

Fight Cancer Foundation

Consolidated Financial Report

For the Year Ended 31 December 2018

Fight Cancer Foundation

Contents

For the Year Ended 31 December 2018

	Page
Financial Statements	
Directors' Report	1
Auditor's Independence Declaration under Section 60-40 of the Australian Charities and Not-for-profit Commission Act 2012	7
Consolidated Statement of Surplus or Deficit and Other Comprehensive Income	8
Consolidated Statement of Financial Position	9
Consolidated Statement of Changes in Equity	10
Consolidated Statement of Cash Flows	11
Notes to the Financial Statements	12
Responsible Persons' Declaration	23
Independent Audit Report	24

Fight Cancer Foundation

Directors' Report

31 December 2018

The directors present their report, together with the consolidated financial statements of the Group, being the Company and its controlled entities, Bone Marrow Donor Institute and Ovcare National Cancer Centre for the financial year ended 31 December 2018.

Directors

The names of the directors in office at any time during, or since the end of, the year are:

Names	Position	Appointed/Resigned
Leonie Walsh	Chairman	
Anthony Hancy	Deputy Chairman	
David Alsop	Company Secretary	
Eric Wright	Managing Director	
Anthony Lewis	Finance Director	
Katerina Andronis	Director	Resigned November 2018
John Barbour	Director	Retired June 2018
James Muller	Director	
Kate Whitehead	Director	
Kylie Whittard	Director	
Sarah-Jane Finlayson	Director	Resigned May 2018
Susan Fetherston	Director	

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal activities and significant changes in nature of activities

The principal activities of the Group during the financial year was to continue to pursue objectives very much aligned with that of Bone Marrow Donor Institute (BMDI) at its inception, though current projects' objectives are broadened to focus on cancer, leukaemia and other diseases of the blood.

The group had its origin in 1989 when, as BMDI, it was founded by a group of families whose experience with leukaemia inspired the establishment of a bone marrow donor registry as part of the search for a cure for leukaemia. Since then, a range of specific programs have been developed in pursuit of the mission and vision to give hope and save lives. The aims of these programs include:

- Providing accommodation for patients and their families from rural and regional centres, interstate and overseas;
- Providing educational support to children during treatment for and recovery from cancer;
- Providing funding for research into better treatment methods and prevention;
- Increasing awareness of the Australian Bone Marrow Donor Registry; and
- Continuing to encourage pregnant women to donate their umbilical cord blood to the BMDI Cord Blood, which provides stem cells for the treatment of leukaemia and other life-threatening conditions in children and adults.

Each of the group entities is a registered charity. Each relies on the support of the community, donors, volunteers, government, corporate partners and all Australians to continue their lifesaving work.

The Group continued to pursue development of diversified and sustainable income streams including events such as the annual Red Ball, community based campaigns such as Footy Colours Day, support from corporations and their staff, charitable foundations, philanthropic trusts and foundations and our dedicated regular individual donors. The level of funding certainty achieved through this diversification allows us to confidently support our charitable programmes such as accommodation centres for cancer patients and their families, education programmes to ensure children being treated for cancer are provided the opportunity to continue their schooling and reach their full potential and also to support vital medical research into better treatment methods and cures.

Fight Cancer Foundation

Directors' Report

31 December 2018

Principal activities and significant changes in nature of activities (continued)

Our accommodation services continued to provide vital assistance to families across three States and our support for medical research saw direct support go to the Translational Haematological Research Laboratory at Melbourne Health and the approval of Grants-in-Aid to a very worthwhile research project through the 'Fay Duncan Grant for Women in Medical Research'.

There were no significant changes in the nature of the Group's principal activities during the financial year.

Plans to extend the Albury Accommodation Centre – Hilltop House – were developed during the year and further work has been committed to those plans in 2019.

The extension has been costed at \$3.8 million by a recognised quantity surveyor. A Commonwealth Government grant of \$1.9 million from the 'Building Better Regions Fund' has recently been approved. The residual amount required will be sourced from reserves for the project, proceeds from a public appeal to be launched in 2019 and other grants currently under consideration.

The consolidated deficit of the Group for the financial year amounted to \$ (388,827) (2017 Surplus: \$44,351).

Information on directors

Leonie Walsh

Chairman, Chairman Governance Committee

Qualifications

BSc., MSc., MBA (Exec), GAICD, FTSE, HonDUni (Swin)

Experience

Leonie Walsh is a leader and adviser in technological innovation with a background that spans more than 30 years of experience both locally and internationally across a diverse range of industries and applications. Leonie underwent a bone marrow transplant in 1989 and after recuperating, joined the Bone Marrow Donor Institute Board from 1992 to 1995. Leonie re joined the board in 2009. Leonie has recently completed a 3 year term as Victoria's inaugural Lead Scientist from 2013 to 2016 and more recently provides support to government, academia and businesses on strategic science and technology issues.

