

Fight Cancer Foundation

Consolidated Financial Report

For the Year Ended 31 December 2019

Fight Cancer Foundation

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For the Year Ended 31 December 2019

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Fight Cancer Foundation

Directors' Report

31 December 2019

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 2019.

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	Chair	
Anthony Hancy	Deputy Chair	
David Alsop	Company Secretary	Retired 23/07/2019
Carmel O'Brien	Company Secretary	Appointed 24/09/2019
Eric Wright	Managing Director	
Philip Hodgkinson	Finance Director	Appointed 21/05/2019
Anthony Lewis	Director	
James Muller	Director	
Kate Whitehead	Director	
Kylie Whittard	Director	
Susan Fetherston	Director	
Elaine McInerney	Director	Appointed 21/05/2019
John Saunders	Director	Appointed 25/06/2019

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 provide practical support for cancer patients and their families and to support medical research into better treatment methods for cancers of the blood and other blood disorders.

Since its inception in 1989 the group has developed a range of specific programmes in pursuit of its objectives. The aims of these programmes 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. In developing these income streams the groups seeks to achieve a sustainable funding position to allow us to confidently support our charitable programmes.

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Directors' Report

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Principal activities and significant changes in nature of activities (cont'd)

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 Hilltop Stage II project has been costed at \$3.8 million by a recognised quantity surveyor. A fixed price and term construction contract was entered into on 15 November 2019 in the sum of \$2,645,000. Additional expenditure will be incurred in the procurement of furnishings and equipment. A Commonwealth Government grant of \$1.9 million from the 'Building Better Regions Fund' has been approved. The residual amount required will be sourced from reserves for the project, proceeds from a public appeal launched in December 2019 and other grants currently under consideration. It is expected that the project will be completed within the budget approved by the Board of Directors.

The consolidated deficit of the Group for the financial year amounted to \$ 21,839 (2018 Deficit: \$388,827).

Information on directors

Leonie Walsh

Qualifications

Experience

Chair, Chair Governance Committee

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

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

Qualifications

Experience

Deputy Chair, Chair Nominations & Remuneration Committee

B Com, MBA, MAICD

Appointed to the Board in 2008, Tony was elected to the position of Vice President and Deputy Chair 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

Qualifications

Experience

Company Secretary, Director

B. Arch., Reg. Architect

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. David retired from the Board in July 2019.

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Directors' Report

31 December 2019

Information on directors (cont'd)

Carmel O'Brien
Qualifications
Experience

Company Secretary
MSc PhD

Carmel O'Brien (MSc, PhD) is a Principal Research Scientist with specialist knowledge in human stem cell technologies and brings over 20 years leadership experience from working in the biotechnology, clinical and medical research sectors. In her current appointment with the CSIRO, Carmel provides direction of academic & industry research programs investigating human stem cells, neural lineages, neurotrophic viruses and bioengineered tissue regeneration systems. Carmel was appointed in 2018 to head the Industry Portfolio for the CSIRO's Biomedical Materials Translation Facility. She holds an adjunct appointment with the Australian Regenerative Medicine Institute (Monash University, 2010-), actively contributing to post-graduate research supervision and teaching. Previously, Carmel lead the derivation of Australia's first human embryonic stem cell lines for global research distribution (Stem Cell Sciences P/L, Melbourne IVF P/L), the establishment of neural stem cell capability at the CSIRO, the licensing for novel antibodies detecting human stem cell states (CSIRO). She was a selected participant for the Australian Academy of Science's Theo Murphy High-Flyers Think Thank on mapping Australia's future stem cell technologies and public policies. Carmel was selected for the inaugural Victorian Endowment for Science Knowledge and Innovation (VESKI) 2018 Leading the Way program. She is a passionate advocate for increasing science impacts via diversity build in STEM sectors through her roles with CSIRO's Inclusion & Diversity and Indigenous Engagement committees. From 2015-2018 Carmel represented to a redevelopment committee overseeing the build of new homes for the membership of a CSIRO recreation club.

Eric Wright
Qualifications
Experience

Managing Director, Chair BMDI Cord Blood Bank, Chair Hilltop Board of Management

B.Ec Grad Dip HRM

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.

