

Financial Report

for the year ended 30 June 2019

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Corporate information

Directors	K Scarce, AC CSC RANR Rtd (Chairman) G Boulton AM BA (Accountancy) FCA, FCPA, FAICD (Deputy Chairman) J Birch AM, BHA, FACHSM, AAICA C Branson AC QC BA LLB (Adel) Hon LLD (Flin) Hon D Litt (Macq) JM Dwyer, AM, PhD, BA, MBA, FAICD, FCHSM B Jennings C Michalakis, BSc(Ma), MSc S Neuhaus, CSC, MBBS, PhD, FRACS D I Watson, MBBS, MD, FRACS
Chief Executive	L Size B.Bus (HRM), MBA, CAHRI, GAICD
Company Secretary	A Siebert BA (Acc), FCPA, FAICD
Auditors	KPMG 151 Pirie Street Adelaide SA 5000
Bankers	Bank of South Australia 164 Unley Road Unley SA 5061
Legal	Minter Ellison Lawyers 25 Grenfell St Adelaide SA 5001
Registered Office	202 Greenhill Road Eastwood SA 5063
Postal address	PO Box 929 Unley BC SA 5061

Directors' Report for the year ended 30 June 2019

The Directors of Cancer Council SA (the Company) present their report with respect to the results for the year ended 30 June 2019 together with the Financial Statements of the Company and the Auditor's report thereon.

Short and long term objectives

Our short term objectives are directed to funding and delivering programs that have a tangible impact on:

- the lives of people with cancer, their carers and families
- research and knowledge of cancer
- community understanding and behaviour in relation to cancer
- advancing cancer prevention and control.

In the longer term our strategic priorities are:

- reducing cancer risk, increasing cancer prevention
- improving the rates of survival when cancer does occur
- optimising cancer care
- improving the quality of life of people with cancer, cancer survivors and carers
- addressing inequalities in cancer risk and cancer outcomes between more and less advantaged sectors of the community, by addressing the causes
- building for the future through investment in infrastructure and strong cancer research
- providing and improving information for cancer control.

Strategies for achieving our objectives

Research - fostering and building South Australian cancer research capacity

- monitor the *Beat Cancer Project* to ensure the growth in cancer research capacity and outcomes in SA through our investment
- ensure that 50% of our research funding goes towards clinical research and population health/health services research
- ensure South Australian cancer registrations are maintained, and data available to key stakeholders through a cancer registry
- lead research into cancer survivorship to improve our understanding of the cancer journey after diagnosis and treatment phases are complete.

Prevention - improving well being and preventing cancer

- reduce smoking rates in adults
- increase population participation in colorectal cancer screening
- increase participation in sun protection behaviours
- increase awareness of risk factors of overweight and obesity
- increase early screening to detect breast and cervix cancer.

Support - supporting people with cancer, their families and carers

- measure and monitor support care needs to ensure evidence based support is available
- increase established online services and 131120 Information and Support supportive care resources
- increase funding to focussed research on supportive care needs of South Australians
- further develop the State-wide Cancer Control plan and Aboriginal and Torres Strait Islander support plan in collaboration with South Australian Cancer Services
- providing supportive accommodation for rural and remote South Australians travelling to Adelaide for treatment

Directors' Report for the year ended 30 June 2019 (continued)

Building Capacity - ensuring we have the capacity to deliver on our vision

- maintain financial sustainability
- raise brand awareness of Cancer Council SA
- increase number of regular donors and maximise donor value
- increase net fundraising revenue
- ensure community engagement
- work towards organisational health and being an employer of choice
- ensure work practices are environmentally sound

Principal Activities during the year:

The principal activities of Cancer Council SA during the year consisted of furthering research into methods of treatment and the causation and prevention of the disease of cancer; education and promotion of the interests of the public in respect of cancer; providing community support services; promoting any anti-cancer purpose and fundraising to support the delivery of these activities.

Review of operations:

The operations of Cancer Council SA have been carried out so as to achieve the set objectives. The operating profit before recognising any change in the fair value of equity investments was \$2.589 million (2018 \$1.117 million). Cancer Council SA expended \$10.76 million (2018: \$11.08 million) on the core mission activities of cancer research, prevention and support programs throughout the year. Expenditure on prevention and support programs of \$8.68 million (2018: \$8.20 million) with a further \$2.08 million (2018: \$2.88 million) directed to cancer research. Funding for prevention programs delivered on a fee for services basis for the South Australian and Commonwealth Government was \$0.16 million less than the previous year. Cancer research expenditure reduced from \$2.88 million to \$2.08 million reflecting a reduced commitment to the Beat Cancer Project by the funding parties, Cancer Council SA and the South Australian Government.

Fundraising in a difficult competitive climate was 12.0% higher than the previous year's level underpinned by a significant gift by a major donor. Bequest income of \$2.12 million was \$0.47 million lower than the previous year. Cancer Council SA generated an operating surplus for the year of \$2.288 million compared to an operating surplus for the year of \$1.12 million last year. The operating surplus reflects the reduction in the Beat Cancer Research Project expenditure, the significant gift by a major donor, strong investment returns and action taken throughout the year to maintain the business to a sustainable position in line with the three year plan and the planned change in the level of research expenditure. A cash inflow for the year of \$7.26 million (2018: \$1.47 million outflow) reflected cash generated through the operating performance for the year to 30 June 2019 and the redemption of \$4.00 million in managed investment unit trusts assets.

