



THE COMMON GOOD

AN INITIATIVE OF THE PRINCE CHARLES HOSPITAL FOUNDATION

ANNUAL REPORT

2020 - 2021

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Glossary

Term	Definition
A/Prof	Associate Professor
Act	<i>Human Rights Act 2019</i>
Board	The Board of the Foundation
CEO	Chief Executive Officer
COO	Chief Operating Officer
COVID-19	Coronavirus Disease
ECMO	Extracorporeal membrane oxygenation
FAR	Finance, audit and risk committee
Foundation	The Prince Charles Hospital Foundation
FTE	Full time equivalent
GRDS	General Retention and Disposal Schedule
HR	Human resources
Hrs	Hours
ICETLAB	Innovative Cardiovascular Engineering and Technology Laboratory
ICU	Intensive Care Unit
IHBI	Institute of Health and Biomedical Innovation
KPI	Key performance indicators
MNHHS	Metro North Hospital and Health Service
MP	Member of Parliament
NFP	Not for profit
Organisational KPI	Refers to one of eight KPIs determined and agreed by the Board which are to run across years and across the whole of the organisation

Term	Definition
pa	Per annum
p/h	Per hour
PSEA	Public Service Ethics Act 1994
PPF	Private Practice Fund
Purpose	The overall aim of the agency
QAO	Queensland Audit Office
QPS	Queensland Public Service
Strategic Goal	Specific metric for achievement
Strategic Objective	Agreed main theme to inform all action: from Board to operational levels
Target	Statement of operational activity to be undertaken for achievement towards a strategic goal
TCG	The Common Good
TPCH	The Prince Charles Hospital
TPCHF	The Prince Charles Hospital Foundation
Vision	Statement by the Foundation as to how it wishes to be perceived by clients, stakeholders and the community
yrs	Years

1. Letter of compliance

25 October 2021

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

Dear Minister

I am pleased to submit for presentation to the Parliament the Annual Report 2020–2021 and financial statements for The Prince Charles Hospital Foundation.

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 26 of this Annual Report.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Chris Morton', written over a light grey dotted grid background.

Christopher Morton
Chair
The Prince Charles Hospital Foundation

2. General Information

2.1 Chief Executive Officer report

About us

The Prince Charles Hospital Foundation established 1986.

Act: Hospital Foundations Act 2018

Purpose: To fund cures and save lives (people powering medical discoveries).

Core activities: Conducting fundraising activities and operating social enterprises to support and sustain health and medical research and innovation. Aligned with The Prince Charles and Caboolture Hospitals.

Highlights

- Impact: 61,727 hours of research funded
- Re-imagined Ekka Strawberry Sundae fundraising program – doubled net profits
- Won Lord Mayor of Brisbane Business Award as Social Enterprise of the Year.
- Curing Homesickness Campaign increases community support

- Tradie Health Institute endorsed by Metro North Hospital and Health Service
- Intensive Care Unit (ICU) of the Future Project approved to be created at The Prince Charles Hospital
- Staff and volunteer resilience during a challenging year.

Challenges due to COVID-19

- The Ekka cancellation
- Tour de Brisbane charity cycle postponed twice
- Café sales halved (during lockdowns)
- Echo Conference cancelled
- Research activity reduced – with frontline medical staff deployed for COVID-19 support
- Research funding reduced – due to budgeted reduction in incomes due

Summary

During a year of uncertainty because of COVID-19, The Prince Charles Hospital Foundation was able to record a positive financial position even though some major activities were dramatically impacted.

Major income sources such as our commercial cafés were impacted by lockdowns, reducing revenue at times by up to 50 per cent, the major fundraising events such as the Tour de

Brisbane Cycling Event was postponed twice during the year and the famous Strawberry Sundae stalls from the Brisbane Ekka had to operate without an Ekka occurring.

In addition, our annual Echo Conference for cardiologists and sonographers had to go 'virtual' for the first time in its 19-year history.

It was a year which demonstrated the charity's flexibility and adaptation capabilities – as we quickly re-imagined those major activities that are so critical to the sustainability of medical research.

The determination to do whatever it takes to rescue key revenue projects was underpinned by our absolute commitment to not only fund but sustain research which will improve the lives of patients.

This determination had endeared new friends and supporters to this cause. Businesses and individuals rallied to support the adaptation of our major events – most notably the Ekka Strawberry Sundaes project, which is a Queensland icon, so much so it received official recognition by the Queensland Government as an "Eat Qld Champion".

Such was the dedication to make this activity a success, delivered entirely

differently, it resulted in a doubling of the net profits of 'normal' years. This is attributed to a reduction in costs, the donation of support, including by the Department of Agriculture, and the gift of product from two major strawberry growers (Sunrise Strawberry and Ashbern Farms).

Job Keeper was retained through to December primarily due to the reduction in sales through our social enterprise cafés at The Prince Charles Hospital and Caboolture Hospital. This government support helped achieve what we set out to deliver – to maintain the employment of our café staff – and ultimately enabled us to maintain our business which underpins the operating costs of the charity.

The social enterprise business model which has expanded over recent years was recognised by receiving the prestigious award as Social Enterprise of the Year at the Lord Mayor's Business Awards. This award was recognition for the charity's model which utilises the profits from the cafés at six sites to offset the operating costs thereby ensuring public donations can be directly and fully applied to medical research.

Unfortunately, COVID-19 also created a distraction for many medical and allied health research projects as the frontline health workers were appropriately tasked to COVID-19 patient-centred priorities. This reduced the activity in research over the year and slowed outputs by an estimated 40 per cent. However, science-based or developmental projects continued. The ongoing research into silicosis (the occupational lung disease), resulted in clinical trials for 12 patients. Also, the efforts to create a revolutionary new Intensive Care bed space to assist in reducing the mental health conditions which can result from time in ICU, has gained momentum. This will be the first of its kind in the world – designed to allow uninterrupted sleep, reduce anxiety and the effects of delirium.

We continue to support a project that coordinated 380 hospitals globally to deal with, in real time, patients in ICU as a result of COVID-19. The collection of data will provide invaluable knowledge to help inform clinicians in the treatment of these most vulnerable people.

Other projects include new heart transplant technology to increase the number of donor hearts has been tripled. This will be a game-changer for

transplant recipients around the country.

Positive steps have also been taken in the early detection of dementia. This project, which has been supported over the past five years, is likely to announce a breakthrough in the next coming year.

The Common Good is about people powering medical discoveries – and these people are our Board, staff, volunteers, medical and allied health staff, scientists, and engineers, and most importantly the benefactors and sponsors. Every dollar given contributes to another hour of activity across the research and health innovation we support. Forty-one new projects have been awarded funding as well as 62,000 hours of research activity.



Michael Hornby
Chief Executive Officer

Research Expenditure Breakdown

Activity	Number	Amount awarded \$
Caboolture Hospital Research Grants	1	137,770
Endowment Funding	2	190,000
Equipment Grants	4	54,039
Innovation & Capacity Building	3	230,000
Innovation Grants	3	155,247
New Investigator Grants	23	220,468
PhD Scholarships	1	92,941
Research Fellowships	1	70,000
Research Support	3	620,980
Specified Research Funds	15	945,393
TOTAL	56	\$2,716,838

An overview of all research projects can be found in Appendix 1: Schedule of annual grants

3. Non-financial performance

3.1 Government objectives for the community

The Foundation supports the Queensland Government's *Our Future State: Advancing Queensland's Priorities* (AQP) as well as the broader objectives for the community *Unite & Recover – Queensland's Economic Recovery Plan* in the following areas:

- Safeguarding our health
- Supporting jobs
- Investing in skills
- Backing our frontline services
- Protecting the environment

The Foundation supports the government's objectives for the community as outlined in its Strategic Plan.

3.2 Agency objectives and performance indicators

The Foundation's four-year Strategic Plan outlines measurements of performance and the actual outcomes achieved during 2020–2021.

**Strategic target
2019 - 2022**

Strategic overview – outcomes

**Qld Government
objectives**

**MEDICAL
RESEARCH/
HOSPITAL
INNOVATION**

Distribute \$30 million
over 4 years

We will invest \$30 million over four years to support and sustain medical research and hospital innovation to enable those most at risk to live better for longer.

Outcomes 2020 – 2021

\$2 to \$7 million distributed
Cumulative funding since 2018 \$14 million

PEOPLE

25,000 members to
The Common Good
Financial support of
\$30 million over the
next 4 years

We will recruit and retain 25,000 financial members to The Common Good. Every \$44 powers another precious hour for research.

Outcomes 2020 – 2021

6,281 members
Up 17 per cent

**SOCIAL
ENTERPRISE**

Target of \$1 million
net profit pa by
2022

We operate social enterprise cafes which financially underpin the operating costs of the charity, maximise the impact of philanthropic donations whilst also encouraging good nutrition.

Outcomes 2020 – 2021

Net \$450,000
Lord Mayors Award – Social Enterprise of the Year

BRAND

100,000
participants

A trusted and respected brand that connects with 100,000+ people through advocacy and active participation, including the number of social enterprise transactions.

Outcome 2020 – 2021

133,385 participants
Total annual social enterprise transactions 717,375

Safeguarding our health – Supporting jobs – Investing in skills
Backing our frontline services – Protecting the environment

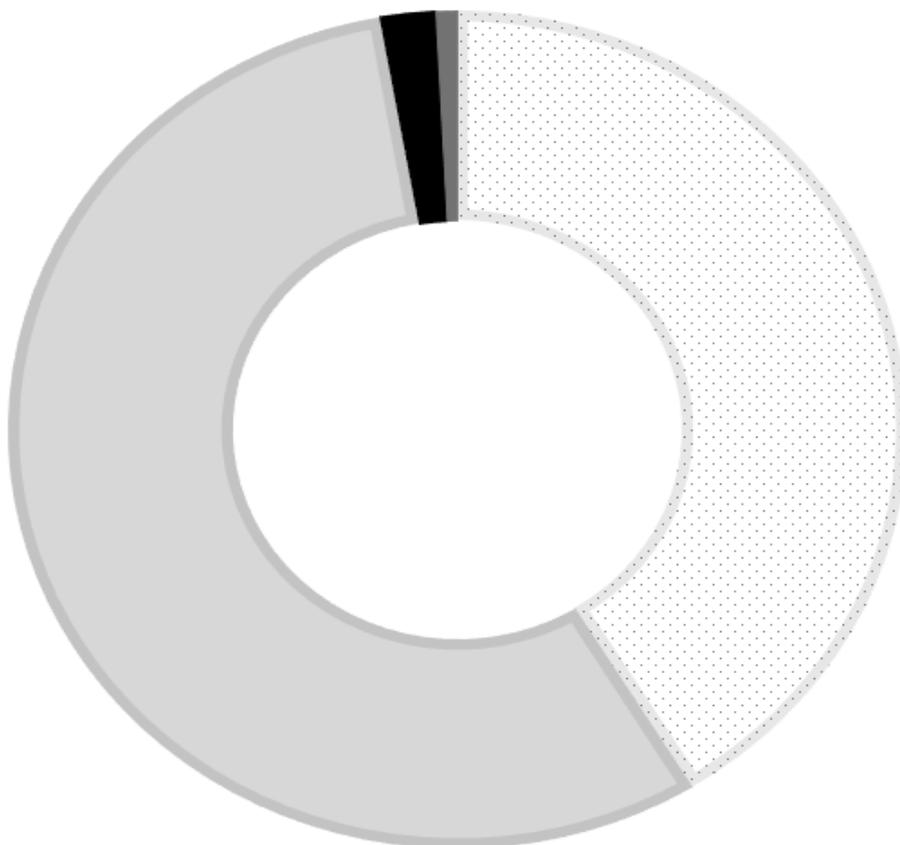
4. Financial performance

Once again TPCHF has experienced a challenging year due to the continuing impact of the COVID-19 pandemic. Our retail sites were the most effected with reduced customers due to lockdowns. However, due to TPCHF's diversified income streams, quick adaptation to change and the assistance of Job Keeper, it maintained a strong profit and loss position. Income over the period remained constant at \$15 million.

