



2022-2023 Annual Report

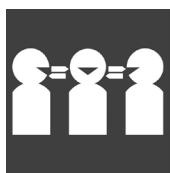
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This document is available in electronic format at www.pafoundation.org.au

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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 2022-2023. Information relating to consultancies has been published on the Queensland Government Open Data website (<https://data.qld.gov.au>).

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Content from this annual report should be attributed as:
PA Research Foundation Annual Report 2022 – 2023.

Acknowledgement of Traditional Owners

PA Research Foundation recognises the traditional custodians of the land and waters where we operate. We pay our respects to the traditional peoples, the Jagera and Turrbal peoples, and to Elders past, present and emerging.

Letter of Compliance



6 September 2023

The Honourable Shannon Fentiman MP
Minister for Health, Mental Health and Ambulance Services and Minister for Women
GPO Box 48
BRISBANE QLD 4001

Dear Minister

I am pleased to present the 2022-2023 Annual Report 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 page 44 of this Annual Report.

Yours sincerely

A handwritten signature in black ink, appearing to read "Ruth McPhail".

Professor Ruth McPhail
Acting Chair

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Glossary

Term	Definition
Foundation	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
PA Hospital, PAH	Princess Alexandra Hospital
MSH	Metro South Hospital and Health Service
CEO	Chief Executive Officer

From the Chair and Chief Executive

Thanks to our valued supporters, corporate partners, and the wider Princess Alexandra (PA) Hospital community, the past year has been incredibly impactful for the PA Research Foundation and the patients we help.

We continue to be amazed by the generosity and dedication of those who make the PA Foundation their place to give, to help us save lives and provide the best possible care to our patients.

This report is a just a snapshot of all we've been able to achieve thanks to our connection with you and to show you how when you have given, you have saved.

Strong relationships are at the core of what we do and who we are as an organisation, and your commitment to working with us to fund vital medical research, state of the art equipment, staff education and patient support initiatives is testament to the quality of your heart.

Each year you show us just how much you care about making a difference for others and leaving an ongoing legacy of kindness, and for that we can't thank you enough.

When we have needed you, you have been there at every stage, whether that was to donate to an appeal, sponsor an event or raise funds with us on our most impactful day of the year, PA Giving Day.

Thank you for all your support and kindness this year and most of all thank you for making the PA your place to give.



Prof. Ruth McPhail
Acting Chair



Damian Topp
Chief Executive Officer

About Us

The PA Research Foundation (the 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 healthcare 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 PAH'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.

Vision The healthcare charity of choice for patients and the community

Mission Build trusted relationships to inspire giving back to the hospital community

The PA Research Foundation is a statutory body incorporated under the *Hospitals Foundations Act 2018* (QLD). As a statutory body the Foundation is subject to the provisions of the *Financial Accountability Act 2009*. 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).

Queensland Government objectives for the community

The Foundation is committed to realising the government's objectives for the community.

The Foundation's efforts contribute primarily to the priority of **Better Services** in the key area of health.

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 focus on health issues affecting the community in which our health services operate, which include most importantly cancer.

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.

Strategic Direction

Vision	The healthcare charity of choice for patients and the community			
Purpose	To nurture relationships that enrich lives through giving			
	<i>The foundation is an integral part of patients' health journey. Providing an opportunity for patients and their families to be part of a community that appreciates, gives back and invests in better health outcomes</i>			
Objectives	<p>Donors and Supporters</p> <p>Nurture relationships that increase the ease of and level of giving</p>	<p>Quality Improvement</p> <p>Continuously improve systems and process with a focus on future opportunities</p>	<p>People and Culture</p> <p>Maintain a culture of collaboration, reconciliation, respect, transparency, and continuous learning</p>	<p>Impact</p> <p>Be a catalyst for change through clinically lead research funding, patient support, staff education and innovative equipment.</p>
Strategies	<ul style="list-style-type: none"> Engage with staff to advocate for PARF Increase patient engagement Recruit hospital staff as ambassadors Provide structured patient giving across MSH Focus corporate giving on Breast, Prostate and Skin Cancer 	<ul style="list-style-type: none"> Make decisions that enhance organisation sustainability Review systems and processes to decrease duplication and increase efficiency Create and implement robust investment program 	<ul style="list-style-type: none"> Nurture a supportive and inclusive culture Provide opportunities for every employee to lead and develop Collaborate and share knowledge Act to create diversity and equity 	<ul style="list-style-type: none"> Work with MSH Research to select projects that drive clinical collaborations Fund infrastructure and pilot programs to support patients in hospital Provide infrastructure to host seminars and conferences Support higher research degree completion Fund innovative equipment that transforms health care beyond current provision Increase the visibility of our impact
Measure	<p>25% of patients consent to being contacted by 2026</p> <p>Increase total number of gifts received and the duration of donor relationships</p>	<p>Processes are regularly reviewed and audit requirements are met.</p>	<p>Increase inclusivity measure on WEGA self reported scale</p> <p>Increase the number of employees who attend training and education opportunities</p>	
Supporting MSH Strategy	<p>C3 Partner with patients, families and consumers to improve the delivery and experience of healthcare</p>			<p>P3 Explore and implement different ways to deliver care through co-design and partnering for new solutions</p> <p>W3 Ensure our workforce has opportunities and pathways to develop and be leaders in their fields</p>
Contribution to Queensland Government's objectives for the community	Better Services – supporting and enhancing the key target area of health			

Ms Janelle Manders

Current Term: 08/12/2022 30/09/2027

Professional Accountant and practice lead. Extensive experience across business and not-for-profits including HLB Mann Judd, Gold Coast AFL and Lifeflight.

