

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

ABN 27 076 461 360

**Financial statements  
for the year ended 31 December 2008**

**Australian Cancer Research Foundation** ABN 27 076 461 360  
**Financial statements - 31 December 2008**

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## 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 2008 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:

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)

### Information on trustees

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

***Other positions held and current directorships***

- Director, Cauty Pty Ltd
- Honorary Governor of the Science Foundation for Physics at the University of Sydney
- Former Director, 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 Superpartners Pty Ltd
- Board member, 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***

- Chairman, ABN AMRO Morgans Limited, a participant of ASX Limited
- Board of Directors, Brisbane Lions
- Board of Directors, Brisbane Grammar School
- Director, Investment Advisory Board of the Australian National University
- Director, Abney Hotels Limited
- Chairman, Queensland Gas Company Limited
- Member of the Senate, University of Queensland

**Information on trustees (continued)**

**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, M&C Saatchi
- Board Member Asia Link
- Director, Jetset Travelworld Limited

**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, The Myer Foundation and the Victorian Arts Centre Trust
- Director, Mypac Pty Ltd, Barclay Custodians Pty Ltd, Sidney Myer Custodians Pty Ltd, Mayfair Hanoi Ltd (Vietnam) and Australian Geographic Retail Pty Ltd
- Director, 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), Ward Ferry Asian Reconnaissance Fund Ltd (Hong Kong)
- Chairman, Sidney Myer Fund and Estate

**Mr S Gerlach.** *Trustee since 15 November 1996*

***Other positions held and current directorships***

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

**Mr P A S Jones.** *Trustee since 2 June 2005*

***Other positions held and current directorships***

Solicitor Partner, 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
- Director, Tinine Pty Ltd
- Chairman, Private Investment Company
- Patron of Australian Ladies Variety Association

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

***Other positions held and current directorships***

- CEO, Ernst & Young Australia
- Member, 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***

Managing Director, Co-Head of Investment Banking ABN AMRO Australia Limited

**Information on trustees (continued)**

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

***Other positions held and current directorships***

- Chairman, Travelex Australasia
- Investment committee member, JF Infrastructure
- Non-executive Director, Allen & Unwin Pty Limited
- Non-executive Director, 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, I T Graham Investments Pty Limited and Australian Youth Trust
- Director Commonwealth Council, Ted Noffs Foundation
- Fellow 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 CEO, Children's Hospital at Westmead
- Chair, George Institute for International Health, Advisory Council of International Centre of Excellence for Asia Pacific Studies (ANU), Advisory Council for Asian Art and Archaeology (University of Sydney)
- Chair of VisAsia, Art Gallery of NSW
- Formerly, 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*

***Other positions held and current directorships***

- CFO Asia Pacific - M&C Saatchi
- Director, M&C Saatchi Agency Pty Limited
- Director, M&C Saatchi Ltd (New Zealand)

The trustees have been in the office since the start of the financial year to the date of this report unless otherwise stated. The trustees also have a wide range of business and community interests.

**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	5	4	-	-
Mr G J Camm	5	2	-	-
Mr T B I Crommelin	5	2	4	1
Mr T S Dery	5	5	4	4
Mr C B Gantner AO	5	3	-	-
Mr S Gerlach	5	1	-	-
Mr P A Jones	5	2	-	-
Lady McMahon	5	5	-	-
Mr J M Millar	5	4	4	3
Mr S J Perrott	5	3	4	4
Mr S R Rix	5	5	4	4
Sir I Turbott AO, CMG, CVO	5	2	-	-
Dr J. S. Yu AC	5	5	-	-
Mr P M Cameron (Alternate)	5	-	-	-

A = Number of meetings eligible to attend

B = Number of meetings attended

**Principal activities**

The principal activity of the Foundation during the year was to act as a charitable institution providing cancer research funds. No significant change in the nature of those activities 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 deficit for the year before grants was \$246,287 (2007: surplus of \$8,804,942). Deficit after grants expense was \$8,246,287 (2007: surplus of \$1,504,942). 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 2008 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 1991.

