



2020-2021 Annual Report

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Open Data – No expenditure on overseas travel and implementation of the Queensland Language Services Policy was incurred during 2020-2021. Information relating to consultancies has been published on the Queensland Government Open Data website (qld.gov.au/data).

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Content from this annual report should be attributed as:
PA Research Foundation Annual Report 2020 –2021.

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



9 September 2021

The Honourable Yvette D'Ath MP
Minister for Health and Ambulance Services
GPO Box 48
BRISBANE QLD 4001

Dear Minister D'Ath MP

I am pleased to present the 2020-2021 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 Compliance Checklist outlining the annual reporting requirements can be found on page 46 of this Annual Report.

Yours sincerely

A handwritten signature in black ink that reads "Robert Bowen". The signature is written in a cursive, slightly slanted style.

Robert Bowen AO
Chairperson

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Glossary

Term	Definition
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
PA Hospital, PAH	Princess Alexandra Hospital
NHMRC	National Health and Medical Research Council
CEO	Chief Executive Officer

From the Chair and Chief Executive

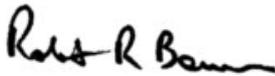
The 2020-2021 financial year was dominated by the uncertainty brought by the COVID-19 pandemic. Following initial restrictions and working from home, staff made a hybrid return to work in a facility that continued to be subject to frequent reductions of patients and visitors. This environment was difficult for all staff and volunteers, however, they should be applauded for their positive and flexible approach to the changes.

Significantly, the Foundation continued to deliver strong results that included a net surplus of \$2.695M and record expenditure on impact programs across research, patient support and staff education in excess of \$3M.

Transforming our workforce structure to integrated project teams and continuing the commitment to flexible working, provided a stability that guided staff through uncertainty. The second half of the year welcomed the Project Pink and Mandate campaigns which had been cancelled in 2020. This was a sign of operations beginning to approach pre-COVID-19 programming.

Our achievements could not have been recognised without many loyal supporters. Thank you to the PA Hospital staff, patients, families, communities and businesses who continued to provide support in such a challenging year. Our success is made possible through your commitment.

In conclusion, we would like to thank our dedicated staff in the Foundation office and the Board for their time, dedication and guidance throughout the year. With your support, we look forward to continuing to be the bridge for linking the giving community to enable incredible health outcomes at the PA Hospital.



Robert Bowen
Chairperson



Damian Topp
Chief Executive Officer

About Us

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 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

Objectives 1. Develop relationships and build support from PA Hospital community
2. Fund innovative clinical, collaborative, translational projects
3. Direct funding based on donor wishes

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* (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).

Queensland Government objectives for the community

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 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 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

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 where their funds should be invested. An engaged donor is a lifelong 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, our 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 GROUND BREAKING 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 healthcare 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 healthcare projects.

Governance

Our Board

The Board delegates responsibility for implementing strategies approved by the Board and day-to-day management to the Chief Executive Officer (CEO), 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. Board meetings are held six (6) times per year.

Mr Robert Bowen AO Chair Current Term: 02/10/2020 01/10/2025

Mr Bowen has been Chair of the Board since 2011. His career is diverse, with experience across the food and biotechnology industries as a scientist and executive followed by managing federal and Queensland government emerging technology commercialisation investments.

Prof. Ruth McPhail Deputy Chair Current Term: 02/10/2020 01/10/2025

A demonstrated leader in numerous roles including as the Director, Undergraduate Studies and Head of Department of Employment Relations and Human Resources. Recipient of Awards for Excellence in Teaching: Vice Chancellors University Teacher of the Year Award and a national OLTC Citation for a sustained commitment to facilitating the aspirations and success of first year students.