Ms Mary Steele

Current Term: 08/12/2022 30/09/2027

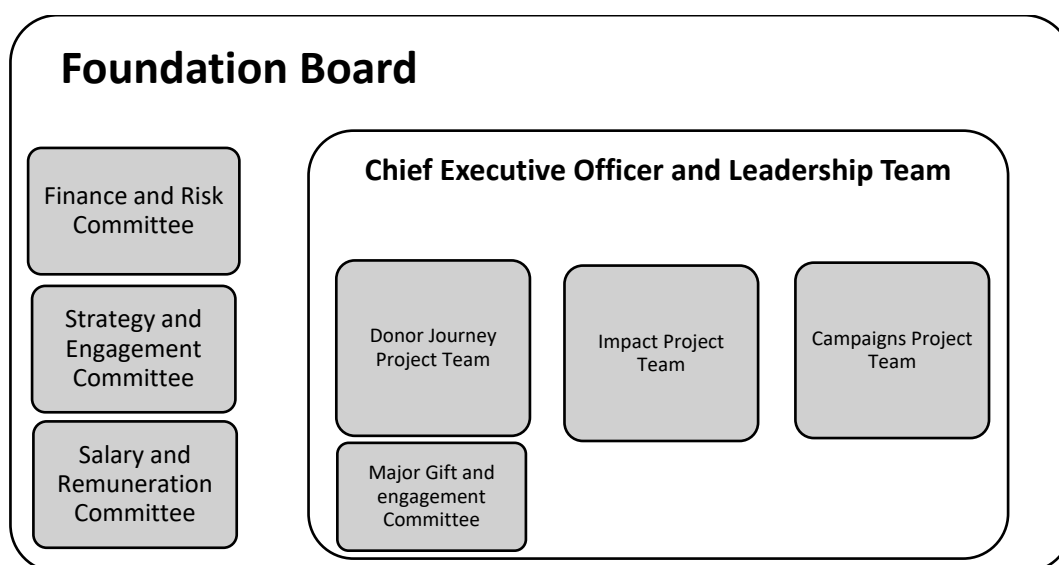
Communications and engagement executive and professional practitioner with a career than spans over 35 years. Experience across diverse industries ranging from environment, trade, infrastructure, technology, education, and health.

Mr Arvin Datt

Current Term: 08/12/2022 30/09/2027

An Experienced Executive, Board member & MBA Business Leader with extensive experience in strategy formulation and implementation, building a company infrastructure, Start-up & Entrepreneurial Expertise, and best practice implementation.

Organisational Structure



Board committees

Finance and Risk Committee - Mr Derrick Vickers (Chair), Mr Robert Bowen AO, Ms Janelle Manders, Mr Damian Topp (Chief Executive Officer), Ms Kerstin Petrick (Accounts Manager)

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 - Ms Dyls Bertlesen (Chair), Prof Ruth McPhail, Mr Damian Topp (CEO), Ms Simone Owens (Executive Manager - Individual Giving).

This 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.

Salary and Remuneration Committee – Mr Robert Bowen AO, Ms Dyls Bertlesen, Prof. Ruth McPhail

This committee usually meets annually to evaluate and confirm executive salary and remuneration.

Foundation Staff

Leadership Team

Damian Topp	Chief Executive Officer
Kerstin Petrick	Accounts Manager
Simone Owens	Executive Manager – Individual Giving
Carolyn Schuwalow	Philanthropy Manager
Sandra McGinnis	Funding Program Lead
Kathy Stephen	Executive Assistant

Foundation staff are organised into three strategic and operational project teams.

Donor Journey Project Team which also includes a Major Gift sub-committee
Focus on engagement and stewardship of individual donors.

Impact Project Team
Focus on how the Foundation invests in research, patient support and staff education.

Campaigns Project Team
Focus on community fundraising and corporate partnerships

Our Staff

Kathy Hill	Accounts Coordinator
Michelle McNicholl	Fundraising Administrator
Melissa Harmanis	Fundraising Administrator
Luke Cridland	Community Fundraising Coordinator
Josh Patersen	Media Manager
Melissa McMahon	Fundraising Coordinator
Ellen Dan	Fundraising Coordinator
Emma King	Administration Assistant
Zach Sandford	Administration Assistant

Strategic workforce planning and performance *

At the conclusion of the 2022-2023 financial year the Foundation had 13.1 Full Time Equivalent (FTE) employees.

