

WIMMERA
BASE HOSPITAL
FOUNDATION

ANNUAL REPORT

2007/08

*“Build your health
on a strong Foundation”*

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INTRODUCTION

This Annual Report has been prepared on behalf of the Wimmera Base Hospital Foundation Trustees for the community, to involve and inform people of the operations of the Foundation.

The Wimmera Base Hospital Foundation was created in June 1989, for the purpose of establishing an independent public charitable fund to which any person, corporation or association, may contribute or bequest money or property for the sole purpose of improving health care for the people of the Wimmera. As a charitable trust, the Foundation manages funds for maximum return and security in accordance with the Trustees Act 1958.

The Wimmera Base Hospital Foundation is a capital fund whereby the principal is preserved – it will never be spent. The interest earned is used to fund special projects that are jointly agreed to by the Wimmera Health Care Group Board of Management and the Wimmera Base Hospital Foundation Trustees.

Funds raised by the Wimmera Base Hospital Foundation do not affect Wimmera Health Care Group's annual government budget allocations.

BOARD OF TRUSTEES

- Mr Don Johns (Chairman)
- Mr Peter Brown (resigned January 2008)
- Mr Graeme Hardman
- Mrs Jan John
- Cr Michael Ryan
- Mrs Kaye Valpied (resigned May 2008)

ADMINISTRATOR

- Mr Craig Wright (resigned May 2008)

CHAIRMAN'S REPORT

Wimmera Base Hospital Foundation is an effective and efficient arm of Wimmera Health Care Group's fundraising activities. Our Charter is to raise funds for items of need and necessity for the Health Care Group. The Trustees are proud to report that this has been dutifully performed once again during the 2007/08 financial year.

Our main project for the past year has been planning for the relocation of the Wimmera Health Care Group pharmacy. Due to some unexpected problems there has been a delay of this very important project, however, we trust that these problems will be overcome in the coming year.

As Inaugural Chairman of the Wimmera Base Hospital Foundation, I thank my fellow Trustees:

- Mrs Kaye Valpied;
- Mr Graeme Hardman;
- Mrs Jan John;
- Cr Michael Ryan; and
- Mr Peter Brown

for their continued interest and support.

During the year, Mr Peter Brown resigned to take up a position in Warrnambool and Mrs Kaye Valpied retired to Ballarat. I thank them most sincerely for their outstanding contribution and interest in the Foundation. Appointments will be made in the new financial year.

Mr Don Johns
Chairman
Wimmera Base Hospital Foundation

COMMUNITY & PRIVATE PATIENT LIAISON OFFICER'S REPORT

Following the resignation of Mr Craig Wright in May 2008, I commenced in the role of Community and Private Patient Liaison Officer at Wimmera Health Care Group on 11 August 2008. Part of this role is to support the Wimmera Base Hospital Foundation.

Since its inception in 1989, the Wimmera Base Hospital Foundation has played a key role in supporting and enhancing the important work of Wimmera Health Care Group.

In June 2009, the Wimmera Base Hospital Foundation will reach a significant milestone – its 20th anniversary. I see this as a unique opportunity for us to build even further on what has been achieved over the past 19 years and plan for the future. I look forward to working closely with the Trustees over the coming year to raise the profile of the Wimmera Base Hospital Foundation in our community by encouraging people to support our mission - “Build Your Health on a Strong Foundation”.

Mrs Sue Frankham
Community & Private Patient Liaison Officer
Wimmera Health Care Group



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INDEPENDENT AUDIT REPORT TO THE TRUSTEES OF WIMMERA BASE HOSPITAL FOUNDATION

Scope

We have audited the accompanying financial report, being a special purpose financial report, of Wimmera Base Hospital Foundation (the foundation), which comprises the balance sheet as at 30 June 2008, and the operating statement, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies, other explanatory notes and the trustees' declaration.

Trustees' Responsibility for the Financial Report

The trustees of the foundation are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report are appropriate to meet the financial reporting requirements of the foundation's Trust Deed and are appropriate to meet the needs of the members. The trustees' responsibilities also include establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the trustees, as well as evaluating the overall presentation of the financial report.

The financial report has been prepared for distribution to members for the purpose of fulfilling the trustees' financial reporting under the foundation's Trust Deed. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than for which it was prepared.

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



Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional ethical pronouncements.

Auditor's Opinion

In our opinion, the financial report presents fairly, in all material respects the financial position of Wimmera Base Hospital Foundation as of 30 June 2008 and of its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements.

COFFEY HUNT
CHARTERED ACCOUNTANTS

C.J. KOL
PARTNER

Dated at Warrnambool: 22 September 2008.

