

FAR NORTH QUEENSLAND HOSPITAL FOUNDATION



...for the Health of our Communities!

ANNUAL REPORT 2003-2004

Achieving Our Aims...

In striving towards our Vision of "Superior Health Care Provision in Far North Queensland" the Foundation made over \$213,000 in donations to health care services. This figure is supplemented by the many services and tasks undertaken by the Foundation and its volunteer team. Many of the services provided by the Foundation have become an integral part of hospital life. One can only imagine the financial benefit of these services to the community if it was costed appropriately.

The following is a list of the Foundation's major purchases and achievements of the year:

- Purchased a Neonatal Transport Cot for Paediatrics
- Purchased 3 Neo-Pro Bi-Wave Mattresses for the Intensive Care Unit
- Purchased a television for the Orthopaedics Ward
- Purchased a commercial washing machine & drier for the Special Care Baby Unit
- Purchased a Spot Vital Signs Monitor for Mental Health
- Purchased a television and funded associated installation costs for Medical Imaging
- Purchased 5 Pneumatic Walker Casts for the Diabetes Centre
- Funded a Midwifery scholarship
- Funded a Community Health scholarship
- Funded rental fees and the commissioning/decommissioning of the Vitalcall alarm service for numerous palliative care patients
- Sponsorship of the Lesley Gabriel Scholarships enabling three staff members to further their training in diabetes education
- Corporate sponsorship of the 6th Tropical Symposium incorporating the Consultation Liaison Mental Health Nurses Forum
- Assisted the Friends of the Foundation to make numerous donations to the health services in their local community
- The Foundation continues to provide important support services to the patients, visitors and staff in hospitals across the Far North



The Future...

The Foundation has established itself as a dynamic not-for-profit organisation that is making a difference in the quality of health care provision in Far North Queensland.

The Foundation has experienced enormous growth over the last few years. This included the establishment of new businesses that will ensure that the Foundation continues to deliver support to hospitals in a professional and efficient manner. At the same time the Foundation will consolidate its income streams and continue to improve the profitability of its commercial operations.

At the conclusion of the Foundation's seventh year it recognises the need to expand our presence further into the regional areas. Whilst we have active Friends of the Foundation in Cooktown, Cow Bay, Mossman and Gordonvale, we need to continue this expansion and make it easier for community groups to support their local health services.

The Foundation relies on the support of many volunteers and donors. These people have enormous influence on the Foundation and ultimately on the way local health care services are provided. Their donation of either time or money is precious. They are the core of the Foundation and its inspiration.

The Year in Review...

Fundraising

The Foundation once again realised a very successful year in fundraising as the annual events are becoming more established. Nick Bernabei, Development Officer, coordinated the year's fundraising activities and due to his professionalism and commitment more than \$320,000 was raised by the Foundation.



Local businesses and the public embraced our major fundraising activities. Some of the major events and organisations that contributed were the Cairns to Cowboys Motorcycle Muster, Holiday Inn Cairns, Skyrail, along with other supporters who's contributions were important in achieving this goal.

This year saw the continuation of a marvellous fundraising relationship between the Foundation and the Holiday Inn Cairns. This premier hotel continues to work with the Foundation as their preferred charity and hold numerous events throughout the year in support of the region's fundraising targets

The Foundation formed a number of strong partnerships with local businesses that made donations in pursuit of our goals. Many thanks to all who supported us throughout the year and special thanks to our major supporters:



Commercial Operations

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

Sea Breeze Café

The Sea Breeze Café provides quality food and retail services to the patients, staff and visitors to the hospital in a magical location overlooking the Cairns esplanade. At the same time it generates substantial funds that are donated back into health care services. It has indoor and outdoor dining for up to 60 people and has a view to rival any in Cairns. We are very proud that we have created a comfortable and scenic environment for people to relax whilst visiting or working at Cairns Base Hospital. The café has indeed become an integral part of life at the hospital.

The coffee served at the café is just wonderful and the freshly baked muffins are the perfect accompaniment. As well as the great food there is a range of gift items, toys, toiletries, magazines, etc that will make a visit to the hospital more comfortable.

