

2013 Annual Report Toowoomba Hospital Foundation



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Public Availability

An online version of this report is available on our website www.toowoombahospitalfoundation.org.au/annual-reports.

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Interpreter Service



The Queensland Government is committed to providing accessible services to Queenslanders from all culturally and linguistically diverse backgrounds. If you have difficulty in understanding the annual report, you can contact us on (07) 46166166 and we will arrange an interpreter to effectively communicate the report to you.

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Content from this annual report should be attributed as: The Toowoomba Hospital Foundation Annual Report 2012-2013.

Wednesday 4 September 2013

The Honourable Lawrence Springborg MP
Minister for Health
GPO Box 48
BRISBANE QLD 4001

Dear Minister

I am pleased to present the Annual Report 2012 -2013 and financial statements for the Toowoomba Hospital Foundation.

I certify that this annual report complies with:

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

A checklist outlining the annual reporting requirements can be found at pages 13 and 14 of this annual report.

Yours sincerely



Raymond F. Taylor
Chairman
TOOWOOMBA HOSPITAL FOUNDATION

Chairman's Report

It is with pleasure that I present the annual Chairman's report for the 2012/2013 financial year. While tough economic times continued to test our local community and significant changes across Queensland Health have challenged our health service staff, the Toowoomba Hospital Foundation forged ahead, strongly supporting our local hospital and health services.

Once again we have enjoyed enormous success with our fundraising programme, which keeps the Foundation well connected to our local community. Our business base of car parking and the Toowoomba Hospital coffee shop/cafeteria have grown considerably to provide a very healthy income for the Foundation. Our partners Compass/Eurest and Metro Parking continue to provide first-class quality management and service and this, in turn, provides profitable returns. These partnerships have enabled major donations to the hospital and health services and have sustained the operation of the Foundation.

The Board of Directors continued to provide valuable leadership, knowledge and experience to ensure that informed decisions were made as to where the funds raised were directed. I'm extremely pleased to report that more than \$760,000 has been injected into the Toowoomba Hospital and local health services in the past financial year.

All this could not happen if it wasn't for the sustained support of a very generous community. Community groups, service clubs, corporate and business sponsors, and donors all combine to ensure our success. Once again I would like to pay special tribute to our Buddhist friends from the Pure Land Learning College who provide a significant contribution annually towards research and education at the Toowoomba Hospital.

The Foundation has forged a strong relationship with the newly formed Darling Downs Hospital and Health Board. We have already begun to work closely with Chairman, Mike Horan, and his Board to ensure we play a part in the sustained and coordinated improvement of health services in the region.

As Chairman, I feel very humbled and privileged to be afforded the honour of leading such an astute and dedicated team and I am truly indebted to each and every one of my fellow Board Directors. Their loyalty as a voluntary group speaks volumes of the spirit that exists to ensure that the community is well served.

The most valuable assets of any successful business are its staff and the Toowoomba Hospital Foundation is very well served in that regard. CEO Peter, with his team of Anna, Pam, Rosemary, and Tammy provide the drive that is needed for the Foundation to enjoy yet another successful and fruitful year. I'm sure I speak for all Board Directors when I say "thank you and well done".

In closing, I reaffirm my commitment to the community as Chairman of the Foundation, and I look forward to fulfilling this role into the future.

Raymond F. Taylor
Chairman

Chief Executive Officer's Report

There has been a huge increase in our fundraising activity for 2012/13. The generosity of our local community is well documented with Toowoomba and the Darling Downs region being recognised as one of Australia's most generous and giving communities.

The Toowoomba Hospital Foundation thanks all of our supporters, sponsors and donors who enable the Foundation to carry out its vision and mission. This year's totals in our major fund raising events were well beyond our expectations with the annual Radio 4GR (Austereo) Give Me 5 For Kids promotion rising to a record \$105,000; the Fitzy's on Church Colour of Change luncheon for Breast Cancer Queensland at Toowoomba Hospital jumping to \$25,000; the children's dancing extravaganza, A Christmas Wish, raising \$16,000; the annual Renal Race Day raising \$8,000; Toowoomba's Christmas Wonderland donated an impressive \$25,000; and Woolworths fundraising 2012 reached a very sound \$51,000. The Foundation is also very grateful to the Pure Land Learning College who annually contribute \$120,000 for Novice Research Grants.

The employment of a part-time Events Manager for the Foundation from December 2012 has proven very successful and obviously has had an impact on the increase in fundraising.

Financially the Toowoomba Hospital Foundation enjoyed another profitable year, with fundraising and donations totalling \$850,257, car parking raised \$778,396 and the coffee shop raised \$113,619.

Overall, the Foundation continues to grow and provides outstanding support for our hospital and health services. For example grants in 2012/2013 amounted to just over \$410,000, including education, training and professional development - \$70,500; supplies, equipment and facilities enhancement - \$107,000; scholarships - \$36,000; rural and remote health awards and research (incorporating the Louis Ariotti Award) - \$30,000; and health and medical research, \$168,439.

The Toowoomba Hospital Foundation has also made a number of special donations and provided funding for a variety of projects and programs, including:

USQ Nursing Student Bursary:

The Rural Nurses Clinical Placement program conducted by USQ places nurses in various rural and remote hospitals throughout Queensland and the \$50,000 Bursary allows eligible student nurses to apply for funds to offset costs with their clinical training.

University of Queensland Rural Clinical School, Toowoomba Hospital Campus:

The Foundation committed funding of \$100,000 for the development of a dedicated multipurpose/inter-professional centre for simulation and immersive teaching and learning at the UQRCS site at 154 West Street, Toowoomba.

Incentive Scheme for Private Patients to attend Toowoomba Hospital:

The Foundation donated \$10,000 to this project by way of providing complimentary parking and coffee vouchers to encourage patients to undertake private health cover for their treatment at the Toowoomba Hospital. This has increased revenue dramatically for the Toowoomba Hospital.

Peter Rookas
Chief Executive Officer

The Role of the Toowoomba Hospital Foundation

The Toowoomba Hospital Foundation is a non-profit, charitable organisation that exists to promote the activities and services of the Toowoomba Hospital, Mt Lofty Heights Nursing Home and Baillie Henderson Hospital.

Our vision:

Connecting with our community to assist our local hospitals.

Our mission:

- Support and promote the services of the Toowoomba Hospital, Baillie Henderson Hospital and Mt Lofty Heights Nursing Home and promote the integration of the three facilities into the Toowoomba community.
- Support the pursuit of excellence in service and people's health outcomes by improving facilities, equipment, research and development, and education and training in regional and remote health services in Queensland and Australia.

