



THE COMMON GOOD

AN INITIATIVE OF THE PRINCE CHARLES HOSPITAL FOUNDATION

ANNUAL REPORT

2021 - 2022

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Glossary

Term	Definition
A/Prof	Associate Professor
Act	<i>Human Rights Act 2019</i>
Board	The Board of the Foundation
BEDA	Brisbane Economic Development Agency
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
HR	Human resources
ICU	Intensive Care Unit
MNHHS	Metro North Hospital and Health Service
MP	Member of Parliament
pa	Per annum
Purpose	The overall aim of the agency
QAO	Queensland Audit Office
QPS	Queensland Public Service
Strategic Goal	Specific metric for achievement
Target	Statement of operational activity to be undertaken for achievement towards a strategic goal
TCG	The Common Good
THI	Tradie Heath Institute
TPCH	The Prince Charles Hospital
TPCHF	The Prince Charles Hospital Foundation

1. Letter of compliance

7 September 2022

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 2021-2022 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 62 of this Annual Report.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Chris Morton', written over a light grey circular stamp.

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, known as The Common Good.

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 health and medical research targeting heart disease, lung disease, dementia and mental health. The projects are aligned with the clinical expertise at The Prince Charles Hospital and Caboolture Hospital.

Highlights

- 95,000 hours of research funded
- Inaugural research grants program at Caboolture Hospital
- Revolutionary new Intensive Care Unit (ICU) of the Future project design completed in preparation for construction in October 2022.
- Covid Critical project supports 380 hospitals globally and attracts joint funding from Mindaroo and the Bill and Melinda Gates Foundation (Gates Foundation) of \$1.6 million
- Heart transplant project dramatically improves heart transplantation in Australia. Since first trial in November

2021, 25 lives have been saved directly as a result.

- Planning and preparation for the launch of a world first Tradie Health Institute.

Summary

Fundraising exceeded targets with an increase in major gifts, appeals, bequests, external trusts and foundations – leading to a research distribution of \$4.35 million this year.

The funding received through Mindaroo, and the Gates Foundation was the highlight to help complete the COVID-19 Intensive Care global data collection and create a platform for clinicians to access data to help guide patient treatment.

We secured private and agency funding to cover the development of the revolutionary ICU of the Future, again a world first. This attracted support from the Motor Vehicle Accident and Insurance Commission, public donations and significant in-kind support from suppliers. This will change ICU care and allow patients to recover faster, better and get home sooner. The project will be unveiled around December 2022.

The Critical Care Research Group has been the driver of many of the fulfilled research projects and we congratulate this group on their translational benefits to patients.

Our Social Enterprise cafes had another challenging year. Continual restrictions within hospitals where our cafes are located reduced customer numbers and we also suffered issues around recruiting staff – like all commercial hospitality venues still experience. Nevertheless, we are recording reasonable profits but estimate to be 50 per cent down on what would normally be expected prior to COVID-19.

There are positive signs of recovery, and a full review is being undertaken to identify opportunities. Our aim is to achieve \$1 million net profit – funds which offset our charitable operating costs.

As part of our expansion of the cafes we won the tender to operate the internal café at Police headquarters in Brisbane city.

Our two major public events, the Ekka Strawberry Sundaes and the Australian Unity Tour de Brisbane enjoyed mixed results. The iconic Strawberry Sundaes that we have delivered at the Royal Brisbane Show for over 30 years was done differently again for the second year running. Once more COVID-19 cancelled the Ekka and we were forced with only four days-notice to deliver the product independently. Thanks to the support of Brisbane Economic Development Agency, Chef Collective and Door Dash we created D.I.Y packs for homes and businesses. The result was remarkable – achieving a 100 per cent increase on a normal Ekka – such is the support of the community for this product and our cause.

We also hosted our first ever Giving Day at The Prince Charles Hospital. Working with a number of hospital departments we set up raising funds to undertake improvements to a number of patient areas in the hospital, fund research and provide therapy dogs. We exceeded our fundraising target and raised \$260 thousand on the day – all new support.

Challenges

We have learnt to accept that things are different now. What would have been considered problems in the past are now usual practice. Hospital lockdowns, visitor restrictions, limitation of clinically led

research while health care staff had COVID-19 as the priority, challenges in recruiting staff, sick leave and increased salary expectations – are all key factors that force us to become even more resilient and accepting that things don't always go to plan.

We are far more tolerant and pragmatic about last minute challenges and are better able to address these on the go.

The challenges we face are the same challenges facing the community. There were no major issues impacting on our operations, revenues were reasonable and no personnel incidents during the year.

It has been a challenging but at the same time a rewarding 12 months. The staff, volunteers and Board worked hard under testing conditions to deliver such positive results. The relationship with the hospitals and Metro North Hospital and Health Service is strong, and most importantly the donors, sponsors and participants in The Common Good's activities have continued their generosity.



Michael Hornby

Chief Executive Office

Research Expenditure Breakdown

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

Activity	No.	Amount awarded (\$)	Grant funding returned (\$)	Research expense after writebacks (\$)	Reference to Statement of Income
Caboolture Research Grants + Research Capacity	8	256,593			
Endowment Funding	1	90,000			
Equipment Grants	4	65,903			
Innovation Grants	13	620,633			
New Investigator Grants	10	98,554			
PhD Scholarships	6	151,484			
Research Fellowships	2	660,000			
Less Research Writebacks Grant funding returned from previous period			(151,913)		
Grants Sub Total		1,943,167		1,791,254	“Research grants expenditure”
Collocation Funded Research	2	473,943			
Less Collocation funding returned			(124,423)		
Collocation Research Sub Total		473,943		349,520	“Collocation funding research expenses”
Research Support	1	37,050			Contained within “General and admin expenses”
Specified Research Funds	17	1,901,111		1,901,111	“Other research expenditure”
Total Research Approval/Expenditure	64	*4,355,272		4,041,885	

*Total research funding approved/allocated during the financial year.

3. Non-financial performance

3.1 Queensland Government objectives for the community

The Foundation supports the Queensland Government's objectives for the community *Unite & Recover – Queensland's Economic recovery Plan* in the following areas:

Queensland Government Objectives	TPCH Foundation Response
Safeguarding our health	<p>\$4.35 million in medical research funding.</p> <p>120 active medical research projects.</p> <p>Translational of major initiatives to impact on patient care: Heart transplantation increasing number of donor hearts and time hearts can be kept for transplant (from 4 hours to 9 hours)</p> <p>COVID-19 ICU project – assisting 380 hospitals globally, collected data from 15,000 patients</p> <p>ICU of the Future designed for construction in 2022-2023</p> <p>Tradie Health Institute in development tackling occupational lung disease.</p>
Supporting jobs	Supporting 70 staff in the Foundation and over 120 active researchers.
Investing in skills	62 research grants supporting skill development.
Backing our frontline services	Direct and ongoing support of staff at The Prince Charles Hospital and Caboolture Hospital.
Protecting the environment	Cafes utilising environmentally friendly packaging, food waste reduction.

3.2 Agency objectives and performance indicators

The Foundation’s four-year Strategic Plan outlines measurements of performance and the actual outcomes achieved during 2021-2022 are listed in the table below.

