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# Concise Financial Report

FOR THE YEAR ENDED 30 JUNE 2009

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# CONCISE FINANCIAL REPORT

For the year ended 30 June 2009

The attached financial statements and other specific disclosures are an extract of, and have been derived from the full Annual Financial Report of Endeavour Foundation for the financial year ended 30 June 2009. Other information included in the Concise Financial Report is consistent with the full Annual Financial Report.

The Concise Financial Report does not, and cannot be expected to, provide as full an understanding of the financial performance, financial position and financing and investing activities of Endeavour Foundation as the full Annual Financial Report.

A hard copy of Endeavour Foundation's 30 June 2009 Annual Financial Report, including the independent audit report, is available to all members, and will be sent to members without charge upon request. The 30 June 2009 Annual Financial Report can be requested by telephone 07 3908 7100 or may also be downloaded from [www.endeavour.com.au](http://www.endeavour.com.au)

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## DIRECTORS' REPORT

For the year ended 30 June 2009

The Directors present their report together with the financial report of Endeavour Foundation for the year ended 30 June 2009 and the Auditor's Report thereon.

### Directors

The Directors of Endeavour Foundation at any time during or since the end of the financial year are:

Name	Qualifications and Special Responsibilities	Experience (in years)	
		Board of Directors	Area Committee/ Branch Board
<i>Current 30 June 2009</i>			
Grant Bruce Murdoch	M Com (Hons), FAICD, FICAA Chair – Appointed 21/11/2008 Chair of Nominations & Remuneration Committee Member of Audit Committee	2	–
Shane Paul Charles	LLB. Deputy Chair – Appointed 21/11/2008 Member of Nominations & Remuneration Committee Member Risk Committee	5	6
Gerard Michael Crotty	Treasurer – Appointed 21/11/2008 Chair of Audit Committee Member of Nominations & Remuneration Committee Member of Client Services Committee	10	19
John William Bowen	Member of Audit Committee Member of Client Services Committee	7	14
Clothilde Edwina Louise Bryce	BA, CPM Appointed – 09/09/2008 Chair of Risk Committee	1	–
David Booth de Villiers	MA, HED, AdvDipEd. Chair of Client Services Committee	4	12
David Roland Rawsley	B Ed, MACID Member Risk Committee	3	6

### Past Directors who Served During the Year

None

### Appointments since the End of the Financial Year

None

## DIRECTORS' REPORT (continued)

For the year ended 30 June 2009

### Directors' Meetings

The number of Directors' meetings (including meetings of committees of Directors) and number of meetings attended by each of the Directors of Endeavour Foundation during the financial year are:

	Board Meetings		Nominations & Remuneration Committee Meetings		Audit Committee Meetings		Client Services Committee Meetings		Risk Committee Meetings	
	A	B	A	B	A	B	A	B	A	B
G B Murdoch	14	12	5	5	4	4	–	–	–	–
S P Charles	14	14	5	5	2	2	–	–	2	2
C E L Bryce	12	11	–	–	–	–	–	–	2	2
G M Crotty	14	14	5	5	2	2	2	2	–	–
J W Bowen	14	14	–	–	4	4	2	2	–	–
D B de Villiers	14	14	–	–	–	–	2	2	–	–
D R Rawnsley	14	13	–	–	–	–	–	–	2	2

**A** – Number of meetings held during the time the director held office during the year      **B** – Number of meetings attended

### Board Processes

To assist in the execution of its responsibilities, the board has established a number of board committees including a Nominations & Remuneration Committee, an Audit Committee, a Client Services Committee and a Risk Committee. These committees have documented charters, approved by the board, which are reviewed on a regular basis.

