



Children's
Research Foundation
of South Australia Incorporated

Twenty Ninth
Annual Report
2004 – 2005

The Channel 7 Children's Research Foundation of South Australia Incorporated

Annual Report for the Year Ending 30 June 2005

The Channel 7 Children's Research Foundation of South Australia Incorporated (CRF) was established in 1976 by television station Channel 7 Adelaide (then Channel 10).

An honorary Board, with representatives from Channel 7 Adelaide, Novita Children's Services Inc (formerly The Crippled Children's Association of SA Inc), The Children, Youth & Women's Health Service (formerly The Women's & Children's Hospital Inc), The University of Adelaide, Flinders University and The University of South Australia, oversees the Foundation.

The purpose of the Foundation is to promote health, educational or social research and to encourage and advance investigation into the cause, prevention, diagnosis and treatment of any condition that may affect the general health, education or welfare of children in South Australia and the Northern Territory.

Disbursement of funds for research projects is made annually on the recommendation of an independent Research Committee, comprising nominees of Channel 7 Adelaide, The Children, Youth & Women's Health Service, the University of Adelaide, Flinders University, and the University of South Australia.

Patron

**Her Excellency Marjorie Jackson-Nelson
AC, CVO, MBE**
Governor of South Australia

Board of Directors

Mr D Earl, FCPA, FCIS, JP *Chairperson*
(Representative of Channel 7 Adelaide)

Mr L Frankham, FCPA, FCIS, JP *Deputy
Chairperson*
(Representative of Channel 7 Adelaide)

**Mr S Smith, BA(Acc), GradDipBusAdmin,
FCPA**
(Representative of Channel 7 Adelaide)

**Ms D James, BAppSc (SpPath), MA, MBA,
MSPA**
(Representative of Novita Children's
Services Inc)

Hon C Pickles
(Representative of The Children, Youth &
Women's Health Service)

**Professor A MacLennan, MB ChB, MD,
FRCOG, FRANZCOG**
(Representative of The University of
Adelaide)

**Professor K Forsyth, MBChB, MD, PhD,
FRACP, FRCPA**
(Representative of Flinders University)

**Professor A Winefield, BA(Hons), PhD,
FAPS**
(Representative of The University of South
Australia)

**Emeritus Professor C Matthews, MD,
FRANZCOG, CREI**
(Co-opted by the Foundation Board)

**Mr G Rappensberg RN, BManagement,
AFCHE**
Executive Director

**Mr J Sawicki, CA, BEc, MAICD,
CertSupMan**
Treasurer

Research Committee

**Emeritus Professor C Matthews, MD,
FRANZCOG, CREI**
Chairperson
(Representative of the Foundation Board)

Mr D Earl FCPA, FCIS, JP
(Representative of Channel 7 Adelaide)

**Professor K Forsyth, MB ChB, MD, PhD,
FRACP, FRCPA**
(Representative of Flinders University)

**Professor I C McMillen, MA (Oxon),
DPhil (Oxon), MB BChir (CANTAB)**
(Representative of The University of
Adelaide)

**Associate Professor V Nossar, MB BS,
FRACP, FAFPHM**
(Representative of the Foundation Board)

**Dr C Wilkinson, B Med, FRANZCOG, Dip
RACOG, CMFM, MPH, DDU, MRCOG,
DFM**
(Representative of The Children, Youth &
Women's Health Service)

**Professor A Winefield, BA (Hons) PhD,
FAPS**
(Representative of The University of South
Australia)

Executive Officer
Ms A Liddell

Report of the Chairperson and Executive Director

On behalf of the Board, we present the twenty-ninth Annual Report of The Channel 7 Children's Research Foundation of South Australia Incorporated (CRF) for the year ending 30 June 2005.

Some major changes for CRF took place in 2004:

The CRF Research Committee, in consultation with the relevant Institutes in South Australia and the Northern Territory and past recipients of CRF grants, recommended changing the timing of the grant period from fiscal year to calendar year. The reasons for this recommendation included the alignment with other grant giving organization throughout Australia, eg the National Health & Medical Research Council (NHMRC), and to enable more timely recruitment of research staff by successful grant recipients.

At its meeting in November 2004, the Board endorsed the change, commencing from the 2006 grant period. This means that the Foundation will not open the new round of applications in November 2004, as in previous years. There will be a hiatus until 1 February 2005, when applications will open for the 2006 round. Applications will be endorsed by the Board in September 2005 and funds will become available to successful applicants from 1 January 2006. A review of this decision will be undertaken in three years.

