Queensland Community Foundation

ABN 69 649 199 658

A perpetual charitable trust

Financial Report
Year Ended 30 June 2019

Queensland Community Foundation
Trustee's Report

The Public Trustee of Queensland ('the Public Trustee') being the Trustee of the Queensland Community Foundation (the Foundation) presents this report on the Foundation for the year ended 30 June 2019.

Establishment and Principal Activities of the Queensland Community Foundation

The Foundation is a not-for-profit entity established as a perpetual public charitable trust on 4 February 1997 for the relief of poverty, for the advancement of education, for the advancement of religion or for any other purpose beneficial to the community.

The Queensland Community Foundation is a registered charity and public ancillary fund.

The Foundation funds consist of one general fund and 225 sub-funds, (together called 'the Trust Fund'), and an administration fund. The Trust Fund is defined by the Trust Deed Poll dated 4 February 1997 as "... the Settled Sum, all moneys, investments and property from time to time paid or transferred to and accepted by the Trustee as additions to the Trust Fund, all accretions to the Trust Fund, all accumulations of income hereinafter empowered and the moneys investments and property from time to time representing the said moneys additions accretions and accumulations or any part or party thereof or into which the same may be converted."

The funds held by the Foundation include the net annual distributable surplus held in the Trust Fund for future distribution at the discretion of the Trustee. It is not necessary for the Trustee to make a distribution in the financial year of receipt.

Corporate Governance Statement

The Public Trustee, as Trustee of the Queensland Community Foundation, takes the ultimate responsibility for the governance of the Foundation with the assistance of the Board of Governors and QCF Management Co. Ltd. This corporate governance statement outlines how the Trustee and the Board of Governors and QCF Management Co. Ltd meet their responsibilities. The Trustee, the Board of Governors and the QCF Management Co. Ltd believe the principles of good corporate governance underpin the values and behaviour of the Foundation.

Role of the Trustee

The Trustee has the ultimate responsibility for the administration, investment and distribution of Trust Funds. The Trustee will determine the distributions from the fund at his discretion, after considering the recommendations of the Board of Governors. The Trustee will ensure that these distributions are in line with the Trust's objects and that the minimum distribution is made annually in accordance with regulatory guidelines.

Based on recommendations of the Board of Governors, the Trustee makes ultimate decisions on the following matters:

- allocation of an amount of annual net income of each specific trust to a designated charity;
- allocation of a part or whole amount of annual net income of the General Fund to a designated charity or charities at the Trustee's discretion;
- determining amounts to be transferred from income to capital and vice-versa for specific funds and the General Fund.

The Trustee may at any time increase the number of trustees and in his sole discretion appoint additional trustees to the trust.

The Trustee may also appoint additional members to the Board of Governors either generally or for a limited period or remove any member of the Board of Governors without any reason.

Role of the Board of Governors (the Board)

The Board's primary role is to recommend to the Trustee the allocation of income and/or capital of the Foundation. Duties of the Board include:

- considering the needs of designated charities;
- considering all applications made to the Trustee for a grant or allocation of income or capital from the Trust Fund; and
- making recommendations to the Trustee as to the payment allocation and distribution of the income of the Trust Fund.

The Board of Governors receive no remuneration for their services as a member. Whilst engaged on the activities of the Board, every member shall be entitled to be paid out of the Foundation all reasonable travelling, accommodation and other expenses.

The Queensland Community Foundation Board of Governors

The following persons were members of the Board of Governors of the Foundation during the financial year and up to the date of this report:

The Hon Margaret McMurdo AC (Chair)
John Aitken
Andrew Arkell (Appt 30/7/18)
Helen Besly
Peter Coaldrake
Gillian Brown (Alternative to Damien Frawley)
The Hon Leneen Forde AC
Damien Frawley
Dr John de Groot
Melissa Impiazzi
Dr Margaret Steinberg
Bernard Curran

Review of Results and Operations for Current Year

Operations for the year ending 30 June 2019 resulted in a total comprehensive income of $7,487,066 (2018: $6,534,739).

Significant Changes in the State of Affairs

The Foundation

The Foundation's Trust Deed was amended in 2016 to consolidate all amendments and variations of certain powers, to simplify the terms of the Trust and to reflect changes in Commonwealth taxation law in particular variations to the promulgation of legal requirements for managing public ancillary funds. This amendment to the Trust Deed will impact distributions for the 2017 to 2021 financial years (refer Note 7 for further details).