Tight control of costs and deferral of some research spend to 2022 contributed to the reduction in costs of 17 per cent when compared to last year. Our comprehensive income statement shows a total research spend this year of \$2.7 million. The chart below outlines the research expenditure breakdown. 2021's research distributions further contribute to us achieving the strategic plan objective to distribute \$30 million to health and medical research over the four years to 2022.

2021 RESEARCH EXPENDITURE BREAKDOWN

■ People ■ Project ■ Equipment ■ Research Support



TPCHF weathered the effects of COVID-19 due to its diversity of operations, sound balance sheet and quick adaption to a changing environment. Our balance sheet remains in a very solid financial position with net assets of \$20 million. This provides a strong base and supports significant future funding allocations for specific research projects over the next few years. This provides sustainability for some research projects. This approach is planned to expand over the coming years to ensure we can provide multi-year funding guarantees for research.

TPCHF continues to support sustainable research outcomes year-on-year due to its diversified income streams of philanthropy, events, investments, and retail operations.

Philanthropy income made up of public donations, bequests and other research contributions decreased by 10 per cent to \$4.3 million. The decrease compared to last year is mainly due to a decrease in bequest income.

The overall contribution from events increased by 43 per cent with a net profit of \$486,000. TPCHF events for 2020-2021 mostly went ahead but in completely different forms due to the effects of COVID-19. Strawberry Sundae

stalls at the Royal Queensland Show (Ekka) were replaced by Pop-Up Strawberry Sundae Stalls and online do-it-yourself strawberry sundae packs. Our Echo Conference went ahead virtually instead of the traditional in-person event. However, our Charity Cycle event was pushed into 2022 due to numerous postponements. TPCHF's ability to change and adapt events quickly resulted in the impressive financial results for 2020-2021.

Investment income increased by 17 per cent this year due to a significant upturn in investment value compared to the previous year. Interest income was lower than last year as a result of interest rates continuing to drop. The market value of TPCHF investments increased by \$940,000 in 2020-2021, more than recouping the unrealised losses from the drop in financial assets in 2020 of \$556,000. Along with its investment managers, TPCHF closely monitored its investment portfolio during the period. All investment transactions are in line with TPCHF's Investment Policy Statement.

Our Café sites were the most impacted division of the business with constant lockdowns resulting in significantly fewer customers. Café sales decreased by

4 per cent to \$6.3 million, however net profits (excluding Job Keeper) across these sites reduced by 27 per cent. The key to maintaining profitability at all sites continues to be constant analysis of sales, controlling cost of goods and employment costs and overall cost reductions. Job Keeper income significantly helped TPCHF in maintaining its workforce and a solid financial position.

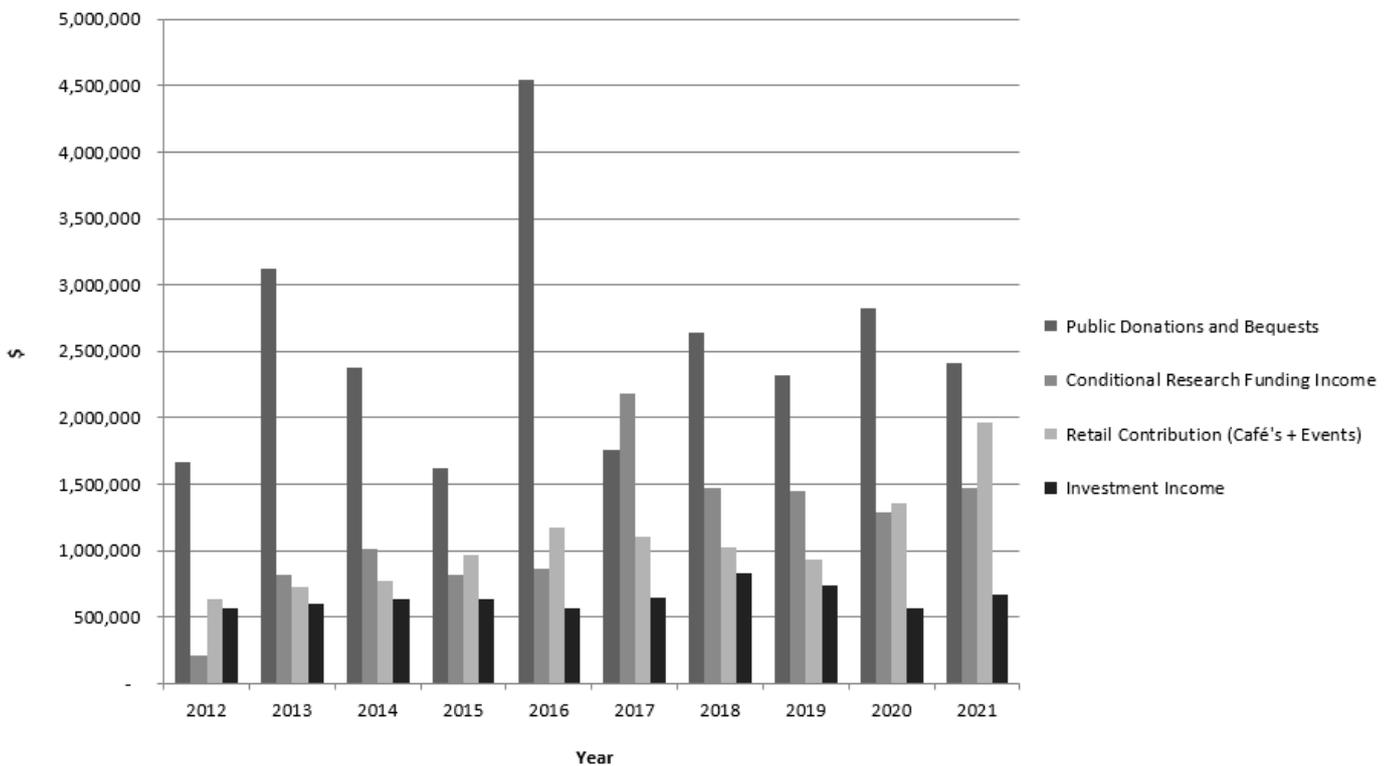
The net profit of retail operations and investment income returns continue to

offset the charitable operation costs which enable public donations to be applied entirely to research programs.

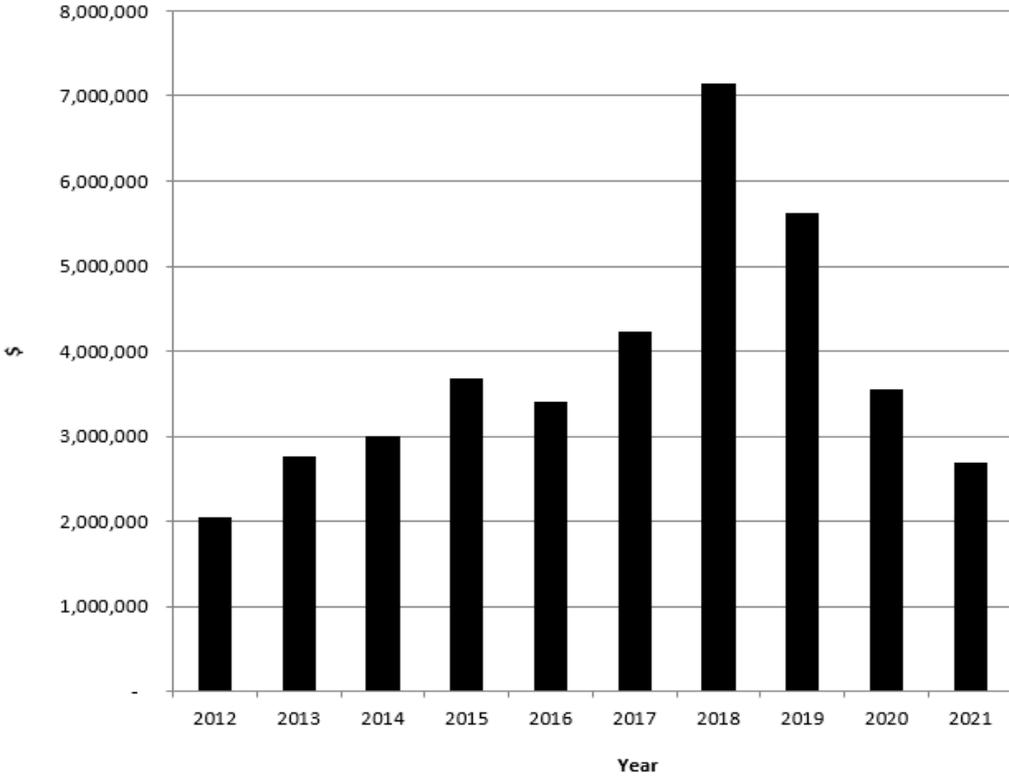
The \$2.7 million allocation to health and medical research in 2021 supports 62,000 hours of research across 56 active research projects during the year.

The full financial statements for TPCHF for the 2020-2021 financial year are included in Appendix 2 of this Annual Report.