Anthony Hancy

Deputy Chairman, Chairman Nominations & Remuneration Committee

Qualifications

B Com, MBA, MAICD

Experience

Appointed to the Board in 2008, Tony was elected to the position of Vice President and Deputy Chairman in 2012. Tony has extensive healthcare and technology experience, gained from leadership positions with Accenture in the Asia Pacific Region. Tony is a member of the Australian Institute of Company Directors, and Australian Institute of Management. He has been actively involved in serving on the Boards of a number of not for profit organisations in Australia.

David Alsop

Company Secretary, Director

Qualifications

B. Arch., Reg. Architect

Experience

David was appointed to the Board in 2000. Trained at the University of Melbourne, David has experience in commercial architecture, he was a Director of Irwin Alsop Group, Architects and Engineers, active Australia wide and in the Pacific Islands through its office in Fiji. His experience includes university lecturer, expert witness, contributing author and public speaker. In practice David has had significant experience in health care, hospitality, education and care for animals. He first became involved with BMDI after his son received a bone marrow transplant in 1996. David advised the Board on the construction of BMDI Rotary House and more recently Hilltop Accommodation Centre in Albury. David was elected to the position of Company secretary in 2012.

Fight Cancer Foundation

Directors' Report

31 December 2018

Information on directors (continued)

Eric Wright Experience	Managing Director, Chairman Hilltop Board of Management Eric has been a Board member since 1997 and was appointed Managing Director in 2006. Eric has extensive experience in banking and finance and has held senior roles in human resources, sales management and project management. Eric also represents Fight Cancer Foundation on the BMDI Cord Blood Bank Management Committee.
Anthony Lewis Qualifications Experience	Finance Director, Chairman Finance, Audit & Risk Committee, Chairman Investments Committee. BEc, FCA, FCPA, MAICD Tony's career as a Chartered Accountant included advising major international companies and living in a number of countries as well as Australia during his career with a major accounting firm. Subsequently, he held a number of board positions. He now is the Finance Director of the Australian Print Workshop, an Honorary Adviser to the Royal Australasian College of Surgeons and since 2010, a Board Member and Finance Director of the Fight Cancer Foundation
Katerina Andronis Qualifications Experience	Director, Chairman Information, Technology and Communications Committee MACS (Snr) CP Katerina is a senior IT and Change Management professional with over 30 years' experience in Health Information Technology. Katerina's experience extends across IT, Patient and Clinical Management Research and developing road maps for innovative organisational change. Katerina works in the acute health care sector business and her focus is to analyse short, medium and long term health care strategies. She is able to identify business and clinical processes, evaluate the core priorities of the organisation and develop an implementation strategy based on present and future technologies which support and enable the business to deliver safe and effective patient care and business outcomes. Katerina has worked around Australia in private and public health facilities.
The late John Barbour Qualifications Experience	Director FCA CFP John joined the Board in 1992. He held the roles of Honorary Treasurer, Vice President, President and Chairman of the Board of Directors. John was also the Chairman of the BMDI Cord Blood Bank Management Committee. John was a Chartered Accountant and Certified Financial Planner and had previously been a partner in a national accounting practice and an Honorary Treasurer of Community Aid Abroad. After 26 years of voluntary service to Fight Cancer Foundation John retired from the Board in June 2018.
James Muller Experience	Director, Chairman Property Committee James was appointed Board member in August 2012, having joined the Development Board in 2008. James has an extensive career in facility services provision and is an independent consultant specialising in the field of facility management services with a particular focus on large government institutions. James is a member of Leadership Victoria, the Venue Management Association (Australasia), and the International Association of Venue Managers. He has previous and continuing involvement at Board and Committee level in a number of not for profit community organisations.

Fight Cancer Foundation

Directors' Report

31 December 2018

Information on directors (continued)

Kate Whitehead

Experience

Director, Chairman Red Ball Committee

Kate joined the Board in 2014 after serving on the Development Board from 2008. Kate is the founder and Managing Director of Avant Group, a leading business strategy and government grant consulting firm. Kate has previously worked in the Aerospace sector and managed the Corporate Memberships division of the Victorian Chamber of Commerce and Industry. Kate holds formal Engineering qualifications in addition to a Bachelor of Business, a Post Graduate Diploma of Management, a Masters Degree in Marketing, Melbourne Business School. Kate has also recently completed the Australian Institute of Company Directors Course.

