2022 Review

including
Annual Financial Report

Starlight Children's Foundation

Table of Contents

A message from the Chair

Starlight's Vision is for everyone to experience a happy childhood. Happiness in childhood is a strong determinant as to how you will perform in your education, employment, and healthy life behaviours. Children and young people who are seriously ill have their ability to be happy significantly impacted.

That's why Starlight exists. To brighten the lives of seriously ill kids… Why? Because Happiness Matters.

As Chair of the Starlight National Board, I am incredibly pleased to report Starlight has recorded both Program and revenue growth in 2022; and has continued to be a positive example of an organisation which, has looked to leverage long term opportunities rather than react to the changing environment with a short-term view.

While borders opened and it felt as though life was returning to normal, the children's hospitals had higher closures and restrictions in 2022 than the year prior. We all know positive mental health is an important part of achieving improved healthcare outcomes and these restrictions negatively impacted the mental health of seriously ill children and young people. Starlight's support was vital in supporting their wellbeing and resilience.

Our Health Professionals Advisory Board was a valuable resource to ensure Starlight remained ahead of the constantly changing model of paediatric and adolescent health care. It has also been wonderful to hear from this group about the value of Starlight's positive impact on sick and hospitalised children as well as the positive impact on them personally and their teams. We thank Emeritus Professor Les White AM for his leadership of this group.

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 to our partners in health, to all Starlight supporters, volunteers, and the Starlight team.

An extra special thank you to Peter Butler RFDS OAM who retired from the Board after nearly 17 years of generous support and wise counsel. Peter was the Starlight Chair from 2008-2016 guiding Starlight through the challenging Global Financial Crisis. He has always been committed to our Vision and a wonderful supporter of the Starlight team.

To all our Starlight National Board and Advisory Board members who volunteer their time and expertise to support Starlight in so many ways. I am very proud to serve on the Starlight National board alongside you. Thank you.

I hope you enjoy this review of our 2022 performance. A celebration of us Shining Brighter together.

Murray Coleman OAM
Chair
Starlight Children's Foundation Australia

...and from the CEO

While health professionals take care of a child's medical treatment, Starlight is there to give back the fun and happiness of childhood that illness and treatment can take away. It has been this way for over 30 years.

In 2022 Starlight continued to bring fun, laughter, and joy to seriously ill children and young people in hospitals and in communities right around Australia creating 1,307,265 positive Starlight experiences for sick and hospitalised kids, young people, and their families. This is an increase of 14% versus a year ago and is more than double what was achieved pre Covid in 2019. These programs are created to transform the hospital experience, provide social connection and entertain creating much needed moments of positive disruption.

Starlight started the year with the highest ever number of seriously ill children and young people eagerly awaiting their life changing Starlight Wish. And with borders re-opening we were able to grant an amazing 507 life-changing Starlight Wishes.

As an essential service, Starlight worked closely with health professionals to reach sick kids when and where they needed happiness most. From supporting socially isolated young people through Livewire Online, having Captain Starlight transform the hospital experience in every children's hospital to playing an important role in immunisation/vaccination clinics.

In 2022 we launched Planet Starlight, an online space for seriously ill children who need fun, laughter, and joy to connect with Captain Starlight...anytime...anywhere. It is important to have this virtual Starlight community which complements the work we do in hospitals providing social connection for children who are isolated by treatment from friends, family and all that is familiar. In 2023 we are aiming to launch Planet Starlight into hospitals and communities across Australia, so every sick child can access this positive distraction.

Our brand continues to be the Most Trusted Children's Charity brand in Australia and in 2022 we created a new piece of brand content. Wonderfully this was supported by significant pro bono advertising and PR.

We also launched our third Reconciliation Action Plan (RAP), which we are proud to say is a "Stretch" RAP. We are committed to truth telling about Australia's history and in making a positive contribution to the reconciliation of our nation. Starlight's commitment to diversity, inclusion and reconciliation is an important part of who we are and how we work every day.

Starlight was reaccredited for Safeguarding Children and Young People by ACF. This is a rigorous process, and the team did an exceptional job in achieving such a positive result.

Thank you to every one of the amazing Starlight team, which includes our volunteers, our Starlight National Board, and our Advisory Boards. I am incredibly proud to work with you all every day.

And to all our supporters, thank you for being there for Starlight children and families who are often overwhelmed by the generosity of people they don't know in enabling such positive change in their lives.

Thank you for helping us to
Shine brightly for sick kids.

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.

Macie playing Jenga with Captain Starlight in the Starlight Express Room

Starlight's Programs Overview

In the following areas Starlight has developed a range of Programs which meet the growing needs of seriously ill and hospitalised children and young people, and these underpin our Theory of Impact.

TRANSFORM

Partnering with clinicians to enable more positive healthcare experiences and support well-being and resilience so kids and teens can thrive.

- Starlight Wishgranting
- Rocket Rounds
- Captains on Call
- Healthier Futures
- Livewire, powered by Starlight
- Starlight Moments

CONNECT

Bringing kids, teens and families together to overcome the social isolation of serious illness so they can enjoy social connections and a sense of belonging.

- Starlight Express Room
- Starlight TV
- Planet Starlight
- Starlight Connection
- Livewire online, powered by Starlight

ENTERTAIN

Creating moments of positive disruption which help to replace pain and boredom with joy and laughter.

- Fun with Captain Starlight

TRANSFORM

A **Starlight Wish** creates unique, life changing experiences for sick kids and teens. Whether it's a much longed-for puppy or to meet a favourite sports star, a Starlight Wish gives the child or young person and their family something to look forward to and memories to last forever.

Captain Starlight is a superhero who flies from Planet Starlight to Earth everyday to brighten the lives of sick kids and their families. Everyday their earth mission sees them on **Rocket Rounds**, creating much needed positive disruption for kids on the wards, in outpatient clinics and emergency departments of children's hospitals across Australia. When kids need extra support during treatment **Captains on Call** are there to work closely with health professionals to reduce stress, anxiety, and pain.

