

Annual Report 2018–2019

Alexander, 1 year, respiratory



Feedback is important for improving the value of our future annual reports. We welcome your comments which can be made by contacting us at:

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Cover: Alexander, 1 year, respiratory patient

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.

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Chair's report

I am delighted that in the past financial year, the Foundation has been able to invest a record \$12.9 million into our mission, as well as committing over \$10 million to research over the next five years. These grants and support for children's health has been made possible through the generosity of Queenslanders across the community, with \$23.7 million in donations raised from families who have experienced the wonderful care of Children's Health Queensland, our corporate partners and generous legacies from those who have left us a gift in their wills.

This year has also been a year of firsts for the Children's Hospital Foundation. It was the first year of our new five year strategy, we made our first substantial investment under the banner of our Research Alliance with the Queensland Children's Hospital into brain cancer research, and it was the first year of operation of the Woolworths Centre for Childhood Nutrition Research.

The launch of the Centre into Child and Adolescent Brain Cancer Research in March 2019, to which the Foundation has committed to invest \$5 million over five years, resulted from two years of collaboration across the paediatric brain cancer research and clinical community to bring together an ambitious, collaborative and globally significant program of research to improve both the survival and survivorship for children with brain cancer.

I am also delighted that we have committed close to \$1 million as a central pillar of our five-year strategy, to provide additional support for patients and their families who live in outer metropolitan and regional and remote areas and require specialist care. Working closely with Children's Health Queensland, the State's regional and rural hospital and health services, foundations and directors of paediatrics, we are building a strong collaboration to ensure our funding is directed at areas of greatest need and impact for the sickest kids.

This year the Children's Hospital Foundation also undertook some research so we could understand better the impact of our support on patients and families. Working closely with the Queensland Children's Hospital, we used the research to guide the expansion of our support and services for those who visited the hospital in 2018-2019. Our increased support over the last year has included:


- Funding for over 7,000 free, home-cooked meals in the Queensland Children's Hospital through a partnership with the Scarlett May Foundation
- Trialing of a new ward orientation service, to ensure that patients admitted to the Queensland Children's Hospital have the best possible understanding of the services and support available for them
- Expansion of our funding for the Queensland Children's Hospital social work team who ensure that the most vulnerable patients and families receive the support they need
- Opening of our new Kidzone on level 6 in the Queensland Children's Hospital, enabling a great play space with a silent cinema and childcare for children. This has been made possible through the generous support of Event Hospitality and Entertainment

All these services are a credit to the hard work and expertise of our Children's Hospital Foundation team and the support of our fantastic, 450-strong army of volunteers who give their time and talent to enable the best possible environment in which children can heal and parents and carers are supported.

The Channel Nine Telethon and The Coffee Club Telethon Ball were again the highlights of our annual fundraising calendar. The ongoing support of the Lazarou, Kokoris and Drivas families made The Coffee Club Telethon Ball a night to remember for over 1,000 guests. Their support, and that of Channel Nine which runs the Telethon, along with our presenting partners Woolworths, Golden Casket, The University of Queensland and Sunsuper, raised a record \$12.3 million, with the lead gift of \$1.1 million from the Queensland State Government.

I would like to thank Professor Ian Frazer who has again this year chaired our Research Advisory Committee. The Committee plays a critical governance role in ensuring the funding of the highest quality research into priority areas. Professor Frazer's commitment, along with Committee members Professors Vicki Anderson, David Crawford, Nick Graves, Harriet Hiscock, Terry Johns, Sharon Micken and John Prins is greatly appreciated and we thank them for their outstanding contributions to ensuring we continue to raise the bar on paediatric research in Queensland. Professor Darren Hargrave, Associate Professors Geraldine O'Neill, Lisa Hall, Michelle Gatton, Samudragupta Bora and Graham Leggatt, Drs Marguerite Evans-Galea and Jonathon Payne have also made significant contributions as research advisors and we are extremely grateful for their expert guidance and time. I would also like to thank Professors Peter Steer and Paul Glasziou, who have retired from the Research Advisory Committee this year, for their tremendous service to the Children's Hospital Foundation and paediatric research in Queensland.

We also farewelled the outgoing Chief Executive Officer of the Children's Health Queensland Hospital and Health Service, Fionnagh Dougan. Fionnagh has steered Children's Health Queensland from its early days and overseen its rise to be the world-class health service that it is today. I thank her for her very significant contribution.



Bruce Cowley
Chair
Children's Hospital Foundation Queensland

Chief Executive Officer's report

Delivering on our mission to help save children's lives and work wonders for sick kids and their families has been our focus of the first year of our five-year strategy, as we also build the foundations for future growth.

The record investment into our mission this year, supported by the sustained growth in our fundraising, marks a tremendous year for the Children's Hospital Foundation. The highlights of the year, under our five strategic pillars are:

1. Improving patient and family services, available state-wide

The Children's Hospital Foundation has worked closely with all stakeholders to enhance services for patients and their families by increasing our support for new equipment and projects and enhancing patient and family support across all paediatric services state-wide. Juiced TV expanded to five hospitals across the State this year, new volunteering services in The Prince Charles Hospital are leveraging our expertise, and the Woolworths Wall Token campaign again delivered over \$500,000 across the State in support of regional clinical and patient services. We also undertook an impact assessment to ensure we are maximising patient and family support and providing value for money.

2. Increase the capacity and capability of the Queensland paediatric research community

Of our record \$12.9 million investment into our mission, there was also a record level of investment into paediatric research and equipment of \$8 million. Working closely with the Queensland Children's Hospital, the universities and medical research institutes, the Children's Hospital Foundation has played a role in leading and investing into the long-term success of our research community. This investment is both into the highest quality paediatric research in Queensland and, importantly, into the early and mid-career researchers of the future.

In line with the Australian Brain Cancer Mission, we were delighted to fund eight research programs into child and adolescent brain cancer, investing \$5 million over five years under the leadership of Professor Brandon Wainwright.

The Woolworths Centre for Childhood Nutrition Research has brought together leading paediatric nutrition researchers from the Queensland University of Technology, The University of Queensland, QIMR Berghofer and the Queensland Children's Hospital, who are working from the laboratory to the community to improve childhood nutrition under the leadership of Professor Danielle Gallagos.

The Mary McConnell career boost program attracted a high-quality field of applicants and we were able to fund nine successful female applicants who were outstanding in their field to enable them to recommence their careers after a career break. Equally as important as the funding was the matching of each successful candidate with a mentor to guide them in their research careers. I'd like to thank Professors Helen Chenery, Ros Boyd, Elizabeth Eakin, Lesley Chenoweth, Allison Petit, Jennifer Martin, Sharon Mickan, Nick Graves and Vicki Anderson for their time and commitment to guiding the careers of these bright paediatric researchers.

