

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

ABN 27 076 461 360

**Annual report
for the year ended 31 December 2014**

Australian Cancer Research Foundation ABN 27 076 461 360
Annual report - 31 December 2014

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Trustees' report

The Trustees present their report together with the financial report of Australian Cancer Research Foundation ("the Foundation" or "ACRF") for the year ended 31 December 2014 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 Stephen Gerlach AM
Ms Jennifer Hewett
Air Chief Marshal Angus Houston AC AFC (Ret'd)
Mr Peter Jones
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
- Director, Bottlecyclers Pty Ltd
- Director, MECU Ltd
- Director, Yarra Valley Water
- Former Deputy Chair, iSelect Ltd (resigned 30 October 2014)

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

Other positions held and current directorships
- Chair, Melbourne and Olympic Parks Trust
- Chairman, Orica Limited
- Non-executive Director, Aurizon Holdings Limited
- Director, St Kilda Football Club

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 for the 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
- Director, Queenwood School for Girls
- Former Director, Dean's Advisory Council, Faculty of Arts and Social Sciences, University of New South Wales (retired 1 October 2014)
- Former Chair, Helloworld (retired 1 October 2014)

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
- Chancellor, Flinders University
- Member, AICD Corporate Governance Committee
- Chairman, Adelaide Capital Partners Pty Ltd
- Chairman, Gerlach Asset Development Pty Ltd
- Former Chair, Foodbank SA Inc - (resigned December 2014)
- Former Director, Foodbank Australia Ltd - (resigned December 2014)

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, Air Services Australia
- Chair, Defence South Australia
- Chair, Order of Australia Council
- Chair, Canberra Symphony Orchestra
- Chair, Queensland Mind and Neuroscience Institute Foundation
- Chair, University of New South Wales Canberra Advisory Council (commencing February 2015)
- Chair, Corporate Advisory Council, Victorian Police
- Director, Lowy Institute for International Policy
- Board Member, Greater Good
- Member, Executive Command Group, Victorian Police
- Member, Anzac Centenary Public Fund Board

Mr Peter Jones

LLB, University of Technology, Sydney. BSurv, University of NSW

Trustee since 2 June 2005

Other positions held and current directorships

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

Information on trustees (continued)

Mr James Millar AM

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

Other positions held and current directorships

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

Mr Simon Perrott

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

Other positions held and current directorships

- Director , Lend Lease Real Estate Investments Limited
- Director , The Wayside Chapel,
- Chairman , Poetry In Action
- Former Australian Chair, Investment Banking CIMB (Ret'd 2014)

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

Sir Ian Turbott AO, CMG, CVO.

Hon D Litt (University of Western Sydney).
Trustee since 18 June 1984.

Other positions held and current directorships

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

Dr John Yu AC MB

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

Trustee since 1 December 2005.

Other positions held and current directorships

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

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 2014, 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	-	-
Mr Russell Caplan	5	2	-	-
Mr Tim Crommelin	5	2	4	2
Mr Tom Dery	5	5	4	4
Mr Stephen Gerlach AM	5	3	-	-
Ms Jennifer Hewett	5	4	-	-
Air Chief Marshal Angus Houston AC AFC (Ret'd)	5	-	-	-
Mr Peter Jones	5	5	-	-
Mr James Millar AM	5	4	4	3
Mr Simon Perrott	5	2	4	2
Mr Stephen Rix	5	5	4	4
Sir Ian Turbott AO CMG CVO	5	-	-	-
Dr John Yu AC	5	3	-	-

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 \$10,401,723 (2013: surplus of \$9,856,993). Deficit after grants expense was \$2,998,277 (2013 surplus: \$2,356,993).

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 Officer (CEO). 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 2014 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. In 2014, ICANN formally approved the right for ACRF to exclusively use the domain name under the agreement dated 15 May 2014. This was done with the belief it will enhance the fundraising capabilities of the Foundation over the medium to long term.

On 4 February 2015, World Cancer Day, ACRF launched the .cancerresearch top level domain, highlighted by "The One" campaign.

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

Environmental regulation

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

Indemnification and insurance of officers and auditors

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

During the financial year the Foundation has paid premiums in respect of Trustees' and officers' liability and legal expenses insurance contracts for the year ending 31 December 2014. 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 18 of the financial statements, Related party transactions.