Financial assets, being direct and indirect investments in exchange tradable securities, decreased in value by \$5.67 million through the year reflecting the redemption of \$4.00 million in managed investment unit trusts assets and a decrease in the value of financial markets of \$0.94 million and compares to an increase in value of \$1.23 million the previous year.

Likely developments and expected results of operations

Cancer Council SA commenced assessing the feasibility of constructing of a new multi-level mixed purpose building to house our complete operations in the last quarter of the financial year. A maximum investment in the new building has been established at a prudent level having regard to the impact such a development will have of ongoing operations. If the new building can be delivered within the maximum investment, the cost of construction will be funded from the sale of existing real estate assets and investment assets. Cancer Council SA will incur additional operating costs during the construction period.

In anticipation of the investment in a new building, investment assets have been switched from growth assets to defensive assets such as cash and term deposits. The switch in the class of investment asset will reduce the level of investment income generated by Cancer Council SA and has been allowed for in the operational and strategic plans.

Directors' Report for the year ended 30 June 2019 (continued)

Although donor support remains high, competition for the charitable and recreational dollar continues to present challenges in raising funds to support the programs of Cancer Council SA. Ongoing review of all programs is undertaken seeking continuous improvement and to ensure the continuing financial viability of Cancer Council SA.

Significant changes in the state of affairs

In the opinion of the Directors, there were no other significant changes in the state of affairs that occurred during the year to 30 June 2019.

Event subsequent to Balance Date

There have been no other significant change in the state of affairs of the Company in the period from 30 June to the date of this report that will have a material effect on the Company's financial performance.

Members' liability

The Anti-Cancer Foundation of South Australia is a Company limited by guarantee. Pursuant to the Constitution, each member undertakes to contribute to the property of the Company in the event of it being wound up. The maximum contribution per member in accordance with the guarantee is \$100.

Information on Directors

The following persons were Directors of Cancer Council SA during the twelve month period and to the date of this report.

Rear Admiral The Honourable Kevin Scarce AC CSC RANR Rtd
Appointed Director 1/11/2014

Chair, Board Cancer Council SA – appointed 1/11/2014
Chairman, Nomination and Remuneration Committee
Member, Investment Committee

Kevin Scarce was born in Adelaide, educated at Elizabeth East Primary School and Elizabeth High School, before joining the Royal Australian Navy in 1968.

One of Kevin's first postings at sea was on HMAS Sydney in Vietnam. In between his many and increasingly senior postings, Kevin completed a Bachelor of Financial Administration Degree (1998), a Master of Management Economics Degree at the University of NSW, ADFA campus (1990) and a Master's Degree in National Security Strategy at the War College, US National Defence University in Washington DC (1994).

In his last appointment in the Australian Defence Force, Kevin temporarily led the Defence Materiel Organisation, which is responsible for acquiring and supporting the entire Australian Defence Force's military equipment throughout Australia and overseas.

Following retirement, Kevin formed and led the South Australian Government team charged with expanding the State's defence business opportunities. One of the team's first initiatives, to build air warfare destroyers in Adelaide, was successfully achieved in May 2005 when the Federal Government awarded the contract to a locally-based company.

Kevin is Chancellor of the University of Adelaide, President of Novita Children's Services and the Chair of the Adelaide Oval Stadium Management Authority. Kevin is also a Deputy Chairman of Seeley International Pty Ltd, and is a director of a number of other for profit and not-for-profit organisations.

Kevin was sworn in as the 34th Governor of South Australia on 8 August 2007, serving more than seven years in the Vice-Regal role.

Kevin was awarded the Conspicuous Service Cross in 1994 and appointed an Officer in the Military Division of the Order of Australia in 2004 and a Companion in the General Division of the Order of Australia in 2008 for his service to Australia's defence industry and to the people of South Australia. In December 2009, Flinders University and the University of New England have both bestowed an Honorary Doctorate in recognition of his distinguished service to the nation and to the public of South Australia.

Directors' Report for the year ended 30 June 2019 (continued)

Mr Greg Boulton AM BA (Accountancy) FCA, FCPA, FAICD
Appointed Director 13/2/2015

Deputy Chairman, Board Cancer Council – appointed 16/02/2019
Chairman, Strategic Fundraising Committee
Chairman, Audit & Risk Committee
Deputy Chairman, Nomination and Remuneration Committee – appointed 19/02/2019

Greg is a Fellow of the Institute of Chartered Accountants, CPA Australia and the Australian Institute of Company Directors. Greg was Managing Director of IPEC Transport for seven years. After 20 years' experience in senior management roles, he consulted on change management implementation, strategic planning, best practice programs and transport. He is on the Board of a number of private and public companies and has broad experience in capital raising, acquisitions and commercial negotiations and management.

Greg is Chair of SuperSA and also on the Boards of, Kangaroo Island Plantation Timbers Limited, Kogi Iron Limited and Southern Gold Ltd. He was also President of the Port Adelaide Football Club from 1992 to 2008.

Greg has been awarded an AM—Member in the General Division in the Order of Australia for his service to AFL administration, to the community of South Australia and to business.

Mr Jim Birch AM, BHA, FACHSM, AAICA
Appointed Director 30/11/2012

Chairman, Cancer Research Committee
Member, Strategic Fundraising Committee
Member, Nomination and Remuneration Committee

Jim is currently an independent consultant and Non-Executive Director of a number of Boards. He was formerly Ernst & Young's Global Health Leader and Government and Public Sector Leader, Oceania.

Jim has been Chief Executive of the Human Services and Health Department (South Australia), Deputy Chief Executive of Justice, and Chief Executive of major health service delivery organisations, including teaching hospitals.