Details of each board committee are as follows:

#### Nominations & Remuneration Committee

The nominations & remuneration committee oversees the appointment and induction process for directors and committee members in accordance with the principles laid out in Endeavour's constitution. It is also responsible for making recommendations to the board regarding the selection, appointment and succession planning process for the chief executive officer (CEO), including conducting an annual review of the CEO's performance and remuneration. The nominations committee comprised the following members during the year:

- Mr G B Murdoch (Chair)
- Mr S P Charles
- Mr G M Crotty

#### Audit Committee

The Chairperson is the Treasurer, a statutory position under Endeavour's constitution. The committee oversees the establishment and maintenance of a framework of internal control and appropriate ethical standards for the management of the Endeavour Foundation, including assessing and directing the performance of the internal audit function. The audit committee also reviews the performance of the external auditors and normally meets with them twice a year to discuss the external and internal audit plans, and to review the results and findings of the external auditors, the adequacy of accounting and financial controls and to monitor the implementation of any recommendations made.

The committee reviews the draft annual financial report, including approving new accounting policies to ensure compliance with Australian Accounting Standards, and recommends board approval of the annual financial report. The audit committee comprised the following members during the year:

- Mr G M Crotty (Chair, appointed 21/11/2008)
- Mr G B Murdoch (Resigned as chair on 21/11/2008)
- Mr J W Bowen
- Mr S P Charles (Resigned from committee on 10/03/2009)

## DIRECTORS' REPORT (continued)

For the year ended 30 June 2009

### Client Services Committee

The client services committee is responsible for ensuring the continued development and provision of quality services to meet the needs of people with a disability. It is also responsible for the oversight and monitoring of the External Complaints Advisory sub-committee and the Abuse Prevention & Response sub-committee. The client services committee comprised the following members during the year:

- Mr D B de Villiers (Chair)
- Mr J W Bowen
- Mr G M Crotty

### Risk Committee

The risk committee provides assistance to the board in its responsibilities of managing risk within the organisation. It is the main body responsible for ensuring the implementation of management's Risk Management System and ensures the maintenance of a robust and effective risk management process and related practices. The committee oversees the implementation of risk management across the organisation, integrates all risk related activities, facilitates and monitors business unit level risk management processes and is responsible for strategic risk management processes. The risk committee comprised the following members during the year:

- Ms C E L Bryce (Chair)
- Mr S P Charles
- Mr D R Rawnsley

### Principal Activity

The principal activity of Endeavour Foundation during the year was associated with the support of persons with a disability. In the opinion of the Directors no significant changes have occurred in the nature of these activities during the financial year.

### Results

Endeavour Foundation recorded an operating surplus for the current financial year of \$707,000 compared to an operating surplus of \$3,787,000 in the previous year.

Operating surpluses are necessary to help fund capital expenditure, which is typically not funded from recurrent government subsidies, and to build a buffer for future unexpected business shocks. The current year's operating surplus represents just 0.6% of operating revenue (2008 : 3.2%) and represents less than 3 days of total employment costs for staff and supported employees (2008 : 15 days).

The primary reasons for the lower operating result this year include:

- A \$4,743,000 increase in total employment costs that were not fully matched by corresponding increases in subsidies. This included a \$806,000 or 11.4% increase in Supported Employee wages and an additional \$587,000 in compulsory superannuation contributions payable on allowances, primarily earned by support staff in residential accommodation services, due to legislative changes;
- Continued and increased spending on maintenance to improve and maintain the ageing property portfolio;
- An increase in non-cash depreciation and amortisation charges of \$1,435,000, partly due to the effect of depreciation on assets acquired under Government Capital Grants in recent years now starting to flow through as charges for use, as these assets are depleted; and
- A softening of the returns earned from Endeavour's fundraising activities.

The net surplus for the current financial year, after recognising non-operating items of \$2,336,000 was \$3,043,000. In the year 2007-08 Endeavour Foundation recorded a comparative net surplus for the year of \$9,919,000 after recognising non-operating items of \$6,132,000 (including a significant one-off gain on disposal of surplus properties of \$4,884,000).

The cash generated by this year's net surplus increased the "untied" cash balance at 30 June 2009 to \$7,209,000, compared to a balance of \$5,160,000 at 30 June 2008.

### Events Subsequent to Balance Date

On 1 September 2009, Endeavour Foundation acquired the supported employment services of disability services provider Cumberland Industries, as more fully detailed in note 6. Apart from this transaction, since 30 June 2009 and the date of this report there has not arisen any other item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect significantly the operations of Endeavour Foundation, the results of those operations, or the state of affairs of Endeavour Foundation, in future financial years.

