



TOWNSVILLE HOSPITAL
FOUNDATION

ANNUAL REPORT 2011/2012

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'We make a living by what we get,
but we make a life by what we give.'

- Winston Churchill

Interpretation Services

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 4433 1337 to arrange an interpreter to effectively communicate the report to you.

The head office and principle place of business of the Townsville Hospital Foundation is:

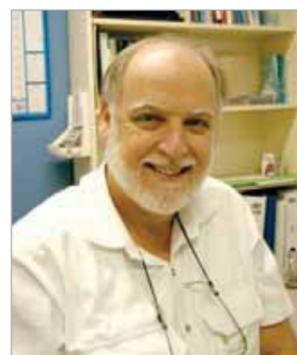
Ground Floor
Volunteer Hub
Townsville Hospital
100 Angus Smith Drive
Douglas
Townsville QLD 4814

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TOWNSVILLE HOSPITAL FOUNDATION BOARD MEMBERS



Judge Stuart Durward
Chairman



Assoc. Prof. Vic Callanan
Deputy Chairman



Errol Wenck



Fay Barker



Jennie Woodward



Louise Boyle



**Emeritus Professor
Barbara Hayes**



Dominique Tim So

CHAIRMAN'S REPORT

It is my privilege to present the Report of the Townsville Hospital Foundation for the 2011-2012 financial year. The information is current as at June 30 2012.

The Townsville Hospital Foundation is a hospital foundation established under the Hospital Foundations Act 1982. The Foundation is governed by a board of members appointed by the Governor of Council under section 20 of the Act.

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.

Nominations for board membership are made by the Minister for Health, with members serving terms of office of up to five years.

Members have a broad range of experience and expertise and have been drawn from the health and medical professions as well as industry, commerce, university and the local community.

The board members serve in a voluntary capacity. They do not receive income, allowances or expenses.

Our Vision

The objectives of the Foundation are to make a difference in our community by improving the patient, visitor and staff experience at the Townsville Hospital. This is in keeping with the overall vision of the Government in promoting a healthier Queensland.

Our Purpose

To be the charity of choice for the Townsville and regional North Queensland community.

Principal Activities

Funding the purchase of state-of-the-art equipment and health related facilities;
Assisting in the establishment of Townsville Hospital as a centre of excellence in health services by funding, supporting and encouraging education and research;
Providing support services for the patients and staff.

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, as well as in consultation with the sitting board, with members drawn from the health and medical professions as well as 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:

Chairman	Judge Stuart Durward SC LLB GAICD	2 December 2013
Deputy Chairman	Associate Professor Vic Callanan AM, FANZCA, FCICM, FPPMANZCA, FACTM, Dip.DHM	2 December 2011
Member	Errol Wenck BCom	2 December 2011
Member	Fay Barker OAM FAICD	2 December 2013
Member	Jennie Woodward	2 December 2011
Member	Louise Boyle	2 December 2011
Member	Emeritus Professor Barbara Hayes, OAM, DipNEd, BA(Hons), MSc, DNSc, RN, RM, RPN, FRCNA (DLF), FACMHN, FACTM (Em)	2 December 2013
Member	Dominique Tim So BCom LLB	2 December 2013

Meetings

The Foundation Board meetings were held monthly and according to business requirements. The Board considers the full range of business associated with the Foundation and, as required, matters of operational or financial risk. The Board is supported by dedicated audit/risk/finance sub committees which consider and provide advice to the Board on particular aspects of the Foundation's business.

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. The Foundation's four-year strategic plan is available on it's website: www.thfoundation.org.au

The Townsville Hospital Foundation's day to day operations are guided by both the annual strategic plan and the 4 year Strategic Priorities. Each document details key objectives that the Foundation has set about to achieve, including strategies and specific tactics on how they will be delivered.

The key objectives for the 11/12 financial year included improving operational efficiencies and increasing income (both through fundraising activities and commercial ventures), both of these objectives were achieved. As part of the wider strategic planning process, the Townsville Hospital Foundation is in the process of developing a risk management system and envisage having this bedded down for the 12/13 financial year.