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

This was a key area of investment for the Children's Hospital Foundation, underpinning our fundraising and our ability to deliver on our mission. The development of new and existing platforms across our fundraising, volunteer management and internal document management were developed alongside a network architecture plan, moving all our data into the cloud and enhancing the speed and quality of our network.

The launch of our new website in September 2018 was a highlight, which coupled with an increase in digital campaigns enabled an increase in donations to our appeals and the Channel Nine Telethon, while also launching new content to engage a broader cross-section of the community.

4. Deliver sustainable income growth

Broadening and deepening our relationships with the philanthropic community in Queensland saw some wonderful growth in existing partnerships such as the Queensland State Government, Sunsuper, Golden Casket and Collins Foods. We also welcomed new partnerships with The University of Queensland and Telstra and renewed partnerships with the Federal Government and Treasury Hotel and Casino.

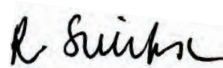
Welcoming over 500 Woolworths employees to the Queensland Children's Hospital in February 2018 was a highlight of the year as the tremendous team at Woolworths were able to see the impact of their generosity and that of their customers.

Strong growth in our major gifts, trusts and foundations as well as our direct marketing appeals also underwrote a strong fundraising year, culminating in the announcement of \$12.6 million at the Channel Nine Telethon and The Coffee Club Telethon Ball in November 2018.

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

Underpinning the great results for the Children's Hospital Foundation this year is a highly dedicated and expert team, backed by a wonderful team of volunteers who are part of the fabric and richness of the Queensland Children's Hospital. Training, learning and development have seen an increased investment this year to ensure we have the both the technical and leadership skills to deliver on our five-year plan. Be it our Steggle's Cuddle Carers who provide invaluable comfort and respite for parents of newborns, to our fundraisers who partner with families, corporations and members of the community, we work as one team to provide what is needed to help the hospital save children's lives and work wonders for sick kids and their families.

On behalf of the Children's Hospital Foundation, and every Queensland family whose lives have been touched by childhood illness and injury, thank you to everyone who has contributed to another wonderful year.



Rosie Simpson
Chief Executive Officer
Children's Hospital Foundation Queensland

Overview

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

Overview (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 Health and Hospital 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. An independent Chair of the Research Alliance Board, Professor Allan Cripps, commenced in the role on 26 July 2019.

Year in review

Our strategic objectives

The aims of the Children's Hospital Foundation's first year of our new five year strategy in 2018-2019 were to:

- Improve patient and family support state-wide
- Increase the capacity and capability of the Queensland paediatric research community
- Build from low levels of digital and ICT capability
- Build a sustainable income base
- Enhance the capability of our people and organisation to deliver on our mission

This builds on our objectives.

Our objectives

- 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
- 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
- Engage with our partners and the community to renew and grow our donor base to increase our net fundraising income
- Support the Queensland paediatric research community in prioritised areas at key stages to take their research to the next level
- Strive to have great people, good financial management, good systems and sound governance to underpin our work and deliver on our core objectives

Our performance indicators

The Children's Hospital Foundation's strategic plan includes a number of key performance indicators to measure our impact. In 2018-2019 we grew our net revenue and our supporter base allowing us to continue to fund research to achieve faster diagnoses, better treatments and ultimately cures for some of the most devastating childhood illnesses and injuries.

Key achievements against key performance indicators 2018-2019

Key achievements in 2018-2019

- We achieved a total revenue for the year of \$27 million, which included \$24 million of generous donations from the community, support through our corporate partners and events, and from those people who generously left a gift in their Will
- The Children's Hospital Foundation contributed record funding of \$12.9 million into our mission (see Table 1), providing \$8 million in research and equipment funding and \$1.9 million into our patient and family services in the Queensland Children's Hospital and Children's Health Queensland facilities
- We funded the purchase of \$1.1 million worth of equipment and services for paediatric wards throughout regional Queensland and \$1.45 million worth at the Queensland Children's Hospital and Children's Health Queensland facilities
- In an Australian-first, we launched the \$5 million Centre for Child and Adolescent Brain Cancer Research, in which researchers from world-leading institutions are working together to advance treatment options, improve survivorship, and ultimately, find a cure for brain cancer patients
- We continued funding the Queensland Children's Tumour Bank, in addition to ongoing research into childhood cancer, cardiac conditions, burns, infectious diseases, respiratory illnesses, childhood nutrition, mental health, and cerebral palsy
- We funded new research to improve the diagnosis and treatment of sepsis, optimise recovery for babies and children on life support, develop rapid diagnostic tests for infectious diseases and investigate the use of immunotherapy to improve outcomes for children undergoing bone marrow transplants
- We continued to build the research portfolio under the Woolworths Centre for Childhood Nutrition Research
- We funded nine early and mid career female paediatric researchers through our Mary McConnel grant scheme
- We awarded close to \$600,000 in research projects aiming to improve health service delivery and maximise value for patients
- We implemented new initiatives to build paediatric research capacity and capability and foster the next generation of researchers
- We were supported by 450 volunteers who committed 31,382 hours of support and provided over 94,644 positive interactions with patients and their families, including:
 - Over 7,000 free meals to families
 - 47,454 families assisted through information desks and way finding
 - 9,733 fun interactions through Bedside Play and Pet Therapy programs
 - 4,458 kids borrowed over 11,330 books through the Book Bunker
 - 66 kids joined the Bravery Beads program and rolled out the program to 12 regional hospitals
 - 12,608 families were supported while their child was undergoing surgery
 - 646 family interactions through Community Child Health Centres
 - 4,745 patients supported in Emergency Department and Oncology Day Unit
 - 3,953 children visited the playroom with 2,681 of these children coming through the doors of the new Kidzone since 1 April 2019
 - 1,084 kids participated in an entertainment-based activity or workshop
 - 1,506 interactions with special guests visiting inpatients and outpatients
 - 2,021 toys and games loaned to inpatients
 - 255 birthday presents provided to children in hospital
 - 3,544 cuddles provided to babies through our Steggles Cuddle Carer program
 - We completed season five 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 998 kids involved in 532 hours of filming 52 episodes