Administration Fund

QCF Management Co. Ltd is responsible for the employment and supervision of staff, as well as the provision of management, marketing and administrative services to the Queensland Community Foundation. QCF Management Co. Ltd is managed by a separate Board of Directors.

Likely Developments and Expected Results of Operations

In the opinion of the Trustee there are no likely developments that will change the nature of the operations of the Foundation.

Environmental Regulation

The Foundation is not subject to any significant environmental regulation.

Indemnity of Members of the Board of Governors

As part of an insurance package with the Queensland Government Insurance Fund (QGIF), the Public Trustee has paid a professional indemnity insurance premium to insure certain officers of the Public Trustee. Members of the Board of Governors of the Queensland Community Foundation are covered for general and product liability and personal accident insurance through insurance policies issued by Aon Risk Services Australia Limited.

This report is made by the Public Trustee, in accordance with a resolution of the Trustee.

Justine Callaghan
BCom CPA CMA GAICD
Executive Director Investment &
Finance Services & CFO

Brisbane
26 September 2019

Samay Zhouand
BA LLB
Acting Public Trustee of
Queensland and CEO

Brisbane
26 September 2019

Queensland Community Foundation
Financial Statements
Year Ended 30 June 2019

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General Information

The Foundation funds consist of one general fund, 225 specific funds (together called 'the Trust Fund') and an administration fund. The Trust Fund is defined by the Trust Deed Poll dated 4 February 1997 as:

" ...the Settled Sum, all moneys, investments and property from time to time paid or transferred to and accepted by the Trustee as additions to the Trust Fund, all accretions to the Trust fund, all accumulations of income hereinafter empowered and the moneys investments and property from time to time representing the said moneys additions accretions and accumulations or any part or party thereof or into which the same may be converted."

An Administration Fund was subsequently established on 19 March 2002 by an amendment to the Trust Deed Poll to fund administrative activities of the Foundation. On 1 July 2011, the activities of the Administration Fund were assumed by QCF Management Co. Ltd which receives funding in the form of sponsorship income from its sponsors.

The Foundation's registered office and principal place of business is: Trustee House, 444 Queen Street, Brisbane QLD 4000.

A description of the nature of the Queensland Community Foundation's operations and its principal activities is included in the Trustee's report on page TR1, which is not part of this financial report.

Amounts shown in these financial statements may not add to the correct sub-totals or totals due to rounding.

The financial statements were authorised for issue by the Trustee at the date of signing this report.

For information in relation to the Queensland Community Foundation's financial statements please call (07) 3360 3854, email enquiries@qcf.org.au or visit the Queensland Community Foundation's website at www.qcf.org.au.

Queensland Community Foundation
Statement of Comprehensive Income
Year Ended 30 June 2019

	Notes	2019 $	2018 $
Revenue			
Donations	1	5,968,844	3,547,612
Interest revenue	2	361,647	339,448
Distribution income	3	1,996,433	2,365,002
Trustee fee rebate	4	301,638	288,683
Imputation credits	5	224,584	187,395
Other income		29	557
Net gains on financial assets held at fair value through profit or loss	10	1,671,668	2,515,444
Total Revenue		**10,524,843**	**9,244,141**
Expenses			
Trustee's fees	6	141,615	161,069
Other expenses		8,058	9,442
Total Expenses		**149,673**	**170,511**
Operating Surplus From Ordinary Activities		**10,375,170**	**9,073,630**
Distribution expense	7	2,888,104	2,538,891
Operating Surplus		**7,487,066**	**6,534,739**
Total Other Comprehensive Income		-	-
Total Comprehensive Income for the Year		**7,487,066**	**6,534,739**

The above statement should be read in conjunction with the accompanying notes.

