

Children's Hospital Foundation Queensland

Annual Report 2020–2021



Information about consultancies, overseas travel, and the Queensland language services policy is available at the Queensland Government Open Data website (qld.gov.au/data). No expenditure was incurred during 2020–2021 on overseas travel or on implementation of the Queensland Language Services Policy.

An electronic copy of this report is available at www.childrens.org.au. Hard copies of the annual report are available by phoning (07) 3606 6100. Alternatively, you can request a copy by emailing info@childrens.org.au.

The Queensland Government is committed to providing accessible services to Queenslanders from all culturally and linguistically diverse backgrounds. If you have difficulty in understanding the annual report, you can contact us on telephone (07) 3606 6100 and we will arrange an interpreter to effectively communicate the report to you.



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

Letter of compliance

2 September 2021

The Honourable Yvette D'Ath MP
Minister for Health and Ambulance Services
GPO Box 48
Brisbane QLD 4001

Dear Minister,

I am pleased to submit for presentation to the Parliament the Annual Report 2020–2021 and financial statements for the Children's Hospital Foundation Queensland.

I certify that this Annual Report complies with:

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

A checklist outlining the annual reporting requirements is provided at page 23–24 of this annual report.

Yours sincerely



Karen Prentis
Chair
Children's Hospital Foundation Queensland

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From the Chair

This past year has been humbling, with the generosity of Queenslanders, including those with families and loved ones who have experienced the wonderful care offered at the Queensland Children's Hospital and state-wide by Children's Health Queensland, donating \$17 million to the Children's Hospital Foundation this financial year. We also continued to receive strong support from our corporate partners, the Queensland and Federal Governments and generous legacies from those who have been so gracious to leave the kids of Queensland a gift in their will.

We have now concluded the third year of our five-year strategic plan, with the Children's Hospital Foundation investing \$14.7 million to make a positive and impactful difference to the lives of sick kids and their families right across Queensland and northern New South Wales.

We have seen our sustained investment in research into high priority areas lead to an increase in Queensland researchers attaining national and international funding awards and grants. This is having an impact on the treatments available to Queensland children, as well as improved technology for clinicians to treat patients.

I have been delighted with the progress of the research under the Children's Brain Cancer Centre over the past 12 months, a feat which would not be possible without funding from both our valued partners, The Lott by Golden Casket and the Federal Government. This ambitious research collaboration is a key part of the Australian Brain Cancer Mission in improving survival rates for brain cancer, which have not improved in 30 years.

Our entertainment and support services continued in many new and different ways due to the innovation and hard-work of our Patient and Family Support team, supported by a 200-strong volunteer cohort. We were delighted to welcome our treasured volunteers back to the hospital in August 2020, as the Queensland Children's Hospital simply isn't the same without them. While COVID-19 lockdowns have impacted on these services on and off throughout the year, the impact of our volunteers continues to resonate throughout the hospital and into the lives of many sick children and their families. I'd like to sincerely thank them for their huge contribution and acknowledge their flexibility during what has been a tumultuous period for these services.

Telethon 2020 saw a re-imagined format for the COVID-19 age, but that didn't dampen the spirit of the community, with the event raising an outstanding \$11.1 million in its seventh year. Our valued corporate partners, Woolworths, The Lott, The University of Queensland and Sunsuper once again assisted us in delivering an outstanding Telethon. These results could not have been achieved without the lead gifts of \$3.6 million from the Queensland Government and \$2 million from the Federal Government.

I would like to thank Professor Ian Frazer AO, who has again this year chaired our Research Advisory Committee. Through this committee we are able to ensure donors funds are directed to the highest quality paediatric research in areas of greatest need. Under Professor Frazer's leadership, these goals could not be achieved without the help and support of committee members Associate Professor Geraldine O'Neill, Dr Johnathan Payne, Associate Professor Lisa Hall, Professor David Crawford, Associate Professor Samudragupta Bora, Dr Greg Merlo, Dr Kelly Weir, Professor Harriet Hiscock, Professor John Prins, Professor Michelle Gattton, Professor Nick Graves, Professor Phil Darcy, Professor Sharon Mickan, Professor Vicki Anderson, and Dr Miles Andrews. Thank you for the valuable time and expertise you all provide to ensure the Children's Hospital Foundation funds the highest quality paediatric research.

I would like to thank the Children's Hospital Foundation Board members, who serve on our Board in an honorary capacity, volunteering their time and expertise. I would also like to thank Bruce Cowley, Professor Stephen Gray and Mac Drysdale who retired from the Children's Hospital Foundation Board this year, for their contribution over the years to the improved health outcomes for children and support for families through the Children's Hospital Foundation. Our gratitude for your commitment and guidance cannot be overstated.

I would like to acknowledge David Gow, Board Chair for Children's Health Queensland, and the wider board for their integral input toward our strategy, particularly at our collaborative board strategy day. With this guidance, the Children's Hospital Foundation can confidently continue to progress in creating the healthiest outcomes for Queenslanders.

I would also like to acknowledge Professor Allan Cripps, who has chaired the Children's Health Research Alliance Board over the past year and has set a clear direction for the Alliance and how we continue to support and grow paediatric research in Queensland.

Finally, I am so humbled by my first year in the role as Chair of the Children's Hospital Foundation. It has been a privilege to undertake this important role, and I am honoured to be working alongside the wonderful people at the Children's Hospital Foundation and Children's Health Queensland. Their passion and drive for what they do, and the difference they are making to sick kids is a credit to everyone across both organisations.

A handwritten signature in black ink, appearing to read 'K. Prentis', with a stylized, cursive script.

Karen Prentis
Chair
Children's Hospital Foundation Queensland

From the Chief Executive

Despite the significant challenges that COVID-19 has presented over the past year, the Children's Hospital Foundation and Children's Health Queensland teams, partners and donors have all remained focused and resolute on improving outcomes for our sickest kids. With the guidance of Children's Health Queensland and support of 200 wonderful volunteers, we have re-introduced services such as Bedside Play, Steggles Cuddle Carers, and more of our entertainment and support services which have been suspended during lockdowns.

Our incredible supporters have allowed us to invest into and deliver on our purpose in new and innovative ways, with a series of new initiatives with the Queensland Government and other partners that will come to fruition in 2021–2022 as we *Unite and Recover*.

The highlights of the year were:

1. Patient and family support and care closer to home

Kidzone on level six of the Queensland Children's Hospital has continued to provide a wonderful play space and respite for parents, particularly for those families who have had to relocate from regional areas to seek treatment in Brisbane, bringing one or more of the patient siblings with them.

We also welcomed a new Bereavement Coordinator into the Children's Health Queensland role this year, and we appreciate her contribution to support bereaved families. This role is jointly funded between us and the Scarlett May Foundation, who through our partnership, has also enabled the delivery of over 7,500 free meals to families in the Queensland Children's Hospital.

Following the successful implementation of our ward orientation pilot, we have now impacted 2,402 families with this service, helping patients and families from across Queensland and northern New South Wales settle into hospital life and alleviate some of their anxiety around impending treatments and procedures.

Despite frequent suspension and re-introduction of our volunteer programs, our volunteers supported more than 12,338 families through surgery, and more than 924 cuddles have been provided to newborns by our Steggles Cuddle Carers since the program was reinstated in February 2021.

Our team has continued to work closely with a wide variety of regional stakeholders to further enhance the services we offer for regional and rural patients and their families. Through our Woolworths Wall Token Campaign, more than \$539,836 was raised for 21 hospitals across Queensland and northern New South Wales. These funds will assist Queensland kids to seek the best possible care as close to home as possible, through supporting new equipment and enhancing patient and family support across paediatric wards.