Our values:

We are committed to achieving excellence in what we do as one of the most recognised and supported charities in the Toowoomba and Darling Downs region, where trust and respect is valued and to inform, consult and engage with our community and key stakeholders in a transparent, ethical and responsive way. We value our donors, our sponsors and our reputation.

The Foundation is a statutory body incorporated under the Hospital Foundations Act 1982 (Qld). Originally formed as the Darling Downs Health Services Foundation in June 1991, a name change under the provisions of the Act saw the emergence of the Toowoomba Hospital Foundation in October 1996.

The Toowoomba Hospital Foundation office is situated on the Toowoomba Hospital Campus at 41 Joyce Street, Toowoomba.

Our Operating Environment

The Toowoomba Hospital Foundation has engaged the community and stakeholders about the importance of supporting local hospitals and health services of the region through a number of specific fundraising events. The Renal Unit race day raised money for the Toowoomba Hospital Renal Unit, the Colour of Change luncheon raised money and support for BreastScreen Queensland Toowoomba Service, 4GR's Give Me 5 for Kids Appeal and the Toowoomba Hospital Children's Appeal raise money for children's health services at the Toowoomba Hospital, and the It's a Bloke Thing luncheon raised money and support for men's health.

The funds we disperse are mainly provided from the profits of the business base of the Foundation, however partnerships developed with the Foundation for fundraising events also contribute significantly for equipment, staff development and programs conducted by the Toowoomba Hospital. In 2012/2013, the total amount of support through these initiatives amounted to just over \$409,000. The Foundation is grateful to the local community for helping us reach this total. While we have experienced significant population growth in Toowoomba and the surrounding region, tough economic times for families and political uncertainty in the lead up to the announcement of the federal election have resulted in people being cautious with their discretionary spending.

We have raised awareness in the community of the role the Foundation plays in assisting the Toowoomba Hospital and health services of the region through regular and consistent media coverage, communication with our stakeholders, having a presence at appropriate events, and assisting other organisations where appropriate.

The Board of Directors has continued to focus on the Foundation's contribution to the Darling Downs Hospital and Health Service District as a key driver in its decision making process.

There have been no machinery of government changes in Queensland to affect the Foundation's operating environment.

The Toowoomba Hospital Foundation held 10 board meetings during the 2013/13 financial year.

Support for the Queensland Government's community objectives

Getting Queensland back on track outlines five pledges:

- Grow a four pillar economy;
- Lower the cost of living;
- Invest in better infrastructure and better planning;
- Revitalise front-line services; and
- Restore accountability in government.

The Toowoomba Hospital Foundation supports these community objectives by:

- Delivering effective donor and client services;
- Understanding our donors and clients and responding to their needs;
- Educating and informing our community on their rights and responsibilities;
- Leading and supporting the community's understanding of our role with research and development;
- Building the Foundation's capability to deliver services now and into the future; and
- Maintaining accountability and financial sustainability.

Support for Queensland's Blueprint for Better Healthcare

The Toowoomba Hospital Foundation supports the Queensland Government's commitment to ensuring better healthcare outcomes for Queenslanders. The Foundation partners with staff across the Darling Downs Hospital and Health Service District to assist with the four principle themes listed in the blueprint by providing funding for equipment, services, facility enhancement and staff education to ensure that the local health system meets the needs of generations to come.

The *Blueprint for better healthcare in Queensland* has four principle themes and the Toowoomba Hospital Foundation is actively supporting these.

Health services focused on patients and people

Patients and staff are at the centre of all the Foundation does. In conjunction with management and staff of the Darling Downs Hospital and Health Service District, the Foundation provides funding to help staff provide the best services they can to the patients and their families who access our facilities. This funding is used to purchase equipment, improve facilities, and educate staff.

Empowering the community and our health workforce

The Foundation funds a number of staff development programs, ensuring that all of our staff are afforded the most up to date training and opportunities to learn, thus ensuring that the

community is provided with the best in health care. As well as supporting Queensland Health staff, the Foundation also actively supports the Toowoomba Hospital volunteers program, an invaluable resource that greatly assists healthcare staff in providing compassionate, people-focused care.

Providing Queenslanders with value in health services

The Foundation has been working very closely with the new Darling Downs Hospital & Health Board to ensure the best health outcomes for our community are achieved and will provide financial support to the Board from fund raising conducted in our region. The Foundation and its Board, through its prudent decision making process, ensures that all funds raised are used to best serve the health service, its staff and the community.

Investing, innovating and planning for the future

We collaborate with a large number of organisations, companies and individuals to help drive investment toward creating a world-class healthcare system across Toowoomba and the Darling Downs. The Foundation's funding for staff development, education and training actively supports the creation of a highly-skilled, capable and sustainable workforce. Through our connection with the Darling Downs Hospital and Health Board, we are able to assist with the financing of appropriate infrastructure investment that will be serve our patients, staff and the wider community.

Our Objectives and Performance Indicators

The table below sets out the Foundation's objectives, performance indicators and strategies, as outlined in our 2012-2016 strategic plan, which can be found at: <http://www.toowoombahospitalfoundation.org.au>.

	Objectives	Performance Indicators	Strategies
Our Donors	Deliver effective donor/ client services	Deliver services within agreed standards	Provide high quality and timely services to donors/clients
	Understand our donor/ clients and respond to their needs	Highly satisfied donors/clients	Engage with clients to identify & understand their needs Develop & implement a client focused service delivery model
Our Community	Educate and inform the sector on their rights & responsibilities	High levels of community awareness	Develop and deliver information for the community using diverse means
	Lead & support the community's understanding of our role with research and development	Stakeholders are satisfied with the operation management.	Develop broader and stronger relationships with the community Identify & respond to challenges in the community
Our Organisation	Build the Foundation's capability to deliver services now and into the future	Maintain staff satisfaction levels	Encourage leadership & support professional development of our staff Review working arrangements to better meet client & organisational needs Develop & implement improved business processes & supporting systems
	Maintain accountability & financial sustainability	Achieve sound audit results	Continually improve corporate support processes that balance governance requirements with business needs Monitor & enhance financial strategies to maintain sustainability

The Toowoomba Hospital Foundation enjoyed another profitable year, with fundraising and donations amounting to \$850,257.

The amount of money the Foundation has generated through donations and our business operations and the amount of money we have been able to disperse through equipment

purchases and staff education, coupled with our prudent spending decisions, continues to represent excellent value for money.

Overall, the Toowoomba Hospital Foundation continues to grow and provide outstanding support for the hospitals and health services of the region.

Our Financial Performance

The Toowoomba Hospital Foundation has met the minimum financial responsibilities as per the Financial Accountability Act 2009. The Foundation has also developed a Financial Management Practice Manual in accordance with Queensland Health's Financial Performance Management Standard 2009 to ensure the necessary financial systems and processes are undertaken to enable the Foundation to fulfil its role as an independent statutory body. By following these controls the Foundation operates efficiently, effectively and economically.

