

# **Children's Hospital Foundation Queensland**

## **Annual Report 2022–2023**

Information about consultancies, overseas travel and the Queensland language services policy is available at the Queensland Government Open Data website (<https://data.qld.gov.au>).

An electronic copy of this report is available at [www.childrens.org.au](http://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](mailto: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 acknowledges and pays respect to the past, present and future Traditional Custodians and Elders of this nation and the continuation of cultural, spiritual and educational practices of Aboriginal and Torres Strait Islander peoples.

## Letter of compliance

31 August 2023

The Honourable Shannon Fentiman MP  
Minister for Health, Mental Health and Ambulance Services and Minister for Women  
GPO Box 48  
Brisbane QLD 4001

Dear Minister

I am pleased to submit for presentation to the Parliament the Annual Report 2022–2023 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 20–21 of this annual report.

Yours sincerely



Dr Jane Black  
Chair  
Children’s Hospital Foundation Queensland

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## From the Chief Executive

At the end of my first year as Chief Executive Officer of this wonderful organisation, I am incredibly proud of what we have achieved to ensure that the children and young people across Queensland have every chance to thrive.

In June, we held our first Sick Kids Giving Day, which saw an incredible \$1.5 million donation from the Queensland Government to kick off our fundraising efforts. Thousands of donations poured in, along with the most beautiful messages of support to help give strength to children and their families going through the toughest of times.

In April, we launched our new brand, something that will better reflect who we are, what we do, the kids we support and why the impact our donors and partners help make possible is so important. Many know us for our long-standing connection with the Queensland Children's Hospital — which was ranked in the top ten globally for best specialised paediatric hospital and the best in the Southern hemisphere. But what is not as widely known is the reach of the Foundation's work through our support of health services and facilities right across Queensland.

And at the end of the financial year, we launched our new five-year strategy — which was developed by our Board, employees, volunteers, Children's Health Queensland Executive, partners and supporters. The strategy positions us to shine as brightly as possible, so we can light the way towards a future where we raise more money and put more funds in the right places to help ensure every child has every chance to thrive. By igniting and inspiring generosity, we aim to deliver life-enhancing impact and improve the health and wellbeing of children and young people.

Everything we do is only possible thanks to the generous support of our community — our donors, partners, staff and volunteers. Thank you also to the amazing families who partner with us to share their inspiring stories. Our ambition to support Children's Health Queensland and the Queensland Children's Hospital is unwavering. We are immensely proud to be their philanthropic partner and I am confident that with the ongoing support of our partners and community we can build on our already substantial achievements to be the difference every kid deserves.



Lyndsey Rice  
Chief Executive Officer  
Children's Hospital Foundation Queensland

## From the Chair

This is my first year as Chair of the Children's Hospital Foundation, and it is a privilege to undertake this significant role. I am delighted with the impact we have made for sick and injured kids this year with the Children's Hospital Foundation committing \$14.4 million to research, equipment, and impact programs. This is only made possible through the generosity of our community, partners, volunteers, and donors, who this year raised a fantastic \$12.8 million.

I would like to thank the Children's Hospital Foundation Board members, who serve on the Foundation Board as volunteers, donating significant time and expertise. I would also like to thank Karen Prentis, whose appointment as Foundation Board Chair ended during the year, and recognise her considerable effort in the role, alongside Board member Luke McGrath. A warm welcome to Garth Wilshire, Cheryl Leavy and Catherine Parker, whose appointments commenced in December.

I would also like to acknowledge David Gow, Children's Health Queensland Board Chair, and the wider Children's Health Queensland Board, for their integral input and support of the Foundation. With this guidance, the Children's Hospital Foundation can confidently continue creating the healthiest of outcomes for Queenslanders. I would also like to acknowledge Professor Allan Cripps AO, who sadly passed away in December. As the Chair of the Children's Health Research Alliance Board, Professor Cripps made an enormous contribution to paediatric research in Queensland.

I am honoured to work alongside the wonderful team at the Children's Hospital Foundation and Children's Health Queensland, whose passion and commitment to making a difference to sick kids and their families is palpable. Without the collective effort of our team, volunteers and generous community of supports, we could not possibly make the same life-changing impact that we do. I look forward to continuing to break barriers with you all. Thank you to all involved.



Dr Jane Black  
Chair  
Children's Hospital Foundation Queensland

## 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 statewide with Children's Health Queensland.

The Children's Hospital Foundation funds cutting-edge equipment, vital research and on the ground support for kids with all illnesses, injuries and conditions, throughout Queensland and northern New South Wales.

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 (Children's Health Queensland).

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

Children's Health Queensland provides an integrated network of care and services through the Queensland Children's Hospital, Jacaranda Place, the Ellen Barron Family Centre, and other community-based child health and mental health services across Queensland, including specialist outreach and telehealth services.

Children's Health Queensland works with the 15 other hospital and health services in the state to improve access to high quality healthcare for every child and young person, regardless of where they live.

### **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 and a centre for teaching and research. On any given day, the team at the hospital will treat more than 200 children in its emergency department, see 1,000 children for outpatient appointments and care for more than 200 children in the inpatient wards. It houses the busiest Paediatric Intensive Care Unit in Australia, providing life-saving care to more than 1,800 critically injured and sick kids every year.

### **Centre for Children's Health Research**

The Centre for Children's Health Research (Centre) 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 Children's Health 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 Children's Health 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.

### **Opportunities and challenges**

The Foundation has invested time and capability into two important areas this year: our new brand and a digital transformation. The new brand presents an opportunity to increase our brand awareness and subsequently positively impact our fundraising goals and impact outcomes. Changing from a highly customised legacy system to a new customer relationship management system will create efficiencies across the organisation, ensure cyber security is front and centre of all that we do and improve donor experience, among other benefits.

The giving landscape continues to be a challenge, off the back of COVID-19, with donations from the public having plateaued across the last five years and the number of households giving to charity across Australia declining. We expect this trend to continue with rising interest rates and increased cost of living impacting families across Australia. Prioritising our work to ensure we continue to invest in areas of greatest impact remains crucial.

## **Queensland Government objectives for the community**

The Children's Hospital Foundation supports the Queensland Government's objectives for the community: *Good jobs, Better Services, Great Lifestyle* and the sub-objective: *Keeping Queenslanders safe*, through implementation of the Strategic Plan 2019–2023, by:

- Improving the health and wellbeing of children and young people by investing in high quality research, clinical excellence and equipment, and through delivering patient and family support across the continuum of care
- Co-creating with Children's Health Queensland three new areas of support or projects to pilot
- Ensuring our people are engaged, enabled and effective in all that they do.

## Governance

<b>Children's Hospital Foundation Queensland</b>					
Act or instrument	<i>Hospital Foundations Act 2018</i>				
Functions	<p>The role of our Board includes:</p> <ul style="list-style-type: none"> <li>• Maintaining high levels of accountability to our supporters, stakeholders and regulators</li> <li>• Protecting the integrity of the Children's Hospital Foundation</li> <li>• Setting the strategic direction for the Children's Hospital Foundation</li> <li>• Monitoring the performance of the Chief Executive Officer</li> <li>• Approving and monitoring the Children's Hospital Foundation's annual budget and financial and other reporting</li> <li>• Monitoring the performance of the Children's Hospital Foundation, including its fundraising performance, against key performance indicators</li> <li>• Reviewing, ratifying and monitoring systems of risk management and internal control, audit and legal compliance</li> <li>• Contributing to fundraising activities of the Children's Hospital Foundation.</li> </ul>				
Achievements	Reported throughout the Annual Report.				
Financial reporting	The Foundation's financial statements are prepared in accordance with Australian Accounting Standards (as issued by AASB), the <i>Financial and Performance Management Standard 2019</i> of the <i>Financial Accountability Act 2009</i> and the <i>Australian Charities and Not-for-profits Commission Act 2012</i> and <i>Regulation 2022</i> .				
<b>Remuneration</b>	Board members elect to serve in a voluntary capacity and receive no fees for their services on the Board or committees.				
Position	Name	Meetings / sessions attendance	Approved annual, sessional or daily fee	Approved sub-committee fees if applicable	Actual fees received
Chair	Jane Black	19 (6 Board / 13 Committee)	Nil	Nil	Nil
Deputy Chair	Sara Parrott	10 (5 Board / 5 Committee)	Nil	Nil	Nil
Member	Sharon Houghton	14 (5 Board / 9 Committee)	Nil	Nil	Nil
Member	Frank Tracey	6 Board	Nil	Nil	Nil
Member	Michelle Hannan	14 (5 Board / 9 Committee)	Nil	Nil	Nil
Member	Martin Byrne	5 Board	Nil	Nil	Nil
Member	Catherine Parker	7 (4 Board / 3 Committee)	Nil	Nil	Nil
Member	Cheryl Leavy	4 Board	Nil	Nil	Nil
Member	Garth Wilshire	7 (4 Board / 3 Committee)	Nil	Nil	Nil
Former Chair	Karen Prentis	6 (2 Board / 4 Committee)	Nil	Nil	Nil