The Foundation invests time in ensuring all employees participate in performance development as part of their KPIs. 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.

*For Section *Strategic workforce planning and performance*, the following footnote must be referenced against FTE data: **MOHRI FTE data for fortnight ending 23 June 2023**

Early retirement, redundancy and retrenchment

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

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 Chair and at least two other board members. For the 2022-2023 financial year no internal audits were conducted.

External scrutiny

An external audit was conducted by a delegate 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* and the Records governance policy.

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

Public Sector Ethics Act 1994

The Foundation 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 *Code of Conduct for the Public Service* in support of the *Public Sector Ethics Act 1994*.

Human Rights Act 2019

In line with the *Human Rights Act 2019* the Foundation has commenced a systematic review of relevant policies and procedures to ensure they are consistent with the Act and make reference where necessary.

The Foundation engaged in all activities hosted at the PA Hospital during the reporting year. The Foundation did not receive any complaints prescribed by legislation.

Performance

Achievements

The focus throughout this period has been to expand our reach and provide philanthropic support across all of Metro South Health (MSH). With the establishment of Hospital Funds for QEII, Logan, Redland and Beaudesert Hospitals we have ensured patients and their families have an opportunity to give back at the place that cared for them.

Operational highlights:

- Commenced partnership negotiations with University of Queensland, MSH and Dry July Foundation to establish Queensland's inaugural First Nation Cancer Nurse Consultant, A position dedicated to helping First Nation people navigate the cancer journey.
- For the first time in three years the Smiddy Fun Run was back on the PA Hospital campus
- All staff have completed at least introductory level fundraising training through the Fundraising Institute of Australia.

Non Financial Performance

The following achievements have been made against our current strategic plan:

Strategies	Achievement update
<ul style="list-style-type: none"> • Recruit hospital staff as ambassadors • Provide structured patient giving across MSH • Focus corporate giving on breast, prostate and skin cancer 	<ul style="list-style-type: none"> • Over 40 staff teams participate in Giving Day each year, up from 12 in the first year • Hospital funds and websites established for all MSH facilities • This focus has resulted in the most successful Project Pink campaign ever, with one partner raising \$550,000 (an increase of \$100,000)
<ul style="list-style-type: none"> • Make decisions that enhance organisation sustainability • Review systems and processes to decrease duplication and increase efficiency 	<ul style="list-style-type: none"> • A continued focus on enabling staff to growth and expand their roles and experiences has resulted in all higher level roles made available being filled internally • The commitment to weekly project meetings with all staff continues to increase information transfer and growth and reduce miscommunication.
<ul style="list-style-type: none"> • Provide opportunities for every employee to lead and develop • Collaborate and share knowledge • Act to create diversity and equity 	<ul style="list-style-type: none"> • In addition to positions being filled internally, staff are given the opportunity to lead projects with most staff experiencing leading a team project or meeting • Following the establishment of the First Nation Cancer Nurse Consultant position, the foundation will continue to seek other diversity projects
<ul style="list-style-type: none"> • Fund infrastructure and pilot programs to support patients in hospital • Provide infrastructure to host seminars and conferences • Support higher research degree completion • Fund innovative equipment that transforms health care beyond current provision 	<ul style="list-style-type: none"> • Highlights: Patient waiting and meeting rooms established in Radiation Oncology department, gardens refurbished in Geriatric unit and digital TV solution developed for Spinal Injuries Unit • 34 events supported with almost 4,000 participants • 3 Higher Degree completion awards were made. Planning initiated for a new incentive program for clinicians to work with the TRI to increase clinician lead research • Worked with a donor to provide funding for new intercranial surgery device to and neurosurgical procedures

Financial summary

The 2022-2023 Financial Year realised an operating net result (before expenditure on research) of almost \$2,200,000 which was only \$32,000 less than the budget.

The resultant downtime experienced during the period also enabled time to focus on expending surplus funds held for research activities. This effort saw another \$2,870,000 spent on research, patient support and staff education, over \$200,000 more than the previous year.

2022-23 Audited Financial Statements

PA RESEARCH FOUNDATION

FINANCIAL STATEMENTS 2022-23

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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 not-for-profit statutory body within the meaning given in the *Financial Accountability Act 2009*.

The objectives of the Foundation are to raise funds to provide medical research, patient support, staff education and equipment to enhance health care.

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) 3180-1840, email general@pafoundation.org.au or visit the Foundation's Internet site www.pafoundation.org.au.

