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

Children’s Hospital Foundation  
ABN: 11 607 902 687  
Street Address  
Children’s Hospital Foundation  
494 Stanley Street  
South Brisbane QLD 4101  
Postal Address  
Children’s Hospital Foundation  
PO Box 8009  
Woolloongabba QLD 4102  
Phone: +61 7 3606 6100  
Fax: +61 7 3606 6199  
Email: info@childrens.org.au  
www.childrens.org.au  
Public availability statement  
Copies of this publication can be obtained at  
www.childrens.org.au or contact the Children’s Hospital Foundation via email: info@childrens.org.au or telephone +61 7 3606 6100 for a paper copy.  
ISSN: 2204-0315 (Print), 2204-0323 (Online)  
Interpreter service statement  
The Queensland Government is committed to providing accessible services to Queenslanders from all culturally and linguistically diverse backgrounds. If you have difficulty in understanding this report, you can contact us on +61 7 3606 6100 and we will arrange an interpreter to effectively communicate the report to you.
Letter of compliance

6 September 2016

The Honourable Cameron Dick MP  
Minister for Health and Minister for Ambulance Services  
Level 19, State Health Building, 147-163 Charlotte Street  
Brisbane QLD 4000

Dear Minister Dick

I am pleased to submit for presentation to the Parliament the Annual Report 2015-2016 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 2009, and

• the detailed requirements set out in the Annual report requirements for Queensland Government agencies.

A checklist outlining the annual reporting requirements can be found on page 24 of this annual report.

The Children’s Hospital Foundation had an outstanding year, achieving record revenue of $21.8 million. This was all made possible by the generosity of the people of Queensland and our incredible corporate and community partners. Your personal support and that of the Queensland Government was once again greatly appreciated and it encouraged many of our supporters to become involved.

We continued to fund world-class research into some of the most devastating childhood illnesses and provided support, care and entertainment for patients and their families when they were in hospital, sometimes for weeks or months, from near and far.

I would like to thank and acknowledge the Children’s Hospital Foundation staff for their commitment, passion and tireless work, and also the hundreds of wonderful volunteers who are there for the kids and their families every day of the year, making our children’s hospital such a special place.

Yours sincerely

Bruce Cowley  
Chair  
Children’s Hospital Foundation Queensland
Chief Executive Officer’s report

The Children’s Hospital Foundation is making a real difference to the lives of our sickest kids and their families while they’re in hospital and wherever they live throughout Queensland.

In 2015-2016, our funded researchers continued to make an impact by working on life-saving childhood cancer treatments, improving clinical treatment and recovery for kids with trauma and burn injuries, discovering rapid diagnoses for infectious diseases, helping kids with respiratory diseases breathe easier, making sure all kids have the best nutrition during their illness and assisting kids with disabilities to lead more fulfilling lives.

We funded the purchase of new specialised medical equipment throughout Queensland to help our hospital clinical teams deliver the very best care for our kids. We also supported a range of clinical programs and services throughout Queensland to ensure all sick kids and their families have access to the best possible care, wherever they live. With our support those families experiencing the toughest of times receive the care and support they need.

Our hundreds of amazing volunteers make our children’s hospital a special place every day of the year, helping kids laugh and smile and making life easier for their parents. This also allows our hospital’s clinical teams to focus more effectively on their patients and their families. Our volunteers welcome families to the hospital and help them find their way around, they help parents scrub and gown up so they can see their kids in theatre before surgery, they cuddle little babies so parents can have a little time to themselves, and they play games and read with the kids to distract and entertain them, making what can be a scary time in hospital a little fun.

Throughout the year, we organised visits by international celebrities, sports stars, superheroes, entertainers and our pet therapy dogs, held a number of fantastic events, including the Ekka Party, Christmas Party, Easter Party and Multicultural Day and we turned the hospital school sports day into a Mini Olympics with a Rio theme.

We also completed another season 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, changing the way kids experience hospital. The kids then get to see themselves on screen in their hospital rooms on our patient entertainment system and they can share the experience with their family and friends who can watch episodes online.

All of this incredible work is only made possible through the generous support of caring people and our corporate and community partners, who donated and helped us raise a record total revenue of $21.8 million. We are truly grateful to all of the people and organisations who have supported us and made a difference to these kids and their families. I would like to make a special mention of our 30-year partnership with Woolworths in 2016, as well as our major partners Golden Casket, The Coffee Club and Bank of Queensland. Also, our second Channel Nine Telethon for the Children’s Hospital Foundation went to air in October and showcased our world-class hospital, the special children and their families and the doctors, nurses, therapists and researchers who are providing exceptional treatment and care. We raised and announced a total of over $10.5 million at telethon, launched with a lead gift of $1 million from the Queensland Government.

Our extraordinary result this year was also largely due to the kind donation of $4.2 million from the Sir Albert Sakzewski Foundation to establish an endowment to fund research into infectious diseases at our Queensland Paediatric Infectious Disease Laboratory. We thank the trustees for their thoughtfulness and generosity in creating this legacy for future generations.

The Children’s Hospital Foundation is truly making a difference to the treatment and care of our sickest children and we would like to thank everyone who has contributed to a wonderful year.

Cameron Prout
Chief Executive Officer
Overview

Children’s Hospital Foundation

As the official charity of Children’s Health Queensland, the Lady Cilento Children’s Hospital and the Centre for Children’s Health Research, the Children’s Hospital Foundation supports children and their families throughout Queensland.

We help kids 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 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 Mission

To improve children’s health by supporting and funding world-class research and clinical treatment, and provide care and entertainment 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.

 пара Walking 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.
Children’s Health Queensland

Children’s Health Queensland Health and Hospital Service is a specialist state-wide 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 and quaternary care, through the Lady Cilento Children’s Hospital in Brisbane. To ensure that children and their families receive the best possible care, regardless of where they live, Children’s Health Queensland supports Queensland’s 15 other hospital and health services and provides more than 50 state-wide paediatric outreach and telehealth services.

Lady Cilento Children’s Hospital

The Lady Cilento Children’s Hospital in South Brisbane is Queensland’s children’s hospital – the major specialist paediatric hospital for Queensland and northern New South Wales families and a centre for teaching and research. As the largest and most advanced paediatric facility in Australia, the hospital is responsible for providing tertiary-level care for the state’s sickest and most seriously injured children and general paediatric health services to children and young people in the greater Brisbane metropolitan area. Since welcoming its first patients in November 2014, following the merging of the former Royal Children’s Hospital and Mater Children’s Hospital, our children’s hospital has admitted more than 60,510 children as inpatients, treated 288,510 children and young people as outpatients and attended to 102,067 emergency presentations.

Centre for Children’s Health Research

The $134 million Centre for Children’s Health Research is Queensland’s first fully-integrated research facility focused on world-class child and adolescent health research. Officially opened in November 2015, the state-of-the-art facility is located in the heart of the hospital precinct and aims to translate research into better health outcomes for Queensland children and young people. The Centre for Children’s Health Research is a partnership between Queensland Health (through Children’s Health Queensland), the Queensland University of Technology, the University of Queensland and 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. Research within the centre focuses primarily on childhood cancer, respiratory diseases, infectious diseases, physical activity and obesity and burns and wound repair.

Alignment with the Queensland Government’s objectives for the community

Two of the Queensland Government’s objectives for the community – delivering quality frontline services and building safe, caring and connected communities – are advanced by the strategic partnership between the Children’s Hospital Foundation and Children’s Health Queensland. The Children’s Hospital Foundation funds life-saving medical research, invests in vital new equipment, and provides comfort, entertainment, family support and care for our sickest kids, today and tomorrow.
Year in review

Our strategic objectives

The Children's Hospital Foundation's strategic plan includes a number of strategic objectives. The Children's Hospital Foundation's focus in 2015-2016 was to fund research and programs that will have the greatest impact on children's health, to support patients and families in hospital and to drive future growth to make sure we can support our sickest kids in the future.