Kylie Whittard

Qualifications

Experience

Director

B. Com B. Bus (Marketing), MBA

Kylie joined the Board in 2011 and is currently a Director at Teach For Australia, an innovative, national not for profit organisation. Kylie is a management consultant specialising in the not for profit and education sectors. Previously, Kylie held Executive and Director roles in the University, Conservation and Entertainment sectors and has provided strategic consultancy across a range of sectors, including financial and government, for over 20 years. Kylie holds a Bachelor of Commerce and a Bachelor of Marketing from RMIT and holds an MBA from The University of Melbourne.

Sarah-Jane Finlayson

Qualifications

Experience

Director

BA (Communications)

Sarah Jane was appointed to the Board in 2017. Sarah Jane has over twenty years' experience in advertising and brand development. She is the founding Director of Finlayson Communications where she leads a high performance team developing brands and taking them to market.

Susan Fetherston

Experience

Director

Susan was appointed to the Board in 2017. Susan has been a Director of Mi tec Medical Publishing since 1991 and Director of Mi tec's philanthropic projects. Mi tec produces and publishes patient education for 20 surgical and dental colleges, associations and societies in Australia and New Zealand. Susan has an extensive Social Work background, working in an educational and counselling role with youth. Susan worked with indigenous communities in remote and rural locations, specialising in early education and adolescent projects. Susan worked as a health and fitness leader with YMCA, Adult Education and other groups, while also teaching the Welfare Certificate course at TAFE. Susan was Team Leader and teacher for the CRE Primary School program for 12 years. Susan has worked in an honorary capacity with several boards and charities within Australia and overseas. Susan is a member of AASW and AMWA.

Events after the reporting date

Apart from continuing plans to extend Hilltop House, as described earlier in this report, no matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

Fight Cancer Foundation

Directors' Report

31 December 2018

Benefits received directly or indirectly by officers

Fight Cancer Foundation remunerates the Managing Director, whose total remuneration is included in Note 17 to the accompanying financial statements.

No director has received or is entitled to receive any benefits by reason of a contract made by Fight Cancer Foundation or its related entities with a director or with a firm of which he or she is also a member, or with a company in which he or she has a substantial financial interest.

Indemnification and insurance of officers and auditors

During the financial year, Fight Cancer Foundation paid a premium of \$4,377 to insure the directors and officers against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director other than conduct involving wilful breach of duty in relation to the group.

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* is set out on page 7.

Capital structure

The Group is comprised of companies limited by guarantee, which do not have any share capital. Their Constitutions preclude the payment of any dividends. If they are wound up, their Constitutions state that each member is required to contribute a maximum of FCF: \$2, BMDI: \$2 and ONCC: \$100 towards meeting any outstanding obligations of each company. At 31 December 2018 the number of members of FCF was 18 (2017: 19), BMDI: 11 (2017: 12) and ONCC: 11 (2017:12)

Meetings of directors

During the financial year, 11 meetings of directors were held. Attendances by each director during the year were as follows:

	Number eligible to attend	Number attended
Leonie Walsh	11	9
Anthony Hancy	11	7
David Alsop	11	8
Eric Wright	11	10
Anthony Lewis	11	9
Katerina Andronis	9	3
John Barbour	5	4
James Muller	11	9
Kate Whitehead	11	7
Kylie Whittard	11	9
Sarah-Jane Finlayson	3	-
Susan Fetherston	11	9

Fight Cancer Foundation

Directors' Report

31 December 2018

Meetings of directors (continued)

The Board of Directors has constituted the following Committees to meet regularly and report to the Board in accordance with their respective Charters:

Governance Committee:

- L Walsh BSc, MSC, MBA (Exec),
GAICD, FTSE, HonDUni (Swin), (Chairman)
- J Muller BA, Dip Mgt, WCLP
- E Wright

Finance, Audit and Risk Committee:

- A Lewis BEc, FCA, FCPA, MAICD (Chairman)
- A Cinanni B.Bus (Acctg), CA
- J Lonergan B.Comm, CA
- J Law B.Comm, CAA
- J Arnold BBus, CA, CISA, CISM, IA

Nomination and Remuneration Committee:

- A Hancy BCom, MBA, MAICD. (Chairman)
- L Walsh BSc, MSC, MBA (Exec),
GAICD, FTSE, HonDUni (Swin)
- S Fetherston B.Social Work (Hons)

Investment Committee:

- A Lewis BEc, FCA, FCPA, MAICD (Chairman)
- L Walsh BSc, MSC, MBA (Exec),
GAICD, FTSE, HonDUni (Swin)
- J Barbour FCA, CFP.