**PA RESEARCH FOUNDATION
STATEMENT OF COMPREHENSIVE INCOME**

FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023	2022
		\$	\$
INCOME			
Bequests and donations		1,627,367	2,362,060
Functions, special events and other fundraising		1,582,455	1,472,090
Interest revenue		220,261	39,025
Dividends		3,137	3,205
Research grants		480,061	404,082
Other revenue	2	1,103,506	1,168,797
Total revenue		5,016,787	5,449,259
Gain on sale of investments		86	13,834
Total Income		5,016,873	5,463,093
EXPENSES			
Employee expenses	3	1,436,177	1,367,905
Fundraising expenses		932,125	755,235
Supplies and services	4	402,580	409,111
Depreciation		-	231
Amortisation	9	11,304	11,305
Research grants and tied funds paid	5	2,876,360	2,665,616
Total expenses		5,658,546	5,209,403
Operating Result for the Year		(641,673)	253,690
OTHER COMPREHENSIVE INCOME			
Items that may be reclassified to operating result			
Equity instruments at FVOCI – fair value changes	10	4,838	(7,258)
Total Other Comprehensive Income		4,838	(7,258)
TOTAL COMPREHENSIVE INCOME		(636,835)	246,432

The accompanying notes form part of these financial statements.

**PA RESEARCH FOUNDATION
BALANCE SHEET**

AS AT 30 JUNE 2023

	Notes	2023	2022
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	6	5,388,347	5,941,936
Other financial assets	10	2,496,028	2,461,963
Receivables	7	340,702	438,601
Inventories		31,876	55,943
Other current assets	8	104,343	100,823
Total Current Assets		8,361,296	8,999,266
NON CURRENT ASSETS			
Right-of-use assets	9	5,653	16,957
Other financial assets	10	47,604	42,766
Total Non Current Assets		53,257	59,723
TOTAL ASSETS		8,414,553	9,058,989
CURRENT LIABILITIES			
Payables	11	479,472	381,191
Lease liabilities	9	5,844	11,748
Accrued employee benefits	12	249,335	226,746
Unearned revenue (contract liabilities)		141,910	270,187
Total Current Liabilities		876,561	889,872
NON CURRENT LIABILITIES			
Lease liabilities	9	-	5,550
Accrued employee benefits	12	52,856	41,596
Total Non Current Liabilities		52,856	47,146
TOTAL LIABILITIES		929,417	937,018
NET ASSETS		7,485,136	8,121,971
EQUITY			
Accumulated surplus		7,494,639	8,136,312
Reserves		(9,503)	(14,341)
TOTAL EQUITY		7,485,136	8,121,971

The accompanying notes form part of these financial statements.

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

FOR THE YEAR ENDED 30 JUNE 2023

	Accumulated Surplus	Reserves	Total
	\$	\$	\$
Balance as at 1 July 2021	7,882,622	(7,083)	7,875,539
Operating result for the year	253,690	-	253,690
Other comprehensive income	-	(7,258)	(7,258)
Total comprehensive income	253,690	(7,258)	246,432
Balance as at 30 June 2022	8,136,312	(14,341)	8,121,971

	Accumulated Surplus	Reserves	Total
	\$	\$	\$
Balance as at 1 July 2022	8,136,312	(14,341)	8,121,971
Operating result for the year	(641,673)	-	(641,673)
Other comprehensive income	-	4,838	4,838
Total comprehensive income	(641,673)	4,838	(636,835)
Balance as at 30 June 2023	7,494,639	(9,503)	7,485,136

The accompanying notes form part of these financial statements.

**PA RESEARCH FOUNDATION
STATEMENT OF CASH FLOWS**

FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023	2022
		\$	\$
Cash flows from operating activities			
<i>Inflows:</i>			
Receipts from donations, bequests and other fundraising		3,268,617	3,690,347
Interest received		162,212	28,668
Dividends received		3,721	2,299
Research grants received		405,301	559,576
Other receipts		1,040,147	1,222,517
GST input tax credits from ATO		80,138	44,107
GST collected from customers		207,149	207,863
<i>Outflows:</i>			
Supplies and services		(1,330,334)	(1,222,908)
Employee expenses		(1,402,328)	(1,356,025)
Research grants and tied funds paid		(2,775,782)	(2,617,071)
GST paid to suppliers		(232,061)	(237,108)
GST remitted to ATO		(18,433)	(42,164)
Net cash provided by (used in) operating activities		(591,653)	280,101
Cash flows from investing activities			
<i>Inflows:</i>			
Shares redemption		13,838	4,000
Transfer from short term investments		24,226	-
Net cash provided by (used in) investing activities		38,064	4,000
Net increase/(decrease) in cash and cash equivalents		(553,589)	284,101
Cash and cash equivalents - beginning of financial year		5,941,936	5,657,835
Cash and cash equivalents - end of financial year	6	5,388,347	5,941,936

The accompanying notes form part of these financial statements.