Our objectives:

• Improve children's health across Queensland 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 distract and entertain children and their families.

• Engage with our partners and the community to grow our support and to increase our net fundraising income.

• Be the best-known and most loved children's charity in Queensland.

• 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 2015-2016 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. More details on our key achievements against our key performance indicators in 2015-2016 are included on this page.

Key achievements in 2015-2016

• We continued to build and maintain strong relationships with our donors, partners and other stakeholders including other key charities and support groups that operate in and provide services at our children's hospital.

• We achieved total revenue for the year of $21.8 million, which included $19.6 million from generous donations from the community, support through our corporate partners and events, and from those people who generously leave a gift in their Will.

• In addition to the funds noted in this annual report and financial statements, we facilitated donations and grants totalling $107,000 made directly to the Lady Cilento Children's Hospital. These funds were used to purchase specialised medical equipment, including an ultrasound machine for the emergency department and a hypothermia unit for the intensive care unit.

• We funded the Queensland Children's Tumour Bank and ongoing research into childhood cancer, burns, infectious diseases, respiratory illnesses, childhood nutrition, telehealth and cerebral palsy.

• We funded new research into cystic fibrosis, improving immunisation of indigenous children living in urban areas and understanding how changing the brain can reduce obesity in children.

• We funded music therapy, burns camp, the social welfare fund and the remembrance ceremony.

• We funded the purchase of $699,000 of equipment at the Lady Cilento Children's Hospital and in paediatric wards throughout Queensland.

• We recruited, trained and supported 688 volunteers who committed 37,477 hours of support and provided over 88,890 positive interactions with patients and their families, including:

  • 53,782 families assisted through information desks and way finding
  • 14,775 fun interactions via Bedside Play and Pet Therapy programs
  • 3,723 kids borrowed books through the Book Bunker
  • 97 kids joined the Bravery Beads program
Year in review (cont)

- 10,035 families were supported through operating theatre
- 606 family interactions through Community Child Health Centres
- 812 patients supported in Burns Clinic
- 2,826 cuddles provided to babies through our Steggles Cuddle Care program.

- We completed season two 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 700 kids involved in 500 hours of filming 52 episodes.
- We increased our community awareness with an increase in media stories and significant growth in our social media engagement.
Operating environment

The Children’s Hospital Foundation was established in 2011 by the Hospitals Foundations Regulation 2005, made under s.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 Lady Cilento Children’s Hospital, and the Centre for Children’s Health Research.

Open data

Annual reporting requirements for expenditure on Board and committee member remuneration, consultancy and overseas travel will be published on the Queensland government’s open data website, available via https://data.qld.gov.au/.
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.
• Identifying and managing areas of business risk.
• Raising organisational awareness of the external environment.
• Ensuring compliance with statutory, financial, social and corporate governance responsibilities.
• Identifying 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.

The following people have been approved as current members of the Board by the Governor-in-Council, acting by and with the advice of the Executive Council, and under the provisions of the Hospital Foundations Act:

For a term commencing on 10 July 2015 until 10 November 2019:

Ms Fionnagh Dougan

For a term commencing on 12 February 2016 until 30 September 2018:

Mr Bruce Cowley (Chairperson)
Mr Kenneth Drysdale
Mr Scott Taylor
Mr Andrew Thomas (Deputy Chairperson)

Mr Ross Willims serves on the Board as the nominee of the Chair of the Children’s Hospital and Health Service Queensland (Children’s Health Queensland) Board, Ms Rachael Hunter. The Chair of the Children’s Health Queensland Board or their nominee is a member ex-officio by virtue of their position under s.18 of the Hospitals Foundations Act.

Ms Susan Johnston served on the Board as ex-officio by virtue of her position as Chair of the Children’s Health Queensland Board from July 2012 until her resignation, effective 7 August 2015.

Ms Fionnagh Dougan serves on the Board as an officer of Children’s Health Queensland, as required by the Hospitals Foundations Act.
Board member biographies

Bruce Cowley BCom LLB (Hons) FAICD
Children’s Hospital Foundation Chair Bruce Cowley is a legal practitioner, adviser, author, speaker and director. After 30-plus years of legal practice, Bruce Cowley is national Chairman of one of Australia’s largest law firms, Minter Ellison. 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. He is also a member of the Takeovers Panel.

Bruce is a Fellow of the Australian Institute of Company Directors (FAICD) and a recent past member of the Queensland State Council of the AICD and sits on the AICD’s Law Committee. He is Deputy Chancellor of the University of the Sunshine Coast and the Chair of the Cerebral Palsy League and sits on the Board of the Merchant Foundation. He is also former Chair of the Griffith University’s Business School Advisory Board and of the Queensland Children’s Medical Research Institute and was formally a non-executive Director of Talon Petroleum Limited. Until recently he served as national chair of the Corporations Committee of the Law Council of Australia.

Bruce joined the Board as Chair in November 2011. He is an ex-officio member of the Finance, Audit and Risk Management Committee, the Fundraising and Marketing Committee and the Grants Committee, and chairs the Remuneration and Nominations Committee. In 2015-2016 he attended five Board meetings and two committee meetings in 2015-2016.

Helen Darch BA Grad Dip Info Sci Med MAICD
Helen Darch is a prominent consultant with wide-ranging experience across a variety of industry sectors. She established and is the Managing Director of the Nedhurst Consulting Group in Brisbane. Prior to this she was a partner at Niche Consultants, Group Manager, Communication Services at Rowland Communication Group, and consultant at SMS Management and Technology.

Helen has extensive strategic planning, corporate communication, market research, management consulting and project management experience. She has consulted widely in the education, health, government, not-for-profit and resources industries.

Until 2015 Helen chaired the Cerebral Palsy League, Queensland Board, and its Nominations Committee and Executive Appraisal Committee.

Helen joined the Board in November 2011. She chairs the Fundraising and Marketing Committee and is a member of the Grants Committee and the Remuneration and Nominations Committee. Helen attended six Board meetings and 11 committee meetings in 2015-2016.

Fionnagh Dougan BA Com (Hons), Grad Dip Man (Health)
Fionnagh Dougan is Chief Executive of Children’s Health Queensland Hospital and Health Service and has a long and successful history in leading change in complex healthcare environments and a lifelong commitment to improving children’s health. She most recently had overarching responsibility for all hospital, clinical support and community services, including paediatric and mental health services in her role as Director of Provider Services, Auckland District Health Board.

Prior to her current role, Fionnagh was General Manager of Auckland’s Starship Children’s Hospital and Child Health Services where she implemented a service-wide healthcare excellence framework.

Fionnagh began her career as a staff nurse in the Royal Infirmary of Edinburgh.

She has postgraduate qualifications in health management, an honours degree in communication, and has held dual registration and experience as both a Mental Health Nurse and a General Nurse.

Fionnagh attended four Board meetings in 2015-2016.
Board member biographies (cont)

Kenneth (Mac) Drysdale BBus (Acc)

Mac Drysdale is a highly-respected executive with a strong history as a Board director and chair. Since 2007, Mac has been Chair of the Board of Seymour Whyte, and has played a key role in the strategic development and growth of the company. Mac is also a member of the Peta Seymour Foundation Board. He currently chairs four private company advisory Boards in the horticulture, transport and finance sectors.

Mac has held numerous other director and chair roles throughout his career including 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.

Mac joined the Board in February 2016 and is a member of the Grants Committee. He has attended three Board meetings since his appointment.

Professor Stephen Gray BCom (Hons), LLB (Hons), PhD

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 ten committee meetings in 2015-2016.

Luke McGrath CFP AITA GAICD

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 banks and financial services organisations. Throughout his financial services career he has consulted to numerous companies and individuals across the breadth of the industry. He has also consulted to a number of significant philanthropic organisations in Australia and elsewhere on structure, strategic direction and grant making strategies.

