

**Australian Cancer Research Foundation
(A company limited by guarantee)**

ABN 27 076 461 360

**Annual report
for the year ended 31 December 2013**

Australian Cancer Research Foundation ABN 27 076 461 360
Annual report - 31 December 2013

Contents

Trustees' report	Page 1
Financial statements	10
Trustees' declaration	32
Independent auditor's report to the members	34

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 2013 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
Mr Carrillo Gantner AO (retired at 31 December 2013)
Mr Stephen Gerlach AM
Ms Jennifer Hewett
Air Chief Marshal Angus Houston AC AFC (Ret'd)
Mr Peter Jones FGIA
Mr James Millar AM
Mr Simon Perrott
Mr Stephen Rix
Sir Ian Turbott AO CMG CVO
Dr John Yu AC

Information on trustees

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

Other positions held and current directorships

- Deputy Chair iSelect Ltd
- Director Bottlecyclers Pty Ltd
- Director MECU Ltd
- Director, Yarra Valley Water

Mr Russell Caplan
LLB, FAICD, FAIM.
Trustee since 24 March 2011.

Other positions held and current directorships

- Chair Melbourne and Olympic Parks Trust
- Former Chair Cooperative Research Centre for Contamination Assessment and Remediation of the Environment (retired November 2013)
- Former Director Committee for Economic Development of Australia (retired November 2013)
- Chairman Orica Limited
- Non-executive Director Aurizon Limited

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
- Chair Investment Advisory Board of the Australian National University
- Member Senate University of Queensland
- Chair A P Eagers Limited
- Director Senex Energy Limited

Information on trustees (continued)

Mr Tom Dery

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
- Chair Helloworld
- Director Queenwood School for Girls
- Director Dean's Advisory Council, Faculty of Arts and Social Sciences, University of New South Wales

Mr Carrillo Gantner AO

BA (University of Melbourne); Master of Fine Arts (Stanford); Grad Dip Arts Admin (Harvard).

Trustee since 6 December 2000.

Other positions held and current directorships

- President Melbourne International Arts Festival
- Chair Sidney Myer Fund
- Chair Sidney Myer Estate
- Director Myer Family Company Holdings Ltd
- Director Mypac Pty Ltd
- Director Jianguo Pty Ltd
- Director Ward Ferry Asian Reconnaissance Fund Ltd (Hong Kong)

Mr Stephen Gerlach AM.

Trustee since 15 November 1996.

Other positions held and current directorships

- Director Beston Pacific Asset Management Pty Ltd Group
- Director The General Sir John Monash Foundation Ltd
- Chair Foodbank SA Inc
- Director Foodbank Australia Ltd
- Chancellor Flinders University
- Member AICD Corporate Governance Committee
- Chairman Adelaide Capital Partners Pty Ltd
- Chairman Gerlach Asset Development Pty 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 Angus Houston AC AFC (Ret'd). Trustee since 23 November 2011

Other positions held and current directorships

- Chair Anzac Centenary Advisory Board
- Chair Air Services Australia
- Chair Order of Australia Council
- Chair Canberra Symphony Orchestra
- Chair Queensland Mind and Neuroscience Institute Foundation
- Chair Corporate Advisory Council, Victorian Police
- Director Lowy Institute for International Policy
- Board Member Greater Good
- Member Executive Command Group, Victorian Police
- Member Task Force on Strategy, Technology and the Global Defense Industry (USA)
- Member Senior Advisory Group - Indonesia-Australia Defence Alumni Association (IKAHAN).
- Chair Defence South Australia

Information on trustees (continued)

Mr Peter Jones FGIA
LLB, University of Technology, Sydney. BSurv, University of NSW
Trustee since 29 March 2000.

