

Australian Cancer Research Foundation
(A company limited by guarantee)

ABN 27 076 461 360

Annual report
for the year ended 31 December 2015

Australian Cancer Research Foundation ABN 27 076 461 360
Annual report - 31 December 2015

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Trustees' report

The Trustees present their report together with the financial report of Australian Cancer Research Foundation ("the Foundation" or "ACRF") for the year ended 31 December 2015 and the auditor's report thereon.

Trustees

The following persons were Trustees of Australian Cancer Research Foundation during the whole of the financial year and up to the date of this report, unless otherwise stated:

Mr Greg Camm
Mr Russell Caplan
Mr Tim Crommelin
Mr Tom Dery AO
Mr Stephen Gerlach AM
Ms Jennifer Hewett
Air Chief Marshal Sir Angus Houston AK AFC (Ret'd)
Mr Peter Jones
Mr James Millar AM
Mr Stephen Rix
Mr Simon Perrott
Dr John Yu AC MB
Sir Ian Turbott AO CMG CVO

Information on trustees

Mr Greg Camm MBA (UMelb) BBus (Monash) CPA SF Fin
Trustee since 6 December 2000.

Other positions held and current directorships

- Director, Bottlecyclers Pty Ltd
- Director, MECU Ltd trading as Bank Australia
- Director, Yarra Valley Water

Mr Russell Caplan FAICD FAIM
Trustee since 24 March 2011.

Other positions held and current directorships

- Chair, Melbourne and Olympic Parks Trust
- Non-executive Director, Aurizon Holdings Limited
- Director, St Kilda Football Club
- Former Chairman, Orica Limited (retired 31 December 2015)

Mr Tim Crommelin BCom (UQld), FSLE, FSIA, Advanced Management Program (University of Hawaii)
Trustee since 29 March 2000.

Other positions held and current directorships

- Executive Chair, Morgans Financial Limited
- Member, Senate for the University of Queensland
- Chair, A P Eagers Limited
- Director, Senex Energy Limited

Mr Tom Dery AO BCom (Econ) (University of New South Wales); MBA (Stanford)
Chair - Trustee since 1 April 1994.

Other positions held and current directorships

- Worldwide Chairman, M&C Saatchi
- Director, Queenwood School for Girls

Information on trustees (continued)

Mr Stephen Gerlach AM

Trustee since 15 November 1996.

Other positions held and current directorships

- Director, Beston Pacific Asset Management Pty Ltd Group
- Director, Beston Global Foods Ltd
- Director, The General Sir John Monash Foundation Ltd
- Chancellor, Flinders University
- Member, AICD Corporate Governance Committee
- Chairman, Adelaide Capital Partners Pty Ltd
- Chairman, Gerlach Asset Development Pty Ltd
- Trustee, Psychosis Australia Trust
- Chair, Ebony Energy Ltd

Ms Jennifer Hewett

Trustee since 20 September 2012.

Other positions held and current directorships

- National Affairs Columnist, The Australian Financial Review

Air Chief Marshal Sir Angus Houston AK AFC (Ret'd)

Trustee since 23 November 2011.

Other positions held and current directorships

- Chair, Air Services Australia
- Chair, Order of Australia Council
- Chair, Canberra Symphony Orchestra
- Chair, Queensland Mind and Neuroscience Institute Foundation
- Chair, University of New South Wales Canberra Advisory Council
- Chair, Victoria Police Corporate Advisory Board
- Board Member, Lowy Institute
- Board Member, Australian Federal Police Advisory Board
- Board Member, Victoria Police Executive Command Committee
- Board Member, Greater Good Canberra
- Board Member, Anzac Centenary Public Fund Board
- Consultant, Ernst and Young
- Consultant, Department of Defence Aviation Review (short term)
- Consultant, Special Adviser to the Minister for Veterans' Affairs on the Anzac Centenary
- Envoy, Trade and Investment, South Australia Government
- Visiting Fellow, Australian National University - National Security College
- Patron, Sunnyfield Independence
- Patron, Stand tall for PTSD
- Patron, Australian American Association (Canberra Division)
- Patron, Australian Defence Force Assistance Trust
- Patron, Bomber Command
- Patron, Glycomics Childhood Leukaemia
- Patron, ShelterBox Australia
- Patron, Snowy Hydro South Care Rescue
- Ambassador, Soldier On

Mr Peter Jones LLB, University of Technology, Sydney. BSurv, University of NSW

Trustee since 2 June 2005.

Other positions held and current directorships

- Deputy General Counsel, Reserve Bank of Australia
- Former General Counsel and Company Secretary, Tassal Group Limited

Information on trustees (continued)

Mr James Millar AM B.Com (University of New South Wales), FCA, FAICD
Trustee since 2 June 2005.

Other positions held and current directorships

- Chair, The Smith Family
- Director, Fairfax Media Limited
- Director, Helloworld Limited
- Director, Mirvac Limited
- Director, Vincent Fairfax Family Foundation
- Member, University of NSW Australian School of Business Advisory Board
- Member, Grant Samuel Advisory Board
- Chair, Forestry Corporation of New South Wales
- Chair, Export Finance and Insurance Corporation (EFIC)

Mr Stephen Rix B Ec, CA, FAICD
Trustee since 1 December 2005.

Other positions held and current directorships

- Chair Travelex Asia-Pacific
- Director Bennelong Funds Management Ltd
- Director Allen & Unwin Pty Limited

Mr Simon Perrott BSc (UMelb); MBA (AGSM)
Trustee since 6 December 2000.

Other positions held and current directorships

- Non Executive Director, Lend Lease Real Estate Investments Limited
- Non Executive Director, DUET Group
- Director, The Wayside Chapel
- Chairman, Poetry In Action

Dr John Yu AC MB BS (USYD), FRACP, FRACMA, DCH (RCP&S Lond), Hon. MD (USYD), Hon D.Litt (UWS), Hon DSc (UNSW)
Trustee since 1 December 2005.

