



## **2019 Annual Report**

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Hard copies of this report are available on request to the PA Research Foundation.



### **Interpreter Services**

If you have difficulty in understanding this report, please contact the PA Research Foundation on 07 3176 7301 and we will arrange to have it translated.

Open Data – No expenditure on overseas travel and implementation of the Queensland Language Services Policy was incurred during 2018-19. Information relating to consultancies has been published on the Queensland Government Open Data website ([qld.gov.au/data](http://qld.gov.au/data)).

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Content from this annual report should be attributed as:  
PA Research Foundation annual report 2018 –2019.

# Table of Contents

Glossary	4
Letter of Compliance	5
Chairman's report	6
Agency role and main function	7
Non-financial performance	9
Financial performance	11
Governance	12
Compliance Checklist	17
Audited Financial Statements	19
Independent Auditors Report	Section 2 - 24

# Glossary

<b>Term</b>	<b>Definition</b>
Foundation	PA Research Foundation
PARF	PA Research Foundation
Vision	Statement by the Foundation as to how it wishes to be perceived by clients, stakeholders and the community
Mission	The statement that drives us to achieve the vision
Strategic Objective	Agreed main theme to inform all action: from Board to operational levels
Strategic Goal	Specific metric for achievement
Key Performance Indicator (KPI)	Specific metric for achievement of target
PA Hospital, PAH	Princess Alexandra Hospital
NHMRC	National Health and Medical Research Council
ARC	Australian Research Council
CEO	Chief Executive Officer

# Letter of Compliance



4 September 2019

The Honourable Steven Miles MP  
Minister for Health and Minister for Ambulance Services  
GPO Box 48  
BRISBANE QLD 4001

Dear Minister Miles

I am pleased to present the Annual Report 2018-2019 and financial statements for the PA Research Foundation.

I certify that this Annual Report complies with:

- the prescribed requirements of the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2019*, and
- the detailed requirements set out in the *Annual report requirements for Queensland Government agencies*.

A checklist outlining the annual reporting requirements can be found on pages 17 and 18 of this annual report.

Yours sincerely

A handwritten signature in black ink that reads 'Robert Bowen'.

Robert Bowen AO  
Chairman

# General information

## CHAIRMANS REPORT

Raising funds for ground-breaking medical research has been the key focus of the PA Research Foundation since its establishment over 30 years ago. Our support provides seed funding for projects and people who are building their research careers and gap funding to ensure significant projects can continue.

Over the past three years the Foundation has provided over \$6 million in funding for research and other activities at the PA. Our grants support has increased from \$700,000 in 2017 to \$1 million for ten clinically lead collaborative projects.

Our significant surplus as at 30 June 2019 will enable us to make over \$2 million available to invest in research at the PA Hospital from January 2020.

I am excited to say the Foundation's investment in donor acquisition has now resulted in over 10,000 new donors and more than 1,000 regular monthly donors. To each of our donors, thank you for your continued contribution to the great work and achievements of our research community. To our growing team of corporate partners and sponsors, thank you on behalf of the Foundation for your participation in our community fundraising activities.

In conclusion, I would like to thank our dedicated staff in the Foundation office and my fellow Board members for their time, dedication and guidance throughout the year.

With your support, I look forward to continuing to facilitate life-saving health and medical research and improvement in the health of our community.



Robert Bowen  
Chairman

## Agency role and main functions

<b>Vision</b>	Better health for all and a community free from disease
<b>Mission</b>	To build sustainable giving for the continuous funding of innovative and ground-breaking medical research discoveries. Accelerating new treatments, progressing patient care, preventing disease, saving lives and restoring quality of life for those battling chronic and debilitating disease.
<b>Objectives</b>	<ol style="list-style-type: none"><li>1. Fund innovative clinical, collaborative, translational projects</li><li>2. Direct funding based on donor wishes</li><li>3. Develop relationship and build support from PA Hospital community</li><li>4. Increase fundraising from national and international markets</li></ol>

The PA Research Foundation raises funds for ground-breaking, lifesaving research—to develop better diagnoses, treatments and preventions for some of Australia’s biggest health challenges. This research reduces human suffering and enhances quality of life; it reduces the burden on already stretched health care budgets and fosters Australian ingenuity and industry.

The Foundation was established in 1984 under the *Hospitals Foundations Act 1982*. Each year provides the Foundation with new opportunities to fund exceptional research projects proposed by the many talented and dedicated clinicians, scientists, nursing and allied health professionals on the Princess Alexandra Hospital campus.

Funds directly benefit the PA’s ground-breaking research projects in areas such as cervical cancer, prostate cancer, skin cancer, leukaemia, breast cancer, heart disease, immunology, kidney disease, diabetes, liver disease, transplantation and arthritis. All research funded by the Foundation goes through a rigorous selection process to ensure it is of genuine scientific merit and does not replicate any other research anywhere in the world. All funds raised therefore contribute to the highest calibre research, to tackle some of the most challenging health problems facing us as a nation.

Thanks to the donations of PA Hospital patients, staff, individuals, families, communities and businesses—millions of dollars have been raised—this research has improved the lives of literally millions of people around the world.

The PA Research Foundation would like to take this opportunity to thank the PA Hospital for their ongoing support and commitment to the Foundation. We look forward to working with you further in the future, as we continue to foster amazing medical discoveries.

## Operating environment

During the 2018- 2019 financial year the Foundation provided over \$2,500,000 in research and other support to the PA Hospital. This included the presentation of eleven \$100,000 awards for research projects under a new collaborative awards program.

Our aim is to provide research support that is an intrinsic part of our fundraising. Donors are demanding a more significant and active involvement in deciding on where their funds should be invested. An engaged donor is a life-long donor. The Foundation has the opportunity to bring ourselves and our donors closer to the research funding decisions and create significant promotional value through the process.

In order to fund health research that reflects and supports the Foundation's Vision, a newly created funding model is based on the two following principles.

### 1. DONOR DIRECTED APPROACH

The Foundation has a moral obligation to ensure that donor gifts are directed to the area of health research for which they are passionate. Donors want to fund the most innovative and ground-breaking research leading to improved patient care in preferred areas.

### 2. FUNDING OF INNOVATIVE AND GROUNDBREAKING RESEARCH

The PA Research Foundation has an impressive track record of supporting innovation and transformational research. We will continue to invest our funds in research that is innovative, novel and will give us the best opportunity of supporting the next big medical discovery or transformational health care project.

The collective quality of our clinicians, allied health practitioners and scientists is unrivalled. A capacity for innovative, translational research and transformational projects across the PA Campus has been well demonstrated. This is an opportunity for the Foundation to be the conduit between donors, innovative research and breakthrough health care projects.

Our current projects funded under our new program are listed below. A detailed summary is included as Appendix 1.