The 2004 year saw an increase in Café revenue of just under 15%. The improved revenue coupled with the work done on improving the costs associated with operating the Café, resulted in a 28% improvement to the gross profit.

Vending Machines and Telephone System

The Foundation coordinates a variety of vending services that include 7 soft drink machines, 5 snack food machines, numerous Snack Away trays and two phonecard machines. Operating costs for these services are kept to a minimum with the involvement of volunteers and a mutual agreement with the soft drink supplier. The Foundation also receives commissions from the various snack machines making this a usefull source of revenue for the Foundation.

We also manage the Automatic Teller Machine, which makes in excess of 1500 transactions per month – a very necessary

service provided by the Foundation. With the addition of a soap powder vending machine in the Maternity Ward and two Phonecard vending machines, these services play an essential role in providing for the staff, patients and visitors to the hospital.

The combined revenue derived from these departments improved on last year by just over 25% with an improvement to gross profit of just over 14%.

Car Park

The car park continues to provide a crucial service to the hospital's staff and visitors. As roadside parking is scarce around the hospital campus, the provision of 420 undercover parking spaces provides a secure and comfortable environment and meets the large demand. The \$2.50 entry fee is a small investment for the security and ease of parking on site at the hospital. The car park has video surveillance and security guard patrols ensuring a safe environment for the vehicles and their drivers. This is especially important for hospital staff after hours.

The car park also accommodates a large number of hospital pool vehicles ensuring quick and easy access for staff. Access to the car park can also be activated through the staff proximity card and paid for through payroll deductions. The Foundation offers free parking to visiting Medical Officers and the Clergy enabling them easy access in emergencies 24 hours per day.

Revenue from the car park increased by just over 15% which in turn improved the gross profit by the same margin, just over 15%.

Television

The Foundation manages the integrated multi-access television system throughout the hospital. This offers a rental service that gives patients five free to air channels, five pay-TV channels and an educational channel and four radio channels. The system is self-access allowing patients to view the television immediately without the involvement of hospital staff. A Foundation staff member visits each bed daily to check the TV and collect rental payment. The benefits of this service has been acknowledged by everyone involved as it provides patients with some of the comforts of home without being a burden on medical and nursing staff.



The Year in Review...

Volunteer Services

Celebrating its 15th year, the Volunteer Program continues to provide a most valuable service to the patients, visitors and staff of the Cairns Base Hospital. We should always acknowledge the contributions of these people who donate their time and skills to the Foundation's vision.



Foundation staff have concentrated on maximising the efforts of our many volunteers and ensuring that their contribution really does make a difference. Volunteers provide important services that benefit everyone who visit the hospital. These services range from operating the internal mail trolley, running the Information Desk and providing Hospital Guides. These marvellous people have also been busy working with the Foundation's commercial and fundraising activities and their contributions are telling.

The success of the Volunteer Program has reached far and wide as we continue to recruit many new volunteers through word of mouth and testimonials. It has been said that our best advertisement are the conversations that occur on the bus as our volunteers share their experiences and pleasure from their day's work at the hospital. With our bright uniforms we can't be missed. We are indebted to all those volunteers who gave of their time and efforts.



The Year in Review...

For the majority of the 2003/2004 year the Far North Queensland Hospital Foundation focused on improving the profitability of the commercial operations that were developed during the previous few years. The Sea Breeze Café and the Television Service continue to provide patients and visitors with quality services that make their visit to the hospital more comfortable and reassuring. In combination with the improved revenue generated from the Foundation's fundraising activities and our enhanced community profile, it was again an eventful year.



The Sea Breeze Café has established itself as an integral part of hospital life, providing quality services in a beautiful setting. The television and telephone systems have made a patient's visit to the hospital more comfortable and our vending services along with our management of the Automatic Teller Machine ensure patients and visitors easy access to a variety of products.

The Foundation continues to develop its presence throughout the community and make a real impact on the quality of health care in the Far North. During the year the Foundation made more than \$213,000 in donations towards the improvement of our local health services.

