

# **TOWNSVILLE HOSPITAL FOUNDATION**

## **FINANCIAL REPORT** FOR THE YEAR ENDED 30 JUNE 2018

# TOWNSVILLE HOSPITAL FOUNDATION

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**TOWNSVILLE HOSPITAL FOUNDATION**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2018**

<b>OPERATING RESULT</b>	Note	<b>2018</b> \$	<b>2017</b> \$
<b>Income from Continuing Operations</b>			
Grants and other contributions	<b>3</b>	154,306	164,798
Fundraising and events	<b>4</b>	369,915	251,508
Restricted income	<b>5</b>	641,986	398,396
Other revenue	<b>6</b>	-	(3,068)
Interest received		83,612	86,023
<b>Total Income from Continuing Operations</b>		<u>1,249,819</u>	<u>897,657</u>
<b>Expenses from Continuing Operations</b>			
Depreciation	<b>7</b>	7,092	7,150
Employee expenses	<b>8</b>	206,902	225,120
Grants and subsidies	<b>9</b>	517,261	39,382
Supplies and services	<b>10</b>	276,946	238,744
<b>Total Expenses from Continuing Operations</b>		<u>1,008,201</u>	<u>510,396</u>
		<u>241,618</u>	<u>387,261</u>
<b>NET OPERATING SURPLUS</b>		241,618	387,261
Accumulated surplus at beginning of the financial year		<u>668,665</u>	<u>515,657</u>
		910,283	902,918
Aggregate of amounts transferred to reserves		-	234,253
<b>ACCUULATED SURPLUS AT END OF THE FINANCIAL YEAR</b>		<u><u>910,283</u></u>	<u><u>668,665</u></u>

The accompanying notes form part of these financial statements.

# TOWNSVILLE HOSPITAL FOUNDATION

## STATEMENT OF FINANCIAL POSITION

**AS AT 30 JUNE 2018**

	Note	2018 \$	2017 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	11	3,593,032	3,384,926
Trade and other receivables	12	15,693	500
Inventories	13	2,949	3,223
Other assets	14	21,435	24,394
<b>TOTAL CURRENT ASSETS</b>		<b>3,633,109</b>	<b>3,413,043</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	15	10,858	17,951
<b>TOTAL NON-CURRENT ASSETS</b>		<b>10,858</b>	<b>17,951</b>
<b>TOTAL ASSETS</b>		<b>3,643,967</b>	<b>3,430,994</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	16	14,381	40,541
Borrowings	17	30	-
Provisions	18	3,668	6,183
<b>TOTAL CURRENT LIABILITIES</b>		<b>18,079</b>	<b>46,724</b>
<b>TOTAL LIABILITIES</b>		<b>18,079</b>	<b>46,724</b>
<b>NET ASSETS</b>		<b>3,625,888</b>	<b>3,384,270</b>
<b>EQUITY</b>			
Reserves		2,715,605	2,715,605
Accumulated surplus		910,283	668,665
<b>TOTAL EQUITY</b>		<b>3,625,888</b>	<b>3,384,270</b>

The accompanying notes form part of these financial statements.

**TOWNSVILLE HOSPITAL FOUNDATION**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2018**

	Retained Earnings \$	Restricted Fundraising Reserve \$	Restricted Research Reserve \$	Total \$
<b>Balance at 1 July 2016</b>	515,657	1,940,836	540,516	2,997,009
<b>Operating result</b>				
<i>Operating result from continuing operations</i>	387,261	-	-	387,261
<b>Total comprehensive income for the year attributable to the member of the company</b>	<u>387,261</u>	<u>-</u>	<u>-</u>	<u>387,261</u>
<b>Other</b>				
Net transfers from accumulated surplus	(234,253)	234,253	-	-
<b>Total other</b>	<u>(234,253)</u>	<u>234,253</u>	<u>-</u>	<u>-</u>
<b>Balance at 30 June 2017</b>	<u>668,665</u>	<u>2,175,089</u>	<u>540,516</u>	<u>3,384,270</u>
<b>Balance at 1 July 2017</b>	668,665	2,175,089	540,516	3,384,270
<b>Operating result</b>				
<i>Operating result from continuing operations</i>	241,618	-	-	241,618
<b>Total comprehensive income for the year attributable to the member of the company</b>	<u>241,618</u>	<u>-</u>	<u>-</u>	<u>241,618</u>
<b>Balance at 30 June 2018</b>	<u>910,283</u>	<u>2,175,089</u>	<u>540,516</u>	<u>3,625,888</u>

The accompanying notes form part of these financial statements.