Other positions held and current directorships

- Chair, Advisory Board of the Centre of Asian Art and Archaeology (Sydney University)
- Chair, VisAsia Board of Art Gallery of NSW
- Member, HCF Research Foundation Board

Sir Ian Turbott AO CMG CVO Hon D Litt (University of Western Sydney)
Trustee since 18 June 1984.

Other positions held and current directorships

- Chair, I T Graham Investments Pty Limited
- Director, Australian Youth Trust
- Director, Commonwealth Day Council
- Director, Ted Noffs Foundation
- Emeritus Chancellor, The University of Western Sydney

Meetings of trustees

The numbers of meetings of the Foundation's board of Trustees and of each board committee held during the year ended 31 December 2015, and the numbers of meetings attended by each Trustee were:

	Meetings of Trustees		Meetings of finance committee	
	A	B	A	B
Mr Greg Camm	5	3		
Mr Russell Caplan	5	4		
Mr Tim Crommelin	5	2	1	1
Mr Tom Dery AO	5	3	1	1
Mr Stephen Gerlach AM	5	3		
Ms Jennifer Hewett	5	2		
Air Chief Marshal Sir Angus Houston AK AFC (Ret'd)	5	3		
Mr Peter Jones	5	4		
Mr James Millar AM	5	3	1	-
Mr Stephen Rix	5	5	1	1
Mr Simon Perrott	5	4	1	1
Dr John Yu AC MB	5	3		
Sir Ian Turbott AO CMG CVO	5	-		

A = Number of meetings eligible to attend

B = Number of meetings attended

Principal activities

The principal activity of the Foundation during the year was to act as a charitable institution providing cancer research funds. No significant change in the nature of those activities occurred during the year.

Dividends

As the Foundation is limited by guarantee and has no share capital, no dividends are payable.

Review of operations

The operating surplus for the year before grants was \$9,041,418 (2014: surplus of \$10,401,723). Surplus after grants contracted during the year was \$16,418 (2014 deficit: \$2,998,277).

Objectives of Australian Cancer Research Foundation (ACRF)

ACRF is a private charitable Foundation dedicated solely to the funding of world class research in Australia focused on the prevention, detection and treatment of all forms of cancer. The Foundation's objectives, short and long term are to fulfil this aim with the maximum amount of funds each year. This is fulfilled through fundraising. There are many sources of fundraising, the most notable being bequests, in memoriam donations, in celebration donations, corporate donations, third party fundraisers, workplace givers, and annual appeals made to donors and potential donors.

Key strategies for achieving objectives

Through the Foundation's fundraising activities, funds are sourced for the sole purpose of funding exceptional cancer research in Australia through the provision of infrastructure and major-state-of-the-art technology and equipment. The competitive selection of grant awardees each year is overseen by an eminent scientific committee, known officially as the Medical Research Advisory Committee. This committee reviews all grant applications and makes recommendations to the Board of Trustees on the worthiness of such applications. Approval of research grants is decided by the Board.

Explanation of how business activities helped meet key objectives

ACRF is governed by a Board of Trustees and operationally managed by a Chief Executive Officer (CEO). All things to do with money are managed by the CEO with approval limits and procedures set by the Board of Trustees. Financial matters are overseen by a combination of the Finance Investments and Audit Committee (annually) and the Board of Trustees (quarterly) who review and approve all financial matters.

Measurement of performance

The success of ACRF is measured through pre determined objectives for each year which become our Key Performance Indicators (KPIs). Each month, we monitor our fundraising results against a cashflow budget. Set out below are the KPIs:

- Strict compliance with all regulatory and standard acceptable business practices
- Effective overall management of the organisation
- Achieve annual projected fundraising targets, notably for non-bequests income
- Meet pre-agreed and acceptable expense ratios for fundraising
- Meet annual projected dollar costs for fundraising
- Meet annual budgeted operating profits
- Compliance with agreed guidelines for the awarding of research grants, that are appropriate for the attraction and selection of high-quality research projects
- Growth in overall community awareness of ACRF
- Compliance with the Risk Management Policy and Calendar for the assessment and review of the risks associated with the operation of the Foundation.

Significant changes in the state of affairs

There were no significant changes in the state of affairs during the financial year.

Matters subsequent to the end of the financial year

No other matter or circumstance has arisen since 31 December 2015 that has significantly affected the Foundation's operations, results or state of affairs, or may do so in future years.

Likely developments and expected results of operations

In 2012 the Foundation submitted an application for the .cancerresearch top level domain to the Internet Corporation for Assigned Names and Numbers ('ICANN'). On 11 June 2013, the Foundation received an invitation from ICANN to enter into contracting phase. In 2014, ICANN formally approved the right for ACRF to exclusively use the domain name under the agreement dated 15 May 2014. This was done with the belief it will enhance the fundraising capabilities of the Foundation over the medium to long term.

On 4 February 2015, World Cancer Day, ACRF launched the .cancerresearch top level domain, highlighted by "The One" campaign. This campaign introduced the top level domain to begin its development, and raised and enhanced the profile of ACRF.

ACRF is continuing to build and utilise its internet domains to enhance its fundraising activities and to assist with the provision of relevant and contemporary information about cancer research for supporters and other interested individuals and groups.

The Foundation will continue to act as a charitable institution and to raise funds for cancer research.

Environmental regulation

The Foundation's operations are not subject to any significant environmental regulations under either Commonwealth or State Legislation.

Indemnification and insurance of officers and auditors

Since the end of the previous financial year, the Foundation has not indemnified or made a relevant agreement for indemnifying against a liability for any person who is or has been an officer or auditor of the Foundation.