Luke is the Managing Director of an investment consultancy company as well as a Director of a number of private companies.

Luke joined the Board in November 2011. He chairs the Grants Committee and is a member of the Finance, Audit and Risk Management Committee and the Fundraising and Marketing Committee. Luke attended five Board meetings and 14 committee meetings in 2015-2016.

Susan McKee RN, BSc(App) HMS, MBA, GAICD

Sue McKee is a leader in healthcare and nursing, with more than 30 years’ experience in the public and private sectors. Prior to joining West Moreton Hospital and Health Services and Chief Executive, Sue held key executive positions including General Manager Operations at Children’s Health Queensland and Nursing Director at Mater Children’s Hospital. In these roles, Sue successfully led significant strategic change, including transitioning service from the Royal Children’s Hospital and the Mater Children’s Hospital to the Lady Cilento Children’s Hospital. Sue has a strong track record in improving the performance of healthcare organisations in the core areas of patient safety, staff engagement and financial accountability and is committed to engaging with staff and the wider community to deliver excellence in healthcare.

Sue has been a member of the Children’s Hospital Foundation Board since 2013. She has a Bachelor of Applied Science and Human Movements from the University of Queensland, a Masters degree in Business Administration and is a member of the Australian Institute of Company Directors. Sue attended five Board meetings in 2015-2016.
Scott Taylor LLB, MAICD, RITP

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 has attended three Board meetings and one committee meeting since his appointment.

Andrew Thomas BBus (Acc), CPA, MBA

Philanthropic specialist and not-for-profit executive Andrew Thomas has extensive experience in charitable giving, funds management, and leading not-for-profit organisations in Australia.

In his professional career Andrew has been Perpetual’s General Manager Philanthropy and an executive director of a national not-for-profit organisation with operations in every state and territory in Australia. He has a valuable hands-on view of the matrix of regulations and challenges faced by non-profit organisations.

Andrew joined the Board in November 2011 and is the Deputy Chair. Andrew is a member of the Finance, Audit and Risk Management Committee and the Fundraising and Marketing Committee. He attended four Board meetings and four committee meetings in 2015-2016.

Ross Williams BCom (Hons)

Ross Williams has held a number of senior executive positions in both the public and private sector 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. He is also a member of the Fundraising and Marketing Committee. Ross attended five Board meetings in 2015-2016.
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 (Chairperson), Luke McGrath, Scott Taylor, Andrew Thomas and Bruce Cowley (ex-officio)

Fundraising and Marketing Committee

Purpose
To provide strategic oversight and guidance of the Children’s Hospital Foundation’s fundraising and marketing activities.

Members
Helen Darch (Chairperson), Luke McGrath, Andrew Thomas, Ross Williams 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 (Chairperson), Helen Darch, Stephen Gray

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 clinical innovation grants and make recommendations to the Board for funding.

Members
Luke McGrath (Chairperson), Helen Darch, Kenneth Drysdale, Stephen Gray, Dr John Wakefield (resignation effective 2 February 2016) and Bruce Cowley (ex-officio)

Executive management

Chief Executive Officer
Cameron Prout BHMS, BA (Rec Mgt) (appointment term April 2013 – June 2018)

Cameron Prout has been Chief Executive Officer of the Children’s Hospital Foundation since early 2013. With a background in health, sport and management, he brings over 25 years’ experience in national and state leadership positions in not-for profit organisations, notably as a long-term Chief Executive Officer of the Heart Foundation. Through his stewardship, the Children’s Hospital Foundation has grown its profile, support base and revenue and has developed a more strategic approach to funding to ensure its donors’ and partners funds’ have the greatest possible impact on improving children’s health.
Children’s Hospital Foundations Australia

Established in 2004, Children’s Hospital Foundations Australia is the national fundraising partnership of Australia’s five major children’s hospital foundations. Formed to foster stronger relationships with corporate Australia, it is the only organisation in Australia that offers direct access to a national network of children’s hospitals.

Funds donated to Children’s Hospital Foundations Australia are divided between the five partner foundations and directed into the areas of greatest need as determined by each hospital foundation and agreed with the partners.

In 2015-2016, Children’s Hospitals Foundations Australia distributed $240,599 to the Children’s Hospital Foundation in Queensland. Children’s Hospital Foundations Australia’s support provided vital funding towards new hospital initiatives in telemedicine in the paediatric intensive care unit, provided vital medical equipment to care for babies requiring close monitoring and phototherapy treatment, helped deliver Juiced TV – a TV show made by the kids for the kids that plays an important role in entertainment and distraction for kids in hospital, and supported research to examine the causes, risk factors, socio-economic impacts and health outcomes of respiratory illnesses in urban indigenous children throughout Queensland.

The Children’s Hospital Foundation is proud to be a partner of Children’s Hospital Foundations Australia, and to work together with the other partner foundations across the country to provide the best possible health care for all Australian children.

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 Employee Handbook and other associated policies and procedures.

In April 2014, the Children’s Hospital Foundation updated the Code of Conduct, and the revised Code was submitted to the Minister of Health for approval in accordance with the requirements of the Public Sector Ethics Act 1994 and was approved in August 2014.

Queensland public service values

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

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

• Professor Stephen Gray (Chair)
• Mr Luke McGrath
• Mr Scott Taylor
• Mr Andrew Thomas
• Mr 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 Risk and Crisis Management 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 2015-2016 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

The Committee met five times during 2015-2016. The Committee Charter, including Terms of Reference and having due regard to the Queensland Treasury’s Audit and Committee Guidelines was reviewed and updated in August 2015.
Information systems and recordkeeping

Information systems

The Children’s Hospital Foundation’s Information and Communications Technology (ICT) service 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 computers and telephones.
- 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, Information Standard 40: Record keeping and Information Standard 31: Retention and Disposal of Public Records.

A Recordkeeping Policy is endorsed by the CEO and fully implemented. Adherence to this policy in business activities and record keeping is implemented through recordkeeping procedures. The CEO is informed regularly of updated record keeping requirements via the Office of Health Statutory Agencies. The recordkeeping policy applies to all digital and paper records.

The Children’s Hospital Foundation communicates roles and responsibilities for records management across the organisation via position descriptions, performance reviews, training and awareness activities.

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.

The Children’s Hospital Foundation complies with the principles as outlined in Information Standard 31: Retention and Disposal of Public Records. This applies to all digital and paper records. Staff are regularly updated and informed of the requirement to comply with these principles.
Human resources

The Children’s Hospital Foundation is focused on managing 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, mission 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.

Recruitment

The attraction and recruitment of talented people to the Children’s Hospital Foundation is vital. Over the last 12 months, our staff numbers have remained steady at 38 full time equivalents. The Children’s Hospital Foundation advertises directly for new positions and uses agencies to assist recruitment of specialist positions, if appropriate. A detailed 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, rigorous workplace inductions are provided to all new employees to orientate them to their role and culture and practices.

Workforce planning

The Children’s Hospital Foundation’s workforce is made up of people with a diverse range of qualifications, skills and experience. The majority of staff are aged between 25 years and 45 years of age and 88 percent of our workforce are women. Currently, 30 percent of staff have between two and five years’ service. The permanent separation rate was 15.9 percent.

Performance planning and development

The Children’s Hospital Foundation is committed to fostering a culture that focuses on performance, behaviour and accountability. Performance planning and development is undertaken annually by all staff with their managers. Individual and team performance plans are aligned with the Children’s Hospital Foundation’s strategic plan and team operational plans. Regular meetings are conducted to ensure staff are on track to achieve their goals. All new employees go through the Children’s Hospital Foundation’s induction process, including the development of a six-month probation plan. Once completed, employees move onto the annual process.

Talent management and recognition

Staff are recognised both informally and formally for their performance and tenure.