Jim is currently Chair of the Australian Red Cross Blood Service, , Chair of the Woman's and Children's Local health Network (South Australia) Taskforce Deputy Chair of the Independent Hospital Pricing Authority, , a member of the Board of the Australian Red Cross Society, Chair of Clevertar Pty Ltd and a member of the Board of the Little Company of Mary Health Care

Jim was Chair if the Chair of the Australian Digital Health Agency until April 2019.

The Hon Catherine Branson AC QC BA LLB (Adel) Hon LLD (Flin) Hon D Litt (Macq)
Appointed Director 25/3/2015

Catherine is a former Judge of the Federal Court of Australia and a past President of the Australian Human Rights Commission. Earlier in her career she held the positions of Crown Solicitor of South Australia and CEO of the Attorney-General's Department (SA) before leaving public employment to practise as a Barrister.

Catherine is presently Deputy Chancellor of The University of Adelaide, an Adjunct Professor of the Adelaide Law School and a Fellow of the Australian Academy of Law. She Chairs the Board of the Human Rights Law Centre.

Throughout her career she has served in a voluntary capacity on the governance or advisory bodies of a significant number of organisations and charities involved with the arts, health, education or human rights.

Directors' Report for the year ended 30 June 2019 (continued)

Dr Judith Dwyer AM, PhD, MBA, BA, FAICD, FCHSM
Appointed Director 10/11/2010

Deputy Chairman, Board Cancer Council - retired 16/02/2019
Member, Audit & Risk Committee
Member, Nomination and Remuneration Committee - retired 19/02/2019

Judith is an Adjunct Professor of Health Care Management in the Flinders University College of Medicine and Public Health, and a former CEO of Southern Health Care Network in Melbourne, and of Flinders Medical Centre in Adelaide.

She was for several years a Research Program Leader in the Cooperative Research Centre for Aboriginal and Torres Strait Islander Health (the Lowitja Institute).

She led and taught in the Flinders Master of Health Administration Program, and continues to conduct research focused on health system governance and design, with a particular interest in Aboriginal health services and policy.

She was the inaugural President of Women's Hospitals Australia, the inaugural recipient of the AMA's Women's Health Award, and has served on NHMRC Committees over several decades. Professor Dwyer is a director of Cancer Council Australia, and Central Adelaide Local Health Network.

She is the lead author of *Project Management in Health and Community Services, 3rd Edition* published by Allen and Unwin. Professor Dwyer is the 2014 recipient of the Sidney Sax medal, awarded annually by the Australian Healthcare and Hospitals Association in recognition of life-long contribution to Australia's health care system.

Mrs Belinda Jennings
Appointed Director 18/8/2016

Member, Strategic Fundraising Committee

Belinda is a digital marketing professional and Founder of the Mum Central Network, harnessing the power of social media in the digital age to connect with Australia's most powerful consumers = mums.

She has a track record of delivering powerful, engaging and high value digital solutions to some of the world's leading brands and with 20 years of marketing experience behind her, is passionate about connecting and educating brands on the benefits of digital and social media.

16 Tourism Awards past role as Director of Sales and Marketing for Unforgettable Houseboats and AusMumpreneur of the Year Awards and Women in Innovation (Technology finalist).

Mr Con Michalakis BSc (Ma), MSc
Appointed Director 24/03/2011

Chairman, Investment Committee

Along with the investment committee, Con is responsible for managing Statewide Super's \$9.9 billion in funds under management.

Prior to joining Statewide, Con was Director of Marketing and Client Services for Manhattan-based boutique investment firm Pzena Investment Management, where he was responsible for marketing the firm's products and services in Australia, New Zealand, Hong Kong and Singapore. He was previously the Director, Head of Institutional Business, for Merrill Lynch Investment Managers based in Sydney. Con has also worked in London with Alliance Capital Management and was the first Australian practice leader of investment consulting for Watson Wyatt.

Con has a Bachelor of Mathematical Science from the University of Adelaide, a Masters of Science from the University of London and a Postgraduate Diploma in Financial Strategy from Saïd Business School at the University of Oxford.

Con is a member of the University of Adelaide Endowment Fund Investment Advisory Committee.

Directors' Report for the year ended 30 June 2019 (continued)

Associate Professor Susan Neuhaus CSC, MBBS, PhD, FRACS, FAICD
Appointed Director 27/10/2010

Member, Audit and Risk Committee
Member, Cancer Research Committee
Member, Investment Committee

Susan is a General Surgeon and Fellow of the Royal Australasian College of Surgeons (RACS). In 2004 she was awarded the Lumley Exchange Scholarship and undertook a Fellowship in Surgical Oncology at the Royal Marsden Hospital in the United Kingdom. She has a Doctorate of Philosophy (PhD) in mechanisms of tumour spread during laparoscopy.

Associate Professor Susan Neuhaus is a Clinical Associate Professor at the Department of Surgery, University of Adelaide and works in private surgical practice with special interests in melanoma and sarcoma.

Associate Professor Neuhaus is a past Chair of the Surgical Oncology Group of the Clinical Oncological Society of Australia (COSA), previous Director of the Australasian Sarcoma Study Group (ASSG) and member of the Australian Melanoma Trials Group (ANTMTG). She is appointed to the Royal Australasian College of Surgeons (RACS) Court of Examiners in General Surgery. She is actively involved in teaching, research and clinical trials and has published extensively, served as a journal editor and reviewer and authored a textbook 'Radiology in Surgical Practice'. Susan has chaired the development and implementation of Australian Sarcoma Guidelines, introduced in 2013 and a Fellow of the Australian Institute of Company Directors.