Queensland Community Foundation
Statement of Financial Position
As at 30 June 2019

	Notes	2019 $	2018 $
Assets			
Cash and cash equivalents	8	20,520,046	19,627,804
Receivables	9	1,307,413	1,192,197
Imputation credits refundable		224,584	185,708
Financial assets held at fair value through profit or loss	10	72,748,347	66,308,519
GST receivable		2,387	4,229
Total Assets		**94,802,777**	**87,318,457**
Liabilities			
Payables	11	94,339	97,085
Total Liabilities		**94,339**	**97,085**
Net Assets		**94,708,438**	**87,221,372**
Total Amount Held in Trust			
Capital account	12	90,578,858	82,938,346
Accumulated surplus	13	4,129,580	4,283,026
Total Amount Held in Trust		**94,708,438**	**87,221,372**

The above statement should be read in conjunction with the accompanying notes.

Queensland Community Foundation
Statement of Changes in Trust Funds
Year Ended 30 June 2019

	Capital	Accumulated surplus [amounts available for distribution]	Total Funds
	$	$	$
Balance as at 1 July 2017	**77,025,259**	**3,661,374**	**80,686,633**
Comprehensive income for the year	-	6,534,739	6,534,739
Transfer (to) / from accumulated surplus			
Transfers from accumulated surplus to capital	(149,969)	149,969	-
Donations	3,547,612	(3,547,612)	-
Gain on revaluation of financial assets	2,515,444	(2,515,444)	-
Balance as at 30 June 2018	**82,938,346**	**4,283,026**	**87,221,372**
Balance as at 1 July 2018	**82,938,346**	**4,283,026**	**87,221,372**
Comprehensive income for the year	-	7,487,066	7,487,066
Donations	5,968,844	(5,968,844)	-
Gain on revaluation of financial assets	1,671,668	(1,671,668)	-
Balance as at 30 June 2019	**90,578,858**	**4,129,580**	**94,708,438**

The above statement should be read in conjunction with the accompanying notes.

Queensland Community Foundation
Statement of Cash Flows
Year Ended 30 June 2019

	Notes	2019 $	2018 $
Cash Flows From Operating Activities			
Inflows:			
Donations received		5,968,844	3,665,871
Distribution income received		1,883,634	2,072,695
Trustee's fee rebate received		299,221	286,515
Imputation tax credits received		185,708	197,472
Interest received		361,647	339,448
GST refunded from ATO		15,323	8,231
Other dividends and distributions received		29	557
Outflows:			
Distribution to beneficiaries paid		(2,905,675)	(2,521,320)
Trustee's fees paid		(126,789)	(141,917)
Supplies and services paid		(8,058)	-
GST paid to ATO		(13,482)	(14,476)
Net Cash Provided By Operating Activities		**5,660,402**	**3,893,076**
Cash Flows From Investing Activities			
Inflows:			
Proceeds from sale of units in the Public Trustee Growth Trust		-	21,840
Outflows:			
Payment for purchases of units in the Public Trustee Growth Trust		(4,768,160)	(2,348,530)
Net Cash Used In Investing Activities		**(4,768,160)**	**(2,326,690)**
Net Increase In Cash and Cash Equivalents		**892,242**	**1,566,386**
Cash and Cash Equivalents at Beginning of the Financial Year		19,627,804	18,061,418
Cash and Cash Equivalents at End of the Financial Year	8	**20,520,046**	**19,627,804**

The above statement should be read in conjunction with the accompanying notes.

Queensland Community Foundation
Notes to the Financial Statements
Year Ended 30 June 2019

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BASIS OF FINANCIAL STATEMENT PREPARATION

a) General Information

The Foundation was established as a perpetual public charitable trust on 4 February 1997 for the relief of poverty, the advancement of education, the advancement of religion and for any other purpose beneficial to the community.

b) Compliance with Prescribed Requirements

These financial statements are general purpose financial statements and have been prepared on an accruals basis in accordance with Australian Accounting Standards – Reduced Disclosure Requirements (RDR) and Interpretations.

These financial statements comply with the Amended Trust Deed of the Queensland Community Foundation dated 21 December 2016, the *Australian Charities and Not-for-profits Commission Act 2012* and the *Australian Charities and Not-for Profits Commission Regulations 2013*.

c) Presentation Matters

i. Currency and Rounding

Amounts included in the financial statements are in Australian dollars and rounded to the nearest dollar unless otherwise indicated.

ii. Comparatives

Comparative information reflects the audited 2017-18 financial statements.

iii. Current / Non-Current Classification

The statement of financial position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and do not distinguish between current and non-current. All asset and liability balances are expected to be recovered or settled within twelve months after the reporting date, except for investments in financial assets.

d) Basis of Measurement

These financial statements were prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated.

e) The Reporting Entity

These financial statements cover the Queensland Community Foundation (the Foundation) as an individual entity and do not include the Administration Fund.