Foundation Revenue Streams Trend



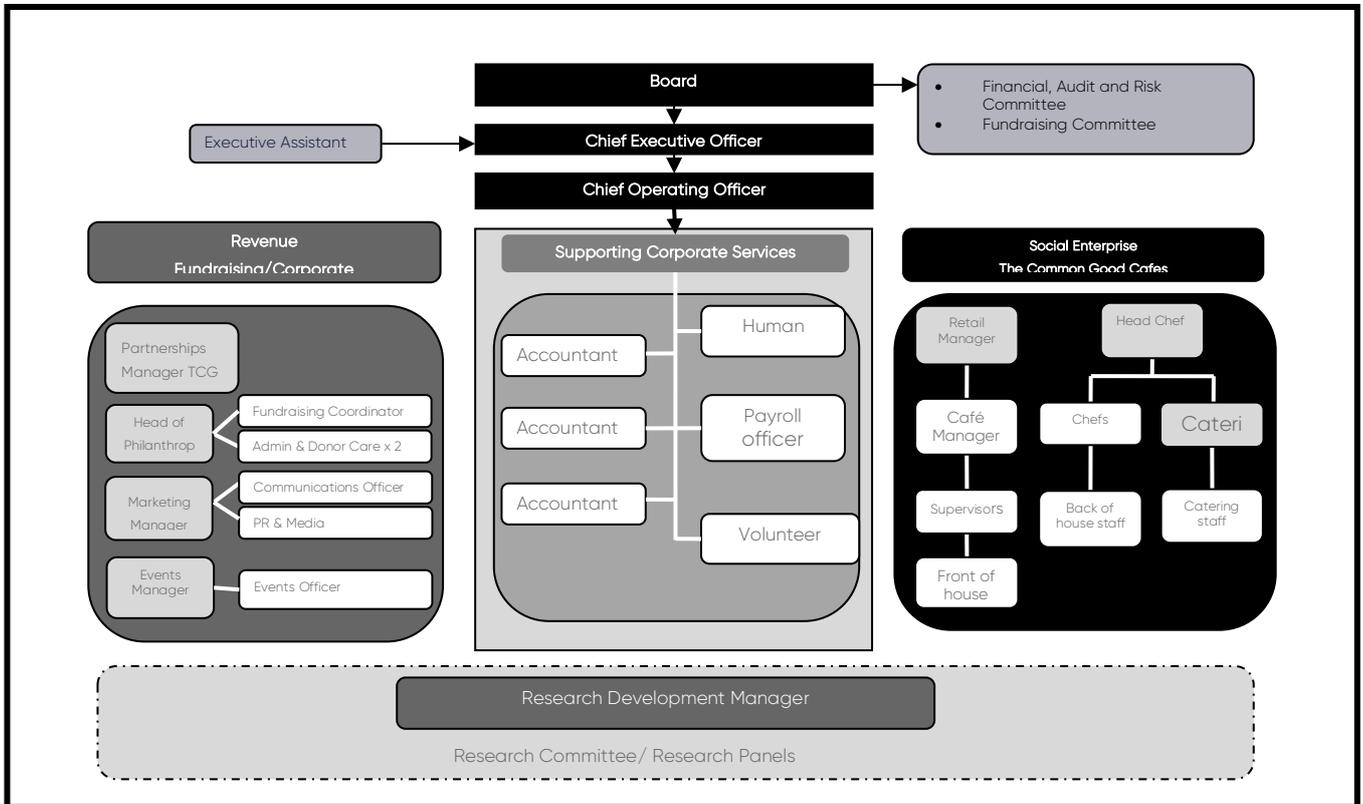
Research (for purpose) expenditure



Future research funding commitments beyond 2021 – \$7.6 million.

5. Governance – management and structure

5.1 Organisational structure



The Revenue business unit comprises our Donor Care employees who are responsible for maintaining regular, day-to-day contact with our donors. Building and maintaining corporate relationships is the responsibility of our Partnerships Manager The Common Good, and the Marketing team supports all brand, communications and marketing for the organisation.

The Events team manages major public events, including Ekka Strawberry Sundaes, medical conferences and fundraising.

Social Enterprise business unit comprises our retail outlets which are located at The Prince Charles Hospital, Caboolture Hospital, Kedron Emergency Complex and Albany Creek Central.

The Research business unit reviews, manages and ensures compliance of research and innovation projects.

Supporting Corporate Services provide accounting, human resources and operational support to the charity.

5.2 Executive management

As the entity is small, only the CEO is viewed as a senior executive. The Chief Operating Officer (COO) works part time.

The CEO, Michael Hornby, has extensive experience in non-profit organisations with over 29 years of leading some of Australia's largest not-for-profit organisations.

Key responsibilities include:

- Strategic planning
- Operational planning
- Organisational management
- Business development
- Brand and reputation
- Compliance.

Board of Directors

Formed in 1986, TPCHF is governed by a Board of Directors under our chair, Christopher Morton, with extensive experience in business, management, and community organisations.

The role of TPCHF Board includes:

- Providing strategic direction
- Ensuring fiscal accountability
- Undertaking fiduciary duties
- Ensuring responsible risk management is undertaken
- Monitoring and improving organisation performance
- Ensuring compliance with statutory and governance responsibilities.

Board members serve in an honorary capacity and, therefore, do not receive any remuneration. This applies to all costs. Board members contribute their time, skills, travel costs and all additional attendance at sub-committees and relevant Foundation functions.

The Board sets TPCHF's organisational strategic direction in consultation with the CEO.

The Board has additional responsibilities which influence the process of setting strategic direction and are relevant to the achievement, reporting, measurement, and communication of progress on organisation strategic goals.

TPCHF Board meeting schedule 2020-2021	
	February
	May
	June
	August
	November
	December

Board of Directors Information

Mr Christopher Morton

Managing Director, mCap Pty Ltd

Type of appointment: Chair of the Board

First appointed: 14 December 2018

Term of appointment: 14 December 2018 to 30 September 2022

Board meetings attended: 5 of 6

Chris was a partner of international legal firm Phillips Fox prior to moving into funds management. He was the Founder and

Managing Director of fund manager Property Funds Australia Limited and was Managing Director and Deputy Chairman of ASX listed Trinity Limited from 2009 until 2016.

Chris provides strong governance, risk and investment knowledge.

Ms Veronica (Bonny) Barry

Member, Metro North Hospital and Health Service (MNHHS) Board

Type of appointment: Ex-officio appointment

Term of appointment: 18 May 2020 to 31 March 2024

Board meetings attended: 4 of 6

Bonny is a registered nurse with over 29 years' experience in community, hospice, hospital and clinical settings in Queensland and Victoria. In 2001, she was elected State Member for Aspley and served on several parliamentary committees including Chair of Caucus, Chair of Health Estimates and the Assistant Minister for Education, Training and the Arts from (2006 -2009). Bonny is a member of the MNHHS Board and connects the strategic goals of TPCHF with its key external stakeholders.

Mr Toby Innes

E-Commerce Manager at Brisbane Airport Corporation

Type of appointment: Board Member

First appointed: 3 December 2009

Term of appointment: 12 December 2019 to 30 September 2024

Board meetings attended: 4 of 6

Toby holds the position of E-Commerce Manager within the Brisbane Airport Corporation and has extensive experience in the public and private sector. He was instrumental in the strategic planning and execution of the Direct Factory Outlet shopping precinct and the re-design of the Brisbane International Airport. Toby's extensive retail management, contract management and strategic benchmarking experience allows TPCHF to further grow and improve its own retail business.

Mr Paul McMahon

Type of appointment: Board Member

First appointed: 10 July 2015

Term of appointment: 2 October 2020 to 1 October 2025

Board meetings attended: 5 of 6

Paul has over 34 years' experience within the news and media industry having held a number of senior leadership positions within leading Queensland print media organisations. He also has a strong agricultural administration background and manages the operations of Kial Gorra, a 900-acre farming operation located in Warwick. Having held other Queensland hospital board positions, Paul brings a wealth of experience in management, funding and governance. Paul has over 34 years' experience within the news and media industry having held a number of senior leadership positions

within leading Queensland print media organisations. He also has a strong agricultural administration background and manages the operations of Kial Gorra, a 900-acre farming operation located in Warwick. Having held other Queensland hospital board positions, Paul brings a wealth of experience in management, funding and governance.

Mr Anthony White

Type of appointment: Board Member

First appointed: 10 July 2015

Term of appointment: 2 October 2020 to 1 October 2025

Board meetings attended: 5 of 6

Anthony has held a number of senior leadership positions within the pharmaceutical industry. He is a Doctor of Philosophy, holds master's in commerce, finance and business administration and is a member of the Australian Institute of Chartered Accountants. Anthony is an experienced executive with skills in leadership, finance and organisational change and brings this wealth of knowledge to TPCHE.

Ms Lara Lowndes

Director, Lowndes Marketing and Motorsport

Type of appointment: Board Member

First appointed: 10 August 2018

Term of appointment: 2 October 2020 to 1 October 2025

Board meetings attended: 4 of 6

Lara hold a Bachelor of Health Science with Honours, specialising in Genetic Epidemiology and Pharmacology. Currently Lara manages Lowndes Holdings, management and the operations of a consortium of companies related to Motorsport, intellectual property licensing, marketing and sponsorship agreements.

Ms Kim Wainwright

Managing Director, Explore Resources

Type of appointment: Board Member

First appointed: 10 August 2018

Term of appointment: 2 October 2020 to 1 October 2025

Board meetings attended: 3 of 6

Kim has both high-level government and private sector experience in advisory and management positions. After leaving the government sector Kim established her first business; consulting on strategy, risk management and policy development to private sector entities.

Ms Margo MacGillivray

Type of appointment: Board Member

First appointed: 14 December 2018

Term of appointment: 14 December 2018 to 30 September 2022

Board meetings attended: 5 of 6

Margo MacGillivray LLB (Hons), BA, LLM (Hons), GAICD

Margo is an experienced lawyer and corporate executive. She has been a partner of DLA Piper, a leading international law firm, had more than 15 years' experience as a General Counsel and held numerous non-executive board positions in the health and medical research sectors. This includes on the boards of Metro South Hospital & Health Service, the PA Research Foundation and the Australian Clinical Trials Alliance. She is currently a Governance Advisor at CBA.

Ms Catherine Donovan

Head of PR Strategy, Network 10
Type of appointment: Board Member
First appointed: 12 December 2019
Term of appointment: 12 December 2019 to 30 September 2022
Board meetings attended: 1 of 3

Catherine holds a Bachelor of Business Communication and joined Network 10 in 2004. Catherine possesses well-rounded skills across the communication spectrum including media relations, event management, strategy communications, issues and crisis management and publicity campaigns.

End of Director Appointments 2020

Ms Cherie Franks

Term of appointment: 30 September 2018 to 30 September 2022 (an early retirement due to work commitments)

Director of Nursing, TPCH
Type of appointment: Board Member
First appointed: 12 February 2016
Board meetings attended: 0 of 6

Mr James Stewart

Term of appointment: 20 October 2017 to 30 September 2020

Business Owner and Start-up Investor
Type of appointment: Board Member
First appointed: 10 July 2015
Board meetings attended: 0 of 6

6. Governance – risk management and accountability

6.1 Queensland public service ethics and values

Human Rights

TPCHF actively supports the *Human Rights Act 2019* (the Act) by ensuring that all policies and procedures are in accordance with relevant rights, as outlined in Part 2, Divisions 2 and 3 within the Act. The application of the Foundation's policies to the rights outlined in the Act are represented below.

The Foundation's Code of Conduct and Anti-Discrimination and Equal Opportunity Policy are reviewed annually and introduced to all new staff and volunteers as part of their onboarding.

The Foundation's Workplace Health and Safety Framework is reviewed annual in accordance with Section 16 of the Act which promotes 'Right to life'.

The Foundation's Bullying and Harassment Policy is reviewed annually in accordance with Section 17 of the Act which promotes 'Protection from torture and cruel inhuman or degrading treatment'.