Grants paid and awarded

In 2014 the Foundation paid grants (excluding GST) totalling \$20,257,194 (2013: \$4,690,000) as listed below.

	2014 \$	2013 \$
Ludwig Institute for Cancer Research	-	500,000
Monash Institute for Medical Research	-	800,000
SA Pathology (The Centre of Cancer Biology)	-	700,000
Western Australian Institute for Medical Research	-	690,000
Westmead Millennium Institute for Medical Research	3,000,000	2,000,000
Royal Prince Alfred Hospital	900,000	-
University of Queensland Centre for Clinical Research	2,000,000	-
University of Queensland Centre for Diamantina Institute for Cancer	1,500,000	-
Peter MacCallum Cancer Centre	2,907,194	-
Centenary Institute	4,000,000	-
Children's Medical Research Institute	1,400,000	-
South Australian Health and Medical Research Institute	1,800,000	-
Victorian Comprehensive Cancer Centre	2,000,000	-
QIMR Berghofer Medical Research Institute	750,000	-
	<u>20,257,194</u>	<u>4,690,000</u>

Grants paid and awarded (continued)

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

	2014	2013
	\$	\$
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
Walter and Eliza Hall Institute for Medical Research	2,500,000	-
University of Sydney Central Clinical School	2,500,000	-
University of Queensland Centre for Advanced Imaging	2,500,000	-
Children's Cancer Institute	1,500,000	-
	9,000,000	8,400,000

At year end all 2014 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 60.40 of the *Australian Charities and Not-for-profits Commission Act 2012 (ACNC)* is set out on page 8 and forms part of the Trustees' report.

Auditor

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

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



Mr Stephen Rix
Trustee

Sydney
26 March 2015



Auditor's Independence Declaration

As auditor for the audit of the Australian Cancer Research Foundation for the year ended 31 December 2014, I declare that to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read 'M. Laithwaite', is written over the printed name.

Marcus Laithwaite
Partner
PricewaterhouseCoopers

Sydney
26 March 2015

Australian Cancer Research Foundation ABN 27 076 461 360

Annual report - 31 December 2014

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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 26 March 2015. 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 2014**

	Notes	2014 \$	2013 \$
Revenue from continuing operations	3	13,925,082	12,507,309
Employee benefits expense		(1,401,347)	(1,234,506)
Fundraising expenses		(852,928)	(806,487)
Website and domain name development expense		(719,732)	-
Office and premises expenses		(153,983)	(164,221)
Investment management fees		(126,403)	(118,000)
Professional service fees		(82,205)	(74,942)
Other expenses		(186,761)	(252,160)
Surplus for the year before grants		<u>10,401,723</u>	9,856,993
Grants paid during the year	5	<u>(13,400,000)</u>	(7,500,000)
Net (deficit) surplus for the year after grants awarded		<u>(2,998,277)</u>	2,356,993
Other comprehensive income for the year		<u>-</u>	-
Total comprehensive (deficit) income for the year		<u>(2,998,277)</u>	2,356,993

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 2014**

	Notes	2014 \$	2013 \$
ASSETS			
Current assets			
Cash and cash equivalents	6	8,993,319	22,794,297
Trade and other receivables	7	1,460,306	1,780,186
Investments	8	4,161,598	4,843,838
Other current assets	9	68,807	68,865
Total current assets		<u>14,684,030</u>	<u>29,487,186</u>
Non-current assets			
Investments	10	18,352,897	13,809,867
Property, plant and equipment	11	39,254	27,395
Intangible assets	12	-	10,275
Other non-current assets	13	360,000	621,664
Total non-current assets		<u>18,752,151</u>	<u>14,469,201</u>
Total assets		<u>33,436,181</u>	<u>43,956,387</u>
LIABILITIES			
Current liabilities			
Trade and other payables	14	5,282,301	12,796,024
Provisions	15	86,747	64,835
Total current liabilities		<u>5,369,048</u>	<u>12,860,859</u>
Non-current liabilities			
Provisions	16	20,854	50,972
Total non-current liabilities		<u>20,854</u>	<u>50,972</u>
Total liabilities		<u>5,389,902</u>	<u>12,911,831</u>
Net assets		<u>28,046,279</u>	<u>31,044,556</u>
ACCUMULATED FUNDS			
Endowed funds for perpetual investment		10,000	10,000
General funds	17(a)	28,036,279	31,034,556
Total accumulated funds		<u>28,046,279</u>	<u>31,044,556</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 2014**