Other positions held and current directorships

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

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
- Chair Fantastic Holdings Limited
- Director Fairfax Media Limited
- Director Helloworld Limited
- Director Mirvac Limited
- Director Vincent Fairfax Family Foundation
- Member External Advisory Panel, Australian Securities Investment Commission
- Member University of NSW Australian School of Business Advisory Board
- Member Grant Samuel Advisory Board
- Chair Forestry Corporation of New South Wales

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

Other positions held and current directorships

- Chair Investment Banking CIMB
- Chair Poetry in Action

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

Information on trustees (continued)

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
- Chair Australian Youth Trust
- Director Commonwealth Council
- Director Ted Noffs Foundation
- Emeritus Chancellor The University of Western Sydney

Dr John Yu AC MB

BS (USYD), FRACP, FRACMA, DCH (RCP&S Lond), Hon. MD (USYD), Hon D.Litt (UWS).
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

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 2013, 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	4	0	0
Mr Russell Caplan	5	3	0	0
Mr Tim Crommelin	5	3	4	3
Mr Tom Dery	5	4	4	3
Mr Carrillo Gantner AO (retired at 31 December 2013)	5	5	0	0
Mr Stephen Gerlach AM	5	3	0	0
Ms Jennifer Hewett	5	5	0	0
Air Chief Marshal Angus Houston AC AFC (Ret'd)	5	4	0	0
Mr Peter Jones FGIA	5	5	0	0
Mr James Millar AM	5	4	4	3
Mr Simon Perrott	5	3	4	4
Mr Stephen Rix	5	5	4	4
Sir Ian Turbott AO CMG CVO	5	0	0	0
Dr John Yu AC	5	5	0	0

A = Number of meetings eligible to attended

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 had 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 \$9,856,993 (2012: surplus of \$8,922,786). Surplus after grants expense was \$2,356,993 (2012 deficit: \$77,214). All expenses of the Foundation, including fundraising expenses, are fully funded from investment revenues which have been earned by the Foundation.

Objectives of Australian Cancer Research Foundation (ACRF)

ACRF is a private charitable Foundation dedicated solely to the funding of world class research in Australia. 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, 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 great research in Australia. The 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. All things to do with money are managed by the CEO but overseen by a combination of the Finance Investments and Audit Committee, and also the Board of Trustees. Meetings of each group are held quarterly, at which time all financial matters are reviewed by both bodies and approved.

Measurement of performance

The success 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 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 is appropriate and high-class research projects
- Growth in overall community awareness of ACRF.

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 matter or circumstance has arisen since 31 December 2013 that has significantly affected, or may significantly affect:

- (a) the Foundation's operations in future financial years, or
- (b) the results of those operations in future financial years, or
- (c) the Foundation's state of affairs in future financial years.

Likely developments and expected results of operations

In 2012 the Foundation submitted application for .cancerresearch top level domain to Internet Corporation for Assigned Names and Numbers ("ICANN"). On 11 June 2013, the Foundation received an invitation from ICANN to enter into contracting phase. The contracting phase is still in progress as at reporting date.

On 31 October 2012, Australian Charities and Not-for-profits Commission ("ACNC") was established under Commonwealth legislation. Under the legislation, not-for-profit entities will be required to comply with specific governance standards and reporting requirements that will bring clarity and consistency to their financial statements. Accordingly, the Foundation, as one of the registered charities, will have to comply with ACNC governance requirements from July 2013 onwards.

The Foundation will continue to act as a charitable institution and to raise funds for cancer research. The Foundation operates under a statement of compliance to the Charitable Fundraising Act 2008.

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 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 2013. 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 17 of the financial statements, Related party transactions.

Australian Cancer Research Foundation
Trustees' report
31 December 2013
(continued)

Grants paid and awarded

In 2013 the Foundation paid grants (excluding GST) totalling \$4,690,000 (2012: \$12,420,000) as listed below.

	2013 \$	2012 \$
Children's Medical Research Institute	-	3,100,000
Ludwig Institute for Cancer Research	500,000	1,500,000
Monash Institute for Medical Research	800,000	800,000
Walter and Eliza Hall Institute of Medical Research	-	2,000,000
St Vincent's Institute for Medical Research	-	2,000,000
SA Pathology (The Centre of Cancer Biology)	700,000	2,100,000
Western Australian Institute for Medical Research	690,000	920,000
Westmead Millennium Institute for Medical Research	2,000,000	-
	<u>4,690,000</u>	<u>12,420,000</u>

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

	2013 \$	2012 \$
Peter MacCallum Cancer Centre	-	3,500,000
University of Queensland Centre for Clinical Research	-	2,000,000
Diamantina Institute for Cancer	-	2,000,000
Children's Medical Research Institute	2,000,000	-
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	-
	<u>8,400,000</u>	<u>7,500,000</u>

At year end all 2013 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 46 members of the Foundation.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 9.