Property Committee:

- J Muller BA, Dip Mgt, WCLP
- D Alsop BArch, Reg Architect
- E Wright

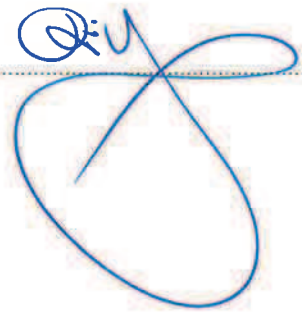
Information, Technology &

Communications Committee:

- K Andronis MACS (Snr) CP (Chairman)
- S-J Finlayson BA (Communications)

Signed in accordance with a resolution of the Board of Directors:

Director: 

Director: 

Dated this 26 day of April 2019

AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF FIGHT CANCER FOUNDATION UNDER SECTION 60.40 OF THE AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012

In relation to our audit of the financial report of Fight Cancer Foundation for the financial year ended 31 December 2018 to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* or any applicable code of professional conduct.



PKF
Melbourne, 26 April 2019



Steven Bradby
Partner

Fight Cancer Foundation

Consolidated Statement of Surplus or Deficit and Other Comprehensive Income

For the Year Ended 31 December 2018

	Note	2018 \$	2017 \$
Revenue			
Donations and bequests		1,239,708	1,538,856
Trust and foundation grants		136,000	208,000
Special events		1,737,932	1,801,039
Other fundraising income		59,515	44,111
Income from accommodation centres		617,940	645,659
Bank interest		13,349	17,732
Portfolio revenue:			
Dividend/distributions		48,267	17,819
Valuation (losses)/gains		(21,020)	32,425
Total revenue		3,831,691	4,305,641
Direct costs of fundraising		(1,011,193)	(1,103,728)
Hobart House operating expenses		(205,844)	(206,844)
BMDI Rotary House operating expenses		(269,197)	(259,703)
Hilltop House operating expenses		(442,695)	(470,216)
BMDI Cord Blood Bank expenses		(174,866)	(193,676)
Research grants and expenses		(132,918)	(115,762)
Youth Education programme expenses		(796,188)	(713,228)
Operating expenses - Administration		(448,497)	(373,460)
Operating expenses - Fundraising		(724,993)	(772,522)
		(4,206,391)	(4,209,139)
(Deficit)/surplus for the year before share of associate surplus		(374,700)	96,502
Share of associate deficit (BMDI Cord Blood Bank)	(10)	(14,127)	(52,151)
(Deficit)/surplus for the year		(388,827)	44,351
Other comprehensive income for the year		-	-
Total (deficit)/surplus and other comprehensive income		(388,827)	44,351

The accompanying notes form part of these financial statements.

Fight Cancer Foundation

Consolidated Statement of Financial Position

As At 31 December 2018

	Note	2018 \$	2017 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	1,266,097	1,161,576
Trade and other receivables	7	137,548	263,063
Other financial assets	8.	393,314	769,449
TOTAL CURRENT ASSETS		<u>1,796,959</u>	<u>2,194,088</u>
NON-CURRENT ASSETS			
Property, plant and equipment	9	10,232,999	10,332,840
Investments in associates	10	943,829	957,956
TOTAL NON-CURRENT ASSETS		<u>11,176,828</u>	<u>11,290,796</u>
TOTAL ASSETS		<u>12,973,787</u>	<u>13,484,884</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	333,074	420,275
Employee benefits	12	115,884	162,134
TOTAL CURRENT LIABILITIES		<u>448,958</u>	<u>582,409</u>
NON-CURRENT LIABILITIES			
Employee benefits	12	19,675	8,494
TOTAL NON-CURRENT LIABILITIES		<u>19,675</u>	<u>8,494</u>
TOTAL LIABILITIES		<u>468,633</u>	<u>590,903</u>
NET ASSETS		<u>12,505,154</u>	<u>12,893,981</u>
EQUITY			
Accumulated Surplus	14	5,310,821	5,685,521
Reserves	15	7,194,333	7,208,460
TOTAL EQUITY		<u>12,505,154</u>	<u>12,893,981</u>

The accompanying notes form part of these financial statements.

Fight Cancer Foundation

Consolidated Statement of Changes in Equity

For the Year Ended 31 December 2018

2018

	Accumulated Surplus	Capital Reserve	Asset Revaluation Reserve	BMDI Cord Blood Bank Equity Interest	Total
	\$	\$	\$	\$	\$
Balance at 1 January 2018	5,685,521	2,244,010	4,006,494	957,956	12,893,981
Deficit for the year	(388,827)	-	-	-	(388,827)
Transfer to/(from) reserve	14,127	-	-	(14,127)	-
Balance at 31 December 2018	5,310,821	2,244,010	4,006,494	943,829	12,505,154

2017

	Accumulated Surplus	Capital Reserve	Asset Revaluation Reserve	BMDI Cord Blood Bank Equity Interest	Total
	\$	\$	\$	\$	\$
Balance at 1 January 2017	5,589,019	2,244,010	4,006,494	1,010,107	12,849,630
Surplus for the year	44,351	-	-	-	44,351
Transfer to/(from) reserve	52,151	-	-	(52,151)	-
Balance at 31 December 2017	5,685,521	2,244,010	4,006,494	957,956	12,893,981

The accompanying notes form part of these financial statements.