## DIRECTORS' REPORT (continued) For the year ended 30 June 2009

### **Environmental Regulations**

Endeavour Foundation's operations are subject to various environmental regulations under both Commonwealth and State legislation. Endeavour Foundation has an established risk management system which identifies environmental hazards and ensures appropriate controls are adopted. The appropriate licences and consents are in place at each site in accordance with various environmental regulations. The Directors are not aware of any breaches of the legislation which are material in nature.

### **Review of Operations**

Operations of Endeavour Foundation during the year are reviewed in the Chair's and CEO's message in the separately issued Annual Report.

### **Directors' Benefits**

Information on Directors' benefits is set out in the following notes to the Annual Financial Report:

- (a) No Directors' Fees are payable (Note 3)
- (b) No Related Party Transactions exist (Note 23)

### **Directors' Interest in Contracts**

No contracts involving Directors' interests were entered into since the end of the previous financial year, or existed at the end of the financial year (Note 23 to the Annual Financial Report).

### **Indemnification and Insurance of Officers**

#### *Indemnification*

The Endeavour Foundation Constitution requires Endeavour Foundation to indemnify any person who is an officer of Endeavour Foundation, including the Directors, the Secretary and other executive officers, against a liability incurred as such an officer, unless the liability arises out of conduct involving a lack of good faith. Officers of Endeavour Foundation are also indemnified against a liability for costs and expenses incurred in defending civil or criminal proceedings involving them as such officers, if judgement is given in their favour or if they are acquitted or granted relief.

#### *Insurance*

Endeavour Foundation has paid a premium in respect of a contract insuring Directors and Officers of Endeavour Foundation, against a liability for costs and expenses incurred by them in defending civil or criminal proceedings involving them as such officers, with some exceptions. The external auditors of Endeavour Foundation are not included in this policy.

### **Non-audit services**

During the year KPMG, Endeavour Foundation's auditor, has performed certain other services in addition to their statutory duties. The Board has considered the non-audit services provided during the year and is satisfied that the provision of those non-audit services during the year by the auditor is compatible with, and did not compromise, the auditor independence requirements of the Corporations Act 2001 for the following reason:

- All non-audit services are subject to the corporate governance procedures adopted by Endeavour Foundation and are reviewed by the Audit Committee to ensure they do not impact the integrity and objectivity of the auditor.

Details of amounts paid to the auditor of Endeavour Foundation, KPMG, and its related practices for audit and non-audit services provided during the year are set out in note 3 to the Annual Financial Report.

### **Auditor's Independence Declaration**

The Auditor's Independence Declaration is set out on page 7 and forms part of the Directors' Report.

### **Rounding**

Endeavour Foundation is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order amounts in the Financial Report and Directors' Report have been rounded off to the nearest thousand dollars unless otherwise indicated.

Signed on behalf of the Board in accordance with a resolution of Directors.



G B Murdoch – Chairman  
Brisbane, 30th September 2009



G M Crotty – Director

AUDITOR'S INDEPENDENCE DECLARATION  
For the year ended 30 June 2009



**Auditor's Independence Declaration under Section 307C of the Corporations Act 2001**

To: The Directors of Endeavour Foundation

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2009 there have been:

- no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read 'M. Petrie', written over the KPMG logo.

KPMG

A handwritten signature in black ink, appearing to read 'M. Petrie', written below the KPMG logo.

Mitchell C. Petrie  
Partner

Brisbane  
30th September 2009

# DISCUSSION AND ANALYSIS OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2009

## Balance Sheet

Endeavour Foundation is in a sound financial position at 30 June 2009, with a healthy bank balance and limited interest bearing debt. It continues to maintain and grow a strong balance sheet with current assets exceeding current liabilities by \$11,200,000 at balance date (2008 net current assets of \$9,736,000.)

The healthy year end cash balance of \$22,663,000, includes quarantined cash of \$15,454,000. Of this amount, \$5,768,000 remains internally quarantined as a "capital future fund" to provide funding for the construction of new and replacement capital infrastructure which has aged well beyond the scope of useful life.