	Endowed funds for perpetual investment \$	General funds \$	Total equity \$
Balance at 1 January 2013	10,000	28,677,563	28,687,563
Surplus/(deficit) for the year	-	2,356,993	2,356,993
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	2,356,993	2,356,993
Balance at 31 December 2013	10,000	31,034,556	31,044,556
Balance at 1 January 2014	10,000	31,034,556	31,044,556
Surplus/(deficit) for the year	-	(2,998,277)	(2,998,277)
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	(2,998,277)	(2,998,277)
Balance at 31 December 2014	10,000	28,036,279	28,046,279

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 2014**

	2014	2013
Notes	\$	\$
Cash flows from operating activities		
Receipts in the course of operations	12,317,921	8,572,436
Payments in the course of operations	(3,220,628)	(2,567,204)
Payments in relation to grants	(20,937,950)	(4,652,500)
Net cash (outflow) inflow from operating activities	<u>(11,840,657)</u>	<u>1,352,732</u>
Cash flows from investing activities		
Payments for property, plant and equipment	11 (25,063)	(15,957)
Payments for purchase of financial assets	(27,810,000)	(20,269,200)
Proceeds from disposal of financial assets	24,319,994	33,057,052
Dividends and distributions received	699,749	924,781
Interest received	854,999	1,163,275
Payments for deferred expenditures	-	(59,907)
Net cash (outflow) inflow from investing activities	<u>(1,960,321)</u>	<u>14,800,044</u>
Cash flows from financing activities		
Net cash inflow from financing activities	<u>-</u>	<u>-</u>
Net (decrease) increase in cash and cash equivalents	(13,800,978)	16,152,776
Cash and cash equivalents at the beginning of the financial year	<u>22,794,297</u>	<u>6,641,521</u>
Cash and cash equivalents at end of year	6 <u>8,993,319</u>	<u>22,794,297</u>

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

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1 Summary of significant accounting policies

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

(a) Basis of preparation

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

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

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

(ii) New and amended standards adopted by the Foundation

The Foundation has applied the following standards and amendments for first time in their annual reporting period commencing 1 January 2014:

- AASB 2012-10 *Amendments to Australian Accounting Standards - Transition Guidance and other Amendments* which provides an exemption from the requirement to disclose the impact of the change in accounting policy on the current period
- AASB 13 *Fair Value Measurement* and AASB 2011-8 *Amendments to Australian Accounting Standards arising from AASB 13*
- AASB 2012-5 *Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle* and
- AASB 2012-2 *Amendments to Australian Accounting Standards - Disclosures - Offsetting Financial Assets and Financial Liabilities*

The adoption of the above listed standards did not have any impact to the amounts recognised in the financial statements.

(iii) Historical cost convention

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

(iv) 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 the right to receive payment is established. Franking credits from dividends are recognised on an accruals basis.

(iv) Donations

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

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

(v) Committee fundraising activities

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

(vi) Bequests

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

(d) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the acquisition cost of the assets or 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. There has been no impairment loss recognised in the current year.

(j) Investments and other financial assets

Classification

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

(i) Financial assets at fair value through profit 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 the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

1 Summary of significant accounting policies (continued)

(m) Employee entitlements

(i) Short-term obligations

Liabilities for employee benefits for wages, salaries, annual leave and sick leave represent present obligations resulting from employees' services provided up to the 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. The costs have been fully amortised since 31 December 2013.

(q) Website and domain name development expense

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

(r) Leases

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

(s) 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.

(t) Comparative figures

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

In the current year, \$13,809,867 of the Investments balance from 31 December 2013 has been re-classified from current to non-current assets since the Foundation does not expect to realise those investments in the next 12 months.

(u) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2014 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 2018)*

AASB 9 *Financial Instruments* addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2018 but is available for early adoption.