In December 2004, the Foundation launched its new website, which includes the Application Form, Instructions to Applicants and the Independent Referee Assessment Form and criteria. The address of our website is www.crf.org.au.

This has resulted in additional worldwide promotion of the Foundation, and the streamlining of administrative procedures for both the Foundation and Applicants.

For the year under review, 78 applications for research funds were received. Of these 78 applications, 28 were successful. One grant of \$40,000 to the Child Health Research Institute, and one grant of \$10,000 to Flinders Medical Centre were discontinued and funding was returned. A listing of the successful applicants and their projects follows (**Table 1**). Further information about these grants is detailed in the report from the Chairperson of the Research Committee.

Since 1977/78, the first year of operation, a total of \$11,825,165 has now been disbursed to 591 grant recipients, with an average annual total of \$422,327 (**Table 2**).

Mr John Doherty retired from the Board as a representative of The Children, Youth & Women's Health Service and The Hon. Carolyn Pickles has succeeded Mr Doherty. We sincerely thank Mr Doherty for his commitment during his tenure and welcome Ms Pickles to the Board.

Professor Tony Winefield retired from his position on the CRF Research Committee, but remains a Board Member. We sincerely thank Professor Winefield for his valuable contribution to the Research Committee.

We welcome Professor Dorothy Scott OAM to the Research Committee as a representative of The University of South Australia, commencing in 2005.

In closing this report, we take this opportunity to thank the Chairperson Emeritus Professor Colin Matthews, and members of the CRF Research Committee who each year give valuable time and expertise in reviewing technically-complex applications.

MR DENNIS EARL
Chairperson

MR GLENN RAPPENBERG
Executive Director

Report of the Research Committee Chairperson

The community, through its support of The Channel 7 Children's Research Foundation (CRF), has given child-related research in South Australia and the Northern Territory unique impetus and this, in turn, leads to improved children's services.

Important research is being undertaken with the support of CRF grants, as shown in the listing of funded projects in this publication (**Table 1**).

With each grant application, the CRF Research Committee takes into account independent referee assessments, the publication record of investigators and reports resulting from research previously funded. Projects are organized as 'basic science', 'community' and 'clinical' to encourage and advance investigation into the cause, prevention, diagnosis and treatment of any condition which may affect the general health, education or welfare of children.

The total amount of grants awarded for 2004 / 2005 is \$787,500, with the average grant being \$27,054. The grants were awarded in the following categories: Basic Science - \$388,500 (13 applications); Community Studies - \$123,000 (4 applications); and Clinical Studies - \$276,000 (11 applications).

By comparison, 57 applications were received in 2003 / 2004 and 21 were successful, with the average grant being \$30,840.

Table 3 shows that applicants from many institutions have received grants from the Foundation since 1977 / 1978, with The Children, Youth & Women's Health Service (including the Child Health Research Institute) and the three South Australian universities receiving a total of 78.4% the funds disbursed in 2004 / 2005.

In 2004 / 2005, the largest amounts of \$45,000 per grant were awarded to Professor Greg Barritt of Flinders University and Mr Andrew Lawrence of the Women's & Children's Hospital in South Australia, and to Dr Shelley Walton of Menzies School of Health Research, Northern Territory. The smallest amounts of \$10,000 per grant were awarded to six applicants.

Funding for projects is provided for a maximum of two years, with the second year of funding dependant on progress made in the first year. Seven second year projects were funded in 2004 / 2005.

The Foundation supported 8 institutions in South Australia and the Northern Territory in 2004 / 2005 (**Table 4**).

I would like to thank the many independent referees who provide written assessments of the applications to assist the Research Committee in their deliberations. These experts in their fields, based throughout the world, willingly give their valuable time and knowledge and we sincerely appreciate their contribution and support. From 2006 we will acknowledge the individual participation of these people in the Annual Report, with their consent.

I also thank my colleagues on the CRF Research Committee who give most generously of their time to review grant applications. Without their participation, the Foundation could not continue to deliver such a high standard of expertise, which is ultimately of benefit to many young people in South Australia and the Northern Territory.