As a statutory body the Toowoomba Hospital Foundation is subject to the provisions of the Financial Accountability Act 2009 and the Financial and Performance Management Standard 2009 and is audited annually by the Queensland Audit Office and the Auditor General. The Foundation is endorsed by the Australian Tax Office as a Deductible Gift Recipient and an Income Tax Exempt Charity under the Income Tax Assessment Act 1997. It is also endorsed for GST concessions under a New Tax System (Goods and Services Tax) Act 1999 and it is exempted under the Fringe Benefits Tax Assessment Act 1986.

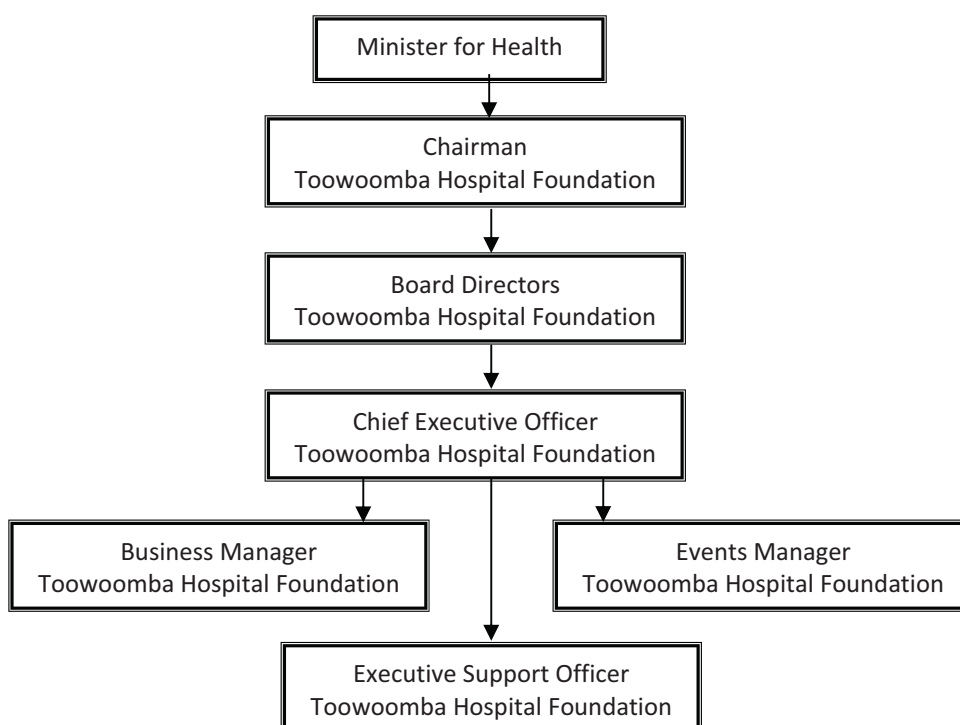
Our Organisational Structure

Executive management

The day to day executive management of the Foundation is undertaken by the Chief Executive Officer and staff who ensure the effective implementation of strategies as approved by the Board of Directors. The Chief Executive Officer is responsible for providing a written report to the Board at each of the monthly Board meetings.

Organisational structure

The structure of the Toowoomba Hospital Foundation is depicted here:



Foundation staff

Peter Rookas	Chief Executive Officer
Anna-Louise Sauverain	Business Manager
Pamela Hammond	Executive Support Officer
Rosemary Davis	Business Manager
Tammy Wilson	Events Manager

Our Board of Directors

The Chairperson, Deputy Chairperson and members of the Toowoomba Hospital Foundation Board have been approved by Her Excellency the Governor, acting by and with the advice of the Executive Council and under the provisions of the Hospital Foundations Act 1982 (Qld) for the terms specified below:

For a term of two years commencing on 2 December 2011 – expiring 2 December 2013	For a term of four years commencing on 2 December 2011 – expiring 2 December 2015
Mr Raymond Taylor (chairperson)	Dr Peter Bristow
Dr Roslyn Reilly	Mr Andrew Wielandt (deputy chairperson)
Mr Horst Brosi	Mr Peter Sedl
Ms Brenda Tait	Mr Jamie Spencer (resigned)
Mr Lewis Rowling	Ms Megan O'Hara Sullivan

Mr Mike Horan was appointed Chairman of the Darling Downs Hospital and Health Board in May 2012 and as per the Act, becomes a member of the Toowoomba Hospital Foundation Board.

The Toowoomba Hospital Foundation held 10 Board Meetings during the 2012/13 financial year.

Name	No. Attended	Name	No. Attended
Ray Taylor - Chair	8	Brenda Tait	4
Andrew Wielandt	6	Dr Peter Bristow	5
Dr Ros Reilly	8	Lewis Rowling	4
Horst Brosi	5	Peter Sedl	8
Jamie Spencer	6	Mike Horan	6
Megan O'Hara Sullivan	10	Peter Rookas – CEO	7

The Role of the Board

The Toowoomba Hospital Foundation is governed by a voluntary Board of Directors, appointed by the Governor in Council and drawn from the general, business, medical and university communities. The Board Directors give of their time and expertise freely and without remuneration. They are responsible for the overall strategic direction of the Foundation, overseeing the operation and establishment of policies and procedures.

The Board and management have the responsibility of ensuring that monies provided by donors, sponsors and the general public are effectively and efficiently managed.

The role of the Board includes and is not limited to:

- Maintaining high levels of accountability to stakeholders and external regulators
- Raising awareness of the Foundation to the community
- Providing assistance with strategic direction and developing policies, plans and budgets

- Assessing and approving applications for funding for equipment, education, research and support to the hospitals and health services
- Monitoring risk and ensuring there is effective risk management controls and reporting procedures
- Ensuring the Foundation acts legally, ethically, responsibly, and transparently.

Board Directors attend monthly meetings and oversee the financial performance and corporate governance of the Foundation. A budget is prepared for acceptance at the commencement of each financial year. A comprehensive financial report is provided each month prior to meeting, for Directors to review the Foundation's day to day business.

Directors assist staff in determining effective internal controls and oversee all contractual matters including the management and operation of the Toowoomba Hospital car park and coffee shop cafeteria.

Applications for funding are considered by the Directors at each monthly board meeting.

A sub-committee of representatives from the community, health service, university and Foundation, oversee the selection process & distribution of funds for research initiatives for the year.

Together with the CEO, the Board develops and oversees fundraising projects with an emphasis on raising the awareness of the needs of the hospital and health services.