## 2019 Project Awards

- Improved Breast Cancer Prevention and Treatment
- Increasing the number of breast cancer therapeutic antibody possibilities, patient choices and success rates
- A multifaceted precision approach to high risk prostate cancer
- Queensland Bladder Cancer Initiative (QBCI)
- Ab BRAIN Project – Antibodies and the Brain: Recent Advances in Immunology informing Neuroscience
- Cancer Wellness Initiative
- Improving cardiovascular health outcomes in women undergoing irradiation for breast cancer
- Development of a novel drug to prevent skin cancer in solid organ transplant recipients
- Head and neck lymphoedema treatment: An examination and development of current standards of care
- Towards improving patient-important outcomes in haemodialysis
- Embracing digital disruption for more responsive care and fewer fall-injuries in hospitals.
- Establishment of a microbiome bank to enable new probiotic treatment possibilities



# Non-financial performance

## Advancing Queensland's Priorities

Through contributing to the achievement of the Advancing Queensland's Priorities, the Foundation is committed to realising the government's objectives for the community. The Government has five priorities:

- Creating jobs in a strong economy
- Give all our children a great start
- Keep Queenslanders healthy
- Keep communities safe
- Protect the Great Barrier Reef
- Be a responsive government

The Foundation's efforts contribute primarily to the priority to ***Keep Queenslanders healthy.***

PA Research Foundation's values reflect the Queensland public service five values—customers first, ideas into action, unleash potential, be courageous, and empower people.

A broad approach to funding research in clinical practice, allied health and basic science enables projects that influence health practice now and into the future. Recently funded projects demonstrate this commitment.

Through our newsletter and corporate fundraising campaigns, the Foundation provides health information to supporters in addition to promoting and garnering support for health and medical research.

## Agency objectives and performance indicators - 2018 – 2023 Strategy Map

The Foundation's current planning period is investing in further growth in individual giving whilst maintaining current corporate and community fundraising income levels with increased net returns. All strategic and operational planning will be captured in a strategy map and balanced scorecard.

PA Research Foundation 2018 – 2023 Strategy Map (Draft)			
<b>Mission</b>	To build sustainable giving for the continuous funding of innovative, clinically lead medical research discoveries. Accelerating new treatments, progressing patient care, preventing disease, saving lives and restoring quality of life for those battling chronic and debilitating disease.		
<b>Impact</b>	Increase % of net revenue dedicated to outcomes <i>\$4mill to impact by 2023</i>		
	Fund innovative, clinically led, collaborative health and medical research <i>Increase the number of annual awards to 15 by 2023 Work closer with Centres for Health Research from 2019</i>	Fund patient support programs <i>Increase beneficiary event income by 20% each year Provide increased opportunities for patient giving</i>	
	Support staff training and education <i>Measure staff education and training supported by PARF Increase income from training seminars by 10% each year</i>		
<b>Customer and Culture</b>	Increase supporters and appreciate them at every opportunity <i>6,000 regular givers by June 2023 7,500 donors give &gt;twice per year Bequest and Major Gift programs established by June 2019</i>	Be the Centre of a PA Community <i>30,000 new patients per year consent to PARF information by June 2023 PAH Staff surveyed on PARF awareness from 2019</i>	
	<b>Financial Perspective</b>		<b>Internal Operations</b>
Increase net income <i>\$4million net income by June 2023</i>		Leverage Assets <i>Establish investment policy by June 2019 Commence structured investments by 2020</i>	
<b>Internal Operations</b>		<b>Learning and Growth</b>	
Consistent internal and external communication <i>Review and refresh brand from July 2018 Consolidate social media by June 2019</i>		Benchmark and innovate <i>Benchmark activities against industry from 2019</i>	
<b>Learning and Growth</b>		<b>People and Structure</b> <i>Link staff KPI's with Orgs from July 2019 Improve board effectiveness &amp; processes</i>	<b>Technology and Knowledge</b> <i>Review donor database - June 2019</i>
		<b>Financial Literacy</b> <i>All Managers create monitor and report against budgets</i>	

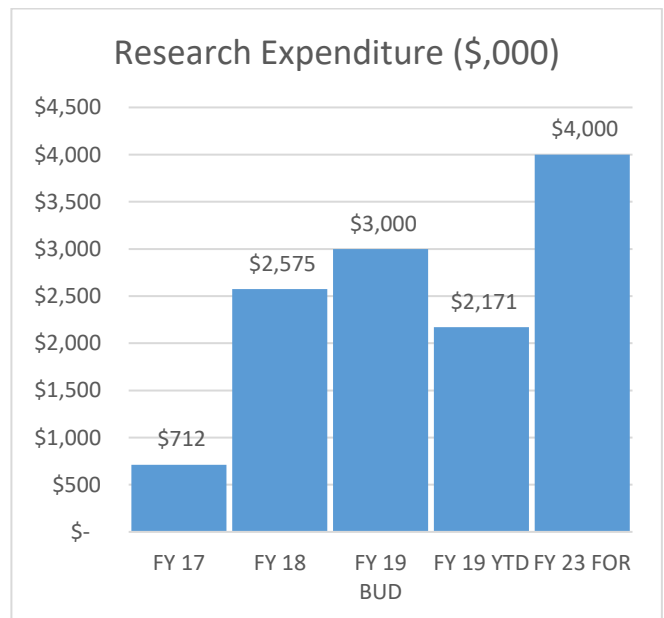
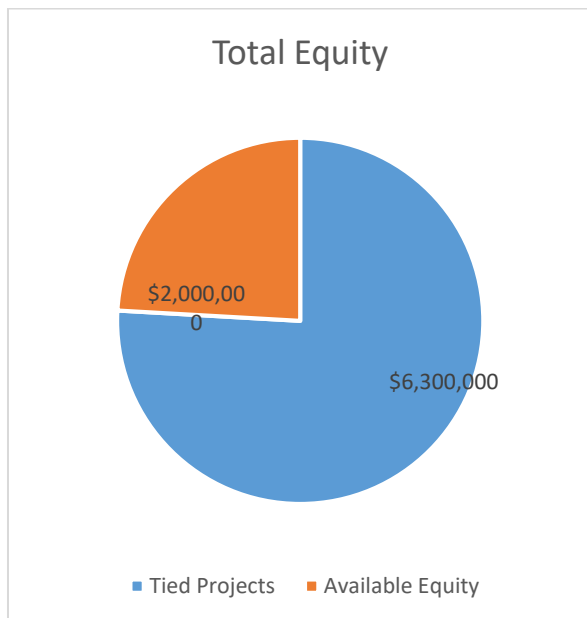
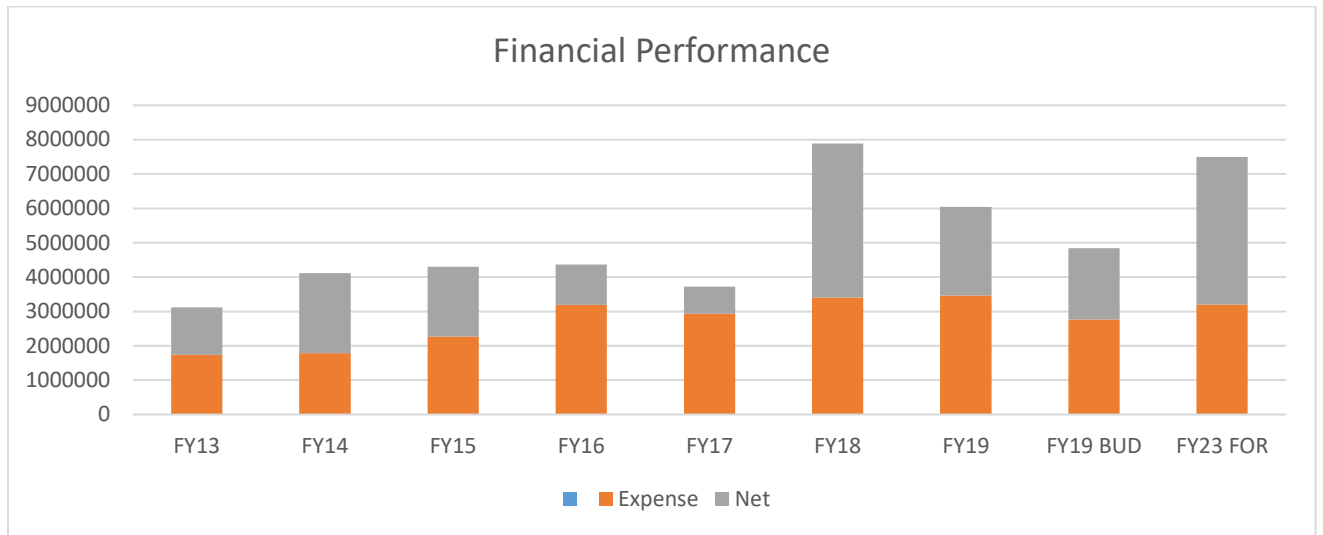
## Update on achievement of strategic target areas

