

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

ABN 27 076 461 360

Financial statements
for the year ended 31 December 2009

Australian Cancer Research Foundation ABN 27 076 461 360
Annual report - 31 December 2009

	Page
Trustees' report	2
Financial report	9
Notes to the financial statements	14
Trustees' declaration	32
Declaration by Chairman in respect of fundraising appeals	33
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") for the year ended 31 December 2009.

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:

Mr A J Boettcher OAM
Mr G J Camm
Mr T B I Crommelin
Mr T S Dery
Mr C B Gantner AO
Mr S Gerlach
Mr P A S Jones
Lady McMahon
Mr J M Millar
Mr S J Perrott
Mr S R Rix
Sir Ian Turbott AO, CMG, CVO
Dr J S Yu AC
Mr P M Cameron (Alternate) (resigned 31 July 2009)

Information on trustees

Mr A J Boettcher OAM. *Trustee since 18 June 1984*

Other positions held and current directorships

- Director of Cauty Pty Ltd
- Former Honorary Governor of the Science Foundation for Physics at the University of Sydney
- Former Director of Philips Electronics Australia Limited

Mr G J Camm. *MBA (University of Melbourne) BBus (Monash) CPA; SF Fin. Trustee since 6 December 2000*

Other positions held and current directorships

- Chief Executive Officer of Superpartners Pty Ltd
- Director of Catholic Development Fund

Mr T B I Crommelin. *BCom (University of Queensland); Advanced Management Program (University of Hawaii); Fellow Society of Land Economists (FSLE); Fellow of the Securities Institute of Australia (FSIA). Trustee since 29 March 2000*

Other positions held and current directorships

- Executive Chairman of RBS Morgans Limited
- Director of Brisbane Lions Foundation
- Trustee of Brisbane Grammar School (Government appointee)
- Chairman of Investment Advisory Board of the Australian National University, RBS Morgans Holdings and RBS Morgans Foundation
- Member of the Senate for the University of Queensland

Mr T S Dery. *BCom (Econ) (University of New South Wales); MBA (Stanford). Trustee since 1 April 1994*

Other positions held and current directorships

- Worldwide Chairman of M&C Saatchi
- Director of Jetset Travelworld Limited

Information on trustees (continued)

Mr C B 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 and Director of the Sidney Myer Fund, the Sidney Myer Estate and the Melbourne International Arts Festival
- Director of The Myer Foundation, Mypac Pty Ltd, Barclay Custodians Pty Ltd, Sidney Myer Custodians Pty Ltd, Mayfair Hanoi Ltd (Vietnam), Australian Geographic Retail Pty Ltd, Nuco Pty Ltd, The Myer Family Company Pty Ltd, Jianguo Pty Ltd, Macallister Springs Pty Ltd, K-OSSS Pty Ltd, K-OSSS II Pty Ltd, HEA (Finance) Ltd (Hong Kong) and Ward Ferry Asian Reconnaissance Fund Ltd (Hong Kong)
- Former President of The Myer Foundation and Victorian Arts Centre Trust

Mr S Gerlach. Trustee since 15 November 1996

Other positions held and current directorships

- Chairman of Futuris Corporation Ltd and Foodbank SA Inc
- Former Chairman of Santos Limited
- Former Partner and Managing Partner of Adelaide legal firm Finlaysons
- Director of Beston Pacific Asset Management Pty Ltd and Foodbank Australia Ltd

Mr P A S Jones. Trustee since 2 June 2005

Other positions held and current directorships

- General Counsel and Company Secretary of Tassal Group Limited
- Director of Wridgways Australia Limited
- Former Solicitor Partner of Allens Arthur Robinson LLB, BSurv

Lady McMahon. Trustee since 18 June 1984

Other positions held and current directorships

- Board of the National and NSW Branch of the Australian Brain Foundation and Centenary Institute Foundation
- Director of Double Bay Partnership
- Patron of Australian Ladies Variety Association

Mr J M Millar B.Com (University of New South Wales), FCA, Trustee since 2 June 2005

Other positions held and current directorships

- Director of Mirvac Limited, Mirvac Funds Limited, Vincent Fairfax Ethics in Leadership Foundation Limited and Vincent Fairfax Family Foundation Limited
- Member of the University of NSW Australian School of Business Advisory Council
- Former Chief Executive Officer of Ernst & Young Australia
- Former Member of Business Council of Australia

Mr S J Perrott. BSc (University of Melbourne); MBA (Australian Graduate School of Management). Trustee since 6 December 2000.

Other positions held and current directorships

- Chairman of RBS Investment Banking

Information on trustees (continued)

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

Other positions held and current directorships

- Chairman of Travelex Australasia
- Investment committee member of JF Infrastructure
- Director of Allen & Unwin Pty Limited and International Parking Group Pty Ltd

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

Other positions held and current directorships

- Chairman of the I T Graham Investments Pty Limited and Australian Youth Trust
- Director of the Commonwealth Council and Ted Noffs Foundation
- Fellow of the Institute of Directors Association of Australia
- Emeritus Chancellor of the University of Western Sydney

Dr J S 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

- Paediatrician and formerly Chief Executive Officer of the Children's Hospital at Westmead
- Chairman of the George Institute for International Health, Advisory Council for Asian Art and Archaeology (University of Sydney), VisAsia and Art Gallery of NSW
- Former Chancellor of University of NSW

Mr P M Cameron (Alternate for T S Dery). Fellow Australian Society of CPA's; BCom (University of New South Wales). Trustee since 22 June 2000 resigned 31 July 2009

