



## **2016 Annual Report**

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This document is available in electronic format at [www.pafoundation.org.au](http://www.pafoundation.org.au)

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

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 – Information relating to consultancies and overseas travel has been published on the Queensland Government Open Data website ([qld.gov.au/data](http://qld.gov.au/data))

## Compliance Letter

8 September 2016

The Honourable Cameron Dick MP  
Minister for Health and Minister for Ambulance Services  
GPO Box 48  
Brisbane Qld 4001

Dear Minister Dick

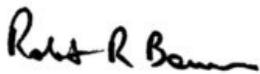
I am pleased to present the Annual Report 2015-2016 and financial statements for the PA Research Foundation.

I certify that this Annual Report complies with:

- the prescribed requirements of the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*, 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 24 of this annual report.

Yours sincerely



Robert Bowen  
Chairman

## Glossary

<b>Term</b>	<b>Definition</b>
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
Strategic Objective	Agreed main theme to inform all action: from Board to operational levels
Strategic Goal	Specific metric for achievement
KPI	Specific metric for achievement of target
PA Hospital	Princess Alexandra Hospital
NHMRC	National Health and Medical Research Council
ARC	Australian Research Council

## Research for Life

**Vision** Better health for all and a community free from diseases

**Mission** To raise funds to bring medical research to life in order to prevent and cure disease at Australia's leading translational research precinct – birthplace of the world's first ever cancer vaccine

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

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

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

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

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

## CHAIRMANS REPORT

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

The Foundation's contribution to research on the campus continues to increase with \$1.4million contributed to research projects compared to \$1.3million last year. We again had a number of researchers funded by the Foundation progress to see their projects approved for ongoing NHMRC and ARC research grant support confirming our position as a vital support mechanism for promising early stage medical research. This includes projects such as a new colonoscopy tool for collecting clinical samples and the extension of a trial for a new test for primary aldosteronism.

This financial year the Foundation achieved gross income over \$4.36million and increase of \$62,000 from last year. We continue to invest in the lottery program to build sustainable diverse revenue streams for the future. Our operating result prior to research payments was over \$1.1million.

To each of our donors, thank you for your continued contribution to the great work and achievements of our research community. To our growing team of corporate partners and sponsors, thank you on behalf of the Foundation for your participation in our community fundraising activities.

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

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



Robert Bowen  
Chairman

## Our Board

<b>Name</b>	<b>Position</b>	<b>Meetings Attended</b>	<b>Appointed Until</b>
Mr Robert Bowen	Chairman	4	June 2017
Mr Bill Deutrom	Deputy Chairman	2	October 2017
Mr Terry White OAM		2	October 2017
Professor Ian Frazer		3	June 2017
Mr Andrew Griffiths		3	October 2017
Ms Karina Collins		2	October 2017
Prof. Ken Ho		3	October 2017
Dr Stephen Ayre		3	September 2016
Ms Alison Haly		4	September 2016
Mr Mark Mazurkiewz	Chair – Finance and Risk Committee	4	September 2016

*There were four (4) scheduled meetings held during the period  
No remuneration or out of pocket expenses were paid to board members*

Honorary Solicitor	Mr Michael Back
Board Secretary	Ms Narelle Smith

## Foundation Staff

Damian Topp	Chief Executive Officer
Simone Plunkett	Chief Operating Officer
Anita Rechenberg	Administration Manager
Kerstin Petrick	Accounts Manager
Kylie Hay	Media and Communications Manager
Emily Harrington	Digital and Community Fundraising Coordinator
James Carson	Corporate Community Fundraising Coordinator
Matthew Sheahan	Corporate Partnership Specialist
Natalie McCarthy	Project Manager

## Corporate Governance

The PA Research Foundation is a statutory body incorporated under the *Hospitals Foundations Act 1982* (QLD). As a statutory body the Foundation is subject to the provisions of the *Financial Accountability Act 2009* (QLD). The Foundation is audited annually by external auditors representing the Queensland Audit Office and the Auditor General.

The Foundation is endorsed by the Australian Taxation Office as an Income Tax Exempt Charity (ITEC) and is a Deductible Gift Recipient (DGR) under the *Income Tax Assessment Act 1997* (Cth). It is endorsed for GST concessions under *A New Tax System (Goods and Services Tax) Act 1999* (Cth) and it is exempted under the *Fringe Benefits Tax Assessment Act 1986* (Cth).

### The Role of the Board

The Board and management have been entrusted with the responsibility of ensuring that monies provided by donors, sponsors and the general public are effectively and efficiently managed. Board members serve in a voluntary capacity and therefore receive no fees for their services on the Board or Committees. Board meetings are held four (4) times per year.