During the financial year the Foundation has paid premiums in respect of Trustees' and officers' liability and legal expenses insurance contracts for the year ending 31 December 2015. Such insurance contracts insure against certain liability (subject to specific exclusions) arising against persons who are or have been Trustees or officers of the Foundation.

The Trustees have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the Trustees' and officers' liability and legal expenses' insurance contracts, as such disclosure is prohibited under the terms of the contract.

Trustees benefits

During the year no Trustee has received or become entitled to receive any benefit by reason of a contract made by the Foundation with the Trustee or with a firm of which he or she is a member or a company in which he or she has a substantial financial interest, except as otherwise disclosed in note 14 of the financial statements.

Grants paid and awarded

In 2015 the Foundation paid grants (excluding GST) totalling \$12,167,806 (2014: \$20,257,194) as listed below.

	2015	2014
	\$	\$
Westmead Millennium Institute for Medical Research	-	3,000,000
University of Queensland Centre for Clinical Research	-	2,000,000
Peter MacCallum Cancer Centre	592,806	2,907,194
Royal Prince Alfred Hospital	-	900,000
University of Queensland Centre for Diamantina Institute for Cancer	500,000	1,500,000
Children's Medical Research Institute	600,000	1,400,000
South Australian Health and Medical Research Institute	-	1,800,000
Centenary Institute	1,000,000	4,000,000
Victorian Comprehensive Cancer Centre	-	2,000,000
QIMR Berghofer Medical Research Institute	1,850,000	750,000
Harry Perkins Institute of Medical Research (formerly Western Australian Institute for Medical Research)	100,000	-
Walter and Eliza Hall Institute of Medical Research	2,500,000	-
University of Sydney Central Clinical School	2,500,000	-
University of Queensland Centre for Advanced Imaging	1,000,000	-
Children's Cancer Institute	1,525,000	-
	<u>12,167,806</u>	<u>20,257,194</u>

Grants paid and awarded (continued)

During the year the Trustee resolved to award grants to the following organisations:

	2015	2014
	\$	\$
Walter and Eliza Hall Institute of Medical Research	-	2,500,000
University of Sydney Central Clinical School	-	2,500,000
University of Queensland Centre for Advanced Imaging	-	2,500,000
Children's Cancer Institute	-	1,500,000
Children's Medical Research Institute	10,000,000	-
The Australian Synchrotron	2,000,000	-
Centre for Cancer Biology	2,000,000	-
John Curtin School of Medical Research and Australian National University	2,000,000	-
University of Queensland Thoracic Research Centre	1,000,000	-
	17,000,000	9,000,000

At year end all 2015 grants are contingent upon satisfactory contractual arrangements being negotiated between the respective parties. The Foundation receives annual progress reports from past grant recipients.

Members' contribution in winding ups

If the Foundation is wound up, its constitution states that each member is required to contribute a maximum of \$100 towards meeting outstanding obligations of the Foundation. At reporting date, there were 48 members of the Foundation.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 60.40 of the *Australian Charities and Not-for-profits Commission Act 2012 (ACNC)* is set out on page 8 and forms part of the Trustees' report.

Auditor

PwC continues in office in accordance with section 327 of the *Corporations Act 2001*.

This report is made in accordance with a resolution of Trustees.



Mr Tom Dery AO
Trustee



Mr Stephen Rix
Trustee

Sydney
31 March 2016



Auditor's Independence Declaration

As auditor for the audit of the Australian Cancer Research Foundation for the year ended 31 December 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink that reads 'J Reilly'.

Jane Reilly
Partner
PricewaterhouseCoopers

Sydney
31 March 2016

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Australian Cancer Research Foundation ABN 27 076 461 360

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This financial report covers Australian Cancer Research Foundation ("the Foundation" or "ACRF") as an individual entity. The financial report is presented in Australian currency.

Australian Cancer Research Foundation is a company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Australian Cancer Research Foundation
Suite 409, The Strand Arcade
412 George Street
Sydney NSW 2000

A description of the nature of the Foundation's operations and its principal activities is included in the Trustees' report on pages 1 - 8, which is not part of these financial statements.

The financial statements were authorised for issue by the Trustees on 31 March 2016. The Trustees have the power to amend and reissue the financial statements.

Australian Cancer Research Foundation
Statement of comprehensive income
For the year ended 31 December 2015

	Notes	2015 \$	2014 \$
Revenue from continuing operations	3	12,340,448	13,925,082
Employee benefits expense		(1,359,622)	(1,401,347)
Fundraising expenses		(885,959)	(852,928)
Website and domain name development expense		(493,486)	(719,732)
Office and premises expenses		(154,870)	(153,983)
Investment management fees		(112,194)	(126,403)
Professional service fees		(85,071)	(82,205)
Other expenses		(207,828)	(186,761)
Surplus for the year before grants		<u>9,041,418</u>	<u>10,401,723</u>
Grants awarded and expensed during the year	5	<u>(9,025,000)</u>	<u>(13,400,000)</u>
Net surplus/(deficit) for the year after grants awarded		<u>16,418</u>	<u>(2,998,277)</u>
Other comprehensive income for the year		<u>-</u>	<u>-</u>
Total comprehensive income/(deficit) for the year		<u>16,418</u>	<u>(2,998,277)</u>