2. Innovation and capability of the Queensland paediatric research community

This financial year we invested \$14.7 million into our purpose to help save children's lives and work wonders for sick kids and their families. This included funding towards the Children's Brain Cancer Centre, Woolworths Centre for Childhood Nutrition and researchers who were successful during our annual grant rounds. Significant funding also went toward building research capacity and capability in the Queensland Children's Hospital, with \$900,000 towards clinical research managers and \$150,000 towards biostatistics support, ensuring research findings can be translated into better bedside care.

We are delighted to be launching the Ian Frazer Centre for Children's Immunotherapy Research in the coming financial year with funding for three research applicants thus far, and we look forward to sharing more in this space soon.

All of this funding will ensure our next generation of Queenslanders can look toward better health outcomes.

3. Operations — ICT

We are continuing to deliver on our digital strategy, with further enhancements to our customer relationship management (CRM) system and Intelligence Bank to assist with fundraising and supporter management, the introduction of Power BI and the digitisation of our services in the Queensland Children's Hospital and our processes across the organisation.

4. Fundraising and engagement

We are continually grateful for the support from our valued and longstanding corporate partners, many of whom increased their support of sick kids this year. The Lott continues to be a leading supporter of the Children's Brain Cancer Centre, donating \$500,000 a year for three years and their passion for this research project is inspiring. We also saw incredible results from our various Woolworths campaigns — a true credit to their staff for fundraising despite COVID-19 disruptions.

The Queensland community showed up in many ways for sick kids, with our individual regular giving program expanding. Our Direct Marketing team developed the most successful campaign from the past six years. This is a testament to not only the need of more funding into brain cancer research, but also to the generosity of Queenslanders who donated to the cause.

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

On an operational level, we have been working toward further embedding an innovation approach to our day-to-day processes. Through this, we ensure patients, their families, as well as our donors and partners are always at the centre of our thinking. We also continue to embed and speed up design and change processes and improve knowledge sharing and teamwork across the organisation to foster a collaborative and streamlined environment for all.

The Children's Hospital Foundation has a strong commitment to building a diverse and inclusive workforce that reflects Queensland communities. During the year we completed all the deliverables from our first Reconciliation Action Plan and have submitted our second, Innovate Reconciliation Action Plan that has been approved by Reconciliation Australia.

I would like to take this opportunity to thank Bruce Cowley for his nine years of tremendous service as Chair of the Children's Hospital Foundation. Bruce stepped down from the Board in September 2020 and has left a significant legacy as he steered the Children's Hospital Foundation from strength to strength and was a wonderful advocate, support and champion for the organisation.

I would also like to thank Professor Stephen Gray and Mac Drysdale for their tremendous contributions to the lives of sick kids through their work on our Board and Committees over nine and six years respectively. I deeply appreciate their wisdom and support over my time working closely with them.

Thank you also to our amazing volunteers who I have missed not seeing every day in the hospital and look forward to them all returning very soon and thank those who have so wonderfully supported us through the year. To the Children's Hospital Foundation team members, who have continued to deliver outstanding results under our five-year strategy, despite what has been a difficult year for everyone, I say a very sincere thank you. I feel incredibly privileged to lead such a dedicated and capable team, and I know how proud they all are of the work they do in helping sick kids.

The team at Children's Health Queensland, under the expert guidance of their Chief Executive Frank Tracey and his Executive team, have done an incredible job in treating and supporting Queensland's sickest kids and their families during a busy and difficult year. Our gratitude for your work cannot be overstated.

It has been another fantastic year for the Children's Hospital Foundation, with our impact resonating on a wide variety of arenas across the state. It is through this treatment and care, and the dedication of our team and supporters, that we can continue to work wonders for sick kids. A sincere thank you to everyone who has contributed, and we look forward to celebrating another year of successes.

A handwritten signature in black ink, appearing to read 'R. Simpson'.

Rosie Simpson
Chief Executive Officer
Children's Hospital Foundation Queensland

Highlights

As we work toward a new financial year, we relish in the opportunity to reflect on the highpoints of the past year. Through a collaborative cross-organisational approach, we have achieved a number of highlights in the past year. These include:

- A fantastic \$17 million of donations received from both our valued corporate partners and amazing members of the public.
- \$14.7 million invested into our purpose; working wonders for sick kids and their families in many different arenas.
- 85 researchers supported through funding grants.

We were thrilled to invest in a variety of state-of-the-art equipment. A stand-out includes the digital PET-CT scanner, which was co-purchased with the Queensland Government at an investment of \$5 million. The provision of this equipment makes the Queensland Children's Hospital the first paediatric hospital in Australia to have its own dedicated PET-CT. The Queensland Children's Hospital patients will no longer be required to transfer to the Royal Brisbane and Women's Hospital to receive these vital scans. This will greatly improve the experience for both patients and the clinicians caring for them. The service is on track to be operational at the Queensland Children's Hospital in October 2021. This funding was only made possible through the generosity of the late Geoffrey Carrick who kindly left the Children's Hospital Foundation a substantial gift in his will to ensure sick kids have the best chance of living full and healthy lives.

We also purchased 3D Photo Lab equipment for the surgical and perioperative department at Queensland Children's Hospital. This equipment plays a key role at the Queensland Children's Hospital in the treatment of around 150 children with craniofacial disorders, such as a cleft lip or palate (gap in the roof of the mouth or lip), microtia (ear deformity), craniosynostosis (fusion of the skull bones), or facial trauma. The three-dimensional camera enables surgeons to accurately pre-plan surgical procedures using detailed and realistic images, consequently improving surgical outcomes. It is a fantastic addition to the hospital, as cleft lip and palate are among the most common facial abnormalities in children, affecting about one in every 800 babies born in Australia. Around 100 children receive surgery for the condition at the Queensland Children's Hospital alone every year.

As with every year, Telethon proved to be a highlight for not only our patients, their families, our partners and Queenslanders across the state, but also for the team who work tirelessly throughout the year to pull it together.

The 2020 Nine Telethon played host to the inaugural Kids Ball. This was staged at the Queensland Cricketer's Club, bringing the most important people in Telethon — the young patients and their families — to the forefront of the evening. It was truly a night to remember for everyone involved thanks to our Kids Ball partners, including Queensland Cricketer's Club, Hyundai, The Prop House, and Queensland Ballet.

About us

The Children's Hospital Foundation is the charity dedicated to raising funds for Queensland's sickest kids, proudly working alongside the Queensland Children's Hospital and state-wide with Children's Health Queensland.

We work wonders for sick and injured kids by providing entertainment and support for children and their families in hospital, and funding vital research and new equipment. We are committed to making a difference in the fight against childhood illness and injury so every child can grow up as happy and healthy as possible.

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

The Children's Hospital Foundation was established in 2011 by the *Hospitals Foundations Regulation 2005*, made under section 7 of the *Hospitals Foundations Act 1982*, as the Children's Health Foundation Queensland. Its name was formally amended to Children's Hospital Foundation Queensland by the *Hospitals Foundations Regulation 2015*. The Children's Hospital Foundation's governing legislation is the *Hospital Foundations Act 2018*.

Vision, Purpose, Values

Our vision

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

Our purpose

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

Our values

- **Accountability**
We aim to deliver high impact results, are accountable for our actions and resources and communicate this openly and honestly
- **Recognition & Respect**
We are respectful in all our interactions and committed to recognising others and valuing their contributions
- **Care**
We care for everyone we impact — the children always come first
- **Working Together**
We selflessly support and trust each other and our teams, share our ideas and goals, work hard, have fun and celebrate our achievements
- **Excellence & Innovation**
We strive for excellence, encourage innovation and develop our skills to achieve our best

Associated Hospital and Health Service

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

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

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

Queensland Children's Hospital

The Queensland Children's Hospital in South Brisbane provides specialist care for the sickest and most seriously injured children from across Queensland and northern New South Wales. It is one of Australia's largest and most advanced paediatric health facilities. On any given day, the team at the hospital will treat more than 200 children in its emergency department, see 1000 children for outpatient appointments and care for more than 200 children in the inpatient wards. It houses the busiest Paediatric Intensive Care Unit, providing life-saving care to more than 1800 critically injured and sick kids every year. It is also the first paediatric hospital in Australasia to be awarded Level 1 Major Trauma Service status by the Royal Australian College of Surgeons.