- Maintaining high levels of accountability to our stakeholders and external regulators and ensuring the Foundation acts legally, ethically, responsibly and openly
- Monitoring the performance of the CEO
- Raising organisational awareness of the external environment
- Ensuring compliance with statutory, financial, social and corporate governance responsibilities
- Providing strategic direction and developing, examining and approving strategies, policies, plans and budgets
- Monitoring risk and ensuring the presence of adequate risk management controls and reporting procedures

### Sub-committees

#### Finance and Risk Committee

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

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

#### Strategic Partnerships Committee

This committee meets every three (3) months to develop new opportunities and provide access to networks that will grow the Foundation's recognition and income.

#### Research Committee

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

## **Executive Management**

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

## **Challenges and Opportunities**

The constant challenge facing all charities is in maintaining and growing philanthropic support in a depleted market. Without the access to manage the revenue producing assets that other hospital foundation's have it increases the pressure for the Foundation to strive for best fundraising practice.

For the 2015-2016 financial year the focus will be on consolidating our lottery and donor mailing program to build this section of our fundraising to compliment our recent major gift and bequest success. Following the roll out of support across the Metro South Hospital Network, the Foundation will start to investigate national and international funding support.

## **Internal Audit**

Should an internal audit be requested by the board a committee is convened comprising the Chairman and at least 2 other board members. For the 2015 financial year no internal audits were conducted.

## **Workforce**

At the conclusion of the 2015 financial year the Foundation had 8.5 Full Time Equivalent (FTE) employees. The retention rate for the Foundation is 100%.

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

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

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

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

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

## **Planning and Performance**

The Foundation has a Strategic plan for the period 2012-2017. The plan addresses four key strategic target areas. The strategic plan informs annual operational business planning. A summary of progress against the strategic plan is highlighted on the following page.

## PA Research Foundation Strategic Plan 2012 - 2017

Strategic Target Area	Key Strategic Issues	Strategic Targets	Progress
1. Outcomes	1.1 Need to Increase funding for new research	1.1.1 10% increase in research grant allocation per year	\$720,000 was committed to the 2015 Research Grants compared to \$650,000 in 2014. 11% increase
	1.2 Lack of awareness of PARF supported research	1.1.2 \$1million grants funded from 2016/17	
		1.2.1 10% increase in grant applications from 2015	
2. Financial Sustainability	2.1 Need to Increase net income	2.1.1 \$2 million net income by 2016	2015 net result before grants \$2.1 million
	2.2 Explore new funding sources	2.2.1 2 new programs and or commercial opportunities established each year	2013 became Dry July beneficiary and implemented endowment campaign. 2015 partnered with 2 new corporates
3. Awareness	3.1 Need to Increase Brand Awareness	3.1.1 100% PA Staff recognise PARF by 2014 75% PA patients recognise PARF by 2015	Bench marking to be established by end 2013
	3..2 Grow and Strengthen Partnerships	3.2.1 At least one recognition event held for donors and corporate partners each year	Donor recognition held as part of community forums in March and August each year. Post campaign "thank you" held for Mandate, ALH Breast Cancer and Duck Race sponsors.
4. Systems and Innovation	4.1 Lack of Adequate systems and processes	4.1.1 Bi-Annual review to be conducted of key systems from 2013	Internal review of Information Technology (IT) completed and database and direct mail review completed October 2013. New IT system implemented December 2014. Added electronic ticketing for Duck Race tickets in 2012 and automated Duck Race fundraising through Go Fundraise from 2013.
	4.2 Embrace new technologies and innovative thinking	4.2.1 Incorporate at least one new technology that reduces cost and or improves outcomes each year from 2011	
5. Our People	5.1 Recognise, reward and retain quality staff	5.1.1 Annual Performance appraisals in place by 2012	Annual review program established
		5.1.2 100% staff attend at least one training and development activity per year	The 8 full time and 1 part time staff attended a total of 12 development activities.
	5.2 Need to develop opportunities for volunteers	5.2.1 Register of volunteer roles developed and added to from 2012	First roles developed in 2011. Event specific roles added to register in 2012 and 2013

## **Alignment with Government Objectives for the Community**

Through contributing to the achievement of the Government Health Priorities issued May 2015, the Foundation is committed to realising the government's objectives for the community. The Government has 4 objectives:

- Creating jobs and a diverse economy
- Delivering quality frontline services
- Protecting the environment
- Building safe, caring and connected communities

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

## 2016 Research Support

Each year the Foundation joins the Metro South Health Study, Education and Research Trust Account (SERTA) to invite applications from health researchers on the campus. Applications are assessed by the Research Committee, a team of qualified scientific and medical professionals, and awarded based on merit and funds available. The philosophy of awarding research grants is to:

- Support researchers and projects on the path to securing competitive funding.
- Provide assistance to new researchers in the early stage of their research career and,
- Promote the culture of collaboration and group work which is a major strength of the PA research environment.