Industrial and Employee Relations Framework

The Children’s Hospital Foundation operates under the Queensland Industrial Relations Act (1999). Employee relations issues are managed promptly and in accordance with the legislation and internal policies and procedures. Any updated or new policies are implemented with employees through a dedicated training session or at team meetings.

Learning and development

The Children’s Hospital Foundation is committed to providing ongoing development opportunities for all employees to ensure a skilled, flexible and engaged workforce. The development is focused around ‘on the job’ training, recognising that this is the most effective way to develop new skills and behaviour. This training is complemented by coaching and mentoring and formal training. All staff have access to professional development opportunities.

The Children’s Hospital Foundation’s competency framework outlines the core skills and abilities required to achieve organisational and individual success. This framework underpins targeted recruitment, development and succession planning.

The Children’s Hospital Foundation undertakes regular surveys to measure staff engagement and to identify opportunities for further development, coaching and training.

Our leadership development program continues to be rolled out and aims to build leadership capability and embed our organisational values.
Flexible work arrangements

The Children’s Hospital Foundation has a flexible work policy to support employees with diverse needs. This may involve altering start and finish times, returning from parental leave in a part-time capacity or compressing work hours. Each request is evaluated on a case-by-case basis and supported where reasonable. Currently, 24 percent of staff are currently working in a part-time capacity.

Over the last twelve months, the Children’s Hospital Foundation has continued to provide support to staff who require ad hoc flexibility regarding start and finish times, working from home arrangements and other arrangements. Staff were also provided individual laptop computers to further improve flexibility, creating the ability to work anywhere and anytime.

Staff wellbeing

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

All staff and volunteers are required to complete safety education about site induction, first response (fire evacuation and safety), hand hygiene and code of conduct (ethics and integrity).

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 building resilience and managing work life effectiveness.

Early retirement, redundancy, retrenchment and voluntary separation

Two employees received redundancy packages at a total cost of $30,000.
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 2015-2016 financial year was $21.8 million, of which $19.6 million came from donations and other contributions, ($4.2 million of which was from the Sir Albert Sakzewski Foundation to be held as an endowment to support research into paediatric infectious diseases) and $2.2 million from investments, financial and other income. The following graph provides a proportional breakdown of donations and other contributions revenue by source:
Financial Performance (cont)

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 2016, net assets totalled $34.1 million. 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 future needs. Holding a certain amount of funds in reserve can help 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. Retaining an appropriate level of reserves is also an important factor in helping to meet the current and future needs of beneficiaries.

Comparison with previous period

The table below provides a comparison of actual results for the 2015-2016 year with the previous financial year.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Revenue</td>
<td>$21,811,858</td>
<td>$16,692,903</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>$13,396,688</td>
<td>$13,996,081</td>
</tr>
<tr>
<td>Net Assets</td>
<td>$34,113,709</td>
<td>$25,698,539</td>
</tr>
</tbody>
</table>

In the 2015-2016 financial year, the surplus was $8.4 million and overall expenses were $600,000 less than the 2014-2015 financial year. Net assets have increased by $8.4 million to $34.1 million. This extraordinary result includes $4.2 million donated by the Sir Albert Sakzewski Foundation to create an endowment fund to support research in paediatric infectious diseases.

The development and implementation of a number of strategic initiatives have seen the Children’s Hospital Foundation:

- Implement a new research grants program to improve the impact on children’s health.
- Expand our patient care and entertainment, family support and volunteer programs.
- Build our fundraising capabilities to build a stronger foundation for future generations.
- Improve awareness amongst Queenslanders of our work and impact.
- Invest in the development of our people.

In summary, the 2015-2016 financial year has seen the Children’s Hospital Foundation increase its impact on our sickest kids and their families and deliver a strong financial result to help sick kids today and tomorrow.
Full financial statements

The annual financial statements for Children’s Hospital Foundation Queensland for the 2015-2016 financial year are included in Appendix 2 of this Annual Report.
## Appendices

### Appendix 1 – compliance checklist

<table>
<thead>
<tr>
<th>Summary of requirement</th>
<th>Basis for requirement</th>
<th>Annual report reference</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Letter of compliance</strong></td>
<td>A letter of compliance from the accountable officer or statutory body to the relevant Minister/s</td>
<td>ARRs - section 8</td>
</tr>
<tr>
<td><strong>Accessibility</strong></td>
<td>Table of contents</td>
<td>ARRs - section 10.1</td>
</tr>
<tr>
<td>Public availability</td>
<td></td>
<td>ARRs - section 10.2</td>
</tr>
<tr>
<td>Interpreter service statement</td>
<td><em>Queensland Government Language Services Policy</em></td>
<td>ARRs - section 10.3</td>
</tr>
<tr>
<td>Copyright notice</td>
<td><em>Copyright Act 1968</em></td>
<td>ARRs - section 10.4</td>
</tr>
<tr>
<td>Information licensing</td>
<td><em>QGEA - Information Licensing</em></td>
<td>ARRs - section 10.5</td>
</tr>
<tr>
<td><strong>General information</strong></td>
<td>Introductory information</td>
<td>ARRs - section 11.1</td>
</tr>
<tr>
<td>Agency role and main functions</td>
<td></td>
<td>ARRs - section 11.2</td>
</tr>
<tr>
<td>Operating environment</td>
<td></td>
<td>ARRs - section 11.3</td>
</tr>
<tr>
<td><strong>Non-financial performance</strong></td>
<td>Government’s objectives for the community</td>
<td>ARRs - section 12.1</td>
</tr>
<tr>
<td>Other whole-of-government plans / specific initiatives</td>
<td></td>
<td>ARRs - section 12.2</td>
</tr>
<tr>
<td>Agency objectives and performance indicators</td>
<td></td>
<td>ARRs - section 12.3</td>
</tr>
<tr>
<td>Agency service areas and service standards</td>
<td></td>
<td>ARRs - section 12.4</td>
</tr>
<tr>
<td><strong>Financial performance</strong></td>
<td>Summary of financial performance</td>
<td>ARRs - section 13.1</td>
</tr>
<tr>
<td><strong>Governance - management and structure</strong></td>
<td>Executive management</td>
<td>ARRs - section 14.2</td>
</tr>
<tr>
<td>Government bodies (statutory bodies and other entities)</td>
<td></td>
<td>ARRs - section 14.3</td>
</tr>
<tr>
<td>Public Sector Ethics Act 1994</td>
<td><em>Public Sector Ethics Act 1994</em></td>
<td>ARRs - section 14.4</td>
</tr>
<tr>
<td>Queensland public service values</td>
<td></td>
<td>ARRs – section 14.5</td>
</tr>
<tr>
<td>Governance - risk management and accountability</td>
<td>Risk management</td>
<td>ARRs - section 15.1</td>
</tr>
<tr>
<td>-----------------------------------------------</td>
<td>-----------------</td>
<td>---------------------</td>
</tr>
<tr>
<td></td>
<td>External scrutiny</td>
<td>ARRs - section 15.2</td>
</tr>
<tr>
<td></td>
<td>Audit Committee</td>
<td>ARRs - section 15.3</td>
</tr>
<tr>
<td></td>
<td>Internal audit</td>
<td>ARRs - section 15.4</td>
</tr>
<tr>
<td></td>
<td>Information systems and recordkeeping</td>
<td>ARRs - section 15.5</td>
</tr>
<tr>
<td>Governance - human resources</td>
<td>Workforce planning and performance</td>
<td>ARRs - section 16.1</td>
</tr>
<tr>
<td></td>
<td>Early retirement, redundancy and retrenchment</td>
<td>Directive No.11/12 Early Retirement, Redundancy and Retrenchment ARRs - section 16.2</td>
</tr>
<tr>
<td>Open Data</td>
<td>Consultancies</td>
<td>ARRs - section 17</td>
</tr>
<tr>
<td></td>
<td>ARRs – section 34.1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Overseas travel</td>
<td>ARRs – section 17</td>
</tr>
<tr>
<td></td>
<td>ARRs – section 34.2</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Government bodies</td>
<td>ARRs – section 17</td>
</tr>
<tr>
<td></td>
<td>ARRs – section 34.4</td>
<td></td>
</tr>
<tr>
<td>Financial statements</td>
<td>Certification of financial statements</td>
<td>FAA - section 62</td>
</tr>
<tr>
<td></td>
<td>FPMS - sections 42, 43 and 50</td>
<td>ARRs - section 18.1</td>
</tr>
<tr>
<td></td>
<td>Independent Auditor’s Report</td>
<td>FAA - section 62</td>
</tr>
<tr>
<td></td>
<td>FPMS - section 50</td>
<td>ARRs - section 18.2</td>
</tr>
<tr>
<td></td>
<td>Remuneration disclosures</td>
<td>Financial reporting requirements for Queensland Government Agencies</td>
</tr>
<tr>
<td></td>
<td>ARRs - section 18.3</td>
<td></td>
</tr>
</tbody>
</table>

