

**Principals Australia Research Foundation Ltd**  
**ABN 37 136 346 594**



**PRINCIPALS AUSTRALIA**  
**RESEARCH FOUNDATION**

## **Directors' Report for Half Year Ended 31 December 2023**

### **Context for this report**

The Directors' Report for the half year ended 31 December 2023 notes the progress on the changes put in place to reflect the new focus of the company, a registered charity and operating under the changed name, *Principals Australia Research Foundation Ltd* (PARF), since 2 July 2019.

PARF conducted a funding application process in 2023 with one project being approved for funding, with the project to be conducted during the 2024 calendar year.

One Research project funded by PARF was undertaken in 2023. The research has been completed with the final report due in early 2024.

One research project impacted by COVID 19 and delays due to illness by the researcher has now been completed with the final report received.

A key change was to the reporting period. To align more effectively with the academic year and fit more readily with the work cycles of the bulk of potential researchers, PARF sought and gained approval from ACNC to change financial year from year ended 30 June to year ended 31 December. Consequently, the figures in this report relate to the 6 months period 1 July 2023 to 31 December 2023. The report to be published in 2025 will be for the full year ending on 31 December 2024.

## **Objectives**

### **Short term objectives**

1. To promote PARF's purpose and progress to attract applications for funding for research into educational leadership.
2. To commission research into educational leadership.
3. To administer existing research projects.
4. To publish and to promote to educational leaders completed research projects.
5. To invest funds to secure reliable income.
6. To review protocols and performance targets for financial and investment management.
7. To improve the skills, knowledge and effectiveness of the Board.
8. To review Board composition and governance processes.

### **Long term objectives**

1. To use research to improve the effectiveness and capabilities of educational leaders for the advancement of education.
2. To become a key, go-to resource for knowledge of evidence-based educational leadership.
3. To grow assets and income to support research.

## **Strategies**

### **Strategies for achieving the short term objectives**

1. To identify manageable actions to achieve progressively the objectives.
2. To concentrate sequentially efforts to implement those actions.
3. To seek and to use expert guidance where needed.
4. To review regularly progress on achieving the objectives and to adjust actions as needed.

### **Strategies for achieving long term objectives**

1. To build continually the knowledge base in a way that enhances the scope, quality, practicality and accessibility of research.
2. To act long term and on sound, expert advice.

## Activities

### Principal activities during the year

Principal activities for this reporting period were reduced due to the transition to a calendar reporting year. While being a 6-month period, PARF achieved progress during the period, including the key activities outlined below.

### For research objectives

1. Paid final tranche payments for 1 research grant for academic year 2020 and one for 2022.
2. Called for research funding applications for academic year 2024.
3. After assessments, approved 1 funding application for academic year 2024.
  - a. Tasmanian Principals Association (TPA), *Understanding the psychosocial impact on principals leading school communities through critical incidents*.
  - b. The application was assessed as strong in outlining the planned research on school leadership and Instructional Leader capabilities. The project showed good alignment of the research with the funding objectives in PARF's application guide.
4. Worked with grant recipient for academic year 2020 to facilitate completion of the final report, which was received in November 2023.
5. PARF support the promotion and communication of completed research reports.
6. Determined the funds available for allocation to research funding grants for academic year 2024.
7. Used feedback and experience from the application process for academic year 2024, to streamline the application process for funding grants for academic year 2025.
8. Set and publicised the schedule and process for applications for research funding grants for academic year 2025.
9. Developed and enhanced content for the web site, including adding completed research report from the New South Wales Primary Principals Association (NSWPPA)
10. Routinely communicated developments with Member associations. A Members' information session was held following the 2023 AGM.

### **For investment objectives**

11. Reviewed investments regularly and responded to the variable share market conditions on the advice of the expert investment manager. This included adjusting the investment mix within the portfolio.
12. Conducted regular reviews through the Board's Finance & Investment Committee with the expert investment manager of the investment position against the agreed investment policy.
13. Received regular briefings of the Board from the expert investment manager on the share market and economic conditions.
14. Monitored investment performance regularly, including assessing against ATO released benchmark returns.