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

Australian Cancer Research Foundation
Balance sheet
As at 31 December 2015

	Notes	2015 \$	2014 \$
ASSETS			
Current assets			
Cash and cash equivalents	6	5,671,971	8,993,319
Trade and other receivables	7	2,316,587	1,460,306
Investments	8	4,747,639	4,161,598
Other current assets	9	147,221	68,807
Total current assets		<u>12,883,418</u>	<u>14,684,030</u>
Non-current assets			
Investments	8	16,701,622	18,352,897
Property, plant and equipment	10	47,110	39,254
Other non-current assets	9	360,000	360,000
Total non-current assets		<u>17,108,732</u>	<u>18,752,151</u>
Total assets		<u>29,992,150</u>	<u>33,436,181</u>
LIABILITIES			
Current liabilities			
Trade and other payables	11	1,810,698	5,282,301
Employee benefit obligations	12	82,959	86,747
Total current liabilities		<u>1,893,657</u>	<u>5,369,048</u>
Non-current liabilities			
Employee benefit obligations	12	35,796	20,854
Total non-current liabilities		<u>35,796</u>	<u>20,854</u>
Total liabilities		<u>1,929,453</u>	<u>5,389,902</u>
Net assets		<u>28,062,697</u>	<u>28,046,279</u>
ACCUMULATED FUNDS			
Endowed funds for perpetual investment		10,000	10,000
General funds	13(a)	28,052,697	28,036,279
Total accumulated funds		<u>28,062,697</u>	<u>28,046,279</u>

The above balance sheet should be read in conjunction with the accompanying notes.

**Australian Cancer Research Foundation
Statement of changes in accumulated funds
For the year ended 31 December 2015**

	Endowed funds for perpetual investment \$	General funds \$	Total accumulated funds \$
Balance at 1 January 2014	10,000	31,034,556	31,044,556
Surplus/(deficit) for the year	-	(2,998,277)	(2,998,277)
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	(2,998,277)	(2,998,277)
Balance at 31 December 2014	10,000	28,036,279	28,046,279
Balance at 1 January 2015	10,000	28,036,279	28,046,279
Surplus/(deficit) for the year	-	16,418	16,418
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	16,418	16,418
Balance at 31 December 2015	10,000	28,052,697	28,062,697

The above statement of changes in accumulated funds should be read in conjunction with the accompanying notes.

Australian Cancer Research Foundation
Statement of cash flows
For the year ended 31 December 2015

	2015	2014
Notes	\$	\$
Cash flows from operating activities		
Receipts in the course of operations	10,421,300	12,317,921
Payments in the course of operations	(3,364,458)	(3,220,628)
Payments in relation to grants	<u>(11,517,050)</u>	<u>(20,937,950)</u>
Net cash (outflow) from operating activities	<u>(4,460,208)</u>	<u>(11,840,657)</u>
Cash flows from investing activities		
Payments for property, plant and equipment	(22,087)	(25,063)
Payments for purchase of financial assets	(17,921,847)	(27,810,000)
Proceeds from disposal of financial assets	17,708,466	24,319,994
Dividends and distributions received	933,680	699,749
Interest received	440,648	854,999
Net cash inflow (outflow) from investing activities	<u>1,138,860</u>	<u>(1,960,321)</u>
Cash flows from financing activities		
Net cash inflow (outflow) from financing activities	<u>-</u>	<u>-</u>
Net (decrease) in cash and cash equivalents	(3,321,348)	(13,800,978)
Cash and cash equivalents at the beginning of the financial year	<u>8,993,319</u>	<u>22,794,297</u>
Cash and cash equivalents at the end of the financial year	6 <u>5,671,971</u>	<u>8,993,319</u>

The above statement of cash flows should be read in conjunction with the accompanying notes.

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1 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the *Australian Charities and Not-for-profits Commission Act 2012 (ACNC)*. Australian Cancer Research Foundation is a not for-profit entity for the purpose of preparing the financial statements.

(i) Compliance with Australian Accounting Standards - Reduced Disclosure Requirements

The financial statements of the Australian Cancer Research Foundation comply with Australian Accounting Standards - Reduced Disclosure Requirements as issued by the Australian Accounting Standards Board (AASB).

(ii) Historical cost convention

These financial statements have been prepared on a going concern basis and under the historical cost convention.

(iii) Critical accounting estimates

Preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Foundation's accounting policies. There were no areas involving higher degrees of judgement or complexity, or areas where assumptions and estimates were significant to the financial statements of the Foundation.

(iv) New and amended standards adopted by the Foundation

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 January 2015 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods.

(v) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for the 31 December 2015 reporting period but are available for early adoption. The impact of these new standards and interpretations (to the extent relevant to the Foundation) is set out below:

AASB9 Financial Instruments (applicable 1 January 2018)

AASB 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and liabilities and sets out new rules for hedge accounting. AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading. Fair value gains and losses on available-for-sale debt investments, for example, would therefore have to be recognised directly in the statement of comprehensive income. The Foundation has not yet decided when to adopt AASB 9 and management is currently assessing the impact of the new standard.

AASB 15 Revenue from Contracts with Customers (applicable 1 January 2018)

The standard is based on the principle that revenue is recognised when control of a good or service is transferred to a customer, so the notion of control replaces the notion of risks and rewards. It applies to all contracts with customers except leases, financial instruments and insurance contracts. AASB 15 requires reporting entities to provide users of financial statements with more informative, relevant disclosures. The Foundation is in the process of assessing the implications of the new standard to its financial results.

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

1 Summary of significant accounting policies (continued)

(b) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Foundation's operations are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Australian dollars, which is Australian Cancer Research Foundation's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

(c) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, when the Foundation is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Revenue is recognised for the major activities as follows:

(i) Interest revenue

Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.

(ii) Investment income

The Foundation's investments are managed by fund managers who report to the Foundation on a monthly basis.

Investment income is brought to account on an accrual basis.

Changes in fair value of investments are recorded in accordance with the policies described in note 1(j).

(iii) Dividends and trust distributions

Revenue from dividends and trust distributions are recognised when the right to receive payment is established. Franking credits from dividends are recognised on an accruals basis.

(iv) Donations

Donations represent monies received into the Foundation's trust bank account. Donations are recognised when received.

In common with most organisations dependent on such contributions, the Foundation is unable to establish control over voluntary donations prior to their initial entry into the accounting records.