Through Starlight's **Healthier Futures Initiative** Captain Starlight visits remote communities, working alongside health professionals to positively transform the health care experience of Aboriginal and Torres Strait Islander kids.

Teenagers don't miss out, with our **Livewire** program designed especially for teens in hospital and mental health units. Livewire creates experiences which helps build self esteem and social connection.

For families caring for a child receiving palliative care at home, **Starlight Moments** is there for much needed moments of family connection and joy, and to help create precious memories.

CONNECT

A visit to the **Starlight Express Room** is a must in every children's hospital in Australia, providing a space for fun, laughter and social connection. Everyday Captain Starlight broadcasts live **Starlight TV** shows throughout the hospital so kids can join in the fun from their ward.

Planet Starlight provides kids in any hospital with easy online access to live shows, a chance to interact with Captain Starlight, and lots of other fun content. Captain Starlight also regularly lands in regional hospitals, visiting kids wards during **Starlight Connection** visits.

Livewire is also there for teens when they are at home, with **Livewire Online** providing a safe space for them to connect with others who are also navigating life with serious illness.

ENTERTAIN

Fun with Captain Starlight hosts fun livestreams and great kid friendly content on all the major social media apps, making the fun and laughter created by Captain Starlight available to kids everywhere.

Starlight 2022 Review

A Timeline of Starlight Programs

AS OF MARCH 2023

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

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 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
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

2022
12,000th Starlight Wish delivered
Planet Starlight 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 2022

507
Starlight Wishes granted to seriously ill children and young people

89,732
Captain Starlight Rocket Rounds visits

437
Starlight Wish referrals received from health professionals

38,838
Visits to the Starlight Express Room

37,530
Logins to Livewire Online

5,365
Experiences provided to children in remote communities

186
Trips made by Captain Starlight to remote communities

81 Remote communities visited by Captain Starlight

16,527
Livewire experiences created for teens in hospital

2,160
Hours of Live TV broadcast in hospital on Starlight TV

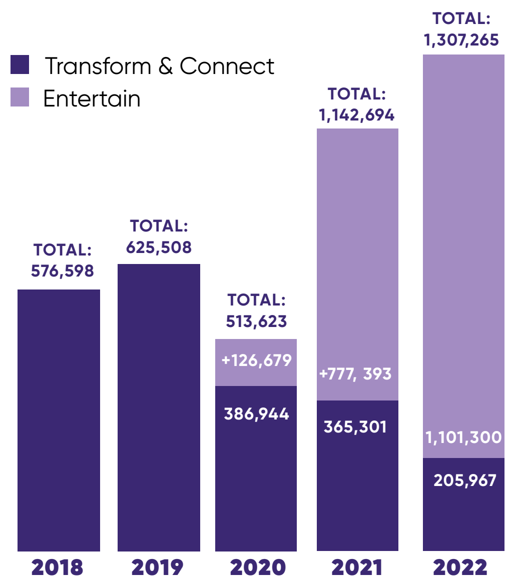
1,101,300
Kids seeking positive distraction logged into Fun with Captain Starlight move than 1.1M times

Starlight Total Programs Reach

After another year which challenged us all Starlight supported seriously ill children and young people creating over 1.3 million positive Starlight experiences!

As clinicians recognise the value of resilience in wellbeing and in improved health outcomes the demand for Starlight continues to grow.

To meet the growing need, we require continued increases in our fundraising.



Our Impact 2022

Amplifying our impact

We are committed to understanding and improving the impact of our Starlight programs and to achieve this we invest in research to ensure what we do continues to be effective and efficient.

Our Social Return on Investment (SROI) is calculated as delivering over $5 of community value for every dollar we spend in hospital and online.

Starlight in hospital

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

Livewire.org.au

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

$100M+

of total value put back into the community via Starlight's programs

100%

Families would recommend a Starlight Wish experience to another family

50,436

Thought Leadership Reach

For her Starlight Wish, Molly asked to travel to Heron Island to watch the baby turtles hatch giving her something positive to look forward to on the other side of painful treatments.

Our commitment to capturing the voice of children and young people continued with the collaboration with Children's Healthcare Australasia and UNSW, to develop a paediatric Patient Reported Experience Measure. An innovative research methodology using Captain Starlight to engage with children is at the heart of the data collection. An evaluation of the Captains on Call program supporting retinoblastoma patients was completed in partnership with the Queensland Children's Hospital and we also worked closely with our other research partners such as the Lowitja Institute and the Wellbeing, Health and Youth Centre of Research Excellence in Adolescent Health at Western Sydney University.

We extended our thought leadership reach with presentations to several key national conferences and were successful with another publication to a peer-reviewed journal, this time excitingly, with Livewire members included as co-authors.

Robertson EG, Treadgold C, Cosby I, Sinclair M, Elsmore B, Ellis R, Franken C. Facilitating the Voice of Adolescents in Hospitals Through Art: A Case Report. The Journal of Adolescent Health: Official Publication of the Society for Adolescent Medicine. 2022 Mar;70(3):507-513.