Growth in investment in children's health

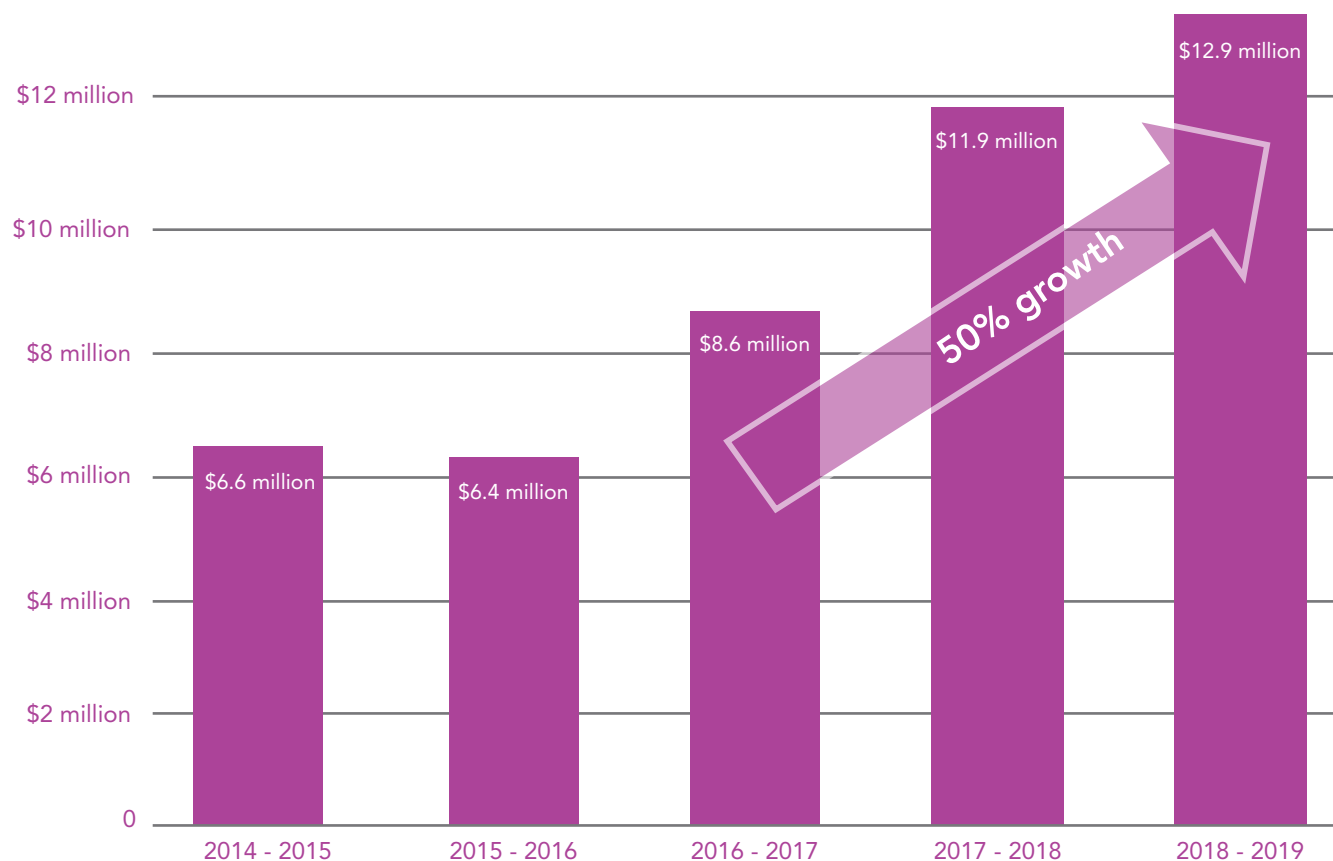


Table1: Snapshot of funding allocated by the Children's Hospital Foundation from 2014-2015 to the 2018-2019 financial year.

For the first time since 2014, the Foundation received the generous support of the Federal Government, with \$1.5 million committed to the 2018 Channel Nine Telethon for funding into research. The following research initiatives have been funded with this investment into children's health:

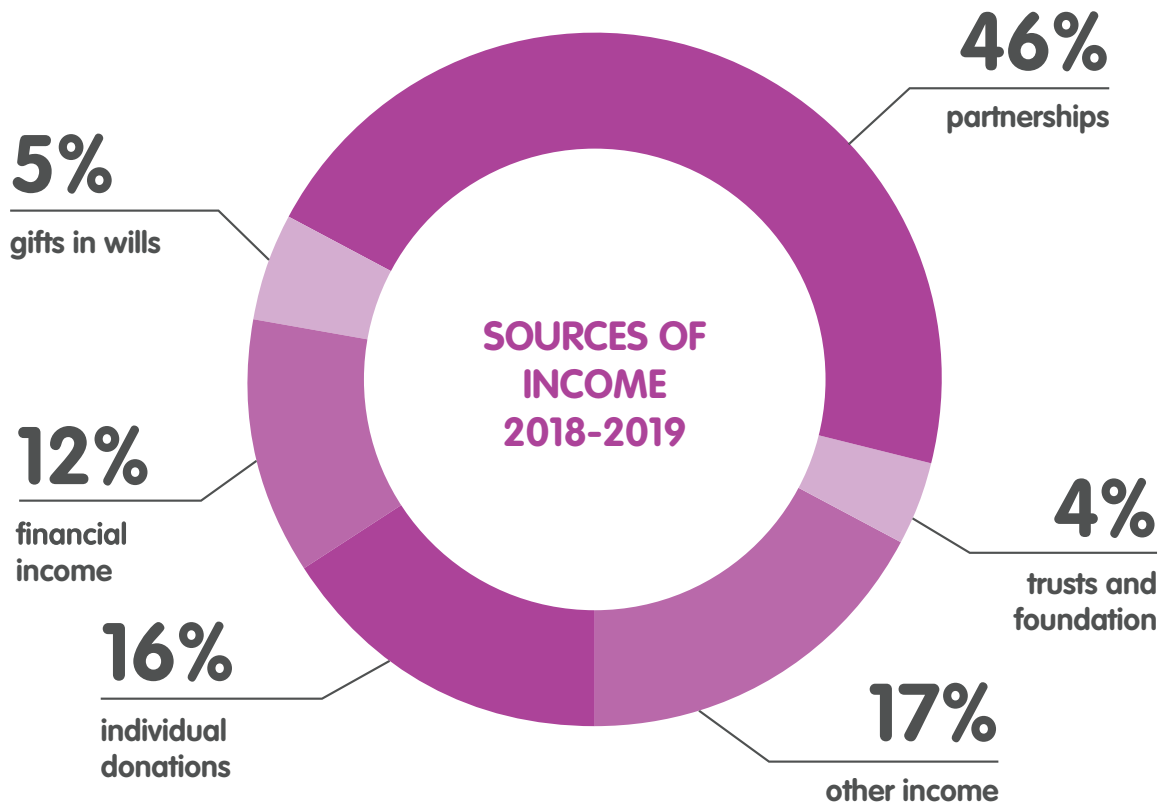
Focus area	Brief research summary	Amount
Brain cancer	<ul style="list-style-type: none"> Targeted treatment for Medulloblastoma Drug targets for Embryonal Tumour with Multiple Rosettes (ETMR) Immunotherapy for Glioblastoma Improving Survivorship outcomes from children with brain cancer 	\$552,352
Respiratory diseases	<ul style="list-style-type: none"> Improving outcomes for children with Bronchiectasis Reducing risk of lung disease for children with Ataxia Telangiectasia (A-T) 	\$432,648
Infectious diseases	<ul style="list-style-type: none"> Developing point-of-care tests for Multidrug Resistant Bacteria 	\$100,000
Indigenous health	<ul style="list-style-type: none"> Suicide and self-harm prevention for young indigenous youths 	\$150,000
Paediatric intensive care	<ul style="list-style-type: none"> Critical Care using high flow nasal therapy to reduce emergency intubation in children Developing a protocol of care to reduce sepsis in children 	\$265,000

