2020 Review

including
Annual Financial Report

Starlight Children's Foundation

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A message from the Chair

As Chair of the Starlight National Board, I am incredibly pleased to report that whilst 2020 did not progress as any of us had planned, the Starlight team was "match fit" for the disruption which challenged us all. The Starlight leadership and team acted quickly and were a positive example of an organization with both resilient individuals and organisational resilience.

At the very heart of every Starlight decision is one question, "*What is best for the children and young people Starlight supports?*". During this past year Starlight continued to make all decisions asking this same question.

Starlight is an essential service, and as restrictions escalated Starlight programs were needed more than ever. Therefore, Starlight continued to be there in any way we could for the children and their families. The pandemic provided the gift of time which enabled Starlight to fast track some innovative projects in the area of digital program delivery. These immediately provided the much-needed support for children in hospital and those at home in isolation. Despite the challenges, Starlight delivered over 513,000 positive Starlight experiences to sick kids and their families in 2020.

As a direct result of Starlight's program innovations, I am proud to share a highlight of 2020 was Starlight being acknowledged by the Australian Financial Review as The Most Innovative Company in Australia in the NFP, Education and Government sector.

Starlight's fundraising was significantly impacted with many fundraising events cancelled. Starlight's fundraising reflected a deficit of $10M in 2020 versus our 3-year plan. Our current planning estimates fundraising revenue will be down another $9.5M in 2021 versus the 3- year plan and a further $8.7M+ deficit will be recorded in 2022.   This suggests the total Covid-19 impact on Starlight's fundraising will be over $28M across the 2020-2022 period.

Starlight was eligible to access the Government Jobkeeper allowance for the period from March – December 2020. This was immediately paid through to Starlight team members, many of whom were unable to work due to the restrictions in health.

On behalf of the Starlight Board, I would also like to thank Emeritus Professor Les White AM who retired from our National Board after more than 20 years of support and wise counsel. However, Les will not be a stranger to Starlight as he has moved to the role of President of our newly formed Starlight Health Professionals Advisory Board. In this role he will work with some of the most respected clinicians and researchers in the areas of paediatric and adolescent health care in Australia to support Starlight's Management ensuring Starlight programs continue to deliver maximum impact in a rapidly changing model of health care

The life changing impact of Starlight can only be delivered with the support of many wonderful individuals, groups and organisations. On behalf of Starlight's National Board, I wanted to pass on a huge thank you all Starlight supporters, volunteers, the Starlight team & our partners in health.

I would also like to thank all our Starlight National Board and Advisory Board members who volunteer their time and expertise to support Starlight however they can.

Your sincerely,

Murray Coleman OAM
Chair
Starlight Children's Foundation Australia

....and from the CEO

Thank you for your ongoing interest in the positive impact of Starlight. I am absolutely thrilled to share with you what was achieved in a year we will never forget.

2020 has given us all personal experiences of uncertainty, social isolation and disruption. For children and their families managing serious illness, this is something they face every day and has only been exacerbated by the challenging situation we have all faced.

As the pandemic hit, Starlight was quick to implement necessary changes in our support for sick kids. This was done in line with evolving health protocols. The impact of 2020 also devastated Starlight's fundraising and our wonderful Starlight volunteers were unable to support us as they usually do.

In most hospitals, children were only able to have one parent with them and there were no visitors allowed. I cannot imagine the additional stress this would have caused for the children, their families and health professionals.

It is important to note during this time there have been no fewer sick kids. Therefore, despite the necessary changes and restrictions, Starlight, as an essential service, continued to work with our partners in healthcare to bring joy and laughter to as many sick kids as possible.

The Starlight team was innovative and always responded with "what can we do" attitude. The amazing result is that with support from the community, Starlight delivered nearly 387,000 positive Starlight experiences to seriously ill children, young people and their families via our traditional Programs and another 126,000 via our new digital Programs. Why? ...Because Happiness Matters!

While restrictions were in place, we took the opportunity to research the impact on the hospitalised children, their families and health professionals. It is not at all surprising this research confirmed Starlight was missed and is clearly integral to a positive paediatric health care experience throughout Australia.

The following is one of my favourite research quotes from a health care specialist who said :

"Starlight is part of the team and we can't do what we do without them because we need them... It would be like our arm being cut off if Starlight wasn't here. They're not separate, they're part of who we are"

The impact of 2020 also devastated Starlight's fundraising with key events cancelled. This meant our fundraising was down 25% versus our 3-year plan in 2020 and the knock-on impact of this will see our fundraising down for the next 2 years. We estimate the total impact on our fundraising will be over $28M across the 3 years or 21% of our planned fundraising revenue.

The good news is from our existing digital fundraising base we were able to move quickly into new initiatives and we will look to grow these scalable fundraising campaigns into the future.

Thank you to the amazing Starlight team, which was positive, caring and resilient to a fault. I am incredibly proud to work with you every day. Thank you, to our Starlight Board and Advisory Boards who supported us this year when the going got tough.

And to all our volunteers and all our supporters, thank you for your being there for Starlight children and families, especially in the year which challenged us all in ways we never imagined possible.

Warmest wishes

Louise Baxter

Louise Baxter
Chief Executive Officer
Starlight Children's Foundation Australia

Starlight's Vision is a future where *everyone* experiences a *happy childhood*

Starlight's Mission is to *brighten the lives* of seriously ill & hospitalised children & young people

Why?... because happiness matters

What happens in childhood lasts a lifetime. Early experiences affect every aspect of development and we know that a happy childhood makes the world of difference to lifelong psychological well-being, sense of self, social connections and healthy behaviours.

What we do isn't just a "nice to have" – it's a fundamental right that kids can be kids and teens can be teens, even when they are facing the unimaginable challenges of serious illness.

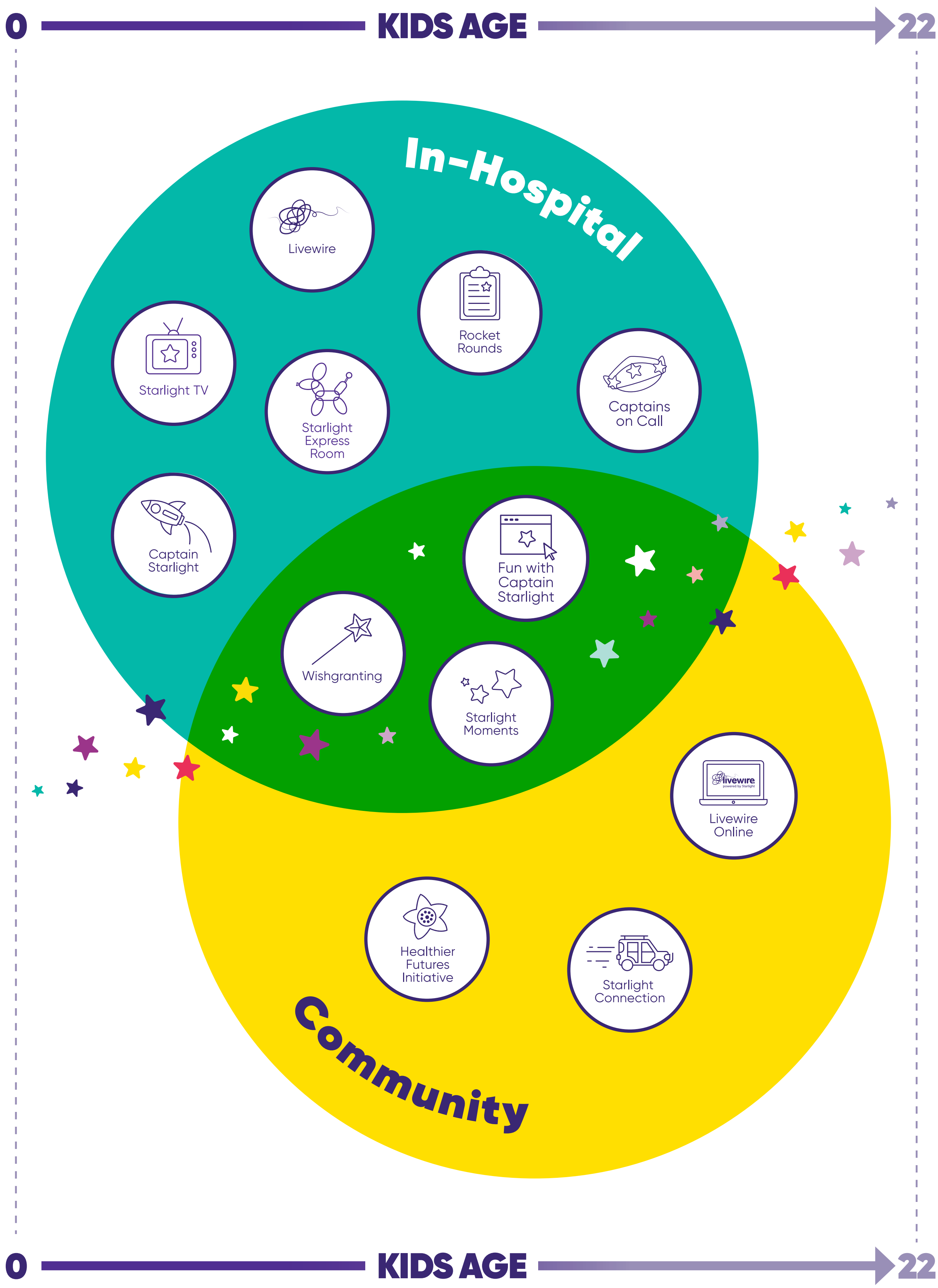
That's why Starlight is an integral part of care delivered in the paediatric healthcare system...because happiness matters.

