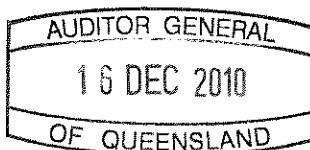
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G G POOLE FCPA
Auditor-General of Queensland



Queensland Audit Office
Brisbane