The Foundation continues to provide essential non-medical support to the patients, visitors and staff at Cairns Base Hospital. The assistance provided through the Volunteer Program is especially important as visitors are faced with finding their way around the new hospital environment. Our role in helping people find their way around is now more important than ever before. The Volunteer Program also plays an important role in regional health services as we expand our support and expertise to groups throughout the region.

Our many activities throughout the year saw our profile enhanced as we progressively become recognised as one of the Far North's leading charities making a real difference to the provision of local health care services.



FAR NORTH QUEENSLAND
HOSPITAL FOUNDATION
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Chairman's Report



"In the 2004 financial year the Foundation made more than \$213,000 in direct donations and began the installation of a telephone at every bed in the Cairns Base Hospital."

By Dr Ken Chapman

The Far North Queensland Hospital Foundation is a strong local charity working to improve health care in Far North Queensland by raising money for modern equipment, education and research and providing volunteer and support services.

In the 2004 financial year the Foundation made more than \$213,000 in direct donations in support of local health services and also began the installation of a telephone at every bed in the Cairns Base Hospital so future patients will be able to receive and make calls from their bedside. Together with the television sets installed at every bed in previous years, the Foundation is pleased to be working towards a private hospital standard of bedside services for public hospital patients in Cairns Base.

Underpinning our fundraising efforts to achieve these goals were the improving performance of the Foundation's commercial business units within the campus of Cairns Base Hospital. The Sea Breeze Café, car park and vending machines made significant financial contributions while also providing valuable services to patients, staff and visitors. Because of the income from these business units, monies raised in fundraising do not need to go towards administrative costs and so supporters can be confident that every dollar raised will go to the cause intended.

Special thanks this year go to Scott Pickard who was the Foundation's General Manager for four enthusiastic years until resigning to take a position with the Queensland Ambulance Service at Christmas 2003. The new General Manager is Mr Tony Franz who started in February 2004 and has already made a great impression on the organisation and looks set to lead it to the next level in its development.

Our dedicated band of hard working volunteers made an outstanding contribution to the Foundation and throughout the Base Hospital and once again deserve our most sincere thanks. Thanks also to Nick Bernabei, Haley McVean and the rest of the Foundation team for their efforts throughout the year and to my fellow board members who gave their services freely in support of this worthy cause.

The year in review was a time of change, hard work and achievement for the benefit of health care in FNQ and we look forward to continuing this progress and growing the important role of the Foundation in its community in the coming years.



Members of the Foundation

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

MEMBERS OF THE
FAR NORTH QUEENSLAND
HOSPITAL FOUNDATION
FOR THE YEAR 2003/2004

Chairman

Dr Ken Chapman MB BS (Qld)
*- re-appointed for a term of 5 years
expiring 23rd March 2005*

Deputy Chairman

Mr Russell Beer LLB
*- appointed for a term of 4 years
expiring 23rd March 2008*

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

Members

Mr Graham J Coonan BCom. FCA
*- appointed for a term of 3 years
expiring 23rd March 2005*

Mrs Cheryl Campbell
*- appointed for a term of 4 years
expiring 23rd March 2008*

Ms Sharon Jones
Mr Scott Thompson
Mrs Patricia J Bailey
*- appointed for a term of 3 years
expiring 23rd March 2006*

District Manager
Mr Philip Cammish
Cairns District Health Council
Mr Theo Bacalakis
- appointed as ex officio members

Secretary

Mr Brett Grosser



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THE FAR NORTH QUEENSLAND HOSPITAL

FOUNDATION WAS ESTABLISHED ON 21ST MARCH 1997 UNDER THE PROVISIONS OF THE HOSPITALS FOUNDATIONS ACT (1982). AS SUCH IT HAS ALL OF THE OBJECTS, FUNCTIONS AND POWERS SET DOWN IN THE HOSPITALS FOUNDATIONS ACT 1982 AND VARIOUS OTHER ACTS OF PARLIAMENT.