### Grant Recipients 2016

Over \$2 million in research grants were awarded to 27 projects based at the PA Campus in a broad range of fields. Congratulations to all researchers who received a grant and we look forward to following your journey to find a cure.

#### POSTGRADUATE SCHOLARSHIP

Ms Christine Ossenberg (Nursing Practice Development Unit, PAH)

*Improving registered nurse capacity to provide feedback to build capability of new graduate nurses*

Dr Andrea Viecelli (Nephrology Department, PAH)

*Strategies to improve vascular access outcomes in haemodialysis patients*

#### PAH SENIOR HOUSE OFFICER (FELLOWSHIP IN CLINICAL RESEARCH)

Dr Nathan Adams (ENT Surgery, PAH)

*Enhancing the efficacy and understanding of EBC-46 in the treatment of head and neck squamous cell carcinoma*

Dr Rohit Gupta (Gastroenterology & Hepatology, PAH)

*Susceptibility to infection in patients with chronic liver disease and ascites*

Dr Hui-Shan (Stella) Lin (UQ Centre for Research in Geriatric Medicine, PAH)

*Frailty and perioperative outcome*

Dr David Sparks (Plastics & Reconstructive Surgery, PAH)

*Vascularised bone tissue transfer: Historical perspectives of bone vascularity and the introduction of dual energy computed tomography as novel means to quantify bone perfusion*

#### NEW APPOINTMENT GRANT

Dr Colm Keane (Cancer Services, PAH)

*Investigation of the unique immune microenvironment in Primary CNS Lymphoma (PCNSL)*

#### SMALL GRANTS

A/Prof Matthew Foote (Radiation Oncology, PAH)

*Gold nanoparticle enhanced radiotherapy for non-melanoma skin cancer*

Mr Marc Nickels (Physiotherapy, PAH)

*CyCLIST - Critical Care Cycling Study*

Prof Michael Stowasser (Endocrine Hypertension Research Unit, PAH)

*Quantitative mRNA analysis of thiazide sodium cotransporter from urinary exosomes in primary aldosteronism*

#### SMALL GRANTS IN HEALTH SYSTEMS AND HEALTH ECONOMICS

Dr Mary Boyde (Cardiology, PAH)

*Patient preferences for the delivery of cardiac rehabilitation*

Mrs Carolyn Brown (BreastScreen Queensland, QEII)

*Exploring the potential of the community pharmacy as a setting to promote bowel and breast cancer screening in the Metro South Health catchment*

Dr Michael Sinnott (Emergency, PAH)

*Determination of the strength of association between safety scores and sharps injuries to staff and safety scores and patient safety: A proof-of-concept study*

#### **PROJECT GRANTS**

Prof Ken Ho (Diabetes & Endocrinology, PAH)

*Diet-induced thermogenesis and obesity: friend or foe*

Prof Gerald Holtmann (Gastroenterology & Hepatology, PAH)

*Changes to the mucosa associated microbiota (MAM) during a 12 month nutrient diversion due to treatment with a duodenojejunal bypass sleeve*

A/Prof Warrick Inder (Diabetes & Endocrinology, PAH)

*Identification of glucocorticoid-responsive biomarkers - a proteomic approach*

Dr Erin Shanahan (Gastroenterology & Hepatology, PAH)

*Genetic dissection of mucosa-associated microbiota associated with functional gastrointestinal disorders*

#### **NHMRC NEAR-MISS GRANT**

Prof John Upham (Respiratory Medicine, PAH)

*Anti-viral immunity in severe asthma: understanding the causes and consequences of reduced interferon production in relation to inflammatory phenotypes*

#### **NHMRC INFRASTRUCTURE SUPPORT**

A/Prof Carmel Hawley (Renal Medicine, PAH)

*IMPROVE-CKD Study: Impact of a phosphate binder on cardiovascular disease in Chronic Kidney Disease*

Prof Gerald Holtmann (Gastroenterology & Hepatology, PAH)

*Pathophysiology of functional dyspepsia: Integration of upper gut function, inflammation and a systems biology approach*

Dr Ruth Hubbard (UQ Centre for Research in Geriatric Medicine, PAH)

*Risk stratification of older people in hospital: Validation and influence on clinical decision making*

Prof David Johnson (Renal Medicine, PAH)

*CKD-FIX: a randomised, controlled trial of allopurinol in the slowing of kidney disease progression*

Prof Michael Stowasser (Endocrine Hypertension Research Centre, PAH)

*A novel approach to streamlining the diagnosis of primary aldosteronism*

Prof John Upham (Respiratory Medicine, PAH)

*Using influenza vaccination to understand and improve anti-viral immunity in COPD*

Dr David Vesey (Respiratory Medicine, PAH)