**EMERITUS PROFESSOR
COLIN MATTHEWS**
Chairperson
Research Committee

Table 1

Grants Awarded for the Period 2004 / 2005

Research Project / Recipient / Institution	\$
The role of dipeptidyl peptidase IV in inflammatory bowel disease Dr Catherine Abbott <i>Flinders University</i>	35,000
Expression of calcium channels in airway smooth muscle of asthmatic subjects Professor Greg Barritt <i>Flinders University</i>	45,000
The effects of sleep disturbance on behaviour and academic performance in children Dr Sarah Blunden <i>The Queen Elizabeth Hospital</i>	10,000
The role of innate immune receptors in bronchiolitis Dr Brian Coppin <i>Flinders Medical Centre</i>	10,000
Zinc treatment protects against alcohol-related neurodevelopmental disorders Dr Peter Coyle <i>Institute of Medical & Veterinary Science</i>	35,000
Is periodontal disease a risk factor for preterm birth? Professor Caroline Crowther <i>University of Adelaide</i>	35,000
Microarray Analysis of Proinflammatory Cytokine Modulation of Intestinal Barrier Function Mr Rino Donato <i>Child Health Research Institute</i>	18,500
Intracellular signaling in organiza neutrophils with defective chemotactic response Professor Antonio Ferrante <i>Children, Youth & Women's Health Service</i>	40,000

Research Project / Recipient / Institution	\$
*Role of dendritic cells in inflammatory bowel disease pathogenesis Dr Inge Flesch <i>Child Health Research Institute</i>	*40,000
Children's adaption to a chronic illness: Fathers' perspectives Dr Anne Gannoni <i>Children, Youth & Women's Health Service</i>	10,000
The effect of serial casting following Botulinum Toxin A (BoNT-a) treatment for dynamic rganiz for children with cerebral palsy: a controlled clinical trial Ms Susan Gibson <i>Novita Children's Services Inc</i>	20,000
The identification of markers for the differential response of children with eczema following treatment with probiotics Dr Michael Gold <i>Children, Youth & Women's Health Service</i>	35,000
Normality of fetal and placental development after oocyte crypreservation Dr Michelle Lane <i>The Queen Elizabeth Hospital</i>	18,000
Molecular Characterisation of Bordetella pertussis strains in SA pre and post introduction of Acellular vaccines Mr Andrew Lawrence <i>Children, Youth & Women's Health Service</i>	45,000
Nausea and vomiting in early pregnancy: effects on diet, fetal growth and baby size Dr Vivienne Moore <i>University of Adelaide</i>	38,000
Clone repertoire and minimal residue disease in leukaemia Professor Alexander Morley <i>Flinders University</i>	30,000
Clinical implications of systemic inflammation in children with chronic kidney disease Ms Judi Nairn <i>Children, Youth & Women's Health Service</i>	10,000

Research Project / Recipient / Institution	\$
Cognitive Behaviour Therapy of childhood post traumatic stress disorder Dr Reg Nixon <i>Flinders University</i>	40,000
Applications of pulse oximetry in the assessment and management of dysphagia in children with physical disability Ms Catherine Olsson <i>Novita Children's Services Inc</i>	30,000
Gene delivery into lung airways for cystic fibrosis Dr David Parsons <i>Children, Youth & Women's Health Service</i>	37,000
**Improving insulin action using dietary LA:ALA ratios in an animal model of childhood obesity Miss Roxanne Portolesi <i>Flinders Medical Centre</i>	**10,000
Effectiveness of a pre-school dental program in preventing childhood caries Professor Gary Slade <i>University of Adelaide</i>	10,000
Early life influences on dental caries experience in young children Professor Gary Slade <i>University of Adelaide</i>	35,000
Assessing the contribution of the family environment to the development of obesity in preschool children Dr Nicola Spurrier <i>Flinders Medical Centre</i>	40,000
The role of T cells in allergic type response to scabies Dr Shelley Walton <i>Menzies School of Health Research</i>	45,000
A cohort study of the risk of cerebral palsy (CP) in children born following assisted reproductive technology (ART) treatment Dr Jim Wang <i>The Queen Elizabeth Hospital</i>	13,000

Research Project / Recipient / Institution	\$
Pathophysiological roles of proinflammatory cytokine TNF- α in bone bridge formation at the injured growth plate cartilage Dr Cory Xian <i>Children, Youth & Women's Health Service</i>	40,000
Glucose control and organ failure in paediatric intensive care Dr Michael Yung <i>Children, Youth & Women's Health Service</i>	13,000

*Note: The grant of \$40,000 to Dr Inge Flesch of the Child Health Research Institute was discontinued and the funding was not taken up.