<p><b>Impact</b></p> <ul style="list-style-type: none"> <li>90% of net revenue invested in research, patient support and staff education in Financial year 2019</li> <li>10 Research Awards will be made in 2020</li> </ul>	
<p><b>Customer and Culture</b></p> <ul style="list-style-type: none"> <li>Over 8,000 multi-year donors</li> <li>Over 1,000 regular givers</li> <li>Currently 2,000 patient consents per month</li> <li>First PA Giving day will be in September 2019</li> <li>Bequest and major gift manager engaged</li> </ul>	<p><b>Financial Perspective</b></p> <ul style="list-style-type: none"> <li>Net income \$2,450,000 this financial year</li> </ul>
<p><b>Internal Perspective</b></p> <ul style="list-style-type: none"> <li>Foundation branding reviewed and refreshed</li> <li>New social media plan implemented</li> <li>Benchmarking performed by Pereto fundraising</li> </ul>	<p><b>Learning and Growth</b></p> <ul style="list-style-type: none"> <li>Board governance review commenced 2019</li> <li>Donor database has been reviewed and proposals sort for new provider</li> <li>Each Executive Manager has budget and reporting responsibility</li> </ul>

# Financial performance

The 2018-19 Financial Year continued the Foundation's systematic fundraising growth. With a gross income of \$6.1 million and an operating surplus (excluding research expenditure) of almost \$2.5 million.

This result was a combination of significant income from bequests and major gifts and increased networking and support of PAH departments and activities. Our investment in regular giving will grow exponentially over the next five years with a predicted income in the fifth year of \$2.5 million from 10,000 donors.



# Governance – management and structure



## Foundation Staff

Damian Topp	Chief Executive Officer
Sarina Di Sano	Administration Manager
Kerstin Petrick	Accounts Manager
Alex Gregg	Executive Manager – Marketing and Partnerships
Lauren Tot	Community Fundraising Manager
Simone Owens	Executive Manager – Individual Giving
Michelle M	Fundraising Administrator
Imogen Bennetts	Administration Assistant
Luke Cridland	Community Fundraising Coordinator
Meredith Barker	Communication Coordinator
Alex McLarney	Fundraising Coordinator
Sandra McInnis	Administration Officer
Ellen Dan	Fundraising Coordinator
Jasmine Tawa	Administration Assistant

## Executive management

The Board delegates responsibility for implementing strategies approved by the Board and day-to-day management to the Chief Executive Officer, who in turn is accountable to the Board.

Board members serve in an honorary capacity and therefore do not receive any remuneration. This applies to all costs. Board members contribute their time, skills, travel costs and all additional attendance at sub-committees and relevant Foundation functions. The Board sets the Foundation's organisational strategic direction in consultation with the CEO. The Foundation has a five-year strategy with one goal, that by 2023 we will be distributing \$4 million per annum to competitive health and medical research and patient support at the PA Hospital.

## Board of Directors

Name	Position	Appointed Until
Mr Robert Bowen AO	Chair	September 2020
Prof. Ruth McPhail	Deputy Chair	August 2020
Mr Paul Venus		Statutory Appointment
Prof. Stephen Lynch AC		August 2021
Dr Michael Cleary		August 2020
Ms Dyls Bertelsen		August 2020
Ms Theresa Moltoni AM		August 2020
Mr Derrick Vickers		August 2021

Honorary Solicitor: Mr Michael Back

Board Secretary: Ms Sarina Di Sano

The PA Research Foundation is a statutory body incorporated under the *Hospitals Foundations Act 1982* (QLD). As a statutory body the Foundation is subject to the provisions of the *Financial Accountability Act 2009* (QLD). The Foundation is audited annually by external auditors representing the Queensland Audit Office and the Auditor General. The Foundation is endorsed by the Australian Taxation Office as an Income Tax Exempt Charity (ITEC) and is a Deductible Gift Recipient (DGR) under the *Income Tax Assessment Act 1997* (Cth). It is endorsed for GST concessions under *A New Tax System (Goods and Services Tax) Act 1999* (Cth) and it is exempted under the *Fringe Benefits Tax Assessment Act 1986* (Cth).

## The Role of the Board

The Board and management have been entrusted with the responsibility of ensuring that monies provided by donors, sponsors and the general public are effectively and efficiently managed. Board members serve in a voluntary capacity and therefore receive no fees for their services on the Board or Committees. Board meetings are held six (6) times per year.

## Sub-committees

### Finance and Risk Committee

This committee meets two (2) weeks prior to each board meeting. The objectives of the committee are:

- Ensuring that the foundation operates to an agreed budget and that all liabilities and financial commitments are brought to account in the relevant year
- Monitor the status of investments
- Ensure there is an adequate internal control system to promote operational efficiency and to minimise financial risk
- Monitor the balance sheet and profit and loss statements quarterly and report to the Board

### Strategy and Engagement Committee

This new committee meets six (6) times per year to develop new opportunities and provide access to networks that will grow the Foundation's recognition and income. In addition this committee will be responsible for board member evaluation and recruitment.

### Research Committee

This committee meets prior to the annual call for research grant applications to develop the criteria and categories for the PA Research Support Scheme. It is then convened at regular intervals to assess and recommend grant recipients to the board.

## **Public Sector Ethics Act 1994**

PARF is committed to promoting and adhering to the guiding principles outlined in the Code of Conduct for the Queensland Public Service. The Foundation's board has elected to adopt the *Public Sector Ethics Act 1994* and Code of Conduct and advised the Minister.

## **Queensland public service values**

PARF has a strong set of values that we adhere to. These are aligned with the five core values of the Queensland Public Service which are:

### **Customers first**

*Knowing our customers, delivery on what matters and making decisions with empathy*

### **Ideas into action**

*Challenging the norm; encouraging and embracing new ideas and working across all boundaries*

### **Unleash potential**

*Expect Greatness; lead and set clear expectations and seek and act on Feedback*

### **Be courageous**

*Own your actions and mistakes; take calculated risks and act with transparency*

### **Empower people**

*Lead and trust; play to everyone's strengths and develop yourself and those around you.*

# Governance – risk management and accountability

## Risk management

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

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

## Audit committee

Any reported audit findings and recommendations are given priority and acted on in a timely manner by the Foundation. All audit findings and any resulting actions are reported to The Foundation Board.