**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 1 June 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 2008 the Foundation paid grants (excluding GST) totalling \$5,567,593 as listed below.

	<b>2008</b> <b>\$</b>
Menzies Research Centre	550,000
Children's Cancer Institute of Australia	770,000
Queensland Institute of Medical Research	880,000
Melbourne Comprehensive Cancer Centre	1,467,593
Royal Prince Alfred Hospital	300,000
Diamantina Institute for Cancer	<u>1,600,000</u>
	<u><b>5,567,593</b></u>

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

Peter MacCallum Cancer Centre	2,500,000
Garvan St Vincents Cancer Centre	2,500,000
Institute for Molecular Bioscience	<u>2,500,000</u>
	<u><b>7,500,000</b></u>

At year-end all three 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  
2 April 2009



**PricewaterhouseCoopers**  
**ABN 52 780 433 757**

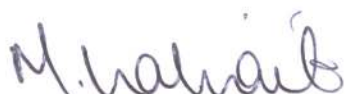
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## Auditor's Independence Declaration

As lead auditor for the audit of Australian Cancer Research Foundation for the year ended 31 December 2008, 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  
2 April 2009

# Australian Cancer Research Foundation ABN 27 076 461 360

## Financial statements - 31 December 2008

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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 2 April 2009. The Foundation has the power to amend and reissue the financial report.

**Australian Cancer Research Foundation**  
**Income statement**  
**For the year ended 31 December 2008**

	Notes	2008 \$	2007 \$
<b>Revenue from continuing operations</b>	3	<b>1,489,419</b>	10,256,995
Employee benefits expense		<b>(846,791)</b>	(785,670)
Fundraising expenses	3	<b>(517,183)</b>	(383,031)
Office and premises expenses		<b>(126,095)</b>	(120,738)
Consultancy fees		<b>(107,942)</b>	(33,286)
Other expenses		<b>(137,695)</b>	(129,328)
<b>(Deficit) / surplus for the year before grants</b>		<b>(246,287)</b>	8,804,942
Grants expense	5	<b>(8,000,000)</b>	(7,300,000)
<b>Net (deficit) / surplus for the year</b>		<b>(8,246,287)</b>	1,504,942

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

**Australian Cancer Research Foundation**  
**Balance sheet**  
**As at 31 December 2008**

	Notes	2008 \$	2007 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	8	13,418,393	12,176,954
Trade and other receivables	9	1,373,153	700,279
Investments and other financial assets	10	22,019,580	29,440,026
Other current assets	11	<u>13,156</u>	<u>14,414</u>
<b>Total current assets</b>		<u><b>36,824,282</b></u>	<u><b>42,331,673</b></u>
<b>Non-current assets</b>			
Property, plant and equipment	12	44,901	54,437
Intangible assets	13	<u>3,333</u>	<u>-</u>
<b>Total non-current assets</b>		<u><b>48,234</b></u>	<u><b>54,437</b></u>
<b>Total assets</b>		<u><b>36,872,516</b></u>	<u><b>42,386,110</b></u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	14	<u>8,368,884</u>	<u>4,828,061</u>
<b>Total current liabilities</b>		<u><b>8,368,884</b></u>	<u><b>4,828,061</b></u>
<b>Non-current liabilities</b>			
Provisions	15	16,870	-
Payables	18	<u>1,925,000</u>	<u>2,750,000</u>
<b>Total non-current liabilities</b>		<u><b>1,941,870</b></u>	<u><b>2,750,000</b></u>
<b>Total liabilities</b>		<u><b>10,310,754</b></u>	<u><b>7,578,061</b></u>
<b>Net assets</b>		<u><b>26,561,762</b></u>	<u><b>34,808,049</b></u>
<b>Accumulated funds</b>			
Endowed funds for perpetual investment		10,000	10,000
General funds	16	<u>26,551,762</u>	<u>34,798,049</u>
<b>Total accumulated funds</b>		<u><b>26,561,762</b></u>	<u><b>34,808,049</b></u>