Staff

The Foundation's daily business and operational planning throughout 2011 was administered by the manager, Mrs Simone Ryan. Upon Mrs Ryan's resignation in December 2011, the position of general manager was filled by Ms Meredith Elley, who was appointed in January 2012.

Staff cont...

In July 2011, the Foundation employed a full-time junior marketing and events co-ordinator, Miss Samantha Ferguson. The Foundation also maintained the services of a casual administration officer, Mrs Kay Gatis, who resigned in December 2011.

As of 30 June 2012, the Foundation employed 2.6 whole time equivalent staff. The staff are responsible for the full range of day to day administrative duties with respect to the Foundation and management of Board meetings.

The Foundation also manages and coordinates the work of 120 volunteers. Further details about the important role our volunteers play in supporting the Foundation's objectives are provided on page 14.

To ensure a consist approach to our purpose and principles, the Foundation maintains a code of conduct for its Board, staff and volunteers which is routinely shared with new members.

Secretary

Dr Andrew Johnson, the Acting CEO of The Townsville Hospital, has maintained a connection with the Foundation as interim Statutory Secretary, and we are grateful for his interest and support. Dr Johnson occasionally attended meetings and met with the Chairman and the General Manager from time to time, as necessary.

Financial Management

The Foundation continues with a strategic aim of expanding and enhancing its revenue base, with significant improvements having been made in this area, and the Foundation is confident it will continue to boost its revenue streams.

The financial records of the Foundation were audited by the Queensland Audit Office contract auditor being WHK Townsville.

A description of the Foundation's objectives and principal activities are included in the notes to the financial statements. For additional information please call 07 4433 1337, email: Meredith_elley@health.qld.gov.au or visit the Foundation's website: www.thfoundation.org.au.

Operations, Projects, Finance and Activities

These are reported elsewhere in this Report.

Conclusion

The board acknowledges the invaluable and dedicated service of the Foundation General Manager Meredith Elley, and the services of other staff members. 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 ACTIVITIES

Despite significant staffing changes throughout this financial year, the Foundation has focused its energies on the improvement and awareness of its presence within the Townsville community.

EVENTS

The Foundation has hosted a number of events to raise funds for and increase awareness of the Foundation's valuable work in the local community.

Following the success of the Foundation's inaugural Charity Golf Day in 2010, the Foundation held a Golf Day in 2011, which was equally successful, raising in excess of \$10,000.

The Foundation's biannual Book Fair raised \$7,000.

The Foundation also hosted a Bunnings Sausage Sizzle in April 2012, raising \$2,300, and attended the Bunnings Community Carnival which assisted greatly in raising awareness of the Foundation's work.

In 2011, the Foundation partnered with FunFlight and the Townsville Flyers Inc to introduce FunFlight Day to Townsville for the first time, taking 20 seriously ill local children to the skies on a joy flight.

In addition to these events, the Foundation worked with Terry and Annette Walters, owners of Walters Supa IGA, to bring the IGA Captain's Collection Gala Dinner, Cardiac Car Rally and Hill 4 Hearts Charity Walk to Townsville.



From Left to Right: Fun Flight Day, Book Fair, IGA Gala Dinner. Top Right: Charity Golf Day.

MEDIA

Throughout the past financial year, the Foundation has enjoyed increased positive media.

Much of this positive media can be attributed to the success of corporate partnerships and relationships developed throughout the year as well as the high profile visitors and successful events held throughout the year.

VISITS

The Foundation and the staff and patients of The Townsville Hospital have enjoyed the company and entertainment of many visitors throughout the year, including the North Queensland Cowboys (pictured right), the Townsville McDonald Crocodiles, Townsville Fire as well as the Calvary Christian College students, Cathedral School students, Santa Claus and the Easter Bunny, Camp Quality's motorised puppet Giggles, and Humphrey B. Bear and Sarah.

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



Ty Williams, North Queensland Cowboys

SCHOOL TOURS

Throughout the 2011/2012 financial year, the Foundation's volunteers facilitated visits from grade 1 and 2 students from the Shalom School and St. Anthony's School. Our volunteers thoroughly enjoy guiding school tours, and the feedback from schools who have participated has been very positive. Staff of The Townsville Hospital's children's ward and hyperbaric unit have thoroughly enjoyed assisting our volunteers with these tours and enjoy sharing their wealth of knowledge with budding doctors and nurses!