The Foundation annually reviews its compliance across its industrial relations obligation for employees and volunteers in accordance with Section 18 of the Act which promotes 'Freedom from forced work'.

The Foundation's Grievance Policy is reviewed annually in accordance with:

- Section 31 of the Act which promotes 'Fair hearing'
- Section 32 of the Act which promotes 'Rights in criminal proceedings'

There were no human rights complaints received by the Foundation in the reporting period.

Queensland Public service values

The five core values of the Queensland Public Service are:

Customers First:	Knowing our customers, delivery on what matters and making decisions with empathy.
Ideas into action:	Challenging the norm; encouraging and embracing new ideas and working across all boundaries.
Unleash potential:	Expect greatness; lead and set clear expectations and seek and act on feedback.
Be courageous:	Own your actions and mistakes; take calculated risks and act with transparency.
Empower people:	Lead and trust; play to everyone's strengths and develop yourself and those around you.

© The State of Queensland 2018

TPCHF has a strong set of values that we adhere to

WHY	HOW	WHAT
We believe we can make the world better (one discovery at a time)	The way we achieve this is to provide the means for brilliant researchers who are on a relentless quest to achieve medical breakthroughs.	By funding important medical research that will find cures and save lives

All Foundation staff are required to complete the Metro North Hospital and Health Services mandatory training which outlines the *Public Sector Ethics Act 1994* (PSEA) Code of Conduct, public service core values, ethics, integrity and accountability.

6.2 Risk management

Risk is a standing item on the Foundation Board agenda. In relation to risk reporting, the Board is presented with a risk dashboard, high level risks from the risk register, and proposed risk mitigation strategies.

The FAR Committee is responsible for risk management which falls under the Foundation Finance, Audit and Risk (FAR) Committee charter. The Foundation risk framework is intrinsic within the organisation. It encompasses the following live documents:

- Risk management procedure
- Context map
- Risk matrix
- Risk register that includes strategic risks, financial risks, operational risks and project risks
- Event-specific risk registers
- Risk dashboard report
- Event risk dashboard report.

Risk is a standing agenda item at staff management meetings. All Foundation staff in management positions are members of the risk action team and responsible for identifying, evaluating, assessing risk and design/implementation of agreed risk treatment or mitigation strategies.

The COO of the Foundation is the Risk Champion and responsible for reporting to the FAR Committee and the Board. The processes across the organisation are compliant with ISO 31000:2018 Risk management – Principles and guidelines and ISO 22301:2019 Security and resilience – Business continuity management systems – Requirements.

To ensure food safety and quality is maintained consistently, TPCHF has also designed and implemented a Food Safety Plan that is compliant with Australia New Zealand Food Standards Code – 2016, *Queensland Food Act 2006* and Queensland Food Safety Regulation 2006.

TPCHF risk treatment documentation includes:

- Business Impact Analysis
- Crisis Management Plan
- Recovery Plans for each of the Recovery Priorities
- Event-specific Resilience Plan (includes event-specific measures around risk, workplace health and safety, business continuity, food safety and emergency management)
- Food Safety Plan
- Emergency Response Procedures
- Document and Record Control Procedure

- Implementation and compliance monitoring measures include:
 - Training and awareness in risk detection, risk mitigation, crisis management and workplace health and safety
 - Exercise
 - Testing
 - Audit
 - After Action Reviews.

The design of the compliance program is based on a detailed assessment of the organisation's context, including internal systems, as well as the micro and macro environment. Specific, measurable, achievable, relevant, time-bound objectives and targets are set and continually reviewed.

TPCHF management under the guidance and support of the FAR Committee and the Board is committed to effective implementation and continuous improvement of the compliance program through:

- planning through mission, vision, values, objectives, milestones, and roadmaps
- provision of the required resources and support
- development of the required documents and procedures
- capability development and training
- consultation internally with external expertise

- conducting checks and controls throughout processes
- organising audits, inspections, tests, and exercises to review functioning of the program
- processing data from compliance checks and preparing performance reports
- reviewing performance at set intervals and designing corrective actions
- measuring the effectiveness of improvement initiatives.

Through a rigid compliance program, the customers, donors, stakeholders, and partners can feel assured in the ability of TPCHF to deliver on their promise.

6.3 Audit and financial matters

TPCHF FAR Committee is a committee of the Board and are key staff of TPCHF. The FAR Committee has due regard to its charter outlined by the Board approved document: 'Terms of Reference for TPCHF FAR Committee'.

TPCHF FAR Committee responsibilities per this document are as follows:

- financial oversight and reporting
- management and execution of investment strategy and investment oversight
- oversight of audit processes
- Risk Management Policy and Risk Management Framework

- Occupational Health and Safety policies and OHS Framework
- Delegation of Authority Policy & Schedule
- Procurement
- Management of suspected fraud and corruption.

The FAR Committee meets monthly except for the month of January. The FAR Committee met eleven times during the reporting period.

The Board members that are members of the FAR Committee serve voluntarily without remuneration. Members of the FAR Committee include:

- Paul McMahon (Chair FAR Committee)
- Christopher Morton (Chair Board)
- Toby Innes (Board Member)
- Margo MacGillivray (Board Member)
- Michael Hornby (CEO)
- Katrina Beasley (COO).

All audit findings and any resulting actions are reported to TPCHF Board.

6.4 Internal audit

The functions of internal audit are governed by the FAR Committee

6.5 External scrutiny

An external financial audit was conducted by a designate of the Queensland Audit Office (QAO). The

independent audit on the financial report is in Appendix 2 of this document.

6.6 Information systems and records governance

TPCHF complies with the provisions of the *Public Records Act 2002* and the Records Governance Policy April 2019 v1.0.2.

The Executive Assistant is responsible for:

- maintaining an electronic information system and records governance for archiving documentation
- ensuring the electronic documentation system is current and stored securely
- staff being trained and complying with the use of the electronic and paper records system.

Annual Reports are classified in the General Retention and Disposal Schedule as public records requiring permanent retention under Disposal Authorisation 1042 (reports – significant) and 1147 (agency publication – significant).

Disposal will be in accordance with the General Retention Disposal Schedule and Records Governance Policy being appropriately documented and approved by the CEO.

There is an ongoing need for records related to the pandemic to continue to be created, managed, and maintained to help support the success of the response.

Any records of contact information collected to support contact tracing purposes are considered public records.

All records relating to the COVID-19 pandemic, in particular – contact information about all guests and staff for contact tracing purposes as directed by the Chief Health Officer – will be stored securely and not used for any other purposes. These records will be deleted after not less than 30 days and no more than 56 days. This information will be destroyed by way of shredding.

In conjunction with paper recordkeeping for contact tracing purposes, TPCHF introduced the use of QR Codes in all of its Cafés.

7. Governance – human resources

7.1 Strategic workforce planning and performance

The Board makes a specific commitment in relation to employee satisfaction with a focus on employee motivation, goal achievement and the maintenance of positive morale in the workplace.

Foundation staff have regular pop-up meetings, team and management meetings.

Strategic workforce planning is conducted and reviewed in consultation with an external HR consultant. This process involves the Board, the Management team, and also takes into account feedback from team members and other key stakeholders. All workforce planning aligns with the guiding principles of TPCHF's Strategic Plan.

All staff are provided with detailed role descriptions which outline their own areas of contribution and inform them of the responsibilities that sit within their broader department. All performance and probation discussions correspond directly to the tasks and responsibilities outlined in these role descriptions. This serves as a prompt to ensure that role design for each employee is still relevant, clear and connected to the needs of the overall organisation.

Role descriptions and interactive practical interviews are used during recruitment to ensure we are employing skilled and capable staff that integrate well within our team.

New employees are comprehensively onboarded into the organisation. This commences with an induction that provides education around the vision, mission and values of TPCHF, along with its history and key functions. It also covers off logistics, key contacts, first aid, evacuation processes and workplace policies.

Employees participate in a structured probation framework which consists of three structured conversations with their manager, along with a presentation to the team around their key learnings. This framework encourages two-way feedback and helps to ensure that the employee is comfortable, clear on their role and enabled to contribute as soon as possible.

Structured performance reviews are conducted with staff members annually, using an online platform called Small Improvements. This platform is designed to create honest, focused conversations that promote clarity and objective two-way feedback. This process also includes the development of key goals to be worked towards over the following 12-months.

Professional development needs are assessed through strategic workforce planning activities and are identified through performance review processes. Staff are supported to attend relevant and inspiring training opportunities. Periodically staff are offered the opportunity to work from home when suitable for particular projects. The organisation's Code of Conduct outlines expectations around ensuring that staff are working with integrity in these instances.

During the COVID-19 pandemic, TPCHF has continued to deliver essential services in line with normal arrangements by optimising flexible and remote working arrangements.

Foundation staff interact and anonymously rate their work week online to track morale, identify trends and workload. This is conducted using an online platform called OfficeVibe, which aggregates feedback from the entire team and provides real-time measurement of 10 key metrics of employee engagement, including:

- Personal Growth
- Ambassadorship
- Recognition
- Feedback
- Relationship with Peers
- Relationship with Manager

- Happiness
- Wellness
- Satisfaction
- Alignment

Issues and trends are reviewed by staff, management and the Board. Feedback is filtered by department and provided to individual managers to provide insight into relevant strategies that will maximise the engagement within their own teams.

Role descriptions for management positions also identify specific leadership skills and responsibilities that should be demonstrated and developed. These elements are specifically addressed as part of ongoing performance review processes. Relevant staff are also encouraged to attend leadership development to continuously build their capability levels.

A series of legislative policies have been developed in conjunction with an external HR consultant, to ensure that TPCHF remains compliant with any requirements outlined in the *Fair Work Act 2009*, relevant modern Awards, or any other relevant legislation.

Industrial and employee relations issues and processes are also managed in consultation with the external HR consultant.

The full-time equivalent of Foundation staff was 60 and the permanent separation rate was 20 per cent for the reporting period.

7.2 Early retirement, redundancy and retrenchment

During the period no employees received redundancy packages.

8. Open data

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

TPCHF incurred no expenditure in relation to consultancies, overseas travel or Queensland Language Services Policy during the 2020–2021 reporting period therefore has no open data reporting requirements.

Appendix 1: Schedule of annual grants

Emerging Researcher Grants – Total Allocation – \$99,444

Provide funding up to \$25,000 for a one-year project to researchers who have already completed a small research grant, allowing them to continue their research.

Researcher Name	Project Title
Mr Andrew Hislop	How is hip muscle size, structure and strength associated with function and dynamic balance in people with knee osteoarthritis?
Dr Viviana Lutzky	Finding the cure for idiopathic pulmonary fibrosis by replenishing the fountain of youth
Mr Martin Mapley	Novel hubless axial flow impeller for rotary blood pumps
Mr Clayton Semenzin	Investigation of introducing pulsatility through manipulation of the impeller axial clearance to centrifugal rotary blood pumps

Endowment Funding – Total Allocation – \$251,317

Awarded at the Board's discretion to projects that align with the requirements of the bequest.