Fight Cancer Foundation

Consolidated Statement of Cash Flows For the Year Ended 31 December 2018

	2018	2017
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	4,295,720	4,079,744
Payments to suppliers and employees	(4,481,228)	(3,738,160)
Dividends received	26,900	17,819
Interest received	34,716	17,732
Net cash provided by/(used in) operating activities	6 <u>(123,892)</u>	<u>377,135</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(126,702)	(36,890)
Proceeds from/(purchase of) financial assets	355,115	(486,756)
Net cash provided by/(used in) investing activities	<u>228,413</u>	<u>(523,646)</u>
Net increase/(decrease) in cash and cash equivalents held	104,521	(146,511)
Cash and cash equivalents at beginning of year	<u>1,161,576</u>	<u>1,308,087</u>
Cash and cash equivalents at end of financial year	5 <u><u>1,266,097</u></u>	<u><u>1,161,576</u></u>

The accompanying notes form part of these financial statements.

Fight Cancer Foundation

Notes to the Financial Statements

For the Year Ended 31 December 2018

The financial report covers Fight Cancer Foundation and its controlled entities ('the Group'). Fight Cancer Foundation is a not-for-profit Company, registered and domiciled in Australia.

Each of the entities within the Group prepare their financial statements based on the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

The financial report was authorised for issue by those charged with governance on the date of completion of the Directors Declaration.

Comparatives are consistent with prior years, unless otherwise stated.

1. Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012*.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2. Summary of Significant Accounting Policies

(a) Change in accounting policy

The Group has adopted all the amendments to Australian Accounting Standards issued by the Australian Accounting Standards Board, which are relevant to and effective for the Company's financial statements for the annual period beginning 1 January 2018.

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

AASB 9 Financial Instruments

AASB 9 Financial Instruments replaces AASB 139 Financial Instruments: Recognition and Measurement. It makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an 'expected credit loss' model for impairment of financial assets.

When adopting AASB 9, the Company has applied transitional relief and opted not to restate prior periods. There were no material differences arising from the adoption of AASB 9 in relation to classification, measurement, and impairment during the year ended 31 December 2018.

(b) Revenue and other income

Donations and revenue of similar nature are recognised as revenue when received. Revenue from the sale of goods and services is recognised upon the delivery of goods to customers, net of the amount of goods and services tax.

If the Group receives nonreciprocal contributions of assets for zero or a nominal value, these contributions are recognised at fair value on the date of the contribution, with a corresponding amount of income recognised in surplus or deficit.

Notes to the Financial Statements

For the Year Ended 31 December 2018

2. Summary of Significant Accounting Policies (continued)

(b) Revenue and other income (continued)

Interest is recognised on a proportional basis taking into account the interest rate applicable to the financial assets.

Income collected by branches and held at reporting date is brought to account when deposited into the company's bank account.

Grant revenue

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received, and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

(c) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(d) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

Land and buildings

Land and buildings are measured using the revaluation model based on periodic but at least triennial valuation by external independent valuers, less subsequent depreciation for buildings and less any impairment losses recognised after the date of revaluation.

Increases in the carrying amount arising on revaluation of properties are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same classes of assets are charged against the revaluation reserve directly in equity; all other decreases are charged to surplus or deficit.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant and equipment

Plant and equipment are measured using the cost model.

Plant and equipment that have been contributed at no cost, or for nominal cost are valued at the fair value of the asset at the date it is acquired.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Group, commencing when the asset is ready for use.

Notes to the Financial Statements

For the Year Ended 31 December 2018

2. Summary of Significant Accounting Policies (continued)

(d) Property, plant and equipment (continued)

The depreciation rates used for each class of depreciable asset are shown below for the current and prior financial year:

Buildings	2.5%
Plant and Equipment	5%-33%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

Impairment of assets

At the end of each reporting period the Group determines whether there is any evidence of an impairment indicator for property, plant and equipment. Where this indicator exists, the recoverable amount of the assets is estimated. Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit. Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in surplus or deficit.

(e) Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Group becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets designated by the entity to be carried at fair value through profit or loss upon initial recognition.

Assets included within this category are carried in the consolidated statement of financial position at fair value with changes in fair value recognised in finance income or expenses in surplus or deficit.