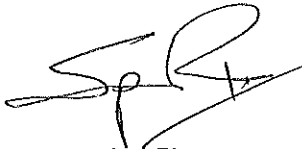
Auditor

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.

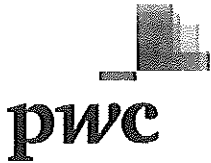


Mr Tom Dery
Trustee



Mr Stephen Rix
Trustee

Sydney
2 April 2014



Auditor's Independence Declaration

As lead auditor for the audit of Australian Cancer Research Foundation for the year ended 31 December 2013, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Australian Cancer Research Foundation during the period.

A handwritten signature in black ink, appearing to read 'M. Laithwaite', written in a cursive style.

Marcus Laithwaite
Partner
PricewaterhouseCoopers

Sydney
2 April 2014

Australian Cancer Research Foundation ABN 27 076 461 360

Annual report - 31 December 2013

Contents	Page
Financial statements	
Statement of comprehensive income	11
Balance sheet	12
Statement of changes in accumulated funds	13
Statement of cash flows	14
Notes to the financial statements	15
Trustees' declaration	32
Declaration by Chairman in respect of fundraising appeals	33
Independent auditor's report to the members	34

This financial report covers Australian Cancer Research Foundation ("the Foundation") as an individual entity. The financial report is presented in the 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 ____ April 2014. 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 2013**

	Notes	2013 \$	2012 \$
Revenue from continuing operations	3	12,507,309	11,129,676
Employee benefits expense		(1,234,506)	(986,343)
Fundraising expenses		(806,487)	(681,876)
Office and premises expenses		(164,221)	(165,762)
Consultancy fees		(74,942)	(91,249)
Investment management fees		(118,000)	(118,000)
Other expenses		(252,160)	(163,660)
Surplus for the year before grants		<u>9,856,993</u>	8,922,786
 Grants expense	 5	 <u>(7,500,000)</u>	 <u>(9,000,000)</u>
Net surplus (deficit) for the year		<u>2,356,993</u>	<u>(77,214)</u>
 Other comprehensive income for the year		 <u>-</u>	 <u>-</u>
Total comprehensive income (deficit) for the year		<u>2,356,993</u>	<u>(77,214)</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 2013

	Notes	2013 \$	2012 \$
ASSETS			
Current assets			
Cash and cash equivalents	6	22,794,297	6,641,521
Trade and other receivables	7	1,780,186	1,188,820
Investments	8	18,653,705	27,505,948
Other current assets	9	68,865	42,847
Total current assets		<u>43,297,053</u>	<u>35,379,136</u>
Non-current assets			
Investments	10	-	2,429,660
Property, plant and equipment	11	27,395	30,906
Intangible assets	12	10,275	24,929
Other non-current assets	13	621,664	561,756
Total non-current assets		<u>659,334</u>	<u>3,047,251</u>
Total assets		<u>43,956,387</u>	<u>38,426,387</u>
LIABILITIES			
Current liabilities			
Trade and other payables	14	12,860,859	9,685,354
Total current liabilities		<u>12,860,859</u>	<u>9,685,354</u>
Non-current liabilities			
Provisions	15	50,972	53,470
Total non-current liabilities		<u>50,972</u>	<u>53,470</u>
Total liabilities		<u>12,911,831</u>	<u>9,738,824</u>
Net assets		<u>31,044,556</u>	<u>28,687,563</u>
ACCUMULATED FUNDS			
Endowed funds for perpetual investment		10,000	10,000
General funds	16(a)	31,034,556	28,677,563
Total accumulated funds		<u>31,044,556</u>	<u>28,687,563</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 2013**

	Endowed funds for perpetual Investment \$	General funds \$	Total equity \$
Balance at 1 January 2012	<u>10,000</u>	<u>28,754,777</u>	<u>28,764,777</u>
Surplus/(deficit) for the year	-	(77,214)	(77,214)
Other comprehensive income	-	-	-
Total comprehensive income for the year	<u>-</u>	<u>(77,214)</u>	<u>(77,214)</u>
Balance at 31 December 2012	<u>10,000</u>	<u>28,677,563</u>	<u>28,687,563</u>
Balance at 1 January 2013	<u>10,000</u>	<u>28,677,563</u>	<u>28,687,563</u>
Surplus/(deficit) for the year	-	2,356,993	2,356,993
Other comprehensive income	-	-	-
Total comprehensive income for the year	<u>-</u>	<u>2,356,993</u>	<u>2,356,993</u>
Balance at 31 December 2013	<u>10,000</u>	<u>31,034,556</u>	<u>31,044,556</u>