(v) Committee fundraising activities

Proceeds from the fundraising activities of the Committees, which are controlled by the Foundation, are brought to account on an accruals basis.

(vi) Bequests

The Foundation has been nominated as a beneficiary for a number of estates throughout the period. Revenue is recognised when bequests are received by the Foundation.

(d) Goods and Services Tax (GST)

Revenue, 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 (ATO). In these circumstances the GST is recognised as part of the acquisition cost of the assets or an item of expenses.

1 Summary of significant accounting policies (continued)

(d) Goods and Services Tax (GST) (continued)

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

Cash flows are included in the cash flow statement 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.

(e) Income tax

The Foundation is exempt from paying income tax. The Foundation holds an endorsement as an income tax exempt charity under subdivision 50-B of the Income Tax Assessment Act 1997.

(f) Acquisition of assets

All assets acquired including property, plant and equipment are initially recorded at their cost of acquisition at the date of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition.

Where a bequest is received in the form of investments, these are recognised at fair value at the date acquired.

(g) Impairment of assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(h) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(i) Receivables

Receivables are recognised initially at fair value less provision for impairment. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

Collectability of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in profit or loss within other expenses. There has been no impairment loss recognised in the current year.

(j) Investments and other financial assets

Classification

The Foundation classified its investments in the following categories: financial assets at fair value through profit and loss and held to maturity financial assets.

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are the investments held in equities and managed portfolios which are acquired with the intention of making a positive return.

1 Summary of significant accounting policies (continued)

(j) Investments and other financial assets (continued)

(ii) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Foundation's management has the positive intention and ability to hold to maturity. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the end of the reporting period, which are classified as current assets.

Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade date, the date on which the Foundation commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the statement of comprehensive income. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Foundation has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the Foundation measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Held to maturity investments are carried at amortised cost using the effective interest method.

Financial assets at fair value through profit and loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the statement of comprehensive income within revenue from continuing operations in the period in which they arise. Dividend income from financial assets at fair value through profit and loss is recognised in the statement of comprehensive income as part of revenue from continuing operations when the Foundation's right to receive payments is established.

(k) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets (such as trading and available for sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Foundation is the current bid price. The fair value of financial instruments that are not traded in an active market is determined using valuation techniques from the investment manager.

The carrying value less impairment provision of receivables and payables are assumed to approximate their fair values due to their short-term nature.

(l) Payables

These amounts represent liabilities for goods and services provided to the Foundation prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

1 Summary of significant accounting policies (continued)

(m) Employee entitlements

(i) Short-term obligations

Liabilities for employee benefits for wages, salaries, annual leave and sick leave represent present obligations resulting from employees' services provided up to the reporting date, calculated at undiscounted amounts based on current wage and salary rates including related on costs.

(ii) Long service leave

The liabilities for long service leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

(iii) Superannuation

Contributions are made to employee superannuation funds and are charged against income as they are made.

(n) Property, plant and equipment

All property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Foundation and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of comprehensive income during the reporting period in which they are incurred.

Depreciation on non-current assets is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

- Furniture, fittings and equipment	5 years
- Leasehold improvements	5 years
- Leased plant and equipment	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of comprehensive income.

(o) Grants

Grants are recognised as a liability in the financial statements when the Trustees have approved the provision of a grant to an organisation, the contract has been signed and there are no further conditions that must be met for the grant to be made. Where the Trustees have approved the provision of a grant to an organisation but no contract has been signed, a contingent liability is disclosed in the notes to the financial statements.

1 Summary of significant accounting policies (continued)

(p) Website and domain name development expense

Expenditures associated with website and domain name development are recognised as an expense as incurred.

(q) Leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Foundation as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

(r) Provisions

Provisions are recognised when the Foundation has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

2 Financial risk management

(a) Fair value measurements

The fair value of the financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The Foundation has disclosed the fair value measurements for these financial assets and financial liabilities by level of the following fair value measurement hierarchy:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- (b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2), and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Foundation is the current bid price. These instruments are included in level 1 and level 2.

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques from the investment manager.

Australian Cancer Research Foundation
Notes to the financial statements
31 December 2015
(continued)

3 Revenue

	2015	2014
	\$	\$
From continuing operations		
Donations	1,230,444	1,077,686
Fundraising proceeds	2,394,407	2,406,869
Bequests	6,765,040	8,371,379
Investment revenue	1,205,527	1,634,341
Net fair value gains on financial assets at fair value through profit or loss	458,779	398,567
Profit on sale of investments	285,981	27,754
Other revenue	270	8,486
	12,340,448	13,925,082

	2015	2014
	\$	\$
Investment revenue		
Interest and bank bills discount received	419,847	776,812
Dividends received	4,790	4,743
Franking credits refunded	108,994	97,630
Managed trusts fund distributions	671,896	755,156
	1,205,527	1,634,341

4 Expenses

	2015	2014
	\$	\$

Surplus before income tax includes the following specific expenses:

<i>Depreciation</i>		
Plant and equipment	14,231	13,204
Total depreciation	14,231	13,204

<i>Amortisation</i>		
Computer software	-	10,275
Total amortisation	-	10,275

Total depreciation and amortisation	14,231	23,479
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5 Grants awarded and expensed during the year

	2015	2014
	\$	\$
Children's Medical Research Institute	-	2,000,000
Centenary Institute	-	5,000,000
South Australian Health and Medical Research Institute	-	1,800,000
Victorian Comprehensive Cancer Centre	-	2,000,000
QIMR Berghofer Medical Research Institute	-	2,600,000
Walter and Eliza Institute of Medical Research	2,500,000	-
University of Sydney Central Clinical School	2,500,000	-
University of Queensland Centre for Advanced Imaging	2,500,000	-
Children's Cancer Institute	1,525,000	-
	<u>9,025,000</u>	<u>13,400,000</u>

Grants are recognised as an expense when a contract for the awarded grant has been signed.