Impairment of financial assets

At the end of the reporting period the Group assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest

Notes to the Financial Statements

For the Year Ended 31 December 2018

2. Summary of Significant Accounting Policies (continued)

(e) Financial instruments (continued)

rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Subsequent recoveries of amounts previously written off are credited against other expenses in surplus or deficit.

(f) Joint arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group has an interest in a joint venture, the details of which are set out in Note 10.

The Group's interest is accounted for using the equity method, under which the investment is initially recognised at cost and adjusted thereafter to recognise the Group's share of the post acquisition results of the investee in surplus or deficit, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Any dividends received or receivable are recognised as a reduction in the carrying amount of the investment.

Should the Group's share of losses in an equity accounted investment equal or exceed its interest in the investee, including any other unsecured long term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the investee.

Unrealised gains on transactions between the Group and investee are eliminated to the extent of the Group's interest in the investee. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the investee have been changed where necessary to ensure consistency with the policies of the Group.

The carrying amount of the equity accounted investment is tested for impairment. At each reporting date, the Group determines whether there is objective evidence that the investment is impaired. If there is such evidence, the amount of impairment is calculated as the difference between the recoverable amount of the investment and its carrying value. The impairment is recognised as 'Share of losses of an investee' in the statement of surplus or deficit.

(g) Employee benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

(h) Leases

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

Notes to the Financial Statements

For the Year Ended 31 December 2018

2. Summary of Significant Accounting Policies (continued)

(h) Leases (continued)

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(i) Income Tax

The group companies are exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(j) 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.

Receivables and payable are stated inclusive of GST.

Cash flows in the consolidated statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(k) Economic dependence

Fight Cancer Foundation is dependent on the Commonwealth Government for a significant portion of its revenue which is received by way of grants. At the date of this report the directors have no reason to believe the Commonwealth Government will not continue to support Fight Cancer Foundation.

(l) Adoption of new and revised accounting standards

The Group has adopted all standards which became effective for the first time at 31 December 2018, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Group. The group has not elected to early adopt any new accounting standards available for early adoption at 31 December 2018.

3. Critical Accounting Estimates and Judgments

The directors assess impairment at each reporting date by evaluating conditions specific to the entity that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Fair value less costs to sell or current replacement cost calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Fight Cancer Foundation

Notes to the Financial Statements For the Year Ended 31 December 2018

4. Result for the Year

The result for the year includes the following specific expenses:

	2018	2017
	\$	\$
Employee benefits expense	1,386,077	1,377,657
Depreciation of property plant and equipment	226,543	270,129

5. Cash and Cash Equivalents

Cash at bank and in hand	<u>1,266,097</u>	<u>1,161,576</u>
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6. Cash Flow Information

Reconciliation of net income to net cash provided by operating activities:

(Deficit)/surplus for the year	(388,827)	44,351
Non-cash flows:		
- depreciation	226,543	270,129
- fair value movements on investments	21,020	(32,425)
Share of net deficit in associate	14,127	52,151
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	125,515	20,183
- increase/(decrease) in income in advance	(125,840)	13,864
- increase/(decrease) in trade and other payables	38,639	(18,414)
- increase/(decrease) in employee benefits	(35,069)	27,296
Cashflows from operations	<u>(123,892)</u>	<u>377,135</u>

7. Trade Receivables and Other Assets

Trade receivables	82,673	158,437
Prepayments	15,089	24,589
Accrued income and other receivables	39,786	80,037
	<u>137,548</u>	<u>263,063</u>

8. Other Financial Assets

Financial assets at fair value through profit or loss

Units and shares in listed entities	<u>393,314</u>	<u>769,449</u>
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Fight Cancer Foundation

Notes to the Financial Statements For the Year Ended 31 December 2018

9. Property, plant and equipment

	2018	2017
	\$	\$
LAND AND BUILDINGS		
BMDI Rotary House (at valuation)	5,841,250	5,897,500
Hilltop House (at valuation)	4,068,450	4,175,089
Capital works in progress	118,614	-
Total Property	<u>10,028,314</u>	<u>10,072,589</u>
Comprising		
Freehold land		
Hilltop House (at valuation)	369,900	369,900
At cost	<u>3,950,000</u>	<u>3,950,000</u>
Total freehold land	<u>4,319,900</u>	<u>4,319,900</u>
Leasehold land		
Leasehold Improvements	-	71,000
Impairment	-	(71,000)
Total leasehold land	<u>-</u>	<u>-</u>
Total Land	<u>4,319,900</u>	<u>4,319,900</u>
Buildings		
At directors' valuation	4,215,490	4,215,490
less accumulated depreciation	(516,940)	(410,301)
At independent valuation	2,050,000	2,050,000
less accumulated depreciation	(158,750)	(102,500)
Total buildings	<u>5,589,800</u>	<u>5,752,689</u>
Capital works in progress		
At cost	118,614	-
Total land and buildings	<u>10,028,314</u>	<u>10,072,589</u>
PLANT AND EQUIPMENT		
Equipment, Furniture and Fittings		
At cost	1,330,716	1,633,461
Accumulated depreciation	(1,126,031)	(1,373,210)
Total plant and equipment	<u>204,685</u>	<u>260,251</u>
Total property, plant and equipment	<u><u>10,232,999</u></u>	<u><u>10,332,840</u></u>