To the best of the knowledge of the Board, during the course of the last financial year there have been no breaches of the Hospital Foundations Act 1982 (Qld) or other legislation.

Ethics and Conduct

The Toowoomba Hospital Foundation operates in line and complies with the District Health Services Award and is currently developing a code of conduct for staff and Board members to align with the Public Sector Ethics Act 1994. The Foundation complies with and utilises contemporary human resource management, health and safety, equal employment opportunity and anti-discrimination requirements.

Risk Management

The Toowoomba Hospital Foundation is mindful that risk is inherent in all activities, functions and the day to day operation of the organisation. A risk management policy has been developed and implemented for the organisation. Among other things, the Foundation ensures that it maintains adequate insurance cover, reviews health and safety measures, and reviews and maintains a business continuity plan.

External Scrutiny

The Foundation has been audited by the Queensland Audit Office and no significant issues were identified. No other external bodies have reported any significant findings.

Internal Audit

The Foundation's Board and management have the responsibility of ensuring that monies provided by donors, sponsors and the general public are effectively and efficiently managed.

Board Directors assist staff in determining effective internal controls and oversee all contractual matters including the management and operation of the Toowoomba Hospital car park and coffee shop cafeteria.

Applications for funding are considered by the Directors at each monthly Board meeting.

A sub-committee of representatives from the community, health service, university and Foundation, oversee the selection process & distribution of funds for research initiatives for the year.

Information Systems and Record Keeping

The Toowoomba Hospital Foundation ensures that, under the Public Records Act 2002, all public records that have enduring value created by the Foundation are captured and maintained by our record keeping systems.

Human Resources

Workforce planning, attraction and retention and performance

The Toowoomba Hospital Foundation is an equal opportunity employer where people of all ages, genders and cultural backgrounds have equal opportunity for recruitment, promotion, remuneration, and responsibilities.

The attraction of talented applicants to the Foundation is vital to ensuring the ongoing success and growth of the Foundation and to ensure that the aims and mission of the Foundation are achieved. Further study and education opportunities are offered to Foundation staff on an annual basis.

The Foundation offers flexibility in work hours for staff to ensure a balance in work and family commitments. Four of the Foundation's five current staff members are all long serving employees.

Glossary

ARR	Annual Report Requirements for Queensland Government Agencies
DDHHS	Darling Downs Hospital and Health Service
FAA	Financial Accountability Act 2009
FMPS	Financial Practice Management Standard 2009
GM5FK	Give Me 5 For Kids
TH	Toowoomba Hospital
THCA	Toowoomba Hospital Children's Appeal
THF	Toowoomba Hospital Foundation
UQRCS	University of Queensland Rural Clinical School

COMPLIANCE CHECKLIST – ANNUAL REPORT

Summary of requirement		Basis for requirement	Annual report reference
Letter of compliance	<ul style="list-style-type: none"> A letter of compliance from the accountable officer or statutory body to the relevant Minister(s) 	ARRs – section 8	2
Accessibility	<ul style="list-style-type: none"> Table of contents 	ARRs – section 10.1	1
	<ul style="list-style-type: none"> Glossary 		12
	<ul style="list-style-type: none"> Public availability 	ARRs – section 10.2	1
	<ul style="list-style-type: none"> Interpreter service statement 	Queensland Government Language Services Policy ARRs – section 10.3	1
	<ul style="list-style-type: none"> Copyright notice 	Copyright Act 1968 ARRs – section 10.4	1
	Information Licensing	Queensland Government Enterprise Architecture – Information licensing ARRs – section 10.5	1
General Information	<ul style="list-style-type: none"> Introductory Information 	ARRS – section 11.1	5
	<ul style="list-style-type: none"> Agency role and main function 	ARRs – section 11.2	5
	<ul style="list-style-type: none"> Operating environment 	ARRs – section 11.3	5
	<ul style="list-style-type: none"> Machinery of Government changes 	ARRs – section 11.4	6
Non-financial performance	<ul style="list-style-type: none"> Government objectives for the community 	ARRs – section 12.1	6
	<ul style="list-style-type: none"> Other whole-of-government plans/specific initiatives 	ARR's – section 12.2	6-7
	<ul style="list-style-type: none"> Agency objectives and performance indicators 	ARRs – section 12.3	7
	<ul style="list-style-type: none"> Agency service areas, service standards and other measures 	ARRs – section 12.4	N/A
Financial performance	<ul style="list-style-type: none"> Summary of financial performance 	ARRs – section 13.1	8
	<ul style="list-style-type: none"> Chief Finance Officer (CFO) Statement 	ARRs – section 13.2	8
Governance – management and structure	<ul style="list-style-type: none"> Organisational structure 	ARRs – section 14.1	8
	<ul style="list-style-type: none"> Executive management 	ARRs – section 14.2	8
	<ul style="list-style-type: none"> Related Entities 	ARRs – Section 14.3	N/A

	<ul style="list-style-type: none"> • Boards and committees 	ARRs – section 14.4	9
	<ul style="list-style-type: none"> • Public Sector Ethics Act 1994 	<i>Public Sector Ethics Act 1994</i> (section 23 and Schedule) ARRs – section 14.5	10
Governance – risk management and accountability	<ul style="list-style-type: none"> • Risk management 	ARRs – section 15.1	10
	<ul style="list-style-type: none"> • External Scrutiny 	ARRs – section 15.2	10
	<ul style="list-style-type: none"> • Audit committee 	ARRs – section 15.3	N/A
	<ul style="list-style-type: none"> • Internal Audit 	ARRs – section 15.4	10-11
	<ul style="list-style-type: none"> • Public Sector Renewal Program 	ARRs – section 15.5	N/A
	<ul style="list-style-type: none"> • Information systems and recordkeeping 	ARRs – section 15.7	11
Governance – human resources	<ul style="list-style-type: none"> • Workforce planning, attraction and retention 	ARRs – section 16.1	11
	<ul style="list-style-type: none"> • Early retirement, redundancy and retrenchment 	<i>Directive No 11/12 Early Retirement, Redundancy and Retrenchment</i> ARRs – section 16.2	N/A
	<ul style="list-style-type: none"> • Voluntary Separation Program 	ARRs – section 16.3	N/A
Open Data	<ul style="list-style-type: none"> • Open Data 	ARRs – section 17	N/A
Financial statements	<ul style="list-style-type: none"> • Certification of financial statements 	FAA – section 62 FPMS – section 42, 43 and 50 ARRs – section 18.1	16-37
	<ul style="list-style-type: none"> • Independent Auditors Report 	FAA – section 62 FPMS – section 50 ARRs – section 18.2	37
	<ul style="list-style-type: none"> • Remuneration disclosures 	<i>Financial Reporting Requirements for Queensland Government Agencies</i> ARRs – section 18.3	31