Other positions held and current directorships

- Chief Financial Officer Asia Pacific of M&C Saatchi
- Director of M&C Saatchi Agency Pty Limited and M&C Saatchi Ltd (New Zealand)

Meetings of trustees

The number of trustees' meetings (including meetings of committees of trustees) and number of the meetings attended by each of the trustees of the Foundation during the financial year are:

	Meetings of trustees		Meetings of finance committee	
	A	B	A	B
Mr A J Boettcher OAM	4	4	-	-
Mr G J Camm	4	4	-	-
Mr T B I Crommelin	4	-	4	2
Mr T S Dery	4	4	4	4
Mr C B Gantner AO	4	2	-	-
Mr S Gerlach	4	2	-	-
Mr P A Jones	4	4	-	-
Lady McMahan	4	3	-	-
Mr J M Millar	4	4	4	4
Mr S J Perrott	4	1	4	2
Mr S R Rix	4	3	4	4
Sir I Turbott AO, CMG, CVO	4	2	-	-
Dr J. S. Yu AC	4	2	-	-
Mr P M Cameron (Alternate) (resigned 31 July 2009)	-	-	-	-

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 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 \$9,270,677 (2008: deficit of \$246,287). Surplus after grants expense was \$4,270,677 (2008: deficit of \$8,246,287). All expenses of the Foundation, including fundraising expenses, are fully funded from investment revenues which have been earned by the Foundation.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Foundation that occurred during the financial year under review.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 31 December 2009 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

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 2009. 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.

Grants awarded

In 2009 the Foundation paid grants (excluding GST) totalling \$8,281,249 as listed below.

	2009 \$
Children's Cancer Institute of Australia	2,330,000
Queensland Institute of Medical Research	674,656
Diamantina Institute for Cancer	1,600,000
Walter and Eliza Hall Institute of Medical Research	320,108
University of Queensland Cancer Biology Imaging Facility	1,250,000
Peter MacCallum Cancer Centre	2,106,485
	8,281,249

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

Children's Medical Research Institute (CMRI) & University of Newcastle NSW	3,100,000
The Centre for Cancer Biology (CCB), South Australian Pathology and the University of Adelaide	3,500,000
	6,600,000

At year-end all 2009 grants are contingent upon satisfactory contractual arrangements being negotiated between the respective parties. The Foundation receives annual progress reports from past grant recipients.

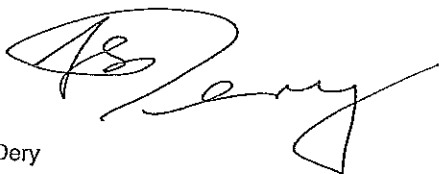
Auditor's independence declaration

A copy of the auditor's independence declaration is set out on page 8.

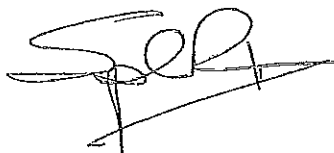
Auditor

PricewaterhouseCoopers 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 T S Dery
Trustee



Mr S R Rix
Trustee

Sydney
25 March 2010

PricewaterhouseCoopers
ABN 52 780 433 757

Darling Park Tower 2
201 Sussex Street
GPO BOX 2650
SYDNEY NSW 1171
DX 77 Sydney
Australia
www.pwc.com/au
Telephone +61 2 8266 0000
Facsimile +61 2 8266 9999

Auditor's Independence Declaration

As lead auditor for the audit of Australian Cancer Research Foundation for the year ended 31 December 2009, 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.



M Laithwaite
Partner
PricewaterhouseCoopers

Sydney
25 March 2010

Australian Cancer Research Foundation ABN 27 076 461 360

Annual report - 31 December 2009

	Page
Financial report	
Statement of comprehensive income	10
Balance sheet	11
Statement of changes in accumulated funds	12
Cash flow statement	13
Notes to the financial statements	14
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 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 2000 NSW

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 this financial report.

The financial report was authorised for issue by the trustees on 25 March 2010. The Foundation has the power to amend and reissue the financial report.

**Australian Cancer Research Foundation
Statement of comprehensive income
For the year ended 31 December 2009**

	Notes	2009 \$	2008 \$
Revenue from continuing operations	3	11,400,898	1,489,419
Employee benefits expense		(1,023,100)	(846,791)
Fundraising expenses	3	(494,318)	(517,183)
Office and premises expenses		(148,914)	(126,095)
Consultancy fees		(94,382)	(107,942)
Other expenses		<u>(369,507)</u>	<u>(137,695)</u>
(Deficit) / surplus for the year before grants		9,270,677	(246,287)
Grants expense	5	<u>(5,000,000)</u>	<u>(8,000,000)</u>
Net (deficit) / surplus for the year		<u>4,270,677</u>	<u>(8,246,287)</u>
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		<u>4,270,677</u>	<u>(8,246,287)</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 2009

	Notes	2009 \$	2008 \$
ASSETS			
Current assets			
Cash and cash equivalents	7	12,465,480	13,418,393
Trade and other receivables	8	923,214	1,373,153
Investments and other financial assets	9	24,397,715	22,019,580
Other current assets	10	17,473	13,156
Total current assets		<u>37,803,882</u>	<u>36,824,282</u>
Non-current assets			
Property, plant and equipment	11	139,130	44,901
Intangible assets	12	1,567	3,333
Total non-current assets		<u>140,697</u>	<u>48,234</u>
Total assets		<u>37,944,579</u>	<u>36,872,516</u>
LIABILITIES			
Current liabilities			
Payables	13	6,822,549	8,368,884
Provisions	14	240,000	-
Total current liabilities		<u>7,062,549</u>	<u>8,368,884</u>
Non-current liabilities			
Provisions	15	49,591	16,870
Payables	18	-	1,925,000
Total non-current liabilities		<u>49,591</u>	<u>1,941,870</u>
Total liabilities		<u>7,112,140</u>	<u>10,310,754</u>
Net assets		<u>30,832,439</u>	<u>26,561,762</u>
Accumulated funds			
Endowed funds for perpetual investment		10,000	10,000
General funds	16	30,822,439	26,551,762
Total accumulated funds		<u>30,832,439</u>	<u>26,561,762</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 2009**