Statement by Trustees


The trustees have determined that the Foundation is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The trustees of the Foundation declare that:

1. the financial statements and notes, comprising the operating statement, balance sheet, statement of changes in equity, cash flow statement and notes to the financial statements, present fairly the Foundation's financial position as at 30 June 2008 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements; and
2. in the trustees' opinion there are reasonable grounds to believe that the Foundation will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Trustees:

Trustee 

Trustee 

Dated this NINETEEN day of SEPTEMBER 2008

Wimmera Base Hospital Foundation
Operating Statement for the Year Ended 30 June 2008

	Note	2008 \$	2007 \$
Revenue from Operating Activities	(3)	44,311	68,173
Expenses from Continuing Operations	(4)	(2,112)	(1,478)
Net Result for the Period		<u>42,199</u>	<u>66,695</u>

This statement should be read in conjunction with the accompanying notes

Wimmera Base Hospital Foundation

Balance Sheet As At 30 June 2008

<u>Current Assets</u>	<u>Note</u>	2008	2007
		\$	\$
Cash and cash equivalents	(6)	144,291	102,092
Total Current Assets		<u>144,291</u>	<u>102,092</u>
<u>Non Current Assets</u>			
Other Financial Assets	(8,9,10)	403,778	461,753
Total Non Current Assets		<u>403,778</u>	<u>461,753</u>
Total Assets		<u>548,069</u>	<u>563,845</u>
<u>Current Liabilities</u>			
		-	-
Net Assets		<u>548,069</u>	<u>563,845</u>
Equity			
Settled Capital		100	100
Available for Sale Revaluation Reserve	(13 a)	68,021	125,996
Accumulated Surplus	(13 a)	479,948	437,749
Total Equity		<u>548,069</u>	<u>563,845</u>

This statement should be read in conjunction with the accompanying notes

Wimmera Base Hospital Foundation
Statement of Changes in Equity for the Year Ended 30 June 2008

	<u>Note</u>	2008	2007
		\$	\$
Total Equity at Beginning of Financial Year		563,845	442,090
Available -For-Sale-Investments Gain /(Loss) Taken to Equity		(57,975)	55,060
Net Income Recognised Directly in Equity	(13a)	<u>(57,975)</u>	<u>55,060</u>
Net Result for Year	(13a)	42,199	66,695
Total Recognised Income and Expense for the Year		<u>(15,776)</u>	<u>121,755</u>
Closing Balance		<u>548,069</u>	<u>563,845</u>

This statement should be read in conjunction with the accompanying notes

(3)

Wimmera Base Hospital Foundation
Cash Flow Statement for the Year Ended 30 June 2008

	<u>Note</u>	<u>2008</u> \$	<u>2007</u> \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Donations Received		26,500	54,817
Interest Received		1,027	613
Unit Trust Distributions		16,784	12,743
Payments for Supplies and Consumables		<u>(2,112)</u>	<u>(1,478)</u>
Cash Generated from Operating Activities	(7)	<u>42,199</u>	<u>66,695</u>
Net Increase/(Decrease) in Cash Held		42,199	66,695
Cash at Beginning of Period		102,092	35,397
Cash at End of Period	(6)	<u>144,291</u>	<u>102,092</u>

This statement should be read in conjunction with the accompanying notes

Wimmera Base Hospital Foundation

Notes to and forming part of the Accounts for the Year ended 30 June, 2008

1. Statement of Significant Accounting Policies

This financial report is a special purpose financial report prepared for use by trustees and members of the Foundation. The trustees have determined that the Foundation is not a reporting entity.

The financial report has been prepared in accordance with the requirements of the following Australian Accounting Standards:

AASB 1031: Materiality

AASB 110: Events after the Balance Sheet Date

No other Accounting Standards, Australian Accounting Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

Basis of Preparation

The financial report is prepared in accordance with the historical cost convention, except for the revaluation of investments, as noted. Cost is based on the fair values of the consideration given in exchange for assets.

In the application of AIFRS management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2008, and the comparative information presented in these financial statements for the year ended 30 June 2007.

a) Investments

To reflect the annual performance of the Foundation, shares and unit trust investments have been brought to account at balance date at market valuations.

b) Income Tax

The Foundation holds endorsement as an income tax exempt charitable entity pursuant to subdivision 50-5 of the Income Tax Assessment Act 1997 (Item 1.1 Charitable Institution).

c) Cash and cash equivalents

For the purpose of the Cash Flow Statement, cash includes cash on hand and at banks including at call deposits with banks or financial institutions.

d) Revenue Recognition

Interest from investments is brought to account as it is earned. Donations are recognised when they are received. Bonuses from insurance policies are brought to account when allocated. Dividends and distributions are recognised when they are received.

e) Functional and Presentation Currency

The presentation currency of the Foundation is the Australian dollar, which has also been identified as the functional currency of the Foundation.

f) Comparative Information

There was no reclassification of comparative figures, including financial instruments.

g) Available-for Sale Revaluation Reserve

The available-for-sale revaluation reserve arises on the revaluation of available-for sale financial assets. Where a revalued financial asset is sold that portion of the reserve which relates to that financial asset, and is effectively realised, is recognised in the operating statement.

2. Creation of Wimmera Base Hospital Foundation

The Foundation was created pursuant to a trust deed dated 16 June, 1989, and updated on 25 June, 1992, for the purpose of establishing a public charitable fund to which any person, corporation or association may contribute money, property and benefits to the Wimmera Health Care Group.