Researcher Name	Project Title
Dr Gail Robinson, Dr Senthil Muthuswamy	Restorative Practice in mental health at The Prince Charles Hospital
Dr Michael Simmonds, Dr Jo Pauls, Dr Chris Chan, Prof Geoff Tansley, Mr Antony McNamee	Cardio-Vascular Molecular and Therapeutics Translation Research Group
Dr Stuart Ekberg, Dr James Stevenson, Dr Katherine Martinez, Dr Min Min Win, Dr Sarah Lord, Prof Patsy Yates, Ms Holly Sansone	Managing expectations and information needs in initial palliative care consultations Infective Endocarditis Queensland Collaborative

Equipment Grants - Total Allocation - \$125,927

Fund essential pieces of research equipment.

Researcher Name	Project Title
Dr Simon Apte	Liquid nitrogen storage dewar
Ms Kelly Chee	qEV Automated Fraction Collector
Dr Andrew Haymet	Rigid silicone normal abdominal aorta model
Dr Andrew Haymet	TS402 Multi-Channel Research Console
Dr Charles McDonald	BRAEDIUS-Cytocam complete System
Ms Margaret Passmore	Mindray BC5000 Vet Auto Haematology Analyser
Ms Brielle Parris	TapeStation 4150

Innovation Grants - Total Allocation - \$597,247

Fund innovative projects that address a clinical or health need and provides funding up to \$100,000 for a discrete project.

Researcher Name	Project Title
Dr Simon Apte, Dr David Warrilow, Prof Daniel Chambers	Viral triggers for idiopathic pulmonary fibrosis?
Prof Daniel Chambers, Dr Bob Edwards, Dr David Dellar, Dr Katrina Newbigin, Dr Simon Apte	Silicosis – new Ideas to conquer the re-Emergence of an ancient Lung Disease -The SHIELD Study
Prof Norman Morris, Dr Surendran Sabapathy, Prof Greg Scalia, Dr James Walsh, Dr Bryce Balmain, Dr Jonathan Chan, Mr Anthony Benjamin, Dr Llion Roberts	Hot Legs For Heart Failure: Using lower limb heating to improve exercise tolerance in heart failure
Dr Meredith Redd, Dr Louise See Hoe	Improved Preservation of Donor Organs for Heart Transplantation through ASIC1a inhibition with novel spider venom peptide

Researcher Name	Project Title
Dr Gail Robinson, Dr Senthil Muthuswamy	Restorative Practice in mental health at The Price Charles Hospital
Dr Michael Simmonds, Dr Jo Pauls, Dr Chris Chan, Prof Geoff Tansley, Mr Anthony McNamee	Optimising mechanical circulatory support: improved human compatibility of medical devices through minimisation of animal testing
Dr Maithri Siriwardena, Dr Charles McDonald, A/Prof David Platts, Dr Hergen Buscher, Dr Jayshree Lavana, A/Prof Kiran Shekar	Predicting outcomes in venoarterial extracorporeal membrane oxygenation: PULSE Study (Pulsatility and cardiac ULtraSonography in va Ecmo versus microcirculation assessment)
Dr Annalicia Vaughan	Functional metagenomic profiling of the gut microbiome in chronic obstructive pulmonary disease

PhD Scholarships - Total Allocation - \$252,828

Provide a scholarship to students completing full-time PhD studies for a maximum of three years.

Researcher Name	Project Title
Dr Samantha Livingstone	The differences in coagulation disturbances of the Acute Respiratory Distress Syndrome subphenotypes
Mr Taylor Sing	Pump Design and Development for Intra-Ventricular Balloon Pump
Miss Melanie Spratt	Arrhythmias in human heart failure: relating clinical and laboratory-generated arrhythmias and regionality of arrhythmic responses
Ms Lisa Wright	Sensory Modulation in Mental Health Care: Investigating the factors influencing the implementation of sensory modulation in inpatient mental health units

Research Fellowships – Total Allocation - \$600,000

Provide sustainability to full-time post-doctoral researchers and are valued at \$100,000 a year for three years.

Researcher Name	Project Title
Dr Hoi HOUNG (Chris) Chan	Reducing bleeding with mechanical hearts through improved blood-compatibility
Dr Glenn Stewart	Unmasking right ventricular and pulmonary gas transfer dysfunction with exercise and oxygen in early stage cardiopulmonary diseases to optimize therapeutic outcomes

Team Grants - Total Allocation this FY - \$1,000,000

Provide sustainable sponsorship to highly productive research teams. Valued at \$100,000 or \$200,000 for three years.

Researcher Name	Project Title
The Adult Cystic Fibrosis Centre Multi-Disciplinary Research Team	A multi-modality, multi-disciplinary program of research to improve disease outcomes in cystic fibrosis
Critical Care Research Group	Bench, bedside, and beyond: a translational research programme to improve outcomes for patients suffering critical illness
IHBI Cartilage and Skeletal Biology Research Group	Development of effective prevention and treatments for metabolic osteoarthritis
ICETLAB	Using engineering, biology and medicine to develop the next generation of mechanical circulatory support
The Prince Charles Hospital Community Gut and Liver Research Group	Improving Gastroenterology Outcomes Through Clinical Research
Qld Lung Transplant Research Program	Prevention and treatment of idiopathic and post-transplant pulmonary fibrosis

**Appendix 2: Annual financial statements,
including Management Certificate
for the Foundation and
Independent Auditor's report.**

The Prince Charles Hospital Foundation

Annual Financial Statements for the year ended 30 June 2021

THE PRINCE CHARLES HOSPITAL FOUNDATION

FINANCIAL STATEMENTS 2020-21

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General Information

These financial statements cover The Prince Charles Hospital Foundation (the Foundation).

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

To the best of the knowledge of the Board of the Foundation, during the last financial year there have been no breaches by the Foundation of the *Hospital Foundations Act 2018*.

For information in relation to the Foundation's financial statements, please call (07) 3139 4636, e-mail finance@tpchfoundation.org.au, or visit the Foundation's website www.tpchfoundation.org.au

THE PRINCE CHARLES HOSPITAL FOUNDATION

Statement of Comprehensive Income For the Year Ended 30 June 2021

	Notes	2021 \$	2020 \$
Income from Continuing Operations			
Café sales		6,269,841	6,529,256
Collocation car park income	2	513,473	784,669
Collocation funding income		642,523	630,911
Donations and other contributions	3	4,279,003	4,771,562
Functions and special events		734,692	1,179,319
Other income	4	1,366,176	565,357
Investment income		579,618	317,640
Interest income		85,133	245,877
Increase in fair value of financial assets designated at FVPL		939,619	-
Gain on sale of financial assets designated at FVPL		-	6,775
		15,410,078	15,031,366
Expenses from Continuing Operations			
Research grants expenditure		1,100,282	1,949,068
Employee expenses	5	3,972,014	3,932,928
Cost of sales		2,829,810	2,965,728
General and administration expenses		1,540,616	1,775,877
Collocation funding research expenses	17	599,680	584,597
Other research expenditure		995,577	1,020,261
Functions and special events		249,164	840,477
Depreciation	12	102,152	100,596
Amortisation	13	25,735	25,898
Decrease in fair value of financial assets designated at FVPL		-	555,808
Loss on disposal of financial assets designated at FVPL		925	-
Loss on disposal of fixed assets		11,725	-
		11,427,680	13,751,238
Operating Result from Continuing Operations		3,982,398	1,280,128
Other Comprehensive Income:			
Total Other Comprehensive Income for the Year		-	-
Total Comprehensive Income		3,982,398	1,280,128

The accompanying notes form part of these financial statements

THE PRINCE CHARLES HOSPITAL FOUNDATION

Statement of Financial Position As at 30 June 2021

	Notes	2021 \$	2020 \$
Current Assets			
Cash and cash equivalents	8	11,538,409	10,325,911
Receivables	9	700,156	626,080
Inventories		65,040	57,783
Other	10	278,771	217,103
Other financial assets	11	2,485,186	2,435,402
Total Current Assets		15,067,562	13,662,279
Non Current Assets			
Other financial assets	11	13,255,947	12,062,381
Property, plant and equipment	12	481,032	522,989
Intangible assets	13	8,455	38,919
Total Non Current Assets		13,745,434	12,624,289
Total Assets		28,812,996	26,286,568
Current Liabilities			
Payables	14	3,105,343	3,208,711
Accrued employee benefits	15	248,791	201,050
Provision for research grant funding	16	4,890,350	6,076,521
Provision for collocation research	17	294,423	524,423
Total Current Liabilities		8,538,907	10,010,705
Non Current Liabilities			
Accrued employee benefits	15	69,835	54,007
Total Non Current Liabilities		69,835	54,007
Total Liabilities		8,608,742	10,064,712
Net Assets		20,204,254	16,221,856
Equity			
Accumulated surplus		20,204,254	16,221,856
Total Equity		20,204,254	16,221,856

The accompanying notes form part of these financial statements

THE PRINCE CHARLES HOSPITAL FOUNDATION

Statement of Changes in Equity For the Year Ended 30 June 2021

	Accumulated Surplus \$	Total \$
Balance at 1 July 2019 (reported)	15,341,728	15,341,728
Reallocation of Collocation Car Park income accrual (effect of AASB 1058)	(400,000)	(400,000)
Balance at 1 July 2019 (restated)	14,941,728	14,941,728
Operating result from continuing operations	1,280,128	1,280,128
Balance at 30 June 2020	16,221,856	16,221,856
Balance at 1 July 2020	16,221,856	16,221,856
Operating result from continuing operations	3,982,398	3,982,398
Balance at 30 June 2021	20,204,254	20,204,254

The accompanying notes form part of these statements

THE PRINCE CHARLES HOSPITAL FOUNDATION

Statement of Cash Flows For the Year Ended 30 June 2021

	Note	2021 \$	2020 \$
Cash Flow from Operating Activities			
<i>Inflows:</i>			
Receipts from cafe sales		6,521,316	6,555,697
Receipts from collocation income		1,212,765	1,415,580
Job keeper income		1,263,600	475,500
PAYG cash boost		50,000	50,000
Donation and event income receipts		4,622,894	5,291,677
Dividends and managed funds distributions income		319,881	362,932
Interest receipts		99,126	308,365
GST collected from customers		827,955	827,448
GST input tax credits from ATO		745,726	893,775
<i>Outflows:</i>			
Payments of grants		(3,512,030)	(3,797,394)
Payments to employees		(3,908,445)	(3,906,115)
Payments to suppliers		(5,084,762)	(5,562,303)
GST paid to suppliers		(575,758)	(642,886)
GST remitted to ATO		(997,923)	(1,078,357)
Net cash provided by operating activities	21	1,584,345	1,193,919
Cash Flow from Investing Activities			
<i>Inflows:</i>			
Sales of investments		2,001,750	758,572
Net proceeds from other financial assets		-	151,267
Proceeds for property, plant and equipment		2,091	-
<i>Outflows:</i>			
Payments for property, plant and equipment		(69,284)	(64,543)
Payments for intangibles		-	(2,700)
Payments for investments		(2,285,748)	(3,576,434)
Payments for other financial assets		(20,656)	-
Net cash used in investing activities		(371,847)	(2,733,838)
Net increase / (decrease) in cash and cash equivalents		1,212,498	(1,539,919)
Cash and cash equivalents at beginning of year		10,325,911	11,865,830
Cash and cash equivalents at end of financial year	8	11,538,409	10,325,911