Starlight Program Guidelines

- Always led by the best interests of the child or young person and respectful of their rights to be safe and to be heard.
- Founded in positive psychology to help all children, no matter what their illness or circumstances, to experience a happy childhood.
- Inclusive of family and kinship groups, recognising the role family plays in the happiness and well-being of children and young people.
- Developed and delivered in collaboration with clinicians, to help ensure the health care system achieves total care for the child or young person.
- Based on the needs of children and young people, with research and evaluation helping to ensure excellence in everything we do.

Madilyn playing blocks with Captain Starlight in the Starlight Express Room

Starlight's Programs Overview



Starlight Express Rooms

Starlight Express Rooms are in every children's hospital in Australia. A medical free haven where sick kids and their families can experience a welcome break from the relentless cycle of medical treatments and procedures.

Rocket Rounds

Captain Starlight provides much needed social connection for sick children in isolation wards, in the Emergency Department or waiting for outpatient appointments or surgery.

Starlight's Healthier Futures Initiative

Captain Starlight works in partnership with clinicians to create a more positive health care experience for children and families in remote communities.

Livewire Online

Livewire.org connects teens and young people through a safe online community. It helps teens navigate life with a serious illness, support each other and most importantly, to focus on the positives of what they can do, not what they can't.

Starlight Moments

Supporting total care and social connection for children & families who are in, at home, palliative care.

Captains on Call

Captains on Call provides a positive distraction during clinical procedures to reduce the child's stress, anxiety and pain.

Captain Starlight

Captain Starlight is a super hero who flies from Planet Starlight every day to brighten the lives of sick kids and their families. Captain Starlight knows how to engage with the child...because happiness matters.

Livewire In-Hospital

Designed to combat loneliness and isolation, Livewire connects teens and young people experiencing serious illness through creative workshops when they're in hospital.

Starlight Wishgranting

Starlight's original program creates tailored, individual wish experiences for children and young people inclusive of their family. All children are referred to Starlight by health professionals.

Starlight TV

A 24/7 television channel with Captain Starlight hosting daily interactive shows to provide positive distraction and social connection for sick kids and their families.

Starlight Connection

Captain Starlight provides laughter, fun and distraction and transforms the hospital experience for children in metropolitan and regional hospitals.

Fun with Captain Starlight

New in 2020

We spotted an opportunity to positively disrupt the experience of sick kids in hospital and at home, when we couldn't be there face-to-face, by creating digital experiences filled with fun and laughter.

A Timeline of Starlight Programs

1988
Starlight Australia established

1989
First Starlight Wish granted to a young boy with cancer who wished for a computer

1991
First Starlight Express Room opened at Royal Alexandra Hospital for Children in Camperdown, NSW

1996
Starlight Express Room opened at The Children's Hospital at Westmead, NSW

1997
Starlight Express Rooms opened at:
The Royal Children's Hospital, Vic
Sydney Children's Hospital, NSW
Princess Margaret Hospital, WA

1999
Starlight Connection launched, with the first Starlight Express Van in NSW

2001
Starlight Express Room opened at Mater Children's Hospital, Qld

2004
Starlight Express Room opened at John Hunter Hospital, NSW

Starlight Connection space opened at Monash Medical Centre, Vic

2006
Starlight's Healthier Futures Initiative commences in Northern Territory

2006
Livewire In-Hospital commences at Princess Margaret Hospital for Children, WA

Captain Starlight launched in South Australia

2009
Livewire.org.au launched online

2011
Starlight Express Room opened at Women's and Children's Hospital, SA and The Royal Children's Hospital, Vic

2012
Livewire In-Hospital launched at:
The Royal Children's Hospital, Vic,
Sydney Children's Hospital, NSW
The Children's Hospital at Westmead, NSW

2013

Livewire In-Hospital launched at Mater Children's Hospital, Qld John Hunter Children's Hospital, NSW

Starlight Wish Week commences on the Gold Coast

2014

Starlight Express Room opened in Queensland Children's Hospital, Qld

2015

9000th Starlight Wish delivered

Starlight's Healthier Futures Initiative commences in Western Australia

Expanded Ward Program & Rocket Rounds and launched nationally

2016

Starlight Express Room opened at Royal Darwin Hospital, NT

Starlight Express Room upgraded at The Children's Hospital at Westmead, NSW

2017

Launch of updated Online Community Livewire

10,000th Starlight Wish delivered

Starlight Express Room opened at Monash Children's Hospital, Vic

2018

New Starlight Express Room opened at the Perth Children's Hospital

New Starlight Express Room at Sydney Children's Hospital, Randwick, NSW

Starlight Connection space opened at Alice Springs Hospital, NT

Captains on Call commenced at Women's and Children's Hospital, Adelaide

2019

Starlight Moments launched at Royal Children's Hospital

New Starlight Express Room at John Hunter's Children's Hospital

Starlight's Healthier Futures Initiative commences in QLD & SA

2020

"Fun with Captain Starlight" digital programs launched

Starlight's Performance Measures

Starlight's key performance measures are the reach and impact of our Programs on the lives of seriously ill children, young people and their families.

Our Reach 2020

326
Starlight Wishes granted to seriously ill children and young people

82,307
Captain Starlight Rocket Rounds visits

484
Starlight Wish referrals received from health professionals

6,630
Experiences provided to children in remote communities

26,017
Logins to Livewire Online
453 new members

57,241
Visits to the Starlight Express Room

26,468
Livewire experiences created for teens in hospital

126,679
Experiences created by new initiatives in 2020

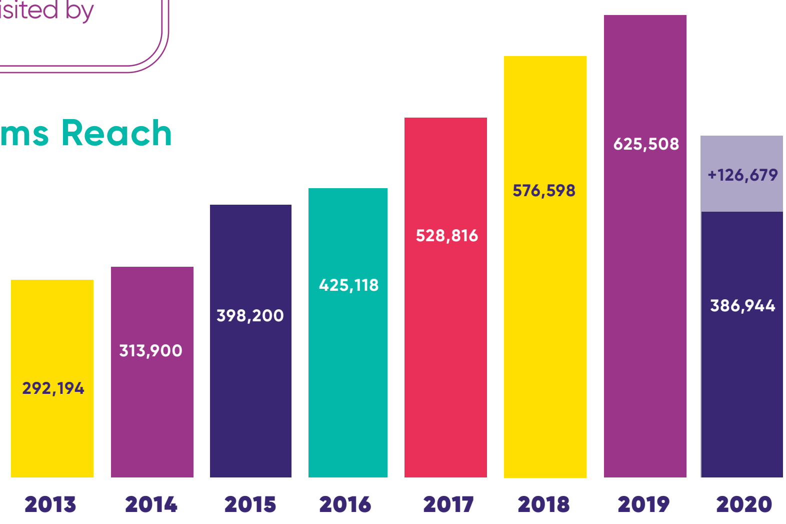
247
Trips made by Captain Starlight to remote communities
93 Remote communities visited by Captain Starlight

5,067
Hours of Live TV broadcast in hospital on Starlight TV

Starlight Total Programs Reach

In a year which challenged us all Starlight delivered over **513,000** positive Starlight experiences!

To deliver Starlight programs to meet the growing need we must continue to expand our reach, which will require continued increases in our fundraising.



Our Impact 2020

Amplifying our impact

We know the quality and impact of our programs is high and we continue to invest in research to ensure what we do continues to be effective and efficient.

We are also committed to understanding and improving the impact of our Starlight programs. We have completed two Social Return On Investment studies (SROI) to quantify our impact and community value.

Starlight in hospital

Your gift $1 → Your impact **$5.70** community value*

Livewire.org.au

Your gift $1 → Your impact **$5.30** community value*

$95M+
of total value put back into the community via Starlight's programs delivery.

100%
Families would recommend a Starlight Wish experience to another family

386,944
Starlight Experiences in 2020
+ 126,679 Experiences created by new initiatives

For his Starlight Wish, Hunter asked for his very own Dalmatian puppy.

We believe by sharing our experience we can help others to also provide support to sick kids.

In 2020 we collaborated with University of Melbourne to deliver a new specialist certificate in creativity and health. We also partnered with researchers at UNSW to investigate parents' perceived value and significance of the Starlight Express Room. Starlight continued our ongoing support of the Starlight Fellow and their research program at the Telethon Kids Institute, as well as a UTS PhD project investigating the importance of the Livewire online community for chronically ill adolescents.

Starlight presented at:

- Flourish 2020 Positive Psychology Summit
- 21st International Adolescent Mental Health Conference
- Australasian Association for Theatre, Drama and Performance Studies Conference
- The 2020 Child & Adolescent Mental Health Conference
- Australian Association of Social Workers National Symposium

* The Starlight Express Room SROI was undertaken by PWC in 2010 and, using the benefits identified in the original study, the SROI was updated in 2018 by Starlight and reviewed by PWC. The update assessed the impact of program changes (e.g. changes in program reach)
** SVA Consulting SROI Analysis Research 2013

Our Impact 2020

Starlight has National reach & Local impact

Starlight's 2020 Hospital Partner Survey saw more than 400 hospital partners complete the survey, across 11 hospitals where Starlight has a permanent presence.