Strategic Plan 2019-2022 Report Card

Activity	Target	Result 2021-2022
Medical Research/ Hospital Innovation	\$30 million distributed over 4 years	\$4.35 million in 2021-2022 \$18 million since 2018
People Connected	25,000 members recruited to give to The Common Good	7,337 active financial donors
Social Enterprise	Grow to achieve a net profit of \$1 million pa from retail cafes	Cafe net profit \$281 thousand (limited by hospital restrictions) Expanded to new site at Brisbane Police Headquarters
Brand	Achieve 100,000 people annually participating with The Common Good	110,076 participants 720,715 social enterprise transactions

Queensland Government Objectives

Queensland Government Objectives	TPCH Foundation Response
Safeguarding our health	\$4.35 million in medical research funding 120 active medical research projects Translational of major initiatives to impact on patient care: <ul style="list-style-type: none"> Heart transplantation increasing number of donor hearts and time hearts can be kept for transplant (from 4 hours to 9 hours) Covid ICU project – assisting 380 hospitals globally, collecting data from 15,000 patients ICU of the Future designed for construction in 2022-2023 Tradie Health Institute in development tackling occupational lung disease.
Supporting jobs	Supporting 70 staff in the Foundation and over 120 active researchers
Investing in skills	62 research grants supporting skill development.
Backing our frontline services	Direct and ongoing support of staff at The Prince Charles Hospital and Caboolture Hospital
Protecting the environment	Cafes utilising environmentally friendly packaging, food waste reduction.

4. Financial performance

A successful year for The Prince Charles Hospital Foundation (TPCHF) recording \$4.35 million in distributions for research and health innovations. This was enabled by the increase in philanthropy income mainly through donations, corporate partnerships and specific research project income.

Our retail sites were the most affected with reduced customers due to lockdowns, increased costs and labour market shortages.

However once again, due to TPCHF's diversified income streams and quick adaptation to change, it maintained a strong profit and loss position. Income over the period remained constant at \$15 million with increased donations and no increase in fair value of financial assets disclosed as income compared to the prior year.

Expenses for the period saw a marked increase compared to the previous year. This is mainly due to increased costs for goods and labour

flowing on from the ongoing COVID-19 pandemic along with the war in Ukraine.

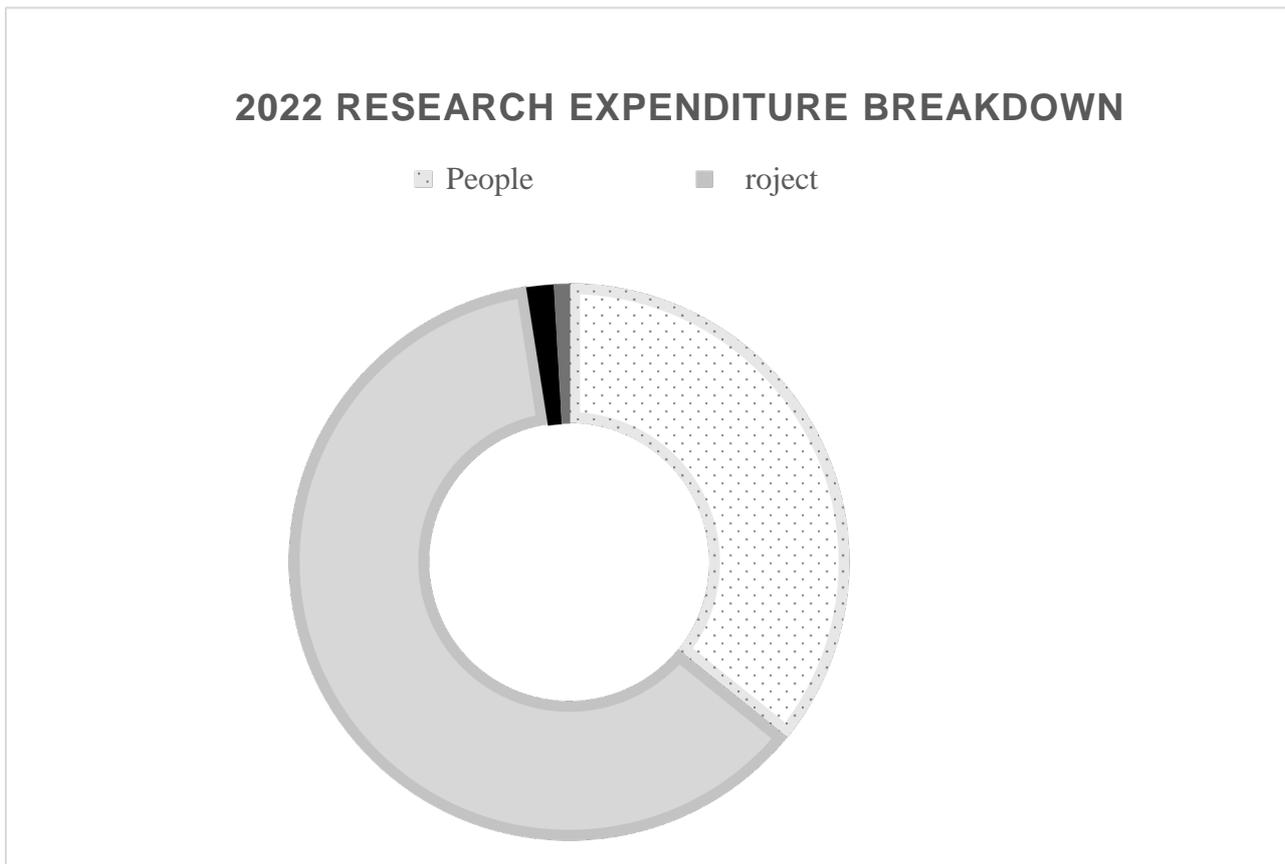


Figure 1

Along with global investment market volatility resulting in an \$1.5 million unrealised decrease in TPCHF's value of financial assets. Our comprehensive income statement shows a total research spend this year of \$4.35 million with Figure 1 outlining the research expenditure breakdown.

TPCHF once again 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, sustainability for some research projects and awarding 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 increased by 45 per cent to \$6.2 million. The increase compared to last year is mainly due to donations, corporate partnerships donations and specific research project income.

The overall contribution from events decreased by 24 per cent with a net profit of \$369,000. TPCHF events for 2021-2022 were disrupted once again by COVID-19. As in the prior year, 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 Charity Cycle event went ahead after a

few years of postponements however our 2021 Echo Conference has been delayed to the 2022 financial year.

Investment income decreased slightly during the period by 6 per cent. The most significant effect on investments has been the large decrease in unrealised market value of \$1.5 million compared to an increase of \$940,000 in the prior year. 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.