	Endowed funds for perpetual investment \$	General funds \$	Total \$
Balance at 1 January 2008	10,000	34,798,049	34,808,049
Total comprehensive income for the year	<u>-</u>	<u>(8,246,287)</u>	<u>(8,246,287)</u>
Balance at 31 December 2008	<u>10,000</u>	<u>26,551,762</u>	<u>26,561,762</u>
Balance at 1 January 2009	10,000	26,551,762	26,561,762
Total comprehensive income for the year	<u>-</u>	<u>4,270,677</u>	<u>4,270,677</u>
Balance at 31 December 2009	<u>10,000</u>	<u>30,822,439</u>	<u>30,832,439</u>

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

Australian Cancer Research Foundation
Cash flow statement
For the year ended 31 December 2009

	Notes	2009 \$	2008 \$
Cash flows from operating activities			
Receipts in the course of operations		7,559,568	5,796,733
Payments in the course of operations		(1,690,196)	(1,728,441)
Payments in relation to grants		<u>(8,281,231)</u>	<u>(5,567,593)</u>
Net cash (outflow) inflow from operating activities	23	<u>(2,411,859)</u>	<u>(1,499,301)</u>
Cash flows from investing activities			
Payments for property, plant and equipment		(126,803)	(15,242)
Payments for investments and other financial assets		-	(305,107)
Dividends and distributions received		655,488	1,365,482
Interest received		<u>930,261</u>	<u>1,695,607</u>
Net cash (outflow) inflow from investing activities		<u>1,458,946</u>	<u>2,740,740</u>
Net decrease in cash and cash equivalents		(952,913)	1,241,439
Cash and cash equivalents at the beginning of the financial year		<u>13,418,393</u>	<u>12,176,954</u>
Cash and cash equivalents at end of year	7	<u>12,465,480</u>	<u>13,418,393</u>

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

Contents of the notes to the financial statements

		Page
1	Summary of significant accounting policies	15
2	Financial risk management	19
3	Revenue and fundraising expenses	21
4	(Deficit) / Surplus	22
5	Grants expense	22
6	Remuneration of auditors	22
7	Current assets - Cash and cash equivalents	22
8	Current assets - Trade and other receivables	23
9	Current assets - Investments and other financial assets	23
10	Current assets - Other current assets	24
11	Non-current assets - Property, plant and equipment	25
12	Non-current assets - Intangible assets	25
13	Current liabilities - Payables	26
14	Current liabilities - Provisions	27
15	Non-current liabilities - Provisions	27
16	General funds	27
17	Contingent liabilities	28
18	Non-current liabilities - Payables	28
19	Related party transactions	28
20	Commitments	28
21	Members liabilities	28
22	Events occurring after the reporting period	29
23	Reconciliation of surplus/(deficit) after grants to net cash inflow from operating activities	29
24	Information and declaration to be furnished under the Charitable Fundraising Act 2008	30

1 Summary of significant accounting policies

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

(a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the *Corporations Act 2001*.

Compliance with IFRS

The financial statements of Australian Cancer Research Foundation also complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Historical cost convention

These financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The 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) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

Revenue is recognised for the major business 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

Securities purchased at a discount to face value are carried at an amount representing cost and a portion of the discount recognised as income on an effective yield basis. Income earned on investments is brought to account on an accruals basis.

(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 a cash basis.

(iv) Donations

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

The Foundation, in common with most organisations is dependent on such contributions, however, 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.

1 Summary of significant accounting policies (continued)

(c) 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.

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.

(d) Income tax

The Foundation is exempted 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.

(e) 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.

(f) Cash and cash equivalents

Cash assets are carried at face value of the amounts deposited. The carrying amount of cash assets approximates net fair value.

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and 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.

(g) Receivables

The recoverability of debts is assessed at year-end and specific provision is made for any doubtful accounts. The carrying amount of receivables approximates net fair value.

(h) 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 managed portfolios which are acquired with the intention of making a positive return.

(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. These investments normally have a maturity of more than three months but less than twelve months from the date of acquisition.

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.

1 Summary of significant accounting policies (continued)

(h) Investments and other financial assets (continued)

Subsequent measurement

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 other income or other expenses 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.

Fair value

The fair values of quoted investments are based on current bid prices.

(i) Payables

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

(j) Employee entitlements

(i) Wages and salaries, annual leave and sick leave

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 balance date.

(iii) Superannuation

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

The carrying amount of provisions for employee entitlements approximates net fair value.

(k) 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 each balance sheet date.

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.

1 Summary of significant accounting policies (continued)

(l) Grants

Grants are recognised as a liability in the financial statements when the Trustees has 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 has 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.

(m) Intangible assets

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. Amortisation is calculated on a straight-line basis, and up to 31 December 2008, the capitalised costs were amortised over 5 years. In the year to 31 December 2009, the Trustees adopted a three year amortisation period due to changes in technology.