Toowoomba Hospital Foundation
ANNUAL FINANCIAL STATEMENTS
30 June 2013

**TOOWOOMBA HOSPITAL FOUNDATION
STATEMENT OF COMPREHENSIVE INCOME**

FOR THE YEAR ENDED 30 JUNE 2013

	Notes	2013 \$	2012 \$
INCOME FROM CONTINUING OPERATIONS			
REVENUE			
Bequests and donations	2	583,520	310,976
Functions, special events and other fundraising	3	264,737	243,119
Interest revenue		226,327	280,646
Car parking		1,163,126	1,059,471
Trust and other grants		-	7,708
Other revenue	4	186,830	188,151
Total Revenue		<u>2,424,540</u>	<u>2,090,071</u>
Total Income from Continuing Operations		<u>2,424,540</u>	<u>2,090,071</u>
EXPENSES FROM CONTINUING OPERATIONS			
Employee expense	5	431,580	310,422
Fundraising expenses		145,543	135,481
Car parking expenses		384,730	349,457
Depreciation		49,526	36,810
Grants paid		406,950	551,407
Donations		133,994	246,611
Other expenses	6	164,137	164,208
Total Expenses from Continuing Operations		<u>1,716,460</u>	<u>1,794,396</u>
Operating Result from Continuing Operations		<u>708,080</u>	<u>295,675</u>
Total Comprehensive Income		<u>708,080</u>	<u>295,675</u>

The accompanying notes form part of these statements.

**TOOWOOMBA HOSPITAL FOUNDATION
STATEMENT OF FINANCIAL POSITION**

AS AT 30 JUNE 2013

	Notes	2013 \$	2012 \$
CURRENT ASSETS			
Cash and cash equivalents	7	5,465,517	4,891,778
Receivables	8	80,121	51,283
Other current assets	9	120,806	118,208
Total Current Assets		<u>5,666,444</u>	<u>5,061,269</u>
NON CURRENT ASSETS			
Plant and equipment	10	427,575	477,101
Total Non Current Assets		<u>427,575</u>	<u>477,101</u>
TOTAL ASSETS		<u>6,094,019</u>	<u>5,538,370</u>
CURRENT LIABILITIES			
Payables	11	71,710	228,649
Accrued employee benefits	12	51,220	51,586
Total Current Liabilities		<u>122,930</u>	<u>280,235</u>
NON CURRENT LIABILITIES			
Accrued employee benefits	12	14,034	9,160
Total Non Current Liabilities		<u>14,034</u>	<u>9,160</u>
TOTAL LIABILITIES		<u>136,964</u>	<u>289,395</u>
NET ASSETS		<u>5,957,055</u>	<u>5,248,975</u>
EQUITY			
Accumulated surplus		5,957,055	5,248,975
Asset revaluation surplus		-	-
TOTAL EQUITY		<u>5,957,055</u>	<u>5,248,975</u>

The accompanying notes form part of these statements.

TOOWOOMBA HOSPITAL FOUNDATION
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2013

	Accumulated Surplus	Asset Revaluation Surplus	Total
	\$	\$	\$
Balance as at 1 July 2011	4,941,560	11,740	4,953,300
Operating result from continuing operations	295,675	-	295,675
Increase/(decrease) in asset revaluation surplus	11,740	(11,740)	-
Balance as at 30 June 2012	5,248,975	-	5,248,975
Balance as at 1 July 2012	5,248,975	-	5,248,975
Operating result from continuing operations	708,080	-	708,080
Balance as at 30 June 2013	5,957,055	-	5,957,055

The accompanying notes form part of these statements.

**TOOWOOMBA HOSPITAL FOUNDATION
STATEMENT OF CASH FLOWS**

FOR THE YEAR ENDED 30 JUNE 2013

	Notes	2013	2012
		\$	\$
Cash flows from operating activities			
<i>Inflows:</i>			
Receipts from customers		2,174,003	1,784,629
Interest received		203,686	287,893
GST input tax credits from ATO		99,674	83,050
GST collected from customers		138,124	118,983
<i>Outflows:</i>			
Supplies and services		(1,390,298)	(1,359,577)
Employee expenses		(429,348)	(302,190)
GST remitted to ATO		(133,292)	(116,457)
GST paid to suppliers		(88,810)	(111,450)
Net Cash Provided by/(used in) Operating Activities	14	573,739	384,881
Sales of property, plant and equipment		-	12,728
Payments for property, plant and equipment		-	(386,829)
Net Cash Provided by/(used in) Investing Activities		-	(374,101)
Net increase/(decrease) in cash held		573,739	10,780
Cash and cash equivalents at beginning of financial year		4,891,778	4,880,998
Cash and cash equivalents at end of financial year	7	5,465,517	4,891,778

The accompanying notes form part of these statements.

TOOWOOMBA HOSPITAL FOUNDATION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

- Note 1: Summary of Significant Accounting Policies
- Note 2: Bequests and Donations
- Note 3: Functions, Special Events and Other Fundraising
- Note 4: Other Revenue
- Note 5: Employee Expenses
- Note 6: Other Expenses
- Note 7: Cash and Cash Equivalents
- Note 8: Receivables
- Note 9: Other Current Assets
- Note 10: Plant and Equipment
- Note 11: Payables
- Note 12: Accrued Employee Expenses
- Note 13: Key Executive Management Personnel and Remuneration
- Note 14: Reconciliation of Operating Surplus to Net Cash from Operating Activities
- Note 15: Contingencies
- Note 16: Commitments for Expenditure
- Note 17: Financial Instruments

TOOWOOMBA HOSPITAL FOUNDATION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

OBJECTIVES AND PRINCIPAL ACTIVITIES OF THE FOUNDATION

The objective of the Toowoomba Hospital Foundation is to support and promote the services of the Toowoomba Hospital and other hospitals and health services in the Darling Downs Health Service District.

The principal activity of the Foundation during the financial year was providing funding and resources for the support of the Toowoomba and Darling Downs Health Service District.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of Compliance and Basis of Preparation

The Toowoomba Hospital 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 and Interpretations. In addition, the financial statements comply with Queensland Treasury and Trade's Minimum Reporting Requirements for the year ending 30 June 2013, and other authoritative pronouncements.

With respect to compliance with Australian Accounting Standards and Interpretations, the Toowoomba Hospital Foundation has applied those requirements applicable to not-for-profit entities, as the Toowoomba Hospital Foundation is a not-for-profit statutory body within the meaning given in the *Financial Accountability Act 2009*.

Except where stated, the historical cost convention is used.