Vision Statement

"SUPERIOR HEALTH CARE PROVISION IN FAR NORTH QUEENSLAND."

Mission Statement

"TO CONTRIBUTE TO IMPROVEMENT IN THE QUALITY OF HEALTH CARE PROVISION IN FAR NORTH QUEENSLAND THROUGH THE FUNDING OF MODERN EQUIPMENT, FACILITIES, EDUCATION, TRAINING AND RESEARCH AND THROUGH THE PROVISION OF SUPPORT SERVICES."

Principal Activities

FUND THE PURCHASE OF STATE-OF-THE-ART EQUIPMENT AND ESTABLISHMENT OF FIRST CLASS HEALTH RELATED FACILITIES;

ASSIST IN THE ESTABLISHMENT OF FAR NORTH QUEENSLAND AS A CENTRE OF EXCELLENCE IN HEALTH SERVICES BY FUNDING, SUPPORTING AND ENCOURAGING EDUCATION AND RESEARCH;

PROVIDE SUPPORT SERVICES FOR THE PATIENTS AND STAFF.

	Note	2004 \$	2003 \$
Revenue from sale of goods	2	1,268,770	1,090,350
Revenue from fundraising	3	320,792	301,600
Other Revenues from ordinary activities			
Interest		6,875	3,137
Total revenues from ordinary activities		1,596,437	1,395,087
Cost of sales	2	(547,864)	(512,954)
Cost of fundraising	3	(69,836)	(64,515)
Administration and employee expenses		(605,432)	(585,859)
Amortisation and depreciation		(69,510)	(71,580)
Audit		(4,250)	(3,465)
Borrowing costs		(10,048)	(11,873)
Net surplus	13	289,497	144,841

The statement of financial performance is to be read in conjunction with the notes to the financial statements set out on pages 13 to 21.



INDEPENDENT AUDIT REPORT

To the Board of The Far North Queensland Hospital Foundation

Scope

The financial statements

The financial statements of The Far North Queensland Hospital Foundation consist of the statement of financial performance, statement of financial position, statement of cash flows, notes to and forming part of the financial statements and certificates given by the Chairperson and officer responsible for the financial administration of The Far North Queensland Hospital Foundation, for the year ended 30 June 2004.

The Board's responsibility

The Board is responsible for the preparation and true and fair presentation of the financial statements, the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial statements.

Audit approach

As required by law, an independent audit was conducted in accordance with QAO Auditing Standards to enable me to provide an independent opinion whether in all material respects the financial statements are presented fairly, in accordance with the prescribed requirements, including any mandatory financial reporting requirements as approved by the Treasurer for application in Queensland.

Audit procedures included -

- examining information on a test/sample basis to provide evidence supporting the amounts and disclosures in the financial statements,
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the Board,
- obtaining written confirmation regarding the material representations made in conjunction with the audit, and
- reviewing the overall presentation of information in the financial statements.

Independence

The *Financial Administration and Audit Act 1977* promotes the independence of the Auditor-General and QAO authorised auditors.

The Auditor-General is the auditor of all public sector entities and can only be removed by Parliament.

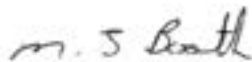
The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which powers are to be exercised.

The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

Audit Opinion

In accordance with section 46G of the *Financial Administration and Audit Act 1977* -

- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion -
 - (i) the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and
 - (ii) the statements have been drawn up so as to present a true and fair view, in accordance with the prescribed accounting standards of the transactions of The Far North Queensland Hospital Foundation for the financial year 1 July 2003 to 30 June 2004 and of the financial position as at the end of that year.



M T BOOTH, CPA
Audit Manager
(as Delegate of the Auditor-General of Queensland)



Queensland Audit Office
Brisbane

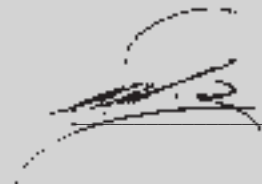
We certify that in our opinion:

- (a) the prescribed requirements in respect of the establishing and keeping the accounts of the Far North Queensland Hospital Foundation have been complied with in all material respects; and
- (b) the financial statements set out on pages 13 to 21 have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Foundation for the year ended 30 June 2004 and of the financial position of the Foundation at the end of the year.