### **For governance effectiveness objectives**

15. Reviewed the constitution to assess elements that Members then amended at the 2023 AGM.
16. Reviewed the risk management plan, with adjustments made following a reassessment of the risk level.
17. Commenced a process for a 5 year performance review of the Investment management process and portfolio.
18. Assisted the productive contribution of a new Director through appropriate induction processes.
19. Implemented processes to facilitate PARF meeting its various regulatory compliance obligations.
20. Continued to limit costs by using virtual meeting capabilities, as appropriate, for Board and committee meeting, adjusted as required for the limitations imposed by such meetings. Enhanced effectiveness of the Board by holding 2 face to face meetings in Canberra.

## **Measurement**

### **How performance is measured**

**Investment policy performance** is measured by the target annual return which has been set at inflation plus 3% after costs on average over a rolling 7-year period. Including unrealised gains during the period of variable stock market performance, returns for the reporting period exceeded target but average annual returns overall into the 5<sup>th</sup> year of a 7 year rolling period were below target.

**Research proposals performance** is measured by the number of applications received, and the number of grants allocated. For year 5, the results were 3 received with 1 granted totalling 8 grants to date. This application outcome has indicated strong interest from principal associations wishing to apply and PARF is expecting a similar or greater number of applications for research funding in the 2024 round for the 2025 academic year.

**Research results performance** is measured by the number of completed reports received proportional to the number of grants outstanding and the number of reports published. Currently this is 7 of 8, with 1 in the process of finalising the report. There are 6 reports published.

**Research usage performance** will be measured by the web traffic to the research material on the web site. At this stage, with 6 reports published, promotion will increase in 2024, which is expected to increase traffic to the website. The website now has a dedicated page for completed research reports.

#### **Accounts and audit**

For the 6 months, the operating loss of \$5412 was down compared to the previous 6 months surplus of \$20 845. The variance to a large degree reflects the difference in the pattern of income and expenses in the second half for the calendar year compared to the first half of the year.

Adding non operating income and expenses resulted in a total surplus for the 6 months of \$115 279 compared to a total surplus in the previous 6 months of \$171 373, both influenced by the rate of change in the value of investments.

PARF's financial position continued to strengthen with current assets at \$311 549 at 31 December 2023 compared to \$248 543 at 30 June 2023. Total surplus funds at 31 December were \$3.962M compared to \$3.846M at 30 June 2023.

PARF's revenue remained within the range set under the ACNC regulations for a small charity. As a small charity, the ACNC regulations do not require that PARF produces accounts or has accounts audited. The constitution reflects that position. Reflecting ACNC's regulatory guidance, and the need to constrain costs, the Board again determined to produce simplified accounts and not to have accounts audited. Members are welcome to contact their nominee Board member for additional information on the accounts.

## **Directors**

### **Details of Directors**

The names of each person who has been a Director, and hence a responsible entity under the ACNC Act, at any time during or since the end of the year and to the date of this report are listed below.

<b>Name</b>	<b>First elected</b>	<b>Last elected</b>
Dennis John Yarrington	27 September 2018	12 October 2021
Ian Lindsay Anderson	27 September 2018	11 October 2022
Rosslyn Oates	11 October 2022	28 November 2023
Garry Keith Brown	27 September 2018	11 October 2022
Michael John Hall	27 September 2018	28 November 2023
Andrew Noel Pierpoint	27 September 2018	12 October 2021

### **Change to Directors**

**No changes**

### **Company Secretary**

Keith Roberts CertAtt(BTC) BCom(Hons) FGIA FCG(CS CGP) FIML MAICD MAPS was Company Secretary during the year but not a responsible entity under the ACNC Act.

<b>Directors' qualifications, special responsibilities and experience</b>		
<b>Name &amp; Special Responsibilities</b>	<b>Qualifications</b>	<b>Principal Expertise and Experience</b>
<b>Dennis Yarrington</b> Chair of the Board	DipT BEd MSpEd MEdL GAICD CertIVCoaching	Past President APPA Past President ACTPA Past VPresident AGPPA
<b>Michael Hall</b> Deputy Chair of the Board Chair Finance & Investment Committee	DipT BEd MEd	Asia-Oceania Region Rep on Exec of International Confederation of Principals Past President ACTPA Past Dep President ASPA
<b>Ian Anderson</b> Research Funding Panel	DipT BEd PhD(Hon) FWAPPA FACEL FACE MAICD	Past President WAPPA Past President AGPPA Past Director APPA
<b>Roslyn Oates</b>	Bed MEdL	Principal
<b>Garry Brown OAM</b> Research Funding Panel Finance & Investment Committee	BCom DipEd MEd FACE MAICD	Past President IPSHA
<b>Andrew Pierpoint</b> Finance & Investment Committee Chair Research Funding Panel	BSc DipEd FACE	PAST President ASPA Past President QSPA