The balance sheet remains essentially un-gearred, reflecting the healthy cash position and the management policy of only using long term interest bearing debt to fund long term capital infrastructure acquisitions, when favourable opportunities present themselves.

## Income Statement

Operating revenues increased over prior years in both the Disability Services and Business Services divisions, with total operating revenue for the 2009 financial year increasing by 3.3% to \$124,150,000.

Endeavour Foundation continues to be heavily reliant on both the Federal and State Governments to subsidise the services it provides to its service users, with government subsidies representing 58.3% of total operating revenue (2008 : 56.7%). Government subsidies increased by \$4,240,000 or 6.2% to \$72,365,000, reflecting a combination of growth in services being offered, as well as some limited indexation of existing subsidies.

Operating expenses increased by 6.0%, or \$6,986,000 to \$123,443,000 for the year, including an additional \$1,435,000 in non-cash depreciation and amortisation charges.

Non-operating revenues decreased significantly from \$6,132,000 in 2008 to \$2,336,000 in 2009, as the significant one-off gain on the sale of surplus properties of \$4,884,000 in 2008 was not matched in the current financial year.

Non-recurrent government capital expenditure grants at \$942,000 (2008 \$1,248,000) continue to provide an important cash supplement for capital asset acquisitions, but still falls substantially short of the total annual capital expenditure spending of \$6,561,000 in 2009 and \$10,171,000 in 2008 which has to be funded from internal resources.

## Statement of Recognised Income and Expense

The weaker global equity markets at balance date negatively impacted on the value of the defined benefit superannuation plan assets, which resulted in an actuarial adjustment of \$3,180,000 being recorded directly against retained earnings in accordance with Endeavour's accounting policy for defined benefit plans. Despite this volatility in the equity markets, the defined benefit plan remained in a net funded position of \$5,000 at balance date (2008 : \$2,480,000), as reflected on the attached balance sheet and is well positioned to benefit from any recovery in the investment markets.

As a consequence, the total recognised income and expense for the period was an expense of (\$397,000).

## Cash Flow Statement

Net cash provided by operating activities remained strong at \$8,123,000, which more than adequately covered the net cash spend on investing and financing activities for the period. This saw the cash and bank balances increase by \$3,711,000 for the year, to a total of \$22,663,000 at period end.



BALANCE SHEET  
As at 30 June 2009

	Note	2009 \$'000	2008 \$'000
<b>Current assets</b>			
Cash and cash equivalents			
– Untied cash		7,209	5,160
– Quarantined cash		15,454	13,792
	4	22,663	18,952
Trade and other receivables		3,303	2,650
Inventories		5,869	4,565
Other current assets		653	501
		32,488	26,668
Assets classified as held-for-sale		162	206
<b>Total current assets</b>		<b>32,650</b>	<b>26,874</b>
<b>Non-current assets</b>			
Investments		694	971
Net defined benefit plan asset		5	2,840
Other intangible assets		290	211
Property, plant & equipment		44,190	44,147
<b>Total non-current assets</b>		<b>45,179</b>	<b>48,169</b>
<b>Total assets</b>		<b>77,829</b>	<b>75,043</b>
<b>Current liabilities</b>			
Trade and other payables		5,880	4,561
Interest bearing loans		124	117
Employee entitlements		6,960	6,092
Revenue received in advance		8,486	6,368
<b>Total current liabilities</b>		<b>21,450</b>	<b>17,138</b>
<b>Non-current liabilities</b>			
Interest bearing loans		1,102	1,226
Employee entitlements		1,782	1,502
Revenue received in advance		1,200	2,485
<b>Total non-current liabilities</b>		<b>4,084</b>	<b>5,213</b>
<b>Total liabilities</b>		<b>25,534</b>	<b>22,351</b>
<b>Net assets</b>		<b>52,295</b>	<b>52,692</b>
<b>Equity</b>			
Reserves		860	1,120
Retained earnings		51,435	51,572
<b>Total equity</b>		<b>52,295</b>	<b>52,692</b>

The balance sheet is to be read in conjunction with the notes to the financial statements set out on pages 12 to 14.