The survey provided invaluable feedback and great insights into how Starlight's programs are delivered. Through this survey Starlight is able to better understand how we can improve our programs moving into 2021 and beyond.

"A positive experience, bringing light relief during stressful times. Laughter and smiles ease stress."

– Nurse

"Starlight has a strong impact - I'm very glad Starlight exists for kids in hospital as it takes a lot of the burden of entertaining kids off of stressed parents and nursing staff. It's a nice sanctuary for kids to escape."

– Hospital Partner

"Starlight provide hopes and joy to seriously ill children and teenagers. It provides some light and happiness and takes the heaviness out of the situation by providing distraction, support and interaction. It is vital for children's mental wellbeing."

– Hospital Partner

"The Starlight Express Room is a wonderful opportunity for children and parents to escape the boundaries of an inpatient ward, a space to feel fun and encouragement by the enthusiastic Captains, where the illness that has brought the family to this hospital can be forgotten for a moment. Room or ward based activities also help parents learn how they may engage in fun activities with their children when at home again."

– Senior Clinician

"Starlight is a wonderful addition to making sure we give the best care to all children. I hope they realise they are an integral part of the whole team looking after the children."

– Paediatrician

"I believe the impact of Starlight is immense. It brings so much joy to the children, which in turn supports parents."

– Hospital Partner

"Starlight has a tremendous impact on the children, young people and their families, especially at a time when they are at their most vulnerable."

– Hospital Partner

"I couldn't imagine not having Starlight here. I mean, they are such a great support for all the things we do and for all the kids and it is just an essential part of the hospital."

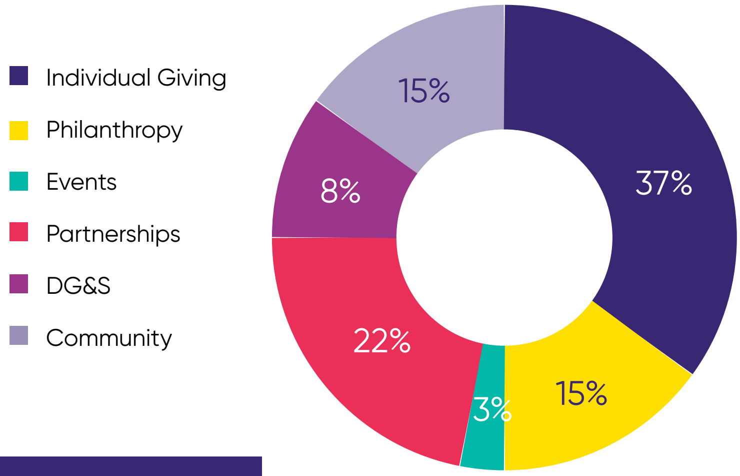
– Community Relations Liaison

"Their ability to assist in a child's experience in hospital to make it a more positive journey... Very heartwarming and amazing what the captains in Alice Springs do for the kids, at any age, they're able to accommodate for all."

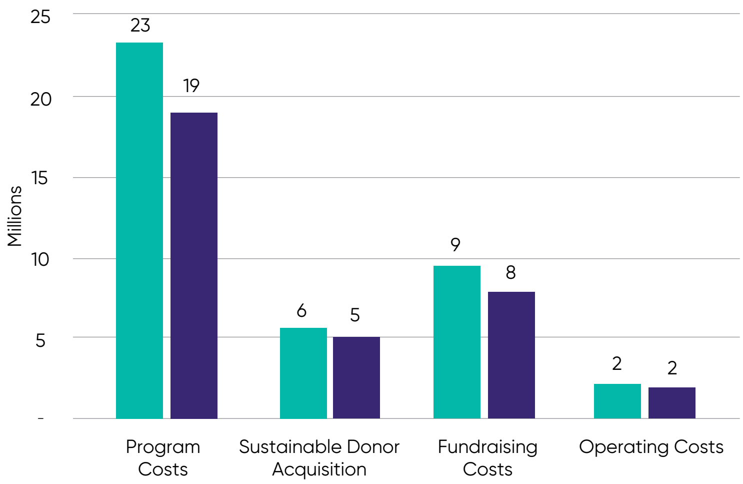
– Hospital Partner

In 2020, Starlight earned fundraising income of $29.3m

Fundraising income was down 25% v budget reflecting the impact of event cancellations and restrictions on fundraising activities.



In 2020, Starlight's expenses were $34m



Across the organisation costs reduced in 2020 due to the significant restrictions on both program delivery and fundraising activities.

Funding our capital projects

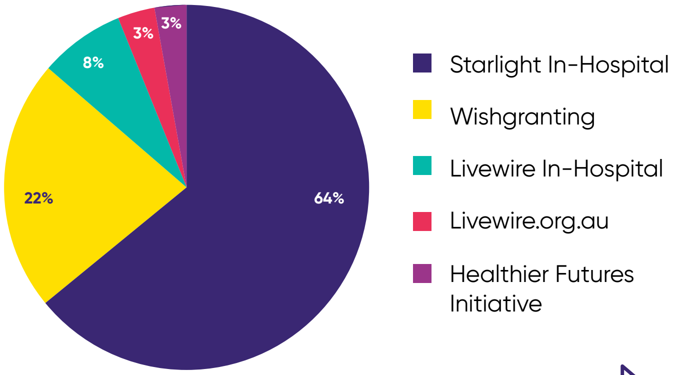
As new children's hospitals are built, there is a need for Starlight to build a new Starlight Express Room in each hospital location. Each of these Starlight Express Rooms requires capital funding, which is incremental to our annual core operational expenditure and is raised through specific capital campaigns.

We currently have capital campaigns in progress for an outdoor area for Alice Springs Hospitals and update our Connection Space at Centenary Hospital for Women and Children.

Programs Spend 2020

PROGRAMS SPEND % MAINTAINED

Although the events of 2020 caused serious disruption to program delivery, Starlight's expenditure on Programs still represents 57.7% of our fundraising income in 2020 (58.1% 2019).



$288,096

is the value of volunteer hours contributed to Starlight programs for the year

Donated Goods and Services

$2,259,573

total value of donated goods and services used in program delivery.

This includes:

- Volunteers Hours - these were significantly down v year ago due to Covid-19 restrictions
- Toys, games from amazing partners like EB Games and art supplies for our Starlight Express Rooms & Livewire

THANK YOU TO ALL OUR VOLUNTEERS AND SUPPORTERS WHO HAVE DONATED GOODS AND SERVICES

Ranked no. 1 for innovation

Starlight was thrilled to be ranked the No.1 Most Innovative Company (Government, Education and Not-for-Profit) for 2020 by AFR Boss.

The award is judged on our innovation culture, skills and achievements across the organisation, plus a showcase project which was our Virtual Starlight Express Room supporting sick kids.

Innovation is in our DNA at Starlight and our thanks to everyone who has helped us achieve this important recognition.

Our Workplace

348 Employees across Australia

158 Captain Starlights and

34 Livewire Facilitators

Ranked in the Top 20 Best Places to Work 2020

87% Employee High Trust Score
92% Employee Engagement Score
94% Employee Pride Score
93% Employee Collaboration Score

#1 for innovation
Awarded the **AFR Most Innovative Company!** (Government, Education and NFP sector)

Development of Indigenous Employment Strategy (authentically and meaningfully increasing Aboriginal and Torres Strait Islander representation at Starlight), including the appointment of an Inclusion & Diversity advisor

National Finalists in three categories in the **FIA Awards for Excellence**:

- Impact Through Events (Pestily)
- Most Innovative Campaign (Streaming for Starlight)
- Fundraising Team of the Year!

#1 Ranked most reputable charity supporting children and young people

Over 400 amazing volunteers contributed to Starlight programs delivery

Health Professional Advisory Board

Starlight's Health Professionals Advisory Board

For over 30 years Starlight has worked closely with health professionals supporting a positive healthcare experience. We bring play, creativity and social connection to support children, young people and their families going through the toughest times. Our new Health Professional Advisory Board builds on the long-standing collaboration between health professionals and Starlight, with members contributing specialist knowledge to help us in our mission to brighten the lives of seriously ill and hospitalised children and young people.

The inaugural President of Starlight's Health Professionals Advisory Board is Emeritus Professor Les White AM. Les' commitment to children and young people and the role for-purpose organisations can play in healthcare has seen a long-standing relationship with Starlight, including over 20 years as a Board Director.

Health Professionals Advisory Board Members:

Emeritus Professor Les White AM (President) DSc MBBS FRACP MHA AFACHSM

Professor Michael Brydon OAM

Sara Burrett

Professor Trish Davidson PHD, MED, RN

Dr Josh Francis BAppSc (MedSc), MBBS, FRACP

Mr Clinton Griffiths BN PostBasPaedNsg DipBusFrontMan

Professor Harriet Hiscock MB BS, FRACP, MD

Dr Mangatjay McGregor BClinSc, MD

Dr Matt O'Meara

Professor Susan Sawyer AM MBBS MD FRACP

Dr Barb Vernon BA(hons)PHD

Professor Claire Wakefield PhD (Psychology), Masters in Public Health, BPsych

Dr Simon Wood

In addition to Starlight's Health Professionals Advisory Board, Professor Tracey O'Brien FRACP, MBChB, MBA, LLM (Health), BSc and Frank Tracey, Health Service Chief Executive at Children's Queensland Hospital are on Starlight's National Board.