Dr Helen Benham Statutory Appointment

An experienced Rheumatologist who divides her time between clinical practice at Princess Alexandra Hospital and translational research into rheumatic diseases. Helen is a senior lecturer with the University of Queensland and a previous NHMRC Translating Research into Practice fellow with a strong research interest in implementation science

Prof. Stephen Lynch AC Current Term: 14/12/2018 30/09/2021

Chairman of Surgery at Princess Alexandra Hospital. He has held various positions including Director of Queensland Liver Transplant Service, Foundation Chair of Transplantation Biology Programme, Fellow of the Institute and Member of the Board of the Queensland Institute of Medical Research, President of Transplantation Society of Australia and New Zealand; Councillor of the Asian Transplantation Society, Councillor of The Transplantation Society, and Member of Queensland Health Clinical Senate.

Dr Michael Cleary PSM Current Term: 02/10/2020 01/10/2025

Executive Director Princess Alexandra Hospital. Dr Cleary has a proven record of significant achievement in managing complex healthcare systems, health policy development, medical administration and emergency medicine and has demonstrated ongoing outstanding contributions to healthcare innovation, improvement and reform in Queensland.

Ms Dyllys Bertelsen

Current Term: 02/10/2020 01/10/2025

Managing Director Windsor Recruitment. An experienced business leader committed to building the capacity of socially-conscious organisations through considered matching of Board Chairs, Directors and Senior Executives with suitable organisations.

Ms Theresa Moltoni AM

Current Term: 02/10/2020 01/10/2025

Managing Legal Practitioner Director at IRIQ Law. Theresa sits on a number of Boards including The Brisbane Club, the PA Research Foundation and the Australian Super Qld Advisory Board and is the Founding Chair of the Dancing CEOs (TM) event which raises money for victims of domestic violence.

Mr Derrick Vickers

Current Term: 14/12/2018 30/09/2021

Partner PwC Business Recovery & Strategy. A subject matter expert with over 25 years' experience in business continuation in crisis, operational improvement, financial restructuring and insolvency with significant exposure in the Agribusiness, Aquaculture, Construction, Hospitality, Health, Mining, Property and Retail industries.

Ms Sarah Black

Current Term: 02/10/2020 01/10/2022

Experienced healthcare executive in clinical and corporate governance. Extensive experience in private hospitals and the not-for-profit sector with strong ability to facilitate staff engagement, including with visiting medical officers and junior medical program coordination.