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

NOTES ABOUT OUR FINANCIAL PERFORMANCE

1. Donations

Accounting Policy

The Foundation recognises revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to it.

Revenue is measured at the fair value of the consideration received or receivable.

Disclosure

Donations, gifts and bequests to the Foundation are treated for accounting purposes as revenue in the first instance, irrespective of whether such gifts are subsequently characterised by the Trustee as further settlements to the trust fund in accordance with the terms of the Trust Deed. Revenue received from donations is brought to account when the Foundation receives the donations. The Foundation does not undertake cash collections of donations. Income from donations is subsequently transferred to the capital of the Foundation.

2. Interest Revenue

Interest revenue includes interest from cash assets and is recognised as it accrues on a daily basis using the effective interest rate method.

3. Distribution Income

Distribution revenue includes both interest and other distributions of income from financial assets held at fair value through profit or loss. Distribution revenue is recognised as revenue in the period to which it relates.

4. Trustee Fee Rebate

The Trustee offers a rebate for investors in the Public Trustee of Queensland Growth Trust that have an investment holding of more than $100,000. This rebate is a reduction in the Trustee fees and is calculated on the value of each investment holding in the fund at the close of each month using a tiered structure.

5. Imputation Credits

As an endorsed income tax exempt charity, imputation credits attached to franked dividends received by the Foundation are refundable and may be claimed after the end of the financial year. Imputation credits are brought to account in the period to which they relate.

6. Trustee's Fees

Under the terms of the Queensland Community Foundation Trust Deed Poll, the Trustee is entitled to receive Trustee fees from time to time, calculated pursuant to the *Public Trustee Act 1978*.

The fee covers the usual expenses incurred by the Trustee such as fees for accounting expenses and ongoing operating expenses.

7. Distribution Expense

The Public Ancillary Fund Guidelines 2011 requires that Public Ancillary Funds must distribute an amount equal to at least 4% of the net value of the trust based on the values at 30 June of the previous financial year.

As the Foundation is a Public Ancillary Fund with sub-funds, the minimum distribution requirement applies to the fund as a whole, which may mean that there is some variation between sub-funds. This is subject to the Trustee's discretion.

Due to the low projected earnings and income for the medium term, the Public Trustee made an application in 2016 to the Australian Taxation Office (ATO) to set the minimum distribution rate for the QCF in respect of financial years 2017 through to 2021, at the average Reserve Bank of Australia's (RBA's) cash rate over the previous financial year. The ATO approved the reduction of the minimum annual distribution rate. Accordingly, the distribution rate for the 2020 financial year will be a minimum of 1.48% (2019: 1.5%; 2018: 1.52% and 2017: 1.96%).

Under the Guidelines, distributions do not include expenses to operate the fund. Distributions are defined as what is physically paid out or accrued each year and does not include future payments of multi-year grants.

Public Ancillary Funds cannot under any circumstances distribute to other Public Ancillary Funds, as this would mean circulation of money between funds and will not have the intended beneficial impact on the community.

Distributions are recognised when the Trustee approves distributions to beneficiaries in accordance with the terms of the Trust Deed Poll. In approving distributions, the Trustee may have regard for the intent of the donor, the views of the Board of Governors (or other reference group) and the objects of the Trust.

NOTES ABOUT OUR FINANCIAL POSITION

8. Cash and Cash Equivalents

	2019 $	2018 $
Cash held in the Common Fund	20,520,046	19,627,804
	20,520,046	**19,627,804**

Disclosure

Cash is invested at call in the Common Fund of the Public Trustee which includes cash and fixed interest securities.

Accounting Policy

For the purpose of presentation in the statement of financial position and the statement of cash flows, Cash and Cash Equivalents includes:

- Cash on hand;
- Deposits held at call with financial institutions; and
- Other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

9. Receivables

	2019 $	2018 $
Receivable – Distribution Income (i)	1,280,670	1,167,871
Receivable – Trustee Fee Rebate	26,743	24,326
	1,307,413	**1,192,197**

(i) These are distribution income receivable from the Public Trustee Growth Trust.