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 2013

	Notes	2013 \$	2012 \$
Cash flows from operating activities			
Receipts in the course of operations		8,572,436	7,722,895
Payments in the course of operations		(2,567,204)	(2,226,219)
Payments in relation to grants		(4,652,500)	(12,332,500)
Net cash inflow (outflow) from operating activities		<u>1,352,732</u>	<u>(6,835,824)</u>
Cash flows from investing activities			
Payments for property, plant and equipment	11	(15,957)	(8,372)
Payments for purchase of financial assets		(20,269,200)	(24,858,782)
Proceeds from disposal of financial assets		33,057,052	26,031,469
Dividends and distributions received		924,781	737,053
Interest received		1,163,275	1,324,623
Payments for domain name license application		-	(261,756)
Payments for deferred expenditures		(59,907)	(300,000)
Net cash inflow from investing activities		<u>14,800,044</u>	<u>2,664,235</u>
Cash flows from financing activities			
Net cash inflow from financing activities		<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents			
		16,152,776	(4,171,589)
Cash and cash equivalents at the beginning of the financial year		6,641,521	10,813,110
Cash and cash equivalents at end of year	6	<u>22,794,297</u>	<u>6,641,521</u>

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

Contents of the notes to the financial statements

	Page	
1	Summary of significant accounting policies	16
2	Financial risk management	22
3	Revenue	22
4	Expenses	23
5	Grants expense	24
6	Current assets - Cash and cash equivalents	24
7	Current assets - Trade and other receivables	24
8	Current assets - Investments	25
9	Current assets - Other current assets	25
10	Non-current assets - Investments	25
11	Non-current assets - Property, plant and equipment	26
12	Non-current assets - Intangible assets	26
13	Non-current assets - Other non-current assets	27
14	Current liabilities - Payables	27
15	Non-current liabilities - Provisions	28
16	General funds	28
17	Related party transactions	28
18	Commitments	28
19	Contingencies	29
20	Members liabilities	29
21	Events occurring after the reporting period	29
22	Information and declaration to be furnished under the Charitable Fundraising Act 2008	29

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 and interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. 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) New and amended standards adopted by the group

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 January 2013 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods. However, amendments made to AASB 101 Presentation of Financial Statements effective 1 January 2013 now require the statement of comprehensive income to show the items of comprehensive income grouped into those that are not permitted to be reclassified to profit or loss in a future period and those that may have to be reclassified if certain conditions are met.

(iii) Early adoption of standards

The Foundation has elected to apply the following pronouncements to the annual reporting period beginning 1 January 2013:

- AASB 1053 *Application of Tiers of Australian Accounting Standards* and AASB 2010-2 *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements*.

The adoption of AASB 1053 and AASB 2010-2 allowed the entity to remove a number of disclosures.

(iv) Historical cost convention

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

(v) 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.

(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.

1 Summary of significant accounting policies (continued)

(b) Foreign currency translation (continued)

(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 right to receive payment is established. Franking credits from dividends are recognised on accrual 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 goods and services tax (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 of an item of expenses.

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.

1 Summary of significant accounting policies (continued)

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

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 other than goodwill 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.

(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 and 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 publicly traded derivatives, and 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 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 balance sheet date, calculated at undiscounted amounts based on current wage and salary rates including related on costs.

(ii) Long service leave

The provision for employee entitlements to long service leave represents the present value of the estimated future cash outflows to be made resulting from employees' services provided up to the end of the reporting period.

(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.

(p) Intangible assets

(i) IT development and software

Costs incurred in developing products or systems and costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software and systems. Amortisation is calculated on a straight-line basis over periods of 5 years.

1 Summary of significant accounting policies (continued)

(p) Intangible assets (continued)

(ii) Website design

Costs incurred in developing the Foundation's website that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised. Costs capitalised include external direct costs of materials and service. The Trustees adopted a three year amortisation period due to changes in technology since 2009.