### Glossary

- **FAA**  
  Financial Accountability Act 2009
- **FPMS**  
  Financial and Performance Management Standard 2009
- **AARs**  
  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 2015 to 30 June 2016
Children's Hospital Foundation Queensland
Financial Statements 2015 - 2016

Contents

Auditor's Independence Declaration ............................. 2
Statement of Comprehensive Income ......................... 3
Statement of Financial Position .............................. 4
Statement of Changes in Equity ............................... 5
Statement of Cash Flows ........................................ 6
Notes to and Forming Part of the Financial Statements .... 8
Management Certificate .......................................... 22
Independent Audit Report ...................................... 23

General Information

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

The Foundation is a Statutory Body established under the Hospitals Foundation Act 1982.

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.
AUDITOR’S INDEPENDENCE DECLARATION

To the Board of Children's Hospital Foundation Queensland

This auditor's independence declaration has been provided pursuant to section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012.

Independence declaration

As lead auditor for the audit of Children's Hospital Foundation Queensland for the financial year ended 30 June 2016, I declare that, to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

D J Olive FCPA
(as delegate of the Auditor-General of Queensland)

Queensland Audit Office
Brisbane
Children's Hospital Foundation Queensland  
Financial Statements 2015 - 2016

**Statement of Comprehensive Income**  
for the year ended 30 June 2016

<table>
<thead>
<tr>
<th></th>
<th>Notes</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Donations and other contributions</td>
<td>2</td>
<td>15,372,413</td>
<td>14,520,011</td>
</tr>
<tr>
<td>Contributions to endowment</td>
<td>2</td>
<td>4,214,988</td>
<td>-</td>
</tr>
<tr>
<td>Financial income</td>
<td>3</td>
<td>552,469</td>
<td>843,552</td>
</tr>
<tr>
<td>Share of profit of jointly controlled entity</td>
<td>4</td>
<td>21,002</td>
<td>-</td>
</tr>
<tr>
<td>Other income</td>
<td>4</td>
<td>938,355</td>
<td>1,275,103</td>
</tr>
<tr>
<td>Impairment reversal</td>
<td>5</td>
<td>189,606</td>
<td>-</td>
</tr>
<tr>
<td>Increase in fair value of financial assets</td>
<td>5</td>
<td>513,045</td>
<td>54,237</td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td></td>
<td>21,811,858</td>
<td>16,692,903</td>
</tr>
</tbody>
</table>

| **Expenses**            |       |          |          |
| Employee expenses       | 6     | 3,477,557 | 3,644,685 |
| Fundraising and marketing expenses | 6     | 3,088,057 | 3,394,552 |
| Supplies and services   | 7     | 795,790   | 760,606  |
| Distribution of grants  | 7     | 6,631,556 | 5,177,164 |
| Investment management fees | 12    | 97,357    | 116,402  |
| Depreciation and amortisation | 13    | 103,167   | 94,340   |
| Impairment losses       | -     | -         | 505,606  |
| Share of loss of jointly controlled entity | -     | -         | 88,013   |
| Other expenses           | 8     | 323,204   | 217,719  |
| **Total Expenses**       |       | 13,395,688 | 13,998,081 |

| **Operating Result for the Year** |       |          |
|                                  | 6      | 8,415,170 | 2,696,822 |

*Other comprehensive income*  

*Total Comprehensive Income*  

8,415,170  
2,696,822

*The accompanying notes form part of these statements*
## Children's Hospital Foundation Queensland

### Statement of Financial Position

as at 30 June 2016

<table>
<thead>
<tr>
<th>Notes</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

**Current Assets**

- Cash and cash equivalents 9 $6,283,551 $5,025,009
- Receivables 10 $1,112,621 $716,543
- Financial asset - fixed interest 11 - $1,076,653
- Other current assets 11 $52,404 $93,758
- **Total Current Assets** 7,448,576 $6,911,963

**Non-Current Assets**

- Investment in jointly controlled entity 11 $92,667 $71,685
- Financial assets 11 $28,841,330 $22,257,657
- Plant and equipment 12 $240,576 $330,246
- Intangible assets 13 $48,062 $91,930
- **Total Non-Current Assets** $29,222,655 $22,751,518

**Total Assets** 36,671,231 $29,663,481

**Current Liabilities**

- Payables 14 $2,266,823 $3,636,303
- **Accrued employee benefits**
- **Total Current Liabilities** $2,523,475 $3,930,906

**Non-Current Liabilities**

- **Accrued employee benefits**
- **Total Non-Current Liabilities** $34,047 $34,036

**Total Liabilities** $2,557,522 $3,964,942

**NET ASSETS** 34,113,709 $25,698,539

**Equity**

- Accumulated Surplus
- **TOTAL EQUITY** 34,113,709 $25,698,539

*The accompanying notes form part of these statements*
Children's Hospital Foundation Queensland
Statement of Changes in Equity
for the year ended 30 June 2016

<table>
<thead>
<tr>
<th>Notes</th>
<th>Accumulated Surplus 2016</th>
<th>Accumulated Surplus 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Balance as at 1 July</td>
<td>25,698,539</td>
<td>23,001,717</td>
</tr>
<tr>
<td>Total Comprehensive Income</td>
<td>8,415,170</td>
<td>2,696,822</td>
</tr>
<tr>
<td>Balance as at 30 June</td>
<td>34,113,709</td>
<td>25,698,539</td>
</tr>
</tbody>
</table>

The accompanying notes form part of these statements.
Children's Hospital Foundation Queensland  
Financial Statements 2015 - 2016

Children's Hospital Foundation Queensland  
Statement of Cash Flows  
for the year ended 30 June 2016

<table>
<thead>
<tr>
<th>Notes</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

**Cash Flows from operating activities**

**Inflows:**
- Donations, grants and other contributions: 15,335,721
- Contributions to endowment: 4,214,968
- Recovery of prior year impairment: 189,606
- Other income: 168,000
- GST collected from customers: 240,466
- GST input credits from the Australian Taxation Office: 872,193

| Payments to suppliers and employees | (7,424,429) | (6,928,154) |
| Grants                              | (8,518,046) | (8,766,073) |
| GST paid to suppliers               | (805,644)   | (736,662)   |
| GST remitted to the Australian Taxation Office | (129,290) | (111,395) |
| **Net cash provided by/(used in) operating activities** | 6,141,546 | (956,974) |

**Cash Flows from investing activities**

**Inflows:**
- Proceeds from sale of plant and equipment: 50,800
- Interest and dividends: 179,077
- Franking credits received from the Australian Taxation Office: 836,345

| Acquisition of intangible assets   | -        | (84,396)  |
| Acquisition of plant and equipment | -        | (308,321) |
| Net movement of investment funds to financial assets | (4,993,974) | (2,788,738) |
| Investment management fees paid    | (118,907) | (115,013) |

**Net cash provided by/(used in) investing activities** | (4,883,004) | (2,197,982) |

**Cash Flows from financing activities**

**Outflows:**
- Transfer of funds to monies held in trust: -

**Net cash provided by/(used in) financing activities** | - | (614,819) |

**Net increase/(decrease) in cash and cash equivalents** | 1,258,542 | (3,769,775) |
**Cash and cash equivalents at beginning of the financial year** | 5,025,009 | 8,794,784 |
**Cash and cash equivalents at end of the financial year** | 6,283,551 | 5,025,009 |

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: Impairment Reversal
Note 6: Employee Expenses, Key Management Personnel and Remuneration Expenses
Note 7: Distribution of Grants
Note 8: Other Expenses
Note 9: Cash and Cash Equivalents
Note 10: Receivables
Note 11: Financial Assets
Note 12: Plant and Equipment
Note 13: Intangible Assets
Note 14: Payables
Note 15: Financial Instruments
Note 16: Commitments for Expenditure
Note 17: Events Subsequent to Balance Date
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Objectives and Principal Activities of the Children's Foundation

The Children's Hospital 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 happy and healthy with their families.