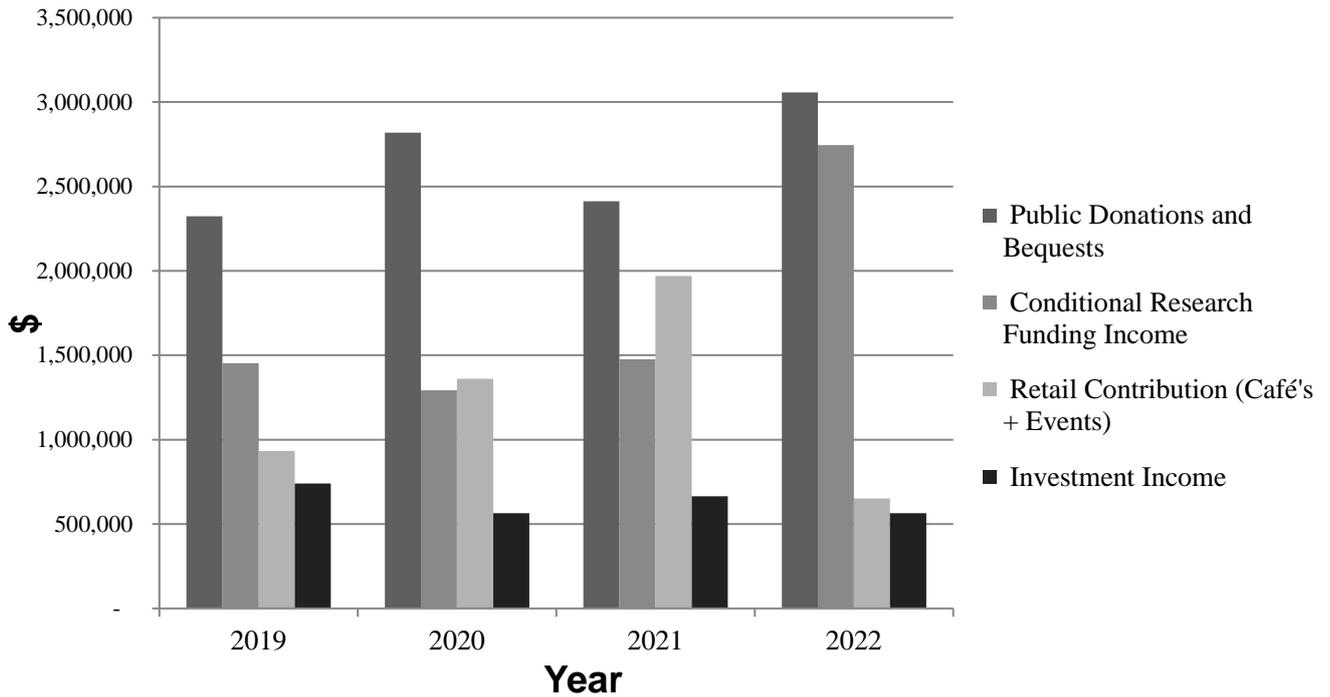
Once again, our café sites were the most impacted division of the business with constant lockdowns resulting in significantly fewer customers. Café sales increased by 7 per cent to \$6.7 million, however net profits across these sites reduced by 32 per cent. The key to maintaining profitability at all sites continues to be constant analysis of sales, controlling cost of goods and employment costs and overall cost reductions. During the period a new café site was opened at Police Head Quarters.

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.

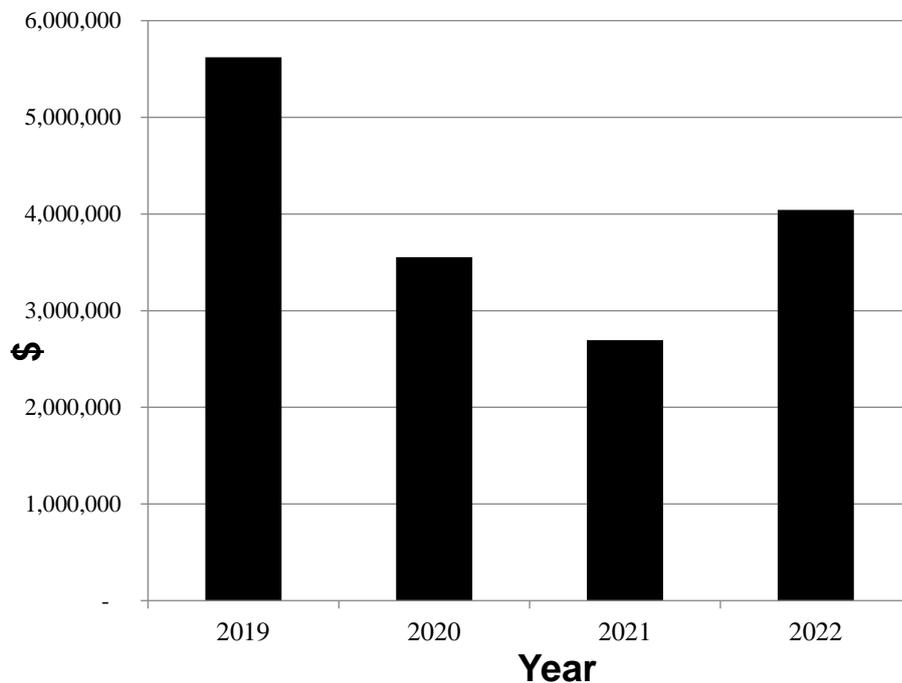
The \$4.35 million allocation to health and medical research in 2022 supports 95,000 hours of research across 62 active research projects during the year.

The full financial statements for TPCHF for the 2021-2022 financial year are included in Appendix 2 of this Annual Report.

Foundation Revenue Streams Trend



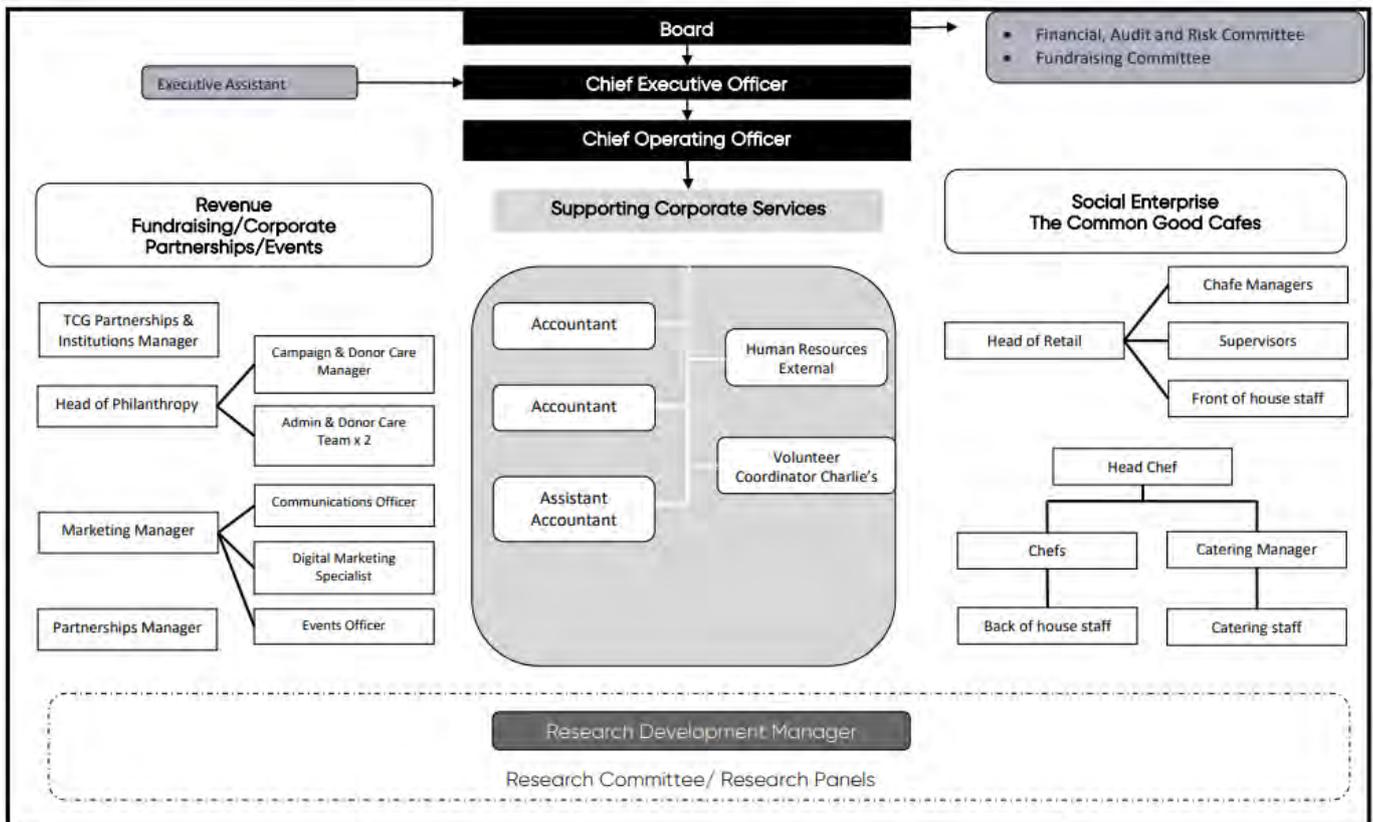
Research for purpose expenditure (after writebacks)