**Note: The grant of \$10,000 to Ms Roxanne Portolesi of Flinders Medical Centre was discontinued and the funding was returned.

Table 2

Total Grants Awarded (1977/78 – 2004/05* inclusive)

Year	Number of Applications	Number of Successful Applications	\$ Disbursed
1977/78	20	8	39,662
1978/79	36	16	107,555
1979/80	28	20	153,404
1980/81	51	25	140,732
1981/82	31	17	121,471
1982/83	37	21	238,199
1983/84	39	21	296,580
1984/85	54	29	450,758
1985/86	65	31	403,524
1986/87	64	34	374,365
1987/88	51	29	281,500
1988/89	46	29	332,350
1989/90	39	21	317,270
1990/91	62	21	552,834
1991/92	49	20	478,454
1992/93	61	17	518,300
1993/94	60	15	422,435
1994/95	60	15	442,068
1995/96	54	16	400,604
1996/97	54	15	432,800
1997/98	64	16	461,500
1998/99	72	13	457,800
1999/00	73	21	649,000
2000/01	69	24	707,500
2001/02	72	23	757,000
2002/03	51	21	729,000
2003/04	57	25	771,000
*2004/05	78	28	787,500
Total	1,497	591	\$11,825,165
Average	53	21	\$422,327

* Agreed but not disbursed at 30 June 2005.

Table 3**Institutions Receiving Grants (1977/78 – 2004/05* inclusive)**

Institution	No.	Total \$	%
Child Health Research Institute	23	785,579	6.64
Children, Youth & Women's Health Services (formerly the Women's and Children's Hospital)	179	3,821,683	32.32
Flinders University/Medical Centre	152	2,467,853	20.87
Institute of Medical & Veterinary Science	17	340,342	2.88
Menzies School of Health Science	22	676,000	5.72
Novita Children's Services (formerly The Crippled Children's Association of SA)	26	292,220	2.48
Queen Elizabeth Hospital	15	369,995	3.12
University of Adelaide	113	2,461,843	20.82
University of South Australia	13	128,130	1.08
Other Institutions	31	481,520	4.07
TOTAL	591	\$11,825,165	100.0

* 2004/05 grants are agreed but not disbursed at 30 June 2005.

Table 4**Institutions receiving grants in 2004 / 2005**

	No.	\$	%
Child Health Research Institute	2	58,500	7.4
Children, Youth & Women's Health Service	8	230,000	29.2
Flinders University/Medical Centre	7	210,000	26.7
Institute of Medical & Veterinary Science	1	35,000	4.4
Menzies School of Health Research (NT)	1	45,000	5.7
Novita Children's Services	2	50,000	6.3
Queen Elizabeth Hospital	3	41,000	5.2
University of Adelaide	<u>4</u>	<u>118,000</u>	15.1
Total	28	787,500	100.0



Children's
Research Foundation
of South Australia Incorporated

FINANCIAL REPORTS 2004 – 2005

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CHANNEL 7 CHILDREN'S RESEARCH FOUNDATION OF SOUTH AUSTRALIA INCORPORATED

Scope

We have audited the financial report of the Channel 7 Children's Research Foundation of South Australia Inc., for the year ended 30th June 2005, being a special purpose financial report consisting of the Statement of Financial Performance, Statement of Financial Position and accompanying Notes. The Board of the Foundation is responsible for the financial report. The Board has determined that the basis of accounting used and described in Note 1 to the financial report is appropriate to meet the needs of the members. We have conducted an audit of this financial report in order to express an opinion on it to the members of the Foundation. No opinion is expressed as to whether the accounting policies used are appropriate to the needs of the members.

Our audit has been planned and performed in accordance with Australian Auditing Standards to provide a reasonable level of assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards to the extent described in Note 1 to the financial report. These policies do not require the application of all Accounting Standards and other mandatory professional reporting requirements.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion, the financial report of the Channel 7 Children's Research Foundation of South Australia Inc. is drawn up:

- (a) so as to present fairly the state of affairs of the Foundation as at 30th June 2005, and of the results of the Foundation for the year ended on that date;
- (b) in accordance with the rules of the Foundation and the Associations Incorporation Act 1985;
- © in accordance with applicable Australian Accounting Standards, and other mandatory professional reporting requirements to the extent described in Note 1 to the financial report.