SPONSORSHIP & SUPPORT

Throughout the past financial year, the Townsville Hospital Foundation has focused on creating and nurturing corporate partnerships, and relationships both new and old. The Foundation established new relationships with a number of local businesses. 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.

Our major supporters in 2011/2012...

WALTERS SUPA IGA

During the 2011/2012 financial year, Terry and Annette Walters of Walters Supa IGA have continued to invest their fundraising energies in the Foundation. The Foundation is extraordinarily grateful for their continued support and renewed enthusiasm for the work of Dr. Robert Tam and The Townsville Hospital's Cardiac Unit.

In August 2011, the Foundation worked with the Walters to create a unique event - the Hill 4 Hearts Charity Walk. The purpose was to raise awareness of both the Foundation and The Townsville Hospital's Cardiac Unit through walking up and down Townsville's iconic Castle Hill. An event such as this had never been held in Townsville, so the prospect was quite exciting. Approximately 300 locals participated in the walk, and thanks to substantial media coverage, the event raised significant awareness of the Foundation, the Foundation's partnership with Walters Supa IGA, and The Townsville Hospital's Cardiac Unit.

Following the success of 2010's IGA Gala Dinner, the Foundation once again worked with the Walters to make this event bigger and better. The Walters IGA Captain's Collection Gala Dinner was held at Jupiter's Hotel and Casino on Saturday, October 8 2011 with an 800-strong guest list. This event raised \$189,000 for The Townsville Hospital's Cardiac Unit.

In May 2012, the Walters worked with the Foundation again to bring the Cardiac Car Rally back to Townsville. This event was once again hugely successful, raising \$11,000 for The Townsville Hospital's Cardiac Unit and some much needed awareness of the Foundation's valuable work.

Our major supporters in 2011/2012 continued...

4TOFM & "GIVE ME 5 FOR KIDS' APPEAL 2012

The Townsville community once again backed a wonderful cause in the annual 4TOFM "Give Me 5 for Kids" fundraiser in June 2012.

For the seventh consecutive year, the team at 4TOFM rallied the local community and raised \$30,600 for the Neonatal Intensive Care Unit and Special Care Nursery.

Despite not quite meeting 2011's target, the appeal generated sufficient income for the purchase of a Neonatal Cosy Pod for the Neonatal Intensive Care Unit and Special Care Nursery. Such machinery will mean that infants who have reached a stable condition are able to be safely and securely transferred to a hospital closer to their home town. This equipment will also allow the infants to remain warm and secure while receiving MRI and other scans.



TROY WILLIAMS THE GOOD GUYS

Troy Williams The Good Guys continue to support the Foundation as their local charity of choice. The Good Guys 'Doing Good' Program remains in place and raises money through their customers placing cardboard hearts (each representing a monetary value) into the Foundation's barrel. These funds go a long way in helping our littlest patients in the Neonatal Intensive Care Unit.

AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION (AMIEU)

AMIEU employees continue to participate in the "Salary Saints Program" depositing their donations on a monthly basis from their salaries. AMIEU's regular donations go toward the Emergency Department and, in particular the purchase of new equipment and patient comfort items.

XSTRATA

Xstrata continues to participate in the "Salary Saints Program", their donations deposited on a monthly basis toward the Rehabilitation Unit. During 2011, Xstrata made a generous \$10,000 donation to the Townsville Hospital Foundation. These funds have been allocated to the purchase of a Slit Lamp for the Townsville Hospital Emergency Department.

THIESS

Thiess have a strong connection with the Foundation as a result of the redevelopment work they are undertaking at the Townsville Hospital. Thiess have donated over \$20,000 to the Foundation which was accumulated over many months from a major golf day and weekly raffles. The funds have been allocated to a neonatal defibrillator for the Neonatal Intensive Care Unit.

BEAT THE BASTARD

Prostate cancer survivor Adrian Alderson organised the annual "Beat The Bastard" luge fundraiser down Mt Stuart, raising an incredible \$17,000 this year. The funds have been donated to Cancer Centre at The Townsville Hospital and will go towards purchasing a blanket warmer and aqua bath for patients.

