

Annual Report 2019-2020



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The Children's Hospital Foundation pays respect to the traditional custodians of the lands on which we walk, work, talk and live. We also acknowledge and pay our respect to Aboriginal and Torres Strait Islander Elders past, present and future.

Contents

Chair's report	4
Chief Executive Officer's report	5
About Us	6
Children's Hospital Foundation	6
Our vision	6
Our purpose	6
Our values	6
Associated Hospital and Health Service	7
Children's Health Queensland	7
Queensland Children's Hospital	7
Alignment with the Queensland Government's objectives for the community	7
Centre for Children's Health Research	7
Children's Health Research Alliance	7
Year in review	8
Financial performance	10
Full financial statements	10
Corporate governance	11
Our Board	11
2019-2020 Board meeting dates	11
Operating environment	11
Children's Hospital Foundation organisational structure as at 30 June 2020	11
Board member biographies	12
Board committees	14
Executive management	14
Risk management and accountability	15
Information systems and recordkeeping	16
Queensland public service values	16
People and culture	17
Public Sector Ethics Act 1994	18
Appendices	19
Appendix 1 - Compliance checklist	19
Appendix 2 - Financial statements	21
Letter of compliance	48

Chair's report

In my ninth year as Chair of the Children's Hospital Foundation, it is my absolute privilege to report that this financial year has been a record-breaking year for funds raised, with the Foundation accepting more than \$25 million worth of generous donations from our supporters. These funds were made possible through the generosity of Queenslanders, including families who have experienced the wonderful care from Children's Health Queensland and the Queensland Children's Hospital, our corporate partners, state and federal governments and generous legacies from those who have left us a gift in their wills. Our gratitude for all these supporters cannot be overstated.

This was a successful second year of our five-year strategic plan, achieving growth ahead of plan in both fundraising and mission funding. Thanks, in no small part to this record year of fundraising, the Foundation has been able to invest \$12.6 million into our mission, positively impacting sick kids and their families right across the state.

The maturity of our granting frameworks is resulting in significant success for Queensland researchers in attaining national funding. This, alongside significant leaps forward in technology available to clinicians in treating patients, is having a huge impact on treatment available for Queensland's sickest kids. An example of this is the groundbreaking 3D surgical navigation equipment that benefitted patients at Queensland Children's Hospital this year. This \$1.6 million piece of equipment was funded by the Children's Hospital Foundation and enables better surgical outcomes for children with bone cancer by providing greater precision and accuracy during surgery.

I have been delighted with the Foundation's increased support of Queensland paediatric research this year, with the launch in October 2019 of the new Queensland Cystic Fibrosis Research Program – Queensland's first research program to improve the lives of kids with cystic fibrosis. This ambitious project, which has attracted international funding, will help improve outcomes for children living with this life-limiting condition, bringing together some of the brightest minds in cystic fibrosis research to improve quality of life and life expectancy for cystic fibrosis patients in Queensland and right around the world.

Our Patient and Family Support services are a credit to the hard work and expertise of our Children's Hospital Foundation team and the support of our wonderful 450-strong force of volunteers, who selflessly donate their time and talent to foster a positive environment, allowing children to get better faster and go home sooner. Our volunteer services were impacted by COVID-19 from February 2020 but we acknowledge the huge contribution of our dedicated volunteers and look forward to welcoming them back, hopefully in the not too distant future.

This year was a year of records for the Children's Hospital Foundation, with the Nine Telethon and The Coffee Club Ball raising a record \$13.4 million in their sixth year. Always a highlight of our annual fundraising calendar, the ongoing support of the Lazarou, Kokoris and Drivas families made the Ball a night to remember for more than 1,000 guests. Their support, along with the support of Channel Nine,

Woolworths, Golden Casket, The University of Queensland and Sunsuper took Telethon to heights we have never reached before. This could not have been achieved without lead gifts of \$1.1 million from the Queensland Government and \$2 million from the Federal Government.

I especially want to acknowledge that this year marked a significant milestone in our long partnership with Woolworths, whose teams and customers have over the last 34 years raised in excess of \$60 million for sick children. The impact of the funds raised by Woolworths has been enormous and ranges from meningococcal diagnosis improvements that took diagnosis from days to hours to the provision of the entire Patient Entertainment System in the Queensland Children's Hospital.

I would like to thank Professor Ian Frazer AO, who has again this year chaired our Research Advisory Committee. This Committee is vital to ensuring funds are prioritised where they are most needed, leading to the highest quality research outcomes for Queensland children. Professor Frazer's commitment, along with Committee members, Professors Vicki Anderson, David Crawford, Nick Graves, Harriet Hiscock, Sharon Mikan and John Prins is greatly appreciated. Thank you also to Michelle Gatton, Lisa Hall, Greg Merlo, Kelly Weir, Maggie Evans-Galea AM, Samudragupta Bora, Geraldine O'Neill, Phil Darcy, Jonathan Payne and Ian Davis who participated in the Research Advisory Committee this year.

I would also like to thank Fionnagh Dougan, Scott Taylor, Ross Willims and Rosemary Vilgan, who have retired from the Children's Hospital Foundation Board this year, for their contribution over the years to not just the Foundation, but to the health and wellbeing of the kids and families we are lucky enough to help.

A very warm welcome was also extended to new Board members Heather Watson, Karen Prentis, Jane Black, Michelle Hannan, Sharon Houghton, Sara Parrott and Frank Tracey.

We also welcomed Frank Tracey, the new Chief Executive Officer of Children's Health Queensland Hospital and Health Service, as one of our new board members, and we look forward to seeing him take the hospital and health service from strength-to-strength with his expert and considered guidance.

It is also with a heavy heart that I announce that I will shortly be stepping down as Chair of the Foundation. It has been an extraordinary privilege to have been able to spend the past nine years in the role, and I feel incredibly honoured and humbled to have worked with all the wonderful people at the Foundation and at the Queensland Children's Hospital, including the talented staff, passionate volunteers, trailblazing clinicians and researchers, and to have been able to witness the wonders being worked for sick kids every day.



Bruce Cowley
Chair
Children's Hospital Foundation Queensland

Chief Executive Officer's report

This year has seen a major shift in the way people around the world work, think and act due to the COVID-19 pandemic, and it has been no different for us at the Children's Hospital Foundation. I am delighted to report that despite the impact of COVID-19, the Children's Hospital Foundation, through its generous donors and partners, achieved a record year of funds raised.

I would particularly like to thank the late Geoff Carrick, a proud Queenslander who left an extremely generous gift in his will to help sick kids. This gift is already saving children's lives through new equipment in the Queensland Children's Hospital and across the state, as well as leaving an enduring legacy of hope through funding into leading paediatric research.

The COVID-19 pandemic has had a significant impact on services provided by the Foundation inside the Queensland Children's Hospital, with visitor restrictions implemented to protect the wellbeing of Queensland's sickest children. Most of our volunteer services were affected, and with a need to still distract patients and support them and their families, our Play Is Serious campaign was developed. This campaign asked our supporters to donate a play pack to children in hospital enabled hundreds of play packs to be delivered, thanks to the generosity of the public.

The highlights of the year are:

1. Patient and family support, available state-wide

The Children's Hospital Foundation has worked closely with regional stakeholders to enhance services for patients and their families, supporting new equipment and enhancing patient and family support across many paediatric services statewide. We continue to develop our impact framework to ensure we are providing a greater level of services in areas of highest need. Our new Kidzone space on level six of the hospital acted as a haven for children and their families, enabling play and child-minding thanks to the generous support of Event Hospitality and Entertainment. This space is especially important for regional families and patients who have siblings.

We introduced a brand-new ward orientation program, to help kids and families settle into hospital sooner, and alleviate some of the anxiety they may be feeling about a hospital admission. By boosting funding in social welfare, particularly during COVID-19, we enabled, with our partners the Scarlett May Foundation, the delivery of 7,500 free meals, with our volunteers supporting over 5,000 families through surgery and providing over 3,000 cuddles through our Steggle's Cuddle Carer Program for newborns.

2. Innovation and capability of the Queensland paediatric research community

It was an absolute pleasure to witness a significant number of Queensland paediatric researchers that we have been supporting over many years secure \$17.5 million of national research funding from the National Health and Medical Research Council and the Medical Research Future Fund. It is also thanks to our wonderful partners like The University of Queensland for co-funding many promising projects, enabling greater leverage of donors' dollars, year on year.

Other key milestones included:

- commitment to Clinical Research Managers in the Queensland Children's Hospital to support future researchers

- success of our Mary McConnel grant recipients
- appointment of Woolworths Centre for Childhood Nutrition Research Centre Director, Professor Danielle Gallegos from QUT, and
- completion of two of four nutrition health services research studies supported through the Woolworths Centre for Childhood Nutrition Research.

3. Operations — Build from very low levels of digital and ICT capability

This year saw continued improvements to our systems, notably our donor management platform IMIS, the launch of a new peer-to-peer platform and continued integrations with our website and a significant data cleansing program of work. Digitalisation of our patient and family services remains a focus as we seek to improve our processes for families and how we communicate with them via digital channels. Enabling teams to work from home during COVID-19 saw the accelerated rollout of new laptops, video-conferencing facilities and equipment to support staff productivity and capability to work from home.

4. Fundraising and engagement

I am grateful for the support from all our corporate partners, many of whom increased their support of Queensland's sickest children this year. Golden Casket's contribution of \$500,000 to the Children's Brain Cancer Initiative is a fantastic example of how our corporate partners are working wonders for sick kids. Our annual Nine Telethon had another record-breaking year, raising more than \$13.4 million, including increased funding from the federal government. Woolworths, their customers and staff all contributed to another enormous fundraising effort this year and we look forward to celebrating in 2020-2021 the incredible milestone of \$60 million raised over 34 years. Our community fundraising and direct marketing teams also had a strong year, building our individual regular giver program, exceeding financial target for the year and exceeding target for confirmed bequestors. I am continually humbled by the generosity of the community and of our supporters.

5. Operations — Enhance the capability of our people and our organisation to deliver on our mission

I would like to take this opportunity to say a very sincere thank you and farewell to Bruce Cowley, Chair of the Board. Bruce has led the Board for the past nine years, and our gratitude for his service and contribution cannot be overstated. He has been a source of great stability, advice and guidance underpinning our tremendous growth over this time and we wish him all the very best.

I would also like to thank our wonderful volunteers, as well as our terrific team members, who have continued to deliver outstanding results under our five-year strategy. It is an honour to lead such a dedicated and capable team who come to work everyday to work wonders for sick kids.

The Children's Hospital Foundation is truly making a huge impact on Queensland's sickest children and their families through treatment and care, and I would like to thank everyone who has contributed to another wonderful year.



Rosie Simpson
Chief Executive Officer
Children's Hospital Foundation Queensland

About us

Children's Hospital Foundation

As the official charity of Children's Health Queensland, the Queensland Children's Hospital and the Centre for Children's Health Research, the Children's Hospital Foundation supports patients and their families throughout Queensland and northern New South Wales.

We help children today by supporting world-class clinical care, purchasing additional specialised medical equipment and supporting a range of state-wide programs for sick kids wherever they live. We distract and entertain kids while they're in hospital and we support their families every step of the way. Our amazing volunteers are in our hospital and community health centres every day, helping kids to laugh and smile, get better and go home to their families sooner.

We help kids tomorrow by funding research to achieve faster diagnoses, better treatments and ultimately cures for some of the most devastating childhood illnesses and injuries.