Susan has also completed an army career spanning over 20 years. She has served Cambodia, Bougainville and Afghanistan. In 2009 she was awarded the Conspicuous Service Cross in the Queen's Birthday Honours List in recognition of her leadership in army health.

In 2012, she was a South Australian finalist for Australian of the Year. Susan remains actively involved in veterans' health issues, and has published extensively on strategic defence health issues. She has served on the Veterans Health Advisory Council (SA) and as an Ambassador for Defence Reserves. Susan is past Chairman of the Board of the Repat Foundation and Co-Patron of the RSL Virtual War Memorial. She also holds a position as Associate Professor in Conflict Medicine at The University of Adelaide and is appointed to the Council of the Australian War Memorial.

Professor David Watson MBBS, MD, FRACS, FAHMS

Appointed Director – 14/10/2015

Member, Cancer Research Committee
Member, Strategic Fundraising Committee

Since 2002, David has been Head of the Flinders University Department of Surgery and is an Oesophageal and Gastric Surgeon at Flinders Medical Centre. Before joining Flinders University, he worked as a Consultant Surgeon at the Royal Adelaide Hospital for nine years.

His clinical and research interests include gastro-oesophageal reflux and oesophageal and gastric cancer, and he has led 14 randomised clinical trials designed to improve clinical practice in these areas. He also leads molecular biology and population health research groups at Flinders University which work to improve early detection and prevention of gastrointestinal cancer. David has published more than 400 research Papers and textbook chapters, and he has held many major research grants, including continuous funding from the National Health and Medical Research Council for more than 20 years. He has led the development of clinical guidelines for the management and prevention of oesophageal cancer for Cancer Council and SA Health.

David is a Senior Editor of the ANZ Journal of Surgery, and Associate Editor of the World Journal of Surgery, and a member of the Editorial Boards for many other leading international journals including the British Journal of Surgery and the Journal of Gastrointestinal Surgery.

In 2006, David led the establishment of the Australia and New Zealand Gastric and Oesophageal Surgery Association, and he served as the foundation President until 2010. He currently serves as President-elect for the International Society for Diseases of the Oesophagus, and has served on the National Council for the Australian Academy of Health and Medical Sciences. He is a recipient of major research awards including the Royal Australasian College of Surgeons' John Mitchell Crouch Fellowship, a James IV Travelling Fellowship, election to Fellowship of the Australian Academy of Health and Medical Sciences, honorary fellowship of the Royal College of Surgeons of Edinburgh and appointment to a Matthew Flinders Distinguished Professorship at Flinders University.

Directors' Report for the year ended 30 June 2019 (continued)

Directors' benefits

No Director of Cancer Council SA has received or has become entitled to receive a benefit in respect of their role as Directors.

Meetings of Directors

The number of Directors' meetings and number of meetings attended by each of the Directors of Cancer Council SA during the twelve month period was:

	Directors' meetings	
	No of Meetings Attended	No of Meetings Eligible to Attend
K Scarce AC CSC RANR Rtd	5	6
G Boulton AM	5	6
J Birch AM	3	6
C Branson AC QC	3	6
JM Dwyer AM	5	6
B Jennings	3	6
C Michalakias	4	6
S Neuhaus CSC	5	6
D Watson	5	6

Indemnification and insurance of officers and auditors

To the extent permitted by law, Cancer Council SA has entered into an agreement indemnifying all Directors and Officers against all liabilities to another person, other than Cancer Council SA or a related body corporate that may arise from their position as Directors of Cancer Council SA or in the capacity of an outside Director for a non-profit outside organisation, except when the liability arises out of conduct involving a lack of good faith.

Cancer Council SA has paid insurance premiums in respect of the Association Liability Insurance contract for current and former Directors and Officers.

The contract of insurance prohibits disclosure of the nature of the liability covered and the amount of the premium paid.

Auditor's independence declaration

The auditor's independence declaration is set out on page 9 and forms part of the Directors' report.

This report is made with a resolution of the Directors:



Director



Director

Dated this 16 day of October 2019



Auditor's Independence Declaration under Subdivision 60-C Section 60-40 of Australian Charities and Not-for-profits Commission Act 2012

To the Directors of Anti-Cancer Council Foundation South Australia

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2019 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

Darren Ball

Partner

Adelaide

16 October 2019

Statement of financial position as at 30 June 2019

	Note	2019 \$	2018 \$ Restated
Current assets			
Cash and cash equivalents	8	15,938,072	8,682,223
Trade and other receivables	9	2,330,383	2,074,589
Inventories		-	11,384
Total current assets		<u>18,268,455</u>	<u>10,768,196</u>
Non current assets			
Other financial assets	10	22,117,052	27,783,202
Property, plant and equipment	11	9,155,711	9,392,036
Total non-current assets		<u>31,272,763</u>	<u>37,175,238</u>
Total assets		<u>49,541,218</u>	<u>47,943,434</u>
Current liabilities			
Trade and other payables	12	1,402,024	1,474,423
Administered program funding received in advance	13	442,758	403,176
Interest free borrowings		4,000	4,000
Finance Lease	16	13,712	-
Employee benefits	14	648,193	700,788
Total current liabilities		<u>2,510,687</u>	<u>2,582,387</u>
Non current liabilities			
Employee benefits	14	66,042	92,025
Finance Lease	16	35,341	-
Total non-current liabilities		<u>101,383</u>	<u>92,025</u>
Total liabilities		<u>2,612,071</u>	<u>2,674,412</u>
Net assets		<u>46,929,147</u>	<u>45,269,022</u>
Equity			
Reserves*		7,107,306	7,505,388
Retained earnings*		39,821,841	37,763,634
Total equity attributable to equity holder		<u>46,929,147</u>	<u>45,269,022</u>

The above Statement of Financial Position should be read in conjunction with the accompanying notes set out on pages 14 to 23.