Centre for Children's Health Research

The Centre for Children's Health Research is built on a partnership between Queensland Health, Children's Health Queensland, Queensland University of Technology, The University of Queensland, the Translational Research Institute and Pathology Queensland.

Co-located with Queensland's only tertiary and quaternary paediatric hospital, the Queensland Children's Hospital, the Centre is an integrated hub of specialist knowledge dedicated to improving the health of children, and facilitating the best opportunities for collaborative research projects. It is Queensland's first integrated research facility dedicated to generating internationally competitive research for advances in child and adolescent health.

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

Children's Health Research Alliance

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

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

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

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

Opportunities and challenges

Working within the healthcare arena, the ongoing COVID-19 pandemic proves an ongoing challenge for the Children's Hospital Foundation. Our wider team continues to have very limited access within the Queensland Children's Hospital as Children's Health Queensland work to ensure patients and families are kept as safe as possible from any virus risk.

These restrictions have had a resounding impact on not only our Patient and Family Support services, but also on branding work, marketing strategies, key partnership activities, staff engagement and more. This has led to delays in strategic projects and presented challenges to the organisational environment.

It has also presented us with the opportunity to cement the foundations we are setting for how we will come out of the pandemic stronger than ever. It has also provided an opportunity to pause and reflect to identify new and improved ways of working.

Queensland Government objectives for the community

The Children's Hospital Foundation supports the Queensland Government's *Unite and Recover* objectives for the community, through implementation of the Strategic Plan 2019–2023, in the following areas:

- Backing our frontline services
- Safeguarding our health
- Investing in skills.

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
- Setting the strategic direction for the Children's Hospital Foundation
- Monitoring the performance of the Chief Executive Officer
- Approving and monitoring the Children's Hospital Foundation's annual budget and financial and other reporting
- Monitoring the performance of the Children's Hospital Foundation, including its fundraising performance, against key performance indicators
- Reviewing, ratifying and monitoring systems of risk management and internal control, audit and legal compliance
- Contributing to fundraising activities of the Children's Hospital Foundation.

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

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

2020–2021 Board meeting dates

- 28 August 2020
- 22 October 2020
- 17 December 2020
- 18 February 2021
- 22 April 2021
- 15 June 2021
- 24 June 2021
- 28 June 2021

Membership

Karen Prentis

BEC MAdmin GAICD

Appointed for a term 12 December 2019 to 30 September 2022. This is Karen's first term of appointment.

Karen was appointed as Board Chair on 2 October 2020.

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

Karen is a member of the Remuneration and Nominations Committee (Chair from 2 October 2020 to 30 June 2021), a member of the Finance, Audit and Risk Management Committee, and an ex-officio member of the Grants Committee.

Karen attended eight Board meetings and 13 committee meetings in 2020–2021.

Sara Parrott

Appointed for a term 12 December 2019 to 30 September 2024. This is Sara's first term of appointment.

Sara is Chief Executive Officer of Hand Heart Pocket. Sara has more than twenty-five years' experience in sustainability, stakeholder relations, communication, and marketing, with both corporate and community organisations, holding staff and board positions.

Sara is a member of the Grants Committee and was appointed Deputy Chair with effect from 1 July 2021. Sara attended eight Board meetings and five committee meeting in 2020–2021.

Luke McGrath

CFP AITA GAICD MCFAI

Appointed for a term 29 November 2017 to 30 September 2022. Luke was originally appointed to the Board on 11 November 2011.

In his 30-plus years as an investment and financial services professional, Luke has held senior positions with some of Australia's largest investment banks and financial services organisations. Throughout his financial services career he has advised numerous companies and individuals across the breadth of the industry.

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

Luke chairs the Grants Committee and is a member of the Finance, Audit and Risk Management Committee and the Remuneration and Nominations Committee. Luke attended eight Board meetings and 17 committee meetings in 2020–2021.

Heather Watson

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

Heather brings more than 30 years legal and governance experience with the last 10 years specifically across the charitable and non-profit sector. She has been a partner in legal practices in both regional and metropolitan contexts. Her industry expertise covers aged care, health and community services, affordable housing and Indigenous communities. She has considerable experience in structuring and strategic advice to philanthropic entities.

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

Heather attended six Board meetings in 2020–2021.

Sharon Houghton

Appointed for a term 12 December 2019 to 30 September 2022. This is Sharon's first term of appointment.

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

Sharon is a member of the Finance, Audit and Risk Management Committee. From 1 July 2021, Sharon will be the Chair of the Finance, Audit and Risk Management Committee and a member of the Remuneration and Nominations Committee. Sharon attended eight Board meetings and seven committee meetings in 2020–2021.

Dr Jane Black

PhD BSW (Hons 1) Dip Rad

Appointed for a term 12 December 2019 to 30 September 2022. This is Jane's first term of appointment.

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

Jane is a member of the Finance, Audit and Risk Management Committee. From 1 July 2021, Jane will be the Chair of the Remuneration and Nominations Committee. Jane attended eight Board meetings and eight committee meetings in 2020–2021.

Frank Tracey

Appointed for a term 12 December 2019 to 30 September 2024. This is Frank's first term of appointment.

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

Frank attended six Board meetings in 2020–2021.

Dr Michelle Hannan

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

Appointed for a term 12 December 2019 to 30 September 2024. This is Michelle's first term of appointment.

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

Michelle is one of the Children's Hospital Foundation's representative on the Children's Health Research Alliance Board.

Michelle is a member of the Grants Committee. Michelle attended five Board meetings and five committee meetings in 2020–2021.

Kenneth (Mac) Drysdale

BBus (Acc)

Appointed for a term 14 December 2018 to 30 September 2022. Mac was originally appointed to the Board on 12 February 2016 and resigned with effect from 14 June 2021. Mac attended two Board meetings and four committee meetings in 2020–2021.

Professor Stephen Gray

Appointed for a term 29 November 2017 to 30 September 2022. Stephen was originally appointed to the Board on 11 November 2011 and resigned with effect from 30 June 2021. Stephen attended eight Board meetings and 17 committee meetings in 2020–2021.

Bruce Cowley

Appointed for a term 14 December 2018 to 30 September 2020. Bruce was originally appointed to the Board on 11 November 2011. Bruce's term as Chair and Board member ended with effect from 30 September 2020. Bruce attended one Board meeting and two committee meetings in 2020–2021.

Committees

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

Finance, Audit and Risk Management Committee

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

Members:

- Stephen Gray (Chair) (resigned 30 June 2021)
- Sharon Houghton (Chair from 1 July 2021)
- Luke McGrath
- Karen Prentis
- Jane Black
- Bruce Cowley (ex-officio) (appointment term ended 30 September 2020)

Grants Committee

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

Members:

- Luke McGrath (Chair)
- Michelle Hannan
- Sara Parrott
- Karen Prentis (ex-officio) (from 2 October 2020)
- Kenneth Drysdale (resigned 14 June 2021)
- Stephen Gray (resigned 30 June 2021)
- Bruce Cowley (ex-officio) (appointment term ended 30 September 2020)

Remuneration and Nominations Committee

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

Members:

- Karen Prentis (Chair to 30 June 2021)
- Jane Black (member and Chair from 1 July 2021)
- Luke McGrath
- Sharon Houghton (from 1 July 2021)
- Stephen Gray (resigned 30 June 2021)
- Bruce Cowley (appointment term ended 30 September 2020)

Executive management

Chief Executive Officer

Rosie Simpson

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

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

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

Chief Marketing and Fundraising Officer

Olivia Jary

Olivia joined the Children's Hospital Foundation in September 2020 and is responsible for creative, fundraising, marketing, and partnerships activities.