(n) Comparative figures

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

(o) New accounting standards and interpretations

(a) Impact of new accounting policies

The Foundation had to change some of its accounting policies as the result of new or revised accounting standards which became operative for the annual reporting period commencing on 1 January 2009. The affected policies and standards are:

- i. Revised AASB 101 Presentation of Financial Statements and AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101 (effective 1 January 2009) - A revised AASB 101 was issued in September 2007 and is applicable for annual reporting periods beginning on or after 1 January 2009. It requires the presentation of a statement of comprehensive income and makes changes to the statement of changes in accumulated funds, but will not affect any of the amounts recognised in the financial statements. If the Foundation made a prior period adjustment or has reclassified items in the financial statements, it will need to disclose a third balance sheet (statement of financial position), this one being as at the beginning of the comparative period. The Foundation has not disclosed a third balance sheet as it has not made a prior period adjustment.
- ii. Improvements to IFRSs - Improvements to IFRSs are effective for annual periods commencing on or after 1 July 2009 or 1 January 2010, depending on the amendment. In April 2009, the IASB made a number of amendments to the International Financial Reporting Standards as part of its ongoing improvements project. The AASB has reflected equivalent amendments to the Australian Accounting Standards and the Foundation has applied the amendments. There have been no adjustments as a result of applying the revised standards.
- iii. AASB 7 Financial Instruments: Disclosures - The amended Standard requires additional disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a three-level fair value measurement hierarchy. It also requires disclosure of remaining contractual maturities of derivatives if the maturities are essential for an understanding of the timing of the cashflows. The Foundation also has to disclose a maturity analysis of financial assets it holds for managing liquidity risk if relevant to evaluate the nature and extent of liquidity risk. The adoption of this amendment does not impact on profit but results in additional disclosures presented in note 2.

(b) Impact of standards issued but not yet applied

In December 2009, the AASB issued AASB 9 Financial Instruments which addresses the classification and measurement of financial assets and may affect the Foundation's accounting for its financial assets. The standard is not applicable until 1 January 2013 but is available for early adoption. The Foundation will assess the impact of this new accounting standard.

2 Financial risk management

The Foundation's activities expose it to market risk, credit risk and liquidity risk.

(a) Market risk

(i) Price risk

The Foundation is exposed to equity securities price risk. This arises from investments held by the Foundation which are classified on the balance sheet as fair value through profit or loss. The Foundation has an investment committee in place to manage and monitor its price risk including the diversification of its portfolio.

(ii) Cash flow and fair value interest rate risk

The Foundation's main interest rate risk arises from its holdings of cash, bank bills and term deposits. There is no material interest rate risk exposure on financial liabilities. During 2009 and 2008, the Foundation's investments were denominated in Australian Dollars.

(iii) Sensitivity analysis

The following table summarises the sensitivity of the Foundation's financial assets and financial liabilities to interest rate risk and other price risk. The analysis has been prepared by taking the balances of financial assets and liabilities at reporting date and calculating the sensitivity on profit and equity. The cash, bank bills and term deposits have been analysed using a 1% increase/decrease in interest rates (excluding the impact on cash which is locked at a fixed rate). The investments at fair value have been analysed using a 10% increase/decrease in the equity prices of those investments. It is considered that the 1% and 10% sensitivities are reasonably possible at period end.

31 December 2009	Carrying amount \$	Interest rate risk				Price risk			
		-1% Profit \$	-1% Equity \$	+1% Profit \$	+1% Equity \$	-10% Profit \$	-10% Equity \$	+10% Profit \$	+10% Equity \$
Financial assets									
Cash and cash equivalents	12,465,480	(124,655)	(124,655)	124,655	124,655	-	-	-	-
Bank bills and term deposits	11,174,589	(76,461)	(76,461)	76,461	76,461	-	-	-	-
Investments at fair value	13,223,126	-	-	-	-	(1,322,313)	(1,322,313)	1,322,313	1,322,313
Total increase/ (decrease)		(201,116)	(201,116)	201,116	201,116	(1,322,313)	(1,322,313)	1,322,313	1,322,313

31 December 2008	Carrying amount \$	Interest rate risk				Price risk			
		-1% Profit \$	-1% Equity \$	+1% Profit \$	+1% Equity \$	-10% Profit \$	-10% Equity \$	+10% Profit \$	+10% Equity \$
Financial assets									
Cash and cash equivalents	13,418,393	(134,184)	(134,184)	134,184	134,184	-	-	-	-
Bank bills and term deposits	11,244,060	(68,066)	(68,066)	68,066	68,066	-	-	-	-
Investments at fair value	10,775,520	-	-	-	-	(1,077,552)	(1,077,552)	1,077,552	1,077,552
Total increase/ (decrease)		(202,250)	(202,250)	202,250	202,250	(1,077,552)	(1,077,552)	1,077,552	1,077,552

(b) Credit risk

Credit risk arises from cash and cash equivalents and deposits held with banks and financial institutions. The maximum amount that would be exposed to credit risk is \$12,465,480 (2008: \$13,418,393). For banks and financial institutions, only independently rated parties with a high quality rating are used.

2 Financial risk management (continued)

(c) Liquidity risk

In order to monitor liquidity risk, the Trustees monitor forecasts of the Foundation's liquidity reserve on the basis of expected cash flow.

The tables below analyse the Foundation's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are undiscounted cash flows.