Dated at Cairns this 16th day of September 2004.



Chairman



General Manager



16. RELATED PARTIES

Members

The names of each person holding the position of member of the Foundation during the financial year are: Dr Kenneth Chapman (Chairman), Mr Russell Beer, Ms Patricia Bailey, Mr Philip Cammish, Ms Cheryl Campbell, Mr Graham Coonan, Mr Brett Grosser, Ms Sharon Jones, Mr Scott Thompson and Mr Theo Bacalakis. Mr Russell Beer and Ms Cheryl Campbell completed their appointed terms as members of the Foundation on 23 March 2004 and were reappointed for a further term expiring on 23 March 2008. District Manager, Mr Philip Cammish was appointed to an ex officio position on 23 October 2003, along with Mr Theo Bacalakis who was appointed to an ex officio position as representative of the Cairns District Health Council on 19 December 2003.

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

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

Mr Cammish and Mr Grosser were employed at the Cairns Base Hospital with which the Foundation has commercial dealings on a normal arms length basis from time to time. During the year, the Foundation provided a volunteer service to the Cairns Base Hospital. This involves the recruiting, coordination and management of a team of volunteers, which provides various services to that hospital and is in line with the objects of the Foundation. For this service the hospital contributed \$39,020 (2003: \$39,020) towards the Foundation's costs in this regard. In addition, the Cairns Base Hospital received significant benefits by way of equipment donated and benefits sponsored by the Foundation during the year (in accordance with the objects of the Foundation) as set out in the statement of financial performance.

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



14. INDUSTRY SEGMENT

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

15. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of cash

For the purposes of the statement of cash flows, cash includes cash on hand and at bank and short-term deposits at call, net of outstanding bank overdrafts. Cash as at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	2004 \$	2003 \$
Cash on hand	12,374	13,144
Cash at bank	190,204	215,564
	<u>202,578</u>	<u>228,708</u>

(b) Reconciliation of net surplus to net cash provided by operating activities

Net surplus	289,497	144,841
<i>Add non-cash items:</i>		
Amortisation and depreciation	69,510	71,580
Amounts set aside to provisions	1,453	(6,571)
	<u>360,460</u>	<u>209,850</u>
Net cash provided by operating activities before change in assets and liabilities	360,460	209,850
<i>Change in assets and liabilities during the financial year:</i>		
(Increase)/decrease in receivables	(17,008)	14,002
(Increase)/decrease in inventories	5,112	8,237
Increase/(decrease) in payables	(53,726)	78,347
	<u>294,838</u>	<u>310,436</u>
Net cash provided by operating activities	<u>294,838</u>	<u>310,436</u>



12. ADDITIONAL FINANCIAL INSTRUMENTS DISCLOSURE
(a) Interest rate risk

Other than the minimal risk in respect of the Queensland Treasury Corporation loan facility (Note 10) and cash at bank and on deposit (Note 5) the Foundation is not exposed to interest rate risk in respect of its financial assets and financial liabilities at balance date.

(b) Credit risk exposures

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted.

The credit risk on financial assets of the Foundation which have been recognised on the statement of financial position is the carrying amount, net of any provision for doubtful debts.

The Foundation minimises concentrations of credit risk in so far as its transactions are undertaken with a large number of customers predominantly on cash terms.

(c) Net fair values of financial assets and liabilities
Valuation approach

Net fair values of financial assets and liabilities are determined by the Foundation on the following basis. The carrying amounts of bank deposits, accounts receivable and payables approximate net fair value.