## Meetings of Directors during the reporting period

	Number of meetings					
	Eligible to attend			Attended		
	Board	FIC	RFP	Board	FIC	RFP
Dennis Yarrington	2			2		
Michael Hall	2			2		
Ian Anderson	2		1	2		1
Garry Brown	2			1		
Rosslyn Oates	2		1	2		1
Andrew Pierpoint	2		1	2		1

FIC Finance & Investment Committee

RFP Research Funding Panel

## Members

### Members' Liability

The liability of the members is limited. Each member undertakes to contribute an amount not exceeding \$1.00 to the property of the company if the company is wound up. The total that members (including previous members) of the company are liable to contribute currently if wound up is \$2.00.

This Directors' Report for Principals Australia Research Foundation Ltd for half year ended 31 December 2023 is consistent with Part 1.6 and section 298 of the *Corporations Act 2001*, and regulation 45.10 of the *Australian Charities and Not-for-profits Commission Regulation 2013*. In the opinion of Directors, the report gives a true and fair review of the state of affairs of the Company at the date of signing and has been prepared consistent with section 300B of the Corporations Act. In accordance with a resolution of the Directors, the report is signed on behalf of all directors.



Dennis Yarrington  
 Director – Responsible Entity  
 26 February 2024



# Financial Statements

**Principals Australia Research Foundation Ltd**

**ABN 37 163 346 594**

**For the 6 months ended 31 December 2023**

Prepared by Lucent Advisory Pty Ltd

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# Profit & Loss Statement

## Principals Australia Research Foundation Ltd For the 6 months ended 31 December 2023

	NOTES	JUL-DEC 2023	JAN-JUN 2023
<b>Income</b>			
<b>Investment revenue</b>			
Distributions - Investment Portfolio		46,019	62,516
Imputation Credits		7,786	6,659
Interest on Deposits		343	563
<b>Total Investment revenue</b>		<b>54,147</b>	<b>69,738</b>
<b>Total Income</b>		<b>54,147</b>	<b>69,738</b>
<b>Total Income</b>			
		<b>54,147</b>	<b>69,738</b>
<b>Operating Expenses</b>			
Audit Fees		3,500	-
Bank Fees		127	129
Catering		20	-
Consultants - Expert, Advisory		10,776	7,526
Design & Artwork		360	-
Financial Management Fees		8,170	3,300
<b>Insurance</b>			
Public Liability Insurance		750	714
Travel Insurance		-	800
<b>Total Insurance</b>		<b>750</b>	<b>1,514</b>
Investment Portfolio Fees		9,322	8,889
Memberships & Subscriptions		241	221
Postage & Freight - Office		-	216
Rent		1,843	-
Research Funding Grants		15,000	19,280
Travel and Accommodation		8,870	6,940
Venue Hire		456	-
Website & Database		124	879
<b>Total Operating Expenses</b>		<b>59,559</b>	<b>48,893</b>
<b>Operating Profit/(Loss)</b>		<b>(5,412)</b>	<b>20,845</b>
<b>Non Operating Income</b>			
Realised and Unrealised Gains/Losses		120,770	150,607
<b>Total Non Operating Income</b>		<b>120,770</b>	<b>150,607</b>
<b>Non Operating Expenses</b>			
Depreciation		79	79
<b>Total Non Operating Expenses</b>		<b>79</b>	<b>79</b>
<b>Net Profit/(Loss)</b>		<b>115,279</b>	<b>171,373</b>