The directors obtained an independent assessment of the fair value of freehold land and buildings for 'BMDI Rotary House' on 17 February 2016 and 'Hilltop House' on 5 February 2014. Fair value is the amount for which the assets could be exchanged between a knowledgeable willing buyer and seller in an arm's length transaction as at the valuation date, and has been based on vacant possession, with direct reference to recent market transactions on arm's length terms for land and buildings comparable to that of the Group.

Fight Cancer Foundation

Notes to the Financial Statements

For the Year Ended 31 December 2018

9. Property, plant and equipment (continued)

Plans to extend Hilltop House were developed during the year and further work has been committed to those plans in 2019. The Directors have considered the fair value of the property as an input to their assessment and confirmation of the viability of the extension. Given the undertaking, the Directors will engage an independent assessment of fair value upon completion of the extension project.

The extension has been costed at \$3.8 million by a recognised quantity surveyor. A Commonwealth Government grant of \$1.9 million from the 'Building Better Regions Fund' has recently been approved. The residual amount required will be sourced from reserves for the project, proceeds from a public appeal to be launched in 2019 and other grants currently under consideration.

(a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Capital Works in Progress	Land	Buildings	Equipment Furniture and Fittings	Total
	\$	\$	\$	\$	\$
Year ended 31 December 2018					
Balance at the beginning of year	-	4,319,900	5,752,689	260,251	10,332,840
Additions	118,614	-	-	8,088	126,702
Depreciation expense	-	-	(162,889)	(63,654)	(226,543)
Balance at the end of the year	118,614	4,319,900	5,589,800	204,685	10,232,999

10. Investment in Joint Venture

Ownership interest

Joint venture interests are accounted using the equity method. Information relating to the investee is set out below:

Investee BMDI Cord Blood Bank (unincorporated association)

Principal Activities BMDI Cord Blood Bank is an affiliate of Auscord. Fight Cancer Foundation manages the Bank in conjunction with Royal Children's Hospital and Murdoch Childrens Research Institute. Cord blood is collected at three Melbourne hospitals and is tested, frozen and stored before being placed on the Australian Register and held for future searching and potential transplant.

% Interest 33%

Notes to the Financial Statements

For the Year Ended 31 December 2018

10. Investment in Joint Venture (continued)

Summarised presentation of share of assets, liabilities and performance of investee

	2018	2017
Name of Joint Venture	\$	\$
Current assets	917,809	980,720
Non-current assets	193,928	233,293
Total assets	1,111,737	1,214,013
Current liabilities	(167,908)	(256,057)
Share of investee's net assets	943,829	957,956
Revenue	906,553	891,627
Expenses	(920,680)	(943,778)
Share of investee's net surplus	(14,127)	(52,151)

11. Trade and Other Payables

Trade payables	85,822	133,825
Sundry payables and accrued expenses	242,252	155,610
Deferred income	5,000	130,840
	333,074	420,275

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

12. Employee Benefits

Current liabilities		
Long service leave	52,066	82,473
Provision for employee benefits	63,818	79,661
	115,884	162,134
Non-current liabilities		
Long service leave	19,675	8,494

13. Equity

The Group is comprised of companies limited by guarantee. If the companies are wound up, their Constitutions state that each member is required to contribute a maximum of FCF: \$2, BMDI: \$2 and ONCC: \$100 each towards meeting any outstanding obligations of each company. At 31 December 2018 the number of members of FCF was 18 (2017: 19), BMDI: 11 (2017: 12) and ONCC: 11 (2017:12).

14. Accumulated Surplus

Balance at the beginning of the financial year	5,685,521	5,589,019
Surplus/ (Deficit) for the year	(388,827)	44,351
Transfer to/(from) BMDI Cord Blood Bank Equity Interest	14,127	52,151
Retained earnings at end of the financial year	5,310,821	5,685,521

Fight Cancer Foundation

Notes to the Financial Statements For the Year Ended 31 December 2018

15. Reserves and other Equity Interest

	2018	2017
	\$	\$
Capital reserve (a)		
Opening balance	<u>2,244,010</u>	2,244,010
Revaluation surplus		
Opening balance	<u>4,006,494</u>	4,006,494
BMDI Cord Blood Bank Equity Interest (c)		
Opening balance	<u>957,956</u>	1,010,107
Change in share of net assets	<u>(14,127)</u>	(52,151)
	<u>943,829</u>	957,956
Total	<u><u>7,194,333</u></u>	<u><u>7,208,460</u></u>

(a) Capital Reserve

The capital reserve arose on transferring grant funded amounts paid for construction of BMDI Rotary House.