Former Member	Luke McGrath	8 (2 Board / 6 Committee)	Nil	Nil	Nil
No scheduled meetings/sessions	6				
Total out of pocket expenses	Nil				

## Our Board

Current Board members have been appointed by the Governor in Council (as recommended by the Minister for Health, Mental Health and Ambulance Services and Minister for Women) acting by and with the advice of the Executive Council under the provisions of the *Hospital Foundations Act 2018*.

2022–2023 Board meeting dates were:

- 25 August 2022
- 27 October 2022
- 11 January 2023
- 23 February 2023
- 27 April 2023
- 29 June 2023.

## Membership

### Dr Jane Black

PhD BSW (Hons 1) Dip Rad

Appointed as Chair and Board member for a term 8 December 2022 to 30 September 2025. Jane was originally appointed as a Board member on 12 December 2019. This is Jane's second term of appointment as a Board member and first term of appointment as Chair.

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. Jane has a proven record of executive leadership having worked for both for-profit and not-for-profit organisations. She has a strong focus on health innovation and research, early intervention and clinical ethics.

Jane is a member of the Remuneration and Nominations Committee and Finance, Audit and Risk Management Committee, and an ex-officio member of the Grants Committee.

### Sara Parrott

Appointed for a term 12 December 2019 to 30 September 2024. This is Sara's first term of appointment. Sara was appointed Deputy Chair from 1 July 2021.

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 Chair of the Grants Committee.

### Sharon Houghton

Appointed for a term 8 December 2022 to 30 September 2026. Sharon was originally appointed as a Board member on 12 December 2019. This is Sharon's second term of appointment.

Sharon is Chief Operating Officer at Aerofast Australia Pty Ltd allowing her to bring together years of business experience to ensure the efficient running of the business day-to-day as well as from a strategic perspective. Sharon moved to this role in January 2022 after having enjoyed over 25 years as a Chartered Accountant with BDO. Sharon's most recent role at BDO was as a Director in BDO's Healthcare team looking after large medical groups, hospitals, doctors and allied health professionals. In an accounting and taxation environment. Sharon's advisory skills extend to management accounting and consulting, business structuring, personal wealth creation, self-managed superannuation, business succession planning, family business and indirect taxation.

Sharon is one of the Children's Hospital Foundation's representatives on the Children's Health Research Alliance Board.

Sharon is Chair of the Finance, Audit and Risk Management Committee and a member of the Remuneration and Nominations Committee.

### **Adjunct Professor 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. He has a clinical background in nursing and holds advanced qualifications in health management and governance. His extensive experience in health commissioning and provision in clinical and community settings is complemented by strong executive management and leadership skills.

### **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 healthcare 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 Chair of the Remuneration and Nominations Committee and a member of the Grants Committee.

### **Associate Professor Martin Byrne**

BAppSc MBBS FRACGP FACRRM FRACMA MHM DRANZCOG GAICD

Appointed as nominee of the Chair of the Children's Health Queensland Hospital and Health Service Board with effect from 15 May 2022.

Martin is a well-respected general practitioner, rural generalist and medical administrator with more than 20 years' experience working in rural and remote health settings, both in the public and private sector.

Martin is an Associate Professor with Griffith University, where he serves as Medical Educator and Examiner, as well as holding senior roles with The University of Queensland and University of Southern Queensland. Martin was formerly Director of Medical Services of Metro North Hospital and Health Service's Surgical, Treatment and Rehabilitation Service (STARS) and has also previously served in executive roles for South West and Darling Downs Hospital and Health Services.

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

**Cheryl Leavy**

Appointed for a term 8 December 2022 to 30 September 2026. This is Cheryl's first term of appointment.

Cheryl's career spans the private sector, and both state and federal governments in diverse fields including health, taxation, education and transport. In her current role, Cheryl works to support partnerships with First Nations people to co-steward Queensland's unique cultural landscapes and protect the rights and interests of First Nations peoples.

Cheryl is a Kooma Traditional Owner. Kooma Country is South-West Queensland, between St George and Cunnamulla.

Cheryl is a member of the Grants Committee.

**Garth Wilshire**

BBus FGIA MICDA MACS(Snr)

Appointed for a term 8 December 2022 to 30 September 2025. This is Garth's first term of appointment.

Garth is an experienced information and technology executive with over 30 years' experience in public, not-for-profit and private sectors.

He is currently the Chief Information Officer at Queensland Fire and Emergency Services where he has been setting the strategy and delivery of digital initiatives. Previous to that, Garth has held executive roles in Brisbane City Council, UnitingCare Queensland and Rio Tinto. Garth has extensive experience in strategic planning, roadmap development, portfolio management, risk management and service delivery.

Garth is a member of the Finance, Audit and Risk Management Committee.

**Catherine Parker**

Appointed for a term 8 December 2022 to 30 September 2026. This is Catherine's first term of appointment.

Catherine is an effective, accomplished and well credentialed risk executive with experience in investment management, financial services and enterprise-wide risk governance specialties focused on embedding risk management frameworks organisationally and using influencing and communication skills to strengthen risk culture.

Catherine is Cromwell Funds Management's first Australian designated head of risk, responsible for their enterprise-wide risk management and compliance functions, especially relating to its Australian Financial Services Licence obligations. Catherine is also a director on several not-for-profit boards, including YMCA Brisbane and Mercy Partners.

Catherine is a member of the Finance, Audit and Risk Management Committee.

**Karen Prentis**

Appointed for a term 12 December 2019 to 30 September 2023. Karen's term as Chair and Board member ended on 7 December 2022.

**Luke McGrath**

Appointed for a term 29 November 2017 to 30 September 2023. Luke was originally appointed to the Board on 11 November 2011. Luke's term as Board member ended on 7 December 2022.

**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:

- Sharon Houghton (Chair)
- Jane Black
- Catherine Parker (from 18 January 2023)
- Garth Wilshire (from 18 January 2023)
- Luke McGrath (until 7 December 2022)
- Karen Prentis (until 7 December 2022)

#### 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:

- Sara Parrott (member for the full year and Chair from 18 January 2023)
- Michelle Hannan
- Cheryl Leavy (from 18 January 2023)
- Jane Black (ex-officio) (from 8 December 2022)
- Luke McGrath (Chair until 7 December 2022)
- Karen Prentis (ex-officio) (until 7 December 2022)

#### Remuneration and Nominations Committee

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

#### Members:

- Michelle Hannan (member for the full year and Chair from 18 January 2023)
- Jane Black (Chair until 18 January 2023)
- Sharon Houghton
- Karen Prentis (until 7 December 2022)
- Luke McGrath (until 7 December 2022)

## **Executive management**

### **Chief Executive Officer**

#### **Lyndsey Rice**

Lyndsey joined the Children's Hospital Foundation as Chief Executive Officer in May 2022. She brings with her a wealth of strong fundraising experience, having led the fundraising teams of successful not-for-profits including Oxfam, Children's Medical Research Institute, Sydney Children's Hospital Foundation and Cancer Council NSW. Lyndsey is recognised as a visionary leader with experience leading large multi-disciplinary teams throughout a career that spans international development, social service, health, medical research and the arts. She is passionate about building inclusive, engaged and inspiring cultures to achieve the best possible outcomes.