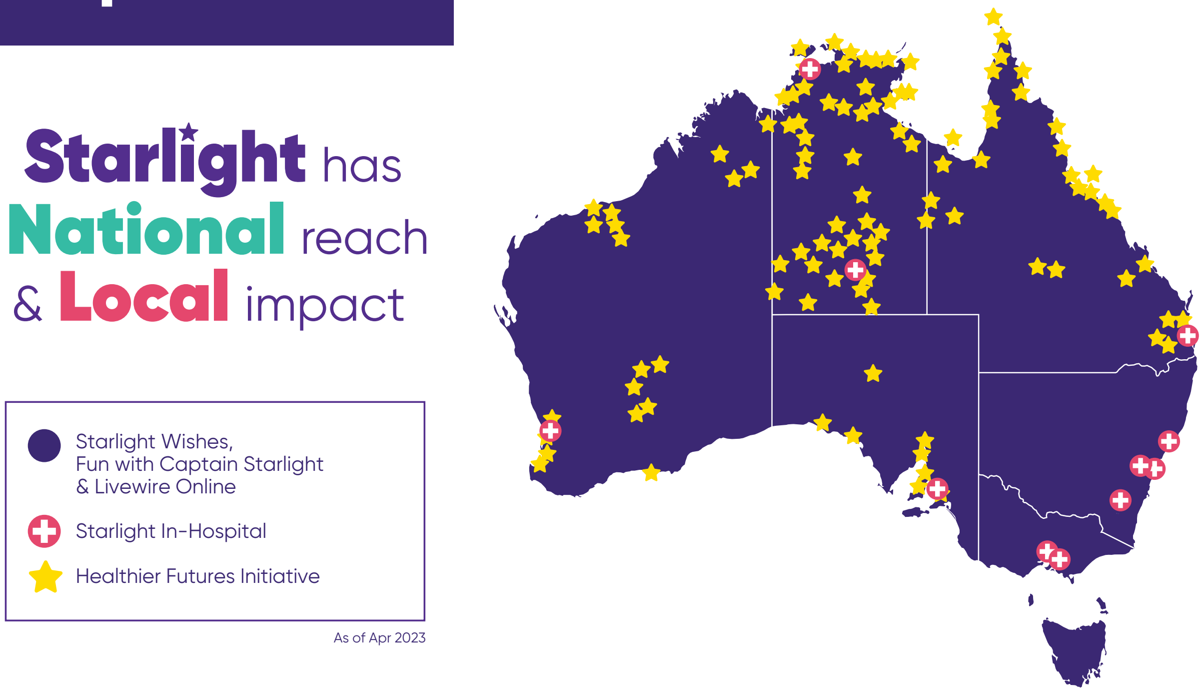
Starlight presented at:

- Child and Adolescent Mental Health Conference
- Closing the Gap Indigenous Health Conference
- Royal Australian College of Physicians Congress
- 16th National Rural Health Conference
- Australian Research Alliance's Indigenous Researchers Network Conference
- International Evaluation Conference of the Australasian Evaluation Society
- Australian Paediatric Palliative Care Conference
- Australasian Association for Adolescent Health Youth 11 Health Conference
- Indigenous Wellbeing Conference

* 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 2022

Starlight has National reach & Local impact



As of Apr 2023

"Livewire has been a much loved addition to the unit, with young people engaging beautifully in creative projects. They are often looking forward to Livewire visiting the ward, and there is a wonderful sense of empowerment in being able to engage with, and complete, creative projects with support from Livewire staff."

- Art Therapist

"It's harder to connect in person as most people see my disability or equipment before me. On Livewire, no one sees my wheelchair first. They just see me as a person."

- Livewire Online Community Member

"She has the best time... she's not as anxious about getting her eye drops, and she recovers quickly afterwards because they're there to play and distract her. Captain Starlight through the Captains on Call Program has improved her experience with general anaesthetics. Now it's not a stressful or anxious thing."

- Parent, Captains on Call

"Planet Starlight has allowed nursing staff to provide children with a valuable resource which is changing the way rural children can now access services already available in major children hospitals. Thank you Starlight! Keep up the awesome work".

- Paediatric Clinical Nurse Educator

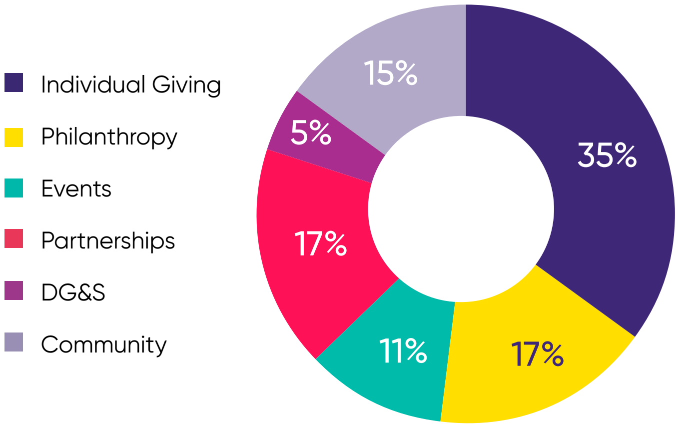
"Every single detail was amazing! There's not one little thing we would change!"

- Snow Wish Week Family

In 2022, Starlight earned fundraising income of $41.7m

This represents a year-on-year increase of 13%.

Our continued investment in Sustainable Donor Acquisition saw income from Shining Stars grow almost 15%, and growth has also been strong across other fundraising channels, such as Events (up 44%), Corporate Partnerships (up 22%) and Philanthropy (up 15%).



In 2022, Starlight's expenses were $38m

Program spend increased in 2022, but remained constrained by COVID restrictions for the majority of the year. We finished the year with 779 children waiting for their Starlight Wish to be granted. This equates to over $5M of Program spend.

Spend across the rest of the organisation was down $1M year on year.

Funding our capital projects

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

In 2022 we had capital campaigns in progress for Starlight's Connection Space at Centenary Hospital for Women and Children, and a major technology update across Starlight Express Rooms.

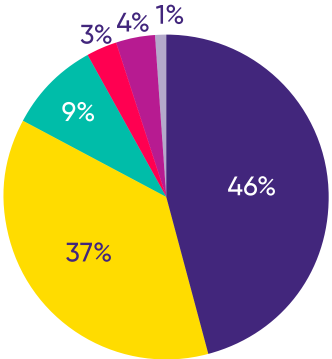
We have over $5M of capital requirements for brand new Starlight Express Room builds and/or upgrades over the next 5 years.