Financial performance

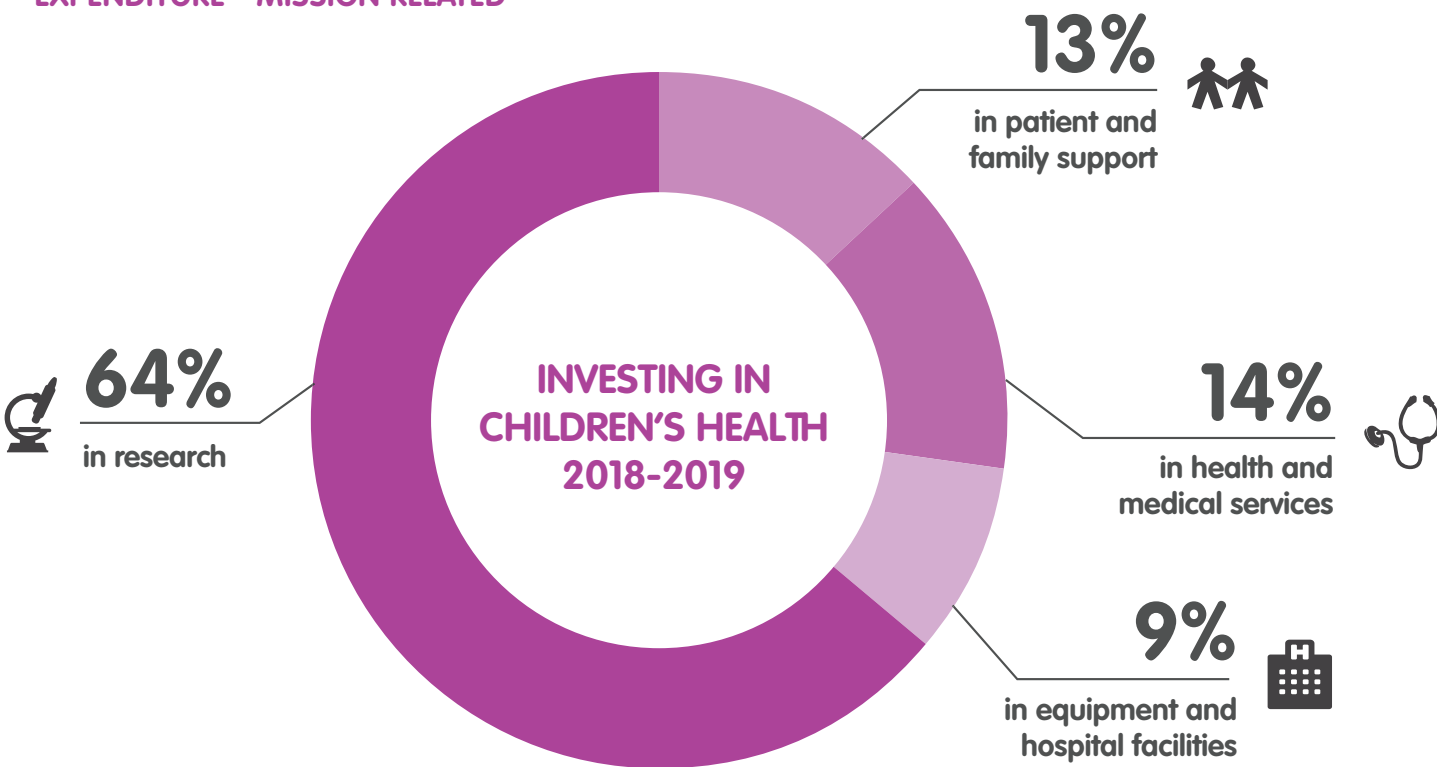
The Children’s Hospital Foundation’s revenue predominantly comes from funds raised through the generous support of the community. Total revenue for the 2018-2019 financial year was \$27 million, of which \$24 million came from donations and other contributions (including in-kind contributions) and \$3 million from investments, dividends and market movements.

The following graph provides a proportional breakdown of donations and other revenue by source:

INCOME



EXPENDITURE - MISSION RELATED



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 2019, net assets totalled \$48.8 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 2018-2019 year with the previous financial year.

Financial Year	2018-2019	2017-2018
Total Revenue	\$26,899,228	\$27,126,518
Total Expenses	\$25,535,416	\$22,039,655
Net Assets	\$48,804,702	\$47,440,889

In the 2018-2019 financial year, the surplus was \$1.36 million. Overall expenses were \$3.5 million more than the 2017-2018 financial year primarily due to an increase in mission related expenses and goods and services received in kind. Net assets have increased by \$1.36 million to \$48.8 million of which \$8.2 million is held in endowments to fund future research into infectious diseases, burns and provide for medical scholarships. The remaining assets of the organisation will fund future strategic investments into our mission related work or be invested to offset the net operating expenses of the organisation.

Full financial statements

The annual financial statements for the Children's Hospital Foundation Queensland for the 2018-2019 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 and are not paid out-of-pocket expenses.

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.

2018-2019 Board meeting dates



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 is a partner of one of Australia's largest law firms, MinterEllison, and a senior corporate lawyer with over 38 years' experience. Bruce recently retired as Chair of MinterEllison, a position he held for six years from 2013-2019. Bruce has advised many public and private companies and government corporations. His 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 Chair of the Cerebral Palsy League and a member of Griffith University's Business School Advisory Board, a member of the Takeovers Panel, and sits on the Board of the Merchant Foundation. He is a Fellow of the Australian Institute of Company Directors, is Chair of the AICD's Law Committee, a member of the Not for Profit Chairs Advisory Board, and a past member of the Queensland State Council of the AICD. He is also Chair of the IDEAS (Indigenous Diabetes Eyes and Screening) Van Project Board.

Bruce was former Chair of the Queensland Children's Medical Research Institute, was formerly a non-executive Director of Talon Petroleum Limited and was Deputy Chancellor of the University of the Sunshine Coast.

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 five committee meetings in 2018-2019.

Rosemary Vilgan

BBus, Dip Super Mgt, FAICD, FASFA, DUniv (QUT) (Hon)

Appointed for a term 27 April 2017 to 30 September 2019

Rosemary Vilgan was the Chief Executive Officer of QSuper from 1998 until late 2015. Ms Vilgan was named as the 2013 Telstra Australian Business Woman of the Year in recognition of her career especially in leading growth and innovation which saw the QSuper group become one of the world's largest and leading superannuation funds as well as a major Australian financial planner and insurer. Rosemary was also awarded an Honorary Doctorate by Queensland University of Technology for her services to the University where she was a Member of the Governing Council for 12 years.