Accounting Policy

Receivables including distribution income receivable and trustee fee rebate receivable are measured at amortised cost which approximates their fair value at reporting date.

Receivables of distribution income and trustee fee rebate are recognised at the amounts due at reporting date and settlement of these amounts is usually within 30 days of distributions being declared by the Public Trustee Growth Trust.

All receivables are current and expected to be fully collectible. Hence no provision is made for expected credit losses.

10. Financial Assets Held at Fair Value Through Profit or Loss

Public Trustee of Queensland Growth Trust	2019 $	2018 $
Balance at 1 July	66,308,519	61,466,385
Sales	-	(21,840)
Purchases	4,768,160	2,348,530
Increase in fair value	1,671,668	2,515,444
Balance at 30 June	**72,748,347**	**66,308,519**

Gains and losses recognised on financial assets during the financial year are as follows:

	2019 $	2018 $
Realised gains on disposal of financial assets	-	822
Unrealised gains arising from change in market value	1,671,668	2,514,622
Net gain on financial assets	**1,671,668**	**2,515,444**

Disclosure

i. Classification

The Foundation's investments in the Public Trustee of Queensland Growth Trust are classified as financial assets measured at fair value through profit or loss as their contractual terms do not give rise to cash flows that are solely payments of principal and interest. They are comprised of financial instruments designated at fair value through profit or loss upon initial recognition.

These investments are managed and their performance evaluated on a fair value basis in accordance with the Foundation's documented investment strategies. The Foundation utilises the Public Trustee of Queensland Growth Trust as the core of its current investment strategy.

The Foundation's policy is for the Trustee to evaluate the information about these financial instruments on a fair value basis together with other related financial information.

ii. Recognition / De-recognition

The Foundation recognises financial assets on the date they become party to the contractual agreement (trade date) and recognises changes in fair value of the financial assets from this date.

At initial recognition, the Foundation measures a financial asset at its fair value, which equates to market value without any deduction for expected transaction costs. Investments are derecognised when the right to receive cash flows from the investments have expired or the Foundation has transferred substantially all risks and rewards of ownership.

iii. Measurement

Subsequent to initial recognition, financial assets classified at fair value through profit or loss are measured at fair value with changes in their fair value recognised in profit or loss.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price) as reported by the managers of the trusts.

Changes in fair values of financial assets held at fair value through profit or loss are recorded in the statement of comprehensive income.

11. Payables

These amounts represent liabilities for goods and services provided to the Foundation prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

12. Capital Account

All capital contributions are held in trust and invested in perpetuity with net income distributed to the beneficiaries in accordance with the Queensland Community Foundation Trust Deed Poll. Capital contributions are brought to account when the donation can be reliably measured, when the Foundation obtains control over the funds, and when economic benefits are probable. When assets, such as investments or properties, are received as a capital contribution, the asset is recognised at fair value, when the Foundation gains control of such assets.

13. Accumulated Surplus

The total amount of the accumulated surplus is available for distribution or re-investment at the discretion of the Trustee in accordance with the Trust Deed Poll. For the year ended 30 June 2019, the amount available for distribution, inclusive of undistributed amounts carried forward from prior years, was $4,129,580 (2018: $4,283,026).

NOTES ABOUT RISKS AND OTHER ACCOUNTING UNCERTAINTIES

14. Fair Value Measurement

Financial instruments measured at fair value have been classified in accordance with the hierarchy described in AASB 13 *Fair Value Measurement*. The fair value hierarchy is categorised into three levels based on the observability of the inputs used.

- Level 1 – Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Public Trustee can access at the measurement date.
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial assets held at fair value through profit or loss are classified as level 2 and fair valued on a recurring basis. The valuation technique is based on the exit price as reported by the fund managers of the trusts which are based on alternative pricing sources supported by observable inputs. There were no movements between levels between reporting periods.

For cash and cash equivalents, receivables and payables, the carrying amounts are reasonable approximation of fair value, because of the short-term maturity of these instruments; therefore fair value information is not included.

15. Accounting Estimates and Judgements

The Foundation makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Foundation's financial investments are held in QIC unlisted trusts and QIC (the investment manager) may use estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year.