Programs Spend 2022

COVID RESTRICTIONS CONTINUE FOR PROGRAMS THROUGHOUT 2022

With COVID restrictions continuing to affect Programs in 2022 and fundraising income increasing, the % of expenditure on Programs for 2022 sits at 49.8% (50.6% 2021). As restrictions lift we will return to our target Program spend of 60%.

Despite restrictions we granted more Starlight Wishes in 2022 (507 v 376 in 2021), and finished the year with 779 children waiting for their Starlight Wish be granted, which equates to $5M or a further 13%.



- Starlight In-Hospital
- Wishgranting
- Livewire In-Hospital
- Livewire.org.au
- Healthier Futures Initiative
- Other

There are

779

children & young people waiting for their Starlight Wish to be granted

Donated Goods and Services

$2,291,897

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

This includes:

- Toys, games & art supplies from amazing partners like LEGO Australia, EB Games & Zing Pop Culture, Mattel and Spotlight for our Starlight Express Rooms & Livewire Programs
- Support for Starlight Wishes and Wish Week from Virgin Australia & Village Roadshow Theme Parks
- Volunteer Hours - remained significantly down due to ongoing COVID restrictions in hospitals

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

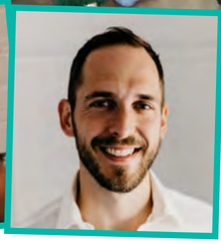
With thanks to Channel 7 Telethon Trust

We are incredibly appreciative to the Trustees of the Channel 7 Telethon Trust and all the wonderful Channel 7 Telethon Trust supporters. Starlight received a grant for our Captain Starlight Program at Perth Children's Hospital.

Our Workplace

- **331** Employees
- **133** Captain Starlights
- **48** Livewire Facilitators
- Average tenure for permanent team members **5.9 years**
- **34** New Captains in 2022
- **15** New Livewire team members

Congratulations to **Jono Kirkham** and **Linda Ferguson** who both were successful applicants/received a full scholarship to the **2023 McKinsey Executive Leadership Program.**



WOOHOO!

Everyone is a Leader

143 Opportunities for team members to develop leadership through formal training

- Basecamp
- MBA Residential Unit
- The Organisation Workshop
- Positive Leadership
- Leading a Mentally Healthy Workplace
- Managing for Team Wellbeing
- McKinsey Young Leaders Forum
- Leading Expectations & Accountability

New Workplace Initiatives

Supporting teams and individuals to Shine Brightly.

Best Self Leave*
Up to 3 days per year

Public Holiday Swap*
Up to 3 per year for cultural or personal reasons

Shine Brighter Together*
25 days per year

Calm Mindfulness App
For each team member and five of their loved ones.

Work Anywhere in the World*
20 days per year

Work in different Starlight Hubs*

*For permanent team members

Our NEW Stretch RAP

Endorsed by Reconciliation Australia and launched in National Reconciliation Week

Safeguarding Children & Young People

Safeguarding Children and Young People is our most important responsibility to ensure we continue to provide a safe, caring and nurturing 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

Our Team

Our goal is for **Starlight** to be the most **inclusive workplace** in Australia

Strategic Pillars

Diversity and representation

We have a diverse team that reflects and celebrates both the families we work with and Australia more broadly

Inclusive ways of working

We have a consciously inclusive culture where all our people feel valued and that they belong

> **"91% of the Starlight team say they can be their true selves at Starlight"**
>
> Great Places to Work 2020

Starlight's Health Professionals Advisory Board

In 2020 we established a Health Professionals Advisory Board to contribute specialist knowledge to support us to brighten the lives of seriously ill and hospitalised children and young people.

The Advisory Board:

- Advises Starlight on evolving opportunities and challenges around children's health care.
- Provides guidance and feedback on program strategies, plans and policies.
- Facilitates introductions and support relationships to assist program delivery and expansion.

Health Professionals Advisory Board Members:

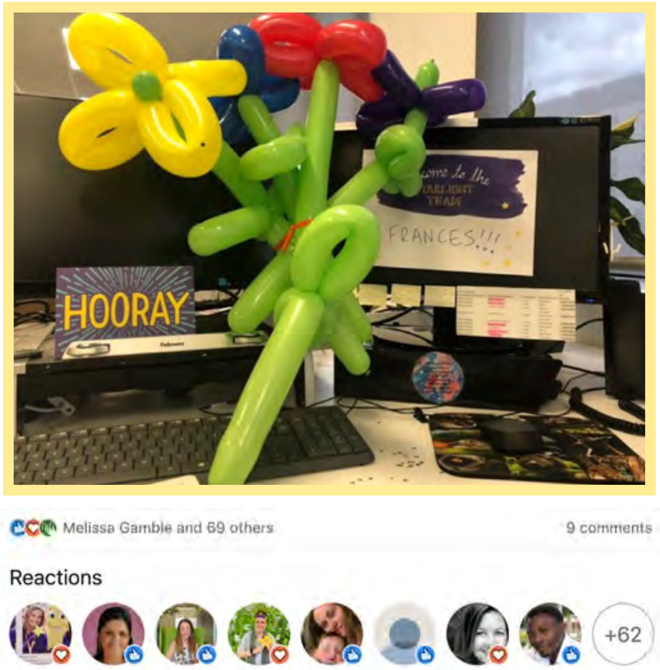
- Emeritus Professor Les White AM (President) DSc MBBS FRACP MHA AFACHSM
- Professor Michael Brydon OAM
- Sara Burrett
- Professor Trish Davidson PHD, MED, RN
- Dr Josh Francis BAppSc (MedSc), MBBS, FRACP
- Mr Clinton Griffiths BN PostBasPaedNsg DipBusFrontMan
- Professor Harriet Hiscock MB BS, FRACP, MD
- Dr Matt O'Meara MB BS, FRACP
- 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

Also joining our meetings are Starlight National Board Directors, Professor Tracey O'Brien FRACP, MBChB, MBA, LLM (Health), BSc and Frank Tracey, Health Service Chief Executive, Children's Health Queensland Hospital and Health Service.