The Children's Hospital Foundation is able to do all of this because of the generous support of our corporate partners and the Queensland and broader Australian community.

Our vision

For every sick child to have the best possible health care, with access to world-class research and clinical treatment in a healing environment.

Our purpose

We help save children's lives and work wonders for sick kids and their families.

Our values

Accountability

We aim to deliver high impact results, are accountable for our actions and resources and communicate this openly and honestly

Recognition & Respect

We are respectful in all our interactions and committed to recognising others and valuing their contributions

Care

We care for everyone we impact - the children always come first

Working Together

We selflessly support and trust each other and our teams, share our ideas and goals, work hard, have fun and celebrate our achievements

Excellence & Innovation

We strive for excellence, encourage innovation and develop our skills to achieve our best

About us [cont]

Associated Hospital and Health Service

The Children's Hospital Foundation's associated Hospital and Health Service is Children's Health Queensland Hospital and Health Service. The public sector hospital and facilities for which the Children's Hospital Foundation is established is the Queensland Children's Hospital and other Children's Health Queensland facilities.

Children's Health Queensland

Children's Health Queensland Hospital and Health Service is a specialist statewide hospital and health service dedicated to caring for children and young people from across Queensland and northern New South Wales. A recognised leader in paediatric healthcare, education and research, Children's Health Queensland delivers a full range of clinical services, tertiary level care and health promotion programs.

Children's Health Queensland provides services from key locations in the Brisbane metropolitan area, and works with the 15 other hospital and health services as well as non-government organisations and charity partners in Queensland to deliver an integrated network of healthcare services and support across the state.

Queensland Children's Hospital

The Queensland Children's Hospital in South Brisbane is the major specialist children's hospital for families living in Queensland and northern New South Wales. The hospital provides care to the state's sickest and most critically injured children who need highly specialised care. Queensland Children's Hospital is also the local children's hospital for families who live in the catchment area in inner Brisbane.

Alignment with the Queensland Government's objectives for the community

Two of the Queensland Government's objectives for the community – keep Queenslanders healthy and give all our children a great start – are advanced by the strategic partnership between the Children's Hospital Foundation and Children's Health Queensland. The Children's Hospital Foundation funds world-class medical and clinical excellence research, provides comfort, support, care and entertainment for sick children and their families and invests in vital medical equipment to improve children's health.

Centre for Children's Health Research

The Centre for Children's Health Research is a partnership between Children's Health Queensland, The University of Queensland and the Queensland University of Technology, working in collaboration with the Translational Research Institute.

It is an integrated hub of specialist knowledge dedicated to improving the health of children, and facilitating the best opportunities for collaborative research projects.

Located on the Queensland Children's Hospital campus in South Brisbane, the centre represents Queensland's first fully-integrated research facility focused on child and adolescent health research.

The nine-level centre houses wet and dry laboratories, pathology services, a gait laboratory, a nutrition laboratory and the Queensland Children's Tumour Bank, funded by the Children's Hospital Foundation, which provides a tissue repository for national and international cancer research. The centre also houses the Queensland Children's Motion Analysis Service and the Children's Nutrition Research Centre.

Children's Health Research Alliance

The Children's Health Research Alliance is a joint initiative of Children's Health Queensland and the Children's Hospital Foundation, who work collaboratively to:

- Transform health outcomes for children
- Make a major contribution to global research
- Build research capacity in targeted research areas
- Reduce the burden of disease on the health system and broader economy

The Research Alliance is an advisory body, informing the strategy for paediatric research in the Queensland Children's Hospital that is suitable for philanthropic funding through the Children's Hospital Foundation. The Research Alliance networks with universities and other National Health and Medical Research Council-approved institutions who are undertaking cutting-edge children's health research in Queensland.

Key principles underpinning the Research Alliance's activities include:

- Focus
- Collaboration
- Inclusion
- Capacity building
- Innovation
- Excellence
- Translation and impact.

The alliance is managed by the Research Alliance Board, which is chaired by an independent Chair, Professor Allan Cripps.

Year in review

Our objectives, performance measures and key achievements in 2019-2020

1. Patient and family support

Goal: Support patients and their families when they are in hospital by providing a range of programs and activities that complement and enhance clinical care, and provide distraction and entertainment for children and their families

Performance measures:

- Increase the provision of services of highest value
- Broaden the availability of services for regional and remote patients

Key achievements in 2019-2020:

- We provided \$1 million into our patient and family services in the Queensland Children's Hospital and Children's Health Queensland facilities
- Prior to services being paused in March 2020 due to COVID-19, interactions through our high-impact services (as identified through our impact assessment framework) increased including Kidzone, bedside play, wayfinding, event attendance, toy loans and Cuddle Carers
- The introduction of our ward orientation service, which delivers face-to-face inductions with all newly admitted families and provides relevant information and referral pathways for families to access services and support during their hospital stay, has been a high-impact service and broadened our support for regional and remote families attending the Queensland Children's Hospital. Families from outside the Brisbane region are encouraged to access our Family Resource Centre, free frozen meals, iPad and pram loans and entertainment resources to enhance their hospital journey
- We provided support and expertise around development of local volunteer programs, which will assist service-delivery at local hospitals for regional and remote patients
- Through the Working Wonders grant scheme \$470,000 was invested into 15 initiatives to support the Queensland Children's Hospital. These include education programs for critical care and surgery to helping children receive care and treatment at home. A further investment of almost \$380,000 supported vital equipment for 19 regional hospitals
- We have continued to deliver Juiced TV to five regional hospitals
- 101 kids joined the Bravery Beads program, which rolled out to 12 regional hospitals
- We were supported by 450 volunteers who committed 27,050 hours of support and provided over 76,713 positive interactions with patients and their families, including:

- Over 7,500 free meals provided to families
- 36,959 families assisted through information desks and wayfinding
- 10,780 fun interactions through Bedside Play and Pet Therapy programs
- 3,317 kids borrowed over 8,500 books through the Book Bunker
- 8,003 families were supported while their child was undergoing surgery
- 98 family interactions through Community Child Health Centres
- 4,961 patients supported in Emergency Department and Oncology Day Unit
- 8,508 children and 5,576 adults visited Kidzone
- 4,963 kids participated in an entertainment-based activity or workshop
- 1,144 interactions with special guests visiting inpatients and outpatients
- 2,167 toys and games loaned to inpatients including the introduction of digital distraction devices and Play Ability toys in April
- 243 birthday presents provided to children in hospital
- 2,925 cuddles provided to babies through our Steggle's Cuddle Carer program
- 1,865 families were supported through the Family Resource Centre
- 2,708 families received a ward orientation via our Family Liaison Team
- We completed season six of Juiced TV, where kids create, host and star in their very own weekly TV show. Along the way kids have had some amazing experiences and built their confidence and skills, with over 756 kids involved in 447 hours of filming 38 normal episodes, and nine virtual visit episodes during COVID-19 restrictions.

2. Research

Goal: Improve children's health by funding research, vital medical equipment and improvements to clinical care that lead to faster diagnoses, better treatments and ultimately cures for some of the most devastating childhood illnesses and injuries

Performance measures:

- Continued growth in the funding provided for prioritised areas of research
- Facilitating and funding significant new research collaborations across the paediatric research community
- Establishment of the Woolworths Centre for Childhood Nutrition Research - Established 2019
- Establishment of the Queensland Children's Brain Cancer Initiative - Established 2019

Year in review (cont)

Key achievements in 2019-2020:

- We provided \$8.1 million funding into research and equipment (2018-2019: \$8 million).
- We launched a \$2.5 million Cystic Fibrosis Research Program, bringing together researchers to deliver improved health outcomes, better quality of life and longer life expectancy for cystic fibrosis patients in Queensland and around the world. Researchers aim to find new ways to detect the lung damage caused by cystic fibrosis earlier and develop new approaches to prevent infections from a multi-drug resistant bacterium known as *Mycobacterium abscessus*.
- With the Woolworths Centre for Childhood Nutrition Research established in 2019, two nutrition health services research studies supported through the Centre were completed in 2019-2020:
 - A pilot study to build capacity of childhealth nurses and educators to encourage healthy eating found role-modelling by trusted adults was an effective strategy in promoting healthy dietary intake and food preferences amongst young children.
 - Another project has led to increased paediatric feeding telepractice service provision at the Queensland Children's Hospital as well as an e-learning package that has been disseminated to more than 180 clinicians.
- Two innovative immunotherapy research projects to develop an off-the-shelf cellular immunotherapy treatment for paediatric phase 1 clinical trials and establish a model to test a new leukaemia vaccine have been supported.

3. Innovation and capability

Goal: Support the Queensland paediatric research community in prioritised areas at key stages to take their research to the next level

Performance measures:

- Increase investment into the capability and capacity of Children's Health Queensland research and clinical treatments

Key achievements in 2019-2020:

- For the first time, three clinical research managers were supported by the Children's Hospital Foundation to build capacity and help to progress a clinically informed research agenda within Children's Health Queensland.
- A further initiative to bring international clinical researchers to Children's Health Queensland was put on hold because of COVID-19 and the restrictions on international travel.

4. Fundraising and engagement

Goal: Engage with our partners and the community to renew and grow our donor base to increase our net

fundraising income

Performance measures:

- Grow revenue to \$21.7 million in 2019-2020
- Introduce measurement and improvement in brand awareness and consideration

Key achievements in 2019-2020:

- A record year of funds raised, with \$25.38 million in fundraising and a further \$5 million in goods and services in kind donated to support children in the Queensland Children's Hospital and Children's Health Queensland Hospital and Health Service.
- Brand awareness and consideration tracking was not conducted in 2019-2020 due to COVID-19.

5. Operations

Goal: Strive to have great people, good financial management, good systems and sound governance to underpin our work and deliver on our core objectives

Performance measures:

- Establish a benchmark and improve team engagement to 76% by 2019-2020
- Formally review stakeholder engagement to maintain above 80% (new for 2020)
- Regularly review and update our risk register, with particular reference to risks associated with COVID-19 (new for 2020)

Key achievements in 2019-2020:

- Team engagement has improved and is sitting at 76%. This is a 3% improvement since May 2019. In consultation with staff, organisational and team plans were developed and implemented. These focused on implementing improvements in key areas to ensure engagement was improved at both the team and organisational level.
- Measurement of our stakeholder engagement was due for the second half of 2019-2020. Due to COVID-19, the decision was made to delay this to 2020-2021.
- At the outset of COVID-19, a working group was convened to manage and mitigate our risks and ensure a high level of communication across our teams. We reviewed our risk register with particular reference to the risks associated with COVID-19. We have also undertaken a full review of our risk register to better reflect our strategic risks and to better measure residual risk.

Financial performance

The Children's Hospital Foundation's revenue predominantly comes from funds raised through the generous support of the community. 2019-2020 saw a record year of funds raised, with \$25.38 million in fundraising and a further \$5 million in goods and services in kind donated to support children in the hospital and health services. The impact of COVID-19 was felt on both our fundraising and our investments with a \$1 million decline in the value of our investment assets resulting in a total revenue for the year of \$29.79 million.

Net assets

The Children's Hospital Foundation maintained a solid financial position throughout the reporting period and was able to pay its debts as and when they fell due. As at 30 June 2020, net assets totalled \$52.1 million. A significant portion of the Children's Hospital Foundation's net assets are forward commitments to multi-year research contracts, long-term endowments and financial reserves. The investment portfolio was managed by Queensland Investment Corporation in accordance with the Children's Hospital Foundation's Investment, Reserves and Working Capital Policy.