Dated at Adelaide this 17th day of November 2005.

KPMG

Peter Robertson
Partner

The Channel 7 Children's Research Foundation of South Australia Incorporated

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2005

Note	2005 \$	2004 \$
<u>CURRENT ASSETS</u>		
Cash at Bank	663,566	1,423,659
Investments:		
Advances Secured by Mortgages	1,615,000	2,000,000
Deposits	1,100,000	-
Capital Notes	-	50,740
Sundry Debtors	23,109	10,654
	<u>3,401,675</u>	<u>3,485,053</u>
<u>NON-CURRENT ASSETS</u>		
Advances Secured by Mortgage	-	-
Capital/Convertible Notes	332,685	453,108
Investments in Listed Companies and Trusts	18,566,029	14,529,820
Investments in Unlisted Overseas Trusts	1,049,165	1,007,448
	<u>19,947,879</u>	<u>15,990,376</u>
TOTAL ASSETS	23,349,554	19,475,429
Deduct:-		
<u>CURRENT LIABILITIES</u>		
Accrued Expenses	2,125	66,722
Creditors	21,174	-
Research Grants Provision	124,000	747,500
	<u>\$ 147,299</u>	<u>\$ 814,222</u>
NET ASSETS	<u>\$23,202,255</u>	<u>\$18,661,207</u>
<u>ACCUMULATED FUNDS</u>		
Investment Revaluation Reserve	2.1 9,626,368	6,627,091
Accumulated Earnings	2.2 13,575,887	12,034,116
	<u>\$23,202,255</u>	<u>\$18,661,207</u>

The attached Notes are to be read in conjunction with this Statement of Financial Position.

**The Channel 7 Children's Research Foundation
of South Australia Incorporated**

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2005**

	2005	2004
	\$	\$
<u>INCOME</u>		
Dividends Received	2,054,590	1,250,778
Donations & Bequests	270	305
Interest on Investment	276,984	265,552
Profit / (loss) on Sale of Investments	(1,013,570)	(496,796)
Refund of Research Grant (previous years)	91	65,116
Franking Credit Refund	428,691	169,895
Other Income	<u>776</u>	<u>-</u>
TOTAL INCOME	<u>\$1,747,832</u>	<u>\$1,254,850</u>
<u>EXPENDITURE</u>		
Administration Fees	40,000	40,000
Advertising	15,063	10,000
Audit Fees	4,250	3,750
Bank Fees	31	-
Insurance	1,003	-
Legal Fees	4,186	-
Management Fees – Mortgages	16,812	16,404
Postage, Stationery and Telephone	-	8,407
Research Grants	124,000	747,500
Sundry Expenses	716	2,648
	<u> </u>	<u> </u>
TOTAL EXPENDITURE	<u>\$206,061</u>	<u>\$828,709</u>
NET SURPLUS	<u>\$1,541,771</u>	<u>\$426,141</u>

The attached notes are to be read in conjunction with this Statement of Financial Performance.

The Channel 7 Children's Research Foundation of South Australia Incorporated

NOTES TO & FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE, 2005

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The significant policies which have been adopted in the preparation of this financial report are:

(a) **Basis of Preparation:**

The financial report of the Foundation is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Act 1985. The Board of Management has determined that the Foundation is not a reporting entity. The financial report has been prepared on the basis of historical costs and does not take into account changing money values or, except where stated, fair values of non-current assets. The accounting policies have been consistently applied.

The financial report of the Foundation has been prepared in accordance with the provisions of the Associations Incorporation Act 1985 and all relevant Australian accounting standards with the following exceptions;

AAS 22 Related Party Disclosures
AAS 28 Statement of Cash Flows
AAS 33 Presentation and Disclosure of Financial Instruments

The Directors are of the opinion that the non-compliance with AAS 22, AAS 28 and AAS 33 does not affect the fair presentation of the financial report of the Foundation.

(b) **Goods and Services Tax:**

Revenues, expenses and assets are recognized net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognized as part of the cost of acquisition of the asset or as part of an item of expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Position.

(c) **Taxation:**

Except for the Goods and Services Tax, the Foundation, being a charitable organization, is exempt from all taxes both State and Federal.

(d) **Revenue Recognition:**

Because of the uncertain nature and timing of some of the revenue items the Foundation only records revenue when it is received.