Future research funding commitments beyond 2022 - \$8.2 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.

The Social Enterprise business unit comprises our retail outlets which are located at The Prince Charles Hospital, Caboolture Hospital, Kedron Emergency Complex and The Police Headquarters, Roma Street.

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 Chief Executive Officer (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.

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

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

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.

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	
	August 2021
	October 2021
	December 2021
	April 2022
	May 2022
	June 2022

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

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

Bonny is a registered nurse with over 30 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

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

Appointed Deputy Chair: 23 November 2020

Term of appointment: 2 October 2020 to 1 October 2025

Paul has over 35 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

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 TPCHF.

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

Lara holds 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

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

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 16 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 and Health Service, the PA Research Foundation and the Australian Clinical Trials Alliance. She is currently a Governance Advisor at Commonwealth Bank of Australia.

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

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.

5.3 Government bodies (statutory bodies & other entities)

The Prince Charles Hospital Foundation					
Act or instrument	<i>Hospital Foundations Act 2018</i>				
Functions	Conducting fundraising activities and operating social enterprises to support health and medical research.				
Achievements	<ul style="list-style-type: none"> • 95,000 hours of research funded • Inaugural research grants program at Caboolture Hospital • Revolutionary new ICU of the Future project design completed in preparation for construction in October 2022. • COVID-19 Critical project supports 380 hospitals globally and attracts joint funding from Mindaroo and the Bill and Melinda Gates Foundation of \$1.6M • Heart transplant project dramatically improves heart transplantation in Australia. Since first trial in November 2021, 25 lives have been saved directly as a result. • Planning and preparation for the launch of a world first Tradie Health Institute. 				
Financial reporting	Refer to the <i>Independent Auditors Report page 28 of the Annual Financial Statements.</i>				
Remuneration 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.					
Position	Name	Meetings/ sessions/ attendance	Approved annual, sessional or daily fee	Approved sub- committee fees if applicable	Actual fees received
<i>Board Chair</i>	<i>Christopher Morton</i>	<i>6 of 6</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>
<i>Director</i>	<i>Paul McMahon</i>	<i>6 of 6</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>
<i>MNHHS Ex-officio</i>	<i>Veronica Barry</i>	<i>5 of 6</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>
<i>Director</i>	<i>Toby Innes</i>	<i>4 of 6</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>
<i>Director</i>	<i>Anthony White</i>	<i>3 of 6</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>
<i>Director</i>	<i>Lara Lowndes</i>	<i>5 of 6</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>
<i>Director</i>	<i>Kim Wainwright</i>	<i>4 of 6</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>
<i>Director</i>	<i>Margo MacGillivray</i>	<i>4 of 6</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>
<i>Director</i>	<i>Catherine Donovan</i>	<i>4 of 6</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>
No. scheduled meetings/sessions	The Foundation held 6 Board meetings in 2021-2022.				
Total out of pocket expenses	Nil				

5.4 Public Sector Ethics

TPCHF's Code of Conduct (the Code) has been developed in alignment with the Code of Conduct for the Queensland Public Service in consultation with an external HR consultant and reflects the ethics principles outlined in section 4 of *Public Sector Ethics Act 1994*. TPCHF is committed to promoting and adhering to the guiding principles outlined in the Code of Conduct for the Queensland Public Service. All employees, volunteers, contractors and consultants of TPCHF have been provided with training around this Code. This training has also been incorporated in TPCHF's onboarding processes. All relevant individuals are required to sign an acknowledgement form, confirming that they understand and accept the expectations of the Code.

5.5 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 TPCHF's policies to the rights outlined in the Act are represented below.

TPCHF'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.

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

TPCHF'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'.

TPCHF 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'.

TPCHF'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 TPCHF in the reporting period.

5.6 Queensland Public service values

The five core values of the Queensland Public Service are:

Customers First:	<ul style="list-style-type: none"> • Know your customers • Deliver what matters • Make decisions with empathy
Ideas into action:	<ul style="list-style-type: none"> • Challenge the norm and suggest solutions • Encourage and embrace new ideas • Work across boundaries
Unleash potential:	<ul style="list-style-type: none"> • Expect greatness • Lead and set clear expectations • Seek, provide and act on feedback
Be courageous:	<ul style="list-style-type: none"> • Own your actions, success and mistakes • Take calculated risks • Act with transparency
Empower people:	<ul style="list-style-type: none"> • Lead, empower and trust • Play to everyone's strengths • Develop yourself and those around you

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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. Governance – risk management and accountability

6.1 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 Finance, Audit and Risk (FAR) Committee is responsible for risk management which falls under the Foundation 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.

6.2 Audit committee

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 (Board Chair)
- 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.

6.3 Internal audit

The functions of internal audit are governed by the FAR Committee.

6.4 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.

6.5 Information systems and recordkeeping

TPCHF complies with the provisions of the *Public Records Act 2002*.

The Executive Assistant is responsible for:

- Any key improvements or changes to records governance
- Progress in implementing the records governance policy
- Formal communication of roles and responsibility to all staff
- Whole of organisation recordkeeping program
- Transitioning from paper-based records to digital recordkeeping
- Reliability and security of record keeping systems, including any serious breaches of information security and remedies
- All records are being retained in accordance with general or core retention and disposal legislation
- Record disposal program, including use of an approved electronic disposal schedule
- 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 (GRDS) as public records requiring permanent retention under Disposal Authorisation 1042 (reports – significant) and 1147 (agency publication – significant).

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

There is an ongoing need for records related to the COVID-19 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. While this has previously been executed via an online platform called Small Improvements, the Foundation has now transitioned over to a new program called '15Five'. This platform creates a consolidated and holistic view of each individual employee consisting of their engagement and role satisfaction levels, their overall performance, and their career development pathways.

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 rate their work week online to track morale, identify trends and workload. This is conducted using an online platform called 15Five, which automatically distributes a weekly check-in to gain feedback regarding:

- Overall happiness/engagement levels for the week
- Biggest wins for the week
- Biggest frustrations/roadblocks for the week
- Specific guidance or information required

from their manager

- The single biggest priority for the coming week
- Anything else of question or concern.

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. In particular, the Foundation was required to implement an updated Covid-Safe Policy in alignment with Queensland Government directives in regard to vaccination requirements within Government facilities and hospitals specifically.