Financial reserves

Financial reserves are funds retained by the Children's Hospital Foundation to ensure sustainability and to help meet its forward commitments. Holding funds in reserve helps the Children's Hospital Foundation operate effectively in times of economic difficulty, cover unforeseen or unplanned future costs that may arise, and facilitate planning for major works or activities in the future.

Comparison with previous period

The table below provides a comparison of actual results for the 2019-2020 year with the previous financial year.

Financial Year	2018-2019	2019-2020
Total Revenue	\$26,899,228	\$29,788,544
Total Expenses	\$25,535,416	\$26,491,427
Net Assets	\$48,804,702	\$52,101,818

In the 2019-2020 financial year, the surplus was \$3.3 million. Overall, expenses were \$956,012 more than the 2018-2019 financial year primarily due to an increase in mission related expenses, employee expenses (with the flow through of additional roles under our five-year plan) and goods and services received in kind. Net assets have increased by \$3.3 million to \$52.1 million of which \$8 million is held in endowments to fund future research into infectious diseases, burns and provide for medical scholarships. The remaining assets of the organisation are to fund forward grant commitments and operating contingency, as well as future strategic investments into our mission or operations.

Full financial statements

The annual financial statements for the Children's Hospital Foundation Queensland for the 2019-2020 financial year are included in Appendix 2 of this Annual Report.

Corporate governance

Our Board

The role of our Board includes:

- Maintaining high levels of accountability to our supporters, stakeholders and regulators
- Protecting the integrity of the Children's Hospital Foundation
- Developing strategies and directions for the Children's Hospital Foundation
- Monitoring the performance of the Chief Executive Officer
- Approving the Children's Hospital Foundation's annual budget
- Monitoring the performance of the Children's Hospital Foundation against strategic and financial goals
- Reviewing, ratifying and monitoring systems of risk management and internal control, audit and legal compliance
- Contributing to fundraising opportunities for the Children's Hospital Foundation

Board members elect to serve in an honorary capacity and therefore receive no fees for their services on the Board or committees.

Current Board members have been appointed by the Governor-in-Council, acting by and with the advice of the Executive Council, and under the provisions of the *Hospital Foundations Act 2018*.

2019-2020 Board meeting dates

- 28 August 2019
- 23 October 2019
- 12 December 2019
- 20 February 2020
- 2 April 2020
- 23 April 2020
- 18 June 2020

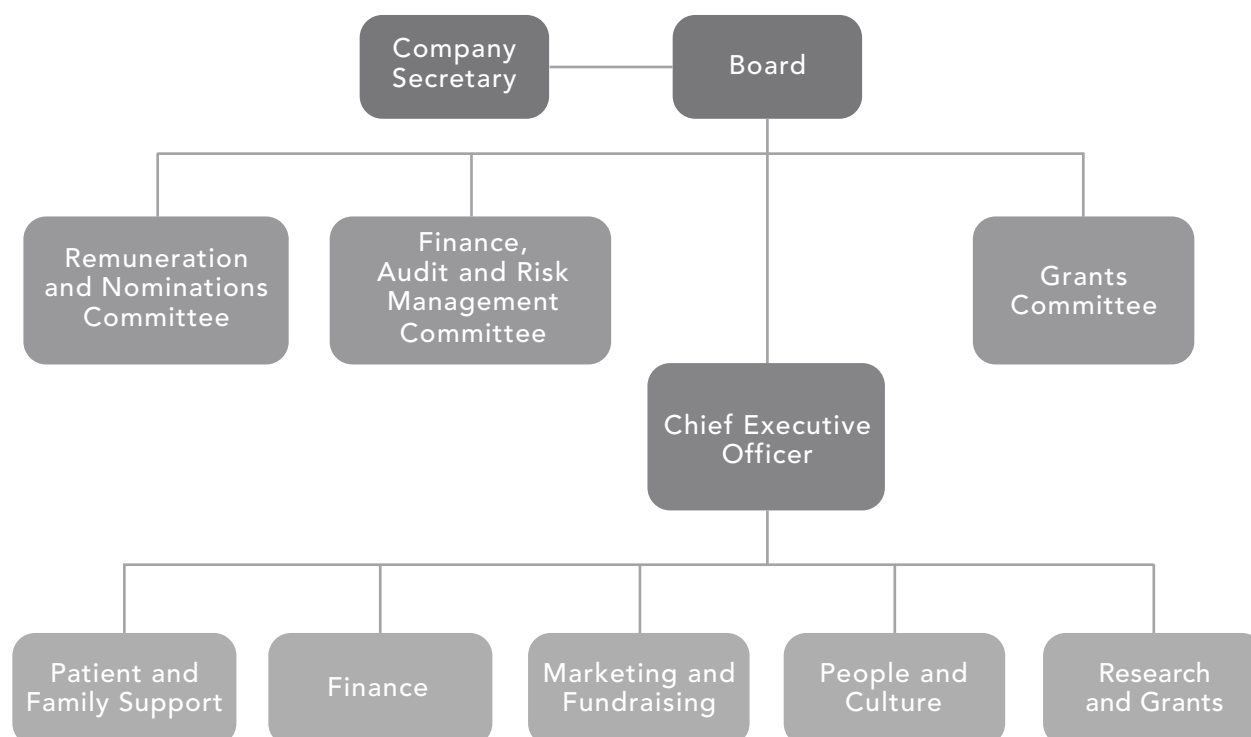
Operating environment

The Children's Hospital Foundation was established in 2011 by the *Hospitals Foundations Regulation 2005*, made under section 7 of the *Hospitals Foundations Act 1982*, as the Children's Health Foundation Queensland. Its name was formally amended to Children's Hospital Foundation Queensland by the *Hospitals Foundations Regulation 2015*.

The Children's Hospital Foundation works to deliver on its mission across Queensland and its purpose is to be the charity for Children's Health Queensland, the Queensland Children's Hospital, and the Centre for Children's Health Research.

The Children's Hospital Foundation's governing legislation is the *Hospital Foundations Act 2018*.

Children's Hospital Foundation Organisational Structure as at 30 June 2020



Board member biographies

Bruce Cowley

BCom LLB (Hons) FAICD

Appointed for a term 14 December 2018 to 30 September 2020

Children's Hospital Foundation Chair, Bruce Cowley, is a legal practitioner, adviser, author, speaker and director. Bruce was formerly national Chair of one of Australia's largest law firms, MinterEllison, and a senior corporate lawyer. Bruce's interest in director's duties and crisis management is widely known and he is a popular speaker and respected author on corporate governance in Australia.

Bruce is a member of the QSuper Board of Trustees, Chair of CPL-Choice Passion Life (formerly Cerebral Palsy League), Chair of IDEAS Van Partnerships Ltd and a member of the Griffith Business School Advisory Board.

Bruce joined the Board as Chair in November 2011. He is an ex-officio member of the Finance, Audit and Risk Management Committee and the Grants Committee, and chairs the Remuneration and Nominations Committee. He attended six Board meetings and nine committee meetings in 2019-2020.

Professor Stephen Gray

BCom (Hons), LLB (Hons)

Appointed for a term 29 November 2017 to 30 September 2022

Stephen is Professor of Finance at the University of Queensland and a Director of consulting firm Frontier Economics. In his university role, Stephen teaches a range of courses in financial management, asset valuation and corporate finance. He has received a national teaching award and a number of manuscript awards for his research.

Stephen joined the Board in November 2011. He chairs the Finance, Audit and Risk Management Committee and is a member of the Grants Committee and Remuneration and Nominations Committee. He attended seven Board meetings and 14 committee meetings in 2019-2020.

Kenneth (Mac) Drysdale

BBus (Acc)

Appointed for a term 14 December 2018 to 30 September 2022

Mac is a highly respected executive with a strong history as a Board director and chair. He is experienced in the not-for-profit sector and he currently chairs four private company advisory Boards in the horticulture, construction and finance sectors.

Mac is also a member of the Children's Health Research Alliance board, a joint initiative of the Children's Hospital Foundation and Children's Health Queensland.

Mac joined the Board in February 2016 and is a member of the Grants Committee. He attended five Board meetings and five committee meetings in 2019-2020.

Luke McGrath

CFP AITA GAICD MCFAI

Appointed for a term 29 November 2017 to 30 September 2022

In his 30-plus years as an investment and financial services professional, Luke has held senior positions with some of Australia's largest investment banks and financial services organisations.

Throughout his financial services career he has advised numerous companies and individuals across the breadth of the industry.

Luke is the CEO of an investment and philanthropic consultancy organisation as well as being a director of a number of private companies. He is also on the Advisory Board of the Australian Institute of Bioengineering and Nanotechnology.

Luke joined the Board in November 2011. He chairs the Grants Committee and is a member of the Finance, Audit and Risk Management Committee and the Remuneration and Nominations Committee. Luke attended six Board meetings and 12 committee meetings in 2019-2020.

Heather Watson

Appointed as nominee of the Chair of the Children's Health Queensland Hospital and Health Service Board with effect from 1 September 2019.

Heather brings more than 30 years legal and governance experience with the last 10 years specifically across the charitable and non-profit sector. She has been a partner in legal practices in both regional and metropolitan contexts.

Heather is a member of the Children's Health Queensland Hospital and Health Service Board.

Heather joined the Board in September 2019 and attended six Board meetings in 2019-2020.

Karen Prentis

BEC MAdmin GAICD

Appointed for a term 12 December 2019 to 30 September 2022

As a highly experienced non-executive director and Chair, Karen has extensive experience in providing leadership in the development of strong corporate governance, risk management, compliance and strategic thinking for significant organisations in both public and private sectors.

Karen joined the Board in December 2019. She is a member of the Finance, Audit and Risk Management Committee. Karen attended four Board meetings and three committee meetings in 2019-2020.

Sharon Houghton

Appointed for a term 12 December 2019 to 30 September 2022

Sharon is a Director in BDO's Healthcare team looking after large medical groups, hospitals, doctors and allied health professionals. Whilst working in an accounting and taxation environment her advisory skills extend to management accounting, business structuring, personal wealth creation, self-managed superannuation, succession planning, family business and indirect taxation.

Sharon joined the Board in December 2019. She is a member of the Finance, Audit and Risk Management Committee. Sharon attended four Board meetings and three committee meetings in 2019-2020.

Board member biographies (cont)

Jane Black

PhD BSW (Hons 1) Dip Rad

Appointed for a term 12 December 2019 to 30 September 2022

Jane has a longstanding career in clinical management of paediatric disorders, with particular application to the related supportive corporate activities. Subsequent to her initial oncology training, she has played a key role in the development of the Hear and Say Centre from its inception to its current leading place as the premier childhood deafness centre. She served as the Centre Chairman from 1996-2008 and continuing to date as the Deputy Chairman, together with long-term hands-on experience in the Centre's committees.

Jane joined the Board in December 2019. She is a member of the Finance, Audit and Risk Management Committee. Jane attended four Board meetings and three committee meetings in 2019-2020.

Frank Tracey

Appointed for a term 12 December 2019 to 30 September 2024

Frank is the Health Service Chief Executive at Children's Health Queensland Hospital and Health Service. He has 40 years' experience working in health systems which includes executive roles in large health organisations and the non-government sector.