6 Cash and cash equivalents

	2015	2014
	\$	\$
Current assets		
Cash at bank - accumulated net investment revenues	102,763	292,204
Cash at bank - funds retained for future research projects	5,552,133	8,684,040
Petty cash	300	300
Restricted cash	16,775	16,775
	<u>5,671,971</u>	<u>8,993,319</u>

Restricted cash represents a contingent rent guarantee note in relation to the office building lease.

7 Trade and other receivables

	2015			2014		
	Current \$	Non- current \$	Total \$	Current \$	Non- current \$	Total \$
Investment receivable	1,994,130	-	1,994,130	-	-	-
Dividends and distributions receivable	24,036	-	24,036	183,399	-	183,399
Donations receivable	2,877	-	2,877	34,016	-	34,016
Franking credits receivable	108,994	-	108,994	97,630	-	97,630
Interest receivable	16,938	-	16,938	8,496	-	8,496
GST receivable	169,612	-	169,612	1,136,765	-	1,136,765
	<u>2,316,587</u>	<u>-</u>	<u>2,316,587</u>	<u>1,460,306</u>	<u>-</u>	<u>1,460,306</u>

8 Investments

	2015			2014		
	Current \$	Non- current \$	Total \$	Current \$	Non- current \$	Total \$
Accumulated net investment revenues	-	-	-	503,381	-	503,381
Funds retained for future research projects	2,500,000	3,000,000	5,500,000	3,658,217	3,006,384	6,664,601
Managed portfolio investments - at fair value through profit or loss	2,247,639	13,635,837	15,883,476	-	15,280,459	15,280,459
Equity securities - at fair value through profit or loss	-	65,785	65,785	-	66,054	66,054
	<u>4,747,639</u>	<u>16,701,622</u>	<u>21,449,261</u>	<u>4,161,598</u>	<u>18,352,897</u>	<u>22,514,495</u>

The Foundation's investment portfolio primarily comprises investments in unlisted managed funds, as well as investment in a number of listed companies. These investments are measured at fair value based on the unit price / share price as at balance date. The listed investments are classified as level 1 investments in the fair value hierarchy, and the unlisted fund investments are classified as level 2. Further discussion of the fair value hierarchy is set out in note 2(a).

9 Other assets

	2015			2014		
	Current \$	Non- current \$	Total \$	Current \$	Non- current \$	Total \$
Prepayments	146,821	-	146,821	68,407	-	68,407
Returnable float	200	-	200	200	-	200
Security deposit	200	360,000	360,200	200	360,000	360,200
	<u>147,221</u>	<u>360,000</u>	<u>507,221</u>	<u>68,807</u>	<u>360,000</u>	<u>428,807</u>

Security deposit represents interest bearing, irrevocable cash escrow account in relation to license application for website development.

10 Property, plant and equipment

	Furniture and fittings \$	Leasehold improvements \$	Computer equipment \$	Total \$
	At 31 December 2014			
Cost	72,078	47,582	120,071	239,731
Accumulated depreciation	(65,563)	(47,582)	(87,332)	(200,477)
Net book amount	<u>6,515</u>	<u>-</u>	<u>32,739</u>	<u>39,254</u>

10 Property, plant and equipment (continued)

	Furniture and fittings \$	Leasehold improvements \$	Computer equipment \$	Total \$
Year ended 31 December 2015				
Opening net book amount	6,515	-	32,739	39,254
Additions	-	-	22,087	22,087
Depreciation charge	(2,670)	-	(11,561)	(14,231)
Closing net book amount	<u>3,845</u>	<u>-</u>	<u>43,265</u>	<u>47,110</u>
At 31 December 2015				
Cost	72,078	47,582	142,158	261,818
Accumulated depreciation	(68,233)	(47,582)	(98,893)	(214,708)
Net book amount	<u>3,845</u>	<u>-</u>	<u>43,265</u>	<u>47,110</u>

11 Trade and other payables

	2015			2014		
	Current \$	Non- current \$	Total \$	Current \$	Non- current \$	Total \$
Grants payable						
Western Australian Institute for Medical Research	-	-	-	100,000	-	100,000
University of Queensland Centre Diamantina Institute for Cancer	-	-	-	500,000	-	500,000
Peter MacCallum Cancer Centre	-	-	-	592,806	-	592,806
Centenary Institute	-	-	-	1,000,000	-	1,000,000
QIMR Berghofer Medical Research Institute	-	-	-	1,850,000	-	1,850,000
Children's Medical Research Institute	-	-	-	600,000	-	600,000
University of Queensland Centre for Advanced Imaging	1,500,000	-	1,500,000	-	-	-
GST on grants payable	150,000	-	150,000	464,281	-	464,281
Total grants payable	<u>1,650,000</u>	<u>-</u>	<u>1,650,000</u>	5,107,087	-	5,107,087
Sundry creditors and accrued expenses	160,698	-	160,698	175,214	-	175,214
	<u>1,810,698</u>	<u>-</u>	<u>1,810,698</u>	5,282,301	-	5,282,301

	2015 \$	2014 \$
Reconciliation of grants payable		
Balance at 1 January	5,107,087	12,650,000
Grants awarded and expensed during the year	9,025,000	13,400,000
GST recoverable on grants paid during the year	902,500	1,340,000
Grants paid	(12,167,806)	(20,257,194)
GST recoverable of grants paid	(1,216,781)	(2,025,719)
Balance at 31 December	<u>1,650,000</u>	<u>5,107,087</u>

12 Employee benefit obligations

	2015		2014		
	Current	Non-current	Total	Current	Non-current
	\$	\$	\$	\$	\$
Leave obligations (a)	82,959	35,796	118,755	86,747	20,854
			107,601		

(a) Leave obligations

The leave obligations cover the Foundation's liability for long service leave and annual leave.