(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 (note 18). 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.

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.

(s) Comparative figures

Where necessary, certain items and balances in the financial statements have been amended to conform to current year presentation.

(t) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2013 reporting periods. The Foundation's assessment of the impact of these new standards and interpretations is set out below.

(i) *AASB 9 Financial Instruments, AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9, AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) and AASB 2012-6 Amendments to Australian Accounting Standards - Mandatory Effective Date of AASB 9 and Transition Disclosures (effective from 1 January 2015)*

AASB 9 *Financial Instruments* addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2015 but is available for early adoption. When adopted, the standard will affect in particular the Foundation accounting for its available-for-sale financial assets, since 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. In the current reporting period, the Foundation does not have any available-for-sale financial assets.

There will be no impact on the Foundation's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the group does not have any such liabilities. The derecognition rules have been transferred from AASB 139 *Financial Instruments: Recognition and Measurement* and have not been changed. The Foundation has not yet decided when to adopt AASB 9.

1 Summary of significant accounting policies (continued)

(t) New accounting standards and interpretations (continued)

- (i) *AASB 9 Financial Instruments, AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9, AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) and AASB 2012-6 Amendments to Australian Accounting Standards - Mandatory Effective Date of AASB 9 and Transition Disclosures (effective from 1 January 2015) (continued)*

The Trustees do not expect this will have a significant impact on the Foundation's financial statements as the Foundation does not hold any available-for-sale investments. The Foundation will need to classify its investments as either amortised cost or fair value at the time of AASB 9 adoption.

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

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 adopted the amendment to AASB 7 *Financial Instruments: Disclosures* which requires disclosure of fair value measurements 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 quotes 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.

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

3 Revenue

	2013 \$	2012 \$
From continuing operations		
Donations	1,001,308	1,178,313
Fundraising proceeds	2,844,306	2,482,471
Bequests	5,206,052	4,089,014
Investment revenue	1,788,657	2,131,454
Net fair value gains/(losses) on financial assets at FVTPL	1,653,378	1,308,984
Profit/(loss) on sale of investments	13,093	(60,610)
Other revenue	515	50
	<u>12,507,309</u>	<u>11,129,676</u>

3 Revenue (continued)

	2013	2012
	\$	\$
Investment revenue		
Interest and bank bills discount received	1,001,550	1,330,387
Dividends received	2,880	7,185
Franking credits refunded	88,046	112,216
Managed trusts fund distributions	696,181	681,666
	1,788,657	2,131,454

4 Expenses

	2013	2012
	\$	\$
Surplus before income tax includes the following specific expenses:		
<i>Depreciation</i>		
Plant and equipment	19,468	17,982
Total depreciation	19,468	17,982
<i>Amortisation</i>		
Computer software	13,910	13,910
Website development	744	16,650
Total amortisation	14,654	30,560
 Total depreciation and amortisation	34,122	48,542
 <i>Rental expense relating to operating leases</i>		
Minimum lease payments	66,234	61,352

5 Grants expense

	2013 \$	2012 \$
St. Vincent's Institute for Medical Research	-	2,000,000
Ludwig Institute for Cancer Research	-	2,000,000
Westmead Millenium Institute for Medical Research	-	5,000,000
University of Queensland Centre for Clinical Research	2,000,000	-
University of Queensland Diamantina Institute for Cancer	2,000,000	-
Peter MacCallum Cancer Centre	3,500,000	-
	<u>7,500,000</u>	<u>9,000,000</u>

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

6 Current assets - Cash and cash equivalents

	2013 \$	2012 \$
Cash at bank - accumulated net investment revenues	412,209	364,112
Cash at bank - funds retained for future research projects	22,381,788	6,277,109
Petty cash	300	300
	<u>22,794,297</u>	<u>6,641,521</u>

7 Current assets - Trade and other receivables

	2013 \$	2012 \$
Dividends and distributions receivable	123,249	148,707
Donations receivable	507,837	28,091
Franking credits receivable	-	112,216
Interest receivable	10,827	12,031
GST receivable	1,138,273	887,775
	<u>1,780,186</u>	<u>1,188,820</u>

(a) Past due but not impaired

As at 31 December 2013, receivables do not contain impaired assets and are not past due.