Frank joined the Board in December 2019 and attended four Board meetings in 2019-2020.

Sara Parrott

Appointed for a term 12 December 2019 to 30 September 2024

Sara has more than twenty-five years' experience in sustainability, stakeholder relations, communication and marketing, with both corporate and community organisations, holding staff and board positions.

Sara joined the Board in December 2019. She is a member of the Grants Committee. Sara attended four Board meetings and one committee meeting in 2019-2020.

Michelle Hannan

FACRRM AFRACMA BMedSc (Hons) MBBS/BSc DCH MPH&TM GAICD

Appointed for a term 12 December 2019 to 30 September 2024

Michelle is a passionate advocate for rural health, especially around issues of equitable provision of health care in rural communities and in overcoming barriers to accessing tertiary healthcare services for rural people. Michelle sits on the Board of the Australian College of Rural and Remote Medicine, and previously served on the boards of the Rural Doctors Association of Tasmania, the Rural Doctors Association of Australia and General Practice Training Tasmania.

Michelle joined the Board in December 2019. She is a member of the Grants Committee. Michelle attended four Board meetings and two committee meetings in 2019-2020.

Ross Willims

Resigned with effect from 31 August 2019

Ross resigned from the Board as nominee of the Chair of the Children's Health Queensland Hospital and Health Service Board with effect from 31 August 2019. He attended one Board meeting in 2019-2020.

Rosemary Vilgan

Board term ended with effect from 30 September 2019

Rosemary's Board term ended with effect from 30 September 2019. She attended one Board meeting and two committee meetings in 2019-2020.

Scott Taylor

Resigned with effect from 31 December 2019

Scott resigned from the Board with effect from 31 December 2019. He attended one Board meeting and two committee meetings in 2019-2020.

Fionnagh Dougan

Board term ended with effect from 10 November 2019

Fionnagh's Board term ended with effect from 10 November 2019. She attended one Board meeting in 2019-2020.

Board committees

Through committees established by the Board, the Children's Hospital Foundation can draw on the skills and expertise of Board members and other individuals to ensure that additional guidance and direction is provided in certain areas that the Board considers appropriate.

Finance, Audit and Risk Management Committee

Purpose

To assist the Board in its governance role and, in particular, in fulfilling its statutory and fiduciary duties relating to the internal control and risk management framework, the reporting of financial information, the oversight of investments, the independence and effectiveness of audit and compliance with laws, regulations and internal policies.

Members

- Stephen Gray (Chair)
- Luke McGrath
- Sharon Houghton (appointed 20 February 2020)
- Karen Prentis (appointed 20 February 2020)
- Jane Black (appointed 20 February 2020)
- Scott Taylor (resigned 31 December 2019)
- Rosemary Vilgan (appointment term ended 30 September 2019)
- Bruce Cowley (ex-officio)

Grants Committee

Purpose

To identify potential research projects suitable for investment, recommend which projects to fund and report to the Board on outcomes from research funded by the Children's Hospital Foundation. The Committee will also identify potential equipment and health services research grants and make recommendations to the Board for funding.

Members

- Luke McGrath (Chair)
- Kenneth Drysdale
- Stephen Gray
- Michelle Hannan (appointed 20 February 2020)
- Sara Parrott (appointed 20 February 2020)
- Bruce Cowley (ex-officio)

Remuneration and Nominations Committee

Purpose

To provide oversight and guidance around the Children's Hospital Foundation's remuneration and nominations policies and practices.

Members

- Bruce Cowley (Chair)

- Stephen Gray
- Luke McGrath (appointed 20 February 2020)
- Rosemary Vilgan (appointment term ended 30 September 2019)

Executive management

Chief Executive Officer

Rosie Simpson

Rosie joined the Children's Hospital Foundation as Chief Executive Officer in July 2017, bringing a strong strategic and commercial background to the organisation as it looks to build on its strong growth, funding for world class research and supporting innovation in the delivery of children's health outcomes.

Rosie brings close to a decade of experience in the not-for-profit sector with The Smith Family where she was responsible for both significant organisational strategic shifts and double-digit income growth in roles as Head of Strategy and Fundraising.

Previously Rosie was an Executive Director of Marketing at Telstra with a strong record of growth in Telstra's three million rural and regional customers. She holds a Masters in Economic Development and a degree in Economics with experience as an economist with the International Wool Secretariat in London, a lobbyist in Canberra and has led a number of entrepreneurial projects to drive online services for rural and regional Australia.

Chief Marketing and Fundraising Officer

Andrew Thomas

Andrew left the Children's Hospital Foundation in June 2020 and was responsible for creative, fundraising, marketing and partnerships activities. A new Chief Marketing and Fundraising Officer is expected to commence early September 2020.

Chief Financial Officer

Michele Woodrick

Michele commenced with the Children's Hospital Foundation in January 2020 and was responsible for financial operations and IT.

Director of Research and Grants

Veronica McCabe

Veronica joined the Children's Hospital Foundation in April 2020 and is responsible for research and grants.

Director of People and Culture

Rachael Murphy

Rachael joined the Children's Hospital Foundation in 2013 and is responsible for people and culture.

Director of Patient and Family Support

Nick Van Dyke

Nick joined the Children's Hospital Foundation in August 2002 and is responsible for patient and family support.

Risk management and accountability

Risk management

The Board, through the Finance, Audit and Risk Management Committee, monitors and addresses key risks pertaining to the Children's Hospital Foundation. The current Committee members are:

- Stephen Gray (Chair)
- Luke McGrath
- Sharon Houghton
- Karen Prentis
- Jane Black
- Bruce Cowley (ex officio, as Chair of the Board)

Operationally, the Committee discusses, reviews, and identifies actions required to manage risks in areas including reputation, investment, security and information technology. The Children's Hospital Foundation's risk management philosophy is to identify, assess and control those risks that may affect the achievement of strategic objectives. The risk management system incorporates a Business Continuity Plan and a Risk Register.

Internal and external scrutiny

Regular internal audits relevant to each risk item on the Children's Hospital Foundation's risk register are undertaken by management and reviewed by the Finance, Audit and Risk Management Committee. These reviews are used to identify and track improvements in the control environment.

An external audit was conducted by a designate of the Queensland Audit Office (QAO). An unqualified audit opinion was issued on the 2019-2020 financial statements.

Audit Committee

The Finance, Audit and Risk Management Committee provides assurance and assistance to the Chief Executive Officer and the Board on:

- Risk, control and compliance frameworks
- External accountability responsibilities as prescribed in the *Financial Accountability Act 2009*, *Auditor-General Act 2009*, *Financial Accountability Regulation 2019*, *Financial and Performance Management Standard 2019*, the *Australian Charities and Not-for-profits Commission Act 2012* and *Regulation 2013*

The Committee met six times during 2019-2020.

The Committee has observed the terms of its charter and had due regard to the Audit Committee Guidelines.

Information systems and recordkeeping

Information systems

The Children's Hospital Foundation's Information and Communications Technology (ICT) service, which is supplied externally is responsible for operating information systems and technologies so that staff have access to the information needed to conduct and support their work.

The ICT service provided:

- Reliable access to the Children's Hospital Foundation's major information systems through a variety of channels
- Leadership and guidance in identifying and resolving the information and technology implications of changes in core functions
- Leadership in developing and implementing information management and ICT strategies, policies and standards

Recordkeeping

The Children's Hospital Foundation is committed to improving record keeping practices to comply with the *Public Records Act 2002* and the Records Governance Policy.

The Children's Hospital Foundation's Recordkeeping Policy applies to digital and paper records and ensures the Children's Hospital Foundation's compliance with the *Public Records Act 2002* including record retention in accordance with general and core retention and disposal schedules.

The Children's Hospital Foundation completed a project to improve its electronic records management through the upgrading of the Children's Hospital Foundation's existing document management system. All staff have been provided with training on the new system and their roles and responsibilities in relation to the new system and records created.

The CEO is informed regularly of updated record keeping requirements via the Office of Health Statutory Agencies and the Office of the State Archivist.

Reliability and security of the Children's Hospital Foundation's record keeping systems is implemented via a number of mechanisms including firewalls, systems security, secure paper storage and secure destruction bins and all record systems are supported by ICT.

Queensland public service values

The five Queensland public service values are reflected in the Children's Hospital Foundation's vision, purpose and values statements:

Customers first	We care for everyone we impact – the children always come first
Ideas into action	We support and fund world-class research
Unleash potential	We strive for excellence and encourage innovation and develop our skills to be our best
Be courageous	We selflessly support and trust each other and our teams
Empower people	We aim to deliver high impact results

People and culture

The Children's Hospital Foundation is focused on ensuring we have a highly engaged, innovative and supported team. We value each of our people's commitment, passion and contribution to working together to ensure we achieve our vision for every sick child to have the best possible health care, with access to world-class research and clinical treatment in a healing environment. Our people comprise both paid staff and volunteers, who everyday bring our mission and purpose to life, through our values of care, respect and recognition, working together, excellence and innovation and accountability.

Workforce planning

The Children's Hospital Foundation is strongly committed to building a positive, innovative and engaged culture. Each year we undertake an engagement survey to gain feedback from our people to understand how we can improve.

The Children's Hospital Foundation has a strong employment proposition to attract a diverse and capable workforce, with a supportive and inclusive culture. A review and refresh of our website careers page has been conducted to ensure we are communicating our value proposition effectively to potential staff. In addition, we are about to launch a culture handbook to assist new starters.

The Children's Hospital Foundation continues to use a range of recruiting options to ensure we are attracting highly skilled and engaged candidates who have a strong connection to our cause. Career progression continues to be an area for development at the Foundation.

Over the last 12 months we have promoted and encouraged internal applications, both on a permanent basis and through secondment. We plan on continuing to build on these efforts through project roles and job shadowing arrangements.

A competitive selection process is adhered to, following the principles of equal opportunity and Blue Card suitability, ensuring an excellent match between the candidate, their skills and the needs of the Children's Hospital Foundation.

The permanent separation rate was 23 per cent. Due to operational requirements, one employee received a redundancy package at a total cost of \$33,012. In line with the Children's Hospital Foundation's five-year strategy, our number of full time equivalents has increased from 49 to 50 over the last 12 months.

The Children's Hospital Foundation's workforce is made up of people with a diverse range of qualifications, skills and experience.

We want our workplace to better reflect the communities we support and be a welcoming, culturally safe and responsive place for Aboriginal and Torres Strait Islander peoples. To help achieve this, through consultation across the organisation, externally and with Reconciliation Australia, we developed our first Reconciliation Action Plan. This was officially endorsed by Reconciliation Australia and is a small step in achieving our vision for reconciliation - to embed values of awareness, acknowledgement and respect of Aboriginal and Torres Strait Islander peoples and their cultures within our organisation to contribute towards a fair, equitable and inclusive Australia.

Leadership and management development

The Children's Hospital Foundation is committed to fostering a culture that focuses on supporting the performance and development of our staff, as well as ensuring our behaviours are in line with our values of accountability, recognition and respect, care, working together and excellence and innovation.

The Children's Hospital Foundation undertakes an annual planning process which incorporates our leadership team to increase alignment through the Foundation and cross functionally. This year we spent time reflecting on our progress to date against our five-year strategy and undertaking planning to ensure we continue to meet our goals. This has had a positive impact on our performance and development planning, ensuring clear alignment through the organisation. Individual and team performance plans are aligned with the Children's Hospital Foundation's strategic plan.