Other supporters throughout 2011/2012...

PHILIP ASKIN & TIM MCKEE OAM

The Foundation was the very lucky recipient of a collection of Peter Lawson art. The Townsville collection of 24 framed oil paintings were generously donated by Philip Askin and Tim McKee. The art will be displayed initially throughout the Townsville Hospital and will form part of future fundraising.

THE ENTERTAINMENT BOOK

The Foundation signed up as a distributor of Entertainment Books (the hugely successful discount dining and entertainment voucher book), selling more than 2,000 books for \$50 each, with \$10 from each sale being donated directly to the Foundation.

THE STUDENT ENTERPRISE CHALLENGE

The Student Enterprise Challenge operates across six Townsville Schools and is designed to build on business and entrepreneurial skills amongst students. The Townsville Hospital Foundation is one of seven charities involved in the program that will raise funds and increase awareness for the Foundation.

The following individuals and organisations have also made a direct impact on the Townsville Hospital Foundation during the 2011/2012 financial year through both in-kind and cash donations.

We are extremely grateful for their ongoing support.

- 4TO FM (Southern Cross Austero)
- Lamberts Produce
- Children's Health Foundation
- Alcoholics Anonymous
- Sports Lifestyle Magazine (Stephen Duffy)
- The Sweatshop Cafe (Mark Allen)
- Commonwealth Bank of Australia (North Shore)
- Australasian Meat Industry Workers
- BHP Billiton
- Bunnings Warehouse (Garbutt)
- National Australia Bank (Townsville)
- Castle Hill Lions
- Triple T Radio
- NQ Toyota Cowboys
- Sensis Yellow Pages
- True North Solar
- Thrifty Car Rentals
- Golf Cars North Queensland
- Spotlight
- MacDonnells Law
- Stefan Salons
- Roberts Nehmer McKee
- Theiss Contractors
- North Queensland Audio Visual

- Cathedral School
- Channel 7
- Western Suburbs Lions
- Coogee Chemicals
- Doo Town
- Townsville Freemasons
- Queensland Country Credit Union
- Horizon Gourmet Meats
- Brumby's Bakery (The Townsville Hospital)
- Xstrata Queensland
- Jupiters
- Southern Cross Media (including 4TO)
- Medico News
- Westpac Bank (Townsville)
- Jepson Media
- Insight Creative
- Pickerings
- Helen Munro Ray White
- Townsville Show Society
- Townsville Sun
- Townsville Golf Club
- Townsville McDonald Crocodiles
- Townsville Fire
- Troy Williams The Good Guys
- Bunnings Warehouse (Fairfield Waters)
- Townsville City Council
- Evolution Traffic Control
- Coca-Cola Amatil
- Walters' Supa IGA
- SeaLink
- Prime Radio
- Event Cinemas

VOLUNTEER SERVICES

The Foundation volunteers continue to provide a number of valuable services to The Townsville Hospital. Throughout the past financial year, the Foundation has invested much time and effort into stepping up our volunteer program, with the inclusion of an additional program in the Special Care Nursery, and the expansion of our rosters to include an additional 20 volunteers.

Our 'vollies' meet and greet and guide with pride, operating two information desks which are manned between 8am - 4pm, Monday to Friday. From the moment patients and visitors enter The Townsville Hospital, our trusty team is on hand to give directions, offer advice and help those less mobile get to where they need to go.

The Foundation looks after more than 120 volunteers, who give their time to help in just about every ward and department in the hospital, including the emergency department, the neonatal special care nursery, children's ward, women and children's clinics, oncology, aged care, as volunteer drivers of the courtesy buggy service, and the fit and friendly "trolley vollies" who cater to all wards providing a full snack, magazine and newspaper service to patients, staff and visitors



FINANCIAL STATEMENTS 2011-2012

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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 4433 1337
 Facsimile: 07 4433 1347
 E-Mail: thfoundation@health.qld.gov.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.