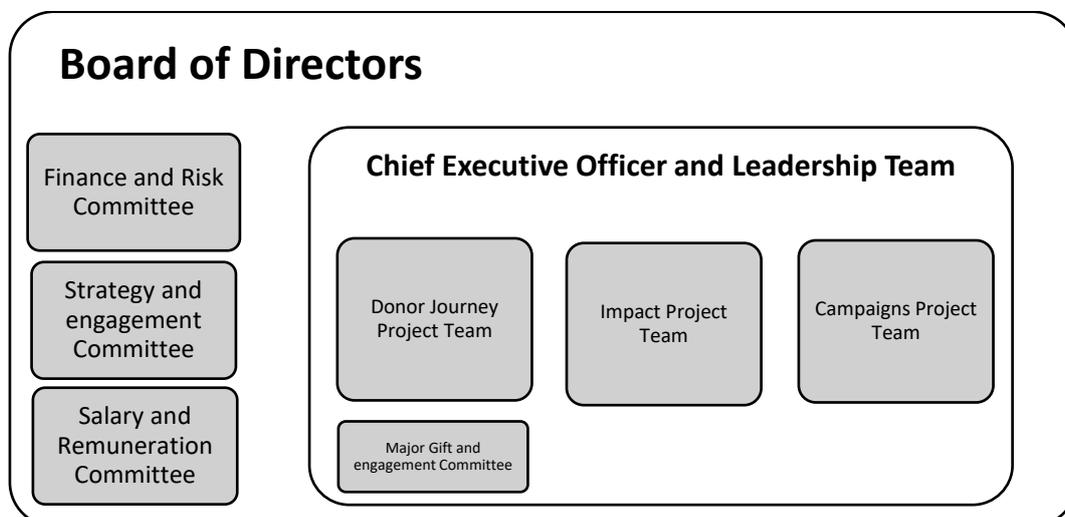
Ms Janella Manders

Current Term: 14/12/2018 30/09/2022

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

Honorary Solicitor: Mr Michael Back

Board Secretary: Ms Sarina Di Sano

Organisation Structure**Board committees**

Finance and Risk Committee - Mr Derrick Vickers (Chair), Mr Robert Bowen AO, Ms Theresa Moltoni AM, Mr Damian Topp (CEO), 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 - Prof Ruth McPhail (Chair), Ms Dyllys Bertlesen, Mr Damian Topp (CEO, Ms Simone Owens (Individual Giving), Ms Kate Ryan (Partnerships), Ms Sarina DiSano (People and Culture)

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.

Salary and Remuneration Committee – Mr Robert Bowen AO, Ms Dyllys Bertlesen, Prof. Ruth McPhail
This committee usually meets annually to evaluate and confirm executive salary and remuneration.

Foundation Staff

Our Leadership Team

Damian Topp	Chief Executive Officer
Sarina Di Sano	People and Culture Manager
Kerstin Petrick	Accounts Manager
Simone Owens	Executive Manager – Individual Giving
Kate Ryan	Partnerships Manager

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

Donor Journey Project Team which also include 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
Lauren Tot	Community Fundraising Manager
Michelle McNicholl	Fundraising Administrator
Melissa Harmanis	Fundraising Administrator
Carolyn Schuwalow	Philanthropy Manager
Luke Cridland	Community Fundraising Coordinator
Meredith Barker	Communication Coordinator
Josh Patersen	Media Manager
Melissa McMahon	Fundraising Coordinator
Sandra McGinnis	Funding Program Lead
Ellen Dan	Fundraising Coordinator
Emma King	Administration Assistant

Strategic workforce planning and performance *

At the conclusion of the 2021-2021 financial year the Foundation had 13.4 Full Time Equivalent (FTE) employees. The permanent separation rate for the Foundation is 11 per cent.

COVID-19 continued to create challenges during the year. The move to a hybrid situation where staff rotate between remote and in office working has been adopted as a permanent structure. 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.

An increase in staff over the past three financial years has seen the need to ensure a staff member, separate to the CEO takes a lead in people management. From next financial year this role will formerly become People and Culture Manager.

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 18 June 2021**

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 Chairman and at least two other board members. For the 2020-2021 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*, 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.

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 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 engages 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 key achievements for this period centre around the focus on providing opportunities for giving back to the hospital communities. Some of the highlights included:

- An increase in the number of patients consenting to receive information from the Foundation
- More hospital departments participating in Giving Day
- Increase in confirmed gifts in wills

Strategic objectives and performance indicators

Redefining the operational focus of the Foundation has been led by a new vision and mission statement and accompanying strategy for 2021 and beyond. The plan places priority on relationships with donors, patients and families and their communities rather than our outcome.

PA Research Foundation Strategy 2021-25

Vision - The healthcare charity of choice for patients and the community

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

Key Strategic Areas

1. Donors and supporters			
Patients, families and Friends		Communities	
<ul style="list-style-type: none"> • 25% of all patients consent to being contacted by 2025 • Patient and families encouraged to be part of a giving community by 2022 • Recruit hospital staff as ambassadors • Provide structured patient giving across Metro South Health by 2022 		<ul style="list-style-type: none"> • Link public campaigns with patient community • Maintain corporate partners to support key research areas in Breast, Prostate and Skin Cancer • Grow community beneficiary partners 	
2. Internal Operations		3. People and Culture	
<ul style="list-style-type: none"> • Make decisions that enhance organisation sustainability • Focus on awareness that results in financial support • Evaluate company structure 		<ul style="list-style-type: none"> • A culture of respect and transparency • Provide opportunities for every employee to lead and develop • Collaborate and share knowledge 	
4. Impact			
Research	Patient Support	Staff Education	Equipment
<ul style="list-style-type: none"> • Directed research funding into Breast, Prostate and Skin Cancer • Support Clinically lead research • Be a catalyst for research culture change 	<ul style="list-style-type: none"> • Fund five patient pilot activities annually by 2023 • Provide infrastructure to support patients in hospital 	<ul style="list-style-type: none"> • Provide infrastructure for the Foundation to host seminars and conferences • Support higher research degree completion 	<ul style="list-style-type: none"> • Fund innovative equipment that transforms healthcare beyond current provision