Our Team

Frances Palfi
Wish Experience Coordinator

3 Years on and still can't believe I landed my dream job working alongside some of the cleverest, kindest people. Covid has affected so many, especially sick children and their families yet we've been able to grant 100s of wishes through it all. I've learnt the ins and outs of Wheelchairs on planes and medical equipment, hoists, accessible vehicles, cubby houses, super hero's and animal experiences at theme parks. To end each day knowing we have worked towards granting a wish for a child and their family is still so rewarding and motivating what a dream! ❤️🟣💫



Jesse Butler
NT Program Manager

I'm originally from South Australia and now reside in Darwin, NT. I'm an Arrente person and Adelaide will always be home, but I love living in different places. I moved to the top end from Melbourne in May 2021 to take over as Program Manager of Starlight in the NT.

My background is in the Arts. I trained at Adelaide College of the Arts as an Actor and graduated in 2009. I worked in the industry for over 10 years as an actor/writer/director and a bit in-between including living, working and travelling in Europe for 18 months.

I worked as a Captain Starlight for nearly five years at Monash Children's Hospital in Melbourne. I became one of the first Captain Coaches, which saw me coach team members in all aspects of the role, including performance skills. I then had the opportunity to take up a role in Darwin.

Moving from a performer to a Manager of the Captain Starlight program has been a challenge so far, especially when it comes to life in an office. However, managing the Captains in Darwin and remotely in Alice Springs has been amazing!

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.

Courtenay Smith

Chair of Audit & Risk Committee / 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 Green Building Council of Australia Board and Audit & Risk Committee, a member of the NSW Cricket Association Board and Audit & Risk Committee, and a member of Chief Executive Women (CEW).

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

Reg Weine

Chair of Remuneration & 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), Chairman of The Pastoral Pork Company, Chairman of Apple & Pear Australia Limited (APAL) and Non-Executive Director of Bub's (ASX:BUB).

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

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 and 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.

Lucinda Gemmell

Non-Executive Director

Lucinda Gemmell joined the Board in 2019 and is a member of the Remuneration & 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 25 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.

Katrina Rathie FAICD

Non-Executive Director

Katrina is an independent Non-Executive Director and mother of three sons. She has been a Starlight Board member since 2011 and serves on Starlight's Nominations & Remuneration Committee. She is Chair of Bubs Australia Limited (ASX:BUB), a Non-Executive Director of Special Broadcasting Service (SBS) and New South Wales Rugby Union/Waratahs Rugby. She had a distinguished 35 year legal career at global law firm King & Wood Mallesons, most recently as Partner in Charge, Sydney.

Katrina is a member of Chief Executive Women and a Fellow of the Australian Institute of Company Directors. Katrina was named the Winner of the Board & Management category in the prestigious AFR 100 Women of Influence Awards in 2019.

Katrina is a popular public speaker, an advocate for diversity and inclusion and serves on the Advisory Board of Media Diversity Australia and is NSW Patron of the Asian Australian Lawyers Association. She holds a Bachelor of Commerce/Law degree from UNSW Sydney.

Professor Tracey O'Brien

Non-Executive Director

Professor Tracey O'Brien joined the Board in 2019. Tracey is the NSW Chief Cancer Officer and CEO of Cancer Institute NSW.

An internationally respected clinician-researcher, Tracey is a paediatric cancer specialist with over 20 years of working in public hospitals to improve outcomes for children, adolescents and young people with cancer.

Tracey is a strategic, collaborative, and inclusive leader with numerous high-profile leadership positions in cancer control, research and policy. Prior to her appointment as the NSW Chief Cancer Officer in 2022, Tracey was the Director of the Kids Cancer Centre at Sydney Children's Hospital and the Head of the Bone Marrow Transplant Program. Tracey is a conjoint Professor with the Discipline of Paediatrics, Faculty of Health & Medicine at UNSW. In addition to her medical training, Professor O'Brien has an MBA and Master of Law and has an Honorary Professorial appointment in the School of Computing, Faculty of Science and Engineering at Macquarie University.

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

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 and 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 has previously been Chair or a member of the Boards of several other not-for-profit organisations.

Annual Financial Report

Starlight Children's Foundation Australia

Financial Report for the year ended 31 December 2022

Directors' Report

The Directors submit their report for the twelve months ended 31 December 2022.

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 OAM RFD	Non-Executive Director (resigned 1 December 2022)
Ms Louise Baxter	Chief Executive, Executive Director
Ms Katrina Rathie	Non-Executive Director
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

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	6	5	4	3		
Mr Peter Butler OAM RFD	6	5	4	3		
Ms Louise Baxter	6	6	4	4	3	3
Ms Katrina Rathie	6	6			3	2
Mr Reg Weine	6	6			3	3
Professor Tracey O'Brien	6	4				
Ms Courtenay Smith	6	3	4	4		
Ms Lucinda Gemmell	6	5			3	3
Mr Frank Tracey	6	4				

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 surplus for the financial year was $3,433,372 (2021: deficit $970,440). Gross income for the financial year was $41,681,314 (2021: $37,036,455) which represents a year-on-year increase of 13%. Our continued investment in sustainable donor acquisition saw income from Shining Stars grow almost 15% in 2022. Growth was also strong across our other fundraising channels, such as events (up 44%), corporate partnerships (up 22%) and philanthropy (up 15%).

The total net surplus for the year was $2,557,279 (2021: deficit $324,254).