Lyndsey holds a 1st Class BA Hons Degree in English Language and Literature, is a Graduate member of the Australian Institute of Company Directors and a Member of the Fundraising Institute of Australia, where she is also a volunteer mentor.

### **Chief Marketing and Fundraising Officer**

#### **Olivia Jary**

Olivia joined the Children's Hospital Foundation in September 2020 and finished in August 2023. Her responsibilities included creative, fundraising, marketing and partnerships activities.

### **Chief Financial Officer**

#### **Kaelah Bosanquet**

Kaelah commenced with the Children's Hospital Foundation in September 2021 and is responsible for financial operations, information technology and projects.

### **Director of People and Culture**

#### **Rachael Murphy**

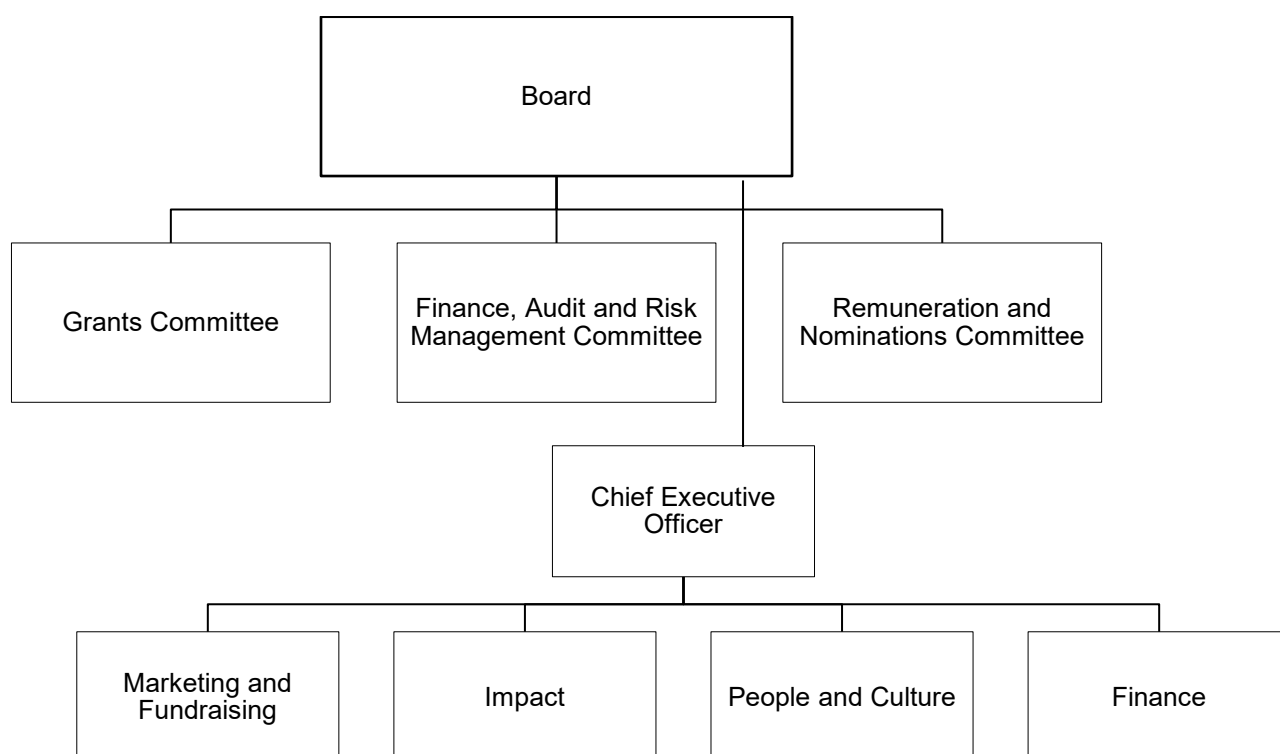
Rachael joined the Children's Hospital Foundation in 2013 and is responsible for people and culture, including employees and volunteers.

### **Director of Impact**

#### **Nick Van Dyke**

Nick joined the Children's Hospital Foundation in August 2002 and has been the Director of Patient and Family Support, responsible for patient and family support services and programs, including management of volunteers. From May 2023, Nick was appointed the Director of Impact, which is responsible also for managing our portfolio of research and grants and developing an impact framework for the organisation. Nick had been acting in the Director of Impact role since August 2022.

## **Organisational structure and workforce profile**



## Strategic workforce planning and performance

The Children's Hospital Foundation strives to be an inspirational and purposeful place to work and volunteer, that develops and enables our diverse team to deliver on our strategic priorities. Ongoing investment in our workforce is vital to ensure we can continue to deliver on our purpose. This year, as part of the development of our five-year strategy, we have developed people strategies focused on building capacity, capability and our culture that meets current and future organisational needs. The people priorities of the five-year strategy aim to:

- Enable a purpose-led, safe, inclusive and strengths-based culture
- Invest in our team's capability and growth to deliver our priorities
- Ensure child safety and wellbeing is at the forefront of everything we do, and
- Build on our commitment to diversity, inclusion, equity and belonging.

As at 30 June 2023, the number of full-time equivalent employees was 44. Eighty-one per cent of the Children's Hospital Foundation's employees are female. Eighty per cent of the senior leadership team is female, including our Chief Executive Officer.

The Children's Hospital Foundation is committed to providing a supportive, safe and healthy work environment. All staff are supported through flexible work options and our continuing hybrid working arrangements. 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 of work, various leave types, compressed working week and job sharing. Currently, 19.5 per cent of team members are part-time. In addition, the Foundation is pleased to support its staff through paid parental leave and graduated return to work options for those returning to the workforce.

We strive to make the Children's Hospital Foundation a great place to work and volunteer, with a focus on inclusivity and belonging. We ensure our staff and volunteers can be themselves and harness diverse thoughts and experiences to drive greater impact for sick kids and their families. This year we completed our *Innovate Reconciliation Action Plan* and associated deliverables. In addition, we expanded our diversity and inclusion initiatives through an annual plan of training, education and awareness. This ranged from cultural capability and domestic and family violence training to recognising NAIDOC week, LGBTIQ+, Mental Health Awareness month and various others.

Over the last twelve months, we have redesigned our values in consultation with stakeholders, staff and volunteers. Our new values and behaviours will guide the way we perform and behave, to make a positive impact on sick kids and their families. Empowering and investing in the capability of our team is a key focus. We continued our Elevate leadership program for the second year, focusing on leading through change, inclusive leadership, psychological safety and resilience. It promotes and inspires leadership at all levels. We have also redesigned our performance framework. The integration between our values and behaviours and new performance framework will drive a coaching culture ensuring a powerful alignment between individual performance and the Children's Hospital Foundation's strategic priorities.

## Early retirement, redundancy and retrenchment

During the period, five employees received redundancy packages at a cost of \$102,696. This was due to operational requirements, which involved restructuring of the patient and family support and research and grants areas of the Foundation.

## Open Data

The Children's Hospital Foundation has Open Data to report on Consultancies and the data can be found on the Queensland Government Open Data Portal (<https://data.qld.gov.au>). The Children's Hospital Foundation has no Open Data to report on Overseas Travel or *Queensland Language Services Policy*.

## Risk management

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

Operationally, the Committee discusses, reviews, and identifies actions required to manage risks in strategic areas including innovation, financial sustainability, governance and compliance, stakeholder relationships, reputation and cyber security. 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 2022*.

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 five times during 2022–2023.

## External scrutiny

An external audit was conducted by a designate of the Queensland Audit Office. An unqualified audit opinion was issued on the 2022–2023 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 Queensland State Archives *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 the relevant 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 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. We did not receive any human rights complaints in 2022–2023.