(b) Leases

The Car Park located at the Toowoomba Hospital is leased from Queensland Health. The current lease is a 15 year term commencing on 1 January 2001 to 31 December 2015. The rent payable is \$1.00 (GST-inclusive) per annum. The Foundation has the option to renew the lease for 15 years after the expiration of the current lease.

(c) Revenue

Revenue from fundraising activities, special events and functions are recognised as income when received. The amount and timing of receipts is dependent on a number of fundraising activities including direct mail donations, personal and corporate donations and special events.

Revenue from services rendered is recognised and sale of goods are recognised as other revenue when the revenue has been earned. Interest revenue is recognised on an accruals basis at the interest rate applicable to the financial assets.

Amounts donated can be recognised as revenue only when the Foundation gains control, economic benefits are probable and the amounts can be measured. At times it is impractical to maintain effective controls over the collection of such revenue prior to its initial entry into the Foundation's financial records. Therefore donations are recognised as revenue when they are recorded in the books and accounts of the entity.

TOOWOOMBA HOSPITAL FOUNDATION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

(d) 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. It also includes term deposits with short periods to maturity that are readily convertible to cash on hand at the Toowoomba Hospital Foundation's or issuer's option and that are subject to an insignificant risk of changes in value.

(e) Receivables

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

The collectability of receivables is assessed periodically with provision being made for impairment. No provision has been made and no bad debts were written-off as at 30 June.

(f) Plant & Equipment

Actual cost is used for the initial recording of all non-current physical asset acquisitions. Cost is determined as the value given as consideration plus costs incidental to the acquisition, including all other costs incurred in getting the assets ready for use.

Plant and equipment is measured at cost in accordance with Queensland Treasury and Trade's *Non-Current Asset Policies*.

Items of plant and equipment with a cost or other value equal to or in excess of \$5,000 are recognised for financial reporting purposes in the year of acquisition.

Items with a lesser value are expensed in the year of acquisition.

Depreciation of Plant and Equipment

Plant and equipment is depreciated on a straight-line basis so as to allocate the net cost amount of each asset, less its estimated residual value, progressively over its estimated useful life to the Foundation.

The depreciable amount of improvements to or on leasehold land is allocated progressively over the estimated useful lives of the improvements or the unexpired period of the lease, whichever is the shorter. The unexpired period of a lease includes any option period where exercise of the option is probable.

For each class of depreciable asset the following depreciation rates are used:

Class	Rate %
Plant and equipment:	
Motor vehicles	25 - 33.3
Leasehold improvements	2 - 20
Other equipment	10 - 20

TOOWOOMBA HOSPITAL FOUNDATION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

(f) Plant & Equipment (cont'd)

Impairment of Non-Current Assets

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

(g) 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.

(h) 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.

(i) Employee Benefits

Salaries, wages, employer superannuation contributions, annual leave levies and long service leave levies 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 not employee benefits and are recognised separately as employee related expenses.

Wages, Salaries and Sick Leave

Wages and salaries due but unpaid at reporting date are recognised in the Statement of Financial Position at the current salary rates.

For unpaid entitlements expected to be paid within 12 months, the liabilities are recognised at their undiscounted values.

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

As sick leave is non-vesting, an expense is recognised for this leave as it is taken.

Annual Leave and Long Service Leave

Provision is made for the Foundation's liability for annual and long service leave arising from services rendered by employees to the end of the reporting period. 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.

TOOWOOMBA HOSPITAL FOUNDATION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

(i) Employee Benefits (cont'd)

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. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Those cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

Superannuation

Employer superannuation contributions due but unpaid at reporting date are recognised in the Statement of Financial Position at the current superannuation rate.

Key executive management personnel and remuneration

Key executive management personnel and remuneration disclosures are made in accordance with section 5 Addendum of the *Financial Reporting Requirements for Queensland Government Agencies* issued by Queensland Treasury.

The Key executive management personnel and remuneration are disclosed in Note 13.

Remuneration of Board Members

No Board Member received or was entitled to receive any fees or other benefits during the year.

(j) Taxation

The Foundation is a charitable institution exempt from Income Tax.

The Foundation has been endorsed by the Commissioner of Taxation as an income tax exempt charity pursuant under Subdivision 50-B of the Income Tax Assessment Act 1997. The Foundation is exempted from Fringe Benefits Tax under section 123D of the Fringe Benefits Tax Assessment Act 1986.

(k) 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 Australian 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 expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

TOOWOOMBA HOSPITAL FOUNDATION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

(l) Accounting Estimates and Judgements

The preparation of financial statements necessarily requires the determination and use of certain critical accounting estimates, assumptions, and management judgements that have that 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.

Estimates and assumptions that have a potential significant effect are outlined in the following financial statement note:

Plant & equipment – note 10
Accrued employee benefits – note 12

(m) Rounding and Comparatives

Amounts included in the financial statements are in Australian dollars and have been rounded to the nearest \$1 unless disclosure of the full amount is specifically required.

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

(n) Issuance of Financial Statements

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

(o) Financial Instruments

Recognition

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

Classification

Financial instruments are classified and measured as follows:

- Cash and cash equivalents - held at fair value through profit or loss
- Receivables - held at amortised cost
- Payables - held at amortised cost

The Foundation does not enter into transactions for speculative purposes, or for hedging. Apart from cash and cash equivalents, the Foundation holds no financial assets classified at fair value through profit or loss.

All other disclosures relating to the measurement and financial risk management of financial instruments held by the Foundation are included in Note 17.

TOOWOOMBA HOSPITAL FOUNDATION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

(p) New and Revised Accounting Standards

The Foundation did not voluntarily change any of its accounting policies during 2012-13. Australian accounting standard changes applicable for the first time for 2012-13 have had no effect on the Foundation's financial statements.

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 report, the expected impacts of new or amended Australian accounting standards with future commencement dates are as set out below.

- AASB 9: Financial Instruments and AASB 2010-7: Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127] (applicable for annual reporting periods commencing on or after 1 January 2015).

The main impacts of these standards for the Foundation are that they will change the requirements for the classification, measurement and disclosures associated with financial assets. Under the new requirements, financial assets will be more simply classified according to whether they are measured at amortised cost or fair value. Pursuant to AASB 9, financial assets can only be measured at amortised cost if two conditions are met. One of these conditions is that the asset must be held within a business model whose objective is to hold assets in order to collect contractual cash flows. The other condition is that the contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All the Foundation's financial assets are held at fair value.

- AASB 119 Employee Benefits: A revised version of AASB 119 Employee Benefits applies from reporting periods beginning on or after 1 January 2013. The revised AASB 119 is generally to be applied retrospectively. The only implications for the Foundation are that the revised standard clarifies the concept of "termination benefits", and the recognition criteria for liabilities for termination benefits will be different. If termination benefits meet the timeframe criterion for "short-term employee benefits", they will be measured according to the AASB 119 requirements for "short-term employee benefits". Otherwise, termination benefits will need to be measured according to the AASB 119 requirements for "other long-term employee benefits". Under the revised standard, the recognition and measurement of employer obligations for "other long-term employee benefits" will need to be accounted for according to most of the requirements for defined benefit plans.