PA RESEARCH FOUNDATION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

- Note 1: Summary of Significant Accounting Policies
- Note 2: Other Revenue
- Note 3: Employee Expenses
- Note 4: Supplies and Services
- Note 5: Research Grants and Tied Funds Paid
- Note 6: Cash and Cash Equivalents
- Note 7: Receivables
- Note 8: Other Current Assets
- Note 9: Leases
- Note 10: Other Financial Assets
- Note 11: Payables
- Note 12: Accrued Employee Benefits
- Note 13: Key Management Personnel and Remuneration Expenses
- Note 14: Related Party Transactions
- Note 15: Contingencies
- Note 16: Commitments for Expenditure
- Note 17: Events Occurring after Balance Date

PA RESEARCH FOUNDATION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Compliance with Prescribed Requirements

The PA Research Foundation (“The Foundation”) has prepared these financial statements in compliance with the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2019*. The PA Research 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 the disclosure requirements of Australian Accounting Standards – Simplified Disclosures. The financial statements comply with the recognition and measurement requirements of all Australian Accounting Standards and Interpretations applicable to non-for-profit entities, and the presentation requirements in those standards as modified by AASB1060.

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

Revenue from fundraising activities, special events, functions, bequests, grants, donations and gifts arise from transactions that are non-reciprocal in nature (i.e. do not require any goods or services to be provided in return).

Where the grant agreement is enforceable and contains sufficiently specific performance obligations for the Foundation to transfer goods or services to a third-party on the grantor’s behalf, the grant is accounted for under AASB 15 *Revenue from Contracts with Customers*. In this case, revenue is initially deferred as unearned revenue (contract liability) and recognised as or when the performance obligations are satisfied.

Otherwise, the grant or donation is accounted for under AASB 1058 *Income of Not-for-Profit Entities*, whereby revenue is recognised upon receipt of the grant funding. The Foundation did not receive any specific purpose capital grants in this financial year.

PA RESEARCH FOUNDATION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

(d) Revenue (cont'd)

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 conferences, seminars and training, including participant fees and sponsorships, is recognised on delivery of the program or session to attendees.

When the sponsorship agreement is enforceable and contains sufficiently specific performance obligations for the Foundation to transfer goods or services to a third-party, the sponsorship is accounted for under AASB 15 *Revenue from Contracts with Customers*. In this case, revenue is initially deferred as unearned revenue (contract liability) and recognised as or when the performance obligations are satisfied.

Revenue from services rendered and sale of goods are recognised when the Foundation's performance obligations are fulfilled, and a tax invoice is created.

Dividends from listed companies are recognised when the right to receive the distribution has been established.

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.

(f) Receivables

Trade and other receivables 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.

The collectability of receivables is assessed periodically with provision being made for expected credit loss. Calculations for the provision of expected credit losses is outlined in section (l). No provision has been made as at 30 June 2023 (2022: nil). All known bad debts were written-off as at 30 June.

(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.

PA RESEARCH FOUNDATION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

(h) Leases

Right-of-use assets are initially measured at cost comprising the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date (less any lease incentives received), initial direct costs incurred and the initial estimate of restoration costs (where applicable). Subsequent to initial recognition, right-of-use assets are measured at cost.

Lease liabilities are initially recognised at the present value of lease payments over the lease term that are not yet paid. The lease term includes any extension or renewal options that the department is reasonably certain to exercise. The future lease payments included in the calculation of the lease liability comprise:

- fixed payments (less any lease incentives receivable),
- variable lease payments that depend on an index or rate (initially measured using the index or rate as at the commencement date),
- the amount of residual value guarantees,
- the exercise price of a purchase option (where the Foundation is reasonably certain to exercise the option); and
- payments for termination penalties (if the lease term reflects the early termination).

The Foundation's incremental borrowing rate is used when measuring the lease liability for the lease of a vehicle as the interest rate implicit in the lease cannot be readily determined. The incremental borrowing rate used is the fixed rate loan rate published by the Suncorp Bank Limited.

The Foundation leases a vehicle for use in its operations. The lease term is 3 years. At the conclusion of the lease term, the agreement provides for a right of renewal following a market rent review. The Foundation has not included the optional period in the lease term as it is not reasonably certain to exercise the option.

(i) Services provided by Metro South Hospital and Health Service

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. As a result, no services below fair value have been recorded in the current year.

(j) 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.

PA RESEARCH FOUNDATION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

(k) Financial Instruments

Recognition, initial measurement and derecognition

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

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

Classification and subsequent measurement of financial assets

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

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

- amortised cost;
- fair value through profit or loss (FVPL); and
- 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, interest, and dividend income, except for impairment of trade receivables which is presented within administration expenses.

Classifications are determined by both:

- The entity's business model for managing the financial asset; and
- 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; and
- 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.

PA RESEARCH FOUNDATION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

(k) Financial Instruments (cont'd)

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).

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 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.

PA RESEARCH FOUNDATION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

(k) Financial Instruments (cont'd)

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

Classification and measurement of financial liabilities

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

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

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments). All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs.

(l) 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 as a liability 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.

PA RESEARCH FOUNDATION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

(l) Employee Benefits (cont'd)

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. The probability that staff will reach the required minimum period of service has been taken into account in estimating the long service leave liability.