* Balances have been restated from those previously reported. Refer to Note 3(m).

Statement of profit or loss and other comprehensive income for the year ended 30 June 2019

	Note	2019 \$	2018 \$ Restated
Revenue from operating activities			
Fundraising	5(i)	9,013,024	8,750,261
Program services			
Supportive accommodation service		2,457,246	2,374,515
Administered program funding	13	3,383,331	3,581,194
Other income		241,270	164,584
Royalty and licence income	5(ii)	176,804	198,652
		<u>15,271,675</u>	<u>15,069,206</u>
Expenses from operating activities			
Program services			
Research	6(i)	2,075,341	2,879,699
Prevention	6(ii)	4,446,210	4,177,238
Information and support	6(iii)	4,233,203	4,025,641
Fundraising		2,761,766	2,693,458
Communication & administration	6(iv)	1,785,768	2,242,549
		<u>15,302,288</u>	<u>16,018,586</u>
Result before financial income		<u>(30,613)</u>	<u>(949,379)</u>
Financial income	7	2,619,593	2,066,721
Operating profit before change in fair value of Equity Investments		<u>2,588,980</u>	<u>1,117,342</u>
Change in fair value - Units in trusts through Profit and Loss*		(530,773)	497,828
Profit for the year		<u>2,058,207</u>	<u>1,615,170</u>
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Change in fair value - Equity securities through OCI*		(398,082)	732,391
Total comprehensive income for the year		<u>1,660,125</u>	<u>2,347,561</u>

The above Statement of profit and loss and other comprehensive income should be read in conjunction with the accompanying notes set out on pages 14 to 23.

* Balances have been restated from those previously reported. Refer to Note 3(m).

Statement of changes in equity for the year ended 30 June 2019

	Note	Fair value reserve	Retained earnings – general	Total equity
		\$	\$	\$
Balance at 1 July 2017 - as previously reported		7,085,572	35,835,889	42,921,461
Restatement of balance previously reported	3(m)	(312,575)	312,575	-
Balance at 1 July 2017 - Restated		6,772,997	36,148,464	42,921,461
Total comprehensive income for the year				
Profit for the year*		-	1,615,170	1,615,170
Change in fair value - Equity securities*		732,391		732,391
Total comprehensive income for the year		732,391	1,615,170	2,347,561
Balance at 30 June 2018 - restated		7,505,388	37,763,634	45,269,022
Balance at 1 July 2018 - restated		7,505,388	37,763,634	45,269,022
Total comprehensive income for the year				
Profit for the year		-	2,058,207	2,058,207
Change in fair value - Equity Investments		(398,082)		(398,082)
Total comprehensive income for the year		(398,082)	2,058,207	1,660,125
Balance at 30 June 2019		7,107,306	39,821,841	46,929,147

The above Statement of changes in equity should be read in conjunction with the accompanying notes set out on pages 14 to 23.

* Balances have been restated from those previously reported. Refer to Note 3(m).

Statement of cash flows for the year ended 30 June 2019

Cash flows from operating activity	2019	2018
	\$	\$
	Note	
Receipts from Customers	15,486,595	14,927,981
Payments to suppliers and employees	(15,035,275)	(15,903,732)
Interest received	218,518	248,963
Net Cash used in operating activities	<u>669,838</u>	<u>(726,787)</u>
Cash flows from investing activities		
Payments for property plant and equipment	(81,645)	(28,690)
Dividends received	2,591,907	2,118,234
Proceeds from sale of Investments	5,159,327	3,454,957
Acquisition of investments	(1,083,578)	(6,283,136)
Net cash (used in) / provided from investing	<u>6,586,011</u>	<u>(738,634)</u>
Net change in cash or cash equivalents	7,255,849	(1,465,422)
Opening cash	8,682,223	10,147,645
Closing cash	8 <u>15,938,072</u>	<u>8,682,223</u>

The above Statement of cash flow should be read in conjunction with the accompanying notes set out on pages 14 to 23.

Notes to the financial statements for the year ended 30 June 2019

Note 1 Reporting entity

Anti-Cancer Foundation of South Australia (the Company) is a not for profit company limited by guarantee and domiciled in Australia.

The sole object of the Company is to act as trustee of the public charitable Trust known as Anti-Cancer Foundation of South Australia (trading as Cancer Council SA) and for that purpose the consolidated entity comprises both the Company and the Trust. The financial information presented in this financial report are those of the consolidated entity.

In all reports, any reference to the Company is a reference to its capacity as trustee of the Trust. The Company does not trade and has no assets and liabilities other than in its capacity as trustee.

Note 2 Basis of preparation

a) Statement of compliance

In the opinion of the Directors, the Group is of the type that meets the criteria to produce Tier 2 general purpose financial reports as defined in Australian Accounting Standard AASB 1053 - Application of Tiers of Australian Accounting Standards. These consolidated financial statements are Tier 2 general purpose consolidated financial report that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements (AASB-RDRs) adopted by the Australian Accounting Standards Board (AASB) and the Australian Charities and Not for Profit Commission Act 2012 (ACNC). These consolidated financial statements comply with Australian Accounting Standards – Reduced Disclosure Requirements.