At 31 December 2009	Less than 1 year \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$
Sundry creditors and accrued expenses	198,985	-	-	-
Grants payable	<u>6,560,244</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>6,759,229</u>	<u>-</u>	<u>-</u>	<u>-</u>

At 31 December 2008

Sundry creditors and accrued expenses	78,670	-	-	-
Grants payable	<u>8,244,617</u>	<u>1,925,000</u>	<u>-</u>	<u>-</u>
	<u>8,323,287</u>	<u>-</u>	<u>-</u>	<u>-</u>

(d) Fair value measurements

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

As of 1 January 2009, 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 following table presents the Foundation's assets and liabilities measured and recognised at fair value at 31 December 2009. Comparative information has not been provided as permitted by the transitional provisions of the new rules.

At 31 December 2009	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Assets				
Financial assets at fair value through profit or loss				
Trading securities	910,733	-	-	910,733
Managed portfolio investments	<u>-</u>	<u>12,312,393</u>	<u>-</u>	<u>12,312,393</u>
Total assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,312,393</u>

2 Financial risk management (continued)

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 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 (for example, over-the-counter derivatives) is determined using valuation techniques. The Foundation uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. Quoted market prices or dealer quotes for similar instruments are used to estimate fair value for long-term debt for disclosure purposes. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. In the circumstances where a valuation technique for these instruments is based on significant observable inputs, such instruments are included in level 3.

3 Revenue and fundraising expenses

	2009 \$	2008 \$
Revenue from continuing operations		
Donations	949,875	912,506
Fundraising proceeds (note (b) below)	1,751,687	1,492,250
Bequests	4,745,243	3,305,544
Investment revenue (note (a) below)	1,539,004	3,504,282
Net fair value gains/(losses) on financial assets at fair value through profit and loss	2,414,629	(7,725,553)
Other revenue	460	390
	<u>11,400,898</u>	<u>1,489,419</u>
 (a) Investment revenue		
Interest and bank bills discount received	969,713	1,732,839
Dividends received	23,723	13,875
Franking credits refunded	111,604	86,043
Managed trusts fund distributions	433,964	1,671,525
	<u>1,539,004</u>	<u>3,504,282</u>
 (b) Fundraising proceeds		
Great Wall of China event	-	46,499
Income from individual committee fundraising	456,400	425,318
Other fundraising income	1,273,965	969,050
Other events	21,322	51,383
	<u>1,751,687</u>	<u>1,492,250</u>
 Fundraising expenses		
Advertising	242,649	306,791
Other fundraising expenses	251,669	210,392
	<u>494,318</u>	<u>517,183</u>

4 (Deficit) / Surplus

	2009 \$	2008 \$
Profit before income tax includes the following specific expenses:		
<i>Depreciation</i>		
Property, plant and equipment	32,574	20,778
<i>Amortisation</i>		
Website development	1,766	667
<i>Rental expense relating to operating leases</i>		
Minimum lease payments	49,910	58,116
<i>Movement in provision for employee entitlements</i>	50,444	25,167

5 Grants expense

	2009 \$	2008 \$
Peter MacCallum Cancer Centre	2,500,000	-
Institute for Molecular Bioscience	2,500,000	-
Children's Cancer Institute of Australia	-	3,100,000
Queensland Institute of Medical Research	-	2,700,000
Diamantina Institute for Cancer	-	3,200,000
	5,000,000	9,000,000
<i>Less: contracts deferred</i>		
Royal Melbourne Hospital	-	(1,000,000)
	5,000,000	8,000,000

6 Remuneration of auditors

The auditor did not receive any remuneration or benefits for audit services during the year.

	2009 \$	2008 \$
Non-audit services		
PricewaterhouseCoopers Australian firm		
Non-audit services	68,500	77,500
Taxation compliance services	3,500	3,200
Total remuneration for non-audit services	72,000	80,700

7 Current assets - Cash and cash equivalents

	2009 \$	2008 \$
Cash at bank and in hand	2,845,691	3,060,037
Deposits at call	9,619,489	10,358,056
Petty cash	300	300
	12,465,480	13,418,393

7 Current assets - Cash and cash equivalents (continued)

The deposits at call bear floating interest rates between 3.6% and 4.5% (2008: 4.1% and 6.6%).

8 Current assets - Trade and other receivables

	2009 \$	2008 \$
General receivables	216,523	374,873
GST receivable	<u>706,691</u>	<u>998,280</u>
	<u>923,214</u>	<u>1,373,153</u>

(a) Past due but not impaired

As at 31 December 2009, general receivables does not contain impaired assets and are not past due. Based on the credit history of these assets, it is expected that these amounts will be received when due.

9 Current assets - Investments and other financial assets

	2009 \$	2008 \$
Bank bills and term deposits - held to maturity		
AMP Term Deposits (refer to (a))	5,101,082	5,108,904
ANZ Bank Bills (refer to (b))	2,939,739	-
Rabobank Bank Bills	-	3,153,068
NAB Bank Bills (refer to (c))	<u>3,133,768</u>	<u>2,982,088</u>
	<u>11,174,589</u>	<u>11,244,060</u>
Managed portfolio investments - at fair value		
AMP Investments (refer to (i))	1,584,898	1,587,918
Hunter Hall Fund (refer to (d))	1,872,486	1,273,202
Kaplan Master Trust Income Fund (refer to (e))	3,152,506	2,639,313
Maple-Brown Abbott Fund (refer to (f))	3,510,812	2,726,127
Goldman Sachs JBWere (refer to (h))	1,447,637	1,161,665
Perpetual Investments (refer to (g))	<u>744,054</u>	<u>721,404</u>
	<u>12,312,393</u>	<u>10,109,629</u>
Other investments - at fair value		
Equity securities	<u>910,733</u>	<u>665,891</u>
	<u>24,397,715</u>	<u>22,019,580</u>

9 Current assets - Investments and other financial assets (continued)

(a) The **AMP** term deposit is a 181 day term deposit maturing on 15 March 2010. The interest rates on the deposit is 6.95% (2008: 7.5%).