*Modulating inflammatory and fibrogenic pathways in kidney disease using a novel antagonist of Protease-Activated-Receptor-2*

#### **TRADIM GRANT RECIPIENTS**

##### **SMALL GRANT**

Prof Michael Schuetz (Trauma Services, PAH)

*Developing diffusion tensor imaging for improved diagnosis of spinal cord injury*

##### **PROJECT GRANT**

Prof Michael Schuetz (Trauma Services, PAH)

*Understanding serious quad bike-related injuries in Queensland and Northern Territory: Comparing circumstances, patterns, severity, costs and outcomes*



# PA RESEARCH FOUNDATION

## FINANCIAL STATEMENTS 2015-16

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Statement of Changes in Equity	4
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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 1982* and is a statutory body within the meaning given in the *Financial Accountability Act 2009*.

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

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

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

**PA RESEARCH FOUNDATION  
STATEMENT OF COMPREHENSIVE INCOME**

**FOR THE YEAR ENDED 30 JUNE 2016**

	Notes	2016	2015
		\$	\$
<b>INCOME FROM CONTINUING OPERATIONS</b>			
Bequests and donations		1,378,998	1,934,318
Functions, special events and other fundraising		2,375,379	1,765,440
Interest revenue		143,746	161,279
Dividends		-	4,320
Research grants		90,395	158,558
Other revenue	2	374,443	276,585
<b>Total Revenue</b>		<b><u>4,362,961</u></b>	<b><u>4,300,500</u></b>
<b>EXPENSES FROM CONTINUING OPERATIONS</b>			
Employee expenses	3	920,501	804,912
Fundraising expenses		1,752,175	1,122,227
Administration expenses	4	506,846	330,127
Depreciation	7	10,180	12,185
Research grants and tied funds paid		1,439,598	1,394,031
<b>Total Expenses</b>		<b><u>4,629,300</u></b>	<b><u>3,663,482</u></b>
<b>Operating Result for the Year</b>		<b><u>(266,339)</u></b>	<b><u>637,018</u></b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Items that may be classified to operating result</b>			
Unrealised loss on available-for-sale financial assets	9	(8,958)	-
<b>Total Other Comprehensive Income</b>		<b><u>(8,958)</u></b>	<b><u>-</u></b>
<b>Total Comprehensive Income</b>		<b><u>(275,297)</u></b>	<b><u>637,018</u></b>

*The accompanying notes form part of these statements.*

**PA RESEARCH FOUNDATION  
STATEMENT OF FINANCIAL POSITION**

**AS AT 30 JUNE 2016**

	Notes	2016 \$	2015 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	3,063,721	2,104,091
Other financial assets	9	2,205,613	2,592,275
Receivables	6	182,182	249,341
Inventories		130,922	107,491
		<b>5,582,438</b>	<b>5,053,198</b>
Non-current assets classified as held for sale	8	-	875,000
<b>Total Current Assets</b>		<b>5,582,438</b>	<b>5,928,198</b>
<b>NON CURRENT ASSETS</b>			
Plant and equipment	7	23,794	33,974
Other financial assets	9	68,823	-
<b>Total Non Current Assets</b>		<b>92,617</b>	<b>33,974</b>
<b>TOTAL ASSETS</b>		<b>5,675,055</b>	<b>5,962,172</b>
<b>CURRENT LIABILITIES</b>			
Payables	10	154,036	185,985
Accrued employee benefits	11	47,116	70,614
<b>Total Current Liabilities</b>		<b>201,152</b>	<b>256,599</b>
<b>NON CURRENT LIABILITIES</b>			
Accrued employee benefits	11	73,859	30,232
<b>Total Non Current Liabilities</b>		<b>73,859</b>	<b>30,232</b>
<b>TOTAL LIABILITIES</b>		<b>275,011</b>	<b>286,831</b>
<b>NET ASSETS</b>		<b>5,400,044</b>	<b>5,675,341</b>
<b>EQUITY</b>			
Accumulated Surplus		5,409,002	5,675,341
Available-For-Sale Asset Reserve		(8,958)	-
<b>TOTAL EQUITY</b>		<b>5,400,044</b>	<b>5,675,341</b>

The accompanying notes form part of these statements.

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

**FOR THE YEAR ENDED 30 JUNE 2016**

	Accumulated Surplus	Available-For- Sale Asset Reserve	Total
	\$	\$	\$
<b>Balance as at 1 July 2014</b>	<b>5,038,323</b>	-	<b>5,038,323</b>
Operating Result for the Year	637,018	-	637,018
<i>Other Comprehensive Income</i> Increase/(Decrease) in available for sale asset reserve	-	-	-
Total Comprehensive Income	637,018	-	637,018
<b>Balance as at 30 June 2015</b>	<b>5,675,341</b>	-	<b>5,675,341</b>

	Accumulated Surplus	Available-For- Sale Asset Reserve	Total
	\$	\$	\$
<b>Balance as at 1 July 2015</b>	<b>5,675,341</b>	-	<b>5,675,341</b>
Operating Result for the Year	(266,339)	-	(266,339)
<i>Other Comprehensive Income</i> Increase/(Decrease) in available for sale asset reserve	-	(8,958)	(8,958)
Total Comprehensive Income	(266,339)	(8,958)	(275,297)
<b>Balance as at 30 June 2016</b>	<b>5,409,002</b>	<b>(8,958)</b>	<b>5,400,044</b>

The accompanying notes form part of these statements.