(e) **Valuation of Investments:**

The Foundation has adopted the fair value basis of valuation for shares in listed companies, trusts and unsecured notes and the cost basis for the remaining classes of non-current assets. The basis of valuation is consistent with prior years.

**NOTES TO & FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE, 2005 (cont)**

(f) **Adoption of Australian Equivalents to International Financial Reporting Standards:**

Australia is currently preparing for the introduction of International Financial Reporting Standards (IFRS) effective for financial years commencing on or after 1 January 2005. This requires the production of accounting data for future comparative purposes at the end of the current financial year. The Board has discussed the significance of these changes and are preparing for their implementation. The Board will oversee and manage the organization's transition to IFRS, however, the Board is of the opinion that there are no key differences in the organization's accounting policies, which will arise from adoption of IFRS.

2. MOVEMENT IN ACCUMULATED FUNDS

	2005	2004
2.1 Movement in Investment Revaluation Reserve		
Balance at beginning of year	6,627,091	4,941,530
Add: Revaluation arising from recognition of the excess of market value over carrying value [Note 1(e)]	2,999,277	1,685,561
Balance at end of year	<u>9,626,368</u>	<u>6,627,091</u>

The Investment revaluation reserve represents the excess of market value of the Foundation's investments over their cost. The change in market value of the investments each reporting period is recorded within this Reserve.

2.2 Movement in Accumulated Earnings:

Balance at beginning of year	12,034,116	11,607,975
Add: Accumulated Surplus for year	1,541,771	426,141
Balance at End of Year	<u>13,575,887</u>	<u>12,034,116</u>

3. MOVEMENTS IN RESEARCH GRANTS PROVISION

Balance at beginning of year	747,500	771,000
Less: Research Grants paid during year	747,500	733,000
Less: Amount not paid (no ethics approval) and credited to Refund from Grants	-	38,000
	<u>-</u>	<u>-</u>
Add: Research Grants approved during year	124,000	747,500
Balance at end of year	<u>124,000</u>	<u>747,500</u>

**NOTES TO & FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE, 2005 (cont)**

4. SHARE BUYBACK

During the period Channel 7 Children's Research Foundation participated in a number of share buybacks which crystallized capital losses of \$1,313,706, however, this was more than offset by the dividends received of \$1,164,104 and imputation credits that will be received in the next financial year on these same transactions of \$458,443.

5. RELATED PARTY TRANSACTIONS

The names of all persons who held offices as a director of this Association during the year and the date of all changes of office are:

J Doherty – retired 30 June 2004

D Earl

K Forsyth

L Frankham

D James

A MacLennan

C Matthews

Hon C Pickles – appointed 18 November 2004

G Rappensberg

J Sawicki

S Smith

A Winefield

The directors receive no remuneration for their services.

The Channel 7 Children's Research Foundation of South Australia Incorporated

STATEMENT BY BOARD OF DIRECTORS

The attached special purpose financial report of the Channel 7 Children's Research Foundation of SA Inc as set out on pages 2-5, for the year ended 30 June, 2005, is in our opinion properly drawn up:

- (a) so as to present fairly the financial position of the Foundation as at 30 June 2005 and the results for the year then ended;
- (b) in accordance with the provisions of the Foundation's Rules and the Associations Incorporation Act 1985; and
- (c) in accordance with applicable Accounting Standards, as set out in Note 1a.

As at the date of this statement, there are reasonable grounds to believe that the Foundation will be able to pay its debts as and when they fall due.

Dated at Adelaide this 17th day of November 2005.

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

Board Member

Board Member

REPORT BY BOARD OF DIRECTORS

In accordance with section 35(5) of the Associations Incorporation Act, 1985, the Board of The Channel 7 Children's Research Foundation of South Australia Incorporated hereby states that during the financial year ended 30th June 2005:

- (a)
 - (i) no officer of the association;
 - (ii) no firm of which an officer is a member; and
 - (iii) no body corporate in which an officer has a substantial financial interest, has received or become entitled to receive a benefit as a result of a contract between the officer, firm or body corporate and the Foundation except for the following -
 - (i) Research Grants, detailed in this Annual Report, paid to institutions of which Board Members of this Foundation are members.
 - (ii) Fees and expense reimbursement paid to Novita Children's Services. Inc. for administrative services to this Foundation.
- (b) no officer of the association has received directly or indirectly from the association any payment or other benefit of a pecuniary value.

Dated Adelaide this 17th day of November 2005.

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

Board Member

Board Member