**INCOME STATEMENT**  
For the year ended 30 June 2009

<b>Divisional Results</b>	<b>Disability Services</b>		<b>Business Services</b>		<b>Corporate, Infrastructure &amp; Fundraising</b>		<b>Total Foundation</b>	
	<b>2009 \$'000</b>	<b>2008 \$'000</b>	<b>2009 \$'000</b>	<b>2008 \$'000</b>	<b>2009 \$'000</b>	<b>2008 \$'000</b>	<b>2009 \$'000</b>	<b>2008 \$'000</b>
Operating Revenue	60,990	57,863	41,670	40,826	21,490	21,555	124,150	120,244
Operating Expenses	(64,880)	(60,208)	(41,349)	(39,207)	(17,214)	(17,042)	(123,443)	(116,457)
<b>Divisional operating (deficit)/surplus</b>	<b>(3,890)</b>	<b>(2,345)</b>	<b>321</b>	<b>1,619</b>	<b>4,276</b>	<b>4,513</b>	<b>707</b>	<b>3,787</b>
Non-operating revenue	58	795	170	453	2,108	4,884	2,336	6,132
<b>Net (deficit)/surplus for the year</b>	<b>(3,832)</b>	<b>(1,550)</b>	<b>491</b>	<b>2,072</b>	<b>6,384</b>	<b>9,397</b>	<b>3,043</b>	<b>9,919</b>

	<b>Note</b>	<b>2009 \$'000</b>	<b>2008 \$'000</b>
<b>Divisional Results Represented By:</b>			
<b>Revenue</b>			
Sale of goods		22,172	21,808
Fundraising activities		17,664	18,590
Service user contributions		10,459	10,141
Government subsidies		72,365	68,125
Interest income		1,167	1,123
Other revenue		323	457
	3 (a)	124,150	120,244
<b>Expenses</b>			
Cost of goods sold & commercial fundraising activities		(20,452)	(20,888)
Employee expenses		(66,890)	(62,953)
Supported employee expenses		(7,863)	(7,057)
Utilities & leased property expenses		(5,518)	(5,199)
Transport expenses		(3,594)	(3,502)
Maintenance expenses		(6,396)	(5,698)
Household consumables		(1,930)	(1,868)
Depreciation & amortisation expenses		(5,510)	(4,075)
Interest expense		(80)	(100)
Other expenses		(5,210)	(5,117)
		(123,443)	(116,457)
<b>Operating surplus</b>	3 (b)	707	3,787
Government capital expenditure grants	3 (a)	942	1,248
Gain on sale of properties	3 (a)	1,394	4,884
<b>Net surplus for the year</b>		<b>3,043</b>	<b>9,919</b>

The income statement is to be read in conjunction with the notes to the financial statements set out on pages 12 to 14

## STATEMENT OF RECOGNISED INCOME AND EXPENSE

For the year ended 30 June 2009

	<b>2009 \$'000</b>	<b>2008 \$'000</b>
Net decrease in fair value of available-for-sale investments	(260)	(68)
Realised gains on available-for-sale investments transferred to the income statement	–	(70)
Actuarial adjustment on defined benefit superannuation plan	(3,180)	(2,282)
<b>Net expense recognised directly in equity</b>	<b>(3,440)</b>	<b>(2,420)</b>
Net surplus for the period	3,043	9,919
<b>Total recognised income and expense for the period</b>	<b>(397)</b>	<b>7,499</b>

*The statement of recognised income and expense is to be read in conjunction with the notes to the financial statements set out on pages 12 to 14.*