**PA RESEARCH FOUNDATION  
STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 30 JUNE 2016**

	Notes	2016	2015
		\$	\$
<b>Cash flows from operating activities</b>			
<i>Inflows:</i>			
Receipts from donations, bequests and other fundraising		3,631,998	2,849,836
Interest received		75,932	75,692
Dividends received		4,320	-
Research grants received		75,765	156,358
Other receipts		433,513	203,369
GST input tax credits from ATO		213,827	155,156
GST collected from customers		127,318	90,441
<i>Outflows:</i>			
Supplies and services		(2,289,380)	(1,337,185)
Employee expenses		(900,371)	(796,928)
Research grants and tied funds paid		(1,407,302)	(1,376,485)
GST paid to suppliers		(328,555)	(235,333)
GST remitted to ATO		-	(14,117)
		<hr/>	<hr/>
<b>Net Cash (used in) provided by operating activities</b>		<b>(362,935)</b>	<b>(229,196)</b>
<b>Cash flows from investing activities</b>			
<i>Inflows:</i>			
Proceeds from sale of investment property		875,000	-
Proceeds from maturity of short term investments		500,000	-
<i>Outflows:</i>			
Payments for short term investments		(1,007)	(1,000,000)
Deposits in advance		(51,428)	(42,425)
		<hr/>	<hr/>
<b>Net cash (used in) provided by investing activities</b>		<b>1,322,565</b>	<b>(1,042,425)</b>
Net (decrease)/increase in cash and cash equivalents		959,630	(1,271,621)
Cash and cash equivalents at beginning of financial year		<hr/>	<hr/>
		2,104,091	3,375,712
<b>Cash and cash equivalents at end of financial year</b>	<b>5</b>	<hr/> <b>3,063,721</b>	<hr/> <b>2,104,091</b>

*The accompanying notes form part of these statements.*

**PA RESEARCH FOUNDATION**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

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**PA RESEARCH FOUNDATION**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(a) Compliance with Prescribed Requirements**

The PA Research Foundation has prepared these financial statements in compliance with the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*.

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. The Foundation is a non-for-profit entity and the financial statements comply with the requirements of Australian Accounting Standards – 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 unless otherwise stated.

**(d) Revenue**

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

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

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

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

**(e) Cash and Cash Equivalents**

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

# PA RESEARCH FOUNDATION

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2016

#### (f) Receivables

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

The collectability of receivables is assessed periodically with provision being made for impairment. All known bad debts were written-off as at 30 June. No provision has been made as at 30 June 2016 (2015: nil).

#### (g) Inventories

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

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

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

#### (h) Plant & Equipment

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

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

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

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

#### *Depreciation of Plant and Equipment*

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

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

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

# PA RESEARCH FOUNDATION

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2016

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

##### *Impairment of Non-Current Assets*

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

#### **(i) Non-Current Assets Classified as Held for Sale**

Non-current assets held for sale consist of those assets that management has determined are available for immediate sale in their present condition, for which their sale is highly probable within the next twelve months.

In accordance with AASB 5 *Non-current Assets Held for Sale and Discontinued Operations*, when an asset is classified as held for sale, its value is measured at the lower of the asset's carrying amount and fair value. Such assets are no longer amortised or depreciated upon being classified as held for sale.

#### **(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 1984* and has not provided any estimate of the value of these services.

#### **(k) Payables**

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

#### **(l) Financial Instruments**

##### *Recognition*

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Foundation becomes party to the contractual provisions of the financial instrument.

# PA RESEARCH FOUNDATION

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2016

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

##### *Classification*

Financial instruments are classified and measured as follows:

- Cash and cash equivalents - held at fair value through profit or loss
- Short term investments (i.e. term deposits) - held at fair value through profit or loss
- Equity securities – classified as available-for-sale
- Receivables - held at amortised cost
- Payables - held at amortised cost

The carrying amounts of trade receivables and payables approximate their fair value.

Available-for-sale financial assets are subsequently carried at fair value. Gains or losses arising from changes in the fair value are recognised in other comprehensive income.

No financial assets and financial liabilities have been offset and presented on a net basis in the Statement of Financial Position.