 STATEMENT OF COMPREHENSIVE INCOME
 FOR THE YEAR ENDED 30 JUNE 2012

	Note	2012 \$	2011 \$
Income from Continuing Operations			
Revenue	2	832,514	654,174
Grant income		14,680	54,951
Total Income from Continuing Operations		847,194	709,125
Employee benefits expense	3	(118,758)	(180,497)
Administration expenses		(15,750)	(19,299)
Supplies & services	3	(560,209)	(343,467)
Depreciation	3	(4,372)	(3,256)
Other expenses		(1,100)	(1,226)
Total Expenses from Continuing Operations		(700,189)	(547,745)
Operating Result from Continuing Operations		147,005	161,379
Total Comprehensive Income		147,005	161,379

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2012

	Note	2012 \$	2011 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	1,759,075	1,568,141
Trade and other receivables	7	78,711	73,416
Other current assets	8	3	22,636
TOTAL CURRENT ASSETS		<u>1,837,789</u>	<u>1,664,193</u>
NON-CURRENT ASSETS			
Plant and equipment	9	47,692	40,469
TOTAL NON-CURRENT ASSETS		<u>47,692</u>	<u>40,469</u>
TOTAL ASSETS		<u>1,885,481</u>	<u>1,704,662</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	137,249	25,944
Other liabilities	12	-	65,600
TOTAL CURRENT LIABILITIES		<u>137,249</u>	<u>91,544</u>
NON-CURRENT LIABILITIES			
Provisions	11	-	11,891
TOTAL NON-CURRENT LIABILITIES		<u>-</u>	<u>11,891</u>
TOTAL LIABILITIES		<u>137,249</u>	<u>103,435</u>
NET ASSETS		<u>1,748,232</u>	<u>1,601,227</u>
EQUITY			
Accumulated Surplus		1,748,232	1,601,227
TOTAL EQUITY		<u>1,748,232</u>	<u>1,601,227</u>

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2012

	Accumulated Surplus \$	Total \$
Balance as at 1 July 2010	1,439,848	1,439,848
Operating Result from Continuing Operations	161,379	161,379
Balance as at 30 June 2011	<u>1,601,227</u>	<u>1,601,227</u>
Balance as at 1 July 2011	1,601,227	1,601,227
Operating Result from Continuing Operations	147,005	147,005
Balance as at 30 June 2012	<u>1,748,232</u>	<u>1,748,232</u>

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2012

	Note	2012 \$	2011 \$
Cash flows from operating activities			
Receipts from Gifts and Donations		54,754	225,439
Receipts from Grant Income		14,680	54,951
Receipts from Restricted Income		540,397	266,417
Receipts from Fundraising Activities		122,854	299,774
Interest Received		73,652	43,323
Other Income		40,857	76,508
Payments to Suppliers and Employees		(478,501)	(804,251)
Payments in relation to Research Expenses		(166,163)	(31,946)
Net cash provided by/(used in) operating activities	17	202,529	130,213
Cash flows from investing activities			
Payments for Property, Plant and Equipment		(11,595)	(43,725)
Net cash used in investing activities		(11,595)	(43,725)
Net increase/(decrease) in Cash and cash equivalents held		190,934	86,488
Cash and cash equivalents at beginning of year		1,568,141	1,481,652
Cash and cash equivalents at end of year	17	1,759,075	1,568,141

The accompanying notes form part of these financial statements.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

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 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 2012, 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 7 and 10).

(d) Plant and Equipment

Each class of plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the association and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

Depreciation

The depreciable amount of Plant and Equipment is depreciated on a straight line basis over their estimated useful lives to the entity commencing from the time the asset is held ready for use.

The useful life in years used for each class of depreciable asset are:

Class of Fixed Asset:	Useful Life
Motor vehicles	10 Yrs
Plant and equipment	5-10 Yrs

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(e) 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.

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 15.

(f) Impairment of assets

At the end of each reporting period, the foundation assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

(g) Employee Benefits

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

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

Short term employee benefits

Wages and salaries annual leave and long service leave due but unpaid at reporting date are recognised as an accrual in the Statement of Financial Position at the amounts expected to be paid when the liability is settled.

Long term employee benefits

The provision for long service leave is recognised, and is measured at the present value of the estimated future cash outflows to be made for those benefits. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using interest rates on national government guaranteed securities with terms to maturity that match, as closely as possible, the estimated future cash outflows.