# CASH FLOW STATEMENT

For the year ended 30 June 2009

	<b>Note</b>	<b>2009 \$'000 Inflows (Outflows)</b>	<b>2008 \$'000 Inflows (Outflows)</b>
<b>Cash flows from operating activities</b>			
Cash receipts in the course of operations		132,591	129,510
Cash payments to suppliers & employees		(125,744)	(120,445)
Dividends received		52	59
Interest received		1,136	1,116
Interest paid		(81)	(88)
Bequests & legacies received		169	333
<b>Net cash provided by operating activities</b>		<b>8,123</b>	<b>10,485</b>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant & equipment		(6,561)	(10,171)
Acquisition of intangible assets		(210)	(47)
Acquisition of investments		(16)	(100)
Proceeds from disposal of property, plant & equipment		2,492	10,314
Proceeds from sale of investments		–	99
<b>Net cash (used in)/from investing activities</b>		<b>(4,295)</b>	<b>95</b>
<b>Cash flows from financing activities</b>			
Proceeds from interest bearing loans		–	1,350
Repayment of interest bearing loans		(117)	(111)
<b>Net cash (utilised)/provided by financing activities</b>		<b>(117)</b>	<b>1,239</b>
<b>Net increase in cash held</b>		<b>3,711</b>	<b>11,819</b>
<b>Cash at the beginning of the financial year</b>		<b>18,952</b>	<b>7,133</b>
<b>Cash at the end of the financial year</b>	4	<b>22,663</b>	<b>18,952</b>
<b>Comprised of:</b>			
Untied cash		7,209	5,160
Quarantined cash		15,454	13,792
		<b>22,663</b>	<b>18,952</b>

The cash flow statement is to be read in conjunction with the notes to the financial statements set out on pages 12 to 14.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2009

## **I. Reporting Entity**

Endeavour Foundation is a not-for-profit organisation, incorporated as a public company limited by guarantee and is domiciled in Australia. It provides support to people with disabilities and their families through a range of flexible services, including residential accommodation, in-home support, adult education and life style support as well as supported employment services and open employment placement. The registered office is located at 50 Southgate Avenue, Cannon Hill, QLD 4170.

## **2. Basis of preparation of Concise Financial Report**

### *(a) Statement of Compliance*

The Concise Financial Report has been prepared in accordance with the Corporations Act 2001 and the Accounting Standard AASB 1039 *Concise Financial Reports* (AASB 1039). The financial statements and specific disclosures required by AASB 1039 have been derived from Endeavour Foundation's full Annual Financial Report for the financial year. Other information included in the Concise Financial Report is consistent with the full Annual Financial Report. The Concise Financial Report does not, and cannot be expected to, provide as full an understanding of the financial performance, financial position and financing and investing activities of Endeavour Foundation as the full Annual Financial Report.

A full description of the accounting policies adopted by Endeavour Foundation may be found in the full Annual Financial Report, which was approved by the Directors on Wednesday, 30th September 2009.

### *(b) Basis of Measurement*

The financial statements have been prepared on an accruals basis and are based on historical costs, except for:

- The revaluation of available-for-sale investment securities through an equity fair value reserve;
- Financial assets and financial liabilities fair valued through profit and loss.

Except as noted above, the financial report does not take into account changing money values or fair values of non-current assets.

A full description of the accounting policies adopted by Endeavour Foundation may be found in the full Annual Financial Report. These accounting policies have been applied consistently to all periods presented in the financial statements.

As Endeavour Foundation is a not-for-profit entity, the terms "profit" or "loss" do not appropriately describe the nature of Endeavour's activities. Accordingly, the words "Surplus/(Deficit)" have been substituted for the terms "Profit/(Loss)".

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

### *(c) Functional Currency*

The financial statements are presented in Australian Dollars rounded to the nearest thousand unless otherwise stated (ASIC Class order 98/100).

### *(d) Use of Estimates and Judgements*

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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 and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes of the full Annual Financial Report:

- Note 9 – Non-current Assets – Investments;
- Note 10 – Non-current Assets – Net Defined Benefit Plan Asset;
- Note 12 – Non-current Assets – Property, Plant & Equipment;