The accompanying notes form part of these statements

THE PRINCE CHARLES HOSPITAL FOUNDATION

Notes to and forming part of the Financial Statements for the year ended 30 June 2021

- Note 1: Summary of Significant Accounting Policies
- Note 2: Collocation Car Park Income
- Note 3: Other Income
- Note 4: Donations and Other Contributions
- Note 5: Employee Expenses
- Note 6: Auditor's Fees
- Note 7: Key Management Personnel
- Note 8: Cash and Cash Equivalents
- Note 9: Receivables
- Note 10: Other Current Assets
- Note 11: Other Financial Assets
- Note 12: Property, Plant and Equipment
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- Note 16: Provision for Research Grants
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- Note 18: Capital Commitments
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- Note 21: Reconciliation of Operating Surplus to Net Cash from Operating Activities
- Note 22: Services Received Free of Charge or for Nominal Value
- Note 23: Endowment Fund
- Note 24: Events Occurring After Balance Date
- Note 25: Related Party Transactions
- Note 26: Effects of COVID-19

THE PRINCE CHARLES HOSPITAL FOUNDATION

Notes to and forming part of the Financial Statements for the year ended 30 June 2021

OBJECTIVES AND PRINCIPAL ACTIVITIES OF THE PRINCE CHARLES HOSPITAL FOUNDATION

The Prince Charles Hospital Foundation (the Foundation) has the principal objective of increasing distributions for medical research at The Prince Charles Hospital and Caboolture Hospital. The Foundation specialises in raising money for heart health, cardiac and thoracic research, lung cancer research, cystic fibrosis, mental illness and orthopedics.

The Prince Charles Hospital Foundation has two additional principal activities:

1. To support research work linked to The Prince Charles Hospital and Caboolture Hospital via an accountable framework.
2. To drive knowledge of and support for research at The Prince Charles Hospital and Caboolture Hospital.

Note 1: Summary of Significant Accounting Policies

(a) Statement of Compliance

The financial statements have been prepared in compliance with the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2019*.

These financial statements are general purpose financial statements and have been prepared on an accrual basis in accordance with Australian Accounting Standards—Reduced Disclosure Requirements and Interpretations. The presentation and functional currency of the financial report is Australian Dollars.

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

(b) The Reporting Entity

The Foundation does not control other entities. The financial statements include the value of all income, expenses, assets, liabilities and equity of the Foundation as an individual entity.

(c) New and Revised Accounting Standards

First time mandatory application of Australian Accounting Standards and Interpretations

No new accounting standards applicable for first time in 2020-21 had a material impact on the Foundation.

Early adoption of Australian Accounting Standards and Interpretations

No accounting pronouncements were early adopted in the 2020-21 financial year.

Voluntary changes in accounting policy

No voluntary changes in accounting policies occurred during the 2020-21 financial year.

THE PRINCE CHARLES HOSPITAL FOUNDATION

Notes to and forming part of the Financial Statements for the year ended 30 June 2021

(d) Revenue

Revenue is recognised when the Foundation is legally entitled to the income and the amount can be quantified with reasonable accuracy. Revenues are recognised net of the amounts of goods and services tax (GST) payable to the Australian Taxation Office.

Café Retail Sales

Revenue from cafe sales comprises revenue earned (net of returns, discounts and allowances) from the sale of goods purchased for resale and gifts donated for resale. These sales are made through the Café for the Common Good Chermside, Café for the Common Good Caboolture, Café for the Common Good Kedron and Café for the Common Good Albany Creek. Sales revenue is recognised when our performance obligations are fulfilled, which occurs at the point of customer payment.

Collocation Income

Revenue from collocation agreements relates to income received under agreements with Metro North Hospital and Health Service, involving the Holy Spirit Northside Hospital and Point Parking (the external carpark operator), operating at The Prince Charles Hospital. As these transactions do not contain sufficiently specific performance obligations they are recognised as revenue when the Foundation gains control of the underlying asset.

Donations and other Contributions and Fundraising from Functions and Special Events

Donations, bequests and fundraising collected, including cash, goods for resale and donated services, arise from transactions that are non-reciprocal in nature (i.e. do not require any goods or services to be provided in return). As these transactions do not contain sufficiently specific performance obligations they are recognised as revenue when the Foundation gains control of the underlying asset.

Other Income

Revenue from administration agreements relates to vending machine commissions and research report income and is recognised when our performance obligations are fulfilled and a tax invoice is created.

Investment Income

Investment income comprises dividends and distributions from managed funds. Dividends from listed companies and distributions from managed funds are recognised when the right to receive the interest or distribution has been established.

Interest Income

Interest income is recognised as it accrues, using the effective interest method.

(e) Cash and Cash Equivalents

For the purposes of the Statement of Financial Position and the Statement of Cash Flows, cash assets include all cash and cheques receipted but not banked at 30 June as well as deposits at call with financial institutions. It also includes cash equivalents that are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. For an investment to qualify as a cash equivalent it must be readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value.

THE PRINCE CHARLES HOSPITAL FOUNDATION

Notes to and forming part of the Financial Statements for the year ended 30 June 2021

(f) Inventories

Inventories held for sale are comprised of cafeteria stock and are valued at the lower of cost and net realisable value. Cost is assigned on a first-in first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing condition. Net realisable value is determined on the basis of the Foundation's normal selling pattern.

(g) Acquisitions of Assets

Actual cost is used for the initial recording of all non current physical and intangible asset acquisitions. Cost is determined as the value given as consideration plus costs incidental to the acquisition, including all other costs incurred in getting the assets ready for use. Any property, plant and equipment donated to the Foundation or acquired for nominal cost are recognised at fair value at the date the Foundation obtains control of the assets.

(h) Recognition of Property, Plant and Equipment

Assets with a cost or other value equal to or in excess of \$2,000 are recognised for financial reporting purposes in the year of acquisition. Items with a lesser value are expensed in the year of acquisition.

Plant and equipment is measured on the cost basis less accumulated depreciation and impairment losses.

(i) Revaluations of Non Current Physical and Intangible Assets

The carrying amounts for plant and equipment at cost do not materially differ from their fair value.

Intangible assets are measured at their historical cost, unless there is an active market for the assets concerned (in which case they are measured at fair value).

(j) Intangibles

Intangible assets with a cost or other value equal to or in excess of \$2,000 are recognised for financial reporting purposes in the year of acquisition.

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

Intangible assets are measured on the cost basis less accumulated amortisation and impairment losses.

(k) Amortisation and Depreciation of Intangibles and Property, Plant and Equipment

All intangible assets of the Foundation have finite useful lives and are amortised on a straight line basis.

The depreciable amount of leasehold improvements, plant and equipment and the motor vehicle is depreciated on a straight line basis, commencing from the time the asset is held ready for use.

THE PRINCE CHARLES HOSPITAL FOUNDATION

Notes to and forming part of the Financial Statements for the year ended 30 June 2021

The amortisation and depreciation rates used for each class of amortisable and depreciable assets based on their useful lives are:

Asset Class	Rate Range
Leasehold Improvements	2.5 - 50%
Plant and Equipment	10-33%
Motor Vehicle	10%
Intangible Assets: Website	50%
Intangible Assets: Database & Modules	20%

Due to the short lease term, all assets and intangibles attributable to the Kedron site are depreciated or amortised over a two year period.

The assets' useful lives are reviewed and adjusted if appropriate at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income.

(l) Impairment of Non Current Assets

All non current physical and intangible assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, the Foundation determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

The asset's recoverable amount is determined as the higher of the asset's fair value less costs to sell and depreciated replacement cost. An impairment loss is recognised immediately in the statement of comprehensive income.

(m) Financial Instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Foundation becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

THE PRINCE CHARLES HOSPITAL FOUNDATION

Notes to and forming part of the Financial Statements for the year ended 30 June 2021

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- amortised cost
- fair value through profit or loss (FVPL)
- equity instruments at fair value through other comprehensive income (FVOCI)
- debt instruments at fair value through other comprehensive income (FVOCI)

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within general and administration expenses.

Classifications are determined by both:

- The entity's business model for managing the financial asset
- The contractual cash flow characteristics of the financial assets

Subsequent measurement financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Foundation's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments as well as government bonds that were previously classified as held-to-maturity under AASB 139.

Financial assets at fair value through profit or loss (FVPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply (see below).

Impairment of Financial assets

AASB 9's impairment requirements use more forward looking information to recognize expected credit losses – the 'expected credit losses (ECL) model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under AASB 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

The Foundation considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

THE PRINCE CHARLES HOSPITAL FOUNDATION

Notes to and forming part of the Financial Statements for the year ended 30 June 2021

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade and other receivables and contract assets

The Foundation makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Foundation uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Foundation assess impairment of trade receivables on a collective basis as they possess credit risk characteristics based on the days past due.

Classification and measurement of financial liabilities

The Foundation's financial liabilities include trade and other payables. Accounts payable and accrued expenses represent payables that are recognised upon receipt of the goods or services ordered and are measured at the 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.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Foundation designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

(n) Employee Benefits

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

Worker's compensation insurance is a consequence of employing employees but is not counted in an employee's total remuneration package. They are not employee benefits and are recognised separately as employee related expenses.

THE PRINCE CHARLES HOSPITAL FOUNDATION

Notes to and forming part of the Financial Statements for the year ended 30 June 2021

Wages, Salaries, and Sick Leave

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

As the Foundation expects such liabilities to be wholly settled within 12 months of the reporting date, the liabilities are recognised at undiscounted amounts.

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

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

Annual and Long Service Leave

Annual and long service leave liabilities are accounted for as short term employee benefits if the Foundation expects to wholly settle all such liabilities within the 12 months following reporting date. Otherwise, long service leave liabilities are accounted for as 'other long-term employee benefits' in accordance with AASB 119 and split between current and non current components.

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 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 and workers' compensation insurance) are also recognised as liabilities, where these on-costs are material.

Superannuation

The default superannuation fund for the Foundation is Sunsuper. All employees are given a choice as to where their superannuation contributions are paid. Contributions to employee superannuation plans are charged as expenses as the contributions are paid or become payable.

Key Management Personnel

Key management personnel include those positions that have authority and responsibility for planning, directing and controlling the activities of the Foundation. Refer to note 7 for the disclosures on key management personnel and remuneration.

(o) Provisions

Provisions are recorded when the Foundation has a present obligation, either legal or constructive as a result of a past event. They are recognised at the amount expected at reporting date for which the obligation will be settled in a future period.