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.

7.2 Early retirement, redundancy and retrenchment

No redundancy/early retirement/retrenchment packages were paid during the period.

8. Open data

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

TPCHF incurred no expenditure in relation to consultancies, overseas travel or Queensland Language Services Policy during the 2021-2022 reporting period therefore has no open data reporting requirements.

Appendix 1: Schedule of annual grants

Caboolture Hospital Research grants - Total Allocation - \$256,593

Funds research that addresses a health need at Caboolture Hospital.

Researcher Name	Project Title
Dr Sean Clark	Improving rapid access to care for patients with type 1 diabetes - a needs analysis
Mrs Aletta Cowen	CT scan requests by Nurse Practitioners in the emergency department of a community hospital for presentations of minor trauma and infections including older adults
Dr Thuy Frakking	Swallowing sounds in premature babies (SUPERB) study
Mrs Annabelle Marozza	SHORT Sensory Profile2 information and relevance to diagnosis of Attention Deficit Hyperactivity (ADHD) and Autism Spectrum Disorder (ASD) in 7–13-year-old Australian children.
Dr Mahesh Ramanan	Vasopressor Infusion via Peripheral vs Central Access in patients with shock - The VIPCA randomised controlled feasibility trial
Dr Shahida Rehman	Outcomes of breech birth by mode of delivery across hospitals within MNHHS: a retrospective observational study
Ms Deborah Sutherland	Evaluating an innovative model of antenatal care for young, vulnerable mothers
Capacity Grant	Annual contribution to Research Development Unit

Endowment Funding - Total Allocation - \$90,000

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

Researcher Name	Project Title
A/Prof Isuru Ranasinghe	Top-up PhD Scholarship in Cardiology

Equipment Grants - Total Allocation - \$65,903

Fund essential pieces of research equipment.

Researcher Name	Project Title
Prof Peter Molenaar	Electrophysiology Station Improvements
Prof Greg Scalia	Echo Strain Workstations
Mrs Maxine Tab	Spectrophotometer NanoDrop One Rotary Centrifuge and ancillary items
Mr Oystein Tronstad	Compumedics Somfit Device plus sensors

Innovation Grants - Total Allocation - \$620,633

Fund innovative projects that address a clinical or health need.

Researcher Name	Project Title
Dr Maryam Khorramshahi Bayat A/Prof Isuru Ranasinghe Dr Wandy Chan Dr Scott McKenzie	Risk stratification of hospitalised heart failure patients using a simple urinary sodium test
Dr Hoi Hounng Chan Ms Margaret Passmore Mr Oystein Tronstad Ms Helen Seale Dr Nicholas Sowden Dr Wandy Chan Dr Alex Dashwood Dr Jacky Suen Prof John Fraser	Investigate the effect of exercise training on blood haemostasis in patients with a durable mechanical ventricular assist device
Dr Wandy Chan Dr Louise See Hoe Mr Kieran Hyslop	Development of 'cardiac specific cell-free DNA quantitation in blood' as a highly sensitive biomarker to detect heart failure patients most at risk of re-hospitalisation.
Dr Nadeeka Dissanayaka Prof Andrew Teodorczuk Dr Eamonn Eeles Dr Peter Worthy	Dementia connect My eLife
Miss Lenore Irvine Dr Annette Dent	The diagnostic power of exhaled breath condensate and salivary extracellular vesicles for lung cancer
Dr Keibun Liu Dr Jacky Suen Prof John Fraser	A Double-Blinded Randomised Controlled Trial of a Novel Therapeutic Strategy using Hydrogen Gas via Extracorporeal Membrane Oxygenation for Refractory Severe Acute Respiratory Distress Syndrome in a Sepsis Ovine Model ~HYDRO RESCUE~
Dr Nchafatso Obonyo Dr Sainath Raman Dr Charles McDonald	Microvascular endotheliopathy: A final common pathway in critical illness?

Researcher Name	Project Title
Dr Jacky Suen Prof John Fraser	
Ms Margaret Passmore Mr Kieran Hyslop Dr Rishendran Naidoo Dr Katrina Ricker Dr Anil Prabhu Dr Ivan Rapchuk Dr Jacky Suen	Rogue mitochondrial DNA: The elusive mediator of inflammatory complications in cardiac surgery
Ms Hannah Rigby Mr Jack Bell Ms Jenna Stonestreet Mrs Lucy Dakin Mrs Alisa Crouch Mr Kannan Natarajan Mr Chrys Pulle	Nutrition Status of Outpatients with Dementia- forget nutrients and focus on the patient?
Dr Kei Sato Dr David Platts Dr Nchafatso Obonyo Prof Jonathan Chan Dr Jacky Suen Prof John Fraser Dr Maithri Siriwardena Dr Jayshree Lavana Prof Rishendran Naidoo	A clinical investigation of the utility of cardiac assessment using Speckle-Tracking Echocardiography in veno-arterial ECMO patients
Dr Glenn Stewart Prof Greg Scalia Prof Norman Morris	The ventricular strain gradient: A novel imaging biomarker of the adapting and maladapting heart
Dr Jacky Suen Dr Nicole Bartnikowski Prof John Fraser Dr Andrew Haymet	Ex-Vivo Protection of Endothelium For Autologous Grafts (EX-VIPER) study
Mr Oystein Tronstad	eDIS-ICU – an international validation study to improve accuracy of screening for delirium in the ICU

New Investigator Grants - Total Allocation - \$98,554

New Investigator Grants provide funding up to \$10,000 for a one-year project to junior researchers who have not previously held a grant. It provides research training under the mentorship of an experienced researcher.

Researcher Name	Project Title
Mr Craig Aitken	Measuring exertional dyspnoea in pulmonary hypertension
Mr Jacob Butterworth	Incidence and characteristics of medical device-related pressure injury in adult intensive care patients.
Miss Kirsten Dous	How Can I Help? Hospital Physiotherapy Care for People with Idiopathic Parkinson's Disease Post Hip Fractures - A Retrospective Chart Review
Dr Gabriele Fior	Biofluids-induced lung injury in acute respiratory distress syndrome
Dr Lucia Gandini	Investigating A Novel Approach to Reduce Oxidative Stress and Activation of Coagulation during Extracorporeal Membrane Oxygenation Use
Miss Jessica King	Does digital pre-operative education replace face-to-face education and improve patient outcomes?
Mr Yanxi Lu	Fluid balance, renin-angiotensin-aldosterone system (RAAS), and glycocalyx shedding in an ovine model of cardiogenic shock on pulsatile or continuous-flow veno-arterial extracorporeal membrane oxygenation support (VA-ECMO)
Miss Reema Rachakonda	Pulmonary endothelial and immunological profiles in an ovine model of live bacterial sepsis
Dr Declan Sela	Cardiorenal syndrome and endothelial dysfunction in sepsis
Miss Caeli Zahra	Detection of EGRF gene mutation in minimally invasive blood plasma extracellular vesicles for the diagnosis of lung cancer

PhD Scholarships - Total Allocation - \$151,484

Provide a scholarship to students completing full-time PhD studies for a maximum of three years. Extensions up to six months are approved at Board discretion.