Update on achievement of strategic target areas from previous strategic plan

Impact	
<ul style="list-style-type: none"> • 85% of net revenue invested in research, patient support and staff education in Financial year 2019-2020 • Increase in patient support from \$35,000 to \$85,000 	
Customer and Culture <ul style="list-style-type: none"> • Over 2,100 regular givers • 27,000 patients consenting to receive information against a target of 30,000 • Doubled the participation of hospital departments in Giving Day 	Financial Perspective <ul style="list-style-type: none"> • Another increase in net income \$2,695,000
Internal Perspective <ul style="list-style-type: none"> • New website development commenced • Brand refreshed and social media consolidated in 2019 • New database implemented 	Learning and Growth <ul style="list-style-type: none"> • Supported one staff member to commence bachelor degree • Supported online learning for all staff included one diploma course

Financial summary

The 2020-2021 Financial Year was affected by the COVID-19 pandemic. Despite this, a result of more than double the budgeted net income (\$2.695M v \$1.005M) was achieved. \$500,000 of this was from federal government support including job keeper payments.

The resultant downtime experienced during the period also enabled time to focus on expending surplus funds held for research activities. This effort saw a record \$3M spent on research, patient support and staff education. The following table outlines the investment the Foundation has made since 2013.

Year	Investment
2013	\$672,000
2014	\$1,175,000
2015	\$1,394,000
2016	\$1,439,000
2017	\$789,000
2018	\$2,508,000
2019	\$2,371,000
2020	\$2,695,000
2021	\$3,031,000

2021 Audited Financial Statements

PA RESEARCH FOUNDATION

FINANCIAL STATEMENTS 2020-21

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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 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) 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 2021

	Notes	2021	2020
		\$	\$
INCOME			
Bequests and donations		2,325,151	3,242,506
Functions, special events and other fundraising		1,038,602	1,093,976
Interest revenue		59,260	135,341
Dividends		2,194	4,064
Research grants		439,719	386,639
Other revenue	2	1,421,298	821,975
Total revenue		5,286,224	5,684,501
Gain on sale of investments		3,408	200
Total Income		5,289,632	5,684,701
EXPENSES			
Employee expenses	3	1,386,107	1,478,917
Fundraising expenses		790,860	1,304,208
Administration expenses	4	408,346	581,863
Depreciation	8	2,752	3,077
Amortisation	9	5,652	-
Research grants and tied funds paid	5	3,031,024	2,395,371
Total expenses		5,624,741	5,763,436
Operating Result for the Year		(335,109)	(78,735)
OTHER COMPREHENSIVE INCOME			
Items that may be reclassified to operating result			
Equity instruments at FVOCI – fair value changes	10	9,878	(14,977)
Total Other Comprehensive Income		9,878	(14,977)
TOTAL COMPREHENSIVE INCOME		(325,231)	(93,712)

The accompanying notes form part of these financial statements.