## Performance

### Achievements

Our Patient and Family Support team achieved so much for children and families. Highlights include:

- Approximately 200 volunteers committed 13,721 hours of support
- Over 3500 free meals provided to families in the Queensland Children's Hospital. Our partnership with FareShare will continue the legacy of the Scarlett May Foundation, providing free nutritious meals to families in hospital
- 20,293 craft packs were provided to inpatient units and outpatient clinics
- 10,389 families were supported while their child was undergoing surgery
- 2337 handmade quilts were donated from the community and gifted to children
- 7810 children and 6499 adults visited our Kidzone playroom
- 10,896 toys, books and games loaned to inpatients including digital distraction devices and play-ability toys
- 7824 Bravery Beads awarded to recognise the incredible strength and bravery of patients and their siblings
- 1959 cuddles provided to babies through our Steggles Cuddle Carer program
- 32,375 families were assisted by our Woolworths Wayfinders
- Over 3000 one-on-one moments of wellbeing support to families
- Supporting Juiced TV with engaging over 605 kids during 643 hours of filming to create 184 segments and 65 filming days at the Queensland Children's Hospital.

Notable in the last year was the launch in August of the Ian Frazer Centre for Children's Immunotherapy Research, which is the first dedicated children's immunotherapy research centre in Australia. Led by The University of Queensland, in collaboration with Children's Health Queensland and QIMR Berghofer, the Children's Hospital Foundation has committed \$7.5 million over five years to bring better treatment options to kids facing cancer. The Centre has appointed an internationally renowned immunologist as its inaugural director, The University of Queensland's Professor Di Yu, who in March was awarded the Jacques Miller Medal by the Australian Academy of Science for his outstanding contributions in experimental biomedicine.

Thanks to the ongoing funding support from the Foundation, the Children's Brain Cancer Centre has continued to make strides towards a future without brain cancer, achieving milestones in the treatment and detection of cancer. The Children's Brain Cancer Conference returned for its second year and across two days in March, researchers from around the globe came together to collaborate, share their discoveries, and bolster the fight against paediatric brain cancer.

Thanks to the partnership between the Foundation and Queensland Health, Orygen Digital continued to deliver their Moderated Online Social Therapy (MOST) model in the Queensland pilot project. The Q-MOST pilot is offered as an adjunct and complementary option of support to existing face-to-face clinical treatment and care provided by seven Hospital and Health Services and their local headspace centres, enabling young Queenslanders timely access to mental health support through Orygen Digital's MOST digital platform.

### Strategic objectives and performance indicators

#### 1. Impact

Objective: Improve the health and wellbeing of children and young people by investing in high quality research, clinical excellence and equipment, and through delivering patient and family support across the continuum of care.

Performance indicators:

- Deliver 110,000 patient and family support encounters that contribute to a positive patient experience
- Invest \$17.5 million for FY23 in direct support for sick kids and research.

Outcomes 2022–2023:

- Our services and programs delivered over 126,000 interactions with patients and families
- \$2.1 million was provided to deliver our patient and family support programs, which enabled 126,000 positive interactions with patients and families.
- We funded \$6.6 million into research grants, \$4.2 million into health and medical services, and \$1.6 million into equipment. This was less than anticipated due to some large investments into research and equipment being extended by grant recipients into later years.
- 10 volunteer recruitment intakes were undertaken throughout the year, and we onboarded 87 new volunteers who are committed to providing the best possible experience for patients and families.
- All that we do for families is guided by our Outcomes Measurement Framework which was built in collaboration with families, volunteers and Children's Health Queensland staff. Our programs are designed to achieve impact in two or more of our social outcome domains: happiness, social connection, empowerment, and psychological safety and trust. For the two years we have been operating under this framework, happiness has been our number one domain, with children feeling 2.5 times happier when they engage with our programs, and caregivers experiencing a four-fold increase in happiness when connecting with our team and programs.

## 2. Partnerships

Objective: Work in partnership to tackle some of the biggest challenges facing children's health.

Performance indicators:

- Co-create three new areas of support or projects to pilot.

Outcomes 2022–2023:

- We have partnered with Children's Health Queensland to co-design recognition of important dates, events and improvements, including:
  - The development of 'hush packs', which are designed to improve the experience of caregivers seeking rest or sleep in multi-bed bays or wards.
  - Onboarding additional Inpatient Orientation volunteers to connect with more families when they are admitted to hospital.
  - Providing special date activity boxes to patients across Queensland Children's Hospital in recognition of Queensland Mental Health Week, Mother's Day, Father's Day and Christmas.
  - In connection with our funding of the Children's Health Queensland Bereavement Service and final farewell funeral support payments, we collaborated to help deliver the Queensland Children's Hospital's Remembrance Ceremony and Good Grief This Hurts events.
  - We introduced a regular family photography service which captures 'real life' moments of family life within the Queensland Children's Hospital. We supported 207 patients and family members in this popular photography service, which provides professionally edited photos to each family free of charge.
  - In recognition of International Nurses Day, we collaborated with Children's Health Queensland on the 'Capturing Care' photography exhibition which featured 30 black and white photographs of Queensland Children's Hospital and community nursing staff 'in the moment' of their working shift.

### **3. Income**

Objective: Diversify and grow our income.

Performance indicators:

- Fundraising revenue of \$13.7 million for FY23.

Outcomes 2022–2023:

- Total fundraising revenue of \$12.8 million. This is lower than originally anticipated due to a drop in goods and services provided in kind due to the Children's Hospital Foundation not undertaking the Telethon event in 2022–2023, which made up most of the services received free of charge.
- The Foundation launched a new brand narrative and visual identity which has been positively received by our supporters and helps to clearly articulate who we are and why we need support.
- The first Sick Kids Giving Day took place in June 2023, including the inaugural Mascot Games which saw nine of Queensland's most loved sporting mascots competing for glory. The appeal raised \$1,903,203 and generated 340 media hits with a media reach of 4,345,381.
- This year has seen a concentrated and strategic focus into Philanthropy with the development and launch of two new volunteer fundraising committees — the Sapphire Committee and Legacy Advisory — which are focused on events, experiences and introducing the Children's Hospital Foundation to new audiences.
- A new five-year fundraising growth strategy has been developed and the focus into 2024–2025 will be embedding the new strategy which focuses on growth through mass market channels. The Foundation will use its new customer relationship management system to further improve fundraising through improved data insights and targeting.

### **4. People**

Objective: Ensure our people are engaged, enabled and effective in all that they do.

Performance indicators:

- Increase organisation-wide employee engagement score to 75 per cent
- Deliver two new projects from the innovation pipeline.

Outcomes 2022–2023:

- The Foundation deferred its annual engagement survey to 2023–2024. As the Foundation's new five-year strategic plan commences from 1 July 2023, it was considered more appropriate to measure employee engagement against the new five-year strategic plan.
- Multiple projects were tried, tested and delivered through the innovation pipeline, including a new family experience, which delivered social impact beyond our expectations. Families who participated in the experience reported significant positive experiences across all four of our social outcomes domains: happiness, social connection, empowerment, and psychological safety and trust.

## Financial summary

### Comparison with previous period

The table below provides a comparison of actual results for the 2022–2023 year with the previous financial year.

Financial Year	2021–2022	2022–2023
<b>Total Income</b>	<b>\$14,416,193</b>	<b>\$15,056,205</b>
Operating expenses	\$10,796,203	\$9,606,753
Grant distributions	\$15,727,940	\$14,403,162
Patient and Family Support expenses	\$1,518,836	\$1,384,312
<b>Total Expenses</b>	<b>\$28,042,979</b>	<b>\$25,394,227</b>
<b>Total Comprehensive Income/(Loss)</b>	<b>(\$13,626,786)</b>	<b>(\$10,338,022)</b>
<b>Net Assets</b>	<b>\$40,398,828</b>	<b>\$30,060,806</b>

### Income

The Children's Hospital Foundation's revenue predominantly comes from funds raised through the generous support of the community and investment income. 2022–2023 saw \$12.8 million raised through fundraising. Fundraising income is down on the 2021–2022 year due to receiving a one-off donation of \$1 million towards a large research project in the prior year. Other income is down \$2.5 million due to a decrease in services received free of charge related to the Telethon production which is no longer part of the Foundation's fundraising strategy. As these are in kind services there is also a corresponding decrease in in kind expenses for this amount.

Upon review of the Foundation's Investment Policy, it was agreed that a more defensive portfolio was appropriate for the Foundation's investments instead of a predominately growth portfolio. When this change was enacted during the year the portfolio was in a much stronger position resulting in a \$5.2 million increase in gains from the movements in the fair value of financial assets when compared to the prior year.