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

**Australian Cancer Research Foundation**  
**Statement of recognised income and expense**  
**For the year ended 31 December 2008**

	2008	2007
	\$	\$
<b>Net income recognised directly in equity</b>	-	-
Net (deficit) surplus after tax attributable to the members	<u>(8,246,287)</u>	<u>1,504,942</u>
<b>Total recognised income and expense for the year</b>	<u>(8,246,287)</u>	<u>1,504,942</u>

*The above statement of recognised income and expense should be read in conjunction with the accompanying notes.*

**Australian Cancer Research Foundation**  
**Cash flow statement**  
**For the year ended 31 December 2008**

	2008	2007
Notes	\$	\$
<b>Cash flows from operating activities</b>		
Receipts in the course of operations	5,796,733	9,057,321
Payments in the course of operations	(1,728,441)	(1,499,605)
Payments in relation to grants	(5,567,593)	(4,592,299)
<b>Net cash (outflow) inflow from operating activities</b>	<b>22</b> <u>(1,499,301)</u>	<u>2,965,417</u>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(15,242)	(7,417)
Payments for investments and other financial assets	(305,107)	(2,709,285)
Dividends and distributions received	1,365,482	2,396,276
Interest received	1,695,607	1,174,613
<b>Net cash (outflow) inflow from investing activities</b>	<u>2,740,740</u>	<u>854,187</u>
<b>Net decrease in cash and cash equivalents</b>	<b>1,241,439</b>	<b>3,819,604</b>
Cash and cash equivalents at the beginning of the financial year	<u>12,176,954</u>	<u>8,357,350</u>
<b>Cash and cash equivalents at end of year</b>	<b>8</b> <u>13,418,393</u>	<u>12,176,954</u>

*The above cash flow statement 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 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*

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards. Compliance with AIFRSs ensures that the financial statements and notes comply with International Financial Reporting Standards (IFRS).

#### *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 AIFRS 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 and trust distributions are recognised on a cash basis.

#### *(iv) Donations*

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

The Australian Cancer Research Foundation, in common with most organisations dependent on such contributions, 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 Australian Cancer Research 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 income statement. 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 income statement 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 income statement 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 income statement 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 income statement.

## **1 Summary of significant accounting policies (continued)**

### **(l) Grants**

Grants are recognised as a liability in the financial statements when the Board of 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 Board of 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.

#### *Change in accounting policy*

Grants payable have been categorised as a non-current liability where the Foundation expects the liability to be settled more than twelve months after the reporting date. In previous reporting periods, the full balance of grants payable was classified as a current liability. The new policy has been applied retrospectively and comparative information in relation to the 2007 financial year has been restated accordingly, resulting in \$2,750,000 being reclassified as a non-current liability in 2007.

### **(m) New accounting standards and interpretations**

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2008 reporting periods. The Foundations's assessment of the impact of these new standards and interpretations are set out below:

(i) *Revised AASB 101 Presentation of Financial Statements and AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101*

A revised AASB 101 was issued in September 2007 and is applicable to 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 recognised income and expense, but will not affect any of the amount recognised in the financial statements. If an entity has 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 intends to apply the revised standard from 1 January 2009.

(ii) *Revised AASB 123 Borrowing Costs and AASB 2007-6 Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12]*

The revised AASB 123 is applicable to annual reporting periods commencing on or after 1 January 2009. It has removed the option to expense all borrowing costs and - when adopted - will require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. There will be no impact on the financial report of the Foundation, as the Foundation does already capitalise borrowing costs relating to qualifying assets.