(b) The **ANZ** bank bill has a face value of \$3,000,000 (2008: \$nil) and matures on 21 June 2010 (2008: nil). The interest rate is fixed at 4.35% (2008: nil).

(c) The **NAB** bank bill has a face value of \$3,180,000 (2008: \$3,000,000) and matures on 7 May 2010 (2008: 29 January 2009). The interest rate is fixed at 4.24% (2008 : 7.83%).

(d) The **Hunter Hall Value Growth Trust Fund** units were purchased in September 2006, consisting of 347,363.84 units at an issue price of \$2.8788 per unit totalling \$1,000,000. In December 2006 a distribution was reinvested to acquire 24,151.50 units at an issue price of \$2.958 totalling \$71,410.56. In June 2007 a distribution was reinvested to acquire 32,312.70 units at an issue price of \$3.0431 totalling \$98,330.78. In September 2007 an additional 323,923.66 units were purchased at an issue price of \$3.08714 per unit totalling \$1,000,000. In January 2008 a distribution was reinvested to acquire 84,048.70 units at an issue price of \$2.69360 per unit totalling \$226,393.58. In July 2008 a distribution was reinvested to acquire 11,063.30 units at an issue price of \$2.3597 totalling \$26,106.07. As at 31 December 2009 the redemption price of these units was \$2.2756 (2008: \$1.5473).

(e) The **Kaplan Master Trust Income Fund** units were purchased in October 2003, consisting of 4,248,088.36 units at an issue price of \$1.177 per unit totalling \$5,000,000. As at 31 December 2009 the redemption price of these units was \$0.7421 (2008: \$0.6213).

(f) The **Maple-Brown Abbott Diversified Investment Trust** units were purchased in July 2004, consisting of 2,282,167 units at an issue price of \$2.1909 per unit totalling \$5,000,000. In September 2006, this investment was transferred to the **Maple-Brown Abbott Australian Equity Trust**, consisting of 2,343,040.33 units at an issue price of \$2.3186 per unit totalling \$5,432,521. As at 31 December 2009 the redemption price of these units was \$1.4984 (2008: \$1.1635).

(g) **Perpetual Investments - Wholesale Property Securities Fund** units were purchased in September 2006, consisting of 1,132,502.831 units at an issue price of \$1.766 per unit totalling \$2,000,000. In January 2009 a distribution of \$13,157.36 was received. In April 2009 a distribution of \$8,476.71 was received. In July 2009 a distribution of \$1,494.78 was received. In October 2009 a distribution of \$10,261.28 was received. As at 31 December 2009 the redemption price of these units was \$0.6570 (2008: \$0.6370).

(h) The **Goldman Sachs JBVere Managed Accounts Portfolio** funds were invested in during September 2007 for a total of \$2,000,000. The portfolio consists of directly held Australian stocks. As at 31 December 2009 the market value of the portfolio was \$1,447,637 (2008: \$1,161,665).

(i) The **AMP Responsible Investment Leaders International Share Fund** units were purchased in September 2006, consisting of 2,710,431 at an issue price of \$0.73789 per unit totalling \$2,000,000. As at 31 December 2007, the number of units held was 2,727,630 at a redemption price of \$0.755 totalling \$2,059,361. In January 2008, a distribution was reinvested to acquire 1,028 units at an issue price of \$0.7563. In July 2008, a distribution was reinvested to acquire 22,413 units at an issue price of \$0.6219 totalling \$13,938.64. In January 2009, a distribution was reinvested to acquire 27,473 units at an issue price of \$0.5707 totalling \$15,678.02. In July 2009, a distribution was reinvested to acquire 8,826 units at an issue price of \$0.5502 totalling \$4,856.07. As at 31 December 2009 the redemption price of these units was \$0.5686 (2008: \$0.6187).

10 Current assets - Other current assets

	2009 \$	2008 \$
Prepayments	17,073	12,756
Returnable float	200	200
Deposits (security)	200	200
	<u>17,473</u>	<u>13,156</u>

11 Non-current assets - Property, plant and equipment

	Furniture and fittings \$	Leasehold improvements \$	Computer equipment \$	Computer software \$	Total \$
At 1 January 2008					
Cost	18,014	47,582	81,415	-	147,011
Accumulated depreciation	<u>(9,414)</u>	<u>(46,712)</u>	<u>(36,448)</u>	-	<u>(92,574)</u>
Net book amount	<u>8,600</u>	<u>870</u>	<u>44,967</u>	-	<u>54,437</u>
Year ended 31 December 2008					
Opening net book amount	8,600	870	44,967	-	54,437
Additions	-	-	11,242	-	11,242
Depreciation charge	<u>(3,196)</u>	<u>(358)</u>	<u>(17,224)</u>	-	<u>(20,778)</u>
Closing net book amount	<u>5,404</u>	<u>512</u>	<u>38,985</u>	-	<u>44,901</u>
At 31 December 2008					
Cost	18,014	47,582	92,657	-	158,253
Accumulated depreciation	<u>(12,610)</u>	<u>(47,070)</u>	<u>(53,672)</u>	-	<u>(113,352)</u>
Net book amount	<u>5,404</u>	<u>512</u>	<u>38,985</u>	-	<u>44,901</u>
Year ended 31 December 2009					
Opening net book amount	5,404	512	38,985	-	44,901
Additions	40,217	-	17,036	69,550	126,803
Depreciation charge	<u>(8,275)</u>	<u>(270)</u>	<u>(20,394)</u>	<u>(3,635)</u>	<u>(32,574)</u>
Closing net book amount	<u>37,346</u>	<u>242</u>	<u>35,627</u>	<u>65,915</u>	<u>139,130</u>
At 31 December 2009					
Cost	58,231	47,582	109,693	69,550	285,056
Accumulated depreciation	<u>(20,885)</u>	<u>(47,340)</u>	<u>(74,066)</u>	<u>(3,635)</u>	<u>(145,926)</u>
Net book amount	<u>37,346</u>	<u>242</u>	<u>35,627</u>	<u>65,915</u>	<u>139,130</u>