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2009

### 3 (a) OPERATING REVENUE AND OTHER INCOME

	<b>2009 \$'000</b>	<b>2008 \$'000</b>
Sale of goods	22,172	21,808
Fundraising activities		
– Commercial fundraising activities	16,084	16,664
– Donations & appeals	892	786
– Special functions	288	418
– Bequests & legacies	169	333
– Community grants	231	389
	17,664	18,590
Service user contributions		
– Accommodation services	7,557	7,359
– ATSS's	1,554	1,516
– Transport services	1,348	1,266
	10,459	10,141
State Government subsidies	52,599	48,678
Federal Government subsidies	19,766	19,447
Dividend income	52	59
Interest income	1,167	1,123
Other revenue	271	398
<b>Total operating revenue</b>	<b>124,150</b>	<b>120,244</b>
Non-operating revenue		
– Government capital expenditure grants	942	1,248
– Gain on sale of property	1,394	4,884
<b>Total revenue and other income for the period</b>	<b>126,486</b>	<b>126,376</b>

### 3 (b) OPERATING SURPLUS

The operating surplus for the year has been arrived at after charging/(crediting) the following items:

Net expense from movements in provision for:		
– employee entitlements	1,148	734
– trade receivable impairments	30	–
Operating lease expense – property rentals	2,511	2,250
Operating lease expense – equipment rentals	304	332
Bad debts expense	13	31
Net loss/(gain) on disposal or impairment of non-current assets:		
Plant, equipment and intangibles	85	117
Investments	33	(47)

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2009

### 3.(c) CHARITABLE FUNDRAISING ACTIVITIES

Details of income and expenditure for specific fundraising activities, all of which have been recognised in these financial statements are as follows:

Gross fundraising revenues (per income statement)

Community grants in non-operating income

Direct costs of commercial fundraising activities

#### **Net Fundraising Revenue**

Indirect fundraising expenses

#### **Net Fundraising Contribution**

Fundraising Efficiency Ratio

(Net Fundraising Contribution / Net Fundraising Revenue)

	<b>2009 \$'000</b>	<b>2008 \$'000</b>
	17,664	18,590
	942	1,039
	(14,988)	(15,325)
	<b>3,618</b>	<b>4,304</b>
	(719)	(677)
	<b>2,899</b>	<b>3,627</b>
	80.13%	84.27%
	7,209	5,160
	15,454	13,792
	<b>22,663</b>	<b>18,952</b>

### 4. CASH AND CASH EQUIVALENTS

Untied cash

Quarantined cash

For cash management purposes, Endeavour Foundation operates a treasury function that notionally distinguishes between Untied cash and Quarantined cash.

Quarantined cash represents revenue received in advance of \$9,686,000 (2008: \$8,853,000) which is available for draw down only once the services they are meant to fund have actually been delivered and other cash reserves of \$5,768,000 (2008: \$4,939,000) that have been designated for a specific purpose, including bequests, mainly to fund the establishment of a Capital Future Fund that will finance proposed infrastructure projects over the next 5 to 10 years.

### 5. Economic Dependency

Endeavour Foundation receives a significant portion of its operating revenue in the form of grants from the Queensland State Government and the Commonwealth Government of Australia.

### 6. Events Subsequent to Reporting Date

On 1 September 2009, Endeavour Foundation acquired the supported employment services of disability services provider Cumberland Industries, which was under administration, saving the jobs of 580 supported employees. The acquisition included the property, plant and equipment of the supported employment services, located at three separate sites in the western suburbs of Sydney and was settled using available cash reserves.

The directors are not aware of any other material events occurring after balance date of this report that would require further disclosure in these financial statements.

## DIRECTORS' DECLARATION

For the year ended 30 June 2009

In the opinion of the Directors of Endeavour Foundation, the accompanying Concise Financial Report of Endeavour Foundation for the financial year ended 30 June 2009, set out on pages 7 to 14:

- (a) has been derived from or is consistent with the full Annual Financial Report for the financial year; and
- (b) complies with Australian Accounting Standard AASB 1039 *Concise Financial Reports*.

Signed in accordance with a resolution of the Directors:



G B Murdoch – Chairman



G M Crotty – Director

Brisbane  
30th September 2009



INDEPENDENT AUDIT REPORT  
to the members of Endeavour Foundation



**Independent Audit Report to the  
Members of Endeavour Foundation**

**Report on the concise financial report**

The accompanying concise financial report of Endeavour Foundation (Endeavour) comprises the balance sheet as at 30 June 2009, the income statement, statement of recognised income and expenses and cash flow statement for the year then ended and related notes 1 to 6 derived from the audited financial report of Endeavour Foundation for the year ended 30 June 2009 and the discussion and analysis. The concise financial report does not contain all the disclosures required by Australian Accounting Standards.