#### (m) Employee Benefits

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

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

##### *Wages, Salaries and Sick Leave*

Wages and salaries due but unpaid at reporting date are recognised in the Statement of Financial Position at the current salary rates.

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

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

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

##### *Annual Leave and Long Service Leave*

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

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

**PA RESEARCH FOUNDATION**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

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

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.

*Superannuation*

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

*Key management personnel and remuneration*

Key management personnel and remuneration disclosures are made in accordance with section 5 of the *Financial Reporting Requirements for Queensland Government Agencies* issued by Queensland Treasury and Trade.

The key management personnel and remuneration are disclosed in Note 12.

*Remuneration of Board Members*

No Board Member received or was entitled to receive any fees or other benefits during the year (2015: nil).

**(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 14 Commitments.

**(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 1997. The Foundation is exempted from Fringe Benefits Tax under section 123D of the Fringe Benefits Tax Assessment Act 1986.

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

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

**PA RESEARCH FOUNDATION**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

**(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:

Valuation of Property – Note 8  
Contingencies – Note 13

**(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 2014-15 financial statements.

Current / Non-Current Classification

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

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

The Foundation did not voluntarily change any of its accounting policies during 2015-16.

There were no Australian Accounting Standard changes applicable for the first time as from 2015-16 that had a significant effect on the Foundation's financial statements.

**(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 2016**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>2. OTHER REVENUE</b>		
Commission vending machines	83,071	62,027
Sale of merchandise	73,825	66,693
Rental Income	-	4,388
Research income	212,694	138,568
Other	4,853	4,909
<b>Total</b>	<b>374,443</b>	<b>276,585</b>

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>3. EMPLOYEE EXPENSES</b>		
Wages and salaries	743,733	703,053
Leave entitlements	40,533	8,814
Employer superannuation contributions	70,144	66,443
Worker's compensation premiums	3,860	3,557
Other employee related expenses	62,231	23,045
<b>Total</b>	<b>920,501</b>	<b>804,912</b>

<b>Total</b>		
Number of employees at year end	<b>11</b>	<b>11</b>

**PA RESEARCH FOUNDATION**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>4. ADMINISTRATION EXPENSES</b>		
Accounting and audit fees*	13,702	13,361
Bank charges	14,613	11,769
Insurance premiums	8,439	7,703
Minor equipment purchases	4,815	9,313
Information technology expenses	27,032	19,626
Printing & stationery	278,034	177,077
Design costs	15,879	14,502
Research grants administration expenses	2,346	149
Motor vehicle expenses	13,931	9,986
Property expenses	69,255	9,171
Other administration expenses	58,800	57,470
<b>Total</b>	<b>506,846</b>	<b>330,127</b>

\*Total audit fees paid to KPMG relating to the 2015-16 financial statements are estimated to be \$13,250 (2015: \$13,000).

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>5. CASH AND CASH EQUIVALENTS</b>		
Cash on hand and at bank	88,818	276,232
Deposits at call	2,974,903	1,827,859
<b>Total</b>	<b>3,063,721</b>	<b>2,104,091</b>

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

**PA RESEARCH FOUNDATION**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>6. RECEIVABLES</b>		
Interest accrued	968	45,485
Dividends	-	4,320
Trade and other debtors	114,529	113,186
Prepayments	11,402	13,063
Deposits in advance	51,428	56,843
GST receivable	3,855	16,444
<b>Total</b>	<b>182,182</b>	<b>249,341</b>

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>7. PLANT &amp; EQUIPMENT</b>		
At cost	61,086	61,086
Less: Accumulated depreciation	(37,292)	(27,112)
<b>Total</b>	<b>23,794</b>	<b>33,974</b>

	<b>Plant &amp; Equipment</b>	<b>Total</b>
	<b>2016</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Carrying amount at 1 July 2015	33,974	33,974
Depreciation	(10,180)	(10,180)
<b>Carrying amount at 30 June 2016</b>	<b>23,974</b>	<b>23,974</b>

**PA RESEARCH FOUNDATION**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>8. NON-CURRENT ASSET HELD FOR SALE</b>		
Land and building – at independent valuation	-	875,000
<b>Total</b>	<b>-</b>	<b>875,000</b>

The property which has been bequeathed by a donor to PA Research Foundation in January 2015 has been sold in the financial year 2015/16.

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>9. OTHER FINANCIAL ASSETS</b>		
<b>Current</b>		
Term deposits	2,205,613	2,592,275
	<b>2,205,613</b>	<b>2,592,275</b>
<b>Non Current</b>		
Equity securities available-for-sale	68,823	-
<b>Total</b>	<b>68,823</b>	<b>-</b>

A variety of securities have been 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 loss has been recorded as other comprehensive income.