Safeguarding Children & Young People

Safeguarding Children and Young People is our most important responsibility to ensure we continue to provide a safe environment for children and young people. Our Code of Conduct helps everyone at Starlight to be their best and deliver our programs in a child safe way.

AUSTRALIAN CHILDHOOD FOUNDATION SAFEGUARDING CHILDREN™ ACCREDITED ORGANISATION

Starlight's Directors Information

Murray Coleman OAM

Chair / Non-Executive Director

Murray joined the National Board in 2014 after 2 years on the NSW Advisory Board and became Chair in August 2016.

Murray is currently with Macquarie Capital, where he is the Head of Development Projects, having joined in 2017. He was previously with Lendlease for 30 years, working in a number of senior roles across the business both in Australia and overseas. Murray's roles included Global CEO Bovis Lend Lease, Global Head of Health and Safety and Global Group Head of Operational Risk, as well as running the Australian, Asia Pacific and UK construction businesses at various times.

In 2012, Murray was awarded the Medal of the Order of Australia (OAM) for service to the building and construction industry. He is also currently a Director at the Property Industry Foundation, and the Chair of the RICS Australasia Advisory Board.

Louise Baxter GAICD

Chief Executive Officer / Executive Director

Louise joined the Starlight Board in 2009 when she returned to Starlight as CEO. She has experience in senior marketing, business development and communication roles in the commercial and "profit for purpose" sector. Louise aspires to always being authentic and true to Starlight's single value of Shine.

Louise's focus on exceptional experiences and relationships has seen improved business metrics across all areas of Starlight. In addition Starlight has been awarded AON Hewitt Best Employer accreditation, listed in the top 20 in Australia's Great Places to Work is the #1 as the most reputable charity brand supporting children & young people and was acknowledged by AFR as the most innovative organisation in the Government, Education and NFP category for 2020.

Louise was acknowledged by CEO Magazine in 2016 as Australia's NFP Executive of the Year and in 2019 Louise was listed in Pro Bono Australia's Impact 25 which recognised the 25 most influential and inspirational people in Australia's social sector. Louise is also on the board of the Stanford Australia Foundation, The Community Council for Australia and Rippling, a new Joint Venture, which brings 4 charities together for the purpose of ethical fundraising.

Suzie Gough

Chair of Audit & Risk Committee / Non-Executive Director

Suzie joined the Starlight Board in May 2017 and became the Chair of the Audit & Risk Committee in 2019.

Suzie is the Deloitte Asia Pacific and Deloitte Australia's Consulting Quality & Risk Leader. She is responsible for leadership of quality and risk management from a strategic, operational and client perspective and driving a quality, risk intelligent and ethical culture.

Suzie has worked in Melbourne, London, Hong Kong and across Asia Pacific. Suzie is a Member of the Chartered Accountants Australia and New Zealand and has a Bachelor of Economics from Monash University.

Reg Weine

Chair of Remuneration and Nomination Committee / Non-Executive Director

Reg joined the National Board in March 2016 and he was previously the president of Starlight's Victorian Advisory Board from 2013-2016. Reg is Chairman of Maggie Beer Holdings (ASX:MBH) and is a Non-Executive Director of Apple & Pear Australia Limited (APAL).

Reg was the Managing Director of SPC Ardmona 2015–2019 and CEO of Bulla Dairy Foods 2010-2015. Reg has a B. Bus. from Monash University, is a graduate of the Australian Institute of Company Directors and is a Certified Practicing Marketer with the Australian Marketing Institute.

Peter Butler AM RFD

Non-Executive Director

Peter has been a Starlight Board member since 2004, was Chair from 2008 until August 2015 and returned to the role of Chair during 2015 & 2016. Peter is a member of the Audit & Risk Committee and was a member of its predecessor, the Finance & Audit Committee.

Peter is a Partner at Herbert Smith Freehills and has been its Managing Partner. Peter was the Global Chair of HSF Pro Bono and Citizenship Council until 2020. He is a Board member of the Australia-Israel Chamber of Commerce (NSW). He has previously been Chair on the Boards of several other not-for-profit organisations.

Katrina Rathie FAICD

Non-Executive Director

Katrina has been a Starlight Board member since 2011.

Katrina was named the Winner of the Board & Management category in the prestigious AFR 100 Women of Influence Awards in 2019.

She had a 35 year career at global law firm King & Wood Mallesons, including 26 years as a Partner and the past 7 years as the Partner in Charge, Sydney.

Katrina is a member of Chief Executive Women and a Fellow of the Australian Institute of Company Directors. She serves on a number of boards including as a non-executive director of New South Wales Rugby Union/Waratahs Rugby and Healthy Bones Australia. She is passionate about the transformative power of education and is Vice President of Cranbrook School and the Chair of Cranbrook Foundation.

She is an Alumni Leader of the University of NSW Business School, serves on the Advisory Board of University of NSW Law School and the Culture Strategy Council at the University of Sydney. Katrina is an advocate for diversity and inclusion and serves on the Advisory Board of Media Diversity Australia and was formerly a member of the Diversity & Inclusion Committee of the Law Society of NSW. She holds a Bachelor of Commerce/Law degree from UNSW Sydney.

Mark Sowerby

Non-Executive Director

Mark joined the Starlight Board in February 2016 after being on the Queensland Advisory Board from 2012. Mark was the inaugural Queensland Chief Entrepreneur in 2017 and was the Founder of Blue Sky Alternative Investments Limited. Mark received the University of Queensland Vice-Chancellor's Alumni Excellence Award in 2015 and in 2016 was recognised as Ernst and Young Entrepreneur of the Year for Queensland.

Mark has supported Starlight as a volunteer for more than 20 years, and completed a successful, sponsored swim crossing the English Channel raising much needed funds for Starlight.

Lucinda Gemmell

Non-Executive Director

Lucinda Gemmell joined the Board in 2019 and is a member of the Remuneration and Nomination Committee. In 2020 Lucinda was appointed Chief People & Culture Officer with Airservices Australia. Prior to this Lucinda was the Chief People & Culture Officer for the Virgin Australia Group. Lucinda has more than 20 years of progressive HR and commercial leadership experience in Australia and Asia Pacific including Executive roles with Woolworths Ltd, Diageo Asia Pacific and Fairfax Media.

Lucinda holds a Master of Business Administration and a Bachelor of Arts degree in Psychology. Lucinda was awarded 2014 Australian HR Director of the Year at the Australian HR Awards. In 2020, Lucinda was named in Human Resources Director Global 100 List.

Professor Tracey O'Brien

Non-Executive Director

Professor Tracey O'Brien joined the Board in 2019. Tracey is the Director of The Kids Cancer Centre, Sydney Children's Hospital – one of the largest paediatric cancer programs in Australia. Tracey also leads the Transplant and Cellular Therapies Program at Sydney Children's Hospital and serves in leadership positions on many International and National health initiatives.

In addition to her medical qualifications, Tracey also holds a Masters in Health Law and an MBA, giving her a unique set of skills to lead large cross-functional teams, work under pressure and drive innovative change in health systems.

Courtenay Smith

Non-Executive Director

Courtenay joined the Board in August 2019 and is a member of the Audit & Risk Committee. In March 2021 Courtenay joined ASX 50 company Mirvac as Chief Financial Officer (CFO) following more than 20 years at Lendlease, where she held various roles including most recently CFO, Property Australia.

Courtenay has over 20 years' experience as a finance professional with management skills across the areas of strategy, governance, risk management, finance and operations and has worked in senior finance roles within the investment, property and construction sectors in Australia, Asia the United States and the United Kingdom.

Courtenay is a member of the Chartered Accountants in Australia and New Zealand and holds a Bachelor of Accounting from the University of Technology, Sydney.

New Board Members

Frank Tracey

Non-Executive Director

Frank Tracey joined the Board in May 2020 and is the Chief Executive at Children's Health Queensland Hospital and Health Service.

Frank has more than 40 years' experience working in health systems. He has a clinical background in nursing and holds advanced qualifications in health, management and governance. His extensive experience in health commissioning and provision in clinical and community settings is complemented by strong managerial and leadership skills, and an applied interest in translational health research. While working in both government and non-government roles Frank has focused on delivering sustainable health strategies that serve the best interests of patients, health professionals, the broader health system and the community.

Retiring Board Members

Emeritus Professor Les White AM

Non-Executive Director

Les has been a Starlight Board member since 1999, served on the Remuneration and Nomination Committee, and retired from the Board in March 2020 to become the inaugural President of Starlight's Health Professional Advisory Board.

He was the NSW Chief Paediatrician from 2010 to 2016 and was previously Executive Director of Sydney Children's Hospital from 1995 to 2010. Les is currently a Board member of Children's Cancer Institute, Australian Institute of Health Innovation and Ronald McDonald House Charities Australia; Patron of Sydney Children's Hospital Foundation, Children's Healthcare Australasia and AUSiMED; as well as serving on a number of Public Sector Boards and Committees.