*Directors' responsibility for the concise financial report*

The directors of Endeavour are responsible for the preparation and presentation of the concise financial report in accordance with Australian Accounting Standard AASB 1039 *Concise Financial Reports* and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation of the concise financial report; 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 concise financial report based on our audit procedures. We conducted an independent audit in accordance with Australian Auditing Standards, of the financial report of Endeavour Foundation for the year ended 30 June 2009. Our audit report on the financial report for the year was signed on 30th September 2009 and was not subject to any modification. The Australian 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 for the year is free of material misstatement.

Our procedures in respect of the concise financial report include testing that the information in the concise financial report is derived from, and is consistent with, the financial report for the year; and examination on a test basis, of evidence supporting the amounts, discussion and analysis and other disclosures which were not directly derived from the financial report for the year. These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial report complies with Australian Accounting Standard AASB 1039 *Concise Financial Reports* and whether the discussion and analysis complies with the requirements laid down in Australian Accounting Standard AASB 1039 *Concise Financial Reports*.

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 *Corporations Act 2001*.

*Auditor's opinion*

In our opinion the concise financial report, including the discussion and analysis, of Endeavour Foundation for the year ended 30 June 2009 complies with Australian Accounting Standard AASB 1039 *Concise Financial Reports*.

KPMG

Mitchell C. Petrie  
Partner

Brisbane  
30th September 2009

# DIRECTORY

## **Patron**

Her Excellency the Governor of Queensland, Ms Penelope Wensley AO

## **Vice Patrons**

The Most Reverend John Bathersby DD,  
Roman Catholic Archbishop of Brisbane

The Most Reverend Dr Phillip Aspinall, Primate,  
Anglican Church of Australia

## **Inaugural President**

The late Professor Sir Fred Schonell MA, Ph D, D Lit, FBPsS, FACE

## **Chairman**

Grant Murdoch M Com(Hons), FAICD, FICAA

## **Chief Executive Officer**

David Barbagallo – from 2 February 2009

Kelvin Spiller – until 19 December 2008

## **Company Secretary**

Svend Kling – from 25 November 2008

Kelvin Spiller – until 24 November 2008

## **Registered Office**

50 Southgate Avenue  
Cannon Hill Queensland 4170

**Phone:** 07 3908 7100

**Fax:** 07 3908 7101

**Email:** [information@endeavour.com.au](mailto:information@endeavour.com.au)

ABN 80 009 670 704

## **Auditors**

KPMG

Level 16, Riparian Plaza

71 Eagle Street, Brisbane Queensland 4000

## **Solicitors**

*Blake Dawson*

Level 36, Riverside Centre

23 Eagle Street, Brisbane Queensland 4000

*Simmonds Crowley & Galvin*

379 Queen Street

Brisbane Queensland 4000

## **Board of Directors at 30 June 2009**

Grant Murdoch, *Chairman*

Shane Charles, *Deputy Chairman*

Gerard Crotty, *Treasurer*

John Bowen

David de Villiers

David Rawnsley

Chloe Bryce (appointed 9 September 2008)

## **Senior management team at 30 June 2009**

David Barbagallo, *Chief Executive Officer*

Svend Kling, *Chief Financial Officer and General Manager Finance, Infrastructure & Performance Improvement*

Gail Davidson, *General Manager Disability Services Operations & Community Engagement*

Andrew Donne, *General Manager Commercial Operations*

Virginia Clifton Dougherty, *General Manager Marketing, Communications & Lotteries*

Geoff Rowe, *General Manager Policy, Research, Planning & Strategy*

Ken Tapfield, *General Manager Human Resources & Organisational Development*

Alison Wolff *Manager, Community and Advocacy Support Unit*

**ENDEAVOUR**  
FOUNDATION

[www.endeavour.com.au](http://www.endeavour.com.au)