Over the last 12 months we continue our commitment to enhancing and driving leadership across the Foundation. We are creating a culture that our people can lead in any role. It is recognised there has been some disruption to the planned activities in this space over the last five months due to COVID-19.

All staff are encouraged to continuously grow and learn in their roles. Learning opportunities were provided across the organisation and include personalised courses, management development programs, ongoing coaching and mentoring and online learning opportunities.

In line with our five-year strategy, we have committed to developing a culture where innovation is encouraged, supported and celebrated. This year we commenced our journey with the upskilling of our leadership team and innovation champions. This will continue in 2020-2021, with the development and implementation of an innovation framework.

As we build our inclusive and positive culture, it is important our people feel valued and recognised. We continue to work on celebrating our successes in a timely manner. Our people are recognised both informally and formally for their performance and tenure. Our values based recognition continues to be an effective way for our people to recognise the actions and behaviours of others.

Flexible work arrangements

The Children's Hospital Foundation recognises that flexibility is one of the keys to attracting and retaining good staff. During COVID-19, the majority of our team was working remotely and was supported to work flexibly depending on personal circumstances. We are currently reviewing our long term remote working policy, using the learnings from the COVID-19 environment.

A flexible work policy will remain in place to support employees with diverse needs. It enables staff to have a voice on how, when and where they work. Currently, 23 per cent of staff are working in a part-time capacity.

People and culture (cont)

The Children's Hospital Foundation has undertaken a wide range of system and process improvements during the year, with a particular focus on digitalisation. We have continued to expand the implementation of key technologies, including replacing laptop computers, video-conferencing, cloud based systems and others, to enable staff to work remotely and flexibly.

Staff wellbeing

This year we have reviewed and revamped our annual wellness plan. It continues to focus on all areas of wellness, including financial, physical, mental and several others. This year we have integrated our online learning platform with the content to improve our team's understanding and awareness of these important topics.

With COVID-19, we recognised it was critical to support our team during the challenging and ever-changing environment. We pivoted and shifted our wellness program online, providing a range of support options. This included our employee assistance service, which is available for staff and their families at any time and staff are encouraged to establish and maintain an appropriate balance between their professional and private lives. In addition, as the majority of our team was working remotely, we supported our staff through the reimbursement of flu vaccinations.

The Children's Hospital Foundation recognises that both physical and mental wellbeing is important for its people and makes every effort to create a safe and healthy working environment for staff and volunteers.

This year we have digitalised and streamlined our workplace health and safety reporting and checklists to ensure they can be accessed remotely and our team are aware of their requirements when working at any location. This was particularly important as we responded to COVID-19 and the majority of our team worked remotely.

We foster and promote a risk management culture and have reviewed and revised our work health and safety policies and procedures in accordance with our risk schedule. This helps reinforce accountability, increase understanding and ensure that risks are managed in a consistent and effective manner. We will continue to evolve our risk processes.

In response to feedback provided by our team through our annual engagement survey we have updated our internal office environment. This has involved beautiful imagery, promoting our connection to cause, providing additional storage and creating additional meeting space. We are reviewing our current long term office space and available options, to ensure we have growth options and provide a productive, engaging space for our team.

The workplace presents a unique opportunity to help team members who may be living with violence at home, to identify the problem and assist with seeking help. This year we took our first step in acknowledging this by launching our Domestic and Family Violence Policy and paid leave to support our team members.

We continue to encourage our team to participate in two volunteering days per year, which involves participating in our services or events, alongside other volunteers, who are based in the hospital. This enhances our employees' connection to the cause and our mission. However, under the COVID-19 environment, these opportunities have been reduced.

Human Rights

The Children's Hospital Foundation recognises and is committed to ensuring our policies and practices protect the dignity and worth of all human beings regardless of background, what you look like, what you think, what you believe or any other status or characteristic. In July 2019, we undertook a human rights readiness assessment in line with the introduction of the *Human Rights Act 2019*. This involved reviewing our policies, procedures and practices, ensuring they met our legal requirements under the Act. We did not receive any human rights complaints in 2019-2020.

Industrial and employee relations framework

The Children's Hospital Foundation operates under the *Fair Work Act 2009*. Employee relations issues are managed promptly and in accordance with the legislation and internal policies and procedures. Any new policies or material changes to existing policies are implemented with employees through a dedicated training session or at team meetings.

Public Sector Ethics Act 1994

The Children's Hospital Foundation is committed to upholding the values and standards of conduct outlined in the Code of Conduct for the Queensland Public Service. The Children's Hospital Foundation's Code of Conduct reflects the principles of integrity and impartiality, promoting the public good, commitment to the system of government, accountability and transparency.

All employees, volunteers and representatives of the Children's Hospital Foundation have an obligation to comply with the Code of Conduct. The Code of Conduct is supported by the Children's Hospital Foundation's policies and procedures.

All Children's Hospital Foundation employees are required to undertake training on the Code of Conduct during induction and to sign an acceptance upon appointment which states they will abide by the Code of Conduct.

Appendices

Appendix 1 - Compliance checklist

Summary of requirement		Basis for requirement	Annual report reference
Letter of compliance	A letter of compliance from the accountable officer or statutory body to the relevant Minister/s	ARRs - section 7	Page 48
Accessibility	Table of contents	ARRs - section 9.1	Page 3
	Glossary		Page 20
	Public availability	ARRs - section 9.2	Page 2
	Interpreter service statement	<i>Queensland Government Language Services Policy</i> ARRs - section 9.3	Page 2
	Copyright notice	<i>Copyright Act 1968</i> ARRs - section 9.4	Page 2
	Information licensing	<i>QGEA - Information Licensing</i> ARRs - section 9.5	Page 2
General information	Introductory information	ARRs - section 10.1	Page 4-5
	Machinery of Government changes	ARRs - section 10.2, 31 and 32	Not applicable
	Agency role and main functions	ARRs - section 10.2	Page 6
	Operating environment	ARRs - section 10.3	Page 11
Non-financial performance	Government's objectives for the community	ARRs - section 11.1	Page 7
	Other whole-of-government plans / specific initiatives	ARRs - section 11.2	Not applicable
	Agency objectives and performance indicators	ARRs - section 11.3	Page 8
	Agency service areas and service standards	ARRs - section 11.4	Not applicable
Financial performance	Summary of financial performance	ARRs - section 12.1	Page 10
Governance - management and structure	Organisational structure	ARRs - section 13.1	Page 11
	Executive management	ARRs - section 13.2	Page 14
	Government bodies (statutory bodies and other entities)	ARRs - section 13.3	Not applicable
	<i>Public Sector Ethics Act 1994</i>	<i>Public Sector Ethics Act 1994</i> ARR - section 13.4	Page 18
	Human Rights	<i>Human Rights Act 2019</i> ARRs - section 13.5	Page 18
	Queensland public service values	ARRs - section 13.5	Page 16
Governance - risk management and accountability	Risk management	ARRs - section 14.1	Page 15
	Audit committee	ARRs - section 14.2	Page 15
	Internal audit	ARRs - section 14.3	Page 15

Appendix 1 - Compliance checklist (cont)

Summary of requirement		Basis for requirement	Annual report reference
	External scrutiny	ARRs - section 14.4	Page 15
	Information systems and recordkeeping	ARRs - section 14.5	Page 16
Governance - human resources	Strategic workforce planning and performance	ARRs - section 15.1	Page 17
	Early retirement, redundancy and retrenchment	Directive No.04/18 Early Retirement, Redundancy and Retrenchment ARRs – section 15.2	Page 17
Open Data	Statement advising publication of information	ARRs - section 16	Page 2
	Consultancies	ARRs - section 33.1	https://data.qld.gov.au
	Overseas travel	ARRs - section 33.2	https://data.qld.gov.au
	Queensland Language Services Policy	ARRs - section 33.3	https://data.qld.gov.au
Financial statements	Certification of financial statements	FAA – section 62 FPMS – sections 42, 43 and 50 ARRs – section 17.1	Appendix 2
	Independent Auditor's Report	FAA – section 62 FPMS – section 50 ARRs – section 17.2	Appendix 2

Glossary

FAA Financial Accountability Act 2009

FPMS Financial and Performance Management Standard 2019

ARRs Annual Report Requirements for Queensland Government agencies

Appendix 2 - Financial statements

Children's Hospital Foundation Queensland

ABN: 11 607 902 687

Financial Statements

for the financial year 1 July 2019 to 30 June 2020

Contents	Page No.
Statement of Comprehensive Income	2
Statement of Financial Position	3
Statement of Changes in Equity	4
Statement of Cash Flows	5
Notes to and Forming Part of the Financial Statements	6
Management Certificate	22
Independent Audit Report	23

General Information

These financial statements cover the Children's Hospital Foundation Queensland (the Foundation).

The Foundation is a Statutory Body established under the *Hospital Foundations Act 2018*.

For information in relation to the Foundation's financial statements, please call (07) 3606 6100, email info@childrens.org.au or visit the Foundation's website www.childrens.org.au.

Children's Hospital Foundation Queensland Statement of Comprehensive Income

for the year ended 30 June 2020

	Notes	2020 \$	2019 \$
Income			
Donations and other contributions	2	25,377,298	18,987,439
Financial income	3	1,093,152	2,090,385
Other income	4	5,581,239	4,707,906
(Decrease)/Increase in fair value of financial assets		(2,263,146)	1,113,497
Total Income		29,788,544	26,899,227
Expenses			
Employee expenses	5	5,639,877	5,022,691
Fundraising and marketing expenses		2,812,886	2,802,959
Supplies and services		1,634,162	1,755,931
Distribution of grants	6	10,771,139	11,000,890
Investment management fees		235,481	210,482
Depreciation and amortisation	12	137,251	107,120
Other expenses	7	5,260,630	4,635,342
Total Expenses		26,491,427	25,535,415
Operating Result for the Year		3,297,116	1,363,813
Other comprehensive income		-	-
Total Comprehensive Income	1	3,297,116	1,363,813

The accompanying notes form part of these statements

Children's Hospital Foundation Queensland Statement of Financial Position

as at 30 June 2020

	Notes	2020 \$	2019 \$
Current Assets			
Cash and cash equivalents	9	5,098,605	4,122,561
Receivables	10	692,711	701,498
Other current assets		311,373	66,711
Total Current Assets		6,102,689	4,890,770
Non-Current Assets			
Financial assets	11	51,338,664	48,416,999
Plant and equipment	12	631,349	399,409
Total Non-Current Assets		51,970,013	48,816,408
Total Assets		58,072,702	53,707,178
Current Liabilities			
Payables	13	5,540,929	4,537,243
Accrued employee benefits		405,645	309,707
Total Current Liabilities		5,946,575	4,846,950
Non-Current Liabilities			
Accrued employee benefits		24,308	55,526
Total Non-Current Liabilities		24,308	55,526
Total Liabilities		5,970,884	4,902,476
NET ASSETS		52,101,818	48,804,702
Equity			
Accumulated Surplus	1	52,101,818	48,804,702
TOTAL EQUITY		52,101,818	48,804,702

The accompanying notes form part of these statements

Children's Hospital Foundation Queensland
Statement of Changes in Equity
for the year ended 30 June 2020

	Notes	Accumulated Surplus 2020 \$	Accumulated Surplus 2019 \$
Balance as at 1 July		48,804,702	47,440,890
Total Comprehensive Income		3,297,116	1,363,812
Balance as at 30 June		52,101,818	48,804,702