# Balance Sheet

## Principals Australia Research Foundation Ltd As at 31 December 2023

	NOTES	31 DEC 2023	30 JUN 2023
<b>Assets</b>			
<b>Current Assets</b>			
Cash & Cash Equivalents	2	294,642	207,696
Receivables	3	3,371	1,362
Other Current Assets	4	13,536	39,486
<b>Total Current Assets</b>		<b>311,549</b>	<b>248,543</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	5	7,006	7,085
Investments	6	3,659,243	3,616,180
<b>Total Non-Current Assets</b>		<b>3,666,249</b>	<b>3,623,265</b>
<b>Total Assets</b>		<b>3,977,798</b>	<b>3,871,808</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Payables	7	8,187	471
Other Current Liabilities	8	8,055	25,060
<b>Total Current Liabilities</b>		<b>16,243</b>	<b>25,531</b>
<b>Total Liabilities</b>		<b>16,243</b>	<b>25,531</b>
<b>Net Assets</b>		<b>3,961,555</b>	<b>3,846,276</b>
<b>Equity</b>			
Retained Earnings		3,961,555	3,846,276
<b>Total Equity</b>		<b>3,961,555</b>	<b>3,846,276</b>

# Notes to the Financial Statements

## Principals Australia Research Foundation Ltd For the 6 months ended 31 December 2023

### 1. Statement of Significant Accounting Policies

The directors have determined that the company is not a reporting entity and accordingly, this financial report is a special purpose report prepared for the sole purpose of distributing a financial report to members and must not be used for any other purpose. The directors have determined that the accounting policies adopted are appropriate to meet the needs of the members.

The financial report has been prepared on an accrual basis and under the historical cost convention, except for certain assets, which, as noted, have been written down to fair value as a result of impairment. Unless otherwise stated, the accounting policies adopted are consistent with those of the prior year.

The accounting policies that have been adopted in the preparation of the statements are as follows:

#### Property, Plant and Equipment

Property, plant and equipment is initially recorded at the cost of acquisition or fair value less, if applicable, any accumulated depreciation and impairment losses. Plant and equipment that has been contributed at no cost, or for nominal cost, is valued and recognised at the fair value of the asset at the date it is acquired. The plant and equipment is reviewed annually by directors to ensure that the carrying amount is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the utilisation of the assets and the subsequent disposal. The expected net cash flows have been discounted to their present values in estimating recoverable amounts.

Any accumulated depreciation at the date of revaluation is offset against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

#### Trade and Other Receivables

Trade receivables and other receivables, including distributions receivable, are recognised at the nominal transaction value without taking into account the time value of money. If required a provision for doubtful debt has been created.

#### Financial Assets

Investments held are originally recognised at cost, which includes transaction costs. They are subsequently measured at fair value which is equivalent to their market bid price at the end of the reporting period.

Both realised and unrealised gains or losses are taken into account when calculating net profit (loss) for the year. Only realised gains and losses affect the amount available for distribution

#### Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the company that remain unpaid at 31 December 2024. Trade payables are recognised at their transaction price. They are subject to normal credit terms and do not bear interest.

#### Provisions

Provisions are recognised when the entity has a legal or constructive obligation resulting from past events, for which it is probable that there will be an outflow of economic benefits and that outflow can be reliably measured. Provisions are measured using the best estimate available of the amounts required to settle the obligation at the end of the reporting period.

#### Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held on call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

## Revenue Recognition

Revenue from interest is recognised using the effective interest rate method.  
Revenue from dividends is recognised when the entity has a right to receive the dividend.

All revenue is stated net of the amount of goods and services tax (GST).

## Goods and Services Tax

Transactions are recognised net of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the balance sheet.

	JUL-DEC 2023	JAN-JUN 2023
<b>2. Cash &amp; Cash Equivalents</b>		
<b>Current</b>		
<b>Bank Accounts</b>		
NAB Term Deposit A/c 2600	25,591	25,591
NAB Main A/c 8664	34,046	20,914
NAB Maxi A/c 8656	42,364	42,022
JB Were Cash Account	192,641	119,169
<b>Total Bank Accounts</b>	<b>294,642</b>	<b>207,696</b>
<b>Total Current</b>	<b>294,642</b>	<b>207,696</b>
<b>Total Cash &amp; Cash Equivalents</b>	<b>294,642</b>	<b>207,696</b>

	JUL-DEC 2023	JAN-JUN 2023
<b>3. Receivables</b>		
<b>Current</b>		
GST	3,371	1,362
<b>Total Current</b>	<b>3,371</b>	<b>1,362</b>
<b>Total Receivables</b>	<b>3,371</b>	<b>1,362</b>