## Internal audit

Should an internal audit be requested by the board a committee is convened comprising the Chairman and at least 2 other board members. For the 2019 financial year no internal audits were conducted.

## External scrutiny

An external audit was conducted by a designate of the Queensland Audit Office (QAO). The independent audit on the financial report is included in this document.

## Information systems and recordkeeping

The Foundation complies with the provisions of the *Public Records Act 2002*, Information Standard 40: Record Keeping, Information Standard 31: Retention and Disposal of Public Records.

The Executive Assistant is responsible for the Foundation records management function including inducting and training Foundation staff on requirements of compliance.

# Governance – human resources

## Workforce planning

At the conclusion of the 2019 financial year the Foundation had 13.2 Full Time Equivalent (FTE) employees. The retention rate for the Foundation is 100 percent.

The Foundation invests time in ensuring all employees participate in performance development as part of their KPI's. Annual reviews are held with each employee that identify performance and development gaps and celebrate successes.

Assistance is provided to all employees to provide flexibility for return to work either after maternity/paternity leave or injury. Senior staff participate in planning and development meetings with the CEO on a monthly basis to develop their skills for future leadership.

All employees are engaged through individual agreements that represent conditions either in line with or greater than current industrial relations minimums.

Succession planning is in place with investments made in transitioning the Fundraising and Marketing Director to a Chief Operating Officer position with increased responsibilities for planning and strategy in preparation for a Chief Executive Officer role.

## Early retirement, redundancy and retrenchment

During the financial year there were no early retirements, redundancies or retrenchments.

## Open data

No expenditure on overseas travel and implementation of the Queensland Language Services Policy was incurred during 2017-18. Information relating to consultancies has been published on the Queensland Government Open Data website ([qld.gov.au/data](http://qld.gov.au/data)).



# Compliance Checklist

Summary of requirement		Basis for requirement	Annual report reference
Letter of compliance	<ul style="list-style-type: none"> <li>A letter of compliance from the accountable officer or statutory body to the relevant Minister/s</li> </ul>	ARRs – section 7	5
Accessibility	<ul style="list-style-type: none"> <li>Table of contents</li> <li>Glossary</li> </ul>	ARRs – section 9.1	3,4
	<ul style="list-style-type: none"> <li>Public availability</li> </ul>	ARRs – section 9.2	2
	<ul style="list-style-type: none"> <li>Interpreter service statement</li> </ul>	Queensland Government Language Services Policy ARRs – section 9.3	2
	<ul style="list-style-type: none"> <li>Copyright notice</li> </ul>	Copyright Act 1968 ARRs – section 9.4	2
	<ul style="list-style-type: none"> <li>Information Licensing</li> </ul>	QGEA – Information Licensing ARRs – section 9.5	2
General information	<ul style="list-style-type: none"> <li>Introductory Information</li> </ul>	ARRs – section 10.1	6
	<ul style="list-style-type: none"> <li>Machinery of Government changes</li> </ul>	ARRs – section 31 and 32	(if applicable)
	<ul style="list-style-type: none"> <li>Agency role and main functions</li> </ul>	ARRs – section 10.2	7
	<ul style="list-style-type: none"> <li>Operating environment</li> </ul>	ARRs – section 10.3	8
Non-financial performance	<ul style="list-style-type: none"> <li>Government’s objectives for the community</li> </ul>	ARRs – section 11.1	9
	<ul style="list-style-type: none"> <li>Other whole-of-government plans / specific initiatives</li> </ul>	ARRs – section 11.2	9
	<ul style="list-style-type: none"> <li>Agency objectives and performance indicators</li> </ul>	ARRs – section 11.3	9
	<ul style="list-style-type: none"> <li>Agency service areas and service standards</li> </ul>	ARRs – section 11.4	N/A
Financial performance	<ul style="list-style-type: none"> <li>Summary of financial performance</li> </ul>	ARRs – section 12.1	11
Governance – management and structure	<ul style="list-style-type: none"> <li>Organisational structure</li> </ul>	ARRs – section 13.1	12
	<ul style="list-style-type: none"> <li>Executive management</li> </ul>	ARRs – section 13.2	13
	<ul style="list-style-type: none"> <li>Government bodies (statutory bodies and other entities)</li> </ul>	ARRs – section 13.3	
	<ul style="list-style-type: none"> <li>Public Sector Ethics Act 1994</li> </ul>	Public Sector Ethics Act 1994 ARRs – section 13.4	14
	<ul style="list-style-type: none"> <li>Queensland public service values</li> </ul>	ARRs – section 13.5	14
Governance – risk management and accountability	<ul style="list-style-type: none"> <li>Risk management</li> </ul>	ARRs – section 14.1	15
	<ul style="list-style-type: none"> <li>Audit committee</li> </ul>	ARRs – section 14.2	15
	<ul style="list-style-type: none"> <li>Internal audit</li> </ul>	ARRs – section 14.3	15
	<ul style="list-style-type: none"> <li>External scrutiny</li> </ul>	ARRs – section 14.4	15
	<ul style="list-style-type: none"> <li>Information systems and recordkeeping</li> </ul>	ARRs – section 14.5	15

Summary of requirement		Basis for requirement	Annual report reference
Governance – human resources	• Strategic workforce planning and performance	ARRs – section 15.1	16
	• Early retirement, redundancy and retrenchment	Directive 16/16 <i>Early Retirement, Redundancy and Retrenchment</i> Directive 04/18 <i>Early Retirement, Redundancy and Retrenchment</i> ARRs – section 15.2	16
Open Data	• Statement advising publication of information	ARRs – section 16	16
	• Consultancies	ARRs – section 33.1	<a href="https://data.qld.gov.au">https://data.qld.gov.au</a>
	• Overseas travel	ARRs – section 33.2	<a href="https://data.qld.gov.au">https://data.qld.gov.au</a>
	• Queensland Language Services Policy	ARRs – section 33.3	<a href="https://data.qld.gov.au">https://data.qld.gov.au</a>
Financial statements	• Certification of financial statements	FAA – section 62 FPMS – sections 42, 43 and 50 ARRs – section 17.1	Section2 - 23
	• Independent Auditor's Report	FAA – section 62 FPMS – section 50 ARRs – section 17.2	Section 2 -24

FAA *Financial Accountability Act 2009*

FPMS *Financial and Performance Management Standard 2019*

ARRs *Annual report requirements for Queensland Government agencies*

# **2019 Audited Financial Statements**

# PA RESEARCH FOUNDATION

## FINANCIAL STATEMENTS 2018-19

### Contents

	Page No.
Statement of Comprehensive Income	2
Balance Sheet	3
Statement of Changes in Equity	4
Statement of Cash Flows	5
Notes To and Forming Part of the Financial Statements	6
Certificate of the PA Research Foundation	23

### General Information

These financial statements cover the PA Research Foundation (The Foundation).