Les commenced his career as a specialist in children's cancer and has spent more than four decades committed to health services for children and young people. He was awarded a Doctorate of Science for his research contributions, an Order of Australia for services to child health and the community and a Doctorate of the University Honoris Causa.

Annual Financial Report

Starlight Children's Foundation Australia

Financial Report for the year ended 31 December 2020

Directors' Report

Your Directors submit their report for the twelve months ended 31 December 2020.

Directors

The Directors of Starlight Children's Foundation Australia ("Starlight") during the financial year and until the date of this report are as follows. Directors were in office for this entire year unless otherwise stated.

Mr Murray Coleman OAM	Non-Executive Director / Chair
Mr Peter Butler AM RFD	Non-Executive Director
Ms Louise Baxter	Chief Executive, Executive Director
Ms Suzie Gough	Non-Executive Director
Ms Katrina Rathie	Non-Executive Director
Mr Mark Sowerby	Non-Executive Director
Emeritus Professor Leslie White AM	Non-Executive Director (retired 5 May 2020)
Mr Reg Weine	Non-Executive Director
Ms Tracey O'Brien	Non-Executive Director
Ms Courtenay Smith	Non-Executive Director
Ms Lucinda Gemmell	Non-Executive Director
Mr Frank Tracey	Non-Executive Director (appointed 5 May 2020)

Details of directors' qualifications, experience and special responsibilities can be found on pages 16 to 20 of this report.

Directors' Meetings

Details of the meetings of the Board of Directors and its Committees held during the year are given below, including attendance at these meetings. The number of meetings the director was eligible to attend is indicated in the held column.

	Board of Directors		Committee Meetings			
			Audit & Risk		Nominations & Remuneration	
	Held	Attended	Held	Attended	Held	Attended
Mr Murray Coleman OAM	8	7	4	1		
Mr Peter Butler AM RFD	8	6	4	4		
Ms Louise Baxter	8	8	4	4	2	2
Ms Suzie Gough	8	7	4	4		
Ms Katrina Rathie	8	8			2	2
Mr Mark Sowerby	8	7				
Professor Leslie White AM	1	1				
Mr Reg Weine	8	7			2	2
Professor Tracey O'Brien	8	7				
Ms Courtenay Smith	8	8	4	4		
Ms Lucinda Gemmell	8	8			2	2
Mr Frank Tracey	7	6				

Annual Financial Report

Director's Report (continued)

Starlight's Mission and Strategy

Starlight's Mission and Strategy are outlined on page 4 of this report.

Principal Activities

Starlight provides a range of programs to transform the experience of hospitalisation and treatment for seriously ill children, young people and their families and is the only children's charity with a permanent physical presence in every major paediatric hospital in Australia. Starlight has the broadest reach of any organisation supporting children and young people with all illnesses and injury equitably across Australia both in hospital and in the community.

A detailed review of the programs Starlight provides are outlined on pages 5 and 6 of this report.

Review and Results of Operations

Starlight's net operating deficit for the financial year was $4,263,133 (2019: $6,280,371). Gross income for the financial year was $29,551,809 (2019: $34,091,271) excluding one-off government subsidiaries. This represents a decrease of 13%, driven largely by event cancellations and lower Donated Goods and Services, including the value of volunteer hours worked in programs, which were reduced as a result of government imposed COVID restrictions. On a positive note, digital peer-to-peer fundraising activations such as Starlight Super Swim and Tour de Kids did see strong growth in 2020.

Starlight received a total of $8,129,250 in Jobkeeper wage subsidies in 2020 which contributed to the total net surplus for the year of $4,250,267 (2019: deficit $5,331,040).

Total Program Spend

In 2020 total Program spend was $18,956,637 which is a decrease of 19% on 2019, driven by COVID related restrictions on program delivery. Program spend in 2020 includes $10,570 in relation to Starlight Express Room construction costs (2019 $244,081).

Starlight's Performance Measures

Starlight's key performance measures are outlined on pages 9 to 14 of this report.

Environmental Regulation

Starlight's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation.

Directors and Other Officers' Benefits

No Non-Executive Director has received, or became entitled to receive during or since the financial year any financial benefit from Starlight, either by way of salary, or by reason of a contract made by Starlight or a related party corporate with a director or a firm, in which the director has a substantial financial interest other than as noted in the accounts.

Annual Financial Report

Director's Report (continued)

Indemnification and Insurance of Directors and Officers

Starlight has a Management Liability Insurance policy in place indemnifying Directors and Officers against personal liability in the course of their duties. Starlight has not otherwise, during or since the financial year indemnified, or agreed to indemnify, an officer against a liability incurred.

The insurance policy prohibits the disclosure of the amount and nature of the insurance cover and the amount of the premium paid.

Members Guarantee

In accordance with the company's constitution, each member is liable to contribute $100 in the event that the company is wound up. As at 31 December 2020 the number of members was 11 (31 December 2019: 11)

Registered office and principal place of business

Level 3
80 Chandos St
Naremburn, NSW, 2065.

Auditor's Independence

The Directors received an Independence Declaration from our auditors Ernst & Young. This declaration is included in the financial report following the Auditor's Report.

Non-audit Services

No non-audit services were provided by the entity's auditor, Ernst & Young.

Indemnification of Auditors

To the extent permitted by law, Starlight has agreed to indemnify its auditors, Ernst & Young Australia, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young Australia during or since the financial year.

Signed on behalf of the Directors.

Murray Coleman OAM
Chair

Starlight Children's Foundation Australia
27 April 2021

Statement of Income and Expenditure

Starlight Children's Foundation Australia
Statement of Income and Expenditure
For the year ended 31 December 2020

	Note	2020 $	2019 $
Income from Ordinary Activities			
Fundraising Income	4	29,284,485	33,669,787
Government Grants	4	267,324	421,484
Gross Income		29,551,809	34,091,271
Costs of Fundraising		(12,965,273)	(14,983,189)
Net Income		**16,586,536**	**19,108,082**
Expenditure			
Program Costs	5	(18,956,637)	(23,295,313)
Other Operating Costs		(1,893,032)	(2,093,140)
Total Expenditure		**(20,849,669)**	**(25,388,453)**
Net Operating (Deficit)		**(4,263,133)**	**(6,280,371)**
Other Income	4	8,513,400	949,331
Total Net Surplus/(Deficit)		**4,250,267**	**(5,331,040)**
Other Comprehensive Income		-	-
Total Comprehensive Income/(Loss)		**4,250,267**	**(5,331,040)**

Statement of Financial Position

Starlight Children's Foundation Australia
Statement of Financial Position
As at 31 December 2020

	Note	2020 $	2019 $
Current Assets			
Cash and Cash Equivalents	7	6,954,625	2,320,479
Trade and Other Receivables	9	2,020,069	1,253,127
Investments	10	6,591,583	9,004,311
Other Asset	8	1,000,000	-
Total current assets		16,566,277	12,577,917
Non-Current Assets			
Property, Plant & Equipment	11	845,952	1,205,280
Right-of-use Assets	12	2,248,650	2,392,070
Intangible Assets	13	231,970	300,088
Investment in associates accounted for using the equity method	14	22,219	50,000
Total Non-Current Assets		3,348,791	3,947,438
Total Assets		19,915,068	16,525,355
Current Liabilities			
Trade and Other Payables	15	1,019,785	2,023,805
Lease Liabilities	12	569,236	529,541
Provisions	16	1,239,833	968,846
Total Current Liabilities		2,828,854	3,522,192
Non-Current Liabilities			
Lease Liabilities	12	1,830,664	1,960,102
Provisions	16	588,606	626,384
Total Non-Current Liabilities		2,419,270	2,586,486
Total Liabilities		5,248,124	6,108,678
Net Assets		14,666,944	10,416,677
Equity			
Retained Surplus		7,992,265	699,389
Endowment Reserve		6,141,133	9,324,800
Reserve for Tagged Funds		533,546	392,488
Total Equity		14,666,944	10,416,677

Statement of Changes in Equity

Starlight Children's Foundation Australia
Statement of Changes in Equity
As at 31 December 2020

	2020 $	2019 $
Retained Surplus		
Retained surplus at the start of the year	699,389	958,240
Surplus/(deficit) for the year	4,250,267	(5,331,040)
Net transfer from endowment reserve	3,183,667	2,162,702
Net transfer (to)/from reserve for tagged funds	(141,058)	2,909,487
Retained Surplus at year end	7,992,265	699,389
Endowment Reserve		
Endowment reserve at the start of the year	9,324,800	11,487,502
Net transfer (to) retained surplus	(3,183,667)	(2,162,702)
Endowment Reserve at year end	6,141,133	9,324,800
Reserve for Tagged Funds		
Reserve for tagged funds at the start of the year	392,488	3,301,975
Net transfer from/(to) retained surplus	141,058	(2,909,487)
Reserve for Tagged Funds at year end	533,546	392,488

Endowment funds are accumulated to ensure Starlight: (i) has the ability to continue program delivery through times of economic uncertainty; and (ii) is able to invest in growth and infrastructure upgrades without impacting program delivery.