This financial report has been approved by the Directors on 16th October 2019.

b) Basis of measurement

The financial statements have been prepared on the historical cost basis except other financial assets which are measured at fair value (see note 3(a)(ii)).

c) Functional and presentation currency

The financial statements are presented in Australian dollars which is the Company's functional currency.

d) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates 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 any future periods affected.

e) Basis of consolidation

The Trust is controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Notes to the financial statements for the year ended 30 June 2019

Note 3 Significant accounting policies

Cancer Council SA has consistently applied the following accounting policies to all periods presented in these financial statements.

a) Financial instruments

i. Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. The Company invests in term deposits with banks regulated by the Australian Prudential Regulation Authority with maturity dates spread throughout the year.

ii. Financial assets

When financial assets are recognised initially, they are measured at fair value. Financial assets other than those subsequently measured at amortised cost are subsequently measured at fair value. Direct investments in equity securities that are not held for trading are measured at fair value through other comprehensive income. Investments in equity securities through an independently managed unit trust that are not held for trading are measured at fair value through Profit and Loss. Fair value is determined based on fair value (being the redemption value) of all investments.

For direct investments in equity securities that are not held for trading, the Council has elected at initial recognition to present gains and losses in other comprehensive income. For instruments measured at fair value through other comprehensive income, gains and losses are not reclassified to profit or loss and no impairments are recognised in profit or loss. Dividends earned are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

For investments measured at fair value through profit or loss, net gains and losses including interest or dividend income, are recognised in profit or loss.

Financial assets are recognised/de-recognised by Cancer Council SA on the date it commits to purchase/sell the investments.

iii. Trade and other receivables

Trade and other receivables are stated at their cost less impairment losses (see accounting policy (e)).

b) Property, plant and equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation or impairment write-offs. The carrying amount is reviewed annually to ensure it is not in excess of the remaining service potential of these assets. All classes of property, plant and equipment are depreciated using the straight line method. The estimated useful lives for the current and comparative periods are as follows:

- buildings 40 years
- motor vehicles 5 years
- plant and equipment 3 - 20 years

Notes to the financial statements for the year ended 30 June 2019

Note 3 Significant accounting policies (continued)

c) Leases

Leases in terms of which Cancer Council SA assumes substantially all the risks and rewards of ownership are classified as finance leases. Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense.

d) Inventories

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

e) Impairment

At each reporting date the carrying amounts of Cancer Council SA's tangible and intangible assets are reviewed to determine whether there is any indication of impairment. If any such indication exists the recoverable amount, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

f) Employee benefits

i. Superannuation

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions are recognised when they are due.

ii. Wages, salaries, annual and paid maternity leave

The provisions for employee entitlements to wages, salaries, annual and paid maternity leave represent obligations resulting from employees' services provided up to reporting date, calculated at undiscounted amounts based on wage and salary rates, including related on costs, which Cancer Council SA expects to pay at each reporting date.

iii. Long-term service benefits

Long term service benefits, plus related on costs, are measured at the present value of future cash outflows. Regardless of the expected timing of settlement, provisions made for annual leave and unconditional long service leave are classified as a current liability where the employee has a present entitlement to the benefit. A non-current liability would include long service leave entitlements accrued for employees with less than 7 years of continuous service.

g) Trade and other payables

Liabilities are recognised for amounts to be paid in the future for goods and services received. The carrying amount of accounts payable approximates fair value.

Notes to the financial statements for the year ended 30 June 2019

Note 3 Significant accounting policies (continued)

h) Revenue

i. Charitable support

Revenue is received from fundraising events, legacies and bequests and is brought to account on a cash received basis. When assets, such as investments or properties, are received from a bequest or donation, an asset is recognised at fair value, with a corresponding amount of revenue, when Cancer Council SA gains control of such assets.

ii. Interest and dividend revenue

Interest revenue is recognised as it accrues on a daily basis, using the effective interest method. Dividend revenue is recognised in the statement of profit or loss and other comprehensive Income on the date the right to receive payments is established, which in the case of quoted securities is normally the ex-dividend date. Where dividends are franked the dividends are recognised inclusive of imputation credits. Distributions from managed investment funds are recognised as revenue in the period to which they relate.

iii. Sale of goods/services

Revenue from the sale of goods is recognised when control of the goods passes to the customer. Revenue from accommodation facilities is recognised when rooms are occupied and food and beverage is sold.

i) Administered program funding

Grants received for specific programs are recognised as income only to the extent of work completed up to the reporting date, when the terms of the grant stipulate that any unexpended funds be returned should the program not be completed.

Funds attributable to work still to be completed are recorded as a current liability in the statement of financial position. These funds are invested in fixed interest and at-call facilities in accordance with the grant terms and are included as part of cash and cash equivalents under Note 8.

j) Taxation

i. 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 (the ATO). In these circumstances the GST is recognised as part of the cost of acquisition or as part of the expense. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST component of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

ii. Income tax

Cancer Council SA is exempt from income tax under the terms of Section 50(5) of the Income Tax Assessment Act 1997.

Notes to the financial statements for the year ended 30 June 2019

k) Fair value reserve

The fair value reserve includes the cumulative net change in the fair value of equity investments.

l) Changes in comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in this financial report.

m) Restatement in significant accounting policies AASB 9 Financial Instruments

During the year it was identified that certain financial assets (Refer Note 10) did not meet the definition of an equity instrument as defined by AASB 132. As a result these financial assets were not eligible to qualify for the irrevocable election on initial recognition for changes in fair value to be recorded through other comprehensive income (OCI) under AASB 9.