The PA Research Foundation is established by Order in Council under the *Hospitals Foundations Act 2018* and is a statutory body within the meaning given in the *Financial Accountability Act 2009*.

The principal place of business of the PA Research Foundation is:

Ground Floor, Building 1  
Princess Alexandra Hospital  
199 Ipswich Road  
WOOLLOONGABBA QLD 4102

For information in relation to the Foundation's financial statements please call (07) 3176-2359, email [general@pafoundation.org.au](mailto:general@pafoundation.org.au) or visit the Foundation's Internet site [www.pafoundation.org.au](http://www.pafoundation.org.au).

**PA RESEARCH FOUNDATION  
STATEMENT OF COMPREHENSIVE INCOME**

**FOR THE YEAR ENDED 30 JUNE 2019**

	Notes	2019	2018
		\$	\$
<b>INCOME FROM CONTINUING OPERATIONS</b>			
Bequests and donations		2,811,668	5,293,204
Functions, special events and other fundraising		2,170,772	1,971,729
Interest revenue		200,018	155,404
Dividends		5,719	5,380
Research grants		337,795	309,074
Other revenue	2	516,191	521,655
<b>Total Revenue</b>		<b>6,042,163</b>	<b>8,256,446</b>
<b>EXPENSES FROM CONTINUING OPERATIONS</b>			
Employee expenses	3	1,274,041	1,278,980
Fundraising expenses		1,564,214	1,591,793
Administration expenses	4	618,898	528,281
Depreciation	8	5,869	12,695
Research grants and tied funds paid		2,171,151	2,305,804
<b>Total Expenses</b>		<b>5,634,173</b>	<b>5,717,553</b>
<b>Operating Result for the Year</b>		<b>407,990</b>	<b>2,538,893</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Items that may be reclassified to operating result</b>			
Unrealised gain (loss) on available-for-sale financial assets	9	-	(1,870)
Equity instruments at FVOCI – fair value changes		2,034	-
<b>Total Other Comprehensive Income</b>		<b>2,034</b>	<b>(1,870)</b>
<b>Total Comprehensive Income</b>		<b>410,024</b>	<b>2,537,023</b>

*The accompanying notes form part of these statements.*

# PA RESEARCH FOUNDATION BALANCE SHEET

**AS AT 30 JUNE 2019**

	Notes	2019	2018
		\$	\$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	5,855,068	5,258,512
Other financial assets	9	2,325,739	2,300,088
Receivables	7	244,799	341,062
Inventories		136,295	150,571
<b>Total Current Assets</b>		<b>8,561,901</b>	<b>8,050,233</b>
<b>NON CURRENT ASSETS</b>			
Plant and equipment	8	6,060	11,929
Other financial assets	9	75,602	73,763
<b>Total Non Current Assets</b>		<b>81,662</b>	<b>85,692</b>
<b>TOTAL ASSETS</b>		<b>8,643,563</b>	<b>8,135,925</b>
<b>CURRENT LIABILITIES</b>			
Payables	10	199,751	100,041
Accrued employee benefits	11	103,901	92,440
<b>Total Current Liabilities</b>		<b>303,652</b>	<b>192,481</b>
<b>NON CURRENT LIABILITIES</b>			
Accrued employee benefits	11	45,429	58,986
<b>Total Non Current Liabilities</b>		<b>45,429</b>	<b>58,986</b>
<b>TOTAL LIABILITIES</b>		<b>349,081</b>	<b>251,467</b>
<b>NET ASSETS</b>		<b>8,294,482</b>	<b>7,884,458</b>
<b>EQUITY</b>			
Accumulated surplus		8,296,466	7,888,476
Reserves		(1,984)	(4,018)
<b>TOTAL EQUITY</b>		<b>8,294,482</b>	<b>7,884,458</b>

*The accompanying notes form part of these statements.*

**PA RESEARCH FOUNDATION  
STATEMENT OF CHANGES IN EQUITY**

**FOR THE YEAR ENDED 30 JUNE 2019**

	Accumulated Surplus	Reserves	Total
	\$	\$	\$
<b>Balance as at 1 July 2017</b>	<b>5,349,583</b>	<b>(2,148)</b>	<b>5,347,435</b>
Operating Result for the Year	2,538,893	-	2,538,893
<i>Other Comprehensive Income</i> Increase/(Decrease) in available for sale asset reserve	-	(1,870)	(1,870)
Total Comprehensive Income	2,538,893	(1,870)	2,537,023
<b>Balance as at 30 June 2018</b>	<b>7,888,476</b>	<b>(4,018)</b>	<b>7,884,458</b>

	Accumulated Surplus	Reserves	Total
	\$	\$	\$
<b>Balance as at 1 July 2018</b>	<b>7,888,476</b>	<b>(4,018)</b>	<b>7,884,458</b>
Operating Result for the Year	407,990	-	407,990
Equity instruments at FVOCI – fair value changes	-	2,034	2,034
Total Comprehensive Income	407,990	2,034	410,024
<b>Balance as at 30 June 2019</b>	<b>8,296,466</b>	<b>(1,984)</b>	<b>8,294,482</b>

*The accompanying notes form part of these statements.*

**PA RESEARCH FOUNDATION  
STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 30 JUNE 2019**

	Notes	2019	2018
		\$	\$
<b>Cash flows from operating activities</b>			
<i>Inflows:</i>			
Receipts from donations, bequests and other fundraising		5,083,973	7,228,992
Interest received		136,421	104,946
Dividends received		4,118	5,118
Research grants received		355,296	311,556
Other receipts		479,470	544,696
GST input tax credits from ATO		164,013	181,852
GST collected from customers		192,528	194,686
<i>Outflows:</i>			
Supplies and services		(2,075,937)	(2,026,807)
Employee expenses		(1,276,137)	(1,270,486)
Research grants and tied funds paid		(2,111,638)	(2,309,825)
GST paid to suppliers		(341,823)	(372,759)
GST remitted to ATO		(13,924)	(13,132)
		<hr/>	<hr/>
<b>Net cash provided by (used in) operating activities</b>		<b>596,360</b>	<b>2,578,837</b>
<b>Cash flows from investing activities</b>			
<i>Inflows:</i>			
Capital Return Payment		196	-
<i>Outflows:</i>			
Payments for plant and equipment		-	(3,375)
		<hr/>	<hr/>
<b>Net cash provided by (used in) investing activities</b>		<b>196</b>	<b>(3,375)</b>
Net increase/(decrease) in cash and cash equivalents		596,556	2,575,462
Cash and cash equivalents at beginning of financial year		<hr/> 5,258,512	<hr/> 2,683,050
<b>Cash and cash equivalents at end of financial year</b>	<b>6</b>	<hr/> <b>5,855,068</b>	<hr/> <b>5,258,512</b>

*The accompanying notes form part of these statements.*



**PA RESEARCH FOUNDATION**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

- Note 1: Summary of Significant Accounting Policies
- Note 2: Other Revenue
- Note 3: Employee Expenses
- Note 4: Administration Expenses
- Note 5: Other Expenses
- Note 6: Cash and Cash Equivalents
- Note 7: Receivables
- Note 8: Plant and Equipment
- Note 9: Other Financial Assets
- Note 10: Payables
- Note 11: Accrued Employee Benefits
- Note 12: Key Management Personnel and Remuneration Expenses
- Note 13: Related Party Transactions
- Note 14: Contingencies
- Note 15: Commitments for Expenditure

**PA RESEARCH FOUNDATION**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(a) Compliance with Prescribed Requirements**

The PA Research Foundation has prepared these financial statements in compliance with the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*. The Foundation is a not-for-profit entity.