### Expenses

Overall, expenses were \$2.6 million less than the 2021–2022 financial year. This was primarily due to decreased distribution of grants (down \$1.3 million) and decreased in kind expenses (down \$2.4 million) and offset by one off-project costs relating to the new brand and customer relationship management system (up \$1.3 million).

### Net assets

The Children's Hospital Foundation's net assets decreased by a net loss of \$10.3 million, from \$40.4 million to \$30.1 million. The net loss is mainly due to large impact distributions, one-off project costs and decreased one-off funding for a large research project. The Foundation, however, maintains a solid financial position and was able to pay its debts as and when they fell due throughout the reporting period. A significant portion (96 per cent) of the Children's Hospital Foundation's net assets are forward commitments to multi-year research contracts and long-term endowments. The remainder is retained as financial reserves which are funds retained to ensure sustainability and to help meet forward commitments. Holding funds in reserve helps the 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.

## **Financial statements**

The annual financial statements for the Children's Hospital Foundation Queensland for the 2022–2023 financial year are included in the Appendix of this Annual Report.

## Compliance checklist

Summary of requirement		Basis for requirement	Annual report reference
Letter of compliance	A letter of compliance from the accountable officer or statutory body to the relevant Minister/s	ARRs – section 7	Page ii
Accessibility	Table of contents	ARRs – section 9.1	Page iii
	Glossary		Page 21
	Public availability	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	Page 1-2
Non-financial performance	Government's objectives for the community and whole-of-government plans/specific initiatives	ARRs – section 11.1	Page 5
	Agency objectives and performance indicators	ARRs – section 11.2	Pages 15-17
	Agency service areas and service standards	ARRs – section 11.3	Not applicable
Financial performance	Summary of financial performance	ARRs – section 12.1	Page 18
Governance – management and structure	Organisational structure	ARRs – section 13.1	Page 11
	Executive management	ARRs – section 13.2	Page 10
	Government bodies (statutory bodies and other entities)	ARRs – section 13.3	Page 6
	Public Sector Ethics	<i>Public Sector Ethics Act 1994</i> ARRs – section 13.4	Page 14
	Human Rights	<i>Human Rights Act 2019</i> ARRs – section 13.5	Page 14
	Queensland public service values	ARRs – section 13.6	Page 14
Governance – risk management and accountability	Risk management	ARRs – section 14.1	Page 13
	Audit committee	ARRs – section 14.2	Page 13
	Internal audit	ARRs – section 14.3	Page 13
	External scrutiny	ARRs – section 14.4	Page 13
	Information systems and recordkeeping	ARRs – section 14.5	Page 13

Summary of requirement		Basis for requirement	Annual report reference
	Information Security attestation	ARRs – section 14.6	Not applicable
Governance – human resources	Strategic workforce planning and performance	ARRs – section 15.1	Page 12
	Early retirement, redundancy and retrenchment	Directive No.04/18 <i>Early Retirement, Redundancy and Retrenchment</i> ARRs – section 15.2	Page 12
Open Data	Statement advising publication of information	ARRs – section 16	Page 12
	Consultancies	ARRs – section 31.1	<a href="https://data.qld.gov.au">https://data.qld.gov.au</a>
	Overseas travel	ARRs – section 31.2	<a href="https://data.qld.gov.au">https://data.qld.gov.au</a>
	Queensland Language Services Policy	ARRs – section 31.3	<a href="https://data.qld.gov.au">https://data.qld.gov.au</a>
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

FAA

*Financial Accountability Act 2009*

FPMS

*Financial and Performance Management Standard 2019*

ARRs

*Annual report requirements for Queensland Government agencies*

## **Appendix: Financial Statements**

# ***Children's Hospital Foundation Queensland***

***ABN: 11 607 902 687***

## ***Financial Statements***

***for the financial year 1 July 2022 to 30 June 2023***

<b>Contents</b>	<b>Page No.</b>
Statement of Comprehensive Income	2
Statement of Financial Position	3
Statement of Changes in Equity	4
Statement of Cash Flows	5
Notes to and Forming Part of the Financial Statements	6
Management Certificate	23
Independent Audit Report	24

### **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](mailto:info@childrens.org.au) or visit the Foundation's website [www.childrens.org.au](http://www.childrens.org.au).

# Children's Hospital Foundation Queensland

## Statement of Comprehensive Income

for the year ended 30 June 2023

	Notes	2023 \$	2022 \$
<b>Income</b>			
Donations and other contributions	2	12,758,448	13,728,914
Financial income	3	552,080	1,634,907
Other income	4	45,636	2,569,190
(Decrease)/Increase in fair value of financial assets		1,700,041	(3,516,818)
<b>Total Income</b>		<b>15,056,205</b>	<b>14,416,193</b>
<b>Expenses</b>			
Employee expenses	5	5,698,474	5,747,430
Fundraising and marketing expenses	6	1,703,279	1,718,259
Supplies and services	7	1,377,953	1,490,121
Distribution of grants	8	14,403,162	15,727,940
Investment management fees		111,988	166,315
Depreciation	13	215,591	235,428
Amortisation	14	251,052	251,052
Other expenses	9	1,632,728	2,706,434
<b>Total Expenses</b>		<b>25,394,227</b>	<b>28,042,979</b>
<b>Operating Result for the Year</b>		<b>(10,338,022)</b>	<b>(13,626,786)</b>
Other comprehensive income		-	-
<b>Total Comprehensive Income</b>		<b>(10,338,022)</b>	<b>(13,626,786)</b>

The accompanying notes form part of these statements

# Children's Hospital Foundation Queensland

## Statement of Financial Position

as at 30 June 2023

	Notes	2023 \$	2022 \$
<b>Current Assets</b>			
Cash and cash equivalents	10	34,458,549	14,366,247
Receivables	11	644,342	613,348
Other current assets		100,203	116,471
<b>Total Current Assets</b>		<b>35,203,094</b>	<b>15,096,066</b>
<b>Non-Current Assets</b>			
Financial assets	12	-	31,954,347
Plant and equipment	13	256,697	467,003
Right-of-use-asset	14	527,605	778,657
<b>Total Non-Current Assets</b>		<b>784,302</b>	<b>33,200,007</b>
<b>Total Assets</b>		<b>35,987,396</b>	<b>48,296,073</b>
<b>Current Liabilities</b>			
Payables	15	3,902,020	5,276,317
Accrued employee benefits	16	590,957	525,719
Unearned Revenue	17	839,205	1,258,763
Lease Liabilities	14	261,554	244,646
<b>Total Current Liabilities</b>		<b>5,593,736</b>	<b>7,305,445</b>
<b>Non-Current Liabilities</b>			
Accrued employee benefits	16	25,071	22,713
Lease Liabilities	14	307,783	569,086
<b>Total Non-Current Liabilities</b>		<b>332,854</b>	<b>591,799</b>
<b>Total Liabilities</b>		<b>5,926,590</b>	<b>7,897,245</b>
<b>NET ASSETS</b>		<b>30,060,806</b>	<b>40,398,828</b>
<b>Equity</b>			
Accumulated Surplus		30,060,806	40,398,828
<b>TOTAL EQUITY</b>		<b>30,060,806</b>	<b>40,398,828</b>

The accompanying notes form part of these statements

**Children's Hospital Foundation Queensland**  
**Statement of Changes in Equity**  
*for the year ended 30 June 2023*

	<b>Accumulated Surplus 2023 \$</b>	<b>Accumulated Surplus 2022 \$</b>
Balance as at 1 July	40,398,828	53,670,615
Trust bank accounts correction	1(i) -	354,999
Total Comprehensive Income	(10,338,022)	(13,626,786)
Balance as at 30 June	<b>30,060,806</b>	<b>40,398,828</b>