Total Program Spend

In 2022 total Program spend was $19,546,705 which is an increase of 7% on 2021, but this level of spend is still reflective of COVID restrictions remaining in place in hospitals for most of 2022. Program spend in 2022 includes $8,930 in relation to Starlight Express Room construction costs (2021: $97,390).

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 2022 the number of members was 9 (31 December 2021: 9)

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
2 May 2023

Statement of Income & Expenditure

Starlight Children's Foundation Australia
Statement of Income and Expenditure
For the year ended 31 December 2022

	Note	2022 $	2021 $
Income from Ordinary Activities			
Fundraising Income	4	41,681,314	36,908,806
Government Grants	4	-	127,649
Gross Income		41,681,314	37,036,455
Costs of Fundraising		(16,840,018)	(17,605,115)
Net Income		24,841,296	19,431,340
Expenditure			
Program Costs	5	(19,546,705)	(18,340,975)
Finance Costs	5	(72,972)	(51,062)
Loss on Joint Venture	5	-	(22,219)
Other Operating Costs		(1,788,247)	(1,987,524)
Total Expenditure		(21,407,924)	(20,401,780)
Net Operating Surplus/ (Deficit)		3,433,372	(970,440)
Other (Expense)/ Income	4	(876,093)	646,186
Total Net Surplus/ (Deficit)		2,557,279	(324,254)
Other Comprehensive Income		-	-
Total Comprehensive Income/ (Loss)		2,557,279	(324,254)

Statement of Financial Position

Starlight Children's Foundation Australia
Statement of Financial Position
As at 31 December 2022

	Note	2022 $	2021 $
Current Assets			
Cash and Cash Equivalents	7	8,138,859	7,807,347
Trade and Other Receivables	8	1,842,385	1,109,655
Investments	9	9,113,013	7,987,323
Total current assets		19,094,257	16,904,325
Non-Current Assets			
Property, Plant & Equipment	10	628,330	605,590
Right-of-use Assets	11	2,334,248	1,745,289
Intangible Assets	12	227,315	112,949
Total Non-Current Assets		3,189,893	2,463,828
Total Assets		22,284,150	19,368,153
Current Liabilities			
Trade and Other Payables	13	896,084	1,196,524
Lease Liabilities	11	668,726	448,214
Provisions	14	1,478,079	1,316,905
Total Current Liabilities		3,042,889	2,961,643
Non-Current Liabilities			
Lease Liabilities	11	1,871,073	1,471,015
Provisions	14	470,337	592,924
Total Non-Current Liabilities		2,341,410	2,063,939
Total Liabilities		5,384,299	5,025,582
Net Assets		16,899,850	14,342,571
Equity			
Retained Surplus		7,194,996	6,221,206
Endowment Reserve		9,543,913	8,061,080
Reserve for Tagged Funds		160,941	60,285
Total Equity		16,899,850	14,342,571

Statement of Changes in Equity

Starlight Children's Foundation Australia
Statement of Changes in Equity
As at 31 December 2022

	2022 $	2021 $
Retained Surplus		
Retained surplus at the start of the year	6,221,206	7,992,265
Surplus/(Deficit) for the year	2,557,279	(324,254)
Net transfer (to)/from endowment reserve	(1,482,833)	(1,919,947)
Net transfer (to)/from reserve for tagged funds	(100,656)	473,142
Retained Surplus at year end	7,194,996	6,221,206
Endowment Reserve		
Endowment reserve at the start of the year	8,061,080	6,141,133
Net transfer from/(to) retained surplus	1,482,833	1,919,947
Endowment Reserve at year end	9,543,913	8,061,080
Reserve for Tagged Funds		
Reserve for tagged funds at the start of the year	60,285	533,546
Net transfer from/(to) retained surplus	100,656	(473,261)
Reserve for Tagged Funds at year end	160,941	60,285

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 2022

	Note	2022 $	2021 $
Cash Flows from Operating Activities			
Receipts from customers, donors and grants		38,666,687	38,153,172
Payments to suppliers and employees		(35,202,026)	(35,463,309)
Interest received		-	5,080
Interest paid		(105,923)	(93,345)
Net cash flows (used in)/from operating activities		3,358,738	2,601,598
Cash Flows from Investing Activities			
Purchase of property, plant & equipment		(423,056)	(156,864)
Purchase of intangibles		(202,323)	(180,634)
Purchase of investments		(2,098,422)	(818,687)
Proceeds from sale of investments		255,980	-
Net cash flows (used in)/ from investing activities		(2,467,821)	(1,156,185)
Cash flows used in Financing Activities			
Payment of lease liabilities		(559,405)	(592,691)
Net cash flows (used in)/ from financing activities		(559,405)	(592,691)
Net increase in cash held		331,512	852,722
Cash and cash equivalents at the beginning of the year		7,807,347	6,954,625
Cash and cash equivalents at year end	7	8,138,859	7,807,347

Notes to the Financial Statements

Starlight Children's Foundation Australia
Notes to the Financial Statements
For the year ended 31 December 2022

1. Corporate Information

The Financial Report of Starlight Children's Foundation Australia ("Starlight") for the year ended 31 December 2022 was adopted at a meeting of the directors on 2 May 2023.

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 financial report has been prepared in accordance with the requirements of the Australian Charities and Not-for-Profits Commission Act 2012, Australian Accounting Standards - Simplified 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. Starlight has adopted AASB 1060 General Purpose Financial Statements – Simplified Disclosures for Not-for-Profit Tier 2 Entities. Other than the change in disclosure requirements, the adoption of AASB 1060 has no significant impact on the consolidated financial statements because Starlight previous financial statements complied with Australian Accounting Standards – Reduced Disclosure Requirements.

In the current year, Starlight has adopted all 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.

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.

2. Summary of Significant Accounting Policies (continued)

In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

(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) 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.