Researcher Name	Project Title
Mr Craig Aitkin	Six-month extension
Ms Raquel Sanchez Diaz	Six-month extension
Dr Silver Heinsar	Six-month extension
Ms Josephine Lovegrove	Six-month extension
Dr Samantha Livingstone	Three-month extension
Ms Jazmin Guayco Sigcha	Blood biomarkers for lung cancer screening

Research Fellowships – Total Allocation - \$660,000

Provides three-year funding for full-time post-doctoral researchers.

Researcher Name	Project Title
Dr Viviana Lutzky	Targeted molecular approaches for the treatment of idiopathic pulmonary fibrosis
Dr Nchafatso Obonyo	Understanding endotheliopathy in critical illness through improved microvascular monitoring

Specified Research Fund – Total Allocation - \$1,901,111

Research Fund
Allied Health Research Collaborative
Caboolture Research
Critical Care Research Group
CCRG Gates Foundation
Thuy Frakking – UQ and MN Fellowship
ICU of the Future
Dementia
Infection Control
Mental health
Medical Imaging Research
Nursing Education
Paediatric Emergency
Palliative Care
Lung Transplant and Vascular disease Trust
Thoracic Unit
Coles Kids Campaign
Giving Day Campaigns

**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 2022**

THE PRINCE CHARLES HOSPITAL FOUNDATION

FINANCIAL STATEMENTS 2021-22

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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.thecommongood.org.au

THE PRINCE CHARLES HOSPITAL FOUNDATION

Statement of Comprehensive Income For the Year Ended 30 June 2022

	Notes	2022 \$	2021 \$
Income from Continuing Operations			
Café sales		6,681,775	6,269,841
Collocation car park income	2	551,488	513,473
Collocation funding income		653,582	642,523
Donations and other contributions	3	6,208,010	4,279,003
Functions and special events		694,862	734,692
Other income	4	45,131	1,366,176
Investment income		563,947	579,618
Interest income		61,317	85,133
Increase in fair value of financial assets designated at FVPL		-	939,619
Gain on sale of financial assets designated at FVPL		9,532	-
		<hr/>	<hr/>
Total Income from Continuing Operations		15,469,644	15,410,078
Expenses from Continuing Operations			
Research grants expenditure		1,791,254	1,100,282
Employee expenses	5	4,291,272	3,972,014
Cost of sales		3,211,364	2,829,810
General and administration expenses		1,567,049	1,540,616
Collocation funding research expenses	17	349,521	599,680
Other research expenditure		1,901,111	995,577
Functions and special events		325,981	249,164
Depreciation	12	103,524	102,152
Depreciation – right of use assets		21,389	-
Amortisation	13	8,455	25,735
Interest expense		2,705	-
Decrease in fair value of financial assets designated at FVPL		1,476,007	-
Loss on disposal of financial assets designated at FVPL		16,713	925
Loss on disposal of fixed assets		-	11,725
		<hr/>	<hr/>
Total Expenses from Continuing Operations		15,066,345	11,427,680
		<hr/>	<hr/>
Operating Result from Continuing Operations		403,299	3,982,398
		<hr/>	<hr/>
Other Comprehensive Income:			
Total Other Comprehensive Income for the Year		-	-
		<hr/>	<hr/>
Total Comprehensive Income		403,299	3,982,398

The accompanying notes form part of these financial statements

THE PRINCE CHARLES HOSPITAL FOUNDATION

Statement of Financial Position As at 30 June 2022

	Notes	2022 \$	2021 \$
Current Assets			
Cash and cash equivalents	8	14,491,674	11,538,409
Receivables	9	1,015,036	700,156
Inventories		78,556	65,040
Other	10	246,535	278,771
Other financial assets	11	2,326,838	2,485,186
Total Current Assets		18,158,639	15,067,562
Non Current Assets			
Other financial assets	11	12,166,738	13,255,947
Property, plant and equipment	12	455,404	481,032
Right of use asset		106,947	-
Intangible assets	13	-	8,455
Total Non Current Assets		12,729,089	13,745,434
Total Assets		30,887,728	28,812,996
Current Liabilities			
Payables	14	3,224,751	2,945,712
Contract liabilities	15	1,447,302	159,631
Accrued employee benefits	16	254,620	248,791
Provision for research grant funding	17	5,054,785	4,890,350
Provision for collocation research	18	120,000	294,423
Lease liability	19	41,798	-
Total Current Liabilities		10,143,256	8,538,907
Non Current Liabilities			
Accrued employee benefits	16	70,585	69,835
Lease liability	19	66,334	-
Total Non Current Liabilities		136,919	69,835
Total Liabilities		10,280,175	8,608,742
Net Assets		20,607,553	20,204,254
Equity			
Accumulated surplus		20,607,553	20,204,254
Total Equity		20,607,553	20,204,254

THE PRINCE CHARLES HOSPITAL FOUNDATION

Statement of Changes in Equity For the Year Ended 30 June 2022

	Accumulated Surplus \$	Total \$
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
Balance at 1 July 2021	20,204,254	20,204,254
Operating result from continuing operations	403,299	403,299
Balance at 30 June 2022	20,607,533	20,607,533

The accompanying notes form part of these statements

THE PRINCE CHARLES HOSPITAL FOUNDATION

Statement of Cash Flows For the Year Ended 30 June 2022

	Note	2022 \$	2021 \$
Cash Flow from Operating Activities			
<i>Inflows:</i>			
Receipts from cafe sales		6,537,995	6,521,316
Receipts from collocation income		1,204,056	1,212,765
Job keeper income		-	1,263,600
PAYG cash boost		-	50,000
Donation and event income receipts		7,647,035	4,622,894
Dividends and managed funds distributions income		535,322	319,881
Interest receipts		54,987	99,126
GST collected from customers		922,623	827,955
GST input tax credits from ATO		849,262	745,726
<i>Outflows:</i>			
Payments of grants		(3,702,353)	(3,512,030)
Payments to employees		(4,284,694)	(3,908,445)
Payments to suppliers		(4,725,556)	(5,084,762)
GST paid to suppliers		(550,506)	(575,758)
GST remitted to ATO		(1,221,379)	(997,923)
Net cash provided by operating activities	23	3,266,792	1,584,345
Cash Flow from Investing Activities			
<i>Inflows:</i>			
Sales of investments		1,879,000	2,001,750
Net proceeds from other financial assets		272,733	-
Proceeds for property, plant and equipment		-	2,091
<i>Outflows:</i>			
Payments for property, plant and equipment		(77,896)	(69,284)
Payments for intangibles		-	-
Payments for investments		(2,387,364)	(2,285,748)
Payments for other financial assets		-	(20,656)
Net cash used in investing activities		(313,527)	(371,847)
Net increase / (decrease) in cash and cash equivalents		2,953,265	1,212,498
Cash and cash equivalents at beginning of year		11,538,409	10,325,911
Cash and cash equivalents at end of financial year	8	14,491,674	11,538,409

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 2022

- 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
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- Note 13: Intangible Assets
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- Note 17: Provision for Research Grants
- Note 18: Provision for Collocation Research
- Note 19: Lease liabilities
- Note 20: Capital Commitments
- Note 21: Lease Commitments
- Note 22: Commitments and Contingencies
- Note 23: Reconciliation of Operating Surplus to Net Cash from Operating Activities
- Note 24: Services Received Free of Charge or for Nominal Value
- Note 25: Endowment Fund
- Note 26: Events Occurring After Balance Date
- Note 27: Related Party Transactions
- Note 28: Effects of COVID-19

THE PRINCE CHARLES HOSPITAL FOUNDATION

Notes to and forming part of the Financial Statements for the year ended 30 June 2022

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—Simplified 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 2021-22 had a material impact on the Foundation.