(b) Revaluation Surplus

The asset revaluation reserve records fair value movements on property, plant and equipment held under the revaluation model.

(c) BMDI Cord Blood Bank Equity Interest

The BMDI Cord Blood Bank Equity Interest contains the accumulated net surplus arising from the equity accounted investment transferred from accumulated surplus.

16. Capital and Leasing Commitments

Operating Leases

Minimum lease payments under non-cancellable operating leases:

- not later than one year	<u>30,355</u>	29,614
- between one year and five years	<u>43,433</u>	73,789
	<u><u>73,788</u></u>	<u><u>103,403</u></u>

The enforceable agreement between Melbourne Health and Fight Cancer Foundation for rental of office space commenced on 7 November 2014.

17. Key Management Personnel Remuneration

The total remuneration paid to key management personnel in respect to short-term benefits was \$171,267 (2017: \$151,814).

18. Contingencies

In the opinion of those charged with governance, the Company did not have any contingencies at 31 December 2018 (31 December 2017: Nil).

Fight Cancer Foundation

Notes to the Financial Statements For the Year Ended 31 December 2018

19. Parent Entity

	2018	2017
	\$	\$
Consolidated Statement of Financial Position		
Assets		
Current assets	1,796,959	2,194,088
Non-current assets	11,176,828	11,990,676
Total Assets	<u>12,973,787</u>	<u>14,184,764</u>
Liabilities		
Current liabilities	448,958	987,018
Non-current liabilities	19,675	301,338
Total Liabilities	<u>468,633</u>	<u>1,288,356</u>
Equity		
Retained earnings	7,194,333	5,685,521
Reserves	5,310,821	7,208,460
Total Equity	<u>12,505,154</u>	<u>12,893,981</u>
Consolidated Statement of Surplus or Deficit and Other Comprehensive Income		
Total surplus or deficit for the year	<u>(388,827)</u>	44,351
Total comprehensive income	<u>(388,827)</u>	<u>44,351</u>

20. Related Parties

The names of persons who were directors of Fight Cancer Foundation, Bone Marrow Donor Institute and Ovcare National Cancer Centre during the financial year are listed in the Directors' Report.

The directors were all members of Fight Cancer Foundation, Bone Marrow Donor Institute and Ovcare National Cancer Centre. Any transactions with the Group during the financial year were on normal commercial terms and conditions no more favourable than those available to other persons unless otherwise stated.

No non-executive Directors received any remuneration during the financial year.

During the year the directors contributed \$59,358 (2017: \$80,151) to the Group through participation in events and donations. There were no other related party transactions between the directors or director related entities and the Group during the financial year

21. Events after the end of the Reporting Period

Apart from continuing plans to extent Hilltop House (refer to Note 9), no matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

22. Statutory Information

The registered office and principal place of business of the company is:

Fight Cancer Foundation
Rotary Bone Marrow Research Centre
1d Royal Parade
Parkville Vic 3052

Fight Cancer Foundation

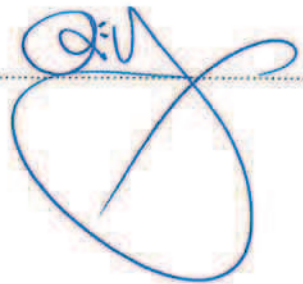
Responsible Persons' Declaration

The responsible persons declare that in the responsible persons' opinion:

- there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
- the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.

Responsible person 

Responsible person 

Dated this 26 day of APRIL 2019

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF FIGHT CANCER FOUNDATION

Report on the Financial Report

Auditor's Opinion

We have audited the accompanying financial report of Fight Cancer Foundation (the Company), which comprises the statement of financial position as at 31 December 2018, the statements of surplus or deficit and other comprehensive income, changes in equity, and cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the Company and the consolidated entity (the Group) comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

In our opinion, the financial report is prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* (the ACNC Act), including:

- (a) giving a true and fair view of the Group's consolidated financial position as at 31 December 2018 and of its consolidated financial performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the ACNC Act and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Directors' Responsibility for the Financial Report

The directors of the Company 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 ACNC Act and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors of the Company are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



PKF
Melbourne, 26 April 2019



Steven Bradby
Partner