# TOWNSVILLE HOSPITAL FOUNDATION

## STATEMENT OF CASH FLOWS

### FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 \$	2017 \$
<b>Cash flows from operating activities</b>			
Grants and other contributions		154,306	164,798
Fundraising and events		369,915	251,508
Restricted income		641,986	398,396
Other revenue		-	(3,069)
Employee expenses		(209,417)	(224,039)
Grants and subsidies		(517,261)	-
Supplies and services		(276,946)	(238,744)
Increase / (Decrease) in other assets and liabilities		(38,089)	(27,572)
<b>Net cash provided by operating activities</b>	<b>21</b>	<b>124,494</b>	<b>321,278</b>
<b>Cash flows from investing activities</b>			
Interest received		83,612	86,023
<b>Net cash provided by investing activities</b>		<b>83,612</b>	<b>86,023</b>
Net increase in cash held		208,106	407,301
Cash and cash equivalents at beginning of financial year		3,384,926	2,977,625
Cash and cash equivalents at end of financial year	<b>21</b>	<b>3,593,032</b>	<b>3,384,926</b>

The accompanying notes form part of these financial statements.

**TOWNSVILLE HOSPITAL FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

The financial statements cover Townsville Hospital Foundation as an individual entity.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(a) General information about the reporting entity**

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.

**(b) The financial statements were authorised for issue by the board members at the date of signing.**

The financial statements, except for cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

**(c) Property, Plant and Equipment**

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

**Plant and Equipment**

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present.

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 company and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in the statement of profit or loss in the financial period in which they are incurred.

**Depreciation**

The depreciable amount of all fixed assets, including buildings and capitalised lease assets but excluding freehold land, is depreciated over the asset's useful life to the foundation commencing from the time the asset is held ready for use.

**(d) Trade and Other Receivables**

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

**(e) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

**TOWNSVILLE HOSPITAL FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

**(f) Revenue and Other Income**

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

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

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

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

**(g) Trade and Other Payables**

Trade and other payables represent the liabilities for goods and services received by the company that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

**(h) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

**(i) Underlying measurements Basis**

The historical cost convention is used as the measurement basis except for land and buildings which are measured at fair value.

**(j) Presentation matters**

Currency rounding - Amounts included in the financial statements are in Australian Dollars. Amounts are rounded to the nearest dollar.

Comparatives - Comparative information reflects the audited 2016-17 financial statements.

**(k) Compliance with Prescribed Requirements**

The financial statements have been prepared in compliance with the Financial Accountability Act 2009 and the Financial and Performance Management Standard 2009.

The foundation is a not-for-profit entity and these general purpose financial statements are prepared in compliance with the requirements of Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations applicable for not-for-profit entities.

The financial statements are prepared on an accrual basis (with the exception of the statement of cashflows which is prepared on a cash basis).



**TOWNSVILLE HOSPITAL FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

	2018 \$	2017 \$
<b>2. KEY MANAGEMENT PERSONNEL COMPENSATION</b>		
<b>General Manager</b>		
Short-term benefits	77,777	77,349
Post employment benefits	-	4,440
<b>Total remuneration</b>	<b>77,777</b>	<b>81,789</b>
<b>Office Manager</b>		
Short-term benefits	73,710	72,684
Post employment benefits	-	1,358
<b>Total remuneration</b>	<b>73,710</b>	<b>74,042</b>
<b>Marketing and Volunteer Co-ordinator</b>		
Short-term benefits	57,987	54,648
Post employment benefits	-	384
<b>Total remuneration</b>	<b>57,987</b>	<b>55,032</b>
<b>Total KMP Remuneration</b>	<b>209,474</b>	<b>210,863</b>

**Remuneration of the Board**

Members of the Board did not receive remuneration from the Foundation in the 2018 financial year.

**Position and Responsibility**

**General manager -**

Responsible for the overall management and strategic direction of the foundation

**Office Manager-**

Responsible for the efficient, effective and economic management of the foundation

**Marketing and Volunteer Co-ordinator -**

Responsible for the delivery of the fundraising and marketing for the foundation

**Performance payments**

The Townsville Hospital Foundation does not have any key management personnel that are entitled to performance based payments.