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 Lady Cilento Children's Hospital, Queensland's children's hospital, and throughout Queensland and Northern New South Wales.

1. Summary of Significant Accounting Policies

(a) Statement of Compliance


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.

(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. The Foundation has implemented a new agreement for the funding of research grants commencing in the 2016 financial year which requires specific criteria for the recipient to meet before a present obligation is recognised.

(e) Cash and Cash Equivalents

Cash and cash equivalents include all cash and cheques received 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 impairment. All known bad debts were written-off as at 30 June. Increases in the allowance for impairment are based on loss events that have occurred.

(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:

<table>
<thead>
<tr>
<th>Plant and equipment</th>
<th>$5,000</th>
</tr>
</thead>
</table>

Items with a lesser value are expensed in the year of acquisition.

(i) Intangibles
Intangible assets for internally generated software with a cost or other value equal to or greater than $10,000 are recognised in the financial statements. Items with a lesser value are expensed. Each intangible asset, less any anticipated residual value, is amortised over its estimated useful life to the Foundation. The residual value is zero for all the Foundation's intangible assets.

It has been determined that there is not an active market for any of the Foundation's intangible assets. As such, the assets are recognised and carried at cost less accumulated amortisation and accumulated impairment losses.

Purchased Software
The purchase cost of software has been capitalised and is being amortised on a straight-line basis over the period of the expected benefit to the Foundation, namely 5 years.

(j) Amortisation and Depreciation of Intangibles and Plant and Equipment
All intangible assets of the Foundation have finite useful lives and are amortised on a straight line basis.
Plant and equipment is depreciated on a straight line basis so as to allocate the net cost or re-valued amount of each asset, less its estimated residual value, progressively over its estimated useful life to the Foundation.

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

(j) Amortisation and Depreciation of Intangibles and Plant and Equipment (continued)

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

<table>
<thead>
<tr>
<th>Class</th>
<th>Rate %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plant and equipment:</td>
<td></td>
</tr>
<tr>
<td>Motor vehicles</td>
<td>20-33</td>
</tr>
<tr>
<td>Other equipment</td>
<td>10-33</td>
</tr>
<tr>
<td>Intangible assets:</td>
<td></td>
</tr>
<tr>
<td>Software purchased</td>
<td>20</td>
</tr>
</tbody>
</table>

(k) 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.

(l) Joint Venture

The Foundation has an interest in an unincorporated joint venture, namely Children’s Hospital Foundation Australia. The joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control and requires unanimous consent for the strategic financial and operating policy decisions.

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

(m) 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.

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

(n) Financial Instruments (continued)

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

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

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

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. Attributable transaction costs are recognised in profit or loss when incurred.

Trade and other 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 plus any directly attributable transaction costs. 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.

Trade and other 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 15.

(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.

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

(o) Employee Benefits (continued)

Superannuation

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

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 and Trade. Refer to Note 6 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.

(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 9.

(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 10).

(t) Issuance of Financial Statements

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

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

(u) Accounting Estimates and Judgements (continued)

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 Intangibles and Plant & Equipment - Note 1(j)

(v) Other Presentation Matters

Amounts included in the financial statements are in Australian dollars.

Comparative information has been restated where necessary to be consistent with disclosures in the current reporting period. In particular, the classification of certain expenses was reviewed during 2015-16, with certain comparative figures being restated.

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.

(w) New and Revised Accounting Standards

The Foundation did not voluntarily change any of its accounting policies during 2015-16. There were no Australian Accounting Standard changes applicable for the first time as from 2015-16 that had a significant impact on the Foundation’s financial statements.

AASB 2015-2 Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 101 [AASB 7, AASB 101, AASB 134 & AASB 1049] has been adopted early by the Foundation for 2015-16.

This Standard amends the above Standards and seeks to improve financial reporting by providing flexibility as to the ordering of notes, the identification and location of significant accounting policies, the presentation of sub-totals and clarity on aggregating line items. It also emphasises only including material disclosures in the notes.

AASB 124 Related Party Disclosures

Effective from reporting periods beginning on or after 1 July 2016, a revised version of AASB 124 will apply to the Foundation. AASB 124 requires disclosures about the remuneration of key management personnel (KMP), transactions with related parties, and relationships between parent and controlled entities.

The most significant implications of AASB 124 for the Foundation are the required disclosures about transactions between the Foundation and its related parties (as defined in AASB 124). For any such transactions, from 2016-17, disclosures will include the nature of the related party relationship, as well as information about those transactions’ terms/conditions and amounts, any guarantees given/received, outstanding receivables/ payables, commitments, and any receivables where collection has been assessed as being doubtful. In respect of related party transactions with other Queensland Government controlled entities, the information disclosed will be more high level, unless a transaction is individually significant. No comparative information is required in respect of related party transactions in the 2016-17 financial statements.
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Donations and other contributions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Individual donations</td>
<td>4,121,333</td>
<td>3,177,745</td>
</tr>
<tr>
<td>Gifts in wills</td>
<td>1,329,784</td>
<td>787,186</td>
</tr>
<tr>
<td>Partnerships</td>
<td>9,370,926</td>
<td>10,372,057</td>
</tr>
<tr>
<td>Trusts and foundations</td>
<td>550,388</td>
<td>183,023</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>15,372,413</td>
<td>14,520,011</td>
</tr>
</tbody>
</table>

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

Contributions to endowment

- Contributions to endowment 4,214,968
- Total 4,214,968

Contributions to endowment comprises funds received from the Sir Albert Sakzewski Foundation. These funds are required to be held in endowment (refer Note 11 Financial Assets).

3. Financial income

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest received from bank deposits</td>
<td>65,261</td>
<td>139,863</td>
</tr>
<tr>
<td>Dividends received from financial assets</td>
<td>497,188</td>
<td>703,689</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>562,469</td>
<td>843,552</td>
</tr>
</tbody>
</table>

Dividends received from financial assets does not include dividend income of $214,449 (2015: $569,562) earned in the Goldman Sachs managed funds within the JBWere investment portfolio. This amount is included in the increase in the fair value of financial assets in the Statement of Comprehensive Income. The Foundation's investment portfolio was transferred from JB Were to Queensland Investment Corporation (QIC) in December 2015.