Sick Leave

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.

Superannuation

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.

(h) 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.

(i) 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

(j) 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.

Restricted event income is recognised separately and is that revenue that is identified at the source as being for a specified purpose.

(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 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.

(l) 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.

(m) Rounding

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

(n) 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.

(o) 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.

(p) 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.

(q) Insurance

The foundations's non-current physical assets and other risks are insured through the Aon Insurance Services and Jardine Lloyd Thompson, premiums being paid on a risk assessment basis. In addition, the department pays premiums to WorkCover Queensland in respect of its obligations for employee compensation.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

(r) 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 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.

(s) Employee Benefits - Key executive management personnel and remuneration

Key executive management personnel and remuneration disclosures are made in accordance with the section 5 Addendum (issued in May 2011) to the Financial Reporting Requirements for Queensland Government Agencies issued by Queensland Treasury. Refer to note 4 for the disclosures on key executive management personnel and remuneration.

(t) New and Revised Accounting Standards

The Foundation did not voluntarily change any of its accounting policies during 2011-12.

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.

Title	Operative for reporting periods beginning on/after
<p><i>AASB 9 Financial Instruments, AASB 2009-911 Amendments to Australian Accounting Standards arising from AASB 9. The main impacts of these standards on 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 either 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.</i></p>	1 January 2013

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

Title	Operative for reporting periods beginning on/after
<p>AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2. 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 2 of the framework comprises the recognition, measurement and presentation requirements of Tier 1, but contains significantly fewer disclosure requirements.</p> <p>Pursuant to AASB 1053, public sector entities like the 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.</p>	1 July 2013
<p>Standards arising from AASB 9 (December 2010) [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] become effective from reporting periods beginning on or after 1 January 2013. The main impacts of these standards on the Townsville Hospital 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.</p>	1 January 2013

 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

Title	Operative for reporting periods beginning on/after
<p>The Townsville Hospital Foundation has commenced reviewing the measurement of its financial assets against the new AASB 9 classification and measurement requirements. However, as the classification of financial assets at the date of initial application of AASB 9 will depend on the facts and circumstances existing at that date, the foundation's conclusions will not be confirmed until closer to that time. At this stage, and assuming no change in the types of transactions the Townsville Hospital Foundation enters into, it is not expected that any of the foundation's financial assets will meet the criteria in AASB 9 to be measured at amortised cost. Therefore, as from the 2013-14 financial statements, all of the department's financial assets are expected to be required to be measured at fair value and classified accordingly (instead of the measurement classifications presently used in notes 1(e) and 15). The same classification will be used for net gains/losses recognised in the Statement of Comprehensive Income in respect of those financial assets. In the case of the department's current receivables, as they are short-term in nature, the carrying amount is expected to be a reasonable approximation of fair value.</p> <p>The following new and revised standards apply as from reporting periods beginning on or after 1 January 2013 –</p> <ul style="list-style-type: none"> • AASB 10 Consolidated Financial Statements; • AASB 11 Joint Arrangements; • AASB 12 Disclosure of Interests in Other Entities; • AASB 127 (revised) Separate Financial Statements; • AASB 128 (revised) Investments in Associates and Joint Ventures; and • AASB 2011 -7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17]. <p>These standards cannot be applied by not-for-profit entities prior to their effective date, as the AASB is presently considering modifying them for application by not-for-profit entities in an Australian context. Any such modifications are likely to clarify how the IASB's principles should be applied by not-for-profit entities. Hence, the Townsville Hospital Foundation is not yet in a position to reliably determine the future implications of these new and revised standards for the foundation's financial statements.</p> <p>All other Australian accounting standards and interpretations with future commencement dates are either not applicable to the Townsville Hospital Foundation's activities, or have no material impact on the foundation.</p>	1 January 2013