The accompanying notes form part of these statements

Children's Hospital Foundation Queensland Statement of Cash Flows

for the year ended 30 June 2020

	Notes	2020 \$	2019 \$
Cash Flows from operating activities			
<i>Inflows:</i>			
Donations, grants and other contributions		25,344,528	19,064,070
Other income		351,500	69,724
GST collected from customers		215,393	172,002
GST input credits from the Australian Taxation Office		1,464,968	1,244,253
<i>Outflows:</i>			
Payments to suppliers and employees		(8,966,581)	(10,202,949)
Grants		(11,232,677)	(8,974,190)
GST paid to suppliers		(1,438,593)	(1,105,764)
GST remitted to the Australian Taxation Office		(215,393)	(172,002)
Net cash provided by operating activities		5,523,145	95,144
Cash Flows from investing activities			
<i>Inflows:</i>			
Interest and dividends		1,093,152	2,090,385
Franking credits received from the Australian Taxation Office		148,622	125,985
Sale of plant and equipment		26,409	-
Gain on Sale of Asset		609	-
<i>Outflows:</i>			
Acquisition of plant and equipment		(395,599)	(64,045)
Net movement of investment funds to financial assets		(5,184,812)	(1,783,482)
Investment management fees paid		(235,481)	(214,791)
Net cash provided by/(used in) investing activities		(4,547,100)	218,554
Cash Flows from financing activities			
Net increase/(decrease) in cash and cash equivalents		976,045	313,698
Cash and cash equivalents at beginning of the financial year		4,122,561	3,808,863
Cash and cash equivalents at end of the financial year	9	5,098,605	4,122,561

The accompanying notes form part of these statements

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Objectives and Principal Activities of the Children's Hospital Foundation

The Children's Hospital Foundation (the Foundation) helps sick kids today and tomorrow by funding research, medical equipment, clinical innovation and for patient and family support, care and entertainment. The work we do at the Foundation supports every aspect of the healing environment needed to help sick kids get better and go home to their families sooner.

The principal activities of the Foundation include fundraising, receiving gifts in wills and donations from the community as well as providing grants for research, equipment as well as patient and family support within the Queensland Children's Hospital and throughout Queensland and Northern New South Wales.

1. Summary of Significant Accounting Policies

(a) Statement of Compliance

The financial statements have been prepared in compliance with the *Financial Accountability Act 2009*, the *Financial and Performance Management Standard 2019* and the *Australian Charities and Not-for-profits Commission Act 2012* and *Regulation 2013*.

These financial statements are general purpose financial statements and have been prepared on an accrual basis in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations, and Queensland Treasury Tier 2 Financial Reporting Requirements.

With respect to compliance with Australian Accounting Standards and Interpretations, the Foundation has applied those requirements applicable to not-for-profit entities, as the Foundation is a not-for-profit public agency. Except where stated, the historical cost convention is used.

(b) The Reporting Entity

The financial statements include the value of all income, expenses, assets, liabilities and equity of the Foundation.

(c) Revenue

The Foundation has applied AASB 15 *Revenue from Contracts with Customers* (AASB 15) and AASB 1058 *Income of Not-for-Profit Entities* (AASB 1058) from 1 July 2019. The details of the previous accounting policies in the comparative period under AASB 118 Revenue and AASB 1004 Contributions are disclosed separately since they are different from those under AASB 15 and AASB 1058. The impact of changes arising from initial application of the new standards is disclosed in Note 1(u).

In the current year

Donations and Other Contributions

Grants, contributions, donations and gifts arise from transactions that are non-reciprocal in nature (i.e. do not require any goods or services to be provided in return).

Where the grant agreement is enforceable and contains sufficiently specific performance obligations for the foundation to transfer goods or services to a third-party on the grantor's behalf, the grant is accounted for under AASB 15. In this case, revenue is initially deferred as unearned revenue (contract liability) and recognised as or when the performance obligations are satisfied

Otherwise, the grant or donation is accounted for under AASB 1058, whereby revenue is recognised upon receipt of the grant funding. The foundation did not receive any specific purpose capital grants in this financial year.

Contributions of assets received from the government and other parties are recognised at fair value on the date of transfer in the Statement of Comprehensive Income, with a corresponding amount of revenue recognised in the Statement of Comprehensive Income.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)

(c) Revenue (continued)

Financial Income

Interest income is recognised using the effective interest method.

The Foundation recognises dividends in profit or loss only when the Foundation's right to receive payment of the dividend is established.

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.

In the comparative period

Contributions, donations and gifts that are non-reciprocal in nature are recognised as revenue in the year in which the Foundation obtains control over them (control is generally obtained at the time of receipt). The Foundation also receives contributions of assets which are recognised at fair value on the date of acquisition in the Statement of Financial Position, with a corresponding amount of revenue recognised in the Statement of Comprehensive Income.

Interest income is recognised using the effective interest method.

The Foundation recognises dividends in profit or loss only when the Foundation's right to receive payment of the dividend is established.

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.

(d) Distribution of Grants

Where there is a present obligation under a funding agreement, the Foundation recognises an expense.

(e) Cash and Cash Equivalents

Cash and cash equivalents include all cash and cheques receipted but not banked at 30 June as well as deposits at call with financial institutions.

(f) Receivables

Trade debtors are recognised at the amounts due at the time of sale or service delivery i.e. the agreed purchase/contract price. Settlement of these amounts is required within 30 days from invoice date.

The collectability of receivables is assessed periodically with provision being made for expected credit losses. The loss allowance is estimated based on the probability and timing of potential defaults, and takes into account forecasts of future economic conditions as well as past events. All known bad debts were written-off as at 30 June.

(g) Acquisition of Assets

Actual cost is used for the initial recording of all non-current physical and intangible asset acquisitions. Cost is determined as the value given as consideration plus costs incidental to the acquisition, including all other costs incurred in getting the assets ready to use, including any professional fees. However, any training costs are expensed as incurred.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)

(h) Plant and Equipment

Items of plant and equipment with a cost or other value equal to or in excess of the following thresholds are recognised for financial reporting purposes in the year of acquisition:

Plant and equipment (excluding computers)	\$5,000
Motor vehicles	\$5,000
Computers	\$2,500
Items with a lesser value are expensed in the year of acquisition.	\$2,500

(i) Depreciation of Plant and Equipment

Any expenditure that increases the originally assessed capacity or service potential of an asset is capitalised and the new depreciable amount is depreciated over the remaining useful life of the asset to the Foundation.

The estimated useful lives, residual values and depreciation methods are reviewed at the end of each annual reporting period, with the effect of any changes recognised on a prospective basis.

For each class of depreciable asset, the following depreciation and amortisation rates are used:

Class	Rate %
Plant and equipment:	
Motor vehicles	20-33
Other equipment	10-33
Computer Equipment	10-33

(j) Impairment of Non-Current Assets

All non-current physical and intangible assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, the Foundation determines the asset's recoverable amount. Any amount by which an asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

An asset's recoverable amount is determined as the higher of the asset's fair value less costs to sell and the depreciated replacement cost.

An impairment loss is recognised immediately in the Statement of Comprehensive Income, unless the asset is carried at a revalued amount. When the asset is measured at a revalued amount, the impairment loss is offset against the asset revaluation surplus of the relevant class to the extent available.

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)

(k) Payables

Trade creditors are recognised upon receipt of the goods or services ordered and are measured at a nominal amount i.e. agreed purchase/contract price, gross of applicable trade and other discounts. Amounts owing are unsecured and are generally settled on 30 day terms, or in accordance with suppliers terms of trade.

(l) Financial Instruments

Classification

Financial instruments are classified and measured as follows:

- Financial assets at fair value through profit or loss
- Receivables - held at amortised cost
- Held to maturity investment - held at amortised cost
- Payables - held at amortised cost

The Foundation derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in which substantially all the risks and rewards of ownership of the financial assets are transferred.

Any interest in transferred financial assets that is created or retained by the Foundation is recognised as a separate asset or liability.

The Foundation derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The Foundation has the following non-derivative financial assets: financial assets at fair value through profit or loss and receivables.

The Foundation has the following non-derivative financial liabilities: trade and other payables.

Financial assets at fair value through profit or loss

Receivables

Receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value. Subsequent to initial recognition, loans and receivables are measured at amortised cost less any impairment losses.

Cash and cash equivalents comprise cash balances with original maturities of three months or less.

Held to maturity financial assets

If the Foundation has the positive intent and ability to hold debt securities to maturity, then such financial assets are classified as held-to-maturity. Held-to-maturity financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, held-to-maturity financial assets are measured at amortised cost less any impairment losses.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)

(m) Employee Benefits

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

Workers' compensation insurance is a consequence of employing employees, but is not counted in an employee's total remuneration package. It is not an employee benefit and is recognised separately as an employee related expense.

Wages, Salaries and Sick Leave

Wages and salaries due but unpaid at reporting date are recognised in the Statement of Financial Position at the current salary rates.

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.

Annual Leave and Long Service Leave

For unpaid entitlements expected to be paid within 12 months, the liabilities are recognised at their undiscounted values. Entitlements not expected to be paid within 12 months are classified as non-current liabilities and recognised at their present value, calculated using yields on Fixed Rate Commonwealth Government bonds of similar maturity, after projecting the remuneration rates expected to apply at the time of likely settlement.

Superannuation

Superannuation contributions made by the Foundation to an employee superannuation fund are charged as an expense when incurred.

Key Management Personnel

Key management personnel and remuneration disclosures are made in accordance with section 5 of the Financial Reporting Requirements for Queensland Government Agencies issued by Queensland Treasury. Refer to Note 5 for the disclosures on key executive management personnel and remuneration.

Remuneration of Board Members

No Board Members received or were entitled to receive any fees or other benefits during the year.

(n) Insurance

The Foundation's non-current physical assets and other risks are insured and premiums are paid on a risk assessment basis. In addition, the Foundation pays premiums to WorkCover Queensland in respect of its obligations for employee compensation.

(o) Services Received Free of Charge or for Nominal Value

Contributions of services are recognised only if the services would have been purchased if they had not been donated and their fair value can be measured reliably. Where this is the case, an equal amount is recognised as revenue and as an expense.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)

(p) Funds held in trust transactions and balances

Funds held in trust represent amounts obtained by the Foundation and held on behalf of persons until called upon. As the Foundation acts only in a custodial role in respect of these transactions and balances, they are not recognised in the financial statements but are disclosed in Note 9.

(q) Taxation

The Foundation has been endorsed by the Commissioner of Taxation as an income tax exempt charity pursuant to section 24AK of the *Income Tax Assessment Act 1936*, with the exception of Fringe Benefits Tax ('FBT') and Goods and Services Tax ('GST'). FBT, GST and franking credits on company dividends are the only taxes accounted for by the Foundation. Franking credits, GST credits receivable from and GST payable to the Australian Taxation Office (ATO) are recognised (refer to Note 10).

(r) Issuance of Financial Statements

The financial statements are authorised for issue by the Chair and the Chief Executive Officer at the date of signing the Management Certificate.

(s) Key Accounting Estimates and Judgements

In the application of the Foundation's accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets, liabilities, income and expenses that are not readily apparent from other sources.

Such estimates, judgements and underlying assumptions are based on historical experience and other factors that are considered to be relevant and are reviewed on an ongoing basis. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods if the revision affects both current and future periods.