Philip Hodgkinson
Qualifications
Experience

Finance Director, Chair Finance, Audit & Risk Committee

B. Bus MAppFin CA MAICD

Philip was appointed to the Board in June 2019 as Finance Director and Chair of the Finance, Audit & Risk Committee. Philip has been employed as a Managing Director in the Global Corporate & Investment Banking division of Bank of America since 2010. His career in finance has spanned Australia, Hong Kong and London, including tenures at Ernst & Young, Qantas Airways and Commonwealth Bank. Philip is a Chartered Accountant, a Member of the Australian Institute of Company Directors, and holds a Master of Applied Finance and a Bachelor of Business.

Anthony Lewis
Qualifications
Experience

Director, Chair Investments Committee.

B. Ec, FRACS Hon, FCA, CPA, 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 from 2004 to 2019, a Board Member and former Finance Director of the Fight Cancer Foundation.

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Directors' Report

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Information on directors (cont'd)

James Muller	Director, Chair Property Committee
Qualifications	BA, Dip Mgt, WCLP
Experience	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. James is qualified with a Bachelor of Arts and Diploma of Management.
Kate Whitehead	Director, Chair Red Ball Committee
Qualifications	B. Bus, Dip Eng (Mech), Grad Dip Mgt, MBM MBS, GAICD
Experience	Kate joined the Board in 2014. Kate is the Managing Director of Avant Group, a leading national business strategy and government grants professional advisory firm. Kate has diverse sector experience, having previously managed the corporate memberships division of the Victorian Chamber of Commerce and Industry followed by digital marketing management at SEEK.com. Kate also worked in the Aerospace sector prior to founding Avant Group in 2012. Kate holds formal engineering qualifications, in addition to a Bachelor of Business Management and Master of Marketing from Melbourne Business School
Kylie Whittard	Director, Chair Footy Colours Day Development Committee
Qualifications	B. Com B. Bus (Marketing), MBA
Experience	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.
Susan Fetherston	Director
Qualifications	B. Social Work (Hons) Monash Clayton Vic
Experience	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.

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Directors' Report

31 December 2019

Information on directors (cont'd)

Elaine McInerney	Director
Qualifications	B.A (Management / Sociology), LLB Monash
Experience	Elaine McInerney currently holds the role of Group Head Legal, Bid Governance & Company Secretary at Spotless (a subsidiary company of Downer EDI). She has over 15 years of corporate and commercial experience specialising in providing legal advice to tier-one construction companies, owners, and government for major projects across the infrastructure, health, education and defence sectors respectively. Elaine started her career in private practice as a corporate lawyer specialising in construction disputes and after several years moved to an in-house legal role at Downer EDI. Elaine has a leadership role in the Downer/Spotless legal team which includes advising senior executive stakeholders on government and private sector tenders, provides legal and strategic advice to project teams during delivery of major projects and develops and delivers legal and commercial training across the business. Elaine holds a Bachelor of Arts (Management/Sociology) and Bachelor of Laws from Monash University.
John Saunders	Director
Qualifications	M.I.E.S (Aust & NZ), MAICD
Experience	Appointed to the Board in 2019, John is the CEO and Founder of LPA Lighting and Energy Solutions. John has grown the business to become a global leader delivering projects to over 80 countries worldwide, as well as expanding LPA's services into the energy market. With a double major in Electrical Engineering and Science, he is a driving force behind revolutionising change in the lighting and energy industries. John's experience and strategic ability has enabled him to discover innovative solutions in energy optimisation including technological advancements. John has presented energy management concepts across the globe to Companies and Governments and continues to develop and challenge energy markets to provide a more efficient and safer world for future generations.

Events after the reporting date

Coronavirus (COVID-19) outbreak

The existence of COVID-19 was identified in mainland China in December 2019. Consequent to the spread of the outbreak globally, causing disruption to businesses and economic activity, COVID-19 was characterised as a pandemic by the World Health Organisation on 11 March 2020.

The outbreak, and measures taken in response, are considered by the Directors to be non-adjusting events indicative of conditions that arose after the reporting period.

Management developed a response plan in early March 2020 that was consistent with Government guidelines, focusing on the health and well-being of staff, and ensuring the company is prepared for business continuity in an evolving environment.