*The accompanying notes form part of these statements*

# Children's Hospital Foundation Queensland

## Statement of Cash Flows

for the year ended 30 June 2023

	Notes	2023 \$	2022 \$
<b>Cash Flows from operating activities</b>			
<i>Inflows:</i>			
Donations, grants and other contributions		12,914,467	13,958,151
Other income		583	3,499
GST collected from customers		29,678	237,358
GST input credits from the Australian Taxation Office		1,467,486	1,979,508
<i>Outflows:</i>			
Payments to suppliers and employees		(10,615,767)	(9,657,894)
Grants		(15,839,889)	(15,459,384)
GST paid to suppliers		(1,762,922)	(1,773,164)
GST remitted to the Australian Taxation Office		(29,678)	(237,358)
<b>Net cash provided by operating activities</b>		<b>(13,836,042)</b>	<b>(10,949,284)</b>
<b>Cash Flows from investing activities</b>			
<i>Inflows:</i>			
Interest and dividends		467,712	1,634,907
Franking credits received from the Australian Taxation Office		192,789	133,438
<i>Outflows:</i>			
Acquisition of plant and equipment		(5,285)	(43,478)
Net movement of investment funds from financial assets		33,654,388	815,230
Investment management fees paid		(111,988)	(166,315)
<b>Net cash provided by/(used in) investing activities</b>		<b>34,197,616</b>	<b>2,373,782</b>
<b>Cash Flows from financing activities</b>			
<i>Outflows:</i>			
Principal component of lease liability		(269,272)	(261,679)
<b>Net cash provided by/(used in) financing activities</b>		<b>(269,272)</b>	<b>(261,679)</b>
Net increase/(decrease) in cash and cash equivalents		20,092,302	(8,837,181)
Cash and cash equivalents at beginning of the financial year		14,366,247	22,848,429
Trust bank accounts correction 1 July 2021	1(i)	-	354,999
<b>Cash and cash equivalents at end of the financial year</b>	10	<b>34,458,549</b>	<b>14,366,247</b>

The accompanying notes form part of these statements

# Children's Hospital Foundation Queensland

## NOTES TO THE FINANCIAL STATEMENTS

### Note 1 - Basis of Financial Statement Presentation

#### (a) General information about the Reporting Entity

These financial statements cover the Children's Hospital Foundation Queensland (the foundation). The foundation is a not-for-profit statutory body established under the Hospital Foundations Act 2018. The foundation does not control other entities, the financial statements are for the foundation as an individual entity.

The objective of the foundation is to help sick kids today and tomorrow by funding research, medical equipment, clinical innovation and patient and family support at the Queensland Children's Hospital and throughout Queensland and Northern New South Wales. 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 head office and principal place of business of the foundation is Level 14, 199 Grey Street, South Brisbane QLD 4101.

#### (b) Authorisation of financial statements for issue

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

#### (c) 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 2022*.

These general purpose financial statements are prepared in accordance with the disclosure requirements of Australian Accounting Standards – Simplified Disclosures. The financial statements comply with the recognition and measurement requirements of all Australian Accounting Standards and Interpretations applicable to not-for-profit entities, and the presentation requirements in those standards as modified by AASB 1060.

#### (d) Underlying measurement basis

The financial statements are prepared on an accrual basis, with the exception of the statement of cash flows which is prepared on a cash basis.

The historical cost convention is used as the measurement basis except for financial assets which are measured at fair value.

#### (e) Presentation matters

Currency and rounding - Amounts included in the financial statements are in Australian dollars. Amounts are rounded to the nearest dollar.

Comparatives - Comparative information reflects the audited 2021-22 financial statements, except where necessary to restate to be consistent with disclosures in the current reporting period.

Current / non-current classification - 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 THE FINANCIAL STATEMENTS (CONTINUED)**

### **Note 1 - Basis of Financial Statement Presentation (continued)**

#### **(f) Taxation**

The foundation is exempted from income tax under the Income Tax Assessment Act 1936 and is exempted from other forms of Commonwealth taxation with the exception of Fringe Benefits Tax (FBT) and Goods and Services Tax (GST).

Receivables and payables in the balance sheet are shown inclusive of GST. GST credits receivable from, and GST payable to, the Australian Taxation Office at reporting date are separately recognised in receivables within Note 11.

#### **(g) Key accounting estimates and judgments**

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 16

Depreciation of Plant & Equipment - Note 13 (c)

Fair value of contribution received for no consideration - Note 4

Performance obligations for grant funding under Revenue Accounting Standards - Note 2

#### **(h) New and revised accounting standards**

##### *First time mandatory application of Australian Accounting Standards and Interpretations*

No new accounting standards were applied during the 2022-2023 financial year.

##### *Early adoption of Australian Accounting Standards and Interpretations*

No accounting pronouncements were early adopted in the 2022-23 financial year.

##### *Voluntary changes in accounting policy*

No voluntary changes in accounting policies occurred during the 2022-23 financial year.

#### **(i) Trust bank accounts correction to retained earnings**

A correction was made to retained earnings as at 1 July 2021 to recognise two bank accounts which were previously considered and disclosed as trust accounts in the financial statements. These were considered trust accounts as it was understood that the foundation was only operating in a custodial role in relation to these funds. Upon review of the balances held in these accounts however it was found that the majority of these funds were derived from fundraising activities and that the balances are not held in trust bank accounts but rather in general bank accounts in the foundation's name. The funds are restricted for use for specific programs. The impact of this was increasing cash at bank and retained earnings at 1 July 2021 by \$354,999.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	2023	2022
	\$	\$
<b>Note 2 - Donations and other contributions</b>		
Individual donations	3,919,380	4,501,113
Gifts in wills	1,284,375	1,584,841
Partnerships	6,828,583	6,170,751
Trusts and foundations	726,110	1,472,209
<b>Total</b>	<b>12,758,448</b>	<b>13,728,914</b>

Partnerships is comprised of funds raised through corporate partnerships, community fundraisers and government funding. Receipts for Government income included in Partnerships for 2023 was \$2,500,000 (2022: \$2,500,000).

### Accounting policy

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.

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.

	2023	2022
	\$	\$
<b>Note 3 - Financial income</b>		
Interest received from bank deposits	552,080	60,205
Dividends received from financial assets	-	1,574,702
<b>Total</b>	<b>552,080</b>	<b>1,634,907</b>

### Accounting policy

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.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	2023	2022
	\$	\$
<b>Note 4 - Other income</b>		
Dividend imputation tax credits on listed securities	-	126,884
Services received free of charge - at fair value	45,053	2,438,807
Sundry Revenue	583	3,499
<b>Total</b>	<b>45,636</b>	<b>2,569,190</b>

### Accounting policy

Services received free of charge - at fair value:

Contributions of services received for no consideration 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. This balance of the prior year consisted of services received free of charge related to the Telethon production. Telethon was not an event held by the foundation in the FY 23 year.

	2023	2022
	\$	\$
<b>Note 5 - Employee expenses</b>		
<i>Employee benefits</i>		
Salaries and wages	5,013,603	5,049,534
Termination Payments	102,696	157,348
Employer superannuation contributions	502,391	476,085
<i>Employee related expenses</i>		
Workers compensation premium	28,009	24,904
Other employee related expenses	51,775	39,560
<b>Total</b>	<b>5,698,474</b>	<b>5,747,430</b>

The number of employees including both full-time and part-time employees, measured on a full-time equivalent basis at reporting date is:

<b>Number of employees</b>	44	44
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## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### Note 5 - Employee expenses (continued)

#### Accounting policies and disclosures

##### Employer superannuation contributions

Superannuation benefits are provided through defined contribution (accumulation) plans. Employer contributions are based on rates specified under conditions of employment. The foundation's contributions are expensed when they become payable at each fortnightly pay period.

##### Workers' compensation

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.

##### Other employee benefits – sick leave

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.

##### Termination benefits

Termination benefits expense represent cash payments made to employees who accepted redundancies during the year.