Estimates and assumptions that have a potential significant effect are outlined in the following financial statement notes:

Accrued Employee Benefits - Note 1(m)

Amortisation and Depreciation of Plant & Equipment - Note 1(i)

Fair value of contribution received for no consideration - Note 4

Performance obligations for grant funding under new Accounting Standards

(t) Other Presentation Matters

Amounts included in the financial statements are in Australian dollars, which is the Foundation's functional currency and presentation currency. Amounts are rounded to the nearest dollar.

Assets and liabilities are classified as either 'current' or 'non-current' in the Statement of Financial Position and associated notes. Assets are classified as 'current' where their carrying amount is expected to be realised within 12 months after the reporting date. Liabilities are classified as 'current' when they are due to be settled within 12 months after the reporting date, or the Foundation does not have an unconditional right to defer settlement to beyond 12 months after the reporting date. All other assets and liabilities are classified as non-current.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)

(u) New and Amended Accounting Standards Adopted by the Foundation

The following new accounting standards issued by the Australian Accounting Standards Board became effective for reporting periods beginning on or after 1 January 2019:

- AASB 15 *Revenue from Contracts with Customers*
- AASB 1058 *Income of Not-for-Profit Entities*
- AASB 16 *Leases*

AASB 15 Revenue from Contracts with Customers

The Foundation has applied AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income of Not-for-Profit Entities* from 1 July 2019. The Foundation has completed a review of all contracts with customers to assess the impact of the new standards.

AASB 15 establishes a new five-step model for recognising revenue from contracts with customers, which includes the Foundation's sponsorship and funding agreements. The Foundation is now required to identify performance obligations in its contracts with customers and recognise revenue as or when the performance obligations are satisfied.

In June 2020 the Foundation received \$2,000,000 as contribution to the 2020 Channel Nine Telethon. The Foundation's intent was to apply the modified retrospective transition approach with a cumulative adjustment to opening equity at 1 July 2019. This adoption of AASB 15 would have increased contract liabilities (unearned revenue) by \$2,000,000 on 1 July 2019, primarily due to the deferral of revenue under the Telethon Funding agreement. However, as no formal agreement was entered into which stipulated the terms under which the contribution was received as sufficiently specific to meet the revenue deferral requirements under the implementation of AASB 1058 and AASB 15, the Foundation is required to recognise this amount as revenue during 2019-20.

AASB 1058 Income of Not-for-Profit Entities

AASB 1058 applies to the Foundation's grants and contributions that are not contracts with customers, being all grants and donations disclosed in Note 2. Revenue for these grants continues to be recognised upfront on receipt of the funding, consistent with prior accounting treatment. The Foundation did not have any specific purpose capital grants. Overall, there was no transitional impact from adopting AASB 1058.

AASB 16 Leases

The Foundation has adopted AASB 16 *Leases* from 1 July 2019. In applying the standard, the Foundation has assessed if the contract contains or is a lease. AASB 16 requires all leases to be accounted for on balance sheet as right-of-use assets and lease liabilities, except for short-term leases and leases of low value assets.

The Foundation has chosen to apply the temporary relief under AASB 2018-8 when assessing the peppercorn property lease and has measured the lease at cost on initial recognition. The value of the peppercorn property lease at cost is \$nil. Therefore, there has been no impact on initial application of AASB 16.

Any low value leases have not been capitalised as permitted under the exemptions of AASB 16, and continue to be recognised as an operating expense on a straight-line basis over the term of the lease.

Comparative figures for 2018-19 have not been restated on adoption of these three standards.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)

(v) Leases

The Foundation as lessee

At inception of a contract, the Foundation assesses whether the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Foundation where the Foundation is a lessee. However all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low value assets continue to be recognised as an operating expense on a straight-line basis over the term of the lease. Office printers are the only assets under lease arrangements and have been classified as low value assets.

Concessionary Leases

For leases that have significantly below-market terms and conditions principally to enable the Foundation to further its objectives (commonly known as peppercorn/concessionary leases), the Foundation has adopted the temporary relief under AASB 2018-8 *Amendments to Australian Accounting Standards – Right-of-Use Assets of Not-for-Profit Entities* and measures the right of use assets at cost on initial recognition. The value of the peppercorn property lease at cost is \$nil.

(w) Covid-19

On 11 March 2020, the World Health Organization declared a pandemic due to the spread of coronavirus (SARS-Cov-19) across the world. Due to the spread of the coronavirus, global and local economies have been significantly affected, for example due to restrictions in production, trade and consumption or due to travel bans and social distancing requirements.

The Foundation has considered the impacts of Covid-19, and concludes there is no impact which requires changes to the Financial Statements or the disclosure requirements.

There are no additional transactions or financial impacts which require recognition in the accounts, there are no significant changes in the values of revenue or expenditure contracts and no contracts have been cancelled. Any contracts which have been extended, has occurred within the standard terms which are available within the existing contract terms. No changes to the measurement of the valuations for investments or revenue is required and the financial viability of the Foundation is not at risk. Thus no changes are required to the Foundation's financial statements or reporting disclosures due to the impact of Covid-19.

Management and the Board continue to manage the eligibility and application for government stimulus measures.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)

	2020 \$	2019 \$
2. Donations and other contributions		
Individual donations	5,180,047	4,373,220
Gifts in wills	8,273,965	1,296,048
Partnerships	11,025,468	12,351,700
Trusts and foundations	897,818	966,472
Total	25,377,298	18,987,439

Partnerships comprises income from sponsorships and funds raised through corporate partnerships and community fundraisers.

3. Financial income		
Interest received from bank deposits	55,847	80,428
Dividends received from financial assets	1,037,305	2,009,957
Total	1,093,152	2,090,384

4. Other income		
Dividend imputation tax credits on listed securities	133,438	148,622
Services received free of charge - at fair value	5,095,692	4,489,560
Gain on disposal of assets	609	-
Cost recoveries	-	69,724
Government Subsidies	351,500	-
Total	5,581,239	4,707,906

Dividend imputation tax credits on listed securities:

Credits arising from dividends paid during the 2020 financial year of \$133,438 (2019: \$148,622) are recoverable from the Australian Tax Office after 30 June 2020 and have been included as a receivable in the Statement of Financial Position.

Services received free of charge - at fair value:

Necessary services received free of charge that would have otherwise been purchased include rent, Telethon call centre, Telethon prizes, Telethon media, Telethon advertising, Telethon accommodation and travel, volunteer events, entertainment resources for patients, raffle prizes, legal fees and administration services. The fair value of these services has been reliably measured and recognised above as other income.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)

	2020 \$	2019 \$
5. Employee expenses, Key Management Personnel and Remuneration Expenses		
Salaries and wages	5,155,601	4,574,952
Employer superannuation contributions	445,444	409,694
<i>Employee related expenses</i>		
Workers compensation premium	23,093	25,685
Other employee related expenses	15,739	12,360
Total	5,639,877	5,022,691

The number of employees including both full-time and part-time employees, measured on a full-time equivalent basis at reporting date is:

Number of employees	50	49
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a) *Key Management Personnel*

The following details for key management personnel include those positions within the Foundation that have authority and responsibility for planning, directing and controlling the activities of the Foundation during 2019-20.

Position	Position Responsibilities
Board	The strategic leadership, guidance and effective oversight of the management of the Foundation, including its operational and financial performance
Chief Executive Officer	Responsible for the strategic leadership and direction of the Foundation.

b) *Remuneration Expenses*

The remuneration and other terms of employment for the key executive management personnel are set by the Board and specified in employment contracts.

The following disclosures focus on the expenses incurred by the Foundation during the respective reporting periods that is attributable to key management positions. Therefore, the amounts disclosed reflect expenses recognised in the Statement of Comprehensive Income.

Remuneration expenses for key management personnel may comprise the following components:

- Short term employee benefits include salaries, allowances and leave entitlements earned and expensed for the entire year or that part of the year during which the employee occupied the specified position.
- Long term employee expenses include amounts expensed in respect of long service leave entitlements earned.
- Termination benefits are not provided for within individual contracts of employment. Contracts of employment provide only for notice periods or payment in lieu of notice on termination, regardless of the reason for termination.
- Performance bonuses are not paid under the contracts in place.

The Board is responsible for the governance of the Foundation. Their services are provided on an honorary basis. No Board members received or were entitled to receive any fees or benefits during the year.

1 July 2018 - 30 June 2019

Position	Short Term Employee Expenses	Long Term Employee Expenses	Post-Employment Expenses	Total Expenses
	\$	\$	\$	\$
Chief Executive Officer	256,393	4,504	20,531	281,429
Total	256,393	4,504	20,531	281,429

1 July 2019 - 30 June 2020

Position	Short Term Employee Expenses	Long Term Employee Expenses	Post-Employment Expenses	Total Expenses
	\$	\$	\$	\$
Chief Executive Officer	267,242	8,545	21,003	296,790
Total	267,242	8,545	21,003	296,790

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)

	2020 \$	2019 \$
6. Distribution of grants		
Research grants	5,568,333	7,013,437
Health and medical services	1,352,668	1,548,873
Equipment	2,505,511	960,412
Patient and family support	1,007,396	1,470,805
Other Foundation grants	337,232	7,364
Total	10,771,139	11,000,890
7. Other Expenses		
Audit related costs	19,023	14,886
Services received free of charge - at fair value	5,097,176	4,489,560
Other administrative expense	144,431	130,896
Total	5,260,630	4,635,342

Total audit fees payable to the Queensland Audit Office relating to the 2019-2020 financial statements are quoted to be \$21,013 (2019: \$20,500). Other audit fees refer to audits of raffles, funding agreements and cyber security reviews.

Services received free of charge - at fair value:

Necessary services received free of charge that would have otherwise been purchased include rent, Telethon call centre, Telethon prizes, Telethon media, Telethon advertising, Telethon accommodation and travel, volunteer events, entertainment resources for patients, raffle prizes, legal fees and administration services. The fair value of these services has been reliably measured and recognised above as other expenses.

The State of Queensland (represented by Children's Health Queensland Hospital and Health Service) provides accommodation at 494 Stanley Street, South Brisbane free of charge. The benefit at 494 Stanley St South Brisbane is recognised in the Statement of Comprehensive Income.

The Foundation made no special payments during the 2020 financial year.

8. Aggregation

Revenue and expenditure which contains shared characteristics in their nature have been analysed and reported in the financial statements. For revenue, all operating income for the Foundation is received in the form of Fundraising and Donations and this revenue has been segregated to show the various common sources of operating income streams. For expenditure, the Foundation directs a significant amount of expenditure to improving the lives of sick children through the area grant payments. Disclosure is made in relation to the nature of the types of grants which are funded. Salary and salary related expenditure is also separately aggregated and reported in the financial statements.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)

	2020 \$	2019 \$
9. Cash and cash equivalents		
Petty cash and floats	1,000	1,000
Cash at bank	5,094,451	4,118,407
Short term deposits	3,154	3,154
Total	5,098,606	4,122,561

Funds held in trust payable:

Funds held in trust at 30 June 2020 included \$294,053 (2019: \$580,686) which are development funds held on behalf of Children's Health Queensland Hospital and Health Service and \$60,902 (2019: \$60,836) held by the Foundation on behalf of Sophie Nance. The balance of these funds is held in a separate bank account and administered by the Foundation in a custodial role only. As the funds are not controlled by the Foundation, they are not recorded on the Statement of Financial Position.