### **(n) 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 over a period of 5 years.

## 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 2008 and 2007, 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 2008	Carrying amount \$	Interest rate risk				Price risk			
		-1%		+1%		-10%		+10%	
		Profit \$	Equity \$	Profit \$	Equity \$	Profit \$	Equity \$	Profit \$	Equity \$
<b>Financial assets</b>									
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
<b>Total increase/ (decrease)</b>		<u>(202,250)</u>	<u>(202,250)</u>	<u>202,250</u>	<u>202,250</u>	<u>(1,077,552)</u>	<u>(1,077,552)</u>	<u>1,077,552</u>	<u>1,077,552</u>

## 2 Financial risk management (continued)

31 December 2007	Carrying amount \$	Interest rate risk				Price risk			
		-1%		+1%		-10%		+10%	
		Profit \$	Equity \$	Profit \$	Equity \$	Profit \$	Equity \$	Profit \$	Equity \$
<b>Financial assets</b>									
Cash and cash equivalents	12,176,654	(121,767)	(121,767)	121,767	121,767				
Bank bills and term deposits	11,156,048	(72,638)	(72,638)	72,638	72,638				
Investments at fair value	18,283,978	-	-	-	-	(1,828,393)	(1,828,393)	1,828,393	1,828,393
<b>Total increase/ (decrease)</b>		<b>(194,405)</b>	<b>(194,405)</b>	<b>194,405</b>	<b>194,405</b>	<b>(1,828,393)</b>	<b>(1,828,393)</b>	<b>1,828,393</b>	<b>1,828,393</b>

### (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 \$13,418,393 (2007: \$12,176,654). For banks and financial institutions, only independently rated parties with a high quality rating are used.

### (c) Liquidity risk

In order to monitor liquidity risk, management monitors 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 2008	Less than 1 year \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$
Grants payable	8,244,617	1,925,000	-	-
<b>At 31 December 2007</b>				
Grants payable	4,743,971	2,750,000	-	-

### (d) Fair value estimation

The fair value of the 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 is based on quoted market prices at the balance sheet date.

The net fair value of all financial assets and liabilities in the balance sheet approximates their carrying values.

### 3 Revenue and fundraising expenses

	2008 \$	2007 \$
<b>Revenue from continuing operations</b>		
Donations	912,506	1,018,746
Fundraising proceeds (note (b) below)	1,492,250	1,290,453
Bequests	3,305,544	5,911,830
Investment revenue (note (a) below)	3,504,282	3,919,105
Net fair value gains/(losses) on financial assets at fair value through profit and loss	(7,725,553)	(1,883,559)
Other revenue	390	420
	<b>1,489,419</b>	<b>10,256,995</b>
 <b>(a) Investment revenue</b>		
Interest and bank bills discount received	1,732,839	1,174,613
Dividends received	13,875	3,600
Franking credits refunded	86,043	348,216
Managed trusts fund distributions	1,671,525	2,392,676
	<b>3,504,282</b>	<b>3,919,105</b>
 <b>(b) Fundraising proceeds</b>		
<b>Fundraising income</b>		
Great Wall of China event	46,499	115,683
Income from individual committee fundraising	560,863	554,763
Other fundraising income	833,505	600,007
Other events	51,383	20,000
	<b>1,492,250</b>	<b>1,290,453</b>
 <b>Fundraising expenses</b>		
Advertising	306,791	249,631
Other fundraising expenses	210,392	133,400
	<b>517,183</b>	<b>383,031</b>

### 4 (Deficit) / Surplus

	2008 \$	2007 \$
<b>The (deficit) / surplus before income tax includes the following specific expenses:</b>		
<i>Depreciation</i>		
Property, plant and equipment	20,778	20,612
<i>Amortisation</i>		
Website development	667	-
<i>Rental expense relating to operating leases</i>		
Minimum lease payments	58,116	51,487
Total rental expense relating to operating leases	<b>58,116</b>	<b>51,487</b>
 <i>Movement in provision for employee entitlements</i>	 <b>25,167</b>	 <b>(1,119)</b>