	2023	2022
	\$	\$

### Note 6 - Fundraising and marketing expenses

Advertising & Promotion	297,121	318,933
Campaign Printing and Postage	445,302	530,420
Fundraising Agency & Production Support	651,611	666,237
Other fundraising & marketing expenses	309,244	202,669
<b>Total</b>	<b>1,703,279</b>	<b>1,718,259</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	2023 \$	2022 \$
<b>Note 7 - Supplies and services</b>		
Information technology	664,505	712,628
Employee recruitment & training	51,761	219,568
Insurance	130,658	120,627
Advisory Services	236,746	144,130
Legal Fees	26,580	79,369
Other supplies and services	267,703	213,799
<b>Total</b>	<b>1,377,953</b>	<b>1,490,121</b>

## Note 8 - Distribution of grants

Research grants	6,564,544	7,832,408
Health and medical services	4,175,624	699,353
Equipment	1,555,135	4,694,904
Patient and family support	2,107,859	2,501,275
<b>Total</b>	<b>14,403,162</b>	<b>15,727,940</b>

## Accounting policy

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

## Note 9 - Other Expenses

Audit fees, Queensland Audit Office	23,000	24,987
Services received free of charge - at fair value	45,053	2,428,829
Interest expenses - leases	24,877	32,872
Project Costs	1,328,370	-
Other administrative expense	211,428	219,746
<b>Total</b>	<b>1,632,728</b>	<b>2,706,434</b>

## Note 10 - Cash and cash equivalents

Petty cash and floats	-	1,000
Cash at bank, unrestricted	26,829,575	14,365,247
Cash at bank, restricted (Note 12)	7,628,974	-
<b>Total</b>	<b>34,458,549</b>	<b>14,366,247</b>

## Accounting Policy

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

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	2023	2022
	\$	\$
<b>Note 11 - Receivables</b>		
Trade debtors	2,169	158,190
Interest Receivable	84,368	-
Dividend imputation credits on listed securities	-	192,789
GST Receivable	557,804	262,368
<b>Total</b>	<b>644,342</b>	<b>613,348</b>

### Accounting Policy

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

The collectability of receivables is assessed periodically with a loss allowance being made for lifetime 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.

### Note 12 - Financial assets

#### Non-current:

Financial assets designated at fair value through profit & loss	-	31,954,347
<b>Total</b>	<b>-</b>	<b>31,954,347</b>

### Accounting policy and disclosures

At 30 June 2022, financial assets were held in a long term diversified portfolio with QIC. This portfolio has exposures to Australian equities, International equities, real estate, infrastructure, private equity and debt, alternatives, fixed interest and cash. The Foundation earned and was entitled to both interest/dividend income on the portfolio. The foundation redeemed all funds out of QIC during the FY 23 year, in line with its review of the Foundations investment portfolio and strategy. It was agreed that a more defensive portfolio would be suitable for the Foundation given its existing commitments and risk appetite of the Board. As at 30 June 2023 all funds were held in Westpac or QTC.

#### Restricted funds

The financial assets include 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. As at 30 June 2023 these restricted funds were held in cash at bank (note 10) as these funds were in the process of being transferred to a new investment advisor.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### Note 12 - Financial assets (continued)

	2023	2022
<i>Restricted funds (continued)</i>	\$	\$
Sir Albert Sakzewski Endowment Fund	4,843,435	4,703,812
Sasakawa Memorial Fund	2,130,495	2,114,512
Lola Efstathis Scholarship Fund	167,321	157,905
Burns Endowment Fund	487,723	544,983
<b>Total restricted funds</b>	<b>7,628,974</b>	<b>7,521,213</b>

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.

### Note 13 - Plant and equipment and depreciation expense

	2023	2022
	\$	\$
<b>(a) Plant and equipment</b>		
Plant and equipment		
At cost	1,322,849	1,317,564
Less accumulated depreciation	(1,066,152)	(850,561)
<b>Total</b>	<b>256,697</b>	<b>467,003</b>

### (b) Plant and equipment reconciliation

<b>Carrying amount at 1 July</b>	<b>467,003</b>	<b>658,953</b>
Acquisitions	5,285	43,478
Depreciation	(215,591)	(235,428)
<b>Carrying amount at 30 June</b>	<b>256,697</b>	<b>467,003</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### Note 13 - Plant and equipment and depreciation expense (continued)

#### (c) Accounting policy – Recognition and measurement

##### Asset Acquisition

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.

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. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense.

##### Recognition of property, 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. Expenditure is only capitalised if it increases the service potential or useful life of the existing asset. Maintenance expenditure that merely restores original service potential (arising from ordinary wear and tear etc.) is expensed.

Assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset.

##### Measurement of plant and equipment at cost

Plant and equipment is measured at cost in accordance with the Non-Current Asset Policies. The carrying amounts for plant and equipment at cost approximate their fair value.

##### Impairment

For all property, plant and equipment and intangible assets to which impairment applies, the foundation assesses for indicators of impairment annually. Where indicators exist, plant and equipment and intangible assets, which are measured at cost, are reduced to the asset's recoverable amount, being the higher of the asset's fair value less costs of disposal and its value in use. The adjustment is recorded as an impairment loss.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### Note 13 - Plant and equipment and depreciation expense (continued)

#### (c) Accounting policy – Recognition and measurement (continued)

##### Depreciation of Plant and Equipment

Plant and equipment are depreciated on a straight-line basis over their useful lives. The estimation of the useful lives of assets is based on historical experience with similar assets as well as considerations such as manufacturers' warranties and asset turnover practices. Reassessments of useful lives are undertaken annually by the foundation. Any consequential adjustments to remaining useful life estimates are implemented prospectively.

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

<b>Class</b>	<b>Rate %</b>
Plant and equipment:	
Other equipment	10-33
Computer Equipment	10-33

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.

### Note 14 - Leases

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Right-of-use-Assets - Buildings and Printers</b>		
Opening Balance as at 1 July	778,657	1,029,709
Additions	-	-
Amortisation	(251,052)	(251,052)
<b>Closing balance at 30 June</b>	<b>527,605</b>	<b>778,657</b>
<b>Lease Liabilities</b>		
Current	(261,554)	(244,646)
Non-Current	(307,783)	(569,086)
<b>Total</b>	<b>(569,337)</b>	<b>(813,732)</b>
<b>Amounts recognised in profit and loss</b>		
Interest expense - lease liabilities	24,877	32,872

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### Note 14 - Leases (continued)

#### Accounting policy – Leases

Right-of-use assets are initially measured at cost comprising the amount of the initial measurement of the lease liability (see below), any lease payments made at or before the commencement date less any lease incentives received, initial direct costs incurred and the initial estimate of restoration costs where applicable. Subsequent to initial recognition, right-of-use assets are measured at cost.

Lease liabilities are initially recognised at the present value of lease payments over the lease term that are not yet paid. The lease term includes any extension or renewal options that the foundation is reasonably certain to exercise. The future lease payments included in the calculation of the lease liability comprise:

- fixed payments (less any lease incentives receivable),
- variable lease payments that depend on an index or rate (initially measured using the index or rate as at the commencement date),
- the amount of residual value guarantees,
- the exercise price of a purchase option (where the foundation is reasonably certain to exercise the option); and
- payments for termination penalties (if the lease term reflects the early termination).

The foundation's indicative borrowing rate is used when measuring the lease liability being 3.5%.

#### Disclosure – Leases

The foundation has three right-of-use assets, a building sublease and two printer leases.

The building sublease is with Minor DKL for the premises at Level 14, 199 Grey Street South Brisbane. The sublease was entered into 2021 for a total term of 4 years and 6 months, on which the agreement will then terminate. Prior to termination, the foundation may re-negotiate directly with the Head Lessor. The sublease has a fixed 3% annual increase adjustment.

The two printer leases are 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.

#### Lease Liability Maturity

Undiscounted future lease payments included in the lease liability are as follows:

	2023	2022
	\$	\$
Not later than one year	277,091	269,259
Later than one year and no later than five years	314,287	591,379
Later than five years		
Less: effect of discounting	(22,042)	(46,906)
<b>Lease liabilities at 30 June</b>	<b>569,337</b>	<b>813,732</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	2023	2022
	\$	\$
<b>Note 15 - Payables</b>		
<i>Current:</i>		
Trade creditors	1,986,585	1,995,653
Sundry creditors and accruals	138,416	60,948
PAYG payable	72,520	78,491
Grants payable	1,704,499	3,141,226
<b>Total</b>	<b>3,902,020</b>	<b>5,276,317</b>

### Accounting policy

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.