Early adoption of Australian Accounting Standards and Interpretations

No accounting pronouncements were early adopted in the 2021-22 financial year.

Voluntary changes in accounting policy

No voluntary changes in accounting policies occurred during the 2021-22 financial year.

THE PRINCE CHARLES HOSPITAL FOUNDATION

Notes to and forming part of the Financial Statements for the year ended 30 June 2022

Impact of future changes in accounting policy

Australian Accounting Standard changes applicable for the first time in future periods, that may have a significant impact on the Foundation's financial statements are described below.

AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as current or non-current. AASB 2020-1 makes amendments to AASB 101 Presentation of Financial Statements to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. When AASB 2020-1 is applied for the first time in the period ending 30 June 2023, the Foundation expects that there will be no material impact on the transactions and balances recognised in the financial statements.

AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates. AASB 2021-2 amends the following Australian Accounting Standards:

- AASB 7 Financial Instruments: Disclosures
- AASB 101 Presentation of Financial Statements
- AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors
- AASB 134 Interim Financial Reporting

When AASB 2021-2 is applied for the first time in the period ending 30 June 2024, the Foundation expects that there will be no material impact in the transactions and balances recognised in the financial statements.

(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 Police Head Quarters. 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 St Andrews Northside Hospital and International Parking Group (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.

THE PRINCE CHARLES HOSPITAL FOUNDATION

Notes to and forming part of the Financial Statements for the year ended 30 June 2022

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 received 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.

(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.

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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 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	10-20%
Intangible Assets; Website	50%
Intangible Assets: Database & Modules	20%

Assets at Kedron and Police Head Quarters sites may have higher depreciation and amortisation rates to reflect where there is a shorter lease term.

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) Right of use Assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

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Notes to and forming part of the Financial Statements for the year ended 30 June 2022

(m) 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.

(n) 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).

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

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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.

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.

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Notes to and forming part of the Financial Statements for the year ended 30 June 2022

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.

(o) 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.

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

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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.

(p) 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.

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.

(q) Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

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Notes to and forming part of the Financial Statements for the year ended 30 June 2022

(r) 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.

(s) 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.

(t) 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.

(u) 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
- Contract liabilities – Note 15
- Accrued Employee Benefits – Note 16
- Provision for Research Grants – Note 17
- Provisions for Collocation Research Grants – Note 18
- Commitments and Contingencies - Note 21
- Service Received Free of Charge or for Nominal Value – Note 23
- Depreciation and amortisation – Note 1(k)

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Notes to and forming part of the Financial Statements for the year ended 30 June 2022

(v) 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 2020-21 financial statements, with a small reclassification of the contract liability balance previously recorded within trade and other payables, to its own financial statement line item.

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 \$551,488 (2021: \$513,473).

Note 3: Donations and other contributions

	2022	2021
	\$	\$
Donations	2,887,013	2,390,659
Bequests	945,843	859,420
Research income	2,375,154	1,028,924
Total donations and other contributions	6,208,010	4,279,003

Note 4: Other Income

Job Keeper Income	-	1,263,600
PAYG Cash Boost	-	50,000
Other Income	45,131	52,576
Total donations and other contributions	45,131	1,366,176

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Notes to and forming part of the Financial Statements for the year ended 30 June 2022

Note 5: Employee Expenses

Employee Benefits

Wages and salaries	3,570,475	3,257,327
Annual leave expense	201,887	200,296
Employer superannuation contributions	371,154	321,325
Long service leave expense	23,213	34,060

Employee Related Expenses

Worker's compensation premium	50,372	50,871
Other employee related expenses	74,171	108,135
Total Employee Expenses	4,291,272	3,972,014

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

	No.	No.
	58	60

Note 6: Auditor's Fees

	2022	2021
	\$	\$
Audit of the financial statements	25,000	24,500

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 2021-22.

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.

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Notes to and forming part of the Financial Statements for the year ended 30 June 2022

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

1 July 2021 – 30 June 2022					
Position (date resigned if applicable)	Short Term Employee benefits		Long Term Employee expenses	Post Employment benefits	Total Remuneration
	Monetary \$	Non-monetary \$			
CEO	216,774	25,102	4,406	20,762	267,044

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

(c) Performance Payments

The basis for performance bonuses paid or payable in the 2021-22 financial year is set out below:

Position	Date Paid	Basis for payment
CEO	28-6-2022	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 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 aggregate performance bonuses paid to all key management personnel are as follows:

	2022	2021
	\$	\$
CEO	18,182	-

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Notes to and forming part of the Financial Statements for the year ended 30 June 2022

Note 8: Cash and Cash Equivalents

	2022	2021
	\$	\$
Cash on hand	10,210	17,390
Cash at bank	4,065,414	2,038,449
Cash on deposit	10,416,050	9,482,570
	14,491,674	11,538,409

Note 9: Receivables

	2022	2021
	\$	\$
Trade receivables	447,223	168,312
Collocation debtors	59,912	58,898
Accrued interest and investment income	509,401	474,446
	1,016,536	701,656
Provision for impairment of receivables	(1,500)	(1,500)
	1,015,036	700,156

Note 10: Other Current Assets

Prepayments and deposits	246,535	278,771
	246,535	278,771

Note 11: Other Financial Assets

Financial assets held at fair value through profit and loss:

Managed Funds Held Separated by Asset Class

Current:

Cash	82,103	89,738
Fixed Interest	2,244,735	2,395,448
Total current	2,326,838	2,485,186

Non current:

Cash	259,780	383,452
Fixed Interest	2,214,526	1,829,029
Australian Equities	2,426,782	3,025,430
International Equities	2,107,184	2,493,013
Property	540,291	639,712
Infrastructure/Utilities	122,790	252,290
Alternative Assets	886,661	751,563
	8,558,014	9,374,489

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	3,608,724	3,881,458
Total Non current	12,166,738	13,255,947

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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 2022, the endowment fund restricted fund balance includes accrued interest on the deposits of \$0 (2021: \$1,687) which has been accrued into other receivables. Refer Note 25: Endowment Fund for a schedule of yearly movements.

Note 12: Property, Plant and Equipment

	2022	2021
	\$	\$
Leasehold Improvements:		
At cost	606,447	606,447
Less: Accumulated amortisation	(334,052)	(300,162)
	272,395	306,285
Plant and Equipment:		
At cost	669,622	519,088
Less: Accumulated depreciation	(571,437)	(448,176)
	98,185	70,912
Motor Vehicle:		
At cost	156,827	156,827
Less: Accumulated depreciation	(72,003)	(52,992)
	84,824	103,835
Total	455,404	481,032

	Leasehold Improvement	Plant and Equipment	Motor Vehicle	Total
	\$	\$	\$	\$
Movements in Carrying Values:				
Carrying amount at 1 July 2021	306,285	70,912	103,835	481,032
Acquisitions	-	77,896	-	77,896
Disposals	-	-	-	-
Depreciation	(33,890)	(50,623)	(19,011)	(103,524)
Write off	-	-	-	-
Carrying Amount at 30 June 2022	272,395	98,185	84,824	455,404

Note 13: Intangible Assets

	2022	2021
	\$	\$
CRM Database, App Development:		
At cost	76,423	76,423
Less: Accumulated amortisation	(76,423)	(67,968)
Total	-	8,455