These financial statements are general purpose financial statements. They are prepared on an accrual basis (with the exception of the Statement of Cash Flows which is prepared on a cash basis) in accordance with Australian Accounting Standards – Reduced Disclosure Requirements (RDR) and Interpretations applicable to not-for-profit entities.

**(b) The Reporting Entity**

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

**(c) Underlying Measurement Basis**

The historical cost convention is used as the measurement basis unless otherwise stated.

**(d) Revenue**

Revenue from fundraising activities, special events, functions and bequests are recognised as income when received. The amount and timing of receipts is dependent on a number of fundraising activities including direct mail donations, personal and corporate donations and special events.

Amounts donated can be recognised as revenue only when the Foundation gains control, economic benefits are probable and the amounts can be measured reliably. At times it is impractical to maintain effective controls over the collection of such revenue prior to its initial entry into the Foundation's financial records. Therefore donations are recognised as revenue when they are recorded in the books and accounts of the Foundation.

Revenue from services rendered and sale of goods are recognised when the revenue is earned and can be measured reliably with a sufficient degree of certainty. Interest revenue is recognised on an accruals basis at the interest rate applicable to the financial assets.

Other revenue is recognised when the right to receive the revenue has been established.

**(e) Cash and Cash Equivalents**

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

**PA RESEARCH FOUNDATION**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

**(f) Receivables**

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

**(g) Inventories**

Inventories held for sale are valued at the lower of cost and net realisable value.

Cost is assigned on a weighted average basis and includes expenditure incurred in acquiring the inventories and bringing them to their existing condition.

Expenses associated with marketing, selling and distribution are deducted to determine net realisable value.

**(h) Plant & Equipment**

Actual cost is used for the initial recording of all non-current physical asset acquisitions. Cost is determined as the value given as consideration plus costs incidental to the acquisition, including all other costs incurred in getting the assets ready for use.

Assets acquired at no cost or for nominal consideration are recognised at their fair value at date of acquisition in accordance with AASB 116 *Property, Plant and Equipment*.

Plant and equipment is measured at cost in accordance with Queensland Treasury and Trade's Non-Current Asset Policies.

Items of plant and equipment with a cost or other value equal to or in excess of \$5,000 are recognised for financial reporting purposes in the year of acquisition. Items with a lesser value are expensed in the year of acquisition.

*Depreciation of Plant and Equipment*

Plant and equipment is depreciated on a straight-line basis so as to allocate the net cost of each asset, less its estimated residual value, progressively over its estimated useful life to the Foundation. Reassessments of useful lives are undertaken annually by the Foundation.

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

<b>Class</b>	<b>Rate %</b>
Plant and equipment:	20 - 33.33

**PA RESEARCH FOUNDATION**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

**(h) Plant & Equipment (cont'd)**

*Impairment of Non-Current Assets*

All non-current physical assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, the Foundation determines the asset's recoverable amount. The asset's recoverable amount is determined as the higher of the asset's fair value less costs to sell and depreciated replacement cost. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss. An impairment loss is recognised immediately in the Statement of Comprehensive Income.

**(j) Services provided by Princess Alexandra Hospital**

Contributions of services are recognised only if the services would have been purchased if they had not been donated and their fair value can be measured reliably. Where this is the case, an equal amount is recognised as revenue and an expense. No amounts are included in the financial statements for services donated by volunteers.

The PA Research Foundation receives office accommodation and a car parking space at no cost from Metro South Hospital and Health Service. Metro South has the right to provide services at no cost to the Foundation under the *Hospital Foundations Act 2018* and has not provided any estimate of the value of these services.

**(k) Payables**

Trade creditors are recognised upon receipt of the goods or services ordered and are measured at the agreed purchase/contract price, gross of applicable trade and other discounts. Amounts owing are unsecured and are generally settled on 30-day terms.

**(l) Financial Instruments**

***Recognition, initial measurement and derecognition***

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

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

The 2019 period is the first reporting period in which AASB 9 is applicable for the Foundation. The key impact has been on the designation of the other financial asset balances. Under previous standards, these balances were designated as available for sale, and movements in fair value recorded in other comprehensive income, and corresponding equity reserve. The Foundation has assessed the designation of these balances under AASB 9, with balances now designated as either fair value through other comprehensive income (FVOCI) or amortised cost.

# PA RESEARCH FOUNDATION

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

### (I) Financial Instruments (cont'd)

The Foundation has applied the modified retrospective approach on initial adoption of the standard, and as a result the comparative period presented remains unchanged, with the opening impact being the transfer of the reserve to retained earnings.

#### ***Classification and subsequent measurement of financial assets***

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

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

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

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

Classifications are determined by both:

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

#### ***Subsequent measurement financial assets***

##### ***Financial assets at amortised cost***

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

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

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

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

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

**PA RESEARCH FOUNDATION**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

**(I) Financial Instruments (cont'd)**

***Equity instruments at fair value through other comprehensive income (Equity FVOCI)***

Investments in equity instruments that are not held for trading are eligible for an irrevocable election at inception to be measured at FVOCI. Under Equity FVOCI, subsequent movements in fair value are recognised in other comprehensive income and are never reclassified to profit or loss. Dividend from these investments continue to be recorded as other income within the profit or loss unless the dividend clearly represents return of capital. This category includes unlisted equity securities that were previously classified as 'available-for-sale' under AASB 139.

***Impairment of Financial assets***

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

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

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

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

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

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

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

***Trade and other receivables and contract assets***

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

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

***Classification and measurement of financial liabilities***

The Foundation's financial liabilities include trade and other payables. Accounts payable and accrued expenses represent payables that are recognised upon receipt of the goods or services ordered and are measured at the nominal amount i.e. agreed purchase/contract price, gross of applicable trade and other discounts. Amounts owing are unsecured and are generally settled on 30 day terms.

**PA RESEARCH FOUNDATION**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

**(l) Financial Instruments (cont'd)**

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

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

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

**(m) Employee Benefits**

Salaries and wages, employer superannuation contributions, annual leave and long service leave are regarded as employee benefits.

Workers' compensation insurance is a consequence of employing employees, but is not counted in an employee's total remuneration package. It is not an employee benefit and is recognised separately as employee related expenses.

*Wages, Salaries and Sick Leave*

Wages and salaries due but unpaid at reporting date are recognised in the Balance Sheet at the current salary rates.

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

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

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

*Annual Leave and Long Service Leave*

Annual leave in respect of employees' services up to the reporting date which is expected to be settled within 12 months after the end of the period in which the employees render the services are accounted for as short term employee benefits.

Long service leave liabilities are estimated with reference to the minimum period of qualifying service. For employees with less than 5 year of qualifying service, the probability that they will reach the required minimum period of service has been taken into account in estimating the long service leave liability.