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

	2012	2011
	\$	\$
2. REVENUE		
Revenue from continuing operations:		
Gifts and Donations	54,754	225,439
Fundraising	122,854	30,576
Interest received	73,652	55,234
Rent Received	-	5,231
Other revenue	40,857	71,277
Restricted fundraising event income	278,007	266,417
Restricted donations income	262,390	-
	<u>832,514</u>	<u>654,174</u>
3. EXPENSES		
a) Employee benefits expense		
Salaries and wages	120,128	158,348
Long service leave expense	(11,891)	11,891
Employer's superannuation contributions	10,521	10,258
	<u>118,758</u>	<u>180,497</u>
The number of employees including both full-time employees and part-time employees measured on a full-time equivalent basis is:	2.5	3
Employer superannuation contributions are regarded as employee benefits. Workers' compensation insurance is a consequence of employing employees, but is not counted in employees' total remuneration package. It is not an employee benefit, but rather an employee related expense included in insurance.		
b) Supplies & Services		
Conference Expenses	2,009	1,877
Function Expenses	22,074	-
Fundraising Expenses	51,333	-
Insurance	13,245	4,348
Marketing	-	1,993
Motor vehicle expenses	3,701	3,994
Printing and stationery	5,599	9,769
Restricted equipment purchases	136,248	85,279
Restricted events fundraising	144,623	192,559
Research salaries	85,337	-
Research expenses	80,827	30,069
Other	15,216	13,580
	<u>560,209</u>	<u>343,467</u>
c) Depreciation		
Depreciation was incurred in respect of:		
Motor Vehicles	4,372	3,256
	<u>4,372</u>	<u>3,256</u>

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**
4. KEY MANAGEMENT PERSONNEL COMPENSATION
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 foundation during 2011-12.

Position and Responsibility	Contract classification and appointment authority	Date appointed to position
Foundation Manager Responsible for the efficient, effective and economic management of the foundation	Engaged on employment contract	Jan-12

Remuneration

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

Short term employee benefits which include 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.

Post employment benefits include superannuation contributions.

Other long term benefits include long service leave accrued.

	2012	2011
	\$	\$
Foundation Manager		
Short-term benefits	71,257	80,073
Post employment benefits	6,413	7,210
Other long-term benefits	-	11,891
Total remuneration	<u>77,670</u>	<u>99,174</u>

Performance payments

No performance based payments were made during the year.

5. AUDITORS REMUNERATION

Auditors' remuneration	8,500	9,700
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Total external audit fees relating to the 2011-12 financial year are estimated to be \$8,500 (2011: \$9,700). There are no non-audit services included in this amount.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2012

	2012 \$	2011 \$
6. CASH AND CASH EQUIVALENTS		
Term Deposits - Foundation	7,500	399,282
Term Deposits - Research	1,591,627	525,000
Petty Cash imprest	1,000	-
Undeposited Funds	15,412	-
Cash at bank - Foundation	121,046	307,320
Cash at bank - Research	22,490	336,540
	<u>1,759,075</u>	<u>1,568,141</u>
7. TRADE AND OTHER RECEIVABLES		
CURRENT		
Trade receivables	73,561	67,040
Good and services tax	5,150	6,376
	<u>78,711</u>	<u>73,416</u>
Credit risk		
Trade receivables		
Past due and impaired	-	-
Past due but not impaired:		
< 30 days overdue	17,428	64,000
31 - 60 days overdue	2,500	3,040
61 - 90 days overdue	-	-
> 90 days overdue	53,633	-
Gross amount	<u>73,561</u>	<u>67,040</u>
8. OTHER ASSETS		
CURRENT		
Accrued Interest	3	15,018
Prepayments	-	7,618
	<u>3</u>	<u>22,636</u>
9. PLANT AND EQUIPMENT		
Motor vehicles	53,725	43,725
Plant and equipment	1,595	-
Less accumulated depreciation	(7,628)	(3,256)
	<u>47,692</u>	<u>40,469</u>
(a) Movement in carrying amounts		
	Plant and Equipment	Total
	\$	\$
Carrying amount at 1 July 2011	43,725	43,725
Additions	11,595	11,595
Depreciation expense	(7,628)	(7,628)
Carrying amount at 30 June 2012	<u>47,692</u>	<u>47,692</u>