	Note	2004 \$	2003 \$
13. RETAINED SURPLUS			
Retained surplus at the beginning of the year		380,800	361,718
Net surplus		289,496	144,841
Grants and contributions made	4	(213,509)	(125,759)
Retained surplus at the end of the year		<u>456,787</u>	<u>380,800</u>

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

Retained surplus comprises:

Unrestricted funds	324,789	273,052
Restricted funds	<u>131,998</u>	<u>107,748</u>
	<u>456,787</u>	<u>380,800</u>



	2004	2003
	\$	\$
9. PAYABLES		
Current		
Trade creditors	70,823	119,203
Customer deposits	1,635	2,055
Payroll liabilities	6,242	4,900
GST	23,142	18,729
Sundry creditors and accruals	4,250	3,850
	<u>106,092</u>	<u>148,737</u>
10. INTEREST BEARING LIABILITIES		
Current		
Queensland Treasury Corporation overdraft facility	-	50,000
Queensland Treasury Corporation current loan facility	36,048	33,815
	<u>36,048</u>	<u>83,815</u>
Total Current Liability	<u>36,048</u>	<u>83,815</u>
Non-current		
Queensland Treasury Corporation loan facility	71,549	107,598
	<u>71,549</u>	<u>107,598</u>

The market value of the Queensland Treasury Corporation loan facility at 30 June 2004 is \$108,608. This represents the value of the debt if the Foundation repaid it at that date. As it is the intention of the Foundation to hold the debt for its term, no provision is required to be made in these accounts. The interest rate on Queensland Treasury Corporation borrowings is 5.63%. Based on the current level of repayments the expected term of the debt is 2.79 years. Borrowings are all in Australian dollars and are underwritten by the Queensland State Government.

11. PROVISIONS

Current		
Employee entitlements	9,350	16,404
	<u>9,350</u>	<u>16,404</u>



	2004	2003
	\$	\$
6. RECEIVABLES		
Current		
Trade debtors	27,542	10,534
Prepayments	7,957	5,385
	<u>35,499</u>	<u>15,919</u>

No interest is earned on amounts due from debtors.

7. INVENTORIES

Current		
Sea Breeze Cafe	6,373	10,772
Specialised equipment scheme	4,617	5,372
Vending machines	1,649	2,163
Telephone system	1,356	800
	<u>13,995</u>	<u>19,107</u>

8. PROPERTY, PLANT AND EQUIPMENT

Leasehold improvements, at cost	302,060	301,768
Accumulated amortisation	(66,393)	(36,260)
	<u>235,667</u>	<u>265,508</u>
Plant and equipment, at cost	315,800	293,133
Accumulated depreciation	(138,965)	(105,328)
	<u>176,835</u>	<u>187,805</u>
Furniture and fittings, at cost	30,000	29,315
Accumulated Depreciation	(15,782)	(10,792)
	<u>14,218</u>	<u>18,523</u>
Specialised hire equipment, at cost	8,520	8,520
Accumulated depreciation	(7,486)	(6,736)
	<u>1,034</u>	<u>1,784</u>
Total property, plant and equipment, at net book value	<u>427,754</u>	<u>473,620</u>



	Note	2004 \$	2003 \$
4. GRANTS AND CONTRIBUTIONS			
During the year, the Foundation funded equipment purchases and/or services as follows:			
Cairns Base Hospital			
Intensive Care		13,001	-
Medicine		1,300	9,778
Emergency Medicine		4,927	10,147
Paediatrics		132,649	35,059
Women's Health		3,231	1,376
Thoracic		-	4,700
Mental Health		5,052	-
Orthopaedics		1,012	1,697
Renal Medicine		5,322	4,884
Pyschiatry		-	2,584
Cardiology		7,665	20,464
Diabetes		5,769	3,000
Neurology		5,250	-
Cairns Other		8,009	6,005
Cooktown Hospital		4,596	8,739
Mossman Hospital		2,192	6,304
Gordonvale Hospital		3,206	8,835
Community Health			
Aplin St		5,829	-
Cow Bay Clinic		3,774	1,698
Sundry		725	489
	13	<u>213,509</u>	<u>125,759</u>

5. CASH ASSETS

Cash on hand		12,374	13,144
Cash at bank		116,462	39,368
Cash on deposit (at call)		73,742	176,196
		<u>202,578</u>	<u>228,708</u>