For unpaid entitlements expected to be wholly settled within 12 months, the liabilities are recognised at their undiscounted values. Entitlements not expected to be wholly settled within 12 months are classified as long-term employee benefits and recognised at their present value, calculated using yields on Corporate bonds of similar maturity, after projecting the remuneration rates expected to apply at the time of likely settlement, and split between current and non-current components.

**PA RESEARCH FOUNDATION**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

**(m) Employee Benefits (cont'd)**

*Superannuation*

The Foundation pays contributions to certain defined contribution superannuation plans. Contributions are expensed in the period in which they are paid or payable.

**(n) Research Grants Paid**

Research grants awarded are expensed in the period in which they are paid or invoiced. Grants approved by the Board which remain unpaid at balance date are recorded as Commitments. Refer also to Note 15 Commitments for Expenditure.

**(o) Taxation**

The Foundation is a charitable institution exempt from Income Tax.

The Foundation has been endorsed by the Commissioner of Taxation as an income tax exempt charity pursuant under Subdivision 50-B of the Income Tax Assessment Act 1936. The Foundation is exempted from Fringe Benefits Tax under section 123D of the Fringe Benefits Tax Assessment Act 1986.

**(p) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the Balance Sheet are shown inclusive of GST.

**(q) Accounting Estimates and Judgements**

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

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

Note 14 – Contingencies



**PA RESEARCH FOUNDATION**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

**(r) Other Presentation Matters**

Currency and Rounding

Amounts included in the financial statements are in Australian dollars and have been rounded to the nearest \$1 unless disclosure of the full amount is specifically required.

Comparatives

Comparative information reflects the audited 2017-18 financial statements.

Current / Non-Current Classification

Assets and liabilities are classified as either 'current' or 'non-current' in the Balance Sheet and associated notes. Assets are classified as 'current' where their carrying amount is expected to be realised within 12 months after the reporting date. Liabilities are classified as 'current' when they are due to be settled within 12 months after the reporting date, or the Foundation does not have an unconditional right to defer settlement to beyond 12 months after the reporting date. All other assets and liabilities are classified as non-current.

**(s) New and Revised Accounting Standards**

The Foundation did not voluntarily change any of its accounting policies during 2018-19.

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

*AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities.* AASB 15 replaces AASB 118 Revenue, AASB 111 Construction Contracts and some revenue-related Interpretations. AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-to-profit (NFP) entities, in conjunction with AASB 15 Revenue from Contracts with Customers. These Standards supersede all the income recognition requirements relating to private sector NFP entities, and the majority of income recognition requirements relating to public sector NFP entities, previously in AASB 1004 Contributions. When AASB1058 is applied for the first time in the period ending 30 June 2020, the Foundation expects that there will be no material impact on the transactions and balances recognised in the financial statements.

*AASB 16 Leases.* The new standard requires lessees to account for leases 'on-balance sheet' by recognising a 'right of use' asset and a lease liability. When AASB 16 Leases is applied for the first time in the period ending 30 June 2020, the Foundation expects that there will be no material impact in the transactions and balances recognised in the financial statements due to the Foundation electing to recognise the right of use asset arising from a peppercorn lease held with Metro North Hospital and Health Services at cost.

**(t) Authorisation of Financial Statements for Issue**

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

**PA RESEARCH FOUNDATION**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2019**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>2. OTHER REVENUE</b>		
Commission vending machines	102,962	108,675
Sale of merchandise	122,356	198,710
Research income	260,977	209,339
Other	29,896	4,931
<b>Total</b>	<b>516,191</b>	<b>521,655</b>

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>3. EMPLOYEE EXPENSES</b>		
Wages and salaries	1,081,486	1,094,529
Leave entitlements	(2,096)	8,494
Employer superannuation contributions	100,728	99,871
Paid Parental Leave	25,896	-
Worker's compensation premiums	6,698	5,915
Other employee related expenses	61,329	70,171
<b>Total</b>	<b>1,274,041</b>	<b>1,278,980</b>

<b>Total</b>		
Number of employees at year end	<b>20</b>	<b>17</b>

**PA RESEARCH FOUNDATION**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2019**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>4. ADMINISTRATION EXPENSES</b>		
Accounting and audit fees*	20,593	16,980
Bank charges	28,060	17,059
Insurance premiums	8,689	9,512
Minor equipment purchases	2,759	5,262
Information technology expenses	52,616	46,955
Printing & stationery	261,689	197,643
Direct Mail Support Services	45,918	50,361
Motor vehicle expenses	33,088	29,054
Rent office premises	73,464	51,016
Bad debts expense	-	31,600
Other administration expenses	92,022	72,839
<b>Total</b>	<b>618,898</b>	<b>528,281</b>

\*Total audit fees paid to the Queensland Audit Office relating to the 2018-19 financial statements are estimated to be \$20,000 (2018: \$16,550).

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>6. CASH AND CASH EQUIVALENTS</b>		
Cash on hand and at bank	1,048,095	579,386
Deposits at call	4,806,973	4,679,126
<b>Total</b>	<b>5,855,068</b>	<b>5,258,512</b>

Term deposits are classified as cash equivalents if they have a maturity of three months or less from the date of acquisition.

**PA RESEARCH FOUNDATION**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2019**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>7. RECEIVABLES</b>		
Interest accrued	61,443	23,498
Dividends	3,108	1,507
Trade and other debtors	119,650	201,962
Prepayments	22,744	33,730
Security Bond	25	-
Deposits in advance	13,854	55,596
GST receivable	23,975	24,769
<b>Total</b>	<b>244,799</b>	<b>341,062</b>

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>8. PLANT &amp; EQUIPMENT</b>		
At cost	72,096	72,096
Less: Accumulated depreciation	(66,036)	(60,167)
<b>Total</b>	<b>6,060</b>	<b>11,929</b>

	<b>Plant &amp; Equipment</b>	<b>Plant &amp; Equipment</b>
	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Carrying amount at 1 July 2018	11,929	21,249
Acquisitions	-	3,375
Depreciation expense	(5,869)	(12,695)
<b>Carrying amount at 30 June 2019</b>	<b>6,060</b>	<b>11,929</b>

**PA RESEARCH FOUNDATION**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2019**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>9. OTHER FINANCIAL ASSETS</b>		
<b>Current</b>		
Financial assets held at amortised cost - Term deposits	2,325,739	2,300,088
	<b>2,325,739</b>	<b>2,300,088</b>
<b>Non Current</b>		
Equity securities available-for-sale	-	73,763
Equity instruments at fair value through other comprehensive income (FVOCI)	75,602	-
<b>Total</b>	<b>75,602</b>	<b>73,763</b>

A variety of securities were bequeathed by a donor to PA Research Foundation in June 2016. Management has decided that the securities won't be converted into cash within one year.

For the asset described above, the valuation reflects the fair value of the securities. An unrealised gain (loss) has been recorded as other comprehensive income.

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>10. PAYABLES</b>		
Research grants payable	47,300	-
Trade and other creditors	129,518	70,190
Accruals	22,933	29,851
<b>Total</b>	<b>199,751</b>	<b>100,041</b>

**PA RESEARCH FOUNDATION**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

<b>11. ACCRUED EMPLOYEE BENEFITS</b>	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>Current</b>		
Annual leave	78,056	92,440
Long service leave	25,845	-
	<b>103,901</b>	<b>92,440</b>
<b>Non Current</b>		
Long service leave	45,429	58,986
	<b>45,429</b>	<b>58,986</b>

**12. KEY MANAGEMENT PERSONNEL AND REMUNERATION EXPENSES**

**a) Key Management Personnel**

The following details for key management personnel include those positions that had authority and responsibility for planning, directing and controlling the activities of the PA Research Foundation during 2018-19 and 2017-18.