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>10. PAYABLES</b>		
Research grants payable	58,125	-
Trade and other creditors	69,688	144,143
Deferred revenue	1,185	-
Accruals	25,038	41,842
<b>Total</b>	<b>154,036</b>	<b>185,985</b>

**PA RESEARCH FOUNDATION**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

<b>11. ACCRUED EMPLOYEE BENEFITS</b>	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>Current</b>		
Wages outstanding	-	20,403
Annual leave	47,116	50,211
	<b>47,116</b>	<b>70,614</b>
<b>Non Current</b>		
Long service leave	73,859	30,232
	<b>73,859</b>	<b>30,232</b>

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

**a) Key Management Personnel**

The following details for key management personnel include those positions that had authority and responsibility for planning, directing and controlling the activities of the PA Research Foundation during 2015-16.

Position	Responsibilities	Current Incumbents	
		Contract classification and appointment authority	Date appointed to position (Date resigned from position)
Chief Executive Officer	<ul style="list-style-type: none"> <li>• strategic planning</li> <li>• operational planning</li> <li>• budget development</li> <li>• human resource management</li> <li>• business development</li> </ul>	Individual agreement appointed by the board	Appointed 21 March 2011

**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.

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

**PA RESEARCH FOUNDATION**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

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

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

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

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

**1 July 2015 – 30 June 2016**

Position (date resigned if applicable)	Short Term Employee Benefits		Long Term Employee Benefits	Post-Employment Benefits	Termination Benefits	Total Remuneration
	Base \$'000	Non-Monetary Benefits \$'000	\$'000	\$'000	\$'000	\$'000
Chief Executive Officer	168	-	-	16	-	184

**1 July 2014 – 30 June 2015**

Position (date resigned if applicable)	Short Term Employee Benefits		Long Term Employee Benefits	Post-Employment Benefits	Termination Benefits	Total Remuneration
	Base \$'000	Non-Monetary Benefits \$'000	\$'000	\$'000	\$'000	\$'000
Chief Executive Officer	163	-	-	15	-	178

**c) Performance payments**

No performance payments were made in either the 2015-16 or 2014-15 financial years.

**PA RESEARCH FOUNDATION**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

**13. 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 \$20,094 (2015: \$20,836) at 30 June 2016 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 2015-16 financial year will be brought to account during the financial year ending 30 June 2017. As at the 30 June 2016 there are no indications as to what these earnings will be.

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

**14. 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. At balance date of 30 June 2016 the outstanding grants commitment was \$685,069 (2015: \$775,268).

**Research Grant Commitments**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
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	245,800	461,268
Later than one year and not later than five years	439,269	314,000
Later than five years	-	-
<b>TOTAL</b>	<b>685,069</b>	<b>775,268</b>

# PA RESEARCH FOUNDATION

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

### 14. 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.

The funds for tied projects commitment as at 30 June 2016 was \$2,453,921 (2015: \$2,195,691).

#### Tied Projects Funds

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Tied Fund commitments inclusive of anticipated GST, committed to provide at reporting date, but not recognised in the accounts are payable as follows:		
Not later than one year	419,916	555,446
Later than one year and not later than five years	1,146,366	1,044,592
Later than five years	887,639	595,653
<b>TOTAL</b>	<b>2,453,921</b>	<b>2,195,691</b>

# PA RESEARCH FOUNDATION

## CERTIFICATE OF THE PA RESEARCH FOUNDATION

These general purpose financial statements have been prepared pursuant to s.62(1)(a) of the *Financial Accountability Act 2009* (the Act), s.43 of the *Financial and Performance Management Standard 2009* 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 2016, and of the financial position of the PA Research Foundation at the end of that year; and
- (c) these assertions are based on an appropriate system of internal controls and risk management processes being effective, in all material respects, with respect to financial reporting throughout the reporting period.



**Damian Topp**  
Chief Executive Officer



**Robert Bowen**  
Chairman

Dated this 30th day of August 2016



## PA RESEARCH FOUNDATION

### Independent auditor's report to the members of PA Research Foundation

#### Report on the financial report

We have audited the accompanying financial report of PA Research Foundation (the Foundation), which comprises the statement of financial position as at 30 June 2016, and statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, notes 1 to 14 comprising a summary of significant accounting policies and other explanatory information and certificates given by the Chief Executive Officer and Board Chairman.

This audit report has also been prepared for the members of the Foundation in pursuant to *Australian Charities and Not-for-profits Commission Act 2012* and the *Australian Charities and Not-for-profits Commission Regulation 2013* (ACNC).

#### *Directors' responsibility for the financial report*

The directors of the Foundation are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, the ACNC, the *Financial Accountability Act 2009* and the *Financial Performance Management Standard 2009*. The directors' responsibility also includes such internal control as the directors determine necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

#### *Auditor's responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Foundation's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report gives a true and fair view, in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, and the ACNC, a true and fair view which is consistent with our understanding of the Foundation's financial position and of its performance.