**PA RESEARCH FOUNDATION
BALANCE SHEET**

AS AT 30 JUNE 2021

	Notes	2021	2020
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	6	5,657,835	5,683,482
Other financial assets	10	2,445,025	2,409,067
Receivables	7	472,144	477,887
Inventories		76,198	92,594
Total Current Assets		8,651,202	8,663,030
NON CURRENT ASSETS			
Plant and equipment	8	231	2,983
Right-of-use assets	9	28,262	-
Other financial assets	10	53,942	52,656
Total Non Current Assets		82,435	55,639
TOTAL ASSETS		8,733,637	8,718,669
CURRENT LIABILITIES			
Payables	11	429,197	188,166
Lease liabilities	9	11,748	-
Accrued employee benefits	12	223,704	209,171
Unearned revenue (contract liabilities)		143,990	93,000
Total Current Liabilities		808,639	490,337
NON CURRENT LIABILITIES			
Lease liabilities	9	16,702	-
Accrued employee benefits	12	32,757	27,562
Total Non Current Liabilities		49,459	27,562
TOTAL LIABILITIES		858,098	517,899
NET ASSETS		7,875,539	8,200,770
EQUITY			
Accumulated surplus		7,882,622	8,217,731
Reserves		(7,083)	(16,961)
TOTAL EQUITY		7,875,539	8,200,770

The accompanying notes form part of these financial statements.

**PA RESEARCH FOUNDATION
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021**

	Accumulated Surplus	Reserves	Total
	\$	\$	\$
Balance as at 1 July 2019	8,296,466	(1,984)	8,294,482
Operating result for the year	(78,735)	-	(78,735)
Equity instruments at FVOCI – fair value changes	-	(14,977)	(14,977)
Total comprehensive income	(78,735)	(14,977)	(93,712)
Balance as at 30 June 2020	8,217,731	(16,961)	8,200,770

	Accumulated Surplus	Reserves	Total
	\$	\$	\$
Balance as at 1 July 2020	8,217,731	(16,961)	8,200,770
Operating result for the year	(335,109)	-	(335,109)
Equity instruments at FVOCI – fair value changes	-	9,878	9,878
Total comprehensive income	(335,109)	9,878	(325,231)
Balance as at 30 June 2021	7,882,622	(7,083)	7,875,539

The accompanying notes form part of these financial statements.

PA RESEARCH FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2021	2020
		\$	\$
Cash flows from operating activities			
<i>Inflows:</i>			
Receipts from donations, bequests and other fundraising		3,364,448	4,461,902
Interest received		37,245	89,642
Dividends received		1,592	6,093
Research grants received		495,066	331,292
JobKeeper receipts		510,800	114,000
Cash Flow Boost receipts		58,972	41,028
Other receipts		773,440	558,739
GST input tax credits from ATO		149,216	164,941
GST collected from customers		189,596	144,445
<i>Outflows:</i>			
Supplies and services		(1,066,441)	(1,954,591)
Employee expenses		(1,366,378)	(1,391,514)
Research grants and tied funds paid		(2,868,172)	(2,431,474)
GST paid to suppliers		(312,906)	(309,639)
GST remitted to ATO		(4,125)	(4,620)
Net cash provided by (used in) operating activities		<u>(37,647)</u>	<u>(179,756)</u>
Cash flows from investing activities			
<i>Inflows:</i>			
Capital return payment		-	170
Shares redemption		12,000	8,000
Net cash provided by (used in) investing activities		<u>12,000</u>	<u>8,170</u>
Net increase/(decrease) in cash and cash equivalents		(25,647)	(171,586)
Cash and cash equivalents - beginning of financial year		5,683,482	5,855,068
Cash and cash equivalents - end of financial year	6	<u>5,657,835</u>	<u>5,683,482</u>

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 2021

- Note 1: Summary of Significant Accounting Policies
- Note 2: Other Revenue
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- Note 5: Research Grants and Tied Funds Paid
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- Note 7: Receivables
- Note 8: Plant and Equipment
- Note 9: Leases
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PA RESEARCH FOUNDATION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

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 2019*. 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 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.

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.

PA RESEARCH FOUNDATION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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(d) Revenue (cont'd)

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 (k). No provision has been made as at 30 June 2021 (2020: 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.

(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.

PA RESEARCH FOUNDATION
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(h) Plant & Equipment (cont'd)

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:

Class	Rate %
Plant and equipment:	20 - 33.33

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.

(i) 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:

PA RESEARCH FOUNDATION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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(i) Leases (cont'd)

- 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.

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

(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.