THE PRINCE CHARLES HOSPITAL FOUNDATION

Notes to and forming part of the Financial Statements for the year ended 30 June 2021

Provisions for research grants relate to research grants made by the Foundation and are recognised when the Finance, Audit and Risk Committee or the Board has approved the payment of a grant, and the recipient has been notified and signed as agreeing to the terms and conditions of the grant. The grant balance is drawn down by the recipient over the term of the grant. The term of the grants is generally for 12 months with the recipient eligible to apply for an extension at the completion of that term.

Provisions for collocation research relate to grants funded through the collocation funds received, with the process for the grant, and the recognition of liability, being the same as with research grants above.

(p) Insurance

The Foundation's non-current physical assets and other risks are insured through City Cover (Aust) Pty Ltd, premiums being paid on a risk assessment basis. In addition, the Foundation pays premiums to WorkCover Queensland in respect of its obligations for employee compensation.

(q) Taxation

The Foundation has been endorsed by the Commissioner of Taxation as an income tax exempt charity pursuant to Section 50-5 of the *Income Tax Assessment Act 1997*. The Foundation is exempted from Fringe Benefits Tax under Section 57a of the *Fringe Benefit Tax Assessment Act 1986*.

Accordingly, the Foundation is exempted from Commonwealth taxation with the exception of Goods and Services Tax (GST). GST is the only tax accounted for by the Foundation. GST credits receivable from, and GST payable to the ATO are recognised.

(r) Issuance of Financial Statements

The financial statements are authorised for issue by the Board of The Prince Charles Hospital Foundation at the date of signing the Management Certificate of the Foundation.

(s) Key Accounting Estimates and Judgements

The preparation of financial statements necessarily requires the determination and use of certain critical accounting estimates, assumptions, and management judgements that have that potential to cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Such estimates, judgements and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods as relevant.

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

Other Financial Assets – Note 11

Payables – Note 14

Accrued Employee Benefits – Note 15

Provision for Research Grants – Note 16

Provisions for Collocation Research Grants – Note 17

Commitments and Contingencies - Note 20

Service Received Free of Charge or for Nominal Value – Note 22

Depreciation and amortisation – Note 1(k)

THE PRINCE CHARLES HOSPITAL FOUNDATION

Notes to and forming part of the Financial Statements for the year ended 30 June 2021

(t) 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 has been restated where necessary to be consistent with disclosures in the current reporting period. Comparative information reflects the audited 2019-20 financial statements.

Current / non-current classification

Assets are classified as 'current' where their carrying value 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.

Note 2: Collocation Car Park Income

The Prince Charles Hospital Car Park is operated under an agreement between Queensland Health and International Parking Group. Under the agreement the Foundation is entitled to a share of carpark fees. For the financial year 2021 and in accordance with the collocation agreement this amount was \$513,473 (2020: \$784,669).

Note 3: Donations and other contributions

	2021	2020
	\$	\$
Donations	2,390,659	3,169,241
Bequests	859,420	1,134,314
Research income	1,028,924	468,007
Total donations and other contributions	4,279,003	4,771,562

Note 4: Other Income

Job Keeper Income	1,263,600	475,500
PAYG Cash Boost	50,000	50,000
Other Income	52,576	39,857
Total donations and other contributions	1,366,176	565,357

Note 5: Employee Expenses

Employee Benefits

Wages and salaries	3,257,327	3,244,132
Annual leave expense	200,296	194,365
Employer superannuation contributions	321,325	322,767
Long service leave expense	34,060	27,379

Employee Related Expenses

Worker's compensation premium	50,871	54,870
Other employee related expenses	108,135	89,415
Total Employee Expenses	3,972,014	3,932,928

THE PRINCE CHARLES HOSPITAL FOUNDATION

Notes to and forming part of the Financial Statements for the year ended 30 June 2021

	No.	No.
The number of employees including both full-time employees and part-time employees measured on a full-time equivalent basis is:	60	54

	2021	2020
	\$	\$
Note 6: Auditor's Fees		
Audit of the financial statements	24,500	24,550

The Prince Charles Hospital Foundation's auditor is the Queensland Audit Office. Audit fees are included in general and administration expenses.

Note 7: Key Management Personnel

(a) Key Management Personnel

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

Position	Position Responsibilities
Board of Directors	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, efficient, effective and economic management of the Foundation

(b) Remuneration

The remuneration and other terms of employment for the key management personnel are set by the Board and specified in employment contracts. The contracts provide for the provision of performance-related cash bonuses.

Remuneration packages for key management personnel comprise the following components:

- * Short term employee benefits include salaries, allowances and leave entitlements earned and expensed for the entire year or that part of the year during which the employee occupied the specified position. Amounts disclosed equal the amount expensed in the profit or loss. Post employment benefits include superannuation contributions.

- * Long term employee expenses include long service leave accrued.

- * Redundancy payments are not provided for within individual contracts of employment. Contracts of employment provide only for notice periods or payment in lieu of notice on termination, regardless of the reason for termination.

- * Performance bonuses may be paid annually depending upon satisfaction of key performance indicators and is set by the Board.

Total fixed remuneration is calculated on a 'total cost' basis and includes the base, long term employee benefits and post employment benefits.

THE PRINCE CHARLES HOSPITAL FOUNDATION

Notes to and forming part of the Financial Statements for the year ended 30 June 2021

The Board of Directors is responsible for the governance of the Foundation. Their services are provided on an honorary basis.

1 July 2020 – 30 June 2021					
Position (date resigned if applicable)	Short Term Employee benefits		Long Term Employee expenses	Post Employment benefits	Total Remuneration
	Base \$	Non-monetary \$			
CEO	177,465	31,868	4,028	21,694	235,056

1 July 2019 – 30 June 2020					
Position (date resigned if applicable)	Short Term Employee benefits		Long Term Employee expenses	Post Employment benefits	Total Remuneration
	Base \$	Non-monetary \$			
CEO	205,723	30,324	21,585	18,768	276,399

(c) Performance Payments

The basis for performance bonuses paid or payable in the 2020-21 financial year is set out below:

Position	Date Paid	Basis for payment
CEO	N/A	The cash performance bonus was set by reference to satisfaction of key performance indicators and is set by the Board. Key performance indicator categories include financial performance, research grants, leadership and employees, donors, customers and brand management, and organisational planning and compliance.

The basis for performance bonuses paid or payable in the 2019-20 financial year is set out below:

Position	Date Paid	Basis for payment
CEO	29-06-2020	The cash performance bonus was set by reference to satisfaction of key performance indicators and is set by the Board. Key performance indicator categories include financial performance, research grants, leadership and employees, donors, customers and brand management, and organisational planning and compliance.

The aggregate performance bonuses paid to all key management personnel are as follows:

	2021	2020
	\$	\$
CEO	-	18,265

Note 8: Cash and Cash Equivalents

	2021	2020
	\$	\$
Cash on hand	17,390	24,880
Cash at bank	2,038,449	1,865,397
Cash on deposit	9,482,570	8,435,634
	11,538,409	10,325,911

THE PRINCE CHARLES HOSPITAL FOUNDATION

Notes to and forming part of the Financial Statements for the year ended 30 June 2021

Note 9: Receivables

	2021	2020
	\$	\$
Trade receivables	168,312	70,060
GST receivable	-	55,057
Collocation debtors	58,898	115,667
Accrued interest and investment income	474,446	228,701
Other miscellaneous receivables	-	158,095
	701,656	627,580
Provision for impairment of receivables	(1,500)	(1,500)
	700,156	626,080

Note 10: Other Current Assets

Prepayments and deposits	278,771	217,103
	278,771	217,103

Note 11: Other Financial Assets

Financial assets held at fair value through profit and loss:

Managed Funds Held Separated by Asset Class

Current:

Cash	89,738	47,998
Fixed Interest	2,395,448	2,387,404
Total current	2,485,186	2,435,402

Non current:

Cash	383,452	435,543
Fixed Interest	1,829,029	2,013,969
Australian Equities	3,025,430	2,463,108
International Equities	2,493,013	2,036,605
Property	639,712	417,576
Infrastructure/Utilities	252,290	240,530
Alternative Assets	751,563	594,249
	9,374,489	8,201,580

All non-cash investments are market traded incentives and are valued at the quotes market price at balance date.

Financial assets held at amortised cost:

Non current:

Endowment fund cash held on deposit	3,881,458	3,860,801
Total Non current	13,255,947	12,062,381

The Endowment Fund has been established to deliver sustainable scholarships and individual grants through the general fund while health specific projects will be funded through nominated allocations at the direction of our benefactors. At 30 June 2021, the endowment fund restricted fund balance includes accrued interest on the deposits of \$1,687 (2020: \$102) which has been accrued into other receivables. Refer Note 23: Endowment Fund for a schedule of yearly movements.

THE PRINCE CHARLES HOSPITAL FOUNDATION

Notes to and forming part of the Financial Statements for the year ended 30 June 2021

Note 12: Property, Plant and Equipment

	2021	2020
Leasehold Improvements:	\$	\$
At cost	606,447	606,447
Less: Accumulated amortisation	<u>(300,162)</u>	<u>(263,974)</u>
	<u>306,285</u>	<u>342,473</u>
Plant and Equipment:		
At cost	519,088	531,555
Less: Accumulated depreciation	<u>(448,176)</u>	<u>(406,295)</u>
	<u>70,912</u>	<u>125,260</u>
Motor Vehicle:		
At cost	156,827	99,723
Less: Accumulated depreciation	<u>(52,992)</u>	<u>(44,467)</u>
	<u>103,835</u>	<u>55,256</u>
Total	<u>481,032</u>	<u>522,989</u>

	Leasehold Improvement	Plant and Equipment	Motor Vehicle	Total
Movements in Carrying Values:				
	\$	\$	\$	\$
Carrying amount at 1 July 2020	342,473	125,260	55,256	522,989
Acquisitions	-	12,178	57,104	69,282
Disposals	-	(787)	-	(787)
Depreciation	(36,188)	(57,439)	(8,525)	(102,152)
Write off	-	(8,300)	-	(8,300)
Carrying Amount at 30 June 2021	<u>306,285</u>	<u>70,912</u>	<u>103,835</u>	<u>481,032</u>

Note 13: Intangible Assets

	2021	2020
	\$	\$
CRM Database, App Development:		
At cost	76,423	85,777
Less: Accumulated amortisation	<u>(67,968)</u>	<u>(46,858)</u>
Total	<u>8,455</u>	<u>38,919</u>

	CRM Database	App Development	Total
Movements in Carrying Values:			
	\$	\$	\$
Carrying amount at 1 July 2020	32,634	6,285	38,919
Acquisitions	-	-	-
Amortisation	(24,179)	(1,556)	(25,735)
Write off	-	(4,729)	(4,729)
Carrying Amount at 30 June 2021	<u>8,455</u>	<u>-</u>	<u>8,455</u>

THE PRINCE CHARLES HOSPITAL FOUNDATION

Notes to and forming part of the Financial Statements for the year ended 30 June 2021

Note 14: Payables

	2021	2020
Current	\$	\$
Accounts payable	388,427	635,918
Unearned revenue	159,631	79,327
Accrued expenses	438,013	407,547
Research expenses accrual	2,119,272	2,085,919
	3,105,343	3,208,711

Note 15: Accrued Employee Benefits

Current		
Annual (Recreational) Leave	182,091	139,182
Long Service Leave	66,700	61,868
	248,791	201,050
 Non Current		
Long Service Leave	69,835	54,007
	69,835	54,007

Note 16: Provision for Research Grants

Current		
Opening Balance	6,076,521	6,404,586
TPCH Grants Awarded	497,891	1,689,491
TPCH Capacity Building Grants Awarded	324,804	-
Caboolture Grants Awarded	136,364	93,182
Endowment Grants Awarded	190,000	251,317
Grants written back (unused provisions)	(48,776)	(84,922)
Payments of grant expenditure	(1,974,915)	(2,055,674)
Payments of endowment grant expenditure	(21,768)	(46,694)
Payments of Caboolture grant expenditure	(136,364)	(93,182)
Payments innovation and capacity building	(153,407)	(81,583)
Closing Balance	4,890,350	6,076,521

Note 17: Provision for Collocation research

Current		
Opening Balance	524,423	1,024,423
Collocation funds allocated	558,180	584,597
Payments of Collocation research	(788,180)	(1,084,597)
Closing Balance	294,423	524,423

Note 18: Capital Commitments

There are no capital commitments.