3. <u>Revenue</u>	2008	2007
Revenue from Operating Activities		
Donation	\$26,500	\$54,817
Interest	1,027	613
Unit Trust Distributions	16,784	12,743
Total Revenue from Operating Activities	\$44,311	\$68,173

4. Expenses

Expenses from Continuing Operations	2008	2007
Bank Fees and Charges	242	268
Supplies and Services	1,870	1,210
Total Expenses from Continuing Operations	\$2,112	\$1,478

5. Contingent Liabilities and Assets

At balance date, there were no contingent liabilities or assets (nil 2007).

6. Reconciliation of Cash

For the purpose of the Cash Flow Statement, the Foundation considers cash to include cash on hand and in banks and investments in money market instruments.

Cash at the end of the reporting period as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:

	2008	2007
Cash and cash equivalents	\$144,291	\$102,092

(6)

7. Reconciliation of Net Result for the Period to Net Cash Flows From Operating Activities

	2008	2007
Net Result for the period	\$42,199	\$66,695
Net Cash Flows From / (Used In)		
Operating Activities	\$42,199	\$66,695

8. Charitable Life Insurance Policies

The Foundation has three Charitable Life Insurance Policies that have accrued a cash value of \$27,994 in 2008 (\$25,847 in 2007).

9. Shares

On public listing 03/10/1996 AXA (formerly National Mutual Holdings Ltd) allocated 281 shares to the Foundation cost free. Market valuation as at 30/6/2008 was \$4.68 per share (\$7.43 in 2007).

10. Unit Trust Investments

As part of its investment diversification policy, the Foundation has units in a number of managed unit trusts as follows:

a) AMP Balance Trust

Number of units 30.6.2007 : 138,834.21, value \$199,837.84

Number of units 30.6.2008: 158,487.12, value,\$172,791.05

b) National Investment Trust –Growth Fund

Number of units 30.6.2007: 21,097.04, value \$28,185.00

c) National Investment Trust – Balanced Fund

Number of units 30.6.2007: 40,784.71, value \$79,244.00

Number of units 30.6.2008: 55,568.76 value \$84,520.00

d) National Investment Trust – Frank Lockwood

Number of Units 30.6.2007: 88,608.31, value \$105,732.00

Cash balance 20,819.30, value \$20,819.00

Number of Units 30.6.2008 : 91,712.83 value \$96,425.03

Cash balance 20,733.03, value \$20,733.03

Note:

- Income distributions from AMP Balanced Trust Fund are reinvested in the Fund.
- Income distributions from the National Investment Trust are received directly by the Foundation with unit prices reflecting capital gains (or losses) for the period.

11. Commitments

At balance date, there were no outstanding commitments (nil, 2007).

12. Events Occurred After Balance Date

There were no significant events occurred after balance date.

(7)

13 (a) <u>Equity and Reserves</u>	2008	2007
	\$	\$
Available for Sale Revaluation Reserve		
Balance at the beginning of the reporting period	125,996	70,936
Adjustment on adoption of AASB132 & AASB139	-	-
Valuation gain/loss recognised	(57,524)	55,060
Balance at the end of the reporting period	69,067	125,996
 Accumulated Surpluses/(Deficits)		
Balance at the beginning of the reporting period	437,749	371,054
Adjustment on adoption of AASB 132 & AASB139	-	-
Net Result for the Year	42,199	66,695
Balance at the end of the reporting period	479,948	437,749

FOUNDATION DONORS

All donations to the Wimmera Base Hospital Foundation help to build a permanent capital base that will form the basis for future development. The interest earned from this fund, will provide for the inevitable demand for equipment, capital works and ongoing maintenance.

The ultimate success, however, depends on people continuing to identify the need to plan ahead and financially support the Foundation.

The Wimmera Base Hospital Foundation Trustees appreciate and acknowledge all donations to the Foundation by awarding the following membership titles:

Patrons (donations of \$250,000 and above)

- None to date

Benefactors (donations of \$50,000 to \$250,000)

- Clifford, Mrs J
- Hardman, Mrs J
- Horsham United Friendly Society
- Lockwood, Mr Frank
- Taberner, Mrs M

Mrs Clifford, Mrs Hardman and Mrs Taberner have been awarded Benefactor status in recognition of having donated Charitable Life Insurance Policies assigned to the Wimmera Base Hospital Foundation. The exact amount of their ultimate donation is dependant upon their respective life expectancy and the performance of the fund.

Members (donations of \$5,000 to \$50,000)

- Van Dyk, HWF and Estate JAC

Foundations (donations up to \$5,000) – 2007/08

- Al Anon Family Group
- Anonymous
- Brigden, Mr RC and Mrs GJ
- Brown, Mrs Wendy
- Guest, Mrs Jessie
- Iris Financial Group
- Miller, Mr George
- Pilgrim, Mr Roger and Mrs Rhonda
- Shade, Mr Kerryn
- Smith, Mr Noel and Mrs Doreen
- Whicker, Mr David