The following tables summarise the impacts of correctly designating AASB 9's definition of an equity instrument on the statement of financial position as at 30 June 2018 and its statement of profit or loss and OCI for the year then ended for each of the line items affected. There was no material impact on the Group's statement of cash flows for the year ended 30 June 2018.

Impact on the consolidated statement of financial position

	Restated	Adjustment	Previously Reported
Equity			
Reserves	7,505,388	(810,403)	8,315,791
Retained earnings	37,763,634	810,403	36,953,231
Total equity attributable to equity holder	<u>45,269,022</u>	<u>-</u>	<u>45,269,022</u>

Impact on the consolidated statement of profit and loss and other comprehensive income

	Restated	Adjustment	Previously Reported
Operating profit before change in fair value of Equity Investments	1,117,342		1,117,342
Change in fair value - Units in trusts through Profit and Loss	497,828	497,828	-
Profit for the year	<u>1,615,170</u>	<u>497,828</u>	<u>1,117,342</u>

Other comprehensive income

Items that will not be reclassified to profit or loss			
Change in fair value - Equity securities through OCI	732,391	(497,828)	1,230,219
Total comprehensive income for the year	<u>2,347,561</u>	<u>-</u>	<u>2,347,561</u>

Notes to the financial statements for the year ended 30 June 2019

Note 4 New standards and interpretations not yet adopted

The Australian Accounting Standards Board has released two new accounting standards that are not yet effective.

- AASB 15 Revenue from Contracts with Customers, effective for financial years ending on or after 1 January 2020;
- AASB 16 Leases, effective for financial years ending on or after 1 January 2020.

A review of the accounting treatment required by these standards has commenced. The impact of the new accounting standards will be assessed in future reporting periods when the standards become effective.

	2019 \$	2018 \$
Note 5		
Revenue		
(i) Fundraising		
Bequests & legacies	2,121,600	2,597,730
Community fundraising	6,891,424	6,152,531
	<u>9,013,024</u>	<u>8,750,261</u>
(ii) Royalty and Licence income	176,804	198,652
 Note 6		
Program services		
(i) Research		
Research fellowships	159,068	241,810
Beat cancer project	1,000,000	2,000,000
Internal research programs and strategy support	916,273	637,889
	<u>2,075,341</u>	<u>2,879,699</u>
(ii) Prevention		
Prevention programs	1,485,757	851,394
Tobacco control	2,960,453	3,325,844
	<u>4,446,210</u>	<u>4,177,238</u>
(iii) Information and Support Services		
Information and Support programs	1,570,298	1,737,231
Supportive accommodation service	2,662,905	2,288,410
	<u>4,233,203</u>	<u>4,025,641</u>
(iv) Communication and Administration		
Marketing and Communication	901,755	957,551
Administration	884,013	1,284,999
	<u>1,785,768</u>	<u>2,242,550</u>
 Note 7		
Net financial income		
Interest income	236,671	226,330
Dividends, distributions and franking credits	2,382,922	1,840,391
Net financial income	<u>2,619,593</u>	<u>2,066,721</u>

Notes to the financial statements for the year ended 30 June 2019

	2019 \$	2018 \$
Note 8		
Cash and cash equivalents		
Bank balances	2,181,590	2,432,223
Term deposits maturing within 3 months	10,750,000	-
Term deposits maturing later than 3 months	3,006,482	6,250,000
	<u>15,938,072</u>	<u>8,682,223</u>
Note 9		
Trade and other receivables		
Trade receivables	34,631	128,551
Sundry receivables	2,225,357	1,847,647
Prepayments	70,395	98,391
	<u>2,330,383</u>	<u>2,074,589</u>
Note 10		
Other financial assets		
Investments in equity securities - OCI*	7,253,371	7,656,771
Investments in units in trusts - Profit and Loss*	14,863,681	20,126,431
	<u>22,117,052</u>	<u>27,783,202</u>
Restated – refer note 3(m)		

Note 11 **Property, plant and equipment**

	Land \$	Buildings \$	Plant & equipment \$	Total \$
Cost				
Balance at 1 July 2018	5,624,000	6,029,575	4,549,444	16,203,019
Acquisitions	-	-	81,645	81,645
Disposals	-	-	(882,750)	(882,750)
Balance at 30 June 2019	<u>5,624,000</u>	<u>6,029,575</u>	<u>3,748,339</u>	<u>15,401,914</u>
Depreciation and impairment losses				
Balance at 1 July 2018	-	2,830,495	3,980,488	6,810,983
Depreciation charge	-	131,214	186,756	317,970
Disposals	-	-	(882,750)	(882,750)
Balance at 30 June 2019	<u>-</u>	<u>2,961,709</u>	<u>3,284,494</u>	<u>6,246,203</u>
Carrying Amounts				
Balance at 1 July 2018	<u>5,624,000</u>	<u>3,199,080</u>	<u>568,956</u>	<u>9,392,036</u>
Balance at 30 June 2019	<u>5,624,000</u>	<u>3,067,866</u>	<u>463,845</u>	<u>9,155,711</u>

During 2018 the properties were independently valued by CB Richard Ellis. The total fair value of these properties, being land and buildings, was determined to be \$20,200,000.