12 Non-current assets - Intangible assets

	Website development \$
Year 31 December 2008	
Opening net book amount	-
Additions	4,000
Amortisation charge	<u>(667)</u>
Closing net book amount	<u>3,333</u>
At 31 December 2008	
Cost	4,000
Accumulated amortisation	<u>(667)</u>
Net book amount	<u>3,333</u>

12 Non-current assets - Intangible assets (continued)

	Website development \$
Year 31 December 2009	
Opening net book amount	3,333
Additions	-
Amortisation charge	<u>(1,766)</u>
Closing net book amount	<u>1,567</u>
At 31 December 2009	
Cost	4,000
Accumulated amortisation	<u>(2,433)</u>
Net book amount	<u>1,567</u>

Amortisation is calculated on a straight-line basis, and up to 31 December 2008, the capitalised costs were amortised over 5 years. In the year to 31 December 2009, the Trustees adopted a three year amortisation period due to changes in technology.

13 Current liabilities - Payables

	2009 \$	2008 \$
Grants payable		
Royal Prince Alfred Hospital	900,000	900,000
Peter MacCallum Cancer Centre	393,514	-
Institute for Molecular Bioscience	1,250,000	-
Flinders Medical Centre	1,000,000	-
Westmead Institute	1,000,000	250,000
Melbourne Comprehensive Cancer Centre	-	320,107
Queensland Institute of Medical Research	1,145,344	1,820,000
Childrens Cancer Institute of Australia	-	2,330,000
Diamantina Institute	-	1,600,000
University of Tasmania	275,000	275,000
GST on grants payable	<u>596,386</u>	<u>749,510</u>
Total grants payable	<u>6,560,244</u>	<u>8,244,617</u>
Provision for annual leave	63,320	45,597
Sundry creditors and accrued expenses	<u>198,985</u>	<u>78,670</u>
	<u>6,822,549</u>	<u>8,368,884</u>

Reconciliation of grants payable

	2009 \$	2008 \$
Balance at 1 January	8,244,617	7,493,971
Grants expensed	5,000,000	8,000,000
GST recoverable on grants expensed	500,000	800,000
Grants reclassified as non-current	1,750,000	(1,750,000)
GST on grants reclassified as non-current	175,000	(175,000)
Grants paid	<u>(8,281,249)</u>	<u>(5,567,593)</u>
GST recoverable of grants paid	<u>(828,124)</u>	<u>(556,761)</u>
Balance as at 31 December	<u>6,560,244</u>	<u>8,244,617</u>

14 Current liabilities - Provisions

	2009 \$	2008 \$
Provision for legal claim (refer to (a))	<u>240,000</u>	<u>-</u>

(a) Movements in provisions

	Provision for legal claim \$
Carrying amount at start of year	-
Charged to the Statement of comprehensive income	<u>240,000</u>
Carrying amount at end of year	<u>240,000</u>

15 Non-current liabilities - Provisions

	2009 \$	2008 \$
Employee benefits - long service leave (refer to (a))	<u>49,591</u>	<u>16,870</u>

(a) Movements in provisions

	Employee benefits - long service leave \$
Non-current	
Carrying amount at start of year	16,870
Charged to the Statement of comprehensive income	<u>32,721</u>
Carrying amount at end of year	<u>49,591</u>

16 General funds

	2009 \$	2008 \$
General funds at beginning of year	26,551,762	34,798,049
Recognised income and (expenses)	<u>4,270,677</u>	<u>(8,246,287)</u>
Total general funds	<u>30,822,439</u>	<u>26,551,762</u>

17 Contingent liabilities

	2009	2008
	\$	\$
Future grants approved by the Trustees at balance date but agreements not signed:		
Peter MacCallum Cancer Centre	-	2,500,000
Garvan St Vincents Cancer Centre	2,500,000	2,500,000
Institute of Molecular Bioscience	-	2,500,000
Centenary Institute	5,000,000	5,000,000
Royal Melbourne Hospital	1,000,000	1,000,000
Children's Medical Research Institute (CMRI) & University of Newcastle NSW	3,100,000	-
The Centre for Cancer Biology (CCB), South Australian Pathology and the University of Adelaide	<u>3,500,000</u>	<u>-</u>
	<u>15,100,000</u>	<u>13,500,000</u>

18 Non-current liabilities - Payables

	2009	2008
	\$	\$
Grants payable		
Westmead Institute	-	750,000
Flinders Medical Centre	-	1,000,000
GST on grants payable	<u>-</u>	<u>175,000</u>
	<u>-</u>	<u>1,925,000</u>

19 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. Invoices rendered to and paid by the Foundation for such services are stated to represent recovery by those companies and firms only of actual costs they have incurred in providing such services.