Tagged cash balances reflect funds received that have been "tagged" to a particular purpose that has not yet occurred. To honour the purpose for which donors have agreed to commit funds, we have ensured that funds specifically tagged to future projects are not used to fund general ongoing expenditure.

Cash Flow Statement

Starlight Children's Foundation Australia
Cash Flow Statement
For the year ended 31 December 2020

	Note	2020 $	2019 $
Cash Flows from Operating Activities			
Receipts from customers, donors and grants		34,109,614	29,467,823
Payments to suppliers and employees		(30,765,349)	(33,934,400)
Interest received		12,698	46,719
Interest paid		(104,651)	(123,462)
Dividends received		1,975	-
Net cash flows from/(used in) operating activities		3,254,287	(4,543,320)
Cash Flows from Investing Activities			
Purchase of property, plant & equipment		(110,065)	(534,768)
Proceeds from sale of equipment		-	5,555
Purchase of intangibles		(28,422)	(184,887)
Purchase of investments		-	(350,000)
Proceeds from sale of investments		2,049,372	3,600,000
Net cash flows from investing activities		1,910,885	2,535,900
Cash flows used in Financing Activities			
Payment of lease liabilities		(531,026)	(471,024)
Net cash flows used in financing activities		(531,026)	(471,024)
Net increase/(decrease) in cash held		4,634,146	(2,478,444)
Cash and cash equivalents at the beginning of the year		2,320,479	4,798,923
Cash and cash equivalents at year end	7	6,954,625	2,320,479

Notes to the Financial Statements

Starlight Children's Foundation Australia
Notes to the Financial Statements
For the year ended 31 December 2020

1. Corporate Information

The Financial Report of Starlight Children's Foundation Australia ("Starlight") for the year ended 31 December 2020 was adopted at a meeting of the directors on 27 April 2021.

Starlight is an unlisted public entity limited by guarantee and was incorporated in Australia. The nature of the operations and principal activities of Starlight are described in the Directors' Report.

2. Summary of Significant Accounting Policies

(a) Basis of preparation

This is a general-purpose financial report, which has been prepared in accordance with the requirements of the Australian Charities and Not-for-Profits Commission Act 2012, Australian Accounting Standards - Reduced Disclosure Requirements and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has also been prepared on an historical cost basis, except for the financial assets at fair value through profit or loss, which have been measured at fair value.

Starlight is a not-for-profit unlisted public entity. Therefore, Starlight's financial statements are tier 2 general purpose financial statements which have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure.

In the current year, Starlight has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current annual reporting period.

Starlight has not early adopted any new standards, amendments to standards and interpretations that have been issued or amended but are not yet effective.

The financial report is presented in Australian dollars.

(b) Income recognition

Fundraising income and cash donations

Revenue is recognised at the fair value of the consideration received or receivable net of any charge for goods and services tax (GST). Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the amount of the revenue can be reliably measured.

Donations are generally recognised when received, but significant confirmed donations are accrued when Starlight is entitled to the donation and the amount can be measured reliably.

Government Grants

A contract liability is recognised when the grant income is received and subsequently released to the profit and loss as income to match costs incurred in delivering the programs funded.

2. Summary of Significant Accounting Policies (continued)

Donated goods and services

Donated goods and services are an important and valued supply. In respect of services, only those that would otherwise have been purchased and paid for are recognised as income and expense in the financial statements. In respect of goods, only those that are utilised in the business are recognised as income and expense. Goods that are donated for conversion into cash (e.g. auction items) are recognised as income and valued at the amount of cash raised through their sale and therefore no expense is recognised.

Interest and Dividends

Interest, or dividend, revenue is recognised upon control of the right to receive the interest, or dividend payment.

(c) Expenses

All expenses are recognised on an accruals basis and have been classified under headings that reflect the nature of the activity. Where costs cannot be directly attributed to a particular category they have been allocated on a basis consistent with the estimated use of resources. This estimate is either determined by management knowledge and experience or is based on a proportion of headcount in each department.

Costs of fundraising comprise those expenses incurred in running all fundraising activities and events, direct marketing campaigns, liaising with corporate partners and soliciting voluntary donations. Costs incurred in recruiting new supporters for our Shining Stars regular donors are expensed in full when a donor has registered to make future donations.

Programs costs are those incurred in delivering services to seriously ill and hospitalised children and their families, including wishes, family activities, all hospital and outreach based activities and the provision of the Livewire website. Program spend also includes Starlight Express Room construction costs.

Other Operating costs are incurred in managing and accounting for the various activities, providing and maintaining business systems and ensuring compliance with all relevant legal and statutory requirements.

(d) Leases

At inception of a contract, Starlight assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. For leases identified, Starlight recognises a right-of-use asset and a lease liability at the lease commencement date.

(i) Right-of-use assets

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the lease term. The lease term includes periods covered by an option to extend if the Company is reasonably certain to exercise that option. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

2. Summary of Significant Accounting Policies (continued)

(ii) Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid as at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined. Starlight uses its incremental borrowing rate as the discount rate.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or if Starlight changes its assessment of whether it will exercise an extension option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Lease payments are allocated between principal and finance cost. The finance cost is charged to the profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Payments associated with short-term leases that have a lease term of 12 months or less and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

(e) Cash and cash equivalents

Cash and term deposits in the balance sheet comprise cash at bank and in hand and term deposits. For the purpose of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(f) Trade and other receivables

Trade receivables are recognised and carried at original invoice amount less an allowance for any uncollectable amounts. An allowance for doubtful debts is made when there is objective evidence that Starlight will not be able to collect the debts. Bad debts are written off when identified.

Other debtors include donations and third party fundraising which are accrued when Starlight is entitled to the funds and the amount can be measured reliably.

For Trade and other receivables, Starlight has applied AASB 9's simplified approach to calculating expected credit losses based on lifetime expected credit losses. Starlight has established a provision matrix that is based on it's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

2. Summary of Significant Accounting Policies (continued)

(g) Investments

Classification and measurement

Starlight has assessed the entire investment portfolio to be part of a single business model as the assets are managed by Starlight with a consistent objective. Hence the same classification is applied across all investments held. The majority of the investments comprise of assets in managed funds, from which cash flows are not solely payments of principal and interest. Accordingly, under AASB 9, Starlight has designated all investments to be valued at fair value through profit and loss.

(h) De-recognition of financial assets and financial liabilities

(i) Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar assets) is derecognised when:

- the rights to receive cash flows from the asset have expired.
- the right to receive cash flows from the asset is retained, but an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement is assumed; or
- the right to receive cash flows from the asset has been transferred and either (a) substantially all the risks and rewards of the asset have been transferred; or (b) all the risks and rewards of the assets have neither been transferred nor retained substantially, but control of the asset has transferred.

(ii) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

(i) Taxes

Income Tax

Starlight is a registered charity and is exempt from income tax in accordance with Division 50 section 50-5 of the Income Tax Assessment Act 1997. It is also exempt from capital gains taxes and State payroll taxes.

Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where Starlight has chosen to apply the provisions contained in section 40-160 of the GST Act, where no entitlement may be claimed on input tax credits for any acquisitions in relation to the event and GST is not required to be charged on any supplies made.

2. Summary of Significant Accounting Policies (continued)

(j) Property, plant and equipment

Acquisition

Items of property, plant and equipment are recorded at cost. Donated goods are recorded at market value when Starlight plans to retain the asset for its own use.

Depreciation

Depreciation is determined using the straight-line method of calculation. It is calculated on the cost of property, plant and equipment including construction costs and improvements to leasehold property so as to write off the asset over its estimated useful life.

Depreciation rates of property, plant and equipment for each class of asset are as follows:

- Leasehold Improvements – 12.5%
- Office Furniture and Equipment – 25 to 33%
- Furniture and Equipment – Starlight Express Rooms – 20 to 33%
- Starlight Express Van and Equipment – 20 to 33%

Depreciation expense is recognised in the income and expenditure statement in the expense category consistent with the function of the asset.

De-recognition and disposal

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use.

Any gain or loss arising from de-recognition of an asset, calculated as the difference between the net disposal proceeds and the carrying amount of the asset, is included in the profit and loss in the year the asset is de-recognised.

(k) Intangibles

Intangible assets are initially measured at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. The amortisation period for an intangible asset with a finite useful life is reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the amortisation period or method, as appropriate, which is a change in accounting estimate. The amortisation expense on intangible assets with finite lives is recognised as an expense in the category consistent with the function of the asset.

2. Summary of Significant Accounting Policies (continued)

(k) Intangibles (continued)

A summary of the policies applied to Starlight's intangible assets is as follows:

Software and systems
Useful lives
3 years
Amortisation method used
Amortised over the period of expected future economic benefit on a straight-line basis
Internally generated or acquired
Where the cost relates to software development and meets Starlight's recognition criteria
Impairment testing
When indicators of impairment exist or when annual impairment testing for assets is required

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is de-recognised.

(l) Investments in associates

An associate is an entity over which Starlight has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. Starlight's investment in its associate is accounted for using the equity method.

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in Starlight's share of net assets of the associate since the acquisition date. The statement of profit or loss reflects Starlight's share of the results of operations of the associate.

After application of the equity method, Starlight determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, Starlight determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, Starlight calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss within 'Share of profit of an associate' in the statement of profit or loss.