2. Summary of Significant Accounting Policies (continued)

(m) 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.

(n) 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.

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.

(o) 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.

Notes to the Financial Statements

2. Summary of Significant Accounting Policies (continued)

(p) 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.

(q) 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 2022. 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

	2022	2021
	$	$
***4** (a) Income from Ordinary Activities*		
Fundraising Income		
Fundraising income	39,389,417	34,165,739
Donated goods and services	2,291,897	2,743,067
Total Fundraising Income	41,681,314	36,908,806
Revenue from Contracts with Customers		
Government grants	-	127,649
Total Revenue from Contracts with Customers	-	127,649
Other Income		
Bank interest/ (expense)	-	5,080
Investment income	-	62
Net gain/(loss) on investments	(876,093)	637,444
Jobkeeper wage subsidy[1]	-	3,600
Total Other Income	(876,093)	646,186
Total Income from Ordinary Activities	40,805,221	37,682,641

[1] On 30 March 2021, the Federal Government announced the Jobkeeper program, a wage subsidy to help businesses keep staff employed during the COVID-19 pandemic. From 30 March 2021 to 31 December 2021, 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.

Notes to the Financial Statements

5. Expenses

Included in expenditure are the following items:

	2022 $	2021 $
(a) Employee benefits expense:		
Salaries and employee benefits	15,624,973	15,150,908
Superannuation contributions	1,549,054	1,228,305
Total employee benefits	17,174,027	16,379,213
(b) Finance costs		
Bank Charges	25,837	19,232
Investment fees	47,135	31,830
Total finance costs	72,972	51,062
(c) Donated goods and services utilised in:		
Programs	2,291,897	2,743,067
Total donated goods and services	2,291,897	2,743,067
(d) Loss on share of joint venture		
Loss on share of joint venture	-	22,219
Total loss on share of joint venture	-	22,219
(e) Program costs		
Gross income for the year	40,805,221	37,679,041
Transfer (to)/from Endowment reserve	(1,482,833)	(1,919,947)
Transfer (to)/from Tagged Funds	(100,656)	473,142
Core income utilised during the year	39,221,732	36,232,236
Program costs	19,546,705	18,340,975
% of income spent on programs	49.8%	50.6%

Notes to the Financial Statements

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.

	2022 $	2021 $
7. Cash and cash equivalents		
Cash at bank and on hand	3,382,538	2,782,947
Cash term deposits & credit securities	4,756,321	5,024,400
Total cash and cash equivalents	8,138,859	7,807,347
8. Trade and Other Receivables		
Trade debtors	1,187,224	517,172
Other debtors and prepayments	500,141	387,093
ATO receivable	155,020	205,390
Total trade and other receivables	1,842,385	1,109,655
9. Investments		
Listed credit securities	3,870,989	2,010,995
Listed real assets	1,118,821	1,195,050
Listed equities	3,565,507	4,220,161
Other	557,696	561,117
Total investments	9,113,013	7,987,323

Notes to the Financial Statements

	Cost $	Depreciation $	WDV $
10. Property, Plant and Equipment			
Leasehold improvements			
At start of the year	748,767	(487,226)	**261,541**
Additions (at cost)	-	-	-
Disposals (at cost)	-	-	-
Depreciation for the year	-	(97,044)	(97,044)
At end of the year	748,767	(584,270)	**164,497**
Office furniture and equipment			
At start of the year	605,584	(528,104)	**77,480**
Additions (at cost)	33,064	-	33,064
Disposals (at cost)	(31,516)	31,516	-
Depreciation for the year	-	(49,489)	(49,489)
At end of the year	607,132	(546,077)	**61,055**
Hospital furniture and equipment			
At start of the year	1,201,134	(934,947)	**266,187**
Additions (at cost)	389,993	-	389,993
Disposals (at cost)	(8,563)	8,563	-
Depreciation for the year	-	(253,402)	(253,402)
At end of the year	1,582,564	(1,179,785)	**402,778**
Starlight Express Vans			
At start of the year	116,068	(115,686)	**382**
Additions (at cost)	-	-	-
Disposals (at cost)	(116,068)	116.068	-
Depreciation for the year	-	(382)	(382)
At end of the year	-	-	**-**
At start of the year	**2,671,553**	**(2,065,963)**	**605,590**
Additions (at cost)	423,056	-	423,056
Disposals (at cost)	(156,148)	156,148	-
Depreciation for the year	-	(400,317)	(400,317)
Total property, plant and equipment	2,938,462	(2,310,132)	628,330

Notes to the Financial Statements

11. 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 2022	1,617,216	128,073	1,745,289
Additions (at cost)	1,179,976	-	1,179,976
Depreciation charge for the year	(542,840)	(48,177)	(591,017)
Balance at 31 December 2022	**2,254,352**	**79,896**	**2,334,248**

(b) Lease Liabilities

	2022 $	2021 $
Balance at 1 January 2022	1,919,229	2,399,900
Additions	1,179,976	86,870
Accretion of interest	105,111	93,345
Payments	(664,517)	(660,886)
Balance at 31 December 2022	2,539,799	1,919,229
Current	668,726	448,214
Non-Current	1,871,073	1,471,015
	2,539,799	1,919,229

Notes to the Financial Statements

Presented below is a maturity analysis of future lease payments:

	2022 $	2021 $
Not later than 1 year	668,726	448,214
Later than 1 year and not later than 5 years	1,871,073	1,471,015
Later than 5 years	-	-
	2,539,799	1,919,229

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

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

	2022 $	2021 $
Depreciation charge on right-of-use assets		
Property	542,840	540,829
Equipment	48,176	49,402
	591,016	590,231
Interest expense	105,111	93,345
Expense relating to short-terms leases	-	25,148

The total cash outflow for leases in 2022 was $665,329 (2021: $686,035). Starlight also had non-cash additions to the lease liabilities of $1,179,976 in 2022 ($86,870 in 2021).