Movements in Carrying Values:

	CRM Database	Total
	\$	\$
Carrying amount at 1 July 2021	8,455	8,455
Acquisitions	-	-
Amortisation	(8,455)	(8,455)
Write off	-	-
Carrying Amount at 30 June 2022	-	-

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Notes to and forming part of the Financial Statements for the year ended 30 June 2022

Note 14: Payables

	2022	2021
Current	\$	\$
Accounts payable	560,035	388,427
Accrued expenses	294,949	438,013
Research expenses accrual	2,369,767	2,119,272
	3,224,751	2,945,712

Note 15: Contract liabilities

Current		
Unearned income	1,447,302	159,631
	1,447,302	159,631

Note 16: Accrued Employee Benefits

Current		
Annual (Recreational) Leave	193,550	182,091
Long Service Leave	61,070	66,700
	254,620	248,791

Non Current

Long Service Leave	70,585	69,835
	70,585	69,835

Note 17: Provision for Research Grants

Current		
Opening Balance	4,890,350	6,076,521
TPCH Grants Awarded	1,596,574	497,891
TPCH Capacity Building Grants Awarded	-	324,804
Caboolture Grants Awarded	248,739	136,364
Endowment Grants Awarded	174,545	190,000
Grants written back (unused provisions)	(151,915)	(48,776)
Payments of grant expenditure	(1,350,736)	(1,974,915)
Payments of endowment grant expenditure	(138,407)	(21,768)
Payments of Caboolture grant expenditure	(150,000)	(136,364)
Payments innovation and capacity building	(64,365)	(153,407)
Closing Balance	5,054,785	4,890,350

Note 18: Provision for Collocation research

Current		
Opening Balance	294,423	524,423
Collocation funds allocated	473,944	558,180
Grants written back (unused provisions)	(124,423)	-
Payments of Collocation research	(523,944)	(788,180)
Closing Balance	120,000	294,423

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Notes to and forming part of the Financial Statements for the year ended 30 June 2022

Note 19: Lease liabilities

	2022	2021
Current liabilities	\$	\$
Lease liability	41,798	-
	41,798	-
Non-current liabilities		
Lease liability	66,334	-
	66,334	-
Future lease payments		
Payable – minimum lease payments:		
- not later than 12 months	45,818	-
- between 12 months and five years	68,727	-
- More than 5 years	-	-
	114,545	-
Less future interest	(6,413)	-
	108,132	-

The Café for the Common Good Police Headquarters premises are leased from Queensland Police Health and Recreation Association Incorporated. The Service agreement is a three year term commencing on the 1 January 2022 to 31 December 2024 with three option periods of one year.

Note 20: Capital Commitments

There are no capital commitments.

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Notes to and forming part of the Financial Statements for the year ended 30 June 2022

Note 21: 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 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	2022	2021
Payable – minimum lease payments:	\$	\$
- not later than 12 months	26,740	27,496
- between 12 months and five years	1,885	3,625
	<u>28,625</u>	<u>31,121</u>

Note 22: 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 2022 was \$5,707,182 (2021: \$3,776,543).

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Notes to and forming part of the Financial Statements for the year ended 30 June 2022

Note 23: Reconciliation of Operating Surplus to Net Cash from Operating Activities

	2022	2021
	\$	\$
Surplus/(Deficit) from Continuing Operations	403,299	3,982,398
Amortisation expense	8,455	25,735
Depreciation expense	103,524	102,152
Depreciation expense – right of use	21,389	-
Non-cash lease adjustments	(20,204)	-
(Gain) / loss on disposal of investments	16,713	925
(Gain) / loss on disposal of investments	(9,532)	-
(Gain)/Loss on disposal of equipment	-	11,725
Movement in market value of available for sale financial assets	1,476,007	(939,619)
Changes in assets and liabilities:		
Decrease / (Increase) in receivables	(314,881)	(74,076)
Decrease / (Increase) in inventories	(13,516)	(7,256)
Decrease/ (Increase) in other current assets	32,236	(61,667)
(Decrease) / Increase in payables	279,041	(103,369)
(Decrease) / Increase in contract liabilities	1,287,671	-
(Decrease) / Increase in accrued employee benefits	6,578	63,569
(Decrease) / Increase in research provisions	(9,988)	(1,416,172)
Net cash provided by operating activities	3,266,792	1,584,345

Note 24: 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:

	2022	2021
	\$	\$
Provision of office building	103,740	73,060
Provision of Chermshire Café area – under peppercorn lease	191,693	149,046
Provision of Caboolture Café area – under peppercorn lease	47,100	49,650
Pro Bono goods and services provided by external parties	63,475	119,045
	406,008	390,801

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 2022

Note 25: Endowment Fund

	2022	2021
	\$	\$
Opening Balance	3,689,881	3,857,390
Allocation of endowment grants	(90,000)	(190,000)
Earnings allocated to endowment assets	8,843	22,491
Closing Balance	3,608,724	3,689,881

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 26: Events Occurring after Balance Date

There were no events affecting the financial position of the Foundation subsequent to 30 June 2022.

Note 27: 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 28: 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. 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 2022 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 24/8/22



Michael Hornby
Chief Executive Officer
Date 24/8/22

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 2022, and its financial performance and cash flows for the year then ended
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019, the *Australian Charities and Not-for-profits Commission Act 2012*, the Australian Charities and Not-for-profits Commission Regulation 2013 and Australian Accounting Standards – Simplified Disclosures.

The financial report comprises the statement of financial position as at 30 June 2022, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the management certificate.

Basis for opinion

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

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

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

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 – Simplified Disclosures, 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

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2022:

- 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.



25 August 2022

David Adams
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

Appendix 3: Compliance Checklist

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	5
	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	7
Governance management and structure	Organisational structure	AARs – section 13.1	10
	Executive management	AARs – section 13.2	10
	Government bodies (Statutory bodies and other Entities)	ARRs – section 13.3	14
	Public Sector Ethics	<i>Public Sector Ethics Act 1994</i> ARRs – section 13.4	15
	Human Rights	<i>Human Rights Act 2019</i> ARRs – section 13.5	15
	Queensland Public Service Values	AARs – section 13.6	16

Summary of requirement		Basis for Requirement	Annual report reference Page
Governance – risk management and accountability	Risk Management	ARRs – section 14.1	17
	Audit committee	ARRs – section 14.2	18
	Internal audit	ARRs – section 14.3	18
	External scrutiny	ARRs – section 14.4	18
	Information systems and recordkeeping	ARRs – section 14.5	19
	Information Security attestation	ARRs – section 14.6	N/A
Governance – Human Resources	Strategic workforce planning and performance	ARRs – section 15.1	20
	Early retirement, redundancy and retrenchment	<i>Directive No. 04/18 Early Retirement, Redundancy and Retrenchment</i> AARs section 15.2	21
Open Data	Statement advising publication of information	ARRs – section 16	21
	Consultancies	ARRs – section 31.1	https://data.qld.gov.au
	Overseas Travel	ARRs – section 31.2	https://data.qld.gov.au
	Queensland Language service policy	ARRs – section 31.3	https://data.qld.gov.au
Financial Statements	Certification of financial statements	FAA – section 62 FPMS – sections 38, 39 and 46 ARRs – section 17.1	27 Appendix 2
	Independent Auditor’s report	FAA – section 62 FPMS – section 46 ARRs – section 17.2	59 Appendix 2

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