The Foundation will need to classify its investments as either amortised cost or fair value at the time of AASB 9 adoption, however the Trustees do not expect this will have a significant impact on the Foundation's financial statements. The Foundation has not yet decided when to adopt AASB 9.

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 quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2), and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

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

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves
- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

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

3 Revenue

	2014 \$	2013 \$
From continuing operations		
Donations	1,077,686	1,001,308
Fundraising proceeds	2,406,869	2,844,306
Bequests	8,371,379	5,206,052
Investment revenue	1,634,341	1,788,657
Net fair value gains on financial assets at fair value through profit or loss	398,567	1,653,378
Profit on sale of investments	27,754	13,093
Other revenue	8,486	515
	13,925,082	12,507,309
	2014 \$	2013 \$
Investment revenue		
Interest and bank bills discount received	776,812	1,001,550
Dividends received	4,743	2,880
Franking credits refunded	97,630	88,046
Managed trusts fund distributions	755,156	696,181
	1,634,341	1,788,657

4 Expenses

	2014	2013
	\$	\$
Surplus before income tax includes the following specific expenses:		
<i>Depreciation</i>		
Plant and equipment	13,204	19,468
Total depreciation	13,204	19,468
<i>Amortisation</i>		
Computer software	10,275	13,910
Website development	-	744
Total amortisation	10,275	14,654
Total depreciation and amortisation	23,479	34,122
<i>Rental expense relating to operating leases</i>		
Minimum lease payments	70,247	66,234

5 Grants paid during the year

	2014	2013
	\$	\$
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
Children's Medical Research Institute	2,000,000	-
Centenary Institute	5,000,000	-
South Australian Health and Medical Research Institute	1,800,000	-
Victorian Comprehensive Cancer Centre	2,000,000	-
QIMR Berghofer Medical Research Institute	2,600,000	-
	13,400,000	7,500,000

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

6 Current assets - Cash and cash equivalents

	2014 \$	2013 \$
Cash at bank - accumulated net investment revenues	292,204	412,209
Cash at bank - funds retained for future research projects	8,684,040	22,365,013
Petty cash	300	300
Restricted cash	16,775	16,775
	<u>8,993,319</u>	<u>22,794,297</u>

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

7 Current assets - Trade and other receivables

	2014 \$	2013 \$
Dividends and distributions receivable	183,399	123,249
Donations receivable	34,016	507,837
Franking credits receivable	97,630	-
Interest receivable	8,496	10,827
GST receivable	1,136,765	1,138,273
	<u>1,460,306</u>	<u>1,780,186</u>

(a) Past due but not impaired

As at 31 December 2014, receivables do not contain impaired assets and are not past due.

8 Current assets - Investments

	2014 \$	2013 \$
Bank bills and term deposits - held to maturity		
Accumulated net investment revenues	503,381	1,510,787
Funds retained for future research projects	3,658,217	3,333,051
	<u>4,161,598</u>	<u>4,843,838</u>

9 Current assets - Other current assets

	2014 \$	2013 \$
Prepayments	68,407	68,465
Returnable float	200	200
Deposit (security)	200	200
	<u>68,807</u>	<u>68,865</u>

10 Non-current assets - Investments

	2014 \$	2013 \$
Bank bills and term deposits - held to maturity		
Funds retained for future research projects	3,006,384	-
	3,006,384	-
Managed portfolio investments - at fair value through profit or loss		
Equity securities - at fair value through profit or loss	15,280,459	13,740,156
	66,054	69,711
	15,346,513	13,809,867
	18,352,897	13,809,867

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

11 Non-current assets - Property, plant and equipment

	Furniture and fittings \$	Leasehold improvements \$	Computer equipment \$	Total \$
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	11,892	-	15,503	27,395
Year ended 31 December 2014				
Opening net book amount	11,892	-	15,503	27,395
Additions	-	-	25,063	25,063
Depreciation charge	(5,377)	-	(7,827)	(13,204)
Closing net book amount	6,515	-	32,739	39,254
At 31 December 2014				
Cost	72,078	47,582	120,071	239,731
Accumulated depreciation	(65,563)	(47,582)	(87,332)	(200,477)
Net book amount	6,515	-	32,739	39,254