2. Summary of Significant Accounting Policies (continued)

(m) Impairment of assets

Starlight assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or annually in the case of any intangible assets with indefinite useful lives or acquired goodwill, Starlight makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset.

When the carrying amount of an asset exceeds it recoverable amount, the asset is impaired and its carrying value is written down to its recoverable amount. As a not-for-profit entity, the value in use is calculated as the depreciated replacement cost of the asset where the entity would, if deprived of the asset, replace its remaining future economic benefits.

Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

(n) Employee benefits

(i) Wages, salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits if appropriate, and annual leave are recognised in the provision for employee benefits in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms that match, as closely as possible, the estimated future cash outflows.

(o) Provisions

Provisions are recognised when Starlight has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

2. Summary of Significant Accounting Policies (continued)

(o) Provisions (continued)

When Starlight expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a discount rate that reflects the current assessment of the time value of money and the risks specific to the liability.

(p) Trade and other payables

Trade payables and other payables are carried at cost. They represent liabilities for goods and services provided to Starlight prior to the end of the financial year that are unpaid and arise when Starlight becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

(q) Significant accounting judgements, estimates and assumptions

The preparation of the financial report requires the making of judgements, estimates and assumptions that affect the recognised amounts of assets, liabilities, revenues and expenses and the disclosure of contingent liabilities. The judgements, estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from the judgements, estimates and assumptions.

The judgements, estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision only affects that period or the period of revision and future periods if the revision effects both current and future periods.

(r) Prior year comparatives

Certain comparative information was amended in the financial report to confirm to the current year presentation. These amendments do not have a material impact on the financial results or balance sheet.

3. Changes in accounting policies

Starlight has applied all standards and amendments, which are effective for annual periods beginning on or after 1 January 2020. Starlight has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Notes to the Financial Statements

	2020 $	2019 $
4. Revenue		
(a) Income from Ordinary Activities		
Fundraising Income		
Fundraising income	27,024,912	29,371,114
Donated goods and services	2,259,573	4,298,673
Total Fundraising Income	**29,284,485**	**33,669,787**
Revenue from Contracts with Customers		
Government grants	267,324	421,484
Total Revenue from Contracts with Customers	**267,324**	**421,484**
Other Income		
Bank interest	12,699	31,706
Investment income	1,975	3,168
Net gain/(loss) on investments	269,476	908,901
Gain on sale of assets	-	5,555
Jobkeeper wage subsidy[1]	8,129,250	-
Cashflow boost subsidy	100,000	-
Total Other Income	**8,513,400**	**949,331**
Total Income from Ordinary Activities	**38,065,209**	**35,040,602**

[1] On 30 March 2020, the Federal Government announced the Jobkeeper program, a wage subsidy to help businesses keep staff employed during the COVID-19 pandemic. From 30 March 2020 to 31 December 2020, a subsidy of $1,500 per eligible employee, was available. Starlight was eligible to receive the Commonwealth Government Jobkeeper wage subsidy. Jobkeeper has helped Starlight to mitigate the decline in revenue as a result of limitations on fundraising activities.

	2020	2019
(b) Liabilities related to contracts with customers		
Included in current liabilities are the following items:		
Deferred government grant	127,649	394,973
Total current contract liabilities	**127,649**	**394,973**

Notes to the Financial Statements

	2020 $	2019 $
5. Expenses		
Included in expenditure are the following items:		
(a) Employee benefits expense:		
Salaries and employee benefits	17,717,752	16,915,922
Superannuation contributions	1,150,373	1,276,433
Total employee benefits	**18,868,125**	**18,192,355**
(b) Donated goods and services utilised in:		
Programs	2,257,537	4,282,098
Other operating costs	2,036	16,575
Total donated goods and services	**2,259,573**	**4,298,673**
(c) Program costs		
Gross income for the year[1]	29,835,959	35,040,602
Transfer from Endowment reserve	3,183,667	2,162,702
Transfer (to)/from Tagged Funds	(141,058)	2,909,487
Core income utilised during the year	**32,878,568**	**40,112,791**
Program costs	**18,956,637**	**23,295,313**
% of income spent on programs	**57.7%**	**58.1%**

[1] Gross income for the year ended 31 December 2020 excludes one off government subsidiaries (Jobkeeper wage subsidy and Cash Flow Boost subsidy).

6. Income Tax

Starlight is a registered charity and is exempt from income tax in accordance with Division 50 Section 50-5 of the Income Tax Assessment Act 1997.

Notes to the Financial Statements

	2020 $	2019 $
7. Cash and cash equivalents		
Cash at bank and on hand	3,954,625	2,320,479
Cash term deposits	3,000,000	-
Total cash and cash equivalents	6,954,625	2,320,479

	2020 $	2019 $
8. Other assets		
Cash term deposits	1,000,000	-
Total other assets	1,000,000	-

Term deposits are made to increase investment returns. Term deposits are invested for periods of up to 9 months to ensure that Starlight has regular maturities to provide liquidity as and when required. Term deposits with an investment term of less than 90 days are classified as cash and cash equivalents all other term deposits are classified as other assets.

	2020 $	2019 $
9. Trade and Other Receivables		
Trade debtors	1,546,366	558,509
Other debtors and prepayments	339,660	360,474
ATO receivable	134,043	334,144
Total trade and other receivables	2,020,069	1,253,127
10. Investments		
Listed Fixed Interest Securities	1,018,627	1,976,777
Listed Alternative Assets	1,975,854	2,419,240
Listed Equities	3,141,137	3,138,096
Other	455,965	1,470,198
Total investments	6,591,583	9,004,311

Notes to the Financial Statements

	Cost	Depreciation	WDV
	$	$	$
11. Property, Plant and Equipment			
Leasehold improvements			
At start of the year	748,767	(300,036)	448,731
Additions (at cost)	-	-	-
Disposals (at cost)	-	-	-
Depreciation for the year	-	(93,595)	(93,595)
At end of the year	748,767	(393,631)	**355,136**
Office furniture and equipment			
At start of the year	711,794	(579,269)	132,525
Additions (at cost)	43,064	-	43,064
Disposals (at cost)	(194,103)	194,103	-
Depreciation for the year	-	(89,961)	(89,961)
At end of the year	560,755	(475,127)	**85,628**
Hospital furniture and equipment			
At start of the year	1,359,342	(775,597)	583,745
Additions (at cost)	219,449	-	219,449
Disposals (at cost)	(489,691)	313,571	(176,120)
Depreciation for the year	-	(241,432)	(241,432)
At end of the year	1,089,100	(703,458)	**385,642**
Starlight Express Vans			
At start of the year	116,068	(75,789)	40,279
Additions (at cost)	-	-	-
Disposals (at cost)	-	-	-
Depreciation for the year	-	(20,733)	(20,773)
At end of the year	116,068	(96,522)	**19,546**
At start of the year	2,935,971	(1,730,691)	1,205,280
Additions (at cost)	262,513	-	262,513
Disposals (at cost)	(683,794)	507,674	(176,120)
Depreciation for the year	-	(445,721)	(445,721)
Total property, plant and equipment	2,514,690	(1,668,738)	845,952

12. Leases

This note provides information for leases where Starlight is the lessee.

(i) Amounts recognized on the Statement of Financial Position

The Statement of Financial Position shows the following amounts relating to leases:

	Property $	Equipment $	Total $
(a) Right-of-use assets			
Balance at 1 January 2020	2,252,045	140,025	2,392,070
Additions (at cost)	441,283	-	441,283
Depreciation charge for the year	(535,283)	(49,420)	(584,703)
Balance at 31 December 2020	**2,158,045**	**90,605**	**2,248,650**

(b) Lease Liabilities

	2020 $	2019 $
Balance at 1 January 2020	2,489,643	2,796,127
Additions	336,632	97,844
Accretion of interest	104,651	123,462
Payments	(531,026)	(527,790)
Balance at 31 December 2020	**2,399,900**	2,489,643
Current	569,236	529,541
Non-Current	1,830,664	1,960,102
	2,399,900	**2,489,643**

12. Leases (continued)

(ii) Amounts recognized on the Statement of Income & Expenditure

The Statement of Income & Expenditure shows the following amounts relating to leases:

	2020 $	2019 $
Depreciation charge on right-of-use assets		
Property	535,283	519,176
Equipment	49,420	49,420
	584,703	**568,596**
Interest expense	104,651	123,462
Expense relating to short-terms leases	46,016	56,766

The total cash outflow for leases in 2020 was $635,677 (2019: $651,252). Starlight also had non-cash additions to the lease liabilities of $336,632 in 2020 ($97,844 in 2019).