## 5 Grants expense

	2008	2007
	\$	\$
Children's Cancer Centre	3,100,000	-
Queensland IMR	2,700,000	-
Diamantina Institute for Cancer	3,200,000	-
Melbourne Comprehensive Cancer Centre	-	5,000,000
Royal Prince Alfred Hospital	-	1,200,000
Menzies Research Institute	-	1,100,000
	<b>9,000,000</b>	<b>7,300,000</b>
<i>Less: contracts deferred</i>		
Royal Melbourne Hospital	<b>(1,000,000)</b>	-
	<b>8,000,000</b>	<b>7,300,000</b>

## 6 Remuneration of auditors

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

	2008	2007
	\$	\$
<b>Non-audit services</b>		
PricewaterhouseCoopers Australian firm		
Non-audit services	77,500	20,000
Taxation compliance services	3,200	-
Total remuneration for audit-related services	<b>80,700</b>	<b>20,000</b>
<b>Total remuneration for non-audit services</b>	<b>80,700</b>	<b>20,000</b>

## 7 Segment information

The Foundation operates in one business and geographic segment being a charitable institution within Australia.

## 8 Current assets - Cash and cash equivalents

	2008	2007
	\$	\$
Cash at bank and in hand	3,060,037	1,408,898
Deposits at call	10,358,056	10,767,756
Petty cash	300	300
	<b>13,418,393</b>	<b>12,176,954</b>

The interest rate on cash assets where balances were kept over \$5,000 at 31 December 2008 was 2.75% (2007: 0.80%)

The deposits at call bear floating interest rates between 4.1% and 6.6% (2007: 6.10% and 6.60%).

## 9 Current assets - Trade and other receivables

	2008 \$	2007 \$
General receivables	374,873	-
Income receivable from committees	-	13,500
GST receivable	<u>998,280</u>	<u>686,779</u>
	<u>1,373,153</u>	<u>700,279</u>

## 10 Current assets - Investments and other financial assets

	2008 \$	2007 \$
<b>Bank bills and term deposits-held to maturity</b>		
AMP term deposits	5,108,904	5,096,158
St George Bank bills	-	6,059,890
Rabobank Bank Bills	3,153,068	-
NAB Bank Bills	<u>2,982,088</u>	<u>-</u>
	<u>11,244,060</u>	<u>11,156,048</u>
<b>Managed portfolio investments - at fair value</b>		
AMP Investments	1,587,918	2,059,361
Hunter Hall Fund	1,273,202	2,180,096
Kaplan Master Trust Income Fund	2,639,313	5,414,613
Maple-Brown Abbott Fund	2,726,127	4,755,997
Goldman Sachs JBWere	1,161,665	1,914,434
Perpetual Investments	<u>721,404</u>	<u>1,894,677</u>
	<u>10,109,629</u>	<u>18,219,178</u>
<b>Other investments - at fair value</b>		
Equity securities	<u>665,891</u>	<u>64,800</u>
	<u>22,019,580</u>	<u>29,440,026</u>

The **AMP** term deposit is a 365 day term deposit maturing on 15 September 2009. The interest rate on the deposit is 7.5% (2007: 6.95%).

The **Rabobank** bank bill has a face value of \$3,180,000 and matures on 13 March 2009. The interest rate is fixed at 4.33% (2007: Nil).

The **NAB** bank bill has a face value of \$3,000,000 and matures on 29 January 2009. The interest rate is fixed at 7.83% (2007 : Nil).

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 2008 the redemption price of these units was \$1.5473 (2007: \$2.9957).

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 2008 the redemption price of these units was \$0.6213 (2007: \$1.2746).



**10 Current assets - Investments and other financial assets (continued)**

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 2008 the redemption price of these units was \$1.1635 (2007: \$1.921).

**AMP Perpetual Investments - Wholesale Property Securities Fund** was purchased in September 2006, consisting of 1,132,502.831 units at an issue price of \$1.766 per unit totalling \$2,000,000. As at 31 December 2008 the redemption price of these units was \$0.6370 (2007: \$1.673).