12 Non-current assets - Intangible assets

	Computer software \$	Website development \$	Total \$
At 31 December 2013			
Cost	69,550	54,000	123,550
Accumulation amortisation	(59,275)	(54,000)	(113,275)
Net book amount	10,275	-	10,275
Year ended 31 December 2014			
Opening net book amount	10,275	-	10,275
Amortisation charge	(10,275)	-	(10,275)
Closing net book amount	-	-	-
At 31 December 2014			
Cost	69,550	54,000	123,550
Accumulated amortisation	(69,550)	(54,000)	(123,550)
Net book amount	-	-	-

13 Non-current assets - Other non-current assets

	2014 \$	2013 \$
Prepaid domain name license	-	261,664
Security deposit	360,000	360,000
	360,000	621,664

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

14 Current liabilities - Payables

	2014	2013
	\$	\$
Grants payable		
Royal Prince Alfred Hospital	-	900,000
Westmead Millenium Institute for Medical Research	-	3,000,000
University of Queensland Centre for Clinical Research	-	2,000,000
Western Australian Institute for Medical Research	100,000	100,000
University of Queensland Centre Diamantina Institute for Cancer	500,000	2,000,000
Peter MacCallum Cancer Centre	592,806	3,500,000
Centenary Institute	1,000,000	-
Children's Medical Research Institute	600,000	-
QIMR Berghofer Medical Research Institute	1,850,000	-
GST on grants payable	464,281	1,150,000
Total grants payable	5,107,087	12,650,000
 Sundry creditors and accrued expenses	 175,214	 146,024
	5,282,301	12,796,024

	2014	2013
	\$	\$
Reconciliation of grants payable		
Balance at 1 January	12,650,000	9,559,000
Grants expensed	13,400,000	7,500,000
GST recoverable on grants expensed	1,340,000	750,000
Grants paid	(20,257,194)	(4,690,000)
GST recoverable of grants paid	(2,025,719)	(469,000)
Balance at 31 December	5,107,087	12,650,000

15 Current liabilities - Provisions

	2014	2013
	\$	\$
Provision for annual leave	86,747	64,835

16 Non-current liabilities - Provisions

	2014	2013
	\$	\$
Employee benefits - long service leave	20,854	50,972

17 General funds

(a) General funds

	2014	2013
	\$	\$
Balance 1 January	31,034,556	28,677,563
Net (deficit)/surplus for the year after grants awarded	<u>(2,998,277)</u>	<u>2,356,993</u>
Balance 31 December	<u>28,036,279</u>	<u>31,034,556</u>

18 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 ceased to be a related party from 31 December 2013. Myer Family Company professional investment management fees in prior year was \$118,000.

M&C Saatchi advertising fees \$nil (2013: \$nil).

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

19 Commitments

Operating leases

	2014	2013
	\$	\$
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	74,729	69,840
Later than one year but not later than five years	<u>74,729</u>	<u>139,680</u>
Commitments not recognised in the financial statements	<u>149,458</u>	<u>209,520</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.

20 Contingencies

(a) Contingent liabilities

The Foundation had contingent liabilities at 31 December 2014 in respect of:

(i) Grants

	2014	2013
	\$	\$
Future grants approved by the Trustees at reporting date but agreements not signed:		
Centenary Institute	-	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
Walter and Eliza Hall Institute of Medical Research	2,500,000	-
University of Sydney Central Clinical School	2,500,000	-
University of Queensland Centre for Advanced Imaging	2,500,000	-
Children's Cancer Institute	1,500,000	-
	9,000,000	13,400,000

(ii) Contingent consideration

In subsequent years, the estimated annual contingent liability in respect of the domain name license will be USD200,000.

(iii) Guarantees

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

21 Members liabilities

The liability of the members is limited to \$100 (2013: \$100).