 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2012

	2012 \$	2011 \$
10. TRADE AND OTHER PAYABLES		
CURRENT		
Accrued Expenses	8,500	13,112
Trade creditors	121,283	-
Payroll Liabilities	2,320	6,213
Withholding taxes payable	5,146	6,619
	<u>137,249</u>	<u>25,944</u>
11. PROVISIONS		
Provision for long service leave:		
Opening balance at 1 July 2011	11,891	-
Additional provisions raised	-	11,891
Provisions reversed	(11,891)	-
Balance at 30 June 2012	<u>-</u>	<u>11,891</u>
Analysis of Total Provisions		
Non-current	-	11,891
	<u>-</u>	<u>11,891</u>
12. OTHER LIABILITIES		
CURRENT		
Unearned Revenue	-	65,600
	<u>-</u>	<u>65,600</u>
13. CONTINGENT ASSETS		
There were no known contingent assets/liabilities of a significant nature at year end.		
14. EVENTS AFTER THE BALANCE SHEET DATE		
No events subsequent to the balance sheet date were noted requiring adjustment and disclosure in the financial statements.		

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

	Note	2012 \$	2011 \$
15. 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	6	1,759,075	1,568,141
Trade and Other Receivables	7	78,711	73,416
		<u>1,837,786</u>	<u>1,641,557</u>
Financial Liabilities			
Trade and Other Payables	10	137,249	25,944
		<u>137,249</u>	<u>25,944</u>

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 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 follows

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.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

At 30 June 2012 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 2012.

	Note	2012 \$	2011 \$
Floating rate instruments			
Cash and cash equivalents	6	159,948	643,860
Fixed rate instruments			
Cash and cash equivalents	6	1,599,127	924,282
		<u>1,759,075</u>	<u>1,568,141</u>

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 2012		
+/- 1% in interest rates	+/- 17,591	+/- 17,591
Year ended 30 Jun 2011		
+/- 1% in interest rates	+/- 15,681	+/- 15,681

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.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

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	2012 \$	2011 \$
<i>Financial liability maturity analysis</i>			
		Within 1 Year	
Financial liabilities due for payment			
Trade and other payables	10	137,249	25,944
Total contractual outflows		137,249	25,944
Total expected outflows		137,249	25,944
Net (outflow)/inflow on financial instruments		(137,249)	(25,944)

(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 St George Bank. The Commonwealth Bank, Queensland Country Credit Union and St George Bank are highly rated/regulated banks and whilst not capital guaranteed, the likelihood of credit failure is 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 7.

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.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**
16. 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

	Note	2012 \$	2011 \$
17. 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		159,948	643,860
Short term deposits		1,599,127	924,282
	6	1,759,075	1,568,141
(b) Reconciliation of cash flow from operations with operating result			
Operating Result from Continuing Operations		147,005	161,379
Non Cash Flows in Operating Results			
Depreciation		4,372	3,256
Change in assets and liabilities:			
(Increase)/Decrease in Trade and Other Receivables		(11,671)	29,661
(Increase)/Decrease in Other Assets		22,633	(16,839)
Increase/(Decrease) in Trade and Other Payables		117,681	(32,254)
Increase/(Decrease) in Unearned Revenue		(65,600)	(26,880)
Increase/(Decrease) in Provisions		(11,891)	11,891
Net cash provided by (used in) operating activities		202,529	130,214

18. Commitments

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

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 2012 and of the financial position of the Foundation at the end of that year.

Acting Chairman Stuart Dunward *Vic Callanet*

Foundation Manager Meredith Elley

Dated this 28 day of August 2012

INDEPENDENT AUDITOR'S REPORT

To the Board of Townsville Hospital Foundation

Report on the Financial Report

I have audited the accompanying financial report of Townsville Hospital Foundation, which comprises the statement of financial position as at 30 June 2012, 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 certificates given by the Acting Chairman and Foundation Manager.

The Board's Responsibility for the Financial Report

The Board is responsible for the preparation of the financial report that gives a true and fair view in accordance with prescribed accounting requirements identified in the Financial Accountability Act 2009 and the Financial and Performance Management Standard 2009, including compliance with Australian Accounting Standards. The Board's responsibility also includes such internal control as the Board determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed 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 judgement, 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 of the financial report that gives a true and fair view 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 used 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 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.



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FOUNDATION**

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