PA RESEARCH FOUNDATION
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(I) Financial Instruments (cont'd)

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, 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
- 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).

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(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 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
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(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.

(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 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.

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.

PA RESEARCH FOUNDATION
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(m) Employee Benefits (cont'd)

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	90%
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. 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 16 Commitments for Expenditure. If an invoice is received to pay the grant, it is recorded as research grants payable.

(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.

PA RESEARCH FOUNDATION
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(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 15 – Contingencies

(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 2019-20 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

First time mandatory application of Australian Accounting Standards and Interpretations

No new accounting standards applicable for the first time in 2020-21 had a material impact on the Foundation.

Early adoption of Australian Accounting Standards and Interpretations

No accounting pronouncements were early adopted in the 2020-21 financial year.

PA RESEARCH FOUNDATION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

(s) New and Revised Accounting Standards (cont'd)

Voluntary changes in accounting policy

No voluntary changes in accounting policies occurred during the 2020-21 financial year.

(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 2021

	2021	2020
	\$	\$
2. OTHER REVENUE		
Commission vending machines	83,619	97,316
Sale of merchandise	20,454	101,885
Research income	799,092	388,238
Government Assistance - COVID-19	500,272	224,528
Other	17,861	10,008
Total	<u>1,421,298</u>	<u>821,975</u>

*During the reporting period the Foundation received COVID-19 assistance payments from the federal government. These included "Cash Flow Boost" and "JobKeeper".

	2021	2020
	\$	\$
3. EMPLOYEE EXPENSES		
Wages and salaries	1,210,689	1,229,383
Leave entitlements	7,893	75,238
Employer superannuation contributions	113,919	115,895
Paid Parental Leave	7,566	1,481
Worker's compensation premiums	9,490	8,687
Other employee related expenses	36,550	48,233
Total	<u>1,386,107</u>	<u>1,478,917</u>

Total		
Number of employees at year end	<u>31</u>	<u>27</u>

PA RESEARCH FOUNDATION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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	2021 \$	2020 \$
4. ADMINISTRATION EXPENSES		
Accounting and audit fees*	16,000	11,000
Bank charges	28,326	30,177
Insurance premiums	9,255	8,954
Interest on lease liabilities	412	-
Minor equipment purchases	2,799	5,671
Information technology expenses & Database/Software	104,070	163,260
Printing & stationery	131,380	148,650
Direct Mail Support Services	37,046	41,551
Motor vehicle expenses	16,256	20,634
Rent office premises	15,915	63,712
Bad debts expense	373	11,766
Other administration expenses	46,514	76,488
Total	408,346	581,863

*Total audit fees paid to the Queensland Audit Office relating to the 2020-21 financial statements are estimated to be \$16,500 (2020: \$16,000).

	2021 \$	2020 \$
5. RESEARCH GRANTS AND TIED FUNDS PAID		
Research expenditure	2,391,675	2,000,097
Hospital departments and patient support	100,420	72,490
Tied projects funds salary & wages and staff education	538,929	322,784
Total	3,031,024	2,395,371

PA RESEARCH FOUNDATION
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FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	\$	\$
6. CASH AND CASH EQUIVALENTS		
Cash on hand and at bank	1,042,171	597,589
Deposits at call	4,615,664	5,085,893
Total	<u>5,657,835</u>	<u>5,683,482</u>

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

	2021	2020
	\$	\$
7. RECEIVABLES		
Interest accrued	9,871	23,814
Dividends receivable	1,681	1,079
Trade and other debtors	323,818	219,142
Prepayments	124,442	130,239
Security Bond	125	125
Deposits in advance	5,142	5,142
Accrued Cash Flow Boost payment	-	12,500
Accrued Jobkeeper payment	-	57,000
GST receivable	7,065	28,846
Total	<u>472,144</u>	<u>477,887</u>

	2021	2020
	\$	\$
8. PLANT & EQUIPMENT		
At cost	72,096	72,096
Less: Accumulated depreciation	(71,865)	(69,113)
Total	<u>231</u>	<u>2,983</u>