Chief Financial Officer

John Stubbs

John commenced with the Children's Hospital Foundation in July 2020 and is responsible for financial operations and IT.

Director of Research and Grants

Veronica McCabe

Veronica joined the Children's Hospital Foundation in April 2020 and finished in June 2021. Her responsibilities included managing our growing portfolio of research and grants. A new Director of Grants is expected to commence at the Children's Hospital Foundation in September 2021.

Director of People and Culture

Rachael Murphy

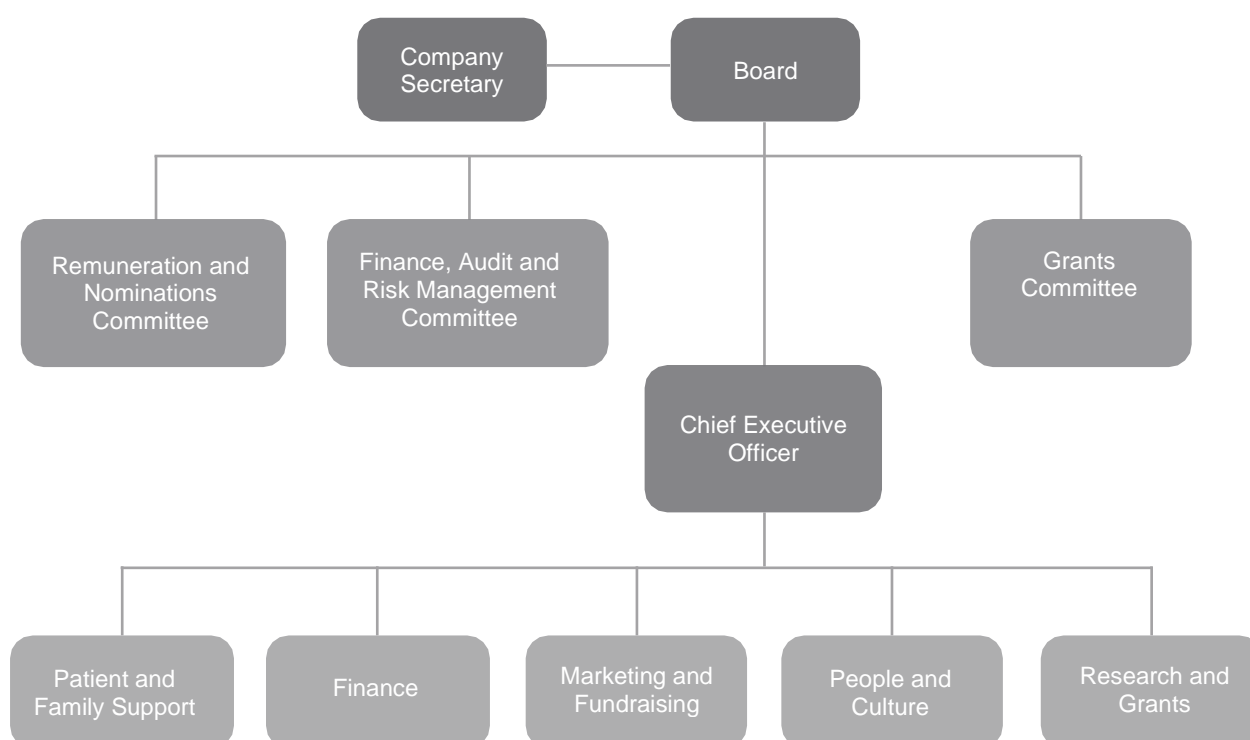
Rachael joined the Children's Hospital Foundation in 2013 and is responsible for people and culture.

Director of Patient and Family Support

Nick Van Dyke

Nick joined the Children's Hospital Foundation in August 2002 and is responsible for patient and family support, including management of volunteers.

Organisational structure and workforce profile



Strategic workforce planning and performance

We foster a culture that supports a highly engaged, innovative, and diverse team who are focused on achieving 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. As reflected in our strategic plan, we strive to have great people, good financial management, good systems and sound governance to underpin our work and deliver on our core goals.

The Children's Hospital Foundation is committed to nurturing a culture that focuses on supporting the performance and development of our staff, as well as ensuring our behaviours are in line with our values of accountability, recognition and respect, care, working together and excellence and innovation. Employees continue to participate in a structured performance and development process enabling regular and meaningful feedback conversations providing our people with an opportunity to clarify expectations and identify opportunities for capability development.

Given the ongoing impact of COVID-19 on the strategic priorities, particular focus has been on enabling and supporting an agile, innovative and flexible team that is able to respond effectively to emerging needs. The Children's Hospital Foundation has a continuing commitment to fostering a supportive work environment that embraces a healthy balance between work and life. This includes providing access to flexible hours or work, various leave types, compressed working week and job sharing. These arrangements are supported through various policies and procedures. We continue to look ahead and are committed to providing a hybrid environment where staff can work from home and in the office. Providing flexible working practices has enabled the Children's Hospital Foundation to become more open and inclusive, benefitting our people in different ways, remaining agile to manage workload and responding to challenges associated with social distancing through the COVID-19 pandemic. This has been embraced by staff for improving their work life balance and wellbeing.

Throughout the year, the Children's Hospital Foundation continued to recruit for high calibre talent using a range of platforms, including LinkedIn, Seek and industry job boards. A competitive selection process is adhered to, following the principles of equal opportunity and Blue Card suitability, ensuring an excellent match between the candidate, their skills and the needs of the Children's Hospital Foundation.

The Children's Hospital Foundation this year developed and implemented a competency framework for all employee levels to ensure we are focused on developing the right capabilities at the right level. This has been embedded through training of managers, updating position descriptions, embedding competencies into performance and development process, recruitment and selection processes. Next year we will align these to learning and development opportunities to empower our employees to lead at all levels.

In support of a diverse and inclusive culture, face to face and online learning modules include disability awareness, cultural capability and domestic and family violence. The Children's Hospital Foundation, through our Domestic and Family Violence Policy, continues to support employees affected by domestic and family violence and promotes a safe and respectful workplace.

As at 30 June 2021, the FTE of the Children's Hospital Foundation was 47 and the permanent separation rate was 23 per cent.

Early retirement, redundancy and retrenchment

Due to operational requirements, during the period four employees received redundancy packages at a cost of \$111,415.99.

Risk management

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

- Stephen Gray (Chair) (resigned 30 June 2021)
- Sharon Houghton (Chair from 1 July 2021)
- Luke McGrath
- Karen Prentis
- Jane Black
- Bruce Cowley (ex-officio) (appointment term ended 30 September 2020)

Operationally, the Committee discusses, reviews, and identifies actions required to manage risks in areas including reputation, income, safety, monetary theft/loss, cyber 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 Register and Risk Appetite Statements.

Audit committee and internal audit

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

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

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.

The Committee met eight times during 2020–2021.

External scrutiny

An external audit was conducted by a designate of the Queensland Audit Office (QAO). An unqualified audit opinion was issued on the 2020–2021 financial statements.

Information systems and recordkeeping

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

All new staff are trained on the Children's Hospital Foundation's electronic document management system and their roles and responsibilities in relation to the system and records created. The Chief Executive Officer is informed regularly of updated record keeping requirements via the Office of Health Statutory Agencies, Department of Health, and the Office of the State Archivist.

Queensland Public Service ethics and values

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

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

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 (*Public Sector Ethics Act 1994*). The Children's Hospital Foundation's Code of Conduct reflects the principles of integrity and impartiality, promoting the public good, commitment to the system of government, accountability and transparency.