The **Goldman Sachs JBWere** 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 2008 the market value of the portfolio was \$1,161,665 (2007: \$1,914,434).

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. As at 31 December 2008 the redemption price of these units was \$0.6187 (2007: \$0.7550).

**11 Current assets - Other current assets**

	2008	2007
	\$	\$
Prepayments	12,756	14,014
Returnable float	200	200
Deposits (security)	200	200
	13,156	14,414

## 12 Non-current assets - Property, plant and equipment

	Furniture and fittings \$	Leasehold improvements \$	Computer equipment \$	Total \$
<b>At 1 January 2007</b>				
Cost	18,014	47,582	73,998	139,594
Accumulated depreciation	(6,875)	(39,571)	(25,516)	(71,962)
Net book amount	<u>11,139</u>	<u>8,011</u>	<u>48,482</u>	<u>67,632</u>
<b>Year ended 31 December 2007</b>				
Opening net book amount	11,139	8,011	48,482	67,632
Additions	-	-	7,417	7,417
Depreciation charge	(2,539)	(7,141)	(10,932)	(20,612)
Closing net book amount	<u>8,600</u>	<u>870</u>	<u>44,967</u>	<u>54,437</u>
<b>At 31 December 2007</b>				
Cost or fair value	18,014	47,582	81,415	147,011
Accumulated depreciation	(9,414)	(46,712)	(36,448)	(92,574)
Net book amount	<u>8,600</u>	<u>870</u>	<u>44,967</u>	<u>54,437</u>
<b>Year ended 31 December 2008</b>				
Opening net book amount	8,600	870	44,967	54,437
Additions	-	-	11,242	11,242
Depreciation charge	(3,196)	(358)	(17,224)	(20,778)
Closing net book amount	<u>5,404</u>	<u>512</u>	<u>38,985</u>	<u>44,901</u>
<b>At 31 December 2008</b>				
Cost	18,014	47,582	92,657	158,253
Accumulated depreciation	(12,610)	(47,070)	(53,672)	(113,352)
Net book amount	<u>5,404</u>	<u>512</u>	<u>38,985</u>	<u>44,901</u>

## 13 Non-current assets - Intangible assets

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

#### 14 Current liabilities - Payables

	2008 \$	2007 \$
<b>Grants payable</b>		
Royal Prince Alfred Hospital	900,000	450,000
Royal Melbourne Hospital	-	1,000,000
Menzies Research Institute	-	825,000
Westmead Institute	250,000	250,000
Melbourne Comprehensive Cancer Centre	320,107	1,787,701
Queensland Institute of Medical Research	1,820,000	-
Childrens Cancer Institute of Australia	2,330,000	-
Diamantina Institute	1,600,000	-
University of Tasmania	275,000	-
GST on grants payable	749,510	431,270
<b>Total grants payable</b>	<b>8,244,617</b>	<b>4,743,971</b>
Provision for annual leave	45,597	37,299
Sundry creditors and accrued expenses	78,670	46,791
	<b>8,368,884</b>	<b>4,828,061</b>

#### Reconciliation of grants payable

	2008 \$	2007 \$
Balance at 1 January	7,493,971	4,515,500
Grants expensed	8,000,000	7,300,000
GST recoverable on grants expensed	800,000	730,000
Grants reclassified as non-current	(1,750,000)	(2,500,000)
GST on grants reclassified as non-current	(175,000)	(250,000)
Grants paid	(5,567,593)	(4,592,299)
GST recoverable of grants paid	(556,761)	(459,230)
Balance as at 31 December	<b>8,244,617</b>	<b>4,743,971</b>

#### 15 Non-current liabilities - Provisions

	2008 \$	2007 \$
Employee benefits - long service leave	<b>16,870</b>	-
The average number of employees during the financial year was 8 (2007: 8).		