Short-term employee benefits - wages, salaries and sick leave

Wages and salaries due but unpaid at the reporting date are recognised in the Balance Sheet at the current salary rate(s). As the Foundation expects such liabilities to be wholly settled within 12 months of reporting date, the liabilities are recognised at undiscounted amounts.

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.

Other long-term employee benefits - annual and long service leave

Annual leave and long service leave liabilities are classified and measured as other long term employee benefits as the Foundation does not expect to wholly settle all such liabilities within the 12 months following reporting date.

Other long-term employee benefits are presented as current liabilities where the Foundation does not have an unconditional right to defer payment for at least 12 months after the end of the reporting period.

# TOWNSVILLE HOSPITAL FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$
<p>Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments take into account anticipated future wage/salary levels, expected employee departures and periods of ineligible service. These are discounted using market yields on Australian Government bond rates at the end of the reporting period that coincide with the expected timing of estimated future payments. All directly associated on-costs (e.g. employer superannuation contributions, payroll tax and workers' compensation insurance) are also recognised as liabilities, where these on-costs are material.</p>		
<p><i>Superannuation</i> Superannuation benefits are provided through either defined contribution (accumulation) plans or the QSuper defined benefit plan, in accordance with employees' conditions of employment and employee instructions as to superannuation plan (where applicable).</p>		
<b>3. GRANTS AND OTHER CONTRIBUTIONS:</b>		
Grants received	100,000	100,031
Donations - cash	54,306	64,767
	154,306	164,798
<b>4. FUNDRAISING AND EVENTS:</b>		
Commercial enterprises	170,340	193,137
Events income	162,466	53,691
Fundraising income	37,109	4,680
	369,915	251,508
<b>5. RESTRICTED INCOME:</b>		
Restricted events income	39,374	-
Restricted donations income	-	172,021
Restricted other income	602,612	226,375
	641,986	398,396
<b>6. OTHER REVENUE:</b>		
Other revenue	-	(3,068)
	-	(3,068)
<b>7. DEPRECIATION:</b>		
Depreciation	7,092	7,150
	7,092	7,150
<b>8. EMPLOYEE EXPENSES:</b>		
Leave entitlements	(2,515)	1,081
Salaries and wages	191,301	204,661
Superannuation contributions	18,116	19,378
	206,902	225,120
Number of employees:		
The number of employees as at 30 June, including both full-time employees and part-time	3	2.5
<b>9. GRANTS AND SUBSIDIES:</b>		
Donated plant and equipment	517,261	39,382
	517,261	39,382

**TOWNSVILLE HOSPITAL FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

	2018	2017
	\$	\$
<b>10. SUPPLIES AND SERVICES:</b>		
Function expenses	700	13,796
Fundraising expenses	91,326	76,839
Insurance	11,024	9,280
Marketing	3,506	4,251
Motor vehicle expenses	2,812	3,791
Printing and stationery	-	1,556
Research expenses	59,611	5,902
Other expenses	38,249	31,619
Auditors remuneration	5,500	6,600
Donations	721	983
Events	53,810	-
Events - restricted	9,687	84,127
	276,946	238,744
<b>11. CASH AND CASH EQUIVALENTS</b>		
Deposits at call	2,756,278	3,056,347
Petty cash imprest	378	338
Cash at bank	836,376	328,241
	3,593,032	3,384,926
<b>12. TRADE AND OTHER RECEIVABLES</b>		
<b>CURRENT</b>		
Trade receivables	8,500	500
Good and services tax	999	-
Other debtors	6,194	-
	15,693	500
<b>13. INVENTORIES</b>		
<b>CURRENT</b>		
<b>At cost:</b>		
Stock on hand	2,949	3,223
	2,949	3,223
<b>14. OTHER ASSETS</b>		
<b>CURRENT</b>		
Accrued income	21,435	24,394
	21,435	24,394
<b>15. PROPERTY, PLANT AND EQUIPMENT</b>		
Plant and equipment	53,725	53,725
Less accumulated depreciation	(42,867)	(36,993)
	10,858	16,732
Motor vehicles	6,390	6,390
Less accumulated depreciation	(6,390)	(5,171)
	-	1,219