Notes to the financial statements for the year ended 30 June 2019

	2019	2018
	\$	\$
Note 12		
Trade and other payables		
	\$	\$
Trade payables	715,087	351,234
Other payables	404,116	750,588
Non trade payables and accrued expenses	282,822	372,601
	<u>1,402,024</u>	<u>1,474,423</u>
Note 13		
Administered program funding received in advance		
Opening balance	403,176	1,310,158
Amounts received	3,422,913	2,674,212
Income taken to revenue	(3,383,331)	(3,581,194)
	<u>442,758</u>	<u>403,176</u>
Note 14		
Employee benefits		
Current		
Liability for annual leave	350,211	377,638
Liability for long service leave	297,982	323,151
	<u>648,193</u>	<u>700,788</u>
Non-current		
Liability for long service leave	66,042	92,025
	<u>66,042</u>	<u>92,025</u>
Total employee benefits	<u>714,235</u>	<u>792,813</u>

Note 15

Key management personnel compensation

The key management personnel compensation was \$970,081 for the year ended 30 June 2019 (2018: \$978,703). The number of employees defined as key management personnel was 5 during the financial year.

No Directors of Cancer Council SA have received or become entitled to receive a benefit in respect of their role as Directors.

Notes to the financial statements for the year ended 30 June 2019

Note 16

Operating Lease

	Up to one year	One to two years	Two to five years	Six or more years	Total
30 June 2019 Operating lease rental payments	6,480	-	-	-	6,480
30 June 2018 Operating lease rental payments	19,255	-	-	-	19,255

Finance Lease

30 June 2019

Minimum Lease Payments	16,260	16,260	21,680	-	54,200
Finance Charge	2,548	1,710	889	-	5,147
Net Present Value	13,712	14,550	20,791	-	49,053

30 June 2018

Minimum Lease Payments	-	-	-	-	-
Finance Charge	-	-	-	-	-
Net Present Value	-	-	-	-	-

Cancer Council SA leases premises on a casual basis for short periods to support fundraising activities. These costs are recorded under the Fundraising expenditure.

During the period ended 30 June 2019 \$7,184 was recognised as a property lease expense in the statement of profit or loss and other comprehensive Income (2018: \$6,245).

Cancer Council SA entered into a 4 year lease for office equipment on 10 September 2018 with minimum lease payments of \$65,040.

Notes to the financial statements for the year ended 30 June 2019

Note 17

Contractual Commitments

Cancer Council SA has the following long term contractual commitments to fund cancer research through the Beat Cancer Project and separate agreements direct with The University of Adelaide, Flinders University and the University of South Australia.

	2019	2018
	\$	\$
Non-cancellable research funding agreements are payable as follows:		
Not later than that of one year	1,290,023	1,183,122
Later than one year but not later than two years	1,223,141	1,187,544
Later than two years but not later than 5 years	75,000	1,129,033
Later than 5 Years	-	-
	<hr/> 2,558,164	<hr/> 3,499,699

Note 18

Event subsequent to Balance Date

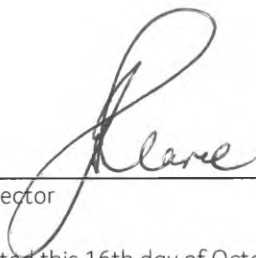
There have been no significant change in the state of affairs of the Company in the period from 30 June to the date of this report that will have a material effect on the Company's financial performance.

Directors' Declaration

In the opinion of the Directors of Cancer Council SA:

- a) The Group is of the type that meets the criteria to produce Tier 2 general purpose financial reports as defined in Australian Accounting Standard AASB 1053 - Application of Tiers of Australian Accounting Standards.
- b) The financial statements and notes, as set out on pages 10 to 22, are in accordance with the Australian Charities and Not-for profits Commission Act 2012, including:
 - i. giving a true and fair view of the financial position of the Cancer Council SA as at 30 June 2019 and of its performance, for the financial year ended on that date; and
 - ii. complying with Australian Accounting Standards - Reduced Disclosure Regime and the Australian Charities and Not-for-profits Commission Regulation 2013; and
- c) there are reasonable grounds to believe that the Cancer Council SA will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors



Director



Director

Dated this 16th day of October 2019



Independent Auditor's Report

To the Members of the Anti-Cancer Foundation of South Australia

Opinion

We have audited the **Financial Report**, of Anti-Cancer Foundation (trading as Cancer Council SA – the “Council”).

In our opinion, the accompanying **Financial Report** of the Anti-Cancer Foundation of South Australia is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*, including:

- giving a true and fair view of the Council's financial position as at 30 June 2019, and of its financial performance and its cash flows for the year ended on that date; and
- complying with *Australian Accounting Standards – Reduced Disclosure Requirements* and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

The **Financial Report** comprises:

- Statement of financial position as at 30 June 2019;
- Statement of profit or loss and other comprehensive income, Statement of changes in equity, and Statement of cash flows for the year then ended;
- Notes including a summary of significant accounting policies; and
- Directors' declaration of the Council.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Report section of our report.

We are independent of the Council in accordance with the auditor independence requirements of the ACNC Act 2012 and 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 our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

Other information

Other Information is financial and non-financial information in the Council's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. This includes the Director's Report. The Council's Director are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.



Emphasis of matter – Restatement of comparative balances

We draw attention to Note 3(m) to the financial statements, which states that the amounts reported in the previously issued 30 June 2018 Financial Report have been restated and disclosed as comparatives in this Financial Report. Our opinion is not modified in respect of this matter.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- Preparing the Financial Report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosures Requirements and the ACNC;
- Implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- Assessing the Council's ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Council or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- 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 our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the 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 *Australian Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

We 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 our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the Audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;



- Conclude on the appropriateness of the Directors' 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 Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Financial Report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Council to cease to continue as a going concern, and
- 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.

We communicate with the Directors of the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG

Darren Ball

Partner

Adelaide

16 October 2019