Rosemary is currently Chair of the Commonwealth Bank Group Staff Superannuation Fund, Chair of the Safety, Rehabilitation and Compensation Commission, a member of the QUT Investment and Borrowings Committee, and holds several other committee memberships. She is a Fellow

of both the Australian Institute of Company Directors and the Association of Superannuation Funds of Australia and a member of Chief Executive Women.

Rosemary joined the Board in April 2017 and was appointed as Deputy Chair on 2 March 2018. She is a member of the Finance, Audit and Risk Management Committee and the Remuneration and Nominations Committee. She attended four Board meetings and five committee meetings in 2018-2019.

Fionnagh Dougan

BA Com (Hons), Grad Dip Man (Health)

Appointed for a term 10 July 2015 to 10 November 2019

Fionnagh Dougan is a healthcare innovator with a long and successful record of leading change in complex environments in Australia, New Zealand and the United Kingdom.

Fionnagh's nursing background fostered a lifelong commitment to improving children's health and wellbeing, with a focus on patient and family-centered care.

A passionate advocate of workplace culture as a driver of healthcare improvement and innovation, Fionnagh has implemented excellence frameworks as General Manager of Auckland's Starship Children's Hospital and Child Health Services and in her role as Chief Executive of Children's Health Queensland, where she led the digital transformation of the statewide service.

A champion for women in leadership, Fionnagh is an Adjunct Professor at the University of Queensland, a Graduate member of the Australian Institute of Company Directors and also serves as President of Children's Healthcare Australasia.

Fionnagh attended five Board meetings in 2018-2019.

Kenneth (Mac) Drysdale

BBus (Acc)

Appointed for a term 14 December 2018 to 30 September 2022

Mac Drysdale is a highly respected executive with a strong history as a Board director and chair.

Mac is currently Chair of the Toowoomba Anglican School Council and has held numerous director and chair roles throughout his career including Seymour Whyte, Country Road Australia, Country Road USA, Australian Wool Corporation, International Wool Secretariat, Australian Wool Research and Promotion Organisation, Wool International and Mitre 10. As chair of a number of wool production and research organisations, Mac has been ultimately responsible for research investments of up to \$120 million per year.

Mac has also been Chair of Yalari, a not-for-profit organisation that offers secondary education scholarships for Aboriginal and Torres Strait Islander children from regional, rural and remote communities. He has a long family history of grazing in Western Queensland, and continues to operate an organic grazing property in the Augathella region.

Board member biographies (cont)

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 2018-2019.

Professor Stephen Gray

BCom (Hons), LLB (Hons), PhD

Appointed for a term 29 November 2017 to 30 September 2022

Stephen Gray 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 is also an industry consultant on issues relating to valuation, cost of capital, and corporate financial strategy. Many of Australia's leading companies, government-owned corporations and regulatory bodies have benefited from his consultancy skills on projects such as corporate cost of capital reviews, asset valuation, independent valuation of executive stock options, and the development of corporate financial strategies. He has served as an independent expert for a number of courts and tribunals.

Professor Gray 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 six Board meetings and 12 committee meetings in 2018-2019.

Luke McGrath

CFP AITA GAICD

Appointed for a term 29 November 2017 to 30 September 2022

In his 30-plus years as an investment and financial services professional, Luke McGrath has held senior positions with some of Australia's largest investment and trading banks and financial services organisations, including Macquarie Bank and the Commonwealth Bank of Australia. Throughout his financial services career he has consulted to numerous companies and individuals across the breadth of the industry. Over the last few decades he has also been integral in fostering the development of high technology companies from initial funding through further development periods to listing on stock exchanges globally.

He has also consulted to a range of significant philanthropic organisations in Australia and internationally on structure, strategic direction and grant making strategies. He has helped drive the development of accountability and outcomes focused frameworks for large and diversified private and public foundations ensuring significant positive outcomes for their philanthropic investment.

Luke is the Managing Director of an investment and philanthropic consultancy company as well as a director of a number of private companies. Luke is also a member of the Australian Institute of Biotechnology and Nanotechnology's Advisory Board.

Luke joined the Board in November 2011. He chairs the Grants Committee and is a member of the Finance, Audit and Risk Management Committee. Luke attended six Board meetings and ten committee meetings in 2018-2019.

Scott Taylor

LLB, MAICD, RITP

Appointed for a term 14 December 2018 to 30 September 2020

Scott Taylor is a legal practitioner and founder and partner of Taylor David Lawyers. Scott has advised on some of Australia's most complex and high-profile reconstruction and insolvency matters. He is also an accomplished author of the Australian chapter of the annual International Insolvency Review and is a regular speaker and presenter at various forums around the world. He also sits on the London-based expert review panel for The Law Reviews.

Scott joined the Board in February 2016 and is a member of the Finance, Audit and Risk Management Committee. He attended five Board meetings and four committee meetings in 2018-2019.

Ross Willims

BCom (Hons)

Appointed as nominee of the Chair of the Children's Health Queensland Hospital and Health Service Board

Ross Willims has held a number of senior executive positions in both the public and private sectors including Vice President External Affairs at BHP Billiton Metallurgical Coal and Director-General of the Queensland Department of Mines and Energy. He has also worked in a range

of Commonwealth Government departments. On his retirement from BHP Billiton in 2012, Ross was appointed Chairman of the Australian Coal Association and Australian Coal Association Low Emissions Technologies Limited.

He was awarded life membership of the Queensland Resources Council in 2011.

Ross is a member of Children's Health Queensland Board and joined the Children's Hospital Foundation Board in August 2015. Ross attended five Board meetings in 2018-2019.

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, Scott Taylor, Rosemary Vilgan and 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 (previously clinical innovation) grants and make recommendations to the Board for funding.

Members

Luke McGrath (Chair), Kenneth Drysdale, Stephen Gray and 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 and Rosemary Vilgan.

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 joined the Children's Hospital Foundation in October 2017 and is responsible for creative, fundraising, marketing and partnerships activities.

Chief Financial Officer

Simon Smith

Simon joined the Children's Hospital Foundation in February 2017 and is responsible for financial operations and IT.

Chief Mission Related Services

Celia Webby

Celia joined the Children's Hospital Foundation in July 2018 and is responsible for patient and family support and 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.

Children's Hospital Foundation Organisational Structure as at 30 June 2019



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
- Scott Taylor
- Rosemary Vilgan
- 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 2018-2019 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 2009*, *Financial and Performance Management Standard 2009*, the *Australian Charities and Not-for-profits Commission Act 2012* and *Regulation 2013*

The Committee met four times during 2018-2019.

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 fully outsourced, 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 (which replaced Information Standard 40: Record keeping and Information Standard 31: Retention and Disposal of Public Records).

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 has undertaken 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.