**TOWNSVILLE HOSPITAL FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>Total property, plant and equipment</b>	<u>10,858</u>	<u>17,951</u>
 (a) Movements in carrying amounts		
For disclosure on movement in carrying amounts please refer to note 21(a) at the end of this financial report.		
 <b>16. TRADE AND OTHER PAYABLES</b>		
<b>CURRENT</b>		
Good and services tax	-	7,611
Accrued expenses	6,050	6,600
Superannuation payable	4,986	5,004
Trade creditors	3,345	16,294
Withholding taxes payable	-	5,032
	<u>14,381</u>	<u>40,541</u>
 <b>17. BORROWINGS</b>		
<b>CURRENT</b>		
Bank overdraft	<u>30</u>	<u>-</u>
 <b>18. PROVISIONS</b>		
<b>CURRENT</b>		
Provision for employee entitlements	<u>3,668</u>	<u>6,183</u>
 <b>19. RELATED PARTY TRANSACTIONS</b>		
<b>Related Parties</b>		
There were no related parties or members of their families.		
 <b>20. ASSOCIATION DETAILS</b>		
The registered office of the company is: Townsville Hospital Foundation		
The principal place of business is: Townsville Hospital Foundation 100 Angus Smith Drive Douglas QLD 4814		

**TOWNSVILLE HOSPITAL FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

**21. (a) MOVEMENT IN CARRYING AMOUNTS**

Movements in the carrying amounts for each class of property, plant and equipment.

Balance at 1 July 2016  
 Depreciation expense

**Carrying amount at 30 June 2017**

Depreciation expense

**Carrying amount at 30 June 2018**

	Plant and equipment \$	Motor vehicles \$	Total \$
	22,606	2,496	25,102
	(5,874)	(1,278)	(7,152)
	16,732	1,218	17,950
	(5,874)	(1,218)	(7,092)
	<b>10,858</b>	<b>-</b>	<b>10,858</b>

## TOWNSVILLE HOSPITAL FOUNDATION

### MANAGEMENT CERTIFICATE OF TOWNSVILLE HOSPITAL FOUNDATION

These general purpose financial statements have been prepared pursuant to s.62 (1)(a) of the Financial Accountability Act 2009 (the Act), s.43 of the Financial and Performance Management Standard 2009 and other prescribed requirements. In accordance with s.62(1)(b) of the Act we certify that in our opinion:

- a) the prescribed requirements for establishing and keeping the accounts have been compiled with in all material respects; and
- b) the financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Townsville Hospital Foundation for the financial year ended 30 June 2018 and of the financial position of the Foundation as at the end of that year; and
- c) these assertions are based on an appropriate system of internal controls and risk management processes being effective, in all material respects, with respect to financial reporting throughout the reporting period,



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**Chairperson**

Associate Professor Anthony Leicht



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**General Manager**

Judy Higgins

Dated this 30 Day of August 2018

## Townsville Hospital Foundation

### Independent Auditor's Report to the Board of Townsville Hospital Foundation

#### Opinion

We have audited the financial report of Townsville Hospital Foundation (the Foundation), which comprises the statement of financial position as at 30 June 2018, the statement of profit or loss and other comprehensive income, statement of changes in equity, and statement of cash flows for the year then ended, and notes to the financial statement, including a summary of significant accounting policies, and certificate given by the Chairperson and General Manager.

In our opinion, the accompanying financial report of the Foundation has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- i. giving a true and fair view of the Foundation's financial position as at 30 June 2018 and of its financial performance and cash flows for the year ended; and
- ii. complies with the *Financial Accountability Act 2009*, the *Financial and Performance Management Standard 2009*, the *Australian Charities and Not-for-profit Commission Act 2012*, the *Australian Charities and Not-for-profit Commission Regulation 2013* and Australian Accounting Standards.

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Foundation in accordance with the auditor independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Responsibilities of the Directors for the Financial Report

The Board of the Foundation is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act), *Financial Accountability Act 2009*, the *Financial and Performance Management Standard 2009*, and for such internal control as the Board determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Board is responsible for assessing the ability of the Foundation to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intend to liquidate the Foundation or to cease operations, or have no realistic alternative but to do so.

#### Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that included our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users take on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_files/ar3.pdf](http://www.auasb.gov.au/auditors_files/ar3.pdf). This description forms part of our auditor's report.

Coutts Redington

A handwritten signature in black ink, appearing to read 'Greg Redington', written over a faint, stylized logo consisting of two overlapping loops.

Greg Redington

30 August 2018