TOOWOOMBA HOSPITAL FOUNDATION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

(p) **New and Revised Accounting Standards (cont'd)**

- AASB 1053 Application of Tiers of Australian Accounting Standards apply to reporting periods beginning on or after 1 July 2013.

AASB 1053 establishes a differential reporting framework for those entities that prepare general purpose financial statements, consisting of two tiers of reporting requirements – Australian Accounting Standards (commonly referred to as "tier 1"), and Australian Accounting Standards – Reduced Disclosure Requirements (commonly referred to as "tier 2").

Tier 1 requirements comprise the full range of AASB recognition, measurement, presentation and disclosure requirements that are currently applicable to reporting entities in Australia. The only difference between the tier 1 and tier 2 requirements is that tier 2 requires fewer disclosures than tier 1.

The Foundation will continue to apply tier 1 reporting requirements.

Pursuant to AASB 1053, public sector entities like the Toowoomba Hospital Foundation may adopt tier 2 requirements for their general purpose financial statements. However, AASB 1053 acknowledges the power of a regulator to require application of the tier 1 requirements.

All other Australian accounting standards and interpretations with future commencement dates are either not applicable to the Foundation's activities, or have no material impact on the Foundation.

	2013 \$	2012 \$
2. BEQUESTS AND DONATIONS		
Donations	583,520	310,976
Bequests	-	-
Total	583,520	310,976
3. FUNCTIONS, SPECIAL EVENTS AND OTHER FUNDRAISING		
Functions and fundraising	264,737	243,119
Total	264,737	243,119

TOOWOOMBA HOSPITAL FOUNDATION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

	2013 \$	2012 \$
4. OTHER REVENUE		
Cafeteria lease income	50,000	45,833
Cafeteria commission income	66,537	61,446
Conference registration income	38,257	43,985
Vending machine income	17,128	13,987
Sponsorship	9,659	18,641
Other revenue	5,249	4,259
Total	186,830	188,151
5. EMPLOYEE EXPENSES		
Salaries and wages	391,411	275,359
Superannuation expense	38,713	33,063
WorkCover expenses	1,456	2,000
Total	431,580	310,422
6. OTHER EXPENSES		
Conference and workshop expenses	21,476	39,221
Minor equipment purchases	11,383	15,097
Expenses in relation to grants received	733	20,746
Loss on disposal of plant and equipment	-	1,555
Promotional items	6,217	9,451
Other expenses	124,328	78,138
Total	164,137	164,208

Auditor Remuneration

Total audit fees paid relating to the 2012-13 financial statements are estimated to be \$4,850 (2012: \$7,000). There are no non-audit related services included in this amount.

TOOWOOMBA HOSPITAL FOUNDATION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

	2013 \$	2012 \$
7. CASH AND CASH EQUIVALENTS		
Cash on hand	6,440	6,240
At call deposits	264,077	35,538
Fixed term deposits	5,195,000	4,850,000
Total	5,465,517	4,891,778

8. RECEIVABLES

Trade and other debtors	80,121	32,195
GST receivable	-	19,088
Total	80,121	51,283

9. OTHER CURRENT ASSETS

Prepayments	1,259	1,899
Accrued other revenue	-	19,403
Accrued interest	119,547	96,906
Total	120,806	118,208

10. PLANT & EQUIPMENT

At Cost	537,725	537,725
Less: Depreciation	(110,150)	(60,624)
Total	427,575	477,101

	Plant & Equipment		Total	
	2013 \$	2012 \$	2013 \$	2012 \$
Carrying amount at 1 July	477,101	141,365	477,101	141,365
Acquisitions	-	386,829	-	386,829
Depreciation	(49,526)	(36,810)	(49,526)	(36,810)
Disposals	-	(14,283)	-	(14,283)
Total	427,575	477,101	427,575	477,101

TOOWOOMBA HOSPITAL FOUNDATION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

	2013 \$	2012 \$
11. PAYABLES		
Trade and other creditors	36,797	225,681
GST liability	13,548	-
PAYG withholding payable	3,796	2,658
Accrued expenses	17,569	310
Total	71,710	228,649
12. ACCRUED EMPLOYEE BENEFITS		
Current		
Annual leave	35,060	39,225
Long service leave	16,160	12,361
Total	51,220	51,586
Non Current		
Long service leave	14,034	9,160
Total	14,034	9,160
Number of employees at year end	5	4

13. KEY EXECUTIVE MANAGEMENT PERSONNEL AND REMUNERATION

a) Key Executive Management Personnel

The following details for key executive management personnel include those positions that had authority and responsibility for planning, directing and controlling the activities of the Toowoomba Hospital Foundation during 2012-13.

Position	Responsibilities	Current Incumbents	
		Contract classification and appointment authority	Date appointed to position (Date resigned from position)
Chief Executive Officer	<ul style="list-style-type: none"> • strategic planning • operational planning • human resource management • business development 	CEO Public Services Act 2008	26-Jan-91

TOOWOOMBA HOSPITAL FOUNDATION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

b) Remuneration

Remuneration for all employees of the Toowoomba Hospital Foundation is by individual agreement. The remuneration and other terms of employment for the key executive management personnel are specified in employment contracts.

Remuneration packages for key executive management personnel comprise the following components:-

- Short term employee benefits which include:
 - Base - consisting of base salary, allowances and leave entitlements paid and provided for the entire year or for that part of the year during which the employee occupied the specified position. Amounts disclosed equal the amount expensed in the Statement of Comprehensive Income.
 - Non-monetary benefits – consisting of fringe benefits tax applicable to the benefit.
- Long term employee benefits include long service leave accrued.
- Post employment benefits include superannuation contributions.
- Redundancy payments are not provided for within individual contracts of employment. Contracts of employment provide only for notice periods or payment in lieu of notice on termination, regardless of the reason for termination.
- No performance bonuses are currently part of any employment agreements.

Total fixed remuneration is calculated on a 'total cost' basis and includes the base and non-monetary benefits, long term employee benefits and post employment benefits.