#### 16 General funds

	2008 \$	2007 \$
General funds at beginning of year	34,798,049	33,293,107
Recognised income and expenses	(8,246,287)	1,504,942
Total general funds	<b>26,551,762</b>	<b>34,798,049</b>

## 17 Contingent liabilities

	2008	2007
	\$	\$
Future grants approved by the Board of Trustees at balance date but agreements not signed:		
Peter MacCallum Cancer Centre	2,500,000	-
Garvan St Vincents Cancer Centre	2,500,000	-
Institute for Molecular Bioscience	2,500,000	-
Children's Cancer Institute of Australia	-	3,100,000
Centenary Institute	5,000,000	5,000,000
Royal Melbourne Hospital	1,000,000	-
Queensland Institute of Medical Research	-	2,700,000
Diamantina Institute	-	3,200,000
	<b>13,500,000</b>	<b>14,000,000</b>

## 18 Non-current liabilities - Payables

	2008	2007
	\$	\$
<b>Grants payable</b>		
Westmead Institute	750,000	750,000
Flinders Medical Centre	1,000,000	1,000,000
Royal Prince Alfred Hospital	-	750,000
GST on grants payable	175,000	250,000
	<b>1,925,000</b>	<b>2,750,000</b>

## 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*

	2008	2007
	\$	\$
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	89,937	136,861
	<b>136,861</b>	<b>183,785</b>

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 (2007: \$100).

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

	2008 \$	2007 \$
(Deficit)/surplus for the year	(8,246,287)	1,504,942
Depreciation and write-offs	21,445	20,612
Dividend and distributions income	(1,685,400)	(2,396,276)
Interest income	(1,732,839)	(1,174,613)
Net fair value (gains) losses on financial assets	7,725,553	1,883,559
Change in operating assets and liabilities:		
Decrease (increase) in trade and other receivables	(329,224)	188,545
Decrease in other operating assets	1,258	4,231
(Decrease) increase in trade and grants payables	2,727,108	2,935,536
(Decrease) increase in other operating liabilities	19,085	(1,119)
Net cash (outflow) inflow from operating activities	<u>(1,499,301)</u>	<u>2,965,417</u>

## 23 Information and declaration to be furnished under the Charitable Fundraising Act 1991

The following information is included to comply with the Charitable Fundraising Act 1991.

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

	2008 \$	2007 \$
<b>Gross proceeds from fundraising activities</b>		
Donations - Corporate and private	900,991	983,755
Donations - Committees	11,515	34,991
Bequests	3,305,544	5,911,830
Foundation appeals	46,499	115,683
Proceeds from fundraising activities	<u>1,445,751</u>	<u>1,174,770</u>
	<u>5,710,300</u>	<u>8,221,029</u>
<b>Less: Totals cost of fundraising activities</b>		
Advertising	306,792	249,631
Business development	15,269	24,779
Employee expenses	493,483	447,902
Events management	17,776	20,345
Printing, postage & stationery	59,110	47,039
Promotion expenses	35,548	7,132
Other fundraising activities	82,688	34,105
	<u>1,010,666</u>	<u>830,933</u>
	<u>4,699,634</u>	<u>7,390,096</u>

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

### (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 (2007: \$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 \$4,699,634 (2007: \$7,376,596) from fundraising appeals and a net loss of \$4,221,271 (2007: net income of \$2,035,546) from the investment of appeal 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 \$8,000,000 (2007: \$7,300,000). Administration costs incurred during the year totalled \$725,039 (2007: \$619,933). The deficit for the year of \$8,246,287 (2007: Surplus of \$1,504,942) 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