<b>Position</b>	<b>Position of Responsibility</b>
Board of Directors	<ul style="list-style-type: none"> <li>• strategic leadership</li> <li>• guidance and effective oversight of the management of the Foundation, including its operational and financial performance</li> </ul>
Chief Executive Officer	<ul style="list-style-type: none"> <li>• strategic planning</li> <li>• operational planning</li> <li>• budget development</li> <li>• human resource management</li> <li>• business development</li> </ul>

**b) Remuneration**

Remuneration for all employees of the PA Research Foundation is by individual agreement. The remuneration and other terms of employment for the key management personnel are specified in employment contracts.

No Board Member received or was entitled to receive any fees or other benefits during the year (2018: nil).

The following disclosures focus on the expenses incurred by the Foundation during the respective reporting periods that is attributable to key management positions.

**PA RESEARCH FOUNDATION**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

**12. KEY MANAGEMENT PERSONNEL AND REMUNERATION EXPENSES (CONT'D)**

**b) Remuneration (cont'd)**

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

- Short term employee benefits which include:
  - Base - consisting of base salary, allowances and leave entitlements earned and expensed for the entire year or for that part of the year during which the employee occupied the specified position.
- Long term employee benefits include amounts expensed in respect of long service leave accrued.
- Post-employment benefits include amounts expensed in respect of employer superannuation contributions.
- Termination benefits are not provided for within individual contracts of employment. Contracts of employment provide only for notice periods or payment in lieu of notice on termination, regardless of the reason for termination.
- No performance bonuses are currently part of any employment agreements.

**1 July 2018 – 30 June 2019**

Position (date resigned if applicable)	Short Term Employee Expenses		Long Term Employee Expenses	Post-Employment Expenses	Termination Benefits	Total Expenses
	Monetary Expenses \$	Non-Monetary Benefits \$				
Chief Executive Officer	179,192	-	6,905	17,812	-	203,909

**1 July 2017 – 30 June 2018**

Position (date resigned if applicable)	Short Term Employee Expenses		Long Term Employee Expenses	Post-Employment Expenses	Termination Benefits	Total Expenses
	Monetary Expenses \$	Non-Monetary Benefits \$				
Chief Executive Officer	183,076	-	6,292	16,862	-	206,230

**c) Performance payments**

No performance payments were made in either the 2018-19 or 2017-18 financial years.

# PA RESEARCH FOUNDATION

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

### 13. RELATED PARTY TRANSACTIONS

The Foundation has an existing relationship with a recruitment company in which one KMP is a director. Charges and fees are at standard industry rates and invoices from the company are paid in cash. The final amount of fees paid to this company as at 30 June 2019 was \$17,843.01.

### 14. CONTINGENCIES

The Foundation has established a fund with the Queensland Community Foundation (QCF) for the purposes of generating future bequests and donations. Contributions to QCF are held in trust and invested in perpetuity with net income distributed to the PA Research Foundation in accordance with QCF Declaration of Trust.

The most recent available balance of the fund was \$21,940 (2018: \$21,830) at 30 June 2019 of which \$20,000 was contributed by the PA Research Foundation as an initial deposit during the 2004-05 financial year.

The Foundation expects that earnings for the 2018-19 financial year will be brought to account during the financial year ending 30 June 2020. As at the 30 June 2019 there are no indications as to what these earnings will be.

There were no contingent liabilities of any significance at balance date.

### 15. COMMITMENTS FOR EXPENDITURE

#### Research Grants

Research Grants awarded by the PA Research Foundation are recognised as a liability on receipt of an approved invoice for the research carried out. The grants approved by the Board which remain unpaid at balance date are recorded as Commitments. The total below includes an amount of \$1,300,000 held for 2020 research expenditure that is yet to be committed to a specific project.

#### Research Grant Commitments

	2019 \$	2018 \$
Research grant commitments inclusive of anticipated GST, committed to provide at reporting date, but not recognised in the accounts are payable as follows:		
Not later than one year	2,082,983	1,637,279
Later than one year and not later than five years	725,000	1,025,000
Later than five years	-	-
<b>TOTAL</b>	<b>2,807,983</b>	<b>2,662,279</b>



**PA RESEARCH FOUNDATION  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2019**

**15. COMMITMENTS FOR EXPENDITURE (CONT'D)**

**Funds for Tied Projects**

As part of general fundraising operations, the PA Research Foundation raises funds to support a particular project or area of the PA Hospital Campus. Donations, grants or other fundraising income generated by these activities are reported separately. This supports the Foundation's commitment to transparency in allocating donations received for the purpose they were given.

**Tied Projects Funds**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Tied Fund commitments inclusive of anticipated GST, committed to provide at reporting date, but not recognised in the accounts are payable as follows:		
Not later than one year	3,000,598	1,830,451
Later than one year and not later than five years	1,020,000	1,195,000
Later than five years	840,000	1,500,000
<b>TOTAL</b>	<b>4,860,598</b>	<b>4,525,451</b>

**Office Premises**

The PA Research Foundation leases office space from Translational Research Institute up until 31 October 2019. The total commitment inclusive of goods and services tax as at reporting date, but not recognised in the financial statements is \$26,376, which is expected to be paid in the next 12 months.

# PA RESEARCH FOUNDATION

## CERTIFICATE OF THE PA RESEARCH FOUNDATION

These general purpose financial statements have been prepared pursuant to s.62(1)(a) of the *Financial Accountability Act 2009* (the Act), s.43 of the *Financial and Performance Management Standard 2009*, the *Australian Charities and Not-for-profits Commission Act 2012* and other prescribed requirements. In accordance with s.62(1)(b) of the Act we certify that in our opinion:

- a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- b) the financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the PA Research Foundation for the financial year ended 30 June 2019, and of the financial position of the PA Research Foundation at the end of that year; and

We acknowledge responsibility under s.8 and s.15 of the *Financial and Performance Management Standard 2009* for the establishment and maintenance, in all material respects, of an appropriate and effective system of internal controls and risk management processes with respect to financial reporting throughout the reporting period.



**Damian Topp**  
Chief Executive Officer



**Robert Bowen**  
Chairman

Dated this 30<sup>th</sup> day of August 2019

## INDEPENDENT AUDITOR'S REPORT

To the Board of PA Research Foundation

### Report on the audit of the financial report

#### Opinion

I have audited the accompanying financial report of the PA Research Foundation (the Foundation).

In my opinion, the financial report:

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

The financial report comprises the balance sheet as at 30 June 2019, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the certificate of the Foundation.

#### Basis for opinion

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

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

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



### **Responsibilities of the Board for the financial report**

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

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

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

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

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

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

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

### Report on other legal and regulatory requirements

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2019:

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



Carolyn Dougherty  
as delegate of the Auditor-General

30 August 2019  
Queensland Audit Office  
Brisbane