This project has also created a new part-time role for a document management coordinator. This role is responsible for maintaining the Children's Hospital Foundation's document management system, ensuring its technical, governance and support (including induction and ongoing training) is continuously maintained and updated.

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.

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 was replaced, and the *Hospital Foundations Act 2018* commenced operation on 1 July 2018.

Open data

Additional annual report disclosures relating to expenditure on consultancy and overseas travel are published on the Queensland government's open data website, available via: www.data.qld.gov.au. No expenditure on implementation of the Queensland Language Services Policy was incurred during 2018-2019.

People and culture

The Children's Hospital Foundation is focused on attracting, engaging and developing our people to have the greatest impact on the lives of sick kids and their families. Our people comprise both staff and volunteers who bring the Children's Hospital Foundation's vision, purpose and strategic objectives to life. The Children's Hospital Foundation's values of Care, Respect and Recognition, Working Together, Excellence and Innovation and Accountability are embodied by staff and volunteers and underpin all of the Children's Hospital Foundation activities.

Workforce planning

The Children's Hospital Foundation is committed to attracting and retaining talented people who can drive our ongoing success. This year the Children's Hospital Foundation reviewed its remuneration framework and strategy to ensure it is maintaining its competitiveness in the market. 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 of the induction process was undertaken to ensure it was aligned with our unique value proposition to ensure new starters' expectations were being met. This resulted in key changes including the introduction of a buddy program and a welcome pack containing a range of information.

This year the Children's Hospital Foundation used LinkedIn recruiter for a number of key roles as well as advertising directly. Agencies are only engaged to assist with recruitment of specialist positions, where appropriate.

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. Once appointed, employees begin an online onboarding and induction process designed to provide the best possible experience from day one to ensure new starters are educated about their role, the organisation and its culture and practices. The permanent separation rate was 18.75 percent. In line with the Children's Hospital Foundation's five-year strategy, our number of full time equivalents has increased from 43 to 49 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.

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.

Performance and development planning is undertaken annually in line with our strategic and operational planning. It is an inclusive processes, with a focus on ongoing

conversations. Individual and team performance plans are aligned with the Children's Hospital Foundation's strategic plan and team operational plans.

The Children's Hospital Foundation is committed to providing ongoing development opportunities for all employees to ensure a skilled, flexible and engaged workforce. All staff have access to professional development opportunities that are matched to their performance and development goals.

To support the ongoing development of our people, we expanded and promoted our range of career development opportunities. A leadership development program was instigated this year and aims to provide a range of opportunities to help managers be successful in their roles and careers by strengthening their skills, knowledge, experience and capability. Learning opportunities were provided across the organisation and ranged from personalised courses, to management development programs, and the introduction of a neuroscience brain-based leadership program. This was supported through individual coaching sessions to help managers deepen their understanding of themselves as leaders and strengthen their confidence. We also implemented a deliberate strategic focus on providing on-demand, contemporary online content to employees, through LinkedIn Learning.

Staff are recognised both informally and formally for their performance and tenure. This year we focused on empowering managers and staff to proactively recognise staff in an informal, timely manner. Our values based recognition continued to be used with all nominations are acknowledged and celebrated at our monthly staff meeting, with an overall winner announced.

Flexible work arrangements

The Children's Hospital Foundation recognises that flexibility is a key driver of engagement and productivity. A flexible work policy is in place to support employees with diverse needs. It enables staff to have a voice on how, when and where they work. This may involve part time hours, working remotely, and variable start and finish times. Each request is evaluated on a case-by-case basis and supported where reasonable. Currently, 19 percent of staff are working in a part-time capacity.

The Children's Hospital Foundation has continued to expand the implementation of key technologies, including, laptop computers, cloud based systems and others, to enable staff to work remotely and flexibly.

Staff wellbeing

In March 2019, we conducted a Wellness Survey to measure the impact of our current benefits and where we could improve. Based on the feedback, an annual wellness plan was developed that focused on all areas of wellness, including, financial, physical, mental and several others. The Children's Hospital Foundation recognises that both physical and mental wellbeing is important for its people

Human resources (cont)

and makes every effort to create a safe and healthy working environment for staff and volunteers.

We are committed to protecting the health and safety of our people and those we work alongside in the community by providing a safe work environment, with a strong focus on health and wellbeing. We continued to roll out our annual workplace health and safety training to all staff and volunteers. In addition, 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.

All staff are encouraged 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.

This year we were very proud to introduce a paid parental leave scheme.

An employee assistance service 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. This year the employee assistance service also provided training to staff on dignity and respect in the workplace and stress management.

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.

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

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 22
	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 18
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 8-9
	Agency service areas and service standards	ARRs - section 11.4	Not applicable
Financial performance	Summary of financial performance	ARRs - section 12.1	Page 11-12
Governance - management and structure	Organisational structure	ARRs - section 13.1	Page 17
	Executive management	ARRs - section 13.2	Page 16
	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> ARRs - section 13.4	Page 20
	Queensland public service values	ARRs - section 13.5	Page 20
Governance - risk management and accountability	Risk management	ARRs - section 14.1	Page 17
	Audit committee	ARRs - section 14.2	Page 17
	Internal audit	ARRs - section 14.3	Page 17

Summary of requirement		Basis for requirement	Annual report reference
	External scrutiny	ARRs - section 14.4	Page 17
	Information systems and recordkeeping	ARRs - section 14.5	Page 18
Governance - human resources	Strategic workforce planning and performance	ARRs - section 15.1	Page 19
	Early retirement, redundancy and retrenchment	Directive No.04/18 Early Retirement, Redundancy and Retrenchment ARRs – section 15.2	Not applicable
Open Data	Statement advising publication of information	ARRs - section 16	Page 18
	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 2018 to 30 June 2019

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	7
Management Certificate	20
Independent Audit Report	21

General Information

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

The Foundation is a Statutory Body established under the *Hospitals 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 2019

	Notes	2019 \$	2018 \$
Income			
Donations and other contributions	2	18,987,439	21,119,580
Financial income	3	2,090,385	1,476,996
Share of profit of jointly controlled entity		-	1,212
Other income	4	4,707,906	3,005,015
Increase in fair value of financial assets		1,113,497	1,523,715
Total Income		26,899,227	27,126,518
Expenses			
Employee expenses	5	5,022,691	4,269,278
Fundraising and marketing expenses		2,802,959	2,666,997
Supplies and services		1,755,931	1,339,057
Distribution of grants	6	11,000,890	10,508,299
Investment management fees		210,482	189,158
Depreciation and amortisation	11	107,120	67,742
Other expenses	7	4,635,342	2,999,124
Total Expenses		25,535,415	22,039,655
Operating Result for the Year		1,363,813	5,086,863
Other comprehensive income		-	-
Total Comprehensive Income		1,363,813	5,086,863