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8. PLANT & EQUIPMENT (CONT'D)	Plant & Equipment 2021 \$	Plant & Equipment 2020 \$
Carrying amount at 1 July	2,983	6,060
Acquisitions	-	-
Depreciation expense	(2,752)	(3,077)
Carrying amount at 30 June	231	2,983

	2021 \$	2020 \$
9. LEASES		
Right-of-use-assets – Motor vehicles		
Opening balance at 1 July	-	-
Additions	33,914	-
Depreciation expense	(5,652)	-
Carrying amount at 30 June	28,262	-
Lease Liabilities		
Current	11,748	-
Non-current	16,702	-
Total	28,450	-

	2021 \$	2020 \$
Amounts recognised in profit or loss		
Interest expense on lease liabilities	412	-
Expenses for short-term leases and leases of low value assets disclosed as motor vehicle expenses in Note 4	11,558	14,836
Expenses for short-term leases and leases of low value assets disclosed as rent office premises in Note 4	15,915	63,712
Total cash outflow for leases	29,143	80,846

PA RESEARCH FOUNDATION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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	2021	2020
	\$	\$
10. OTHER FINANCIAL ASSETS		
Current		
Financial assets held at amortised cost - Term deposits	2,445,025	2,409,067
	2,445,025	2,409,067
Non Current		
Equity instruments at fair value through other comprehensive income (FVOCI)	53,942	52,656
	53,942	52,656
	Non Current	Non Current
	2021	2020
	\$	\$
Carrying amount at 1 July	52,656	75,602
Capital returns	-	(169)
Shares Redemptions	(8,592)	(7,800)
Equity instruments at FVOCI – fair value changes	9,878	(14,977)
Carrying amount at 30 June	53,942	52,656

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.

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

FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	\$	\$
11. PAYABLES		
Research grants payable	55,000	-
Trade and other creditors	238,937	171,023
Accruals	135,260	17,143
Total	<u>429,197</u>	<u>188,166</u>

	2021	2020
	\$	\$
12. ACCRUED EMPLOYEE BENEFITS		
Current		
Accrued Wages	24,000	12,165
Annual leave	113,681	113,704
Long service leave	86,023	83,302
	<u>223,704</u>	<u>209,171</u>
Non Current		
Long service leave	32,757	27,562
	<u>32,757</u>	<u>27,562</u>

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 2020-21 and 2019-20.

PA RESEARCH FOUNDATION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

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 (2020: 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.
- No performance bonuses are currently part of any employment agreements.

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

b) Remuneration (cont'd)

1 July 2020 – 30 June 2021

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	198,052	-	5,208	18,762	-	222,022

1 July 2019 – 30 June 2020

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	196,284	-	9,618	18,762	-	224,664

c) Performance payments

No performance payments were made in either the 2020-21 or 2019-20 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 2021 was \$10,241 (2020: nil).

PA RESEARCH FOUNDATION
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FOR THE YEAR ENDED 30 JUNE 2021

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 \$22,624 (2020: \$20,518) at 30 June 2021 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 2020-21 financial year will be brought to account during the financial year ending 30 June 2022. As at the 30 June 2021 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 \$640,000 held for 2022 research expenditure that is yet to be committed to a specific project (2020: \$1,450,000 held for 2021 research expenditure).

Research Grant Commitments

	2021	2020
	\$	\$
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	1,723,234	2,584,519
Later than one year and not later than five years	405,000	500,000
Later than five years	-	-
TOTAL	2,128,234	3,084,519

PA RESEARCH FOUNDATION
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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

	2021 \$	2020 \$
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	2,049,784	1,506,630
Later than one year and not later than five years	3,264,342	1,638,722
Later than five years	558,907	1,894,652
TOTAL	<u>5,873,033</u>	<u>5,040,004</u>

Office Premises

The PA Research Foundation leases office space from Translational Research Institute up until 31 October 2021. The total commitment inclusive of goods and services tax as at reporting date, but not recognised in the financial statements is \$9,900, 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. EFFECTS OF COVID-19

For the 2021 financial year the Foundation continued to experience some reduction in revenue as a result of COVID-19. This downturn was offset by JobKeeper subsidies and PAYG Cash Boost received from the Australian Taxation Office. These payments along with a reduction in operating expenses, combined with adequate financial reserves will not see COVID-19 impact the Foundation's ability to operate a going concern. A continued downturn due to COVID-19 has again been considered in planning for the 2022 financial year.