	2004	2003
	\$	\$
2. SALES		
Sales income		
Sea Breeze Cafe	946,673	823,897
Vending machines	49,207	45,215
Telephone	15,500	6,502
Television	79,484	59,262
Car park	162,807	141,179
Sundry	15,099	14,295
	<u>1,268,770</u>	<u>1,090,350</u>
Cost of sales		
Sea Breeze Cafe	510,351	482,423
Vending machines	24,444	22,788
Telephone	13,069	5,146
Television	-	2,597
	<u>547,864</u>	<u>512,954</u>
Gross profit		
Sea Breeze Cafe	436,322	341,474
Vending machines	24,763	22,427
Telephones	2,431	1,356
Television	79,484	56,665
Car park	162,807	141,179
Sundry	15,099	14,295
	<u>720,906</u>	<u>577,396</u>
3. FUNDRAISING		
Fundraising and other contributions		
Fundraising for general purpose	173,328	156,946
Fundraising for specific purposes	92,694	91,168
Volunteer service	45,563	47,078
Specialised equipment scheme	6,980	5,353
Other	2,227	1,055
	<u>320,792</u>	<u>301,600</u>
Cost of fundraising		
Fundraising	40,283	31,071
Volunteer service	27,154	30,888
Specialised equipment scheme	2,399	2,556
	<u>69,836</u>	<u>64,515</u>
Gross profit		
Fundraising	225,739	217,043
Volunteer service	18,409	16,190
Specialised equipment scheme	4,581	2,797
Other	2,227	1,055
	<u>250,956</u>	<u>237,085</u>



1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Property, plant and equipment - Note 8

Depreciation and amortisation

Items of property, plant and equipment are depreciated/amortised using the straight-line method over their estimated useful lives.

The depreciation rates used for each class of asset are generally as follows:

	2004	2003
• Leasehold improvements	10%	10%
• Plant and equipment	20%	20%
• Furniture and fittings	20%	20%
• Specialised hire equipment	20%	20%

Assets are depreciated or amortised from the date of acquisition.

(g) Payables - Note 9

Payables are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the Foundation. Trade creditors are normally settled within 60 days.

(h) Employee entitlements - Note 11

Annual leave

The provision for employee entitlements for annual leave represents the amount which the employer has a present obligation to pay resulting from employees' services provided up to balance date. The provision has been calculated at nominal amounts based on current wage and salary rates.

Superannuation fund

Contributions to employee superannuation funds are charged against income as they are made.

(i) Support from Cairns District Health Service

The Foundation receives support for its activities from the Cairns District Health Service. This support is primarily in the form of office accommodation and associated services. It is not practicable to accurately quantify the value of this support and accordingly it has not been recognised in this financial report.

(j) Adoption of International Financial Reporting Standards

The Financial Reporting Council has determined that all entities preparing general purpose financial statements will apply the Australian equivalents to International Financial Reporting Standards (IFRS) for reporting periods beginning on or after 1 January 2005.

The FNQ Hospital Foundation has established an IFRS work group to assist in the implementation of the new reporting requirements. All pending Australian equivalents to IFRS are being progressively reviewed for possible implications on policies, procedures, systems and financial impacts arising from such changes.

To date, the authority has identified the following key differences in accounting policies, which will arise from the adoption of Australian equivalents to IFRS:

- The valuation of inventories will change from the lower of cost and net realisable value as stated in note 1(e) to the lower of cost and current replacement cost under pending AASB 102 Inventories. This may lead to an increase in the valuation shown for inventories.
- The introduction of pending AASB 136 Impairment of Assets will require an annual impairment test to be performed on all non-current physical and intangible assets. This may result in a write-down of the value of plant and equipment.

The dollar values of the above changes cannot be reliably estimated at the date of this report.



1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

The significant policies that have been adopted in the preparation of this financial report are:

(a) Basis of preparation

The financial report is a general-purpose financial report that has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Abstracts and the Financial Management Standard 1997.

It has been prepared on the basis of historical costs and except where stated, does not take into account changing money values or current valuations of non-current assets.