13. Intangible assets

Software and systems	Cost $	Amortisation $	WDV $
At the start of the year	1,995,345	(1,695,257)	300,088
Additions (at cost)	120,229	-	120,229
Disposals (at cost)	(560,264)	549,570	(10,694)
Amortisation for the year	-	(177,653)	(177,653)
Total intangible assets at the end of the year	**1,555,310**	**(1,323,340)**	**231,970**

Notes to the Financial Statements

14. Investment in associates accounted for using the equity method

	2020 $	2019 $
Investment in associates – Rainbow Fields Limited	22,219	50,000
Total financial assets	22,219	50,000

15. Payables

	2020 $	2019 $
Current		
Trade and other creditors	542,017	1,477,065
Deferred income	213,298	433,073
Accrued wages, salaries & on-costs	264,470	113,667
Total current payables	1,019,785	2,023,805

16. Provisions

	2020 $	2019 $
Current		
Employee benefits	1,239,833	968,846
Non-current		
Make good provision	165,000	185,000
Employee benefits	423,606	441,384
	588,606	626,384

16. Provisions (continued)

The present values of employee entitlements not expected to be settled within 12 months of the balance sheet date have been calculated using the following discount rates:

Assumed annual rate of increase in wages and salary	1.8%	2.5%
Settlement term (years)	1 – 10	1 - 10
Discount rate	0.20 – 1.97%	1.29 – 2.53%

	2020	2019
Number of employees		
Number of employees at year end		
Permanent	206	194
Casual	125	177
Contractor	17	25
Total	348	396
Full-time equivalent	199	237

17. Commitments and Contingencies

Annual software licence commitments

Other future payments under contracts due:

	2020 $	2019 $
Not later than one year	-	155,255
Later than one but not later than 5 years	-	-
	-	155,255

Contingent liabilities

At as 31 December 2020, Starlight had no contingent liabilities (2019: $Nil).

18. Key Management Personnel

Compensation of Key Management Personnel

Other than Non-Executive Directors the Key Management Personnel and positions during the year included:

- Mrs Louise Baxter, Chief Executive Officer
- Mrs Kristie Caddick, Head of Marketing and Fundraising
- Mrs Susan Henry, Head of People and Culture
- Ms Felicity McMahon, Head of Programs
- Mrs Linda Ferguson, Head of Finance and Technology

Total salaries, benefits, superannuation and other associated on-costs for the Key Management Personnel included:

	2020 $	2019 $
Short-term employee benefits	1,144,782	1,302,397
Post-employment benefits (including salary sacrifice)	106,272	129,909
Total compensation (2020:5, 2019:5)	**1,251,054**	**1,432,306**

No remuneration payments were made to Non-Executive Directors during the year.

The Executives and Directors may transact with Starlight in a normal supplier relationship on terms and conditions no more favourable than those with which it is reasonable to expect Starlight would have adopted if dealing with an entity at arm's length.

Notes to the Financial Statements

19. Related Party Disclosures

Transactions with related parties

Donations

During the year Starlight received:

- $39,850 (2019: $36,208) worth of pro bono support from Herbert Smith Freehills. Mr P. Butler, a Director, is Senior Partner, Litigation, with Herbert Smith Freehills.
- $16,226 (2019: $37,138) worth of pro bono support from King & Wood Mallesons. Mrs K. Rathie, a Director, is a Partner in Charge, Sydney, King & Wood Mallesons.
- $70,000 (2019: $52,000) worth of pro bono support from Deloitte Touche Tohmatsu. Suzie Gough, a Director, is a Partner, Melbourne, Deloitte Touche Tohmatsu.

Investments

During the year Starlight provided $62,000 to Rainbow Fields Limited (2019: $50,000) in the form of a loan. Louise Baxter, a director, is also a director of Rainbow Fields Limited.

20. Events after the reporting period

As at the date of this report, there are no known adjusting or non-adjusting events after the reporting period.

Notes to the Financial Statements

21. Information on fundraising appeals

The following disclosures are made under the requirements of various pieces of state-based legislation for charitable fundraising. As a national charity, starlight has presented this information on a national basis in the categories by which we manage fundraising.

	2020 $	2019 $
Fundraising income		
Individual giving	10,926,739	10,433,315
Philanthropy and bequests	4,319,988	5,696,534
Corporate support	6,411,298	6,045,698
Event fundraising	953,991	4,575,601
Community fundraising	4,412,896	2,619,966
Donated goods & services	2,259,573	4,298,673
Total fundraising income	29,284,485	33,669,787
Fundraising costs		
Individual giving	5,125,256	6,523,773
Philanthropy and bequests	7,433	53,233
Corporate support	39,762	10,220
Event fundraising	112,304	627,547
Community fundraising	438,999	323,481
General costs and credit card charges	344,017	414,943
Staff costs	4,268,809	4,143,762
Direct fundraising costs	10,336,580	12,096,959
Indirect costs	1,690,196	1,527,208
Marketing & communications	938,497	1,359,022
Total fundraising costs	12,965,273	14,983,189
Net fundraising income	16,319,212	18,686,598
Government grants	267,324	421,484
Non-operating income	8,513,400	949,331
Net Income	**25,099,936**	**20,057,413**

Directors Declaration

Starlight Children's Foundation Australia

Directors Declaration

In the opinion of the Directors:

(a) The financial statements and notes of Starlight Children's Foundation Australia for the financial year ended 31 December 2020 are in accordance with the Australian Charities and Not-for-Profit Commission Act 2012, including:

(i) Giving a true and fair view of the Starlight's financial position as at 31 December 2020 and of its performance for the year ended on that date.

(ii) Complying with Australian Accounting Standards – Reduced Disclosure Requirements (including the Australian Accounting Interpretations and the Australian Charities and Not-for-Profit Commission Regulations 2013.

(b) There are reasonable grounds to believe that the Starlight will be able to pay its debts as and when they become due and payable.

For and on behalf of the Board

Murray Coleman OAM
Chair
Starlight Children's Foundation Australia
Sydney
27 April 2021

Starlight Children's Foundation Australia

Declaration by Chief Executive Officer in respect of Fundraising Appeals

I, Louise Ann Baxter, Chief Executive Officer, of Starlight Children's Foundation Australia, declare in my opinion:

(a) the Statement of Income and Expenditure gives a true and fair view of all income and expenditure of Starlight Children's Foundation Australia with respect to fundraising appeal activities for the twelve months ended 31 December 2020;

(b) the Statement of Financial Position gives a true and fair view of the state of affairs with respect to fundraising appeal activities as at 31 December 2020;

(c) the provisions of the NSW Charitable Fundraising Act 1991 and the WA Charitable Collections Act (1946) and the conditions attached to the authorities have been complied with during the period from 1 January 2020 to 31 December 2020; and

(d) the internal controls exercised by Starlight Children's Foundation Australia are appropriate and effective in accounting for all income received, and applied by Starlight, from any of its fundraising appeals.

Louise Baxter
Chief Executive Officer
Starlight Children's Foundation Australia
27 April 2021

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Independent Auditor's Report to the Members of Starlight Children's Foundation Australia

Report on the Financial Report

Opinion

We have audited the financial report of Starlight Children's Foundation Australia (the Company), which comprises the statement of financial position as at 31 December 2020, the statement of income and expenditure, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012*, including:

a) giving a true and fair view of the Company's financial position as at 31 December 2020 and of its financial performance for the year ended on that date; and

b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-Profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient, and appropriate to provide a basis for our opinion.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information is the directors' report accompanying the financial report.

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

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

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

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-Profits Commission Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company'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 the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our 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 our 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 the 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, we exercise professional judgment and maintain professional scepticism throughout the audit. We 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 our 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company 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.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on the requirements of the *NSW Charitable Fundraising Act 1991* and the *NSW Charitable Fundraising Regulations 2015* and the requirements of the *WA Charitable Collections Act (1946)* and the *WA Charitable Collections Regulations (1947)*

We have audited the financial report as required by Section 24(2) of the *NSW Charitable Fundraising Act 1991* and the *WA Charitable Collections Act (1946)*. Our procedures included obtaining an understanding of the internal control structure for fundraising appeal activities and examination, on a test basis, of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to the *NSW Charitable Fundraising Act 1991* and the *NSW Charitable Fundraising Regulations 2015* and the *WA Charitable Collections Act (1946)* and the *WA Charitable Collections Regulations (1947)*.

Because of the inherent limitations of any assurance engagement, it is possible that fraud, error or non-compliance may occur and not be detected. An audit is not designed to detect all instances of non-compliance with the requirements described in the above-mentioned Act(s) and Regulations as an audit is not performed continuously throughout the period]and the audit procedures performed in respect of compliance with these requirements are undertaken on a test basis. The audit opinion expressed in this report has been formed on the above basis.

Opinion

In our opinion:

a) the financial report of the Company has been properly drawn up and associated records have been properly kept during the financial year ended 31 December 2020, in all material respects, in accordance with:

    i. sections 20(1), 22(1-2), 24(1-3) of the NSW Charitable Fundraising Act 1991;

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ii. sections 10(6) and 11 of the NSW Charitable Fundraising Regulations 2015;

iii. the WA Charitable Collections Act (1946); and

iv. the WA Charitable Collections Regulations (1947).

b) the money received as a result of fundraising appeals conducted by the Company during the financial year ended 31 December 2020 has been properly accounted for and applied, in all material respects, in accordance with the above mentioned Act(s) and Regulations.

Ernst & Young

Anton Ivanyi
Partner
Sydney
27 April 2021

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Auditor's Independence Declaration to the Directors of Starlight Children's Foundation Australia

In relation to our audit of the financial report of Starlight Children's Foundation Australia for the financial year ended 31 December 2020, and in accordance with the requirements of Subdivision 60-C of the *Australian Charities and Not-for profits Commission Act 2012*, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of any applicable code of professional conduct.

Ernst & Young

Anton Ivanyi
Partner
27 April 2021