20 Commitments

Operating leases

	2009	2008
	\$	\$
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	46,924	46,924
Later than one year but not later than five years	<u>43,013</u>	<u>89,937</u>
	<u>89,937</u>	<u>136,861</u>

The lease is in relation to the premises occupied by the Foundation and is for a 5 year term expiring on 25 November 2011. There is no option to renew before the termination date. There is no option to review the rent. The rent of \$46,924 per annum gross as at 26 November 2006 is fixed for the duration of the lease.

21 Members liabilities

The liability of the members is limited to \$100 (2008: \$100).

22 Events occurring after the reporting period

On 24 February 2010, the Foundation was legally obliged to pay \$240,000 being for the part return of a bequest made to the Foundation in 2008. This was recognised as a current provision at 31 December 2009. The Foundation received notification from the claimant on 23 September 2009.

The amount of \$240,000 was paid by the Foundation on 17 March 2010.

23 Reconciliation of surplus/(deficit) after grants to net cash inflow from operating activities

	2009	2008
	\$	\$
Surplus/(deficit) for the year	4,270,677	(8,246,287)
Depreciation and write-offs	34,340	21,445
Dividend and distributions income	(457,687)	(1,685,400)
Interest income	(969,713)	(1,732,839)
Net fair value (gains)/losses on financial assets	(2,414,629)	7,725,553
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	395,622	(329,224)
Decrease/(increase) in other operating assets	(4,317)	1,258
(Decrease)/increase in trade and grants payables	(3,471,335)	2,727,108
(Decrease)/increase in other operating liabilities	205,183	19,085
Net cash (outflow)/inflow from operating activities	<u>(2,411,859)</u>	<u>(1,499,301)</u>

24 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.

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

	2009 \$	2008 \$
Gross proceeds from fundraising activities		
Donations - Corporate and private	928,295	900,991
Donations - Committees	21,580	11,515
Bequests	4,745,243	3,305,544
Foundation appeals	-	46,499
Proceeds from fundraising activities	<u>1,751,687</u>	<u>1,445,751</u>
	<u>7,446,805</u>	<u>5,710,300</u>
Less: Totals cost of fundraising activities		
Advertising	242,649	306,792
Business development	64,337	15,269
Employee expenses	609,427	493,483
Events management	7,576	17,776
Printing, postage & stationery	85,107	59,110
Promotion expenses	24,320	35,548
Other fundraising activities	<u>70,329</u>	<u>82,688</u>
	<u>1,103,745</u>	<u>1,010,666</u>
	<u>6,343,060</u>	<u>4,699,634</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 make medical research grants upwards from a minimum of \$1.5 million (2008: \$1.5 million) each to selected research units. The selection process, which is carried out by the Foundation's Medical Research Advisory Committee, can extend over a period of one year or more.

During the year the Foundation received net income of \$6,343,060 (2008: \$4,699,634) from fundraising and a net gain of \$3,953,633 (2008: net loss of \$4,221,271) 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.

Medical research grants expensed during the year totalled \$5,000,000 (2008: \$8,000,000). Administration costs incurred during the year totalled \$1,011,510 (2008: \$725,039). The surplus for the year of \$4,270,677 (2008: Deficit of \$8,246,287) was transferred to general funds.

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

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

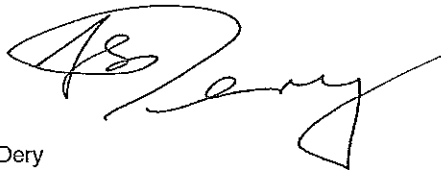
	2009	2008	2009	2008
	\$	\$	%	%
Total cost of fundraising	<u>1,103,745</u>	<u>1,010,666</u>	15	18
Gross income from fundraising	7,466,805	5,710,300		
Net surplus from fundraising	<u>6,343,060</u>	<u>4,699,634</u>	85	82
Gross income from fundraising	7,466,805	5,710,300		
Total cost of service*	<u>5,000,000</u>	<u>8,000,000</u>	70	82
Total expenditure	7,115,255	9,735,705		
Total cost of service*	<u>5,000,000</u>	<u>8,000,000</u>	44	537
Total income received from fundraising and investment	11,400,898	1,489,419		

* "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 31 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the Foundation's financial position as at 31 December 2009 and of its performance for the financial 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 the trustees.



Mr T S Dery
Trustee



Mr S R Rix
Trustee

Sydney
25 March 2010

Declaration by Chairman in respect of fundraising appeals

Declared opinion

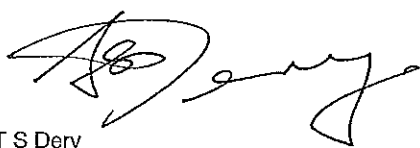
I, T S Dery, Chairman of the Board of Trustees of the Australian Cancer Research Foundation, declare in my opinion:

(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 2009;

(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 2009;

(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 2009; 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.



T S Dery
Chairman

Sydney
25 March 2010

**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 2009, the statement of comprehensive income, statement of changes in accumulated funds and the statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the trustees' declaration for Australian Cancer Research Foundation.

Trustees' responsibility for the financial report

The trustees of the Foundation are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*, section 24 of the *NSW Charitable Fundraising Act 1991* and the *NSW Charitable Fundraising Regulation 2008* and have determined that it is appropriate to meet the needs of the members. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1(a), the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

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

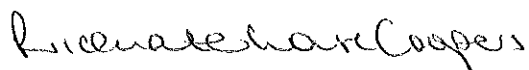
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 directors, 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.

Our audit did not involve an analysis of the prudence of business decisions made by trustees or management.

**Independent auditor's report to the members of
Australian Cancer Research Foundation (continued)**

Cancer Research Foundation 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.



PricewaterhouseCoopers



M Laithwaite
Partner

Sydney
25 March 2010