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 2021, and of the financial position of the PA Research Foundation as at the end of that year.

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



Robert Bowen
Chairman

Dated this 31st day of August 2021

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.

In my opinion, the financial report:

- a) gives a true and fair view of the entity's financial position as at 30 June 2021, and its financial performance and cash flows for the period then ended
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019, the *Australian Charities and Not-for-profits Commission Act 2012*, the Australian Charities and Not-for-profits Commission Regulation 2013 and Australian Accounting Standards – Reduced Disclosure Requirements.

The financial report comprises the statement of financial position as at 30 June 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the management certificate.

Basis for opinion

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

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

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

Responsibilities of the entity for the financial report

The Board is responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019, the *Australian Charities and Not-for-profits Commission Act 2012*, the Australian Charities and Not-for-profits Commission Regulation 2013 and Australian Accounting Standards – 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 entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the entity or to otherwise cease operations.

Auditor's responsibilities for the audit of the financial report

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

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

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

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

Report on other legal and regulatory requirements

Statement

In accordance with s.40 of the *Auditor-General Act 2009*, for the period ended 30 June 2021:

- 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.



31 August 2021

Carolyn Dougherty
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

Compliance Checklist

Summary of requirement	Basis for requirement	Annual report reference
Letter of compliance	A letter of compliance from the accountable officer or statutory body to the relevant Minister/s ARRs – section 7	4
Accessibility	Table of contents Glossary	ARRs – section 9.1 5
	Public availability	ARRs – section 9.2 2
	Interpreter service statement	<i>Queensland Government Language Services Policy</i> ARRs – section 9.3 2
	Copyright notice	<i>Copyright Act 1968</i> ARRs – section 9.4 2
Information Licensing	<i>QGEA – Information Licensing</i> ARRs – section 9.5 2	
General information	Introductory Information ARRs – section 10.1 7	
Non-financial performance	Government's objectives for the community	ARRs – section 11.1 7
	Other whole-of-government plans / specific initiatives	ARRs – section 11.2 7
	Agency objectives and performance indicators	ARRs – section 11.3 7
	Agency service areas and service standards	ARRs – section 11.4 N/A
Financial performance	Summary of financial performance ARRs – section 12.1 14	
Governance – management and structure	Organisational structure	ARRs – section 13.1 10
	Executive management	ARRs – section 13.2 10
	Government bodies (statutory bodies and other entities)	ARRs – section 13.3
	Public Sector Ethics	<i>Public Sector Ethics Act 1994</i> ARRs – section 13.4 12
	Human Rights	<i>Human Rights Act 2019</i> ARRs – section 13.5 12
	Queensland public service values	ARRs – section 13.6 12
Governance – risk management and accountability	Risk management	ARRs – section 14.1 12
	Audit committee	ARRs – section 14.2 12
	Internal audit	ARRs – section 14.3 12
	External scrutiny	ARRs – section 14.4 12
	Information systems and recordkeeping	ARRs – section 14.5 12
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 11
Open Data	Statement advising publication of information	ARRs – section 16 2
	Consultancies	ARRs – section 33.1 https://data.qld.gov.au
	Overseas travel	ARRs – section 33.2 https://data.qld.gov.au
	Queensland Language Services Policy	ARRs – section 33.3 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 – 27
	Independent Auditor's Report	FAA – section 62 FPMS – section 46 ARRs – section 17.2 Section 2 - 28