13 General funds

(a) General funds

Movements in retained earnings were as follows:

	2015	2014
	\$	\$
Balance 1 January	28,036,279	31,034,556
Net surplus/(deficit) for the year after grants awarded	16,418	(2,998,277)
Balance 31 December	<u>28,052,697</u>	<u>28,036,279</u>

14 Related party transactions

Details of the Trustees are disclosed in the Trustees' report. No emoluments were received or due and receivable by the Trustees of the Foundation during this year.

No Trustees are associated with companies or firms which provide services to the Foundation during the year.

15 Commitments

Operating leases

	2015	2014
	\$	\$
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	72,293	74,729
Later than one year but not later than five years	-	74,729
Commitments not recognised in the financial statements	<u>72,293</u>	<u>149,458</u>

The lease is in relation to the premises occupied by the Foundation and is for a 5 year term expiring on 25 November 2016.

Rental expense relating to operating leases

Minimum lease payments	75,165	70,247
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15 Commitments (continued)

(i) Top Level Domain Name

In subsequent years, the estimated annual amount payable in respect of the domain name license will be USD200,000 (2014: USD200,000).

16 Contingencies

(a) Contingent liabilities

The Foundation had contingent liabilities at 31 December 2015 in respect of:

(i) Grants

	2015	2014
	\$	\$
Future grants approved by the Trustees at reporting date but agreements not signed:		
Walter and Eliza Hall Institute of Medical Research	-	2,500,000
University of Sydney Central Clinical School	-	2,500,000
University of Queensland Centre for Advanced Imaging	-	2,500,000
Children's Cancer Institute	-	1,500,000
Children's Medical Research Institute	10,000,000	-
The Australian Synchrotron	2,000,000	-
Centre for Cancer Biology	2,000,000	-
John Curtin School of Medical Research and Australian National University	2,000,000	-
University of Queensland Thoracic Research Centre	1,000,000	-
	17,000,000	9,000,000

(ii) Guarantees

The Foundation had contingent liabilities at 31 December 2015 in respect of a security deposit guarantee for the office lease amounting to \$16,775 held by Commonwealth Bank (2014: \$16,775).

17 Members liabilities

The liability of the members is limited to \$100 (2014: \$100).

18 Events occurring after the reporting period

No matters or circumstances have occurred subsequent to year end that has significantly affected, or may significantly affect, the operations of the Foundation, the results of those operations or the state of affairs of the Foundation in subsequent financial years.

19 Information and declaration to be furnished under the Charitable Fundraising Act 1991 (NSW)

The following information is included to comply with the *Charitable Fundraising Act 1991 (NSW)*.

As in previous years the Foundation has complied with the Charitable Fundraising Act with respect to expenses recognised as costs of fundraising activities. Those costs that are directly attributable to fundraising activities, and can be reliably identified as such, have been included as a cost of fundraising activities in this note. This provides a comparatively more accurate measure of the Foundation's fundraising performance from year to year.

(a) Statement of income and expenditure of all fundraising activities conducted during the financial year

	2015	2014
	\$	\$
Gross proceeds from fundraising activities		
Donations - Corporate and private	1,228,444	1,068,778
Donations - Committees	2,000	8,908
Bequests	6,765,040	8,371,379
Fundraising proceeds	2,394,407	2,406,869
	10,389,891	11,855,934
Less: Total costs of fundraising activities		
Advertising	206,728	208,272
Business development	5,931	10,279
Employee expenses	893,163	934,812
Events management	150,829	90,270
Printing, postage and stationery	16,130	19,274
Promotion expenses	94,278	120,444
Other fundraising activities	412,063	404,389
	1,779,122	1,787,740
	8,610,769	10,068,194

(b) Information on any material occurrence

The Foundation is not aware of any material matter or occurrence, including those of an adverse nature affecting the conduct of and financial results of fundraising activities during the year.

Statement on the application of funds to charitable purposes

The current policy of the Foundation is to annually make cancer research grants upwards of a minimum of \$1.5 million (2014: \$1.5 million) each for world-class research being conducted in research centres throughout Australia. The selection of awardees is based on recommendations made to the Foundation's Board of Trustees by the Foundation's distinguished Medical Research Advisory Committee. The selection process occurs, in any one year, over a six month period.

During the year the Foundation received net income of \$8,610,769 (2014: \$10,068,194) from fundraising and a net gain of \$1,205,527 (2014: net gain of \$1,634,341) from investment revenue and a net gain of \$745,030 (2014: net gain of \$434,807) from fair value movement of investments, profit on sale of investments and other revenue.

Medical research grants expensed during the year totalled \$9,025,000 (2014: \$13,400,000). Administration costs incurred during the year totalled \$1,026,422 (2014: \$1,015,887). The surplus for the year of \$16,418 (2014: deficit of \$2,998,277) was applied against general funds.

19 Information and declaration to be furnished under the Charitable Fundraising Act 1991 (NSW) (continued)

(b) Information on any material occurrence (continued)

List of all forms of fundraising appeals conducted during the financial year

Direct mail
Regular direct debit donations
Corporate donations
Private donations and bequests
Third party fundraising

(c) Comparison by monetary figures and percentages

	2015 \$	2014 \$	2015 %	2014 %
Total cost of fundraising	<u>1,779,122</u>	<u>1,787,740</u>	17	15
Gross income from fundraising	10,389,891	11,855,934		
Net surplus from fundraising	<u>8,610,769</u>	<u>10,068,194</u>	83	85
Gross income from fundraising	10,389,891	11,855,934		
Total cost of service*	<u>9,025,000</u>	<u>13,400,000</u>	73	79
Total expenditure	12,324,030	16,923,359		
Total cost of service*	<u>9,025,000</u>	<u>13,400,000</u>	73	96
Total income received from fundraising and investment	12,340,448	13,925,082		

* "Total cost of service" relates to amounts expensed on direct services in accordance with the objectives or purposes of the Foundation, that is, to provide cancer research grants.