22 Events occurring after the reporting period

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

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

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

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

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

	2014	2013
	\$	\$
Gross proceeds from fundraising activities		
Donations - Corporate and private	1,068,778	991,763
Donations - Committees	8,908	9,545
Bequests	8,371,379	5,206,052
Fundraising proceeds	<u>2,406,869</u>	<u>2,844,306</u>
	<u>11,855,934</u>	<u>9,051,666</u>
Less: Total costs of fundraising activities		
Advertising	208,272	186,518
Business development	10,279	21,463
Employee expenses	934,812	809,986
Events management	90,270	76,845
Printing, postage and stationary	19,274	15,058
Promotion expenses	120,444	99,107
Other fundraising activities	<u>404,389</u>	<u>407,496</u>
	<u>1,787,740</u>	<u>1,616,473</u>
	<u>10,068,194</u>	<u>7,435,193</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 (2013: \$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 \$10,068,194 (2013: \$7,435,193) from fundraising and a net gain of \$1,634,341 (2013: net gain of \$1,788,657) from investment revenue and a net gain of \$434,807 (2013: net gain of \$1,666,986) from fair value movement of investments, profit on sale of investments and other revenue.

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

(b) Information on any material occurrence (continued)

Medical research grants expensed during the year totalled \$13,400,000 (2013: \$7,500,000). Administration costs incurred during the year totalled \$1,015,887 (2013: \$1,033,844). The deficit for the year of \$2,998,277 (2013: surplus of \$2,356,993) was applied against 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

	2014 \$	2013 \$	2014 %	2013 %
Total cost of fundraising	1,787,740	1,616,473	15	18
Gross income from fundraising	<u>11,855,934</u>	<u>9,051,666</u>		
Net surplus from fundraising	10,068,194	7,435,193	85	82
Gross income from fundraising	<u>11,855,934</u>	<u>9,051,666</u>		
Total cost of service*	13,400,000	7,500,000	79	74
Total expenditure	<u>16,923,359</u>	<u>10,150,316</u>		
Total cost of service*	13,400,000	7,500,000	96	60
Total income received from fundraising and investment	<u>13,925,082</u>	<u>12,507,309</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.

In the Trustees' opinion:

- (a) the financial statements and notes set out on pages 9 to 30 are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012 (ACNC)*, including:
 - (i) complying with Accounting Standards - Reduced Disclosure Requirements and other mandatory professional reporting requirements, and
 - (ii) giving a true and fair view of the Foundation's financial position as at 31 December 2014 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 Stephen Rix
Trustee

Sydney
26 March 2015

**Australian Cancer Research Foundation
Declaration by Chairman in respect of fundraising appeals
31 December 2014**

Declaration by Chairman in respect of fundraising appeals

Declared opinion

I, Stephen Rix, Trustee 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 2014;

(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 2014;

(c) the provisions of the *Charitable Fundraising Act 1991 (NSW)* and the Regulations and conditions attached to the authority have been complied with for the financial year ended 31 December 2014; and

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

A handwritten signature in black ink, appearing to be 'S. Rix', written over a horizontal line.

Mr Stephen Rix
Trustee

Sydney
26 March 2015



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

Report on the financial report

We have audited the accompanying financial report of the Australian Cancer Research Foundation (the Foundation), which comprises the balance sheet as at 31 December 2014, 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 *Australian Charities and Not-for-profits Commission Act 2012 (ACNC)* and for such internal control as the trustees determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Foundation's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the trustees, as well as evaluating the overall presentation of the financial report.

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



Basis for qualified opinion

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

Qualified opinion

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

- (a) giving a true and fair view of the Foundation's financial position as at 31 December 2014 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements.

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

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

Auditor's opinion

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

- a) the financial report and associated records have been properly kept during the financial year ended 31 December 2014 in accordance with:
 - (i) sections 20(1), 22(1-2), 24(1-3) of the *Charitable Fundraising Act 1991 (NSW)*; and
 - (ii) sections 9(6) and 10 of the *Charitable Fundraising Regulations 2008 (NSW)*.
- b) the money received as a result of fundraising appeals conducted by the Foundation during the financial year ended 31 December 2014 has been properly accounted for and applied in accordance with the above mentioned NSW Act 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 2014 included on the Australian Cancer Research Foundation's website. The Foundation's trustees are responsible for the integrity of the Australian Cancer Research Foundation's website. We have not been engaged to report on the integrity of this website. 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 website.

A handwritten signature in black ink, appearing to read 'R. Michael Cooper', written in a cursive style.

PricewaterhouseCoopers

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

Marcus Laithwaite
Partner

Sydney
26 March 2015