16. Contingent Assets, Liabilities or Commitments

There are no contingent assets, liabilities or commitments as at 30 June 2019 (2018: Nil).

17. Events Occurring after the Reporting Period

There are no significant events or circumstances which have arisen since the end of the reporting period which would impact on the financial position or the results and cash flows of the Foundation for the year ended on that date.

OTHER INFORMATION

18. Key Management Personnel Disclosures

(i) Trustee

The Trustee of the Foundation is The Public Trustee of Queensland.

(ii) Key Management Personnel

As QCF Management Co. Ltd is responsible for the employment of staff, the Foundation does not employ personnel in its own right. However the Trustee of the Foundation has the authority for planning, directing and controlling the activities of the Foundation, he is considered the Key Management Personnel (KMP) of the Foundation.

(iii) Remuneration of members of the Board of Governors

The Board of Governors act in an honorary capacity and receive no compensation for their services.

19. Related Party Transactions

(i) Transactions with people/entities related to KMP

Neither the Trustee of the Foundation, nor any person/entity related to the Trustee of the Foundation has entered into any transaction with the Foundation during the financial year.

(ii) Trustee fees and other transactions

Under the terms of the Queensland Community Foundation Trust Deed Poll, the Trustee is entitled to receive trustee fees calculated pursuant to the *Public Trustee Act 1978*. The annual fees and charges payable for acting as trustee of a charitable trust is 6.6% (including GST) of the income received by the trust. During this financial year, total trustee fee charged to the Foundation in respect of interest and distribution income was $141,615 (2018: $161,069).

The Public Trustee as Trustee of the Foundation is responsible for managing the investment activities of the Foundation in accordance with the Foundation's investment strategy, including trades in the Public Trustee of Queensland Growth Trust (Growth Trust) which is administered by the Public Trustee. These investment activities are conducted on the same terms and conditions as those entered into by other investors.

An annual management cost is charged by the Public Trustee based on the net asset value of the Growth Trust which is calculated daily and deducted monthly from the net asset of the Growth Trust. For the year ended 30 June 2019, the annual management cost ratio charged by the Trustee was 1.52% (2018: 1.52%).

Clients who hold more than $100,000 in the Public Trustee Growth Trust will qualify for a tiered trustee fee rebate based on the net asset value of the holding. During the year ended 30 June 2019, the Foundation received a trustee fee rebate of $301,638 (2018: $288,683).

Details of the Foundation's investments in the Growth Trust are set out below:

	30 June 2019		30 June 2018	
Fund name	**Net fair value**	**Distributions**	**Net fair value**	**Distributions**
	$	**$**	**$**	**$**
Public Trustee Growth Trust	72,748,347	1,996,433	66,308,519	2,365,002
	72,748,347	**1,996,433**	**66,308,519**	**2,365,002**

20. Administration Fund

An Administration Fund was established on 19 March 2002 by an amendment to the Trust Deed Poll to fund administrative activities of the Foundation. The transactions and balances of the Fund do not form part of the Foundation's financial report and are disclosed for information purposes only.

On 1 July 2011, the sponsors and contributors to the Administration Fund entered into an agreement to separate the administrative services performed on behalf of the Queensland Community Foundation (QCF). Accordingly, all administrative services from 1 July 2011 were provided by QCF Management Co. Ltd including the employment and supervision of staff and the provision of management, marketing and administrative services to the QCF. The funds from the Administration Fund will be used in coming periods to support the activities of QCF Management Co. Ltd. until the Fund has been exhausted.

Administration Fund

Income Statement	**2019**	**2018**
	$	**$**
Revenue From Ordinary Activities		
Interest income	2,624	2,576
Total Revenue	**2,624**	**2,576**
Expenses From Ordinary Activities		
Total Expenses From Ordinary Activities	-	-
Surplus From Ordinary Activities	**2,624**	**2,576**
Statement of Financial Position		
Assets		
Cash and cash equivalents	150,298	147,722
Interest receivable	2,624	2,576
Total Assets	**152,922**	**150,298**
Liabilities		
Payables	4,780	4,780
Total Liabilities	**4,780**	**4,780**
Net Assets	**148,142**	**145,518**
Equity		
Accumulated surplus	148,142	145,518
Total Equity	**148,142**	**145,518**

21. Taxation

The Foundation is exempt from paying income tax due to it being a registered charity pursuant to Section 50(5) of the *Income Tax Assessment Act 1997.*

Receivables and payables in the statement of financial position are shown inclusive of GST. GST credits receivable from, and GST payable to, the ATO at reporting date are separately recognised in receivables.