4. Other income

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividend imputation tax credits on listed securities</td>
<td>292,210</td>
<td>244,714</td>
</tr>
<tr>
<td>Services received free of charge - at fair value</td>
<td>388,783</td>
<td>382,870</td>
</tr>
<tr>
<td>Grants unexpanded by recipient</td>
<td>226,061</td>
<td>583,515</td>
</tr>
<tr>
<td>Gain on disposal of motor vehicles</td>
<td>20,430</td>
<td>-</td>
</tr>
<tr>
<td>Service fees - other</td>
<td>30,871</td>
<td>64,004</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>938,355</td>
<td>1,275,103</td>
</tr>
</tbody>
</table>

Dividend imputation tax credits on listed securities:

Credits arising from dividends paid during the 2016 financial year of $234,786 are recoverable from the Australian Tax Office after 30 June 2016 and have been included as a receivable in the Statement of Financial Position. Credits relating to dividends declared but not paid as at 30 June 2016 of $178,751 have also been recognised 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 broadcast production expenses (2015), Telethon call centre, legal fees, professional consulting fees and administration services. The fair value of these services has been reliably measured.
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)

5. Impairment reversal

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receivable</td>
<td>$189,606</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>$189,606</td>
<td>-</td>
</tr>
</tbody>
</table>

Unexpended grant funding of $189,606 relating to the Xstrata program was received in the current year. This represents a proportion of the $259,810 reported as an impairment loss in the previous year due to the uncertainty in recovering the funds from Children's Health Queensland Hospital & Health Service. Total impairment loss of $506,600 reported in the previous year relates to the Xstrata program receivable and software (refer to Note 13 Intangible assets).

6. Employee expenses, Key Management Personnel and Remuneration Expenses

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and wages</td>
<td>3,151,800</td>
<td>3,306,952</td>
</tr>
<tr>
<td>Employer superannuation</td>
<td>290,355</td>
<td>296,684</td>
</tr>
<tr>
<td>contributions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee related expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Workers compensation premium</td>
<td>17,740</td>
<td>10,723</td>
</tr>
<tr>
<td>Other employee related</td>
<td>17,662</td>
<td>30,326</td>
</tr>
<tr>
<td>expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>3,477,557</td>
<td>3,644,685</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>38</td>
<td>38</td>
</tr>
</tbody>
</table>

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 2015/2016.

<table>
<thead>
<tr>
<th>Position and responsibilities</th>
<th>Current Incumbent</th>
<th>Contract classification and appointment authority</th>
<th>Date Initially appointed to the position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief Executive Officer - responsible for the efficient and effective administration of the Foundation.</td>
<td>CEO, Section 6.37(2) Hospitals Foundations Act 1982</td>
<td>28 March 2013</td>
<td></td>
</tr>
</tbody>
</table>

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
- Long term employee expenses include amounts expensed in respect of long service leave entitlements earned.
6. Employee Expenses, Key Management Personnel and Remuneration Expenses (continued)
   b) Remuneration Expenses (continued)
   - 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 of Directors are responsible for the governance of the Foundation. Their services are provided on
an honorary basis.

1 July 2015 - 30 June 2016

<table>
<thead>
<tr>
<th>Position (date resigned if applicable)</th>
<th>Short Term Employee Expenses</th>
<th>Long Term Employee Expenses</th>
<th>Post-Employment Expenses</th>
<th>Termination Benefits</th>
<th>Total Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief Executive Officer (CEO)</td>
<td>226,913</td>
<td>-</td>
<td>697</td>
<td>21,557</td>
<td>249,167</td>
</tr>
<tr>
<td>Total</td>
<td>226,913</td>
<td>-</td>
<td>697</td>
<td>21,557</td>
<td>249,167</td>
</tr>
</tbody>
</table>

1 July 2014 - 30 June 2015

<table>
<thead>
<tr>
<th>Position (date resigned if applicable)</th>
<th>Short Term Employee Expenses</th>
<th>Long Term Employee Expenses</th>
<th>Post-Employment Expenses</th>
<th>Termination Benefits</th>
<th>Total Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief Executive Officer (CEO)</td>
<td>212,066</td>
<td>-</td>
<td>460</td>
<td>20,363</td>
<td>232,890</td>
</tr>
<tr>
<td>Total</td>
<td>212,066</td>
<td>-</td>
<td>460</td>
<td>20,363</td>
<td>232,890</td>
</tr>
</tbody>
</table>

2016 | 2015
-----|-----
$    | $    

7. Distribution of grants
Research grants
Clinical and innovation support
Equipment
Patient and family support
Other Foundation grants
Total

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research grants</td>
<td>2,795,096</td>
<td>2,873,900</td>
</tr>
<tr>
<td>Clinical and innovation support</td>
<td>1,686,663</td>
<td>384,966</td>
</tr>
<tr>
<td>Equipment</td>
<td>669,317</td>
<td>1,532,832</td>
</tr>
<tr>
<td>Patient and family support</td>
<td>479,355</td>
<td>321,559</td>
</tr>
<tr>
<td>Other Foundation grants</td>
<td>1,125</td>
<td>80,907</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>5,631,556</td>
<td>5,174,164</td>
</tr>
</tbody>
</table>

8. Other Expenses
Audit related costs
Loss on disposal of plant and equipment
Rent
Other administrative expenses
Total

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit related costs</td>
<td>16,500</td>
<td>33,550</td>
</tr>
<tr>
<td>Loss on disposal of plant and equipment</td>
<td>-</td>
<td>2,758</td>
</tr>
<tr>
<td>Rent</td>
<td>217,384</td>
<td>106,875</td>
</tr>
<tr>
<td>Other administrative expenses</td>
<td>89,320</td>
<td>74,536</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>323,204</td>
<td>217,719</td>
</tr>
</tbody>
</table>

Total audit fees payable to the Queensland Audit Office relating to the 2015-2016 financial statements are quoted to be $16,500 (2015: $16,500).

Rent

The State of Queensland (represented by the Department of Health) 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.
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)

8. Other Expenses (continued)
The Foundation made no special payments during the 2016 financial year.

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>9. Cash and cash equivalents</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Petty cash and floats</td>
<td>3,850</td>
<td>1,000</td>
</tr>
<tr>
<td>Cash at bank</td>
<td>5,263,070</td>
<td>3,726,697</td>
</tr>
<tr>
<td>Short term deposits</td>
<td>1,016,631</td>
<td>1,297,312</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>6,283,551</td>
<td>5,025,009</td>
</tr>
</tbody>
</table>

*Funds held in trust payable:*
Funds held in trust at 30 June 2016 included $552,127 (2015: $564,601) which are development funds held on behalf of Children’s Health Queensland Hospital & Health Service and $63,619 (2015: $66,291) held by the Foundation on behalf of Sophie Nance. The balance of these funds was transferred to a separate bank account in the year ended 30 June 2016 and these funds will continue to be administered by the Foundation. However, as the funds are not controlled by the Foundation, they are not recorded on the Statement of Financial Position.

10. Receivables

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividend imputation credits on listed securities</td>
<td>550,583</td>
<td>258,373</td>
</tr>
<tr>
<td>Dividend income receivable</td>
<td>509,291</td>
<td>125,899</td>
</tr>
<tr>
<td>Trade debtors</td>
<td>-</td>
<td>101,799</td>
</tr>
<tr>
<td>GST Receivable</td>
<td>265,299</td>
<td>331,848</td>
</tr>
<tr>
<td>GST Payable</td>
<td>(212,552)</td>
<td>(101,376)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>52,747</td>
<td>230,472</td>
</tr>
</tbody>
</table>

11. Financial assets

**Current:**
Financial assets designated at fair value through profit & loss | - | 1,076,653 |
**Total** | - | 1,076,653 |

**Non-current:**
Financial assets designated at fair value through profit & loss | 28,841,330 | 22,257,657 |
**Total** | 28,841,330 | 22,257,657 |

The Foundation’s investment portfolio was transferred from JB Were to QIC in December 2015. At 30 June 2016, these funds were held in unit trusts with QIC. In the prior year, a current portion of financial assets was recognised as the balance related to fixed interest investments with a maturity of less than 12 months.