## Note 16 - Accrued employee benefits

### Current

Wages Accrual	97,556	77,879
Annual Leave	285,731	272,271
Long Service Leave	153,404	136,853
Employee related expenses - on-costs	54,266	38,716
	<b>590,957</b>	<b>525,719</b>

### Non-Current

Long Service Leave	25,071	22,713
	<b>25,071</b>	<b>22,713</b>

### Total

	<b>616,029</b>	<b>548,432</b>
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### Accounting policy

#### *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. As sick leave is non-vesting, an expense is recognised for this leave as it is taken. Accordingly, it is unlikely that existing accumulated entitlements will be used by employees and no liability for unused sick leave entitlements is recognised.

Annual leave and long service leave liabilities are classified and measured as other long-term employee benefits as the foundation does not expect to wholly settle all such liabilities within the 12 months following reporting date.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### Note 16 - Accrued employee benefits (continued)

Other long-term employee benefits are presented as current liabilities where the foundation does not have an unconditional right to defer payment for at least 12 months after the end of the reporting period.

Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments take into account anticipated future wage/salary levels, expected employee departures and periods of ineligible service. These are discounted using market yields on Australian Government bond rates at the end of the reporting period that coincide with the expected timing of estimated future payments.

All directly associated on-costs (e.g. employer superannuation contributions, payroll tax and workers' compensation insurance) are also recognised as liabilities, where these on-costs are material.

	2023	2022
	\$	\$
<b>Note 17 - Unearned Revenue</b>		
<i>Current:</i>		
Agency net revenue	837,036	1,128,027
Other unearned revenue	2,169	130,736
<b>Total</b>	<b>839,205</b>	<b>1,258,763</b>

#### *Principal vs Agent*

In 2021 the Foundation was the recipient of \$2 million from Queensland Health for the Q-Most Grant, a mental health pilot program. A further \$2 million was received in 2022. In respect of this arrangement, the grant funding was 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 indicated that the foundation acted 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.

The balance of agency revenue within unearned revenue is net of any related expenditure.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### Note 18 - 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:

	2023	2022
	\$	\$
<i>Financial assets</i>		
Cash and cash equivalents	34,458,549	14,366,247
Receivables	644,342	613,348
Financial assets at fair value through profit or loss	-	31,954,347
<b>Total</b>	<b>35,102,891</b>	<b>46,933,941</b>
<i>Financial liabilities</i>		
Payables	3,902,020	5,276,317
<b>Total</b>	<b>3,902,020</b>	<b>5,276,317</b>

#### **(b) Accounting Policy**

##### *Classification*

Financial instruments are classified and measured as follows:

- Financial assets at fair value through profit or loss
- Receivables - held at amortised cost
- Payables - held at amortised cost

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

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

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

##### *Financial assets at fair value through profit or loss*

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. Fair value is measured based on quoted prices in an active market.

##### *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*

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

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### Note 18 - Financial instruments (continued)

#### **(c) 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.

### Note 19 - Key Management Personnel (KMP) Disclosures

#### *a) Details of 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 2021-22 and 2022-2023.

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 (CEO)	Responsible for the strategic leadership and direction of the Foundation.

#### *b) KMP Remuneration Policies*

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.

The remuneration and other terms of employment for the key executive management personnel are set by the Board and specified in employment contracts. The remuneration package for the current CEO includes a potential performance payment up to a maximum of \$20,000. Eligibility for such a performance payment is conditional on satisfactory achievement of a set of performance objectives determined by the Board on an annual basis and following one full year in the role. Any performance payment approved therefore will be reported as an expense within 2023-24 financial year.

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

- Short term employee benefits include salaries, allowances and performance payments earned and expensed for the entire year, or for that part of the year which the employee occupied the specified position;
- Long term employee expenses mainly include annual leave and long service leave entitlements earned and expensed for the entire year, or for that part of the year during which the employee occupied the specified position;
- Post-employment expenses - mainly superannuation contributions; and
- Termination benefits - include payments in lieu of notice on termination and other lump sum separation entitlements (excluding annual and long service leave entitlements) payable on termination of employment or acceptance of an offer of termination of employment.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### Note 19 - Key Management Personnel (KMP) Disclosures (continued)

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

1 July 2022 - 30 June 2023					
Position	Short Term Employee Expenses	Long Term Employee Expenses	Post-Employment Expenses	Termination Benefits	Total Expenses
	\$	\$	\$	\$	\$
CEO	255,000	4,250	25,004	-	284,254
<b>Total</b>	<b>255,000</b>	<b>4,250</b>	<b>25,004</b>	<b>-</b>	<b>284,254</b>

1 July 2021 - 30 June 2022					
Position	Short Term Employee Expenses	Long Term Employee Expenses	Post-Employment Expenses	Termination Benefits	Total Expenses
	\$	\$	\$	\$	\$
CEO (From 3 May 2022)	38,250	638	3,825	-	42,713
Acting CEO (2 October 2021 - 2 May 2022)	154,290	4,181	14,048	-	172,519
CEO (to October 2021)	70,567	-	11,784	71,525	153,876
<b>Total</b>	<b>263,107</b>	<b>4,819</b>	<b>29,657</b>	<b>71,525</b>	<b>369,108</b>

### Note 20 - Patient and Family Services

As part of its operations the foundation runs a Patient and Family Service at the hospital. This essential service supports the Foundation's purpose by providing entertainment and support services to patients and families at the Queensland Children's Hospital. Below is a breakdown of the salaries and expenditure costs associated with this service which are absorbed within each relevant expenditure line on the Statement of Comprehensive Income together with number of FTE in this area.

	2023	2022
	\$	\$
Salaries and wages	1,088,538	1,113,254
Fundraising and marketing	382	949
Supplies and service	38,549	72,188
Depreciation	110,795	122,322
Other expenses	146,047	210,124
<b>Total</b>	<b>1,384,312</b>	<b>1,518,836</b>

The number of Patient and Family Services employees including both full-time and part-time employees, measured on a full-time equivalent basis at reporting date is:

<b>Number of employees</b>	7	12
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### Note 21 - Related Party Transactions

The foundation obtained related party declarations for each member of the Board and key management personnel for the period 1 July 2022 - 30 June 2023. No related party transactions requiring disclosure under AASB 124 occurred during the period.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### Note 22 - Commitments

	2023	2022
<b>Grant commitments</b>	\$	\$
Commitments to external grant recipients at reporting date are payable:		
Not later than 1 year	10,380,294	14,835,159
Later than 1 year but not later than 5 years	10,836,653	15,064,747
<b>Total</b>	<b>21,216,946</b>	<b>29,899,906</b>

There were no other commitments for expenditure at 30 June 2023.

### Note 23 - Contingencies

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

### Note 24 - Events occurring after balance date

The foundation is not aware of any events occurring post balance 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 2022* 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 2022*, 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 2023 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.

We acknowledge responsibility under s.7 and s.11 of the *Financial and Performance Management Standard 2019* for the establishment and maintenance, in all material respects, of an appropriate and effective system of internal controls and risk management processes with respect to financial reporting throughout the reporting period.



Lyndsey Rice  
Chief Executive Officer



Jane Black  
Chair

Date 24/08/2023

Date 24/08/2023

## INDEPENDENT AUDITOR'S REPORT

To the Board of the Children's Hospital Foundation Queensland

### Report on the audit of the financial report

#### Opinion

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

In my opinion, the financial report:

- a) gives a true and fair view of the entity's financial position as at 30 June 2023, 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 2022 and Australian Accounting Standards – Simplified Disclosures.

The financial report comprises the statement of financial position as at 30 June 2023, 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 financial and non-financial information (other than the audited financial report).

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 2022 and Australian Accounting Standards, and for such internal control as the Board determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the financial report**

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. This is not done for the purpose of forming an opinion on the effectiveness of the entity's internal controls, but allows me to form an opinion on compliance with prescribed requirements.
- Evaluate the appropriateness of material accounting policy information 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 2023:

- 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.



28 August 2023

William Cunningham  
as delegate of the Auditor-General

Queensland Audit Office  
Brisbane