22. First Year Application of New Accounting Standards or Change in Accounting Policy

Voluntary changes in accounting policy

No voluntary changes in accounting policies have occurred during the 2018-19 financial year.

Accounting Standards Early Adopted

No Australian Accounting Standards have been early adopted for 2018-19.

Accounting Standards Applied for the First Time

Other than AASB 9 *Financial Instruments*, which is detailed below, no accounting standards that apply to the Foundation for the first time in 2018-19 have any material impact on the financial statements.

Changes in Accounting Policies - AASB 9 *Financial Instruments*

The Foundation applied AASB 9 *Financial Instruments* for the first time in 2018-19. Comparative information for 2017-18 has not been restated and continues to be reported under AASB 139 *Financial Instruments: Recognition and Measurement.*

Beginning 1 July 2018, all financial assets in Note 10 have continued to be classified as fair value through profit or loss with no change from their existing measurement basis under AASB 9 *Financial Instruments*. As a result, there has been no change to the opening balances of these financial assets.

The introduction of the new impairment model under AASB 9 has not impacted the Foundation as the Foundation's investments continue to be held at fair value through profit or loss.

23. Future Impact of Accounting Standards Not Yet Effective

No Australian accounting standards and interpretations with future effective dates are applicable to the Foundation's activities or are expected to have a material impact on the Foundation.

Queensland Community Foundation

Trustee's Declaration
Year Ended 30 June 2019

In the Trustee's opinion, it is certified that:

a) the financial statements and notes set out on pages FS1 to FS16:

   (i) comply with the Amended Trust Deed of the Queensland Community Foundation dated 21 December 2016; the *Australian Charities and Not-for-profits Commission Act 2012*; the *Australian Charities and Not-for Profits Commission Regulations 2013*; Australian Accounting Standards – Reduced Disclosure Requirements and other mandatory prescribed reporting requirements,

   (ii) give a true and fair view of the Foundation's financial position as at 30 June 2019 and of its performance for the financial year ended on that date; and

b) there are reasonable grounds to believe that the Foundation will be able to pay its debts as and when they become due and payable.

Justine Callaghan
BCom CPA CMA GAICD
Executive Director Investment & Finance Services & CFO

Brisbane
26 September 2019

Samay Zhouand
BA LLB
Acting Public Trustee of Queensland and CEO

Brisbane
26 September 2019

Queensland Audit Office
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INDEPENDENT AUDITOR'S REPORT

To the Public Trustee of Queensland and the Board of Governors of the Queensland Community Foundation

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of the Queensland Community Foundation.

In my opinion, the financial report:

a) gives a true and fair view of the trust's financial position as at 30 June 2019, and its financial performance and cash flows for the year then ended

b) complies with the Queensland Community Foundation trust deed dated 21 December 2016 (as amended), the *Australian Charities and Not-for-profits Commission Act 2012*, the Australian Charities and Not-for-profits Commission Regulation 2013 and Australian Accounting Standards – Reduced Disclosure Requirements.

The financial report comprises the statement of financial position as at 30 June 2019, the statement of comprehensive income, statement of changes in trust funds and statement of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the trustee's declaration.

Basis for opinion

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

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

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

Other information

The trustee is responsible for the other information. The information comprises the information included in the entity's trustee's report for the year ended 30 June 2019, but does not include the financial report and my auditor's report thereon.

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

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

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

Responsibilities of the trustee for the financial report

The trustee is responsible for the preparation of the financial report that gives a true and fair view in accordance with the Queensland Community Foundation trust deed dated 21 December 2016 (as amended) and the *Australian Charities and Not-for-profits Commission Act 2012*, the Australian Charities and Not-for-profits Commission Regulation 2013 and Australian Accounting Standards – Reduced Disclosure Requirements, and for such internal control as the trustee determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The trustee is also responsible for assessing the trust's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the trust or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

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

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

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

27 September 2019

J Welsh
as delegate of the Auditor-General

Queensland Audit Office
Brisbane