1 July 2012 – 30 June 2013

Position (date resigned if applicable)	Short Term Employee Benefits		Long Term Employee Benefits	Post Employment Benefits	Termination Benefits	Total Remuneration
	Base \$'000	Non-Monetary Benefits \$'000	\$'000	\$'000	\$'000	\$'000
Chief Executive Officer	110	12	3	14	-	139

1 July 2011 – 30 June 2012

Position (date resigned if applicable)	Short Term Employee Benefits		Long Term Employee Benefits	Post Employment Benefits	Termination Benefits	Total Remuneration
	Base \$'000	Non-Monetary Benefits \$'000	\$'000	\$'000	\$'000	\$'000
Chief Executive Officer	104	12	3	13	-	132

**TOOWOOMBA HOSPITAL FOUNDATION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 30 JUNE 2013

**14. RECONCILIATION OF OPERATING SURPLUS TO
NET CASH FROM OPERATING ACTIVITIES**

	2013	2012
	\$	\$
Operating surplus/(deficit)	708,080	295,675
<i>Non Cash Flows In Surplus/(Deficit) from Operations</i>		
Depreciation expense	49,526	36,810
Loss on sale of plant and equipment	-	1,555
<i>Changes in Assets and Liabilities</i>		
Decrease/(Increase) in receivables	(28,838)	(38,394)
Decrease/(Increase) in other current assets	(2,598)	(13,007)
Increase/(Decrease) in payables	(156,937)	91,144
Increase/(Decrease) in employee benefits	4,506	11,098
Net Cash Provided from Operating Activities	573,739	384,881

15. CONTINGENCIES

There were no contingent liabilities of any significance at balance date (2012:\$NIL).

16. COMMITMENTS FOR EXPENDITURE

There were no commitments of any significance at balance date (2012:\$NIL).

**TOOWOOMBA HOSPITAL FOUNDATION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 30 JUNE 2013

17. FINANCIAL INSTRUMENTS

(a) Categorisation of financial instruments

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

Category	Note	2013 \$	2012 \$
Financial Assets			
Cash and cash equivalents	7	5,465,517	4,891,778
Receivables	8	80,121	51,283
Total		<u>5,545,638</u>	<u>4,943,061</u>
Financial Liabilities			
Payables	11	71,710	228,649
Total		<u>71,710</u>	<u>228,649</u>

(b) Financial risk management

The Toowoomba Hospital Foundation's activities expose it to a variety of financial risks - credit risk, liquidity risk, market risk and interest rate risk.

Financial risk management is implemented pursuant to the Toowoomba Hospital Foundation's policy. These policies focus on the unpredictability of financial markets and seek to minimise potential adverse effects on the financial performance of the Foundation.

All financial risk is managed by the Finance and Risk Committee under policies approved by the Board.

The Toowoomba Hospital Foundation measures risk exposure using a variety of methods as follows;

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

(c) Credit risk exposure

Credit risk exposure refers to the situation where the Foundation may incur financial loss as a result of another party to a financial instrument failing to discharge their obligation.

The maximum 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 allowance for impairment.

TOOWOOMBA HOSPITAL FOUNDATION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

17. FINANCIAL INSTRUMENTS (CONTINUED)

Financial Assets

The carrying amount of receivables represents the maximum exposure to credit risk.

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

The Foundation manages credit risk through the use of a credit management strategy.

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

The method for calculating any provision for impairment is based on past experience and current and expected changes in economic conditions.

No provision has been made in the current financial year.

No financial assets have had their terms renegotiated so as to prevent them from being past due or impaired, and are stated at the carrying amounts as indicated.

No receivables are past due, but not impaired.

(d) Liquidity risk

Liquidity risk refers to the situation where the Foundation may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Foundation is exposed to liquidity risk in respect of its payables. The Foundation manages liquidity risk through the use of a liquidity management strategy. This strategy 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 bank 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 undiscounted cash flows relating to the liabilities at reporting date.

Category	Note	2013 Payable in			Total
		< 1 year	1-5 years	> 5 years	
		\$	\$	\$	\$
Financial Liabilities					
Payables	11	71,710	-	-	71,710
		<u>71,710</u>	<u>-</u>	<u>-</u>	<u>71,710</u>

TOOWOOMBA HOSPITAL FOUNDATION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

17. FINANCIAL INSTRUMENTS (CONTINUED)

(d) Liquidity risk (cont)

Category	Note	2012 Payable in			Total
		< 1 year	1-5 years	> 5 years	
		\$	\$	\$	\$
Financial Liabilities					
Payables	11	228,649	-	-	228,649
		<u>228,649</u>	<u>-</u>	<u>-</u>	<u>228,649</u>

(e) 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 cash deposited in interest bearing accounts.

The Foundation does not undertake any hedging in relation to interest risk and manages its risk as per the liquidity risk management strategy.

(f) Interest rate sensitivity analysis

The following interest rate sensitivity analysis depicts the outcome on profit or loss if interest rates would change by +/- 1% from the year-end rates applicable to the Foundation's financial assets.

Financial Instruments	Carrying Amount	2013 Interest rate risk			
		- 1%		+ 1%	
		Profit	Equity	Profit	Equity
Fixed Term Deposits and Cash at Call Deposits	5,465,517	(54,655)	(54,655)	54,655	54,655
Potential Impact		(54,655)	(54,655)	54,655	54,655

Financial Instruments	Carrying Amount	2012 Interest rate risk			
		- 1%		+ 1%	
		Profit	Equity	Profit	Equity
Fixed Term Deposits and Cash at Call Deposits	4,891,778	(48,918)	(48,918)	48,918	48,918
Potential Impact		(48,918)	(48,918)	48,918	48,918

(g) Fair Value

With the exception of cash and cash equivalents, the Toowoomba Hospital Foundation does not recognise any financial assets or financial liabilities at fair value.

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

TOOWOOMBA HOSPITAL FOUNDATION

CERTIFICATE OF THE TOOWOOMBA 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 the accounts have been complied with in all material respects; and
- (b) the statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Toowoomba Hospital Foundation for the financial year ended 30 June 2013, and of the financial position of the Toowoomba Hospital Foundation at the end of that year.



PETER ROOKAS
Chief Executive Officer



RAYMOND TAYLOR
Chairman

Dated this 5th day of September 2013

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
TOOWOOMBA HOSPITAL FOUNDATION**

Report on the Financial Report

I have audited the accompanying financial report of the Toowoomba Hospital Foundation, which comprises the statement of financial position as at 30 June 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the management's certificate.

Board's Responsibility for the Financial Report

The Board is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and for such internal control as the Board determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on our audit. The audit was conducted in accordance with Australian Auditing Standards. Those standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 judgment, including the assessment of the risks of material misstatement of 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting my audit, I have complied with the independence requirements of the Australian professional ethics requirements.

Opinion

In my opinion:

the financial report presents fairly, in all material respects, the financial position of the Toowoomba Hospital Foundation as at 30 June 2013, and its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards.



TIM DAVIS

5 September 2013

Toowoomba



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