8 Current assets - Investments

	2013	2012
	\$	\$
Bank bills and term deposits - held to maturity		
Accumulated net investment revenues	1,510,787	2,533,686
Funds retained for future research projects	<u>3,333,051</u>	<u>12,721,467</u>
	<u>4,843,838</u>	<u>15,255,153</u>
Managed portfolio investments - at fair value through profit or loss	13,740,156	12,191,764
Equity securities - at fair value through profit or loss	<u>69,711</u>	<u>59,031</u>
	<u>13,809,867</u>	<u>12,250,795</u>
	 <u>18,653,705</u>	 <u>27,505,948</u>

9 Current assets - Other current assets

	2013	2012
	\$	\$
Prepayments	68,465	42,447
Returnable float	200	200
Deposit (security)	<u>200</u>	<u>200</u>
	<u>68,865</u>	<u>42,847</u>

10 Non-current assets - Investments

	2013	2012
	\$	\$
Term deposits - held to maturity	<u>-</u>	<u>2,429,660</u>

11 Non-current assets - Property, plant and equipment

	Furniture and fittings \$	Leasehold improvements \$	Computer equipment \$	Total \$
At 31 December 2012				
Cost or fair value	67,045	47,582	84,085	198,712
Accumulated depreciation	(49,443)	(47,582)	(70,781)	(167,806)
Net book amount	<u>17,602</u>	<u>-</u>	<u>13,304</u>	<u>30,906</u>
Year ended 31 December 2013				
Opening net book amount	17,602	-	13,304	30,906
Additions	5,033	-	10,924	15,957
Depreciation charge	(10,743)	-	(8,725)	(19,468)
Closing net book amount	<u>11,892</u>	<u>-</u>	<u>15,503</u>	<u>27,395</u>
At 31 December 2013				
Cost	72,078	47,582	95,008	214,668
Accumulated depreciation	(60,186)	(47,582)	(79,505)	(187,273)
Net book amount	<u>11,892</u>	<u>-</u>	<u>15,503</u>	<u>27,395</u>

12 Non-current assets - Intangible assets

	Computer software \$	Website development \$	Total \$
At 31 December 2012			
Cost	69,550	54,000	123,550
Accumulation amortisation	(45,365)	(53,256)	(98,621)
Net book amount	<u>24,185</u>	<u>744</u>	<u>24,929</u>
Year ended 31 December 2013			
Opening net book amount	24,185	744	24,929
Amortisation charge	(13,910)	(744)	(14,654)
Closing net book amount	<u>10,275</u>	<u>-</u>	<u>10,275</u>
At 31 December 2013			
Cost	69,550	54,000	123,550
Accumulated amortisation	(59,275)	(54,000)	(113,275)
Net book amount	<u>10,275</u>	<u>-</u>	<u>10,275</u>

13 Non-current assets - Other non-current assets

	2013 \$	2012 \$
Prepaid domain name license application	261,664	261,756
Security deposit	360,000	300,000
	621,664	561,756

At reporting date, the fair value of prepaid domain name license application approximates the carrying value.

Security deposit represents interest bearing, irrevocable cash escrow account in relation to domain name license application.

14 Current liabilities - Payables

	2013 \$	2012 \$
Grants payable		
Royal Prince Alfred Hospital	900,000	900,000
Ludwig Institute for Cancer Research	-	500,000
Westmead Millenium Institute for Medical Research	3,000,000	5,000,000
University of Queensland Centre for Clinical Research	2,000,000	-
SA Pathology (Centre of Cancer Biology)	-	700,000
Western Australian Institute for Medical Research	100,000	790,000
Monash Institute of Medical Research	-	800,000
University of Queensland Centre Diamantina Institute for Cancer	2,000,000	-
Peter MacCallum Cancer Centre	3,500,000	-
GST on grants payable	1,150,000	869,000
Total grants payable	12,650,000	9,559,000
Provision for annual leave	64,835	65,489
Sundry creditors and accrued expenses	146,024	60,865
	12,860,859	9,685,354
	2013 \$	2012 \$
Reconciliation of grants payable		
Balance at 1 January	9,559,000	13,321,000
Grants expensed	7,500,000	9,000,000
GST recoverable on grants expensed	750,000	900,000
Grants paid	(4,690,000)	(12,420,000)
GST recoverable of grants paid	(469,000)	(1,242,000)
Balance at 31 December	12,650,000	9,559,000