10. Receivables

Dividend imputation credits on listed securities	133,438	148,622
Trade debtors	148,997	116,227
GST Receivable	410,275	436,649
Total	692,711	701,498

11. Financial assets

Non-current:

Financial assets designated at fair value through profit & loss	51,338,664	48,416,999
Total	51,338,664	48,416,999

At 30 June 2020, portfolio funds were held in managed investments with QIC. Refer note 14(d)

The managed investment portfolio funds includes restricted funds which have been identified separately because arrangements with donors requires the earnings from these funds to be applied to prescribed activities on an ongoing basis. To ensure perpetuity of these funds, the value of the endowments must be maintained.

Restricted funds

Sir Albert Sakzewski Endowment Fund	4,877,616	5,005,294
Sasakawa Memorial Fund	2,429,749	2,493,358
Lola Efsthatis Scholarship Fund	142,785	146,523
Burns Endowment Fund	510,909	524,280
Total restricted financial assets	7,961,060	8,169,455

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)

11. Financial assets (continued)

The Sir Albert Sakzewski Endowment Fund was created in 2016 with an endowment of \$4,214,968 for the purpose of funding paediatric infectious disease research at the Queensland Paediatric Infectious Diseases laboratory. The Sir Albert Sakzewski Endowment Fund reflects the total value of the Fund after investment and grant paying activities for the financial year.

The Sasakawa Memorial Fund was created in 1994 with an endowment of US\$1,000,000 to the Foundation for the purpose of enhancing therapy and research of organ transplantation for children. The Sasakawa Memorial Fund reflects the total value of the Fund after investment and grant paying activities for the financial year. A new agreement was executed in 2016 to reset the value of the portfolio to a minimum of AUD\$2,000,000 on 1 July 2016 for the purpose of funding paediatric infectious disease research.

The Lola Efstathis Fund was created in 2005 with an endowment of \$100,000. Medical scholarships are paid from the interest earned. The Lola Efstathis Scholarship Fund reflects the total value of the Fund after investment and grant paying activities for the financial year.

The Burns Endowment Fund was created in November 2016 with an endowment of \$451,727 from The Leola Grace Robinson Estate for the purpose of funding burns research. The Burns Endowment Fund reflects the total value of the fund after investing and grant paying activities for the financial year.

	2020 \$	2019 \$
12. Plant and equipment		
Plant and equipment		
At cost	1,227,434	703,236
Less accumulated depreciation	(596,085)	(303,827)
Total	631,349	399,409
Carrying amount at 1 July	399,409	442,484
Acquisitions	395,599	64,045
Disposal	(26,409)	-
Depreciation	(137,251)	(107,120)
Carrying amount at 30 June	631,349	399,409
13. Payables		
<i>Current:</i>		
Trade creditors	2,840,172	1,612,309
Sundry creditors and accruals	317,196	97,504
PAYG payable	85,838	68,168
Grants payable	2,297,723	2,759,261
Total	5,540,929	4,537,243

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)

14. Financial instruments

(a) Categorisation of financial instruments

Financial assets and liabilities are recognised in the Statement of Financial Position when the Foundation becomes party to the contractual provisions of the financial instrument. The Foundation has the following categories of financial assets and financial liabilities:

	2020 \$	2019 \$
<i>Financial assets</i>		
Cash and cash equivalents	5,098,606	4,122,561
Receivables	692,711	701,498
Financial assets at fair value through profit or loss	51,338,664	48,416,999
Total	57,129,981	53,241,058
<i>Financial liabilities</i>		
Payables	5,540,929	4,537,243
Total	5,540,929	4,537,243

(b) Financial risk management

The Foundation's activities expose it to limited financial risks - credit risk, market risk and interest rate risk. The Foundation is not exposed to any significant liquidity risk.

Financial risk management is implemented pursuant to the Foundation's investment policy. The focus of this policy is the mitigation of unpredictability of financial markets and the minimisation of potential adverse events on the financial performance of Foundation funds.

All financial risk is managed by the Executive Management Team under the oversight of the Finance Audit and Risk Management Committee, governed by policies approved by the Board.

The Foundation measures risk exposure using a variety of methods as follows:

Risk Exposure	Measurement Method
Credit risk	Ageing analysis
Market Risk	Price risk sensitivity analysis

(c) Credit risk exposure

Credit risk exposure refers to the situation where the Foundation may incur financial loss as a result of another party to a financial instrument failing to discharge their obligation.

The maximum exposure to credit risk at balance date in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any provisions for impairment.

No collateral is held as security and no credit enhancements relate to financial assets held by the Foundation.

The Foundation aims to reduce the exposure to credit default by investing in secure assets in accordance with the Foundation's investment policy and monitors all funds owed on a timely basis. Exposure to credit risk is monitored on an ongoing basis.

No financial assets or financial liabilities have been offset and presented net in the Statement of Financial Position.

The method for calculating any loss allowance is based on the probability and timing of potential defaults, and takes into account forecasts of future economic conditions, as well as past events and changes in client credit ratings.

No provision for impairment has been made in the current financial year. No financial assets have had their terms renegotiated so as to prevent them from being past due or impaired, and are stated at the carrying amounts as indicated.

The Foundation has no financial assets that are overdue.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)

14. Financial instruments (continued)

(d) Market risk

Market risk is the risk that changes in market prices, interest rates and equity prices will affect the Foundation's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimising the return.

Investment funds were held in QIC managed funds, which are designated at fair value through profit or loss. The Foundation is exposed to market risk on these managed funds but such risk is managed through diversification of investments within the QIC managed funds.

The Foundation's investments were held in the following fund at reporting date:

	2020	2019
	\$	\$
QIC Long Term Diversified Fund	51,338,664	48,416,999
Total	51,338,664	48,416,999

15. Commitments for expenditure

Grant commitments

Commitments to external grant recipients at reporting date are payable:

Not later than 1 year	8,163,342	10,893,735
Later than 1 year but not later than 5 years	10,787,179	6,127,998
Total	18,950,521	17,021,733

There were no other commitments for expenditure at 30 June 2020.

The Foundation currently supports four significant research investments into children's health. These programmes are included in the above commitments.

Program	Actuals 2019/20	Total Allocation
Centre for Child and Adolescent Brain Cancer Research	150,592	5,000,000
Woolworths Centre for Childhood Nutrition Research	277,832	5,000,000
QLD Cystic Fibrosis Research Program	58,778	2,500,000
TOTAL	487,202	12,500,000

The following has been pledged by the board. It has not been contracted as at 30 June 2020

Program	Actuals 2019/20	Total Allocation
Centre for Children's Immunotherapy Research	0	7,500,000
TOTAL	0	7,500,000

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)

16. Leveraged Funding

As part of the Foundation's mission, the Foundation invests in research by granting money directly to research institutions. The Foundation also plays a role in facilitating or brokering additional funding from other organisations or funding bodies to these research institutions. The Foundation refers to this as "leveraged funds", being the additional funding invested in a research program over and above the Foundation's investment. Leveraged funds also include subsequent additional funding obtained where the research conducted with the Foundation's funding attracts further funding towards that program of research.

The expenditure incurred by the Foundation in brokering and arranging the leveraged funds is shown in these financial statements. This expenditure relates to applicable staff involved in negotiating the agreements and is contained within Note 5.

The leveraged funding that is generated by these activities does not flow through the Foundation as most funding bodies require the funding to be directly received by the researcher and not the organisation that assists in negotiating the arrangement. Therefore, no donations and grants are recognised as revenue or expenditure in these financial statements for leveraged funding.

17. Events subsequent to balance date

There are no material events subsequent to 30 June 2020 that require disclosure or adjustment to the financial results presented.

18. Related Party Transactions

The Foundation obtained related party declarations for each member of the Board and key management personnel for the period 1 July 2019 - 30 June 2020. No related party transactions requiring disclosure under AASB 124 occurred during the period. The Foundation Board members receive no remuneration to hold their positions on the Board.


Management Certificate of Children's Hospital Foundation Queensland

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 2019*, the *Australian Charities and Not-for-profits Commission Act 2012* and *Regulation 2013* and other prescribed requirements. In accordance with s.62(1)(b) of the Act and s.60.15 of the *Australian Charities and Not-for-profits Commission Regulation 2013*, we certify that in our opinion:

- a) the prescribed requirements for establishing and keeping the accounts have been complied 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 and the *Australian Charities and Not-for-profits Commission Act 2012*, of the transactions of Children's Hospital Foundation Queensland for the financial year ended 30 June 2020 and of the financial position as at the end of that year;
- 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 period; and
- d) there are reasonable grounds to believe the Children's Hospital Foundation Queensland will be able to pay all of its debts as and when they become due and payable.



Rosie Simpson
Chief Executive Officer



Bruce Cowley
Chair

Date 28/08/2020

INDEPENDENT AUDITOR'S REPORT

To the Board of Children's Hospital Foundation Queensland

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of **Children's Hospital Foundation Queensland**.

In my opinion, the financial report:

- a) gives a true and fair view of the entity's financial position as at 30 June 2020, and its financial performance and cash flows for the year then ended
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019, the *Australian Charities and Not-for-profits Commission Act 2012*, the Australian Charities and Not-for-profits Commission Regulation 2013 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the management certificate.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

I am independent of the entity in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other information

Other information comprises the information included in the entity's annual report for the year ended 30 June 2020, but does not include the financial report and my auditor's report thereon.

Those charged with governance are responsible for the other information.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of the entity for the financial report

The Board is responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019, the *Australian Charities and Not-for-profits Commission Act 2012*, the Australian Charities and Not-for-profits Commission Regulation 2013 and Australian Accounting Standards, and for such internal control as the Board determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The Board is also responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the entity or to otherwise cease operations.

Auditor's responsibilities for the audit of the financial report

My 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 includes my 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. This is not done for the purpose of expressing an opinion on the effectiveness of the **entity's** internal controls, but allows me to express an opinion on compliance with prescribed requirements.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the entity.

- Conclude on the appropriateness of the entity's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to **draw attention in my auditor's report to the related disclosures in the financial report** or, if such disclosures are inadequate, to modify my opinion. I base my conclusions **on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.**
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report on other legal and regulatory requirements

Statement

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2020:

- a) I received all the information and explanations I required.
- b) I consider that, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.

Prescribed requirements scope

The prescribed requirements for the establishment and keeping of accounts are contained in the *Financial Accountability Act 2009*, any other Act and the Financial and Performance Management Standard 2019. The applicable requirements include those for keeping financial **records that correctly record and explain the entity's transactions and account balances to enable the preparation of a true and fair financial report.**



Charles Strickland
as delegate of the Auditor-General

31 August 2020
Queensland Audit Office
Brisbane

Letter of compliance

2 September 2020

The Honourable Steven Miles MP
Deputy Premier, Minister for Health and Minister for Ambulance Services
GPO Box 48
Brisbane QLD 4001

Dear Deputy Premier,

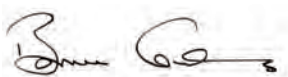
I am pleased to submit for presentation to the Parliament the Annual Report 2019-2020 and financial statements for the Children's Hospital Foundation Queensland.

I certify that this Annual Report complies with:

- The prescribed requirements of the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2019*, and
- The detailed requirements set out in the Annual Report Requirements for Queensland Government agencies.

A checklist outlining the annual reporting requirements can be found on page 19-20 of this annual report.

Yours sincerely



Bruce Cowley
Chair
Children's Hospital Foundation Queensland