THE PRINCE CHARLES HOSPITAL FOUNDATION

Notes to and forming part of the Financial Statements for the year ended 30 June 2021

Note 19: Lease Commitments

The Café for the Common Good Chermside premises are leased from Metro North Hospital and Health Service. The deed of occupation is a five year term commencing on the 1 July 2019 to 30 June 2024 with one option period of five years. The rent payable is \$1 (GST-inclusive) per annum. The Deed of Occupation was signed 16 July 2021.

The Café for the Common Good Caboolture premises are leased from Metro North Hospital and Health Service. The deed of occupation is a five year term commencing on the 1 July 2019 to 30 June 2024 with one option period of five years. The rent payable is \$1 (GST-inclusive) per annum.

The Café for the Common Good Kedron premises are leased from Kedron Emergency Services. The lease is currently on extension of lease term and commencing 1 July 2021 to 30 June 2022. Negotiations are underway for a new two year lease term.

Printer operating lease 1 commenced in 2017 and is a 5 year lease. Printer operating lease 2 commenced 2019 and is a 5 year lease. All equipment is being leased through Canon Finance with lease payments paid monthly in arrears.

Lease Commitments	2021	2020
Payable – minimum lease payments:	\$	\$
- not later than 12 months	27,496	29,009
- between 12 months and five years	3,625	6,121
	<u>31,121</u>	<u>35,130</u>

Note 20: Commitments and Contingencies

Other Commitments – Specified Hospital Funds

The Foundation has restricted funds available for Specified Hospital Research which are yet to be expended by recipients. There are over 40 sub funds of Specified Hospital Research across the different departments and medical faculties of The Prince Charles Hospital and Caboolture Hospital. The balance of Specified Hospital Research funding yet to be expended as of 30 June 2021 was \$3,776,543 (2020: \$3,500,384).

THE PRINCE CHARLES HOSPITAL FOUNDATION

Notes to and forming part of the Financial Statements for the year ended 30 June 2021

Note 21: Reconciliation of Operating Surplus to Net Cash from Operating Activities

	2021 \$	2020 \$
Surplus/(Deficit) from Continuing Operations	3,982,398	1,280,128
Amortisation expense	25,735	25,898
Depreciation expense	102,152	100,596
(Gain) / loss on disposal of investments	925	(6,775)
(Gain)/Loss on disposal of equipment	11,725	-
Movement in market value of available for sale financial assets	(939,619)	555,808
Changes in assets and liabilities:		
Decrease / (Increase) in receivables	(74,076)	10,347
Decrease / (Increase) in inventories	(7,256)	(5,385)
Decrease/ (Increase) in other current assets	(61,667)	(22,396)
(Decrease) / Increase in payables	(103,369)	56,950
(Decrease) / Increase in accrued employee benefits	63,569	26,813
(Decrease) / Increase in research provisions	(1,416,172)	(828,065)
Net cash provided by operating activities	1,584,345	1,193,919

Note 22: Services Received Free of Charge or for Nominal Value

During the financial year, the Foundation received in-kind contributions from external parties that assisted with the operation of the Foundation. Where possible the fair value of these services has been estimated below:

	2021 \$	2020 \$
Provision of office building	73,060	100,620
Provision of Chermshire Café area – under peppercorn lease	149,046	189,970
Provision of Caboolture Café area – under peppercorn lease	49,650	39,600
Pro Bono goods and services provided by external parties	119,045	329,015
	390,801	659,205

The Foundation included the value of services received free of charge or for nominal value in the Statement of Comprehensive Income as donations and bequests income with an offset expense in general and administration expenses.

THE PRINCE CHARLES HOSPITAL FOUNDATION

Notes to and forming part of the Financial Statements for the year ended 30 June 2021

Note 23: Endowment Fund

	2021	2020
	\$	\$
Opening Balance	3,857,390	4,037,855
Reallocation of funds from accumulated surplus	(190,000)	(251,317)
Earnings allocated to endowment assets	22,491	70,852
Closing Balance	3,689,881	3,857,390

The Endowment Fund has been established to deliver sustainable scholarships and individual grants through the general fund while health specific projects will be funded through the specified endowment allocations at the direction of our benefactors. The endowment funds held on deposit are included within the restricted funds noted in note 11, other financial assets.

Note 24: Events Occurring after Balance Date

There were no events affecting the financial position of the Foundation subsequent to 30 June 2021.

Note 25: Related Party Transactions

There have been no related party transactions in the current period, other than those disclosed as part of the key management personnel disclosure in note 7.

An informal assessment has been made that concluded that the Prince Charles Hospital is not a related party. This is due to there being no shared control between the Prince Charles Hospital and the Foundation and that grant recipients are individuals rather than paid through the Prince Charles Hospital.

Note 26: Effects of COVID-19

At various times during financial year when local lockdowns were enforced and restrictions on hospital visitors were in place, the Foundation experienced a downturn in sales across all retail sites as a result of COVID-19. This downturn in sales was partially offset by Job Keeper subsidies and PAYG Cash Boost received from the Australian Taxation Office. COVID-19 also reduced the Foundation's level of research support in the period with some research grant programs experiencing further delays until next financial year. Due to the Foundation's reduction in expenses and adequate financial reserves in place COVID-19 will not impact the Foundation's ability to operate as a going concern.

MANAGEMENT CERTIFICATE OF THE FOUNDATION

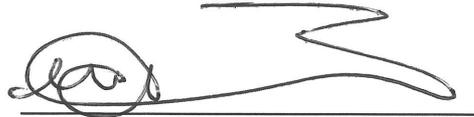
These general purpose financial statements have been prepared pursuant to section 62(1) of the *Financial Accountability Act 2009*, s.43 of the *Financial and Performance Management Standard 2019*, the *Australian Charities and Not-for-profits Commission Act 2012* and other prescribed requirements. In accordance with section 62(1)(b) of the *Financial Accountability Act 2009* 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, of the transactions of The Prince Charles Hospital Foundation for the financial year ended 30 June 2021 and of the financial position of the Foundation at the end of that year; and

We acknowledge 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.



Christopher Morton
Chairperson
Date 30/8/21



Michael Hornby
Chief Executive Officer
Date 30/8/21

INDEPENDENT AUDITOR'S REPORT

To the Board of The Prince Charles Hospital Foundation

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of The Prince Charles Hospital Foundation.

In my opinion, the financial report:

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

The financial report comprises the statement of financial position as at 30 June 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period 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.

Responsibilities of the entity for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. This is not done for the purpose of expressing an opinion on the effectiveness of the entity's internal controls, but allows me to express an opinion on compliance with prescribed requirements.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the entity.
- Conclude on the appropriateness of the entity's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

Report on other legal and regulatory requirements

Statement

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

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

Prescribed requirements scope

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



Carolyn Dougherty
as delegate of the Auditor-General

31 August 2021

Queensland Audit Office
Brisbane

Appendix 3: Compliance schedule

Summary of requirement		Basis for Requirement	Annual report reference Page
Letter of Compliance	A letter of compliance from the accountable officer or statutory body to the relevant Minister/s	ARRs – section 7	1
Accessibility	Table of Contents	AARs – section 9.1	ii
	Glossary		iii
	Public availability	AARs – section 9.2	i
	Interpreter service statement	Queensland Government <i>Language Services Policy</i> ARRs – section 9.3	i
	Copyright notice	Copyright Act 1968 AARs – section 9.4	i
	Information licensing	<i>QGEA – Information Licensing</i> AARs – section 9.5	i
General Information	Introductory Information	AARs – section 10	2
Non-Financial performance	Government’s objectives for the Community and whole-of-government plans/specific initiatives	ARRs – section 11.1	6
	Agency objectives and performance indicators	ARRs – section 11.2	6
	Agency service areas, and service standards	ARRs – section 11.3	N/A
Financial performance	Summary of financial performance	AARs–section 12.1	8
Governance Management and structure	Organisational structure	AARs – section 13.1	12
	Executive management	AARs – section 13.2	13
	Government bodies (Statutory bodies and other Entities) NEW	ARRs – section 13.3	N/A
Governance – risk management	Queensland public service ethics and values	<i>Public Sector Ethics Act 1994</i> ARRs – section 13.4	17
	Human Rights	<i>Human Rights Act 2019</i> ARRs – section 13.5	17

Summary of requirement		Basis for Requirement	Annual report reference Page
and accountability	Queensland Public Service Values	AARs – section 13.6	18
	Risk Management	ARRs – section 14.1	19
	Audit and financial matters	ARRs – section 14.2	20
	Internal audit	ARRs – section 14.3	21
	External scrutiny	ARRs – section 14.4	21
	Information systems and recordkeeping	ARRs – section 14.5	21
	Information Security attestation	ARRs – section 14.6	N/A
	Governance – Human Resources	Strategic workforce planning and performance	ARRs – section 15.1
Early retirement, redundancy and retrenchment		Directive No. 04/18 <i>Early Retirement, Redundancy and Retrenchment</i> AARs section 15.2	25
Open Data	Statement advising publication of information	ARRs – section 16	25
	Consultancies	ARRs – section 33.1	https://data.qld.gov.au
	Overseas Travel	ARRs – section 33.2	https://data.qld.gov.au
	Queensland Language service policy	ARRs – section 33.3	https://data.qld.gov.au
Schedule of Grants			26 Appendix 1
Financial Statements	Certification of financial statements	FAA – section 62 FPMS – sections 38, 39 and 46 ARRs – section 17.1	30 Appendix 2
	Independent Auditor's report	FAA – section 62 FPMS – section 46 ARRs – section 17.2	Appendix 2
Compliance Schedule			Appendix 3

FAA
FPMS
AARs

Financial Accountability Act 2009
Financial and Performance Management Standard 2019
Annual report requirements for Queensland Government agencies