In the Trustees' opinion:

- (a) the financial statements and notes set out on pages 9 to 28 are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012 (ACNC)*, including:
 - (i) complying with Accounting Standards - Reduced Disclosure Requirements and other mandatory professional reporting requirements, and
 - (ii) giving a true and fair view of the Foundation's financial position as at 31 December 2015 and of its performance for the year ended on that date, and
- (b) there are reasonable grounds to believe that the Foundation will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of Trustees.



Mr Tom Dery AO
Trustee



Mr Stephen Rix
Trustee

Sydney
31 March 2016

**Australian Cancer Research Foundation
Declaration by Chairman in respect of fundraising appeals
31 December 2015**

Declaration by Chairman in respect of fundraising appeals

Declared opinion

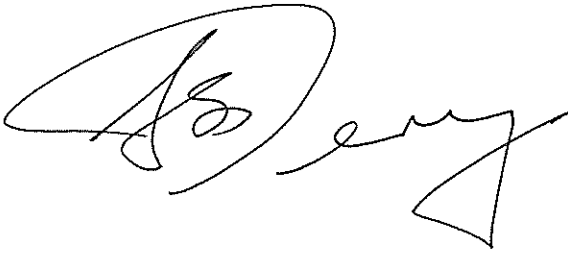
I, T S Dery, Chairman of the Board of Trustees of the Australian Cancer Research Foundation, declare in my opinion:

(a) the financial report gives a true and fair view of all income and expenditure of Australian Cancer Research Foundation with respect to fundraising appeal activities for the financial year ended 31 December 2015;

(b) the balance sheet gives a true and fair view of the state of affairs with respect to fundraising appeal activities as at 31 December 2015;

(c) the provisions of the *Charitable Fundraising Act 1991 (NSW)* and the Regulations and conditions attached to the authority have been complied with for the financial year ended 31 December 2015; and

(d) the internal controls exercised by Australian Cancer Research Foundation are appropriate and effective in accounting for all income received and applied from any fundraising appeals.

A handwritten signature in black ink, appearing to read 'T S Dery', with a large, stylized initial 'D'.

Mr Tom Dery AO
Chairman

Sydney
31 March 2016



Independent auditor's report to the members of the Australian Cancer Research Foundation

Report on the financial report

We have audited the accompanying financial report of the Australian Cancer Research Foundation (the Foundation), which comprises the Balance sheet as at 31 December 2015, the Statement of comprehensive income, Statement of changes in accumulated funds and Statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the trustees' declaration.

Trustees' responsibility for the financial report

The trustees 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 *Australian Charities and Not-for-profits Commission Act 2012 (ACNC)*, *Charitable Fundraising Act 1991 (NSW)* and the *Charitable Fundraising Regulation 2008 (NSW)* and for such internal control as the trustees determine is necessary to enable the preparation of the financial report that 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. Those 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 and fair presentation of the financial report 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 trustees, as well as evaluating the overall presentation of the financial report.

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

Basis for qualified opinion

Cash from donations and other fundraising activities are a significant source of revenue for the Foundation. The Foundation's trustees have determined that it is impracticable to establish controls over the collection of revenue from these sources prior to entry into its financial records. Accordingly, as the evidence available to us regarding revenue from cash donations and other fundraising activities was limited, our audit procedures with respect to revenue from these sources had to be restricted to the amounts recorded in the Foundation's financial records. As a result, we are unable to express an opinion as to whether revenue from cash donations and other fundraising activities is complete.

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Qualified opinion

In our opinion, except for the possible effects of the matter described in the Basis for qualified opinion paragraph, the financial report of Australian Cancer Research Foundation is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012 (ACNC)*, *Charitable Fundraising Act 1991 (NSW)* and the *Charitable Fundraising Regulation 2008 (NSW)* including:

- (a) gives a true and fair view of the Foundation's financial position as at 31 December 2015 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements.

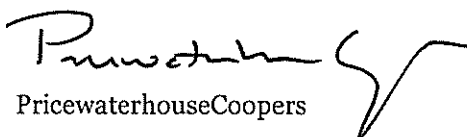
Report on the requirements of the NSW Charitable Fundraising Act 1991 and NSW Charitable Fundraising Regulations 2008

We have audited the financial report as required by Section 24(2) of the *Charitable Fundraising Act 1991 (NSW)*. The trustees of the Foundation are responsible for the preparation and presentation of the financial report in accordance with the *Charitable Fundraising Act 1991 (NSW)* and the *Charitable Fundraising Regulations 2008 (NSW)* (NSW Act and Regulations). Our responsibility is to express an opinion on the financial report based on our audit.

Qualified opinion

In our opinion, except for the effect of the matters described in the Basis for qualified opinion paragraph, in all material respects:

- a) The Foundation's financial report represents a true and fair view as required by the section 24(2)(a) of the *Charitable Fundraising Act 1991 (NSW)* of the financial result of the fundraising appeals for the financial year ended 31 December 2015;
- b) the accounts and associated financial records have been properly kept in accordance to section 20(1), 22(1-2) and 24(1-3) of the *Charitable Fundraising Act 1991 (NSW)* and section 9(6) and 10 of the *Charitable Fundraising Regulation 2008 (NSW)* during the financial year ended 31 December 2015; and
- c) money received as a result of fundraising appeals conducted by the Foundation during the financial year ended 31 December 2015 has been properly accounted for and applied in accordance with the above mentioned sections of the *Charitable Fundraising Act 1991 (NSW)* and the *Charitable Fundraising Regulation 2008 (NSW)*.


PricewaterhouseCoopers


Jane Reilly
Partner

Sydney
31 March 2016