All employees, volunteers and representatives of the Children's Hospital Foundation have an obligation to comply with the Code of Conduct. The Code of Conduct is supported by the Children's Hospital Foundation's policies and procedures. All Children's Hospital Foundation employees are required to undertake training on the Code of Conduct during induction and to sign an acceptance upon appointment which states they will abide by the Code of Conduct.

Human Rights

The Children's Hospital Foundation recognises and is committed to ensuring our policies and practices protect the dignity and worth of all human beings. Our policies, procedures and practices, were reviewed ensuring they met our legal requirements under the *Human Rights Act 2019*. We did not receive any human rights complaints in 2020–2021.

Performance

Achievements

Despite hospital restrictions and lockdowns which prevented a significant amount of the Children's Hospital Foundation work capacity within the Queensland Children's Hospital and Children's Health Queensland community sites, our Patient and Family Support team achieved a variety of milestones in the face of this adversity.

This includes:

- Approximately 200 volunteers who committed 3,882 hours of support and provided over 76,713 positive interactions with patients and their families.
- Over 7,500 free meals provided to families in the Queensland Children's Hospital.
- 35,143 craft packs were provided to inpatient units and outpatient clinics.
- 12,338 families were supported while their child was undergoing surgery.
- 6,126 children and 3,846 adults visited Kidzone.
- 5,641 toys and games loaned to inpatients including digital distraction devices and play ability toys.
- 924 cuddles provided to babies through our Steggles Cuddle Carer program.
- 29,638 families were assisted by our Woolworths Wayfinders.
- We supported the eighth 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, with over 360 kids involved in 403 hours of filming 124 segments, and 20 virtual visit episodes during COVID-19 restrictions.

Additionally, we relocated offices to larger premises on Grey Street, which allowed us to create internal cost efficiencies and foster a better workplace environment for our team. The new workplace comprises several breakout and meeting rooms which bolsters collaboration within and across teams.

A key achievement also includes the implementation and strengthening of a variety of processes between the Children's Hospital Foundation and our valued partner Children's Health Queensland. This includes the development of key documents to support both stakeholders, including the Children's Hospital Foundation Content Library, CHF CHQ Media and Marketing Communications Guidelines and a revised Patient Safety and clinical details sign-off system via the Children's Health Queensland Communications and Engagement Team.

During the year the Children's Hospital Foundation raised awareness and celebrated key diversity and inclusion initiatives including NAIDOC week, National Reconciliation Week, National Sorry Day, International Women's Day, Mental Health month and Pride month.

Strategic objectives and Performance indicators

1. Patient and family support

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

Performance measures:

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

Outcomes 2020–2021:

- We provided \$1.4 million into our patient and family support services in the Queensland Children's Hospital and Children's Health Queensland facilities (2019–2020: \$1 million)
- Selected patient and family support services (such as Wayfinding and craft packs) were deemed essential by Children's Health Queensland right throughout the year, including lockdown periods. These services along with other services such as Kidzone, Cuddle Carers, Book Bunker and Inpatient Orientation provided over 115,000 positive interactions with patients and families.
- The patient and family support team also provided additional support to the COVID-19 vaccination clinics by way of craft and activity packs to distract and entertain families waiting for long periods.
- Even though volunteers were often stood down during lockdown periods, we were able to continue engaging volunteers throughout the year and retain enough numbers to support the delivery of our patient and family support services that were deemed essential by the Queensland Children's Hospital.
- We have begun funding a two-year pilot role that will specifically support regional and remote families in improving appointment coordination to reduce their time away from home.

2. Research

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

Performance measures:

- Continued growth in the funding provided for prioritised areas of research
- Facilitating and funding significant new research collaborations across the paediatric research community

Outcomes 2020–2021:

- We provided \$10.2 million funding into research and equipment (2019–2020: \$8.1 million).
- The Children's Brain Cancer Centre program of research is well under way and has brought together researchers committed to advancing treatment options, improving survivorship and, ultimately, finding a cure. The Children's Hospital Foundation has further supported the Children's Brain Cancer Centre by providing an additional \$600,000 to fund the next generation of clinical trials in children's brain cancer and a small-animal micro-irradiation facility.
- Through a partnership with the Medical Research Future Fund, the Children's Hospital Foundation invested \$600,000 towards research in paediatric congenital heart disease and to support Australia's largest paediatric sepsis study. This study will invite intensive care teams from across Australia to participate and will save the lives of critically ill children by improving sepsis diagnosis with genomic technology.
- Together with the Queensland government, the Children's Hospital Foundation co-funded a state-of-the-art digital positron emission tomography – computed tomography (PET-CT) Scanner at the Queensland Children's Hospital. The \$2.5 million investment by the Children's Hospital Foundation makes the Queensland Children's Hospital the first paediatric hospital in Australia to offer this cutting-edge technology.
- The Children's Hospital Foundation has committed to funding over \$1 million over three years

to continue to support the Queensland Children's Tumour Bank, an openly accessible paediatric tumour bank in Australia.

3. Innovation and capability

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

Performance measures:

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

Outcomes 2020–2021:

- Four clinical research managers were supported by the Children's Hospital Foundation to build capacity and to help progress a clinically informed research agenda within Children's Health Queensland (2020–2021: \$94,403; 2019–2020: \$0). Recruitment for a fifth clinical research manager is underway.

4. Fundraising and engagement

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

Performance measures:

- Grow revenue to \$21.7 million in FY2020
- Introduce measurement and improvement in brand awareness and consideration

Outcomes 2020–2021:

- Fundraising revenue of \$16.95 million plus a further \$4 million of goods and services in kind donated to support children in the Queensland Children's Hospital and Children's Health Queensland Hospital and Health Service.
- Brand research is conducted every two years and took place in June 2021. Brand awareness remained at the 2019 level of 62 per cent, while consideration (whether someone will consider giving to the Children's Hospital Foundation) dropped 20 per cent to 31 per cent.
- The 2021 Tax Appeal raised \$363,393 — which is 35 per cent more than the 2020 Tax Appeal and 18 per cent more than the 2019 Tax Appeal.

5. Operations

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

Performance measures:

- Establish a benchmark and improve team engagement to 76 per cent by FY2020
- Formally review stakeholder engagement to maintain above 80 per cent
- Regularly review and update our risk register, with particular reference to risks associated with COVID-19

Outcomes 2020–2021:

- Team engagement has improved and is sitting at 82 per cent. This is a 6 per cent improvement since January 2020.
- Due to COVID-19, the formal review of stakeholder engagement was deferred to 2021–2022.

- The Children's Hospital Foundation continued to review, mitigate and respond to the risks associated with COVID-19 by adhering to Queensland Health requirements.

Financial summary

The Children's Hospital Foundation's revenue predominantly comes from funds raised through the generous support of the community. 2020–2021 saw \$16.95 million raised through fundraising and a further \$4 million in goods and services in kind donated to support children in the hospital and health services.

The impact of COVID-19 was felt on our fundraising, which declined by \$8.4 million. But with investment asset values improved by \$6.5 million and government subsidies received for COVID-19 relief payments and JobKeeper allowance of \$1.1 million (2020: \$0.35 million), total revenue for the year was \$28.52 million.

Net assets

The Children's Hospital Foundation maintained a solid financial position throughout the reporting period and was able to pay its debts as and when they fell due. As at 30 June 2021, net assets totalled \$53.7 million. A significant portion of the Children's Hospital Foundation's net assets are forward commitments to multi-year research contracts, long-term endowments and financial reserves. The investment portfolio was managed by Queensland Investment Corporation in accordance with the Children's Hospital Foundation's Investment, Reserves and Working Capital Policy.

Financial reserves

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

Comparison with previous period

The table below provides a comparison of actual results for the 2020–2021 year with the previous financial year.