These accounting policies have been consistently applied and, except where there is a change in accounting policy, are consistent with those of the previous year.

Where necessary, comparative information has been reclassified to achieve consistency in disclosure with current financial year amounts and other disclosures.

(b) Revenue recognition

Sales revenue

Sales revenue comprises revenue earned from the provision of products or services to hospital staff and third parties. Sales revenue is recognised when the goods are provided or when the fee in respect of services provided is receivable.

Fundraising revenue

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

Interest income

Interest income is recognised as it accrues.

(c) Income tax

The Foundation has been granted exemption from income tax pursuant to the Income Tax Assessment Act 1997.

(d) Receivables - Note 6

Trade debtors

Trade debtors to be settled in 30 days are carried at amounts due. The recovery of debts is assessed at balance date and specific provision is made for any doubtful accounts.

(e) Inventories - Note 7

Inventories are carried at the lower of cost and net realisable value. Cost is based on the first-in first-out principle. Net realisable value is determined on the basis of the Foundation's normal selling patterns.

(f) Property, plant and equipment - Note 8

Asset recognition

The Foundation records all purchases of property, plant and equipment amounting to \$500 or more as assets in its asset register.

Acquisition

Items of property, plant and equipment are initially recorded at cost and depreciated as outlined below.



	Note	2004 \$	2003 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts in the course of operations		1,716,694	1,526,301
Cash payments in the course of operations		(1,334,349)	(1,145,664)
Interest received		6,875	3,137
Borrowing costs		(10,048)	(11,783)
GST net payments to ATO		(84,334)	(61,555)
Net cash provided by operating activities	15(b)	<u>294,838</u>	<u>310,436</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		<u>(26,643)</u>	<u>(8,730)</u>
Net cash provided by/(used in) investing activities		<u>(26,643)</u>	<u>(8,730)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		<u>(83,816)</u>	<u>(33,791)</u>
Net cash used in financing activities		<u>(83,816)</u>	<u>(33,791)</u>
CASH FLOWS FROM BENEVOLENT ACTIVITIES			
Payments made for benevolent purposes	4	<u>(213,509)</u>	<u>(125,759)</u>
Net cash provided by/(used in) benevolent activities		<u>(213,509)</u>	<u>(125,759)</u>
Net increase/(decrease) in cash held		(26,130)	142,156
Cash at the beginning of the financial year		<u>228,708</u>	<u>86,552</u>
Cash at the end of the financial year	15(a)	<u><u>202,578</u></u>	<u><u>228,708</u></u>

The statement of cash flows is to be read in conjunction with the notes to the financial statements set out on pages 13 to 21.



	Note	2004 \$	2003 \$
CURRENT ASSETS			
Cash assets	5	202,578	228,708
Receivables	6	35,499	15,919
Inventories	7	13,995	19,107
Total current assets		<u>252,072</u>	<u>263,734</u>
NON-CURRENT ASSETS			
Property, plant and equipment	8	427,754	473,620
Total non-current assets		<u>427,754</u>	<u>473,620</u>
Total assets		<u><u>679,826</u></u>	<u><u>737,354</u></u>
CURRENT LIABILITIES			
Payables	9	106,092	148,737
Interest bearing liabilities	10	36,048	83,815
Provisions	11	9,350	16,404
Total current liabilities		<u>151,490</u>	<u>248,956</u>
NON-CURRENT LIABILITIES			
Interest bearing liabilities	10	71,549	107,598
Total non-current liabilities		<u>71,549</u>	<u>107,598</u>
Total liabilities		<u><u>223,039</u></u>	<u><u>356,554</u></u>
Net assets		<u><u>456,787</u></u>	<u><u>380,800</u></u>
EQUITY			
Retained surplus	13	456,787	380,800
Total equity		<u><u>456,787</u></u>	<u><u>380,800</u></u>

The statement of financial position is to be read in conjunction with the notes to the financial statements set out on pages 13 to 21.



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REPORT OR ANY FURTHER INFORMATION
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