	2008 \$	2007 \$	2008 %	2007 %
<b>Total cost of fundraising/</b>	<b><u>1,010,666</u></b>	<u>830,933</u>	18	10
Gross income from fundraising	<b>5,710,300</b>	8,207,529		
<b>Net surplus from fundraising/</b>	<b><u>4,699,634</u></b>	<u>7,376,596</u>	82	90
Gross income from fundraising	<b>5,710,300</b>	8,207,529		
<b>Total cost of service*/</b>	<b><u>8,000,000</u></b>	<u>7,300,000</u>	82	83
Total expenditure	<b>9,735,705</b>	8,752,053		
<b>Total cost of service*/</b>	<b><u>8,000,000</u></b>	<u>7,300,000</u>	537	71
Total income received from fundraising and investment	<b>1,489,419</b>	10,256,575		

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

In the trustees' opinion:

- (a) the financial statements and notes set out on pages 9 to 29 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 2008 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  
2 April 2009

## **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 2008;

(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 2008;

(c) the provisions of the Charitable Fundraising (NSW) Act 1991 and the Regulations and conditions attached to the authority have been complied with for the financial year ended 31 December 2008; and

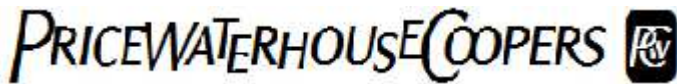
(d) the internal controls exercised by Australian Cancer Research Foundation are appropriate and effective in accounting for all income received and applied from any fundraising appeals.



T S Dery  
Chairman

Sydney  
2 April 2009





**PricewaterhouseCoopers**  
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## **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 the Australian Cancer Research Foundation (the Foundation), which comprises the balance sheet as at 31 December 2008, and the income statement, statement of recognised income and expense and cash flow statement 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 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 1993* and are 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 Trustees also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies 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 information in the Trustees' Report to determine whether it contains any material inconsistencies with the financial report.

For further explanation of an audit, visit our website <http://www.pwc.com/au/financialstatementaudit>.

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

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

#### *Independence*

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

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

### *Basis for qualified auditor's 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 auditor's opinion*

In our opinion, except for the effects on the financial report of such adjustments, if any, as might have been determined to be necessary had the limitation on our audit procedures referred to in the qualification paragraph above not existed:

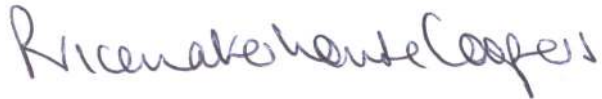
- the financial report of the Australian Cancer Research Foundation:
  - presents a true and fair view, as required by the *Corporations Act 2001* in Australia, of the financial position of the Australian Cancer Research Foundation as at 31 December 2008 and of its performance for the year ended on that date;
  - is presented in accordance with the *Corporations Act 2001*, Accounting Standards and other mandatory professional reporting requirements in Australia, and the *Corporations Regulations 2001*;
- the financial report gives a true and fair view of the financial result of fundraising appeal activities for the financial year ended 31 December 2008;
- the financial report has been properly drawn up and the associated records have been properly kept for the period from 1 January 2008 to 31 December 2008, in accordance with section 24 of the *NSW Charitable Fundraising Act 1991* and the *NSW Charitable Fundraising Regulations 1993*;
- money received as a result of fundraising appeal activities conducted during the period from 1 January 2008 to 31 December 2008 has been properly accounted for and applied in accordance with section 24 of the *NSW Charitable Fundraising Act 1991* and the *NSW Charitable Fundraising Regulations 1993*.

This opinion must be read in conjunction with the above explanation of the scope and summary of our role as auditor.

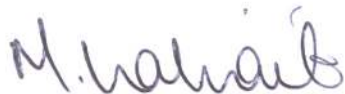
### *Matters relating to the electronic presentation of the audited financial report*

This auditor's report relates to the financial report of Australian Cancer Research Foundation (the Foundation) for the year ended 31 December 2008 included on the Australian Cancer Research Foundation web site. The Foundation's Trustees are responsible for the integrity of the Australian 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 these statements. 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.

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



PricewaterhouseCoopers



M Laithwaite  
Partner

Sydney  
2 April 2009