Financial Year	2019–2020	2020–2021
Total Revenue	\$29,788,544	\$28,519,342
Total Expenses	\$26,491,427	\$26,950,545
Net Assets	\$52,101,818	\$53,670,615

In the 2020–2021 financial year, the surplus was \$1.6 million. Overall, expenses were \$459,118 more than the 2019–2020 financial year primarily due to increased rent, distribution of grants, offset by lower fundraising and marketing expenses and lower goods and services received in kind. Net assets have increased by \$1.6 million to \$53.7 million of which \$8.8 million is held in endowments to fund future research into infectious diseases, burns and provide for medical scholarships. The remaining assets of the organisation are to fund forward grant commitments and operating contingency, as well as future strategic investments into our purpose or operations.

Financial statements

The annual financial statements for the Children's Hospital Foundation Queensland for the 2020–2021 financial year are included in the Appendix of this Annual Report.

Checklist

Summary of requirement		Basis for requirement	Annual report reference
Letter of compliance	A letter of compliance from the accountable officer or statutory body to the relevant Minister/s	ARRs – section 7	Page ii
Accessibility	Table of contents	ARRs – section 9.1	Page iii
	Glossary	ARRs – section 9.2	Page i
	Interpreter service statement	<i>Queensland Government Language Services Policy</i> ARRs – section 9.3	Page i
	Copyright notice	<i>Copyright Act 1968</i> ARRs – section 9.4	Page i
	Information Licensing	<i>QGEA – Information Licensing</i> ARRs – section 9.5	Page i
General information	Introductory Information	ARRs – section 10	Pages 1-5
Non-financial performance	Government's objectives for the community and whole-of-government plans/specific initiatives	ARRs – section 11.1	Page 9
	Agency objectives and performance indicators	ARRs – section 11.2	Pages 19-21
	Agency service areas and service standards	ARRs – section 11.3	Not applicable
Financial performance	Summary of financial performance	ARRs – section 12.1	Page 22
Governance – management and structure	Organisational structure	ARRs – section 13.1	Page 15
	Executive management	ARRs – section 13.2	Page 14
	Government bodies (statutory bodies and other entities)	ARRs – section 13.3	Not applicable
	Public Sector Ethics	<i>Public Sector Ethics Act 1994</i> ARRs – section 13.4	Page 17
	Human Rights	<i>Human Rights Act 2019</i> ARRs – section 13.5	Page 18
	Queensland public service values	ARRs – section 13.6	Page 17
Governance – risk management and accountability	Risk management	ARRs – section 14.1	Page 16
	Audit committee	ARRs – section 14.2	Page 16
	Internal audit	ARRs – section 14.3	Page 16
	External scrutiny	ARRs – section 14.4	Page 17
	Information systems and recordkeeping	ARRs – section 14.5	Page 17
	Information Security attestation	ARRs – section 14.6	Not applicable
Governance – human resources	Strategic workforce planning and performance	ARRs – section 15.1	Page 15
	Early retirement, redundancy and retrenchment	Directive No.04/18 <i>Early Retirement, Redundancy and Retrenchment</i> ARRs – section 15.2	Page 16

Open Data	Statement advising publication of information	ARRs – section 16	Page i
	Consultancies	ARRs – section 33.1	https://data.qld.gov.au
	Overseas travel	ARRs – section 33.2	Nil
	Queensland Language Services Policy	ARRs – section 33.3	Nil
Financial statements	Certification of financial statements	FAA – section 62 FPMS – sections 38, 39 and 46 ARRs – section 17.1	Appendix
	Independent Auditor's Report	FAA – section 62 FPMS – section 46 ARRs – section 17.2	Appendix

Glossary

FAA	<i>Financial Accountability Act 2009</i>
FPMS	<i>Financial and Performance Management Standard 2019</i>
ARRs	<i>Annual report requirements for Queensland Government agencies</i>

Appendix: Financial Statements

Children's Hospital Foundation Queensland

ABN: 11 607 902 687

Financial Statements

for the financial year 1 July 2020 to 30 June 2021

Contents	Page No.
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Statement of Changes in Equity	4
Statement of Cash Flows	5
Notes to and Forming Part of the Financial Statements	6
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General Information

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

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

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

Children's Hospital Foundation Queensland

Statement of Comprehensive Income

for the year ended 30 June 2021

	Notes	2021 \$	2020 \$
Income			
Donations and other contributions	2	16,950,145	25,377,298
Financial income	3	2,380,296	1,093,152
Other income	4	5,100,929	5,581,239
(Decrease)/Increase in fair value of financial assets		4,087,972	(2,263,146)
Total Income		28,519,342	29,788,544
Expenses			
Employee expenses	5	5,625,415	5,639,877
Fundraising and marketing expenses		2,088,368	2,812,886
Supplies and services		1,670,657	1,634,162
Distribution of grants	6	12,901,424	10,771,139
Investment management fees		228,984	235,481
Depreciation and amortisation	12	283,340	137,251
Other expenses	7	4,152,357	5,260,630
Total Expenses		26,950,545	26,491,427
Operating Result for the Year		1,568,797	3,297,116
Other comprehensive income		-	-
Total Comprehensive Income	1	1,568,797	3,297,116

The accompanying notes form part of these statements

Children's Hospital Foundation Queensland

Statement of Financial Position

as at 30 June 2021

	Notes	2021 \$	2020 \$
Current Assets			
Cash and cash equivalents	9	22,848,429	5,098,605
Receivables	10	1,055,482	692,711
Other current assets		206,773	311,373
Total Current Assets		24,110,685	6,102,689
Non-Current Assets			
Financial assets	11	36,286,396	51,338,664
Plant and equipment	12	658,953	631,349
Right-of-use-asset	15	1,029,709	-
Total Non-Current Assets		37,975,058	51,970,013
Total Assets		62,085,742	58,072,702
Current Liabilities			
Payables	13	4,648,018	5,540,929
Accrued employee benefits		455,749	405,645
Unearned Revenue		2,253,055	-
Lease Liabilities	15	228,800	-
Total Current Liabilities		7,585,621	5,946,575
Non-Current Liabilities			
Accrued employee benefits		15,767	24,308
Lease Liabilities	15	813,738	-
Total Non-Current Liabilities		829,505	24,308
Total Liabilities		8,415,127	5,970,884
NET ASSETS		53,670,615	52,101,818
Equity			
Accumulated Surplus	1	53,670,615	52,101,818
TOTAL EQUITY		53,670,615	52,101,818

The accompanying notes form part of these statements

Children's Hospital Foundation Queensland
Statement of Changes in Equity
for the year ended 30 June 2021

	Accumulated Surplus 2021 \$	Accumulated Surplus 2020 \$
Balance as at 1 July	52,101,818	48,804,702
Total Comprehensive Income	<u>1,568,797</u>	<u>3,297,116</u>
Balance as at 30 June	<u>53,670,615</u>	<u>52,101,818</u>

The accompanying notes form part of these statements

Children's Hospital Foundation Queensland

Statement of Cash Flows

for the year ended 30 June 2021

	Notes	2021 \$	2020 \$
Cash Flows from operating activities			
<i>Inflows:</i>			
Donations, grants and other contributions		16,711,714	25,344,528
Other income		1,069,053	351,500
GST collected from customers		33,477	215,393
GST input credits from the Australian Taxation Office		1,363,284	1,464,968
<i>Outflows:</i>			
Payments to suppliers and employees		(8,642,968)	(8,966,581)
Grants		(12,326,478)	(11,232,677)
GST paid to suppliers		(1,421,720)	(1,438,593)
GST remitted to the Australian Taxation Office		(33,477)	(215,393)
Net cash provided by operating activities		(3,247,115)	5,523,145
Cash Flows from investing activities			
<i>Inflows:</i>			
Interest and dividends		2,380,296	1,093,152
Franking credits received from the Australian Taxation Office		-	148,622
Sale of plant and equipment		3,683	26,409
Gain on Sale of Asset		3,501	609
<i>Outflows:</i>			
Acquisition of plant and equipment		(314,627)	(395,599)
Net movement of investment funds to financial assets		18,110,532	(5,184,812)
Investment management fees paid		(228,984)	(235,481)
Interest on lease liability		15,892	-
Net cash provided by/(used in) investing activities		19,970,293	(4,547,100)
<i>Outflows:</i>			
Principal component of lease liability		1,026,646	-
Net cash provided by operating activities		1,026,646	-
Net increase/(decrease) in cash and cash equivalents		17,749,824	976,045
Cash and cash equivalents at beginning of the financial year		5,098,605	4,122,561
Cash and cash equivalents at end of the financial year	9	22,848,429	5,098,605

The accompanying notes form part of these statements

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Basis of Financial Statement Presentation

(a) General Information about the Reporting Entity

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

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

Summary of Significant Accounting Policies

(b) Compliance with Prescribed Requirements

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

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

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

Comparatives - Comparative information reflects the 2019-20 financial statements.