The accompanying notes form part of these statements

Children's Hospital Foundation Queensland Statement of Financial Position

as at 30 June 2019

	Notes	2019 \$	2018 \$
Current Assets			
Cash and cash equivalents	8	4,122,561	3,808,863
Receivables	9	701,498	893,979
Other current assets		66,711	67,514
Total Current Assets		4,890,770	4,770,356
Non-Current Assets			
Investment in jointly controlled entity		-	64,502
Financial assets	10	48,416,999	45,520,020
Plant and equipment	11	399,409	442,484
Total Non-Current Assets		48,816,408	46,027,006
Total Assets		53,707,178	50,797,362
Current Liabilities			
Payables	12	4,537,243	3,031,087
Accrued employee benefits		309,707	277,087
Total Current Liabilities		4,846,950	3,308,175
Non-Current Liabilities			
Accrued employee benefits		55,526	48,299
Total Non-Current Liabilities		55,526	48,299
Total Liabilities		4,902,476	3,356,473
NET ASSETS		48,804,702	47,440,889
Equity			
Accumulated Surplus		48,804,702	47,440,889
TOTAL EQUITY		48,804,702	47,440,889

The accompanying notes form part of these statements

Children's Hospital Foundation Queensland
Statement of Changes in Equity

for the year ended 30 June 2019

	Accumulated Surplus 2019 \$	Accumulated Surplus 2018 \$
Balance as at 1 July	47,440,889	42,354,026
Total Comprehensive Income	1,363,813	5,086,863
Balance as at 30 June	48,804,702	47,440,889

The accompanying notes form part of these statements

Children's Hospital Foundation Queensland Statement of Cash Flows

for the year ended 30 June 2019

	Notes	2019 \$	2018 \$
Cash Flows from operating activities			
<i>Inflows:</i>			
Donations, grants and other contributions		19,064,070	20,998,108
Other income		69,724	10,507
GST collected from customers		172,002	117,842
GST input credits from the Australian Taxation Office		1,244,253	813,379
<i>Outflows:</i>			
Payments to suppliers and employees		(10,202,949)	(7,096,152)
Grants		(8,974,190)	(10,184,724)
GST paid to suppliers		(1,105,764)	(1,084,752)
GST remitted to the Australian Taxation Office		(172,002)	(121,357)
Net cash provided by operating activities		95,144	3,452,852
Cash Flows from investing activities			
<i>Inflows:</i>			
Interest and dividends		2,090,385	2,330,427
Franking credits received from the Australian Taxation Office		125,985	255,003
Distributions from joint venture		64,502	-
<i>Outflows:</i>			
Acquisition of plant and equipment		(64,045)	(258,184)
Net movement of investment funds to financial assets		(1,783,482)	(6,549,604)
Investment management fees paid		(214,791)	(195,941)
Net cash provided by/(used in) investing activities		218,554	(4,418,299)
Cash Flows from financing activities			
Net cash provided by/(used in) financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		313,698	(965,447)
Cash and cash equivalents at beginning of the financial year		3,808,863	4,774,310
Cash and cash equivalents at end of the financial year	8	4,122,561	3,808,863

The accompanying notes form part of these statements

INDEX TO NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	Objectives and Principal Activities of the Foundation
Note 1:	Summary of Significant Accounting Policies
Note 2:	Donations and Other Contributions
Note 3:	Financial Income
Note 4:	Other Income
Note 5:	Employee Expenses, Key Management Personnel and Remuneration Expenses
Note 6:	Distribution of Grants
Note 7:	Other Expenses
Note 8:	Cash and Cash Equivalents
Note 9:	Receivables
Note 10:	Financial Assets
Note 11:	Plant and Equipment
Note 12:	Payables
Note 13:	Financial Instruments
Note 14:	Commitments for Expenditure
Note 15:	Events Subsequent to Balance Date
Note 16:	Related Party Transactions

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 Children's Hospital 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 Children's Hospital 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 (formerly named Lady Cilento 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 2009* 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 and the Foundation's interest in a joint venture in Note 1(k).

(c) Donations and Other Contributions

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.

(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.

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

(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 architects' fees. However, any training costs are expensed as incurred.

(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	\$5,000
Items with a lesser value are expensed in the year of acquisition.	

(i) Amortisation and Depreciation of Intangibles and 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

(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) Joint Venture

The Foundation had an interest in an unincorporated joint venture, namely Children's Hospital Foundation Australia. The joint venture was a contractual arrangement whereby two or more parties undertook an economic activity that was subject to joint control and required unanimous consent for the strategic financial and operating policy decisions. By agreement of the partner foundations, Children's Hospital Foundation Australia formally ceased trading from 31 December 2017. A final distribution was received in September 2018.

The interest of the Foundation in the unincorporated joint venture is brought to account through equity accounting in its financial statements.

(l) 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.

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

Financial assets at fair value through profit or loss

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Realised and unrealised gains and losses arising from changes in fair value are included in profit and loss in the period in which they arise. Attributable transaction costs are recognised in profit or loss when incurred.

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

(n) Financial Instruments (continued)

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.

Payables

Trade and other payables are financial liabilities recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, trade and other payables are measured at amortised costs.

All other disclosures relating to the measurement and financial risk management of financial instruments held by the Foundation are included in Note 13.

(o) 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.

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

(p) 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.

(q) 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.

(r) 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 8.

(s) 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 9).

(t) 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.

(u) 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(o),
Amortisation and Depreciation of Plant & Equipment - Note 1(ii)
Fair value of contribution received for no consideration - Note 4

(v) 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)

(w) New and Revised Accounting Standards

AASB 9 Financial Instruments was applied for the first time in 2018-19. This standard introduces new categories for the classification of financial assets and new impairment rules that focuses on expected credit losses rather than incurred losses. The new standard does not impact on the classification of the foundation's financial assets (cash and receivables), which will continue to be measured at amortised cost. Adoption of AASB 9's new impairment model resulted in no increase in the receivables loss allowance on 1 July 2018. Comparative figures for 2017-18 have not been restated for AASB 9.

The Foundation did not voluntarily change any of its accounting policies during 2018-19. No Australian Accounting Standards have been adopted early for 2018-2019.

(x) Re-classification of Expenses and Restatement of Prior Year Comparatives

The Foundation receives services free of charge - which are recognised at fair value as both income and expenditure in the Statement of Comprehensive Income. In 2018 the benefit was reported as Other Income, with the equivalent expenditure reported as Fundraising and Marketing expenses, Distribution of Grants and Supplies and Services.