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

*Independence*

In conducting our audit, we have complied with the independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

*Auditor's opinion*

In our opinion, the financial report of PA Research Foundation is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* including:

- (a) giving a true and fair view of the Foundation's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Regulation 2013*.

KPMG

KPMG

Tracey Barker  
*Partner*

Brisbane

30 August 2016



## PA Research Foundation Annual Report Compliance Check List

Summary of requirement		Basis for requirement	Annual report reference
Letter of compliance	<ul style="list-style-type: none"> <li>A letter of compliance from the accountable officer or statutory body to the relevant Minister</li> </ul>	ARRs – section 8	Page 3
Accessibility	<ul style="list-style-type: none"> <li>Table of contents</li> <li>Glossary</li> </ul>	ARRs – section 10.1	Page 2
	<ul style="list-style-type: none"> <li>Public availability</li> </ul>	ARRs – section 10.2	Page 2
	<ul style="list-style-type: none"> <li>Interpreter service statement</li> </ul>	Queensland Government Language Services Policy ARRs – section 10.3	Page 2
	<ul style="list-style-type: none"> <li>Copyright notice</li> </ul>	Copyright Act 1968 ARRs – section 10.4	Page 2
	<ul style="list-style-type: none"> <li>Information Licensing</li> </ul>	QGEA – Information Licensing ARRs – section 10.5	Page 2
General information	<ul style="list-style-type: none"> <li>Introductory Information</li> </ul>	ARRs – section 11.1	Page 5
	<ul style="list-style-type: none"> <li>Agency role and main functions</li> </ul>	ARRs – section 11.2	Page 5
	<ul style="list-style-type: none"> <li>Operating environment</li> </ul>	ARRs – section 11.3	Page 9
	<ul style="list-style-type: none"> <li>Machinery of government changes</li> </ul>	ARRs – section 11.4	Page 9
Non-financial performance	<ul style="list-style-type: none"> <li>Government's objectives for the community</li> </ul>	ARRs – section 12.1	Page 12
	<ul style="list-style-type: none"> <li>Other whole-of-government plans / specific initiatives</li> </ul>	ARRs – section 12.2	N/A
	<ul style="list-style-type: none"> <li>Agency objectives and performance indicators</li> </ul>	ARRs – section 12.3	Page 9
	<ul style="list-style-type: none"> <li>Agency service areas, and service standards</li> </ul>	ARRs – section 12.4	Page 9
Financial performance	<ul style="list-style-type: none"> <li>Summary of financial performance</li> </ul>	ARRs – section 13.1	Page 6
Governance – management and structure	<ul style="list-style-type: none"> <li>Organisational structure</li> </ul>	ARRs – section 14.1	Page 7
	<ul style="list-style-type: none"> <li>Executive management</li> </ul>	ARRs – section 14.2	Page 10
	<ul style="list-style-type: none"> <li>Government bodies (statutory bodies and other entities)</li> </ul>	ARRs – section 14.3	N/A
	<ul style="list-style-type: none"> <li>Public Sector Ethics Act 1994</li> </ul>	Public Sector Ethics Act 1994 ARRs – section 14.4	N/A
	<ul style="list-style-type: none"> <li>Queensland public service values</li> </ul>	ARRs – section 14.5	Page 10
Governance – risk management	<ul style="list-style-type: none"> <li>Risk management</li> </ul>	ARRs – section 15.1	Page 8
	<ul style="list-style-type: none"> <li>Audit committee</li> </ul>	ARRs – section 15.2	N/A

Summary of requirement		Basis for requirement	Annual report reference
and accountability	• Internal audit	ARRs – section 15.3	Page 8
	• External scrutiny	ARRs – section 15.4	N/A
	• Information systems and recordkeeping	ARRs – section 15.5	Page 10
Governance – human resources	• Workforce planning, attraction and retention, and performance	ARRs – section 16.1	Page 9
	• Early retirement, redundancy and retrenchment	Directive No.11/12 <i>Early Retirement, Redundancy and Retrenchment</i> Directive No.16/16 <i>Early Retirement, Redundancy and Retrenchment (from 20 May 2016)</i> ARRs – section 16.2	N/A
Open Data	• Consultancies	ARRs – section 17 ARRs – section 34.1	Page 2
	• Overseas Travel	ARRs – section 17 ARRs – section 34.2	Page 2
	• Queensland Language Services Policy	ARRs – section 17 ARRs – section 34.3	Page 2
Financial statements	• Certification of financial statements	FAA – section 62 FPMS – sections 42, 43 and 50 ARRs – section 18.1	Section 2 Page 22
	• Independent Auditors Report	FAA – section 62 FPMS – section 50 ARRs – section 18.2	Section 2 Page 23