Probability of employee reaching qualified period	
Year	Probability
0	5%
1	15%
2	25%
3	35%
4	45%
5	55%
6	65%
7	75%
8	85%
9	95%
10	100%

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.

All directly associated on-costs (e.g. employer superannuation contributions, payroll tax and worker's compensation insurance) are also recognised as liabilities, where these on-costs are material.

Superannuation

The Foundation pays contributions to certain defined contribution superannuation plans. The contributions are expensed when they become payable at each fortnightly pay period.

(m) 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 16 Commitments for Expenditure. If an invoice is received to pay the grant, it is recorded as research grants payable.

PA RESEARCH FOUNDATION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

(n) 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*.

(o) 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.

(p) Key Accounting Estimates and Judgements

The preparation of financial statements necessarily requires the determination and use of certain critical accounting estimates, assumptions, and management judgements that have 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 1 – Services rendered free of charge
- Note 12 – Long service leave probabilities
- Note 15 – Contingencies
- Note 16 – Commitments for expenditure

(q) 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 2021-22 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.

PA RESEARCH FOUNDATION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

(r) New and Revised Accounting Standards

First time mandatory application of Australian Accounting Standards and Interpretations

No new accounting pronouncements applicable for the first time in 2022-23 had a material impact on the foundation.

Early adoption of Australian Accounting Standards and Interpretations

No accounting pronouncements were early adopted in the 2022-23 financial year.

Voluntary changes in accounting policy

No voluntary changes in accounting policies occurred during the 2022-23 financial year.

(s) 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 2023

	2023	2022
	\$	\$
2. OTHER REVENUE		
Revenue from contracts with customers		
Research income	877,458	1,010,966
Sale of merchandise	8,446	22,534
Commission vending machines	81,162	85,846
	967,066	1,119,346
Other research income	118,309	37,459
Paid parental leave funding	11,350	3,090
Employee contributions	3,619	5,389
Other	3,162	3,513
	1,103,506	1,168,797
Total	1,103,506	1,168,797

	2023	2022
	\$	\$
3. EMPLOYEE EXPENSES		
Employee benefits		
Wages and salaries	1,213,418	1,197,242
Leave entitlements	23,753	11,113
Employer superannuation contributions	125,671	116,235
Paid parental leave	11,374	3,090
Employee related expenses		
Worker's compensation premiums	13,938	10,678
Other employee related expenses	48,023	29,547
	1,436,177	1,367,905
Total	1,436,177	1,367,905
Number of employees:	22	27

The number of employees as at 30 June, including both full-time employees and part-time employees, is measured on a full-time equivalent basis.

PA RESEARCH FOUNDATION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	\$	\$
4. SUPPLIES AND SERVICES		
Accounting and audit fees*	21,500	17,000
Bank charges	22,465	24,057
Online fundraising platform	20,889	7,418
Insurance premiums	9,879	9,311
Interest on lease liabilities	300	600
Minor equipment purchases	1,677	818
Information technology expenses	122,510	124,148
Printing & stationery	73,543	100,786
Direct mail support services	24,917	30,644
Motor vehicle expenses	4,877	5,198
Rent office premises	29,229	27,883
Other administration expenses	70,794	61,248
Total	402,580	409,111

*Total audit fees paid to the Queensland Audit Office relating to the 2022-23 financial statements are estimated to be \$21,000 (2022: \$17,000).

	2023	2022
	\$	\$
5. RESEARCH GRANTS AND TIED FUNDS PAID		
Research expenditure	1,833,289	1,891,594
Hospital departments and patient support	224,270	119,381
Tied projects funds salary & wages and staff education	758,570	654,641
Unclaimed support for Advance QLD Fellowship 2021	60,231	-
Total	2,876,360	2,665,616

PA RESEARCH FOUNDATION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	\$	\$
6. CASH AND CASH EQUIVALENTS		
Cash on hand and at bank	596,568	1,304,744
Deposits at call	4,791,779	4,637,192
Total	5,388,347	5,941,936

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

	2023	2022
	\$	\$
7. RECEIVABLES		
Trade debtors	195,901	192,868
Other debtors	15,038	66,811
Contract assets	124,712	124,926
Dividends receivable	2,003	2,587
Shares receivable	-	13,752
Interest accrued	3,048	3,290
GST receivable	-	34,367
Total	340,702	438,601

	2023	2022
	\$	\$
8. OTHER CURRENT ASSETS		
Prepayments	102,538	86,265
Security bond	125	125
Deposits in advance	1,680	14,433
Total	104,343	100,823

PA RESEARCH FOUNDATION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

	2023 \$	2022 \$
9. LEASES		
Right-of-use-assets – Motor vehicles		
Opening balance at 1 July	16,957	28,262
Depreciation expense	(11,304)	(11,305)
Carrying amount at 30 June	5,653	16,957
Lease Liabilities		
Current	5,844	11,748
Non-current	-	5,550
Total	5,844	17,298
Amounts recognised in profit or loss		
Interest expense on lease liabilities	300	600
Expenses for short-term leases and leases of low value assets disclosed as rent office premises in Note 4	29,229	27,883
Total cash outflow for leases	29,529	28,483
Lease Liability Maturity		
Undiscounted future lease payments included in the lease liability are as follows:		
Not later than one year	5,874	11,753
Later than one year and no later than five years	-	5,876
Later than five years	-	-
Less: effect of discounting	(30)	(331)
Lease liabilities at 30 June	5,844	17,298