To more consistently align the reporting of in-kind services, the related expenditure has been re-classified as Other Expenses to match Income. This accounting change has prompted the restatement of the following line items for the year ended 30 June 2018, though has resulted in no impact on the operating result or net surplus for the period:

- Other expenses increased by \$2,577,000
- Fundraising and Marketing expenses reduced by \$2,452,000
- Distribution of Grants reduced by \$28,000
- Supplies and Services reduced by \$97,000

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

	2019 \$	2018 \$
2. Donations and other contributions		
Individual donations	4,373,220	4,694,198
Gifts in wills	1,296,048	4,697,446
Partnerships	12,351,700	11,061,047
Trusts and foundations	966,472	666,890
Total	18,987,439	21,119,580

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

3. Financial income

Interest received from bank deposits	80,428	75,988
Dividends received from financial assets	2,009,957	1,401,007
Total	2,090,385	1,476,996

4. Other income

Dividend imputation tax credits on listed securities	148,622	125,985
Services received free of charge - at fair value	4,489,560	2,868,522
Grants unexpended by recipient	-	4,747
Cost Recoveries	69,724	5,760
Total	4,707,906	3,005,015

Dividend imputation tax credits on listed securities:

Credits arising from dividends paid during the 2019 financial year of \$148,622 are recoverable from the Australian Tax Office after 30 June 2019 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)

	2019 \$	2018 \$
5. Employee expenses, Key Management Personnel and Remuneration Expenses		
Salaries and wages	4,574,952	3,912,086
Employer superannuation contributions	409,694	353,689
<i>Employee related expenses</i>		
Workers compensation premium	25,685	31,298
Other employee related expenses	12,360	(27,794)
Total	5,022,691	4,269,278

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	49	43
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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 2018-19.

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 contracts provide for the provision of benefits including motor vehicles.

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.

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

5. Employee Expenses, Key Management Personnel and Remuneration Expenses (continued)

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 2017 - 30 June 2018

Position	Short Term Employee Expenses		Long Term Employee Expenses	Post-Employment Expenses	Total Expenses
	Monetary Expenses	Non-Monetary Benefits			
	\$	\$	\$	\$	\$
Chief Executive Officer	237,355	-	3,956	19,900	261,211
Total	237,355	-	3,956	19,900	261,211

	2019 \$	2018 \$
6. Distribution of grants		
Research grants	7,013,437	4,531,639
Health and medical services	1,548,873	1,499,715
Equipment	960,412	3,350,538
Patient and family support	1,470,805	921,089
Other Foundation grants	7,364	205,318
Total	11,000,890	10,508,299
7. Other Expenses		
Audit related costs	14,886	35,595
Services received free of charge - at fair value	4,489,560	2,868,522
Other administrative expense	130,896	95,007
Total	4,635,342	2,999,124

Total audit fees payable to the Queensland Audit Office relating to the 2018-2019 financial statements are quoted to be \$20,500 (2018: \$17,000). 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 2019 financial year.

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

	2019 \$	2018 \$
8. Cash and cash equivalents		
Petty cash and floats	1,000	1,000
Cash at bank	4,118,407	3,804,732
Short term deposits	3,154	3,131
Total	4,122,561	3,808,863

Funds held in trust payable:

Funds held in trust at 30 June 2019 included \$580,686 (2018: \$580,392) which are development funds held on behalf of Children's Health Queensland Hospital & Health Service and \$60,836 (2018: \$60,574) 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.

9. Receivables

Dividend imputation credits on listed securities	148,622	125,985
Trade debtors	116,227	192,856
GST Receivable	436,649	575,138
Total	701,498	893,979

10. Financial assets

Non-current:

Financial assets designated at fair value through profit & loss	48,416,999	45,520,020
Total	48,416,999	45,520,020

At 30 June 2019, portfolio funds were held in managed investments with QIC. refer note 13(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	5,005,294	5,024,564
Sasakawa Memorial Fund	2,493,358	2,463,740
Lola Efstathis Scholarship Fund	146,523	149,622
Burns Endowment Fund	524,280	519,188
Total restricted financial assets	8,169,455	8,157,114

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

10. 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.

	2019 \$	2018 \$
11. Plant and equipment		
Plant and equipment		
At cost	703,236	639,192
Less accumulated depreciation	(303,827)	(196,708)
Total	399,409	442,484
Carrying amount at 1 July	442,484	247,258
Acquisitions	64,045	258,184
Disposal	-	-
Depreciation	(107,120)	(62,958)
Carrying amount at 30 June	399,409	442,484

The Foundation does not have plant and equipment with a written down value of zero being used in the provision of services. The Statement of Comprehensive Income includes an amortisation charge of \$4,784 for intangible assets (software).

12. Payables

Current:

Trade creditors	1,612,309	2,145,247
Sundry creditors and accruals	97,504	89,005
PAYG payable	68,168	64,275
Grants payable	2,759,261	732,560
Total	4,537,243	3,031,087

The increase in Grants payable is reflective of the uplift in Grants awarded in 2019, due to additional Research Grant activity and a streamlining of Grants contract processes.

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

13. 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:

	2019 \$	2018 \$
<i>Financial assets</i>		
Cash and cash equivalents	4,122,561	3,808,863
Receivables	701,498	893,979
Financial assets at fair value through profit or loss	48,416,999	45,520,020
Total	53,241,058	50,222,862
<i>Financial liabilities</i>		
Payables	4,537,243	3,031,087
Total	4,537,243	3,031,087

(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)

13. 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 sectors at reporting date:

	2019	2018
	\$	\$
QIC Growth Fund	48,416,999	45,520,020
Total	48,416,999	45,520,020

14. Commitments for expenditure

Grant commitments

Commitments to external grant recipients at reporting date are payable:

Not later than 1 year	10,893,735	8,130,184
Later than 1 year but not later than 5 years	6,127,998	1,736,443
Total	17,021,733	9,866,627

There were no other commitments for expenditure at 30 June 2019.

15. Events subsequent to balance date

There are no material events subsequent to 30 June 2019 that require disclosure or adjustment to the financial results presented.

16. Related Party Transactions

The Foundation obtained related party declarations for each member of the Board and key executive personnel for the period 1 July 2018 - 30 June 2019. 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 2009*, 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 2019 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 29/08/2019

INDEPENDENT AUDITOR'S REPORT

To the Board of the Children's Hospital Foundation Queensland

Report on the audit of the financial report

Opinion

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

In my opinion, the financial report:

- a) gives a true and fair view of the entity's financial position as at 30 June 2019, 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 2009, 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 2019, 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 of Queensland 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 of Queensland 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 Foundation's annual report for the year ended 30 June 2019, 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 Board 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 2009, 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, but not for expressing an opinion on the effectiveness of the entity's internal control.
- 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.

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2019:

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



Carolyn Dougherty
as delegate of the Auditor-General

30 August 2019

Queensland Audit Office
Brisbane

Letter of compliance

2 September 2019

The Honourable Steven Miles MP
Minister for Health and Minister for Ambulance Services
1 William Street
Brisbane QLD 4000

Dear Minister Miles

I am pleased to submit for presentation to the Parliament the Annual Report 2018-2019 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 is provided at page 21-22 of this annual report.

Yours sincerely



Bruce Cowley
Chair
Children's Hospital Foundation Queensland

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