12. Intangible assets

Software and systems	Cost $	Amortisation $	WDV $
At the start of the year	157,498	(44,549)	112,949
Additions (at cost)	202,323	-	202,323
Disposals (at cost)	-	-	-
Amortisation for the year	-	(87,957)	(87,957)
Total intangible assets at the end of the year	359,821	(132,506)	227,315

Notes to the Financial Statements

	2022 $	2021 $
13. Payables		
Current		
Trade and other creditors	560,110	905,055
Accrued wages, salaries & on-costs	335,975	291,469
Total current payables	896,084	1,196,524

	2022 $	2021 $
14. Provisions		
Current		
Employee benefits	1,478,079	1,316,905
Non-current		
Make good provision	149,841	176,000
Employee benefits	320,496	416,924
	470,337	592,924

	Employee Provisions	Make Good Provision	Total
At 1 January 2022	1,733,829	176,000	1,909,829
Arising during the year	1,257,791	-	1,257,791
Utilised during the year	(1,193,045)	(26,159)	(1,219,204)
At 31 December 2022	1,798,575	149,841	1,948,416

Notes to the Financial Statements

Make Good Provision

A provision to restore lease premises to the original condition at the end of the lease term. It is expected that these costs will not be incurred until the expiration of the lease agreements.

Employee Provisions

The present value 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	2.4%	1.7%
Settlement term (years)	1 – 10	1 – 10
Discount rate	2.93-4.42%	0.62 – 3.11%

	2022	2021
Number of employees		
Number of employees at year end		
Permanent	216	211
Casual	93	88
Contractor	22	19
Total	331	318
Full-time equivalent	214	196

15. Commitments and Contingencies

Annual software licence commitments

Other future payments under contracts due:

	2022 $	2021 $
Not later than one year	-	38,954
Later than one but not later than 5 years	-	-
	-	38,954

Contingent liabilities

At as 31 December 2022, Starlight had no contingent liabilities (2021: $Nil).

16. 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 & Executive Director
- 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 & Company Secretary

Notes to the Financial Statements

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

	2022 $	2021 $
Short-term employee benefits	1,288,357	1,210,430
Post-employment benefits (including salary sacrifice)	126,775	113,224
Total compensation (2022:5, 2021:5)	1,415,132	1,323,654

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.

17. Related Party Disclosures

Transactions with related parties

Donations

During the year Starlight received:

- $2,728 (2021: $51,810) worth of pro bono support from Herbert Smith Freehills. Mr P. Butler, a Director, is Senior Partner, Litigation, with Herbert Smith Freehills.
- $10,356 (2021: $16,226) worth of pro bono support from King & Wood Mallesons. Mrs K. Rathie, a Director, was Partner in Charge, Sydney, King & Wood Mallesons until March 2022.

Investments

During the year, Starlight provided $37,500 to Rainbow Fields Limited (2021: $250,000) to fund working capital. Louise Baxter, a Director, is a Director of Rainbow Fields Limited, an entity in which Starlight Children's Foundation has significant influence.

Notes to the Financial Statements

18. Auditors Remuneration

The auditor of Starlight Children's Foundation is Ernst & Young Australia

	2022 $	2021 $
Fees to Ernst & Young Australia		
For the audit of the statutory financial report	48,850	42,500
Total auditor's remuneration	48,850	42,500

19. 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

20. 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.

	2022 $	2021 $
Fundraising income		
Individual giving	14,557,755	12,800,959
Philanthropy and bequests	6,981,934	6,064,959
Corporate support	7,089,342	5,441,221
Event fundraising	4,424,939	3,630,611
Community fundraising	6,335,447	6,227,989
Donated goods & services	2,291,897	2,743,067
Total fundraising income	41,681,314	36,908,806
Fundraising costs		
Individual giving	7,302,251	8,728,509
Philanthropy and bequests	23,665	16,717
Corporate support	307,066	29,816
Event fundraising	387,403	428,112
Community fundraising	1,433,845	880,945
General costs and credit card charges	269,703	390,672
Staff costs	4,352,411	4,105,704
Direct fundraising costs	14,076,344	14,580,475
Indirect costs	1,643,905	2,010,156
Marketing & communications	1,119,769	1,014,484
Total fundraising costs	16,840,018	17,605,115
Net fundraising income	24,841,296	19,303,691
Government Grants	-	127,649
Non-operating income	(876,093)	646,186
Net Income	23,965,203	20,077,526

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 2022 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 2022 and of its performance for the year ended on that date.

  (ii) Complying with Australian Accounting Standards – Simplified Disclosures (including the Australian Accounting Interpretations and the Australian Charities and Not-for-Profit Commission Regulations 2022.

(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
2 May 2023

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 2022;

(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 2022;

(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 2022 to 31 December 2022; 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
2 May 2023

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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 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 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 2022 and of its financial performance for the year ended on that date; and

b. Complying with Australian Accounting Standards – Simplified Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Regulation 2022*.

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.

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 – Simplified 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.

Building a better working world

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 Regulation 2021* 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 Regulation 2021* 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 Regulation(s) 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 Company has been properly drawn up and associated records have been properly kept during the financial year ended 31 December 2022, in all material respects, in accordance with:

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

   ii. Sections 14(2) and 17 of the *NSW Charitable Fundraising Regulation 2021*;

   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 2022 has been properly accounted for and applied, in all material respects, in accordance with the above-mentioned Act(s) and Regulation(s).

Ernst & Young

Anton Ivanyi
Partner
Sydney
2 May 2023

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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 2022, 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:

a. No contraventions of the auditor independence requirements of any applicable code of professional conduct; and

b. No non-audit services provided that contravene any applicable code of professional conduct.

Ernst & Young

Anton Ivanyi
Partner
2 May 2022