	JUL-DEC 2023	JAN-JUN 2023
<b>4. Other Assets</b>		
<b>Current</b>		
Accrued Imputation Credits	7,786	17,986
Prepayments	5,750	21,500
<b>Total Current</b>	<b>13,536</b>	<b>39,486</b>
<b>Total Other Assets</b>	<b>13,536</b>	<b>39,486</b>

JUL-DEC 2023      JAN-JUN 2023

## 5. Property Plant and Equipment

Art Work		
Art Work at cost	8,735	8,735
Accumulated depreciation of art work	(1,729)	(1,650)
<b>Total Art Work</b>	<b>7,006</b>	<b>7,085</b>
<b>Total Property Plant and Equipment</b>	<b>7,006</b>	<b>7,085</b>

JUL-DEC 2023      JAN-JUN 2023

## 6. Investments

Non Current		
Investment Portfolio - JBWere	3,659,243	3,616,180
<b>Total Non Current</b>	<b>3,659,243</b>	<b>3,616,180</b>
<b>Total Investments</b>	<b>3,659,243</b>	<b>3,616,180</b>

JUL-DEC 2023      JAN-JUN 2023

## 7. Payables

Current		
Trade Creditors	8,187	471
<b>Total Current</b>	<b>8,187</b>	<b>471</b>
<b>Total Payables</b>	<b>8,187</b>	<b>471</b>

JUL-DEC 2023      JAN-JUN 2023

## 8. Other Liabilities

Current		
Accrued Expenses	5,000	20,000
Provision for Ag't Obligation	3,055	5,060
<b>Total Current</b>	<b>8,055</b>	<b>25,060</b>
<b>Total Other Liabilities</b>	<b>8,055</b>	<b>25,060</b>

# Directors' Declaration

## Principals Australia Research Foundation Ltd For the 6 months ended 31 December 2023

The Directors of Principals Australia Research Foundation Ltd have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with accounting policies outlined in Note 1 to the financial statements.

In accordance with a resolution of the Directors of Principals Australia Research Foundation Ltd, the Directors declare that:

Principals Australia Research Foundation Ltd's Financial Statements and notes, as set out on pages 3-7, for Half Year Ended 31 December 2023 are in accordance with the Corporations Act 2001 (Cth) and the Australian Charities and Not-for-profits Commission Act 2012 (Cth) and that they:

a) Comply with Accounting Standards and requirements under the Australian Charities and Not-for-profits Commission Regulation 2022 (Cth) to the extent required by Regulation 60.10; and

b) Give a true and fair view of the financial position as at 31 December 2023 and of the performance for the half year ended on that date of the Company as per Regulation 60.10.

In accordance with Regulation 60.15, it is the Directors' opinion that there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

In accordance with Regulation 60.15 the accounts are passed, and this Declaration is made in accordance with a resolution of the Board of Directors

A handwritten signature in black ink, appearing to read "D. Yarrington", written over a horizontal line.

Dennis John Yarrington (Director - Responsible Entity)

Sign date: **26 February 2024**



# Compilation Report

## Principals Australia Research Foundation Ltd For the 6 months ended 31 December 2023

Compilation report to Principals Australia Research Foundation Ltd

We have compiled the accompanying special purpose financial statements of Principals Australia Research Foundation Ltd, which comprise the balance sheet as at 31 December 2023, the income statement, a summary of significant accounting policies and other explanatory notes. The specific purpose for which the special purpose financial statements have been prepared is set out in Note 1.

### The Responsibility of the Directors

The directors of Principals Australia Research Foundation Ltd are solely responsible for the information contained in the special purpose financial statements, the reliability, accuracy and completeness of the information and for the determination that the basis of accounting used is appropriate to meet their needs and for the purpose that financial statements were prepared.

### Our Responsibility

On the basis of information provided by the directors we have compiled the accompanying special purpose financial statements in accordance with the basis of accounting as described in Note 1 to the financial statements and APES 315 *Compilation of Financial Information*.

We have applied our expertise in accounting and financial reporting to compile these financial statements in accordance with the basis of accounting described in Note 1 to the financial statements. We have complied with the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants*.

Liability limited by a scheme approved under Professional Standards Legislation.

Lucent Advisory Pty Ltd  
Level 1, 422 King William Street  
Adelaide SA 5000

Dated: 31 January 2024