PA RESEARCH FOUNDATION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	\$	\$
10. OTHER FINANCIAL ASSETS		
Current		
Financial assets held at amortised cost - Term deposits	2,496,028	2,461,963
	<u>2,496,028</u>	<u>2,461,963</u>
Non Current		
Equity instruments at fair value through other comprehensive income (FVOCI)	47,604	42,766
	<u>47,604</u>	<u>42,766</u>
	Non Current	Non Current
	2023	2022
	\$	\$
Carrying amount at 1 July	42,766	53,942
Capital returns	-	-
Shares Redemptions	-	(3,918)
Equity instruments at FVOCI – fair value changes	4,838	(7,258)
Carrying amount at 30 June	<u>47,604</u>	<u>42,766</u>

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. The Foundation has an entitlement to receive interest income on term deposits and dividend income from shares.

Maturity terms of the two term deposits are seven and twelve months respectively.

PA RESEARCH FOUNDATION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	\$	\$
11. PAYABLES		
Research grants payable	95,625	123,690
Trade payables	289,297	200,631
Other payables	47,117	35,391
Accruals	45,007	21,479
GST payable	2,426	-
Total	479,472	381,191

	2023	2022
	\$	\$
12. ACCRUED EMPLOYEE BENEFITS		
Current		
Accrued wages	34,863	24,767
Annual leave	118,412	112,817
Long service leave	96,060	89,162
	249,335	226,746
Non Current		
Long service leave	52,856	41,596
	52,856	41,596

13. 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 2022-23 and 2021-22.

PA RESEARCH FOUNDATION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

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

a) Key Management Personnel (cont'd)

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

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 (2022: nil).

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

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; and
- No performance bonuses are currently part of any employment agreements.

PA RESEARCH FOUNDATION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

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

b) Remuneration (cont'd)

1 July 2022 – 30 June 2023

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	193,390	-	3,311	21,256	-	217,957

1 July 2021 – 30 June 2022

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	196,957	-	7,280	20,257	-	224,494

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

c) Performance payments

No performance payments were made in either the 2022-23 or 2021-22 financial years.

14. RELATED PARTY TRANSACTIONS

The Foundation has an existing relationship with a recruitment company in which one board member 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 2023 was \$19,523 (2022: \$2,400).

As at 30 June 2023 the Foundation received a total of \$1,213 (2022: \$6,079) in donations from board members.

PA RESEARCH FOUNDATION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

15. 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 \$21,199 (2022: \$20,616) at 30 June 2023 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 2022-23 financial year will be brought to account during the financial year ending 30 June 2024. As at the 30 June 2023 there are no indications as to what these earnings will be.

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

16. 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 \$600,000 held for 2024 research expenditure that is yet to be committed to a specific project (2022: \$800,000 held for 2023 research expenditure).

Research Grant Commitments

	2023	2022
	\$	\$
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	1,243,720	1,403,606
Later than one year and not later than five years	470,121	425,000
Later than five years	-	100,000
TOTAL	1,713,841	1,928,606

PA RESEARCH FOUNDATION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

16. 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

	2023	2023
	\$	\$
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	2,612,506	3,660,893
Later than one year and not later than five years	2,017,431	2,274,819
Later than five years	1,724,954	600,000
	6,354,891	6,535,712
TOTAL	6,354,891	6,535,712

Office Premises

The PA Research Foundation leases office space from Translational Research Institute up until 31 October 2023. The total commitment inclusive of goods and services tax as at reporting date, but not recognised in the financial statements is \$10,883 which is expected to be paid in the next 12 months. This has not been classified as a right of use asset under AASB16 due to the election of the short-term leases exemption.

17. EVENTS OCCURRING AFTER BALANCE DATE

No significant subsequent events have occurred since balance date which would make these financial statements for the year ended 30 June 2023 materially inaccurate or misleading, nor are any matters pending which might have such an effect.

PA RESEARCH FOUNDATION

MANAGEMENT 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.39 of the *Financial and Performance Management Standard 2019*, the *Australian Charities and Not-for-profits Commission Act 2012* and other prescribed requirements. In accordance with 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 2023, and of the financial position of the PA Research Foundation as at the end of that year; and
- c) the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* signed in accordance with subsection 60.15 of the *Australian Charities and Not-for-profits Commission Regulations 2022*; and
- d) there are reasonable grounds to believe that the PA Research Foundation is able to pay all of its debts, as and when they become due and payable.