(c) The Reporting Entity

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

(d) Revenue

Donations and Other Contributions

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

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

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

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

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

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

(d) Revenue (continued)

Financial Income

Interest income is recognised using the effective interest method.

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

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office.

(e) Distribution of Grants

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

(f) Cash and Cash Equivalents

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

(g) Receivables

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

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

(h) Acquisition of Assets

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

(i) Plant and Equipment

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

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

(j) Depreciation of Plant and Equipment

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

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

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

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

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

(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) Payables

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

(m) Financial Instruments

Classification

Financial instruments are classified and measured as follows:

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

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

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

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

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

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

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

Financial assets at fair value through profit or loss

All financial assets not classified as measured at amortised cost as described below (i.e. the Foundation's managed investments with QIC) are measured at fair value through profit or loss (FVTPL). These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Receivables

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

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

Held to maturity financial assets

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

(n) Employee Benefits

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

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

Wages, Salaries and Sick Leave

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

Prior history indicates that on average, sick leave taken each reporting period is less than the entitlement accrued. This is expected to continue in future periods. Accordingly, it is unlikely that existing accumulated entitlements will be used by employees and no liability for unused sick leave entitlements is recognised.

As sick leave is non-vesting, an expense is recognised for this leave as it is taken.

Annual Leave and Long Service Leave

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

Superannuation

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

Key Management Personnel

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

Remuneration of Board Members

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

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

(o) 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.

(p) Funds held in trust transactions and balances

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

(q) Taxation

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

(r) Issuance of Financial Statements

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

(s) Key Accounting Estimates and Judgements

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

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

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

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

Accrued Employee Benefits - Note 1(n)

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

Fair value of contribution received for no consideration - Note 4

Performance obligations for grant funding under new Accounting Standards - Note 1(d)

(t) Other Presentation Matters

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

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

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

(u) Leases

The Foundation as lessee

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

Concessionary Leases

For leases that have significantly below-market terms and conditions principally to enable the Foundation to further its objectives (commonly known as peppercorn/concessionary leases), the Foundation has adopted the temporary relief under AASB 2018-8 *Amendments to Australian Accounting Standards – Right-of-Use Assets of Not-for-Profit Entities* and measures the right of use assets at cost on initial recognition. The value of the peppercorn property lease at cost is \$nil, up to 31st January 2021, after which, the Foundation entered into a lease as per below.

AASB 16 Leases

AASB 16 requires all leases to be accounted for on the balance sheet as right-of-use assets and lease liabilities, except for short-term leases and leases of low value assets. As of February 2021, the Foundation has one building sublease for Level 14, 199 Grey Street, and a lease for two new printers, from March 2021, which were recognised as a right-of-use asset and a lease liability of \$1,042,538. Also, the Foundation subsequently depreciates the right-of-use asset and recognises interest expense on the lease liability. The Foundation's indicative borrowing rate is 3.5%.

Prior to February 2021, The Foundation leases were low value assets and no ROU Asset or leave liability was recognised.

(v) Covid-19

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

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

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

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

The value of Government assistance received is shown in Note 4.

(w) Principal vs Agent

During the year, the Foundation was the recipient of \$2 million from Queensland Health for the Q Most Grant, a mental health pilot program. In respect of this arrangement, the grant funding has been treated with the Foundation acting as an agent (as distinct from a principal) under AASB 15 i.e. no revenue has been recorded. Management consider that the following factors indicate that the Foundation acts as an agent in this arrangement:

- Although the Foundation collects the funding from Queensland Health, the agreement requires these funds to be provided to a third party (Orygen) in full.
- The funding agreement does not allow the Foundation to vary the amount of the funding provided to Orygen and indicates the Foundation will act as a "custodian and conduit" of Queensland Health.
- Accordingly, the Foundation is not exposed to risk relating to the delivery of goods or services under the agreement.

A further \$2 million is anticipated to be received by the Foundation in future financial years as the program is rolled out.

Also included in the unearned revenue balance, are amounts relating to a Brisbane South PHN contribution to the Q Most Grant above and refundable pre-sales for the Coffee Club Ball of \$250,000 and \$3,055 respectively.

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

	2021	2020
	\$	\$
2. Donations and other contributions		
Individual donations	5,037,823	5,180,047
Gifts in wills	574,304	8,273,965
Partnerships	10,787,118	11,025,468
Trusts and foundations	550,900	897,818
Total	16,950,145	25,377,298

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

Receipts for Government income included in Partnerships for 2021 was \$5,600,000 (2020: \$3,000,000)

3. Financial income

Interest received from bank deposits	269,779	55,847
Dividends received from financial assets	2,110,517	1,037,305
Total	2,380,296	1,093,152

4. Other income

Dividend imputation tax credits on listed securities	65,905	133,438
Services received free of charge - at fair value	3,962,470	5,095,692
Gain on disposal of assets	3,501	609
Sundry Revenue	15,551	-
Government Subsidies	1,053,501	351,500
Total	5,100,929	5,581,239

Dividend imputation tax credits on listed securities:

Credits arising from dividends paid during the 2021 financial year of \$65,905 (2020: \$133,438) are recoverable from the Australian Tax Office after 30 June 2021 and have been included as a receivable in the Statement of Financial Position.

Government subsidies received were the Covid Relief Payments and Jobkeeper Allowance in 2021 \$1,053,531 (2020: \$351,500)

Services received free of charge - at fair value:

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

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

	2021	2020
	\$	\$
5. Employee expenses, Key Management Personnel and Remuneration Expenses		
Salaries and wages	5,139,163	5,155,601
Employer superannuation contributions	452,960	445,444
<i>Employee related expenses</i>		
Workers compensation premium	22,293	23,093
Other employee related expenses	10,999	15,739
Total	5,625,415	5,639,877

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	47	50
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a) Key Management Personnel

The following details for key management personnel include those positions within the Foundation that have authority and responsibility for planning, directing and controlling the activities of the Foundation during 2020-21.

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

b) Remuneration Expenses

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

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

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

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

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

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

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

1 July 2020 - 30 June 2021				
Position	Short Term Employee Expenses	Long Term Employee Expenses	Post-Employment Expenses	Total Expenses
	\$	\$	\$	\$
Chief Executive Officer	264,713	9,161	21,694	295,568
Total	264,713	9,161	21,694	295,568
1 July 2019 - 30 June 2020				
Position	Short Term Employee Expenses	Long Term Employee Expenses	Post-Employment Expenses	Total Expenses
	\$	\$	\$	\$
Chief Executive Officer	267,242	8,545	21,003	296,790
Total	267,242	8,545	21,003	296,790

	2021	2020
	\$	\$
6. Distribution of grants		
Research grants	8,193,565	5,568,333
Health and medical services	1,258,445	1,352,668
Equipment	2,031,381	2,505,511
Patient and family support	1,416,948	1,007,396
Other Foundation grants	1,085	337,232
Total	12,901,424	10,771,139
7. Other Expenses		
Audit related costs	21,013	19,023
Services received free of charge - at fair value	3,962,470	5,097,176
Other administrative expense	168,874	144,431
Total	4,152,357	5,260,630

Total audit fees payable to the Queensland Audit Office relating to the 2020-2021 financial statements are quoted to be \$23,000 (2020: \$21,013). Other audit fees refer to audits of raffles, funding agreements and cyber security reviews.