15 Non-current liabilities - Provisions

	2013 \$	2012 \$
Employee benefits - long service leave	<u>50,972</u>	<u>53,470</u>

16 General funds

(a) General funds

	2013 \$	2012 \$
Balance 1 January	28,677,563	28,754,777
Net surplus/(deficit) for the year	<u>2,356,993</u>	<u>(77,214)</u>
Balance 31 December	<u>31,034,556</u>	<u>28,677,563</u>

17 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.

Some Trustees are associated with companies or firms which provide services to the Foundation. The total of invoices rendered is disclosed below:

Myer Family Company professional investment management fees \$118,000 (2012: \$118,000).

M&C Saatchi advertising fees \$nil (2012: \$45).

Transactions with related parties were made on normal commercial terms and conditions.

18 Commitments

Operating leases

	2013 \$	2012 \$
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	69,840	65,271
Later than one year but not later than five years	<u>139,680</u>	<u>195,813</u>
Commitments not recognised in the financial statements	<u>209,520</u>	<u>261,084</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.

19 Contingencies

(a) Contingent liabilities

The Foundation had contingent liabilities at 31 December 2013 in respect of:

(i) Grants

	2013	2012
	\$	\$
Future grants approved by the Trustees at reporting date but agreements not signed:		
Peter MacCallum Cancer Centre	-	3,500,000
University of Queensland Centre for Clinical Research	-	2,000,000
Diamantina Institute for Cancer	-	2,000,000
Centenary Institute	5,000,000	5,000,000
Children's Medical Research Institute	2,000,000	-
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	-
	13,400,000	12,500,000

(ii) Contingent consideration

An additional contingent consideration of USD177,000 in respect of the domain name license application may be payable in cash within 1 year upon the approval of the application (note 13). In subsequent years, the estimated annual contingent liability will be USD157,000.

20 Members liabilities

The liability of the members is limited to \$100 (2012: \$100).

21 Events occurring after the reporting period

There were no significant events occurring after the reporting date requiring disclosure in this financial report.

22 Information and declaration to be furnished under the Charitable Fundraising Act 2008

The following information is included to comply with the Charitable Fundraising Act 2008.

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.

22 Information and declaration to be furnished under the Charitable Fundraising Act 2008 (continued)

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

	2013	2012
	\$	\$
Gross proceeds from fundraising activities		
Donations - Corporate and private	991,763	1,173,195
Donations - Committees	9,545	5,118
Bequests	5,206,052	4,089,014
Fundraising proceeds	<u>2,844,306</u>	<u>2,482,471</u>
	9,051,666	7,749,798
Less: Total costs of fundraising activities		
Advertising	186,518	279,195
Business development	21,463	28,585
Employee expenses	809,986	546,952
Events management	76,845	66,147
Printing, postage and stationary	15,058	18,647
Promotion expenses	99,107	71,302
Other fundraising activities	<u>407,496</u>	<u>218,000</u>
	1,616,473	1,228,828
	<u>7,435,193</u>	<u>6,520,970</u>

(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 (2012: \$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 \$7,435,193 (2012: \$6,520,970) from fundraising and a net gain of \$3,367,082 (2012: net gain of \$3,267,612) from the investment of fundraising monies and from other sources.

All expenses of the Foundation, including fundraising expenses, are fully funded from investment revenues which have been earned by the Foundation.

Accumulated net investment revenue held in cash at bank and term deposits which are available to meet future expenses of the Foundation amount to \$1,922,996 (2012: \$2,897,798).

Medical research grants expensed during the year totalled \$7,500,000 (2012: \$9,000,000). Administration costs incurred during the year totalled \$1,033,844 (2012: \$978,064). The surplus for the year of \$2,356,993 (2012: deficit of \$77,214) was applied against general funds.