We acknowledge responsibility under s.7 and s.11 of the *Financial and Performance Management Standard 2019* for the establishment and maintenance, in all material respects, of an appropriate and effective system of internal controls and risk management processes with respect to financial reporting throughout the reporting period.



Damian Topp
Chief Executive Officer



Prof Ruth McPhail
Acting Chair

Dated this 31st day of August 2023

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 PA Research Foundation.

In my opinion, the financial report:

- a) gives a true and fair view of the entity's financial position as at 30 June 2023, and its financial performance and cash flows for the year then ended
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019, the *Australian Charities and Not-for-profits Commission Act 2012*, the Australian Charities and Not-for-profits Commission Regulations 2022 and Australian Accounting Standards – Simplified Disclosures.

The financial report comprises the balance sheet as at 30 June 2023, 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 material accounting policies, and the management certificate.

Basis for opinion

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

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

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

Responsibilities of the entity for the financial report

The Board is responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019, the *Australian Charities and Not-for-profits Commission Act 2012*, the Australian Charities and Not-for-profits Commission Regulations 2022 and Australian Accounting Standards – Simplified Disclosures, and for such internal control as the Board determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

Report on other legal and regulatory requirements

Statement

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2023:

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

Prescribed requirements scope

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



D J Toma
as delegate of the Auditor-General

31 August 2023

Queensland Audit Office
Brisbane

Compliance Checklist

Summary of requirement		Basis for requirement	Annual report reference
Letter of compliance	<ul style="list-style-type: none"> A letter of compliance from the accountable officer or statutory body to the relevant Minister/s 	ARRs – section 7	4
Accessibility	<ul style="list-style-type: none"> Table of contents Glossary 	ARRs – section 9.1	5
	<ul style="list-style-type: none"> Public availability 	ARRs – section 9.2	2
	<ul style="list-style-type: none"> Interpreter service statement 	Queensland Government Language Services Policy ARRs – section 9.3	2
	<ul style="list-style-type: none"> Copyright notice 	Copyright Act 1968 ARRs – section 9.4	2
	<ul style="list-style-type: none"> Information Licensing 	QGEA – Information Licensing ARRs – section 9.5	2
General information	<ul style="list-style-type: none"> Introductory Information 	ARRs – section 10	7
Non-financial performance	<ul style="list-style-type: none"> Government’s objectives for the community and whole-of-government plans/specific initiatives 	ARRs – section 11.1	7
	<ul style="list-style-type: none"> Agency objectives and performance indicators 	ARRs – section 11.2	8
	<ul style="list-style-type: none"> Agency service areas and service standards 	ARRs – section 11.3	N/A
Financial performance	<ul style="list-style-type: none"> Summary of financial performance 	ARRs – section 12.1	13
Governance – management and structure	<ul style="list-style-type: none"> Organisational structure 	ARRs – section 13.1	10
	<ul style="list-style-type: none"> Executive management 	ARRs – section 13.2	11
	<ul style="list-style-type: none"> Government bodies (statutory bodies and other entities) 	ARRs – section 13.3	9
	<ul style="list-style-type: none"> Public Sector Ethics 	Public Sector Ethics Act 1994 ARRs – section 13.4	12
	<ul style="list-style-type: none"> Human Rights 	Human Rights Act 2019 ARRs – section 13.5	12
	<ul style="list-style-type: none"> Queensland public service values 	ARRs – section 13.6	N/A
Governance – risk management and accountability	<ul style="list-style-type: none"> Risk management 	ARRs – section 14.1	12
	<ul style="list-style-type: none"> Audit committee 	ARRs – section 14.2	12
	<ul style="list-style-type: none"> Internal audit 	ARRs – section 14.3	12
	<ul style="list-style-type: none"> External scrutiny 	ARRs – section 14.4	12
	<ul style="list-style-type: none"> Information systems and recordkeeping 	ARRs – section 14.5	12
	<ul style="list-style-type: none"> Information Security attestation 	ARRs – section 14.6	N/A

Summary of requirement		Basis for requirement	Annual report reference
Governance – human resources	• Strategic workforce planning and performance	ARRs – section 15.1	11
	• Early retirement, redundancy and retrenchment	Directive No.04/18 <i>Early Retirement, Redundancy and Retrenchment</i> ARRs – section 15.2	12
Open Data	• Statement advising publication of information	ARRs – section 16	2
	• Consultancies	ARRs – section 31.1	https://data.qld.gov.au
	• Overseas travel	ARRs – section 31.2	https://data.qld.gov.au
	• Queensland Language Services Policy	ARRs – section 31.3	https://data.qld.gov.au
Financial statements	• Certification of financial statements	FAA – section 62 FPMS – sections 38, 39 and 46 ARRs – section 17.1	Section 2 - 26
	• Independent Auditor's Report	FAA – section 62 FPMS – section 46 ARRs – section 17.2	Section 2 - 27

FAA

Financial Accountability Act 2009

FPMS

Financial and Performance Management Standard 2019

ARRs

Annual report requirements for Queensland Government agencies