Services received free of charge - at fair value:

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

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

The Foundation made no special payments during the 2021 financial year.

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

8. Aggregation

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

	2021	2020
	\$	\$
9. Cash and cash equivalents		
Petty cash and floats	1,000	1,000
Cash at bank	22,844,275	5,094,451
Short term deposits	3,154	3,154
Total	22,848,429	5,098,606

Funds held in trust payable:

Funds held in trust at 30 June 2021 included \$294,077 (2020: \$294,053) which are development funds held on behalf of Children's Health Queensland Hospital and Health Service and \$60,921 (2020: \$60,902) held by the Foundation on behalf of Sophie Nance. The balance of these funds is held in a separate bank account and administered by the Foundation in a custodial role only. As the funds are not controlled by the Foundation, they are not recorded on the Statement of Financial Position.

10. Receivables

Dividend imputation credits on listed securities	199,343	133,438
Trade debtors	387,427	148,997
GST Receivable	468,712	410,275
Total	1,055,482	692,711

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

11. Financial assets

Non-current:

Financial assets designated at fair value through profit & loss	36,286,396	51,338,664
Total	36,286,396	51,338,664

At 30 June 2021, portfolio funds were held in managed investments with QIC. Refer note 14(d)

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

Restricted funds

Sir Albert Sakzewski Endowment Fund	5,315,375	4,877,616
Sasakawa Memorial Fund	2,686,870	2,429,749
Lola Efstathis Scholarship Fund	162,349	142,785
Burns Endowment Fund	600,772	510,909
Total restricted financial assets	8,765,367	7,961,060

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

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

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

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

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

	2021	2020
	\$	\$
12. Plant and equipment		
Plant and equipment		
At cost	1,274,087	1,227,434
Less accumulated depreciation	(615,134)	(596,085)
Total	658,953	631,349

Carrying amount at 1 July	631,349	399,409
Acquisitions	314,627	395,599
Disposal	(3,683)	(26,409)
Depreciation	(283,340)	(137,251)
Carrying amount at 30 June	658,953	631,349

13. Payables

Current:

Trade creditors	1,256,962	2,840,172
Sundry creditors and accruals	442,758	317,196
PAYG payable	75,628	85,838
Grants payable	2,872,669	2,297,723
Total	4,648,018	5,540,929

14. Financial instruments

(a) Categorisation of financial instruments

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

	2021	2020
	\$	\$
<i>Financial assets</i>		
Cash and cash equivalents	22,848,429	5,098,606
Receivables	1,055,482	692,711
Financial assets at fair value through profit or loss	36,286,396	51,338,664
Total	60,190,307	57,129,981

Financial liabilities

Payables	4,648,018	5,540,929
Total	4,648,018	5,540,929

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

14. Financial instruments (continued)

(b) Financial risk management

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

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

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

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

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

(c) Credit risk exposure

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

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

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

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

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

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

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

The Foundation has no financial assets that are overdue.

(d) Market risk

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

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

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

	2021	2020
	\$	\$
QIC Long Term Diversified Fund	36,286,396	51,338,664
Total	36,286,396	51,338,664

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

15. Leases

The Foundation has recognised three right-of-use assets for the 2021 financial year. (Note 1(u))

A building sublease with Minor DKL for the premises at Level 14, 199 Grey Street South Brisbane. The sublease is for a total term of 4 years and 6 months, on which the agreement will then terminate. Prior to termination, CHF may re-negotiate directly with the Head Lessor. The sublease has a 3% annual increase adjustment.

Two printers with Fuji-Xerox. The lease is for a term of 5 years, with no annual increase, after which the printers will remain the property of the Lessor.

	2021 \$	2020 \$
Right-of-use-Assets - Buildings and Printers		
Opening Balance as at 1 July	-	-
Additions	1,029,709	-
Depreciation Charge	(101,342)	-
Closing balance at 30 June	928,367	-
Lease Liabilities		
Current	(228,800)	-
Non-Current	(813,738)	-
Total	(1,042,538)	-
Amounts recognised in profit and loss		
Interest expense - lease liabilities	15,892	-
Total cash outflow for leases	1,042,538	-

16. Commitments for expenditure

Grant commitments

Commitments to external grant recipients at reporting date are payable:

Not later than 1 year	12,800,035	8,163,342
Later than 1 year but not later than 5 years	19,308,421	10,787,179
Total	32,108,456	18,950,521

There were no other commitments for expenditure at 30 June 2021.

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

Program	Actuals 2020/21	Total Allocation over project life
Centre for Child and Adolescent Brain Cancer Research	676,085.00	5,600,000.00
Woolworths Centre for Childhood Nutrition Research	2,050,704.00	5,000,000.00
QLD Cystic Fibrosis Research Program	482,657.00	2,500,000.00
Centre for Children's Immunotherapy Research	126,523.00	7,500,000.00
TOTAL	3,335,969.00	20,600,000.00

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

17. Leveraged Funding

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

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

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

18. Events subsequent to balance date

Subsequent to the reporting date, the Foundation received \$500,000 from The Lott in support of the Brain Cancer Centre. This support was pledged in May 2021, received in July 2021 and accordingly, will be recorded as income in the 2021/22 financial year.

19. Related Party Transactions

The Foundation obtained related party declarations for each member of the Board and key management personnel for the period 1 July 2020 - 30 June 2021. No related party transactions requiring disclosure under AASB 124 occurred during the period. The Foundation Board members receive no remuneration to hold their positions on the Board.

20. Commitments

The Foundation has no capital commitments for disclosure.


21. Contingencies

The Foundation is not aware of any contingencies at reporting date that require disclosure.

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

- a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- b) the financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards and the *Australian Charities and Not-for-profits Commission Act 2012*, of the transactions of Children's Hospital Foundation Queensland for the financial year ended 30 June 2021 and of the financial position as at the end of that year, and
- c) there are reasonable grounds to believe the Children's Hospital Foundation Queensland will be able to pay all of its debts as and when they become due and payable.



Rosie Simpson
Chief Executive Officer



Karen Prentis
Chair

Date 27/08/2021

INDEPENDENT AUDITOR'S REPORT

To the Board of Children's Hospital Foundation Queensland

Report on the audit of the financial report

Opinion

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

In my opinion, the financial report:

- a) gives a true and fair view of the entity's financial position as at 30 June 2021, and its financial performance and cash flows for the year then ended
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019, the *Australian Charities and Not-for-profits Commission Act 2012*, the Australian Charities and Not-for-profits Commission Regulation 2013 and Australian Accounting Standards – Reduced Disclosure Requirements.

The financial report comprises the statement of financial position as at 30 June 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the management certificate.

Basis for opinion

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

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

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

Other information

Other information comprises the information included in the entity's annual report for the year ended 30 June 2021, but does not include the financial report and my auditor's report thereon.

Those charged with governance are responsible for the other information.

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

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

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

Responsibilities of the entity for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

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

Report on other legal and regulatory requirements

Statement

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2021:

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

Prescribed requirements scope

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



Michael Claydon
as delegate of the Auditor-General

30 August 2021

Queensland Audit Office
Brisbane