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

11. Financial assets (continued)

Restricted funds

<table>
<thead>
<tr>
<th>Fund</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sir Albert Sakzewski Endowment Fund</td>
<td>4,238,010</td>
<td></td>
</tr>
<tr>
<td>Sasakawa Memorial Fund</td>
<td>2,041,543</td>
<td>1,990,747</td>
</tr>
<tr>
<td>Lola Efstathi's Scholarship Fund</td>
<td>122,984</td>
<td>121,806</td>
</tr>
<tr>
<td><strong>Total restricted financial assets</strong></td>
<td>6,402,537</td>
<td>2,112,553</td>
</tr>
</tbody>
</table>

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

12. Plant and equipment

Plant and equipment

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>At cost</td>
<td>312,602</td>
<td>394,757</td>
</tr>
<tr>
<td>Less accumulated depreciation</td>
<td>(72,026)</td>
<td>(64,511)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>240,576</td>
<td>330,246</td>
</tr>
</tbody>
</table>

Carrying amount at 1 July

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisitions</td>
<td>-</td>
<td>304,467</td>
</tr>
<tr>
<td>Disposal</td>
<td>(30,371)</td>
<td>(1,903)</td>
</tr>
<tr>
<td>Depreciation</td>
<td>(59,299)</td>
<td>(45,774)</td>
</tr>
<tr>
<td><strong>Carrying amount at 30 June</strong></td>
<td>240,576</td>
<td>330,246</td>
</tr>
</tbody>
</table>

The Foundation does not have plant and equipment with a written down value of zero being used in the provision of services.

13. Intangible assets

Software purchased

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>At cost</td>
<td>159,861</td>
<td>159,861</td>
</tr>
<tr>
<td>Less accumulated amortisation</td>
<td>(111,789)</td>
<td>(67,931)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>48,062</td>
<td>91,930</td>
</tr>
</tbody>
</table>
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>13. Intangible assets (continued)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Carrying amount at 1 July</td>
<td>91,930</td>
<td>302,091</td>
</tr>
<tr>
<td>Acquisitions</td>
<td>-</td>
<td>85,251</td>
</tr>
<tr>
<td>Disposal</td>
<td>-</td>
<td>(855)</td>
</tr>
<tr>
<td>Impairment</td>
<td>-</td>
<td>(245,990)</td>
</tr>
<tr>
<td>Amortisation</td>
<td>(43,888)</td>
<td>(48,587)</td>
</tr>
<tr>
<td>Carrying amount at 30 June</td>
<td>48,062</td>
<td>91,930</td>
</tr>
</tbody>
</table>

The Foundation has intangibles with a written down value of zero and a combined original cost of $22,293 being used in the provision of services.

14. Payables

Current:
- Trade creditors: 215,384 341,073
- Sundry creditors and accruals: 52,518 192,396
- PAYG payable: 75,381 66,723
- Grants payable: 1,923,580 3,036,111
- Total: 2,266,823 3,636,363

15. 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:

Financial assets
- Cash and cash equivalents: 6,283,551 5,025,009
- Receivables: 1,112,621 716,543
- Financial assets - fixed interest: - 1,076,653
- Financial assets at fair value through profit or loss: 28,841,330 22,257,657
- Total: 36,237,502 29,075,862

Financial liabilities
- Payables: 2,266,823 3,636,363
- Total: 2,266,823 3,636,363

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

15. Financial instruments (continued)
The Foundation measures risk exposure using a variety of methods as follows:

<table>
<thead>
<tr>
<th>Risk Exposure</th>
<th>Measurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credit risk</td>
<td>Ageing analysis</td>
</tr>
<tr>
<td>Market Risk</td>
<td>Price risk sensitivity analysis</td>
</tr>
</tbody>
</table>

(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 allowance for impairment is based on past experience, current and expected changes in economic conditions 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.

(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.
In 2015 the Foundation was exposed to interest rate risk through its cash deposits in interest bearing accounts. However in 2016 investment holdings were moved to 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.
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)

15. Financial instruments (continued)
The Foundation's investments were held in the following sectors at reporting date:

<table>
<thead>
<tr>
<th>Sector</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Domestic</td>
<td>-</td>
<td>366,374</td>
</tr>
<tr>
<td>Fixed Interest</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Domestic</td>
<td>-</td>
<td>6,623,920</td>
</tr>
<tr>
<td>International</td>
<td>-</td>
<td>778,663</td>
</tr>
<tr>
<td>Equities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Domestic</td>
<td>-</td>
<td>16,181,726</td>
</tr>
<tr>
<td>Managed Funds</td>
<td></td>
<td></td>
</tr>
<tr>
<td>QIC Growth Fund</td>
<td>14,520,605</td>
<td>-</td>
</tr>
<tr>
<td>QIC Diversified Australian Equities Fund</td>
<td>14,320,725</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>28,841,330</td>
<td>23,950,683</td>
</tr>
</tbody>
</table>

16. Commitments for expenditure

Grant commitments

Commitments to external grant recipients at reporting date are payable:

<table>
<thead>
<tr>
<th>Period</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not later than 1 year</td>
<td>3,428,811</td>
<td>3,655,559</td>
</tr>
<tr>
<td>Later than 1 year but not later than 5 years</td>
<td>771,226</td>
<td>1,513,575</td>
</tr>
<tr>
<td>Later than 5 years</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total committed funds to 30 June 2019</td>
<td>4,200,137</td>
<td>6,682,769</td>
</tr>
</tbody>
</table>

There were no other commitments for expenditure at 30 June 2016.

17. Events subsequent to balance date

There are no material events subsequent to 30 June 2016 that require disclosure or adjustment to the financial results presented.
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 2016 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 is able to pay all of its debts as and when they become due and payable.

Cameron Prout
Chief Executive Officer

Bruce Cowley
Chairman

Date 31 August 2016.

Date 31 August 2016
INDEPENDENT AUDITOR’S REPORT

To the Board of Children’s Hospital Foundation Queensland


I have audited the accompanying financial report of Children’s Hospital Foundation Queensland, which comprises the statement of financial position as at 30 June 2016, 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 significant accounting policies and other explanatory information, and certificates given by the Chairman and Chief Executive Officer.

The Board’s Responsibility 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 prescribed accounting requirements identified in the Financial Accountability Act 2009, the Financial and Performance Management Standard 2009 and the Australian Charities and Not-for-profits Commission Act 2012, including compliance with Australian Accounting Standards – Reduced Disclosure Requirements. The Board’s responsibility also includes such internal control as the Board determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

My responsibility is to express an opinion on the financial report based on the audit. We conducted the audit in accordance with the Auditor-General of Queensland Auditing Standards, which incorporate the Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control, other than in expressing an opinion on compliance with prescribed requirements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board, as well as evaluating the overall presentation of the financial report including any mandatory financial reporting requirements approved by the Treasurer for application in Queensland.

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

The Auditor-General Act 2009 promotes the independence of the Auditor-General and all authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can be removed only by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General’s opinion are significant. In conducting our audit, we have complied with the independence requirements of the Australian Charities and Not-for-profits Commission Act 2012.

Opinion

In accordance with s.40 of the Auditor-General Act 2009 and Division 60 of the Australian Charities and Not-for-profits Commission Act 2012 –

(a) I have received all the information and explanations which I have required; and

(b) in my opinion –

(i) the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects; and

(ii) the financial report presents a true and fair view, in accordance with the prescribed accounting standards – Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Commission Regulation 2013, of the transactions of Children’s Hospital Foundation Queensland for the financial year 1 July 2015 to 30 June 2016 and of the financial position as at the end of that year.

Other Matters - Electronic Presentation of the Audited Financial Report

Those viewing an electronic presentation of these financial statements should note that audit does not provide assurance on the integrity of the information presented electronically and does not provide an opinion on any information which may be hyperlinked to or from the financial statements. If users of the financial statements are concerned with the inherent risks arising from electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.

D J Olive FCPA
(as Delegate of the Auditor-General of Queensland)

Queensland Audit Office
Brisbane