22 Information and declaration to be furnished under the Charitable Fundraising Act 2008 (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

	2013	2012	2013	2012
	\$	\$	%	%
Total cost of fundraising**	1,616,473	1,228,828	18	16
Gross income from fundraising	<u>9,051,666</u>	<u>7,749,798</u>		
Net surplus from fundraising	7,435,193	6,520,970	82	84
Gross income from fundraising	<u>9,051,666</u>	<u>7,749,798</u>		
Total cost of service*	7,500,000	9,000,000	74	80
Total expenditure	<u>10,150,316</u>	<u>11,206,890</u>		
Total cost of service*	7,500,000	9,000,000	60	81
Total income received from fundraising and investment	<u>12,507,309</u>	<u>11,129,676</u>		

* "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.

** These costs have been fully funded from the accumulated returns from investments earned by the Foundation.

Australian Cancer Research Foundation
Trustees' declaration
31 December 2013

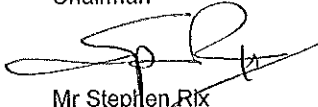
In the Trustees' opinion:

- (a) the financial statements and notes set out on pages 10 to 31 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards - Reduced Disclosure Requirements, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
 - (ii) giving a true and fair view of the entity's financial position as at 31 December 2013 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
Chairman



Mr Stephen Rix
Trustee

Sydney
2 April 2014

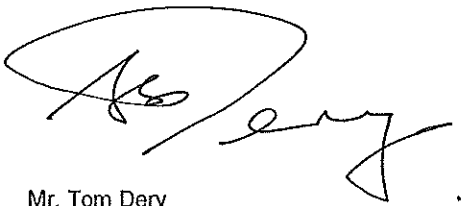
**Australian Cancer Research Foundation
Declaration by Chairman in respect of fundraising appeals
31 December 2013**

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:

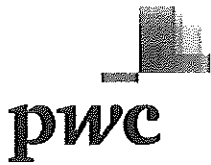
- (a) the financial report gives a true and fair view of all income and expenditure of Australian Cancer Research Foundation with respect to fundraising appeal activities for the financial year ended 31 December 2013;
- (b) the balance sheet gives a true and fair view of the state of affairs with respect to fundraising appeal activities as at 31 December 2013;
- (c) the provisions of the Charitable Fundraising (NSW) Act 2008 and the Regulations and conditions attached to the authority have been complied with for the financial year ended 31 December 2013; 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.



Mr. Tom Dery

Chairman

Sydney
2 April 2014



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

Report on the financial report

We have audited the accompanying financial report of Australian Cancer Research Foundation ("the Foundation"), which comprises the balance sheet as at 31 December 2013, 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 and the *Corporations Act 2001* 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 entity'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 entity'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.

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

PricewaterhouseCoopers, ABN 52 780 433 757
Darling Park Tower 2, 201 Sussex Street, GPO BOX 2650, SYDNEY NSW 1171
T: +61 2 8266 0000, F: +61 2 8266 9999, www.pwc.com.au

Liability limited by a scheme approved under Professional Standards Legislation.



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.

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 *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Foundation's financial position as at 31 December 2013 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

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 *NSW Charitable Fundraising Act 1991*. 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)*. Our responsibility is to express an opinion on the financial report based on our audit.

Auditor's opinion

In our opinion:

- a) the financial report and associated records have been properly kept, in all material respects, during the financial year ended 31 December 2013 in accordance with:
 - (i) sections 20(1), 22(1-2), 24(1-3) of the *NSW Charitable Fundraising Act 1991*; and
 - (ii) sections 9(6) and 10 of the *NSW Charitable Fundraising Regulations 2008*.
- b) the money received as a result of fundraising appeals conducted by the Foundation during the financial year ended 31 December 2013 has been properly accounted for and applied in accordance with the above named Acts and Regulations.

Matters relating to the electronic presentation of the audited financial report

This auditor's report relates to the financial report of Australian Cancer Research Foundation (the Foundation) for the year ended 31 December 2013 included on Australian Cancer Research Foundation's website. The Foundation's trustees are responsible for the integrity of Australian Cancer



Research Foundation's web site. We have not been engaged to report on the integrity of this web site. The auditor's report refers only to the financial report named above. It does not provide an opinion on any other information which may have been hyperlinked to/from the financial report. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

A handwritten signature in cursive script that reads 'PricewaterhouseCoopers'.

PricewaterhouseCoopers

A handwritten signature in cursive script that reads 'M. Laithwaite'.

Marcus Laithwaite
Partner

Sydney
2 April 2014