As of the date of preparation of this financial report, the Directors are aware of the financial impact in terms of reduced funding from operational revenues, in particular cancellation of events. The financial impact on operations are under active assessment. In respect of events cancelled up to June 2020 a decline in operational revenues of up to 25% for the year is estimated. Alternative delivery style of events are now being planned to be rolled out in the second half of 2020. In addition, a number of government assistance packages have been applied for and received.

The outbreak will be expected to have significant future economic impact which may in turn affect Fight Cancer Foundation's operations, the results thereof, and its state of affairs in years subsequent to 31 December 2019. The carrying amount of certain of the Group's assets such as financial assets and property has been determined as at 31 December 2019 by reference to market values at that date. Such values may have materially changed as of the date of preparation of

Fight Cancer Foundation

Directors' Report

31 December 2019

Events after the reporting date (cont'd)

this report. Budgets and cash flow forecasts are being monitored regularly by the Board, and we are confident that the Group will continue to operate in a solvent position into the future.

The construction of our Hilltop Stage II project is continuing as planned, with minimal disruptions.

Benefits received directly or indirectly by officers

Fight Cancer Foundation remunerates the Managing Director, whose total remuneration is included in Note 18 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 \$4,585 (2018: \$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 8.

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 2019 the number of members of FCF was 18 (2018: 18), BMDI: 11 (2018: 11) and ONCC: 11 (2018:11)

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	10
Anthony Hancy	11	8
David Alsop	6	5
Carmel O'Brien	4	3
Eric Wright	11	11
Philip Hodgkinson	8	7
Anthony Lewis	11	8
James Muller	11	7
Kate Whitehead	11	9
Kylie Whittard	11	10
Susan Fetherston	11	7
Elaine McInerney	8	5
John Saunders	7	3

Fight Cancer Foundation

Directors' Report

31 December 2019

Meetings of directors (cont'd)

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), (Chair)
- J Muller BA, Dip Mgt, WCLP
- E Wright, Grad Dip HRM

Finance, Audit and Risk Committee:

- P Hodgkinson B. Bus MAppFin CA MAICD (Chair)
- A Cinanni B.Bus (Acctg), CA
- E McInerney B.A(Management/Sociology),LLB
- J Law B.Comm, CAA

Nomination and Remuneration Committee:

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

Investment Committee:

- A Lewis BEc, FCA, FCPA, MAICD (Chair)
- L Walsh BSc, MSC, MBA (Exec),
GAICD, FTSE, HonDUni (Swin)

Property Committee:

- J Muller BA, Dip Mgt, WCLP
- E Wright, Grad Dip HRM
- J Alsop, BArch, Reg Architect (member to 23/07/2019)

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

Director: 

Director: 

Dated this 29th day of July 2020

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 2019 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, 29 July 2020



Steven Bradby
Partner

Fight Cancer Foundation

Consolidated Statement of Surplus or Deficit and Other Comprehensive Income

For the Year Ended 31 December 2019

	Note	2019 \$	2018 \$
Revenue			
Donations and bequests		1,272,522	1,217,708
Trust and foundation grants		223,097	158,000
Special events		1,851,543	1,737,932
Other fundraising income		90,465	59,565
Income from accommodation centres		786,094	617,940
Bank interest		11,439	13,299
Portfolio revenue:			
Dividend/distributions		11,042	48,267
Valuation (losses)/gains		34,256	(21,020)
Total revenue		4,280,458	3,831,691
Direct costs of fundraising		(1,058,448)	(1,011,193)
Hobart House operating expenses		(223,204)	(205,844)
BMDI Rotary House operating expenses		(286,401)	(269,197)
Hilltop House operating expenses		(507,018)	(442,695)
BMDI Cord Blood Bank expenses		(44,828)	(174,866)
Research grants and expenses		(125,000)	(95,587)
Youth Education programme expenses		(732,824)	(796,188)
Operating expenses - Administration		(466,970)	(448,497)
Operating expenses - Fundraising		(824,561)	(762,324)
Finance costs		(15,523)	-
		(4,284,777)	(4,206,391)
(Deficit)/surplus for the year before share of associate surplus		(4,319)	(374,700)
Share of associate deficit (BMDI Cord Blood Bank)	(10)	(17,520)	(14,127)
(Deficit)/surplus for the year		(21,839)	(388,827)
Other comprehensive income for the year		-	-
Total (deficit)/surplus and other comprehensive income		(21,839)	(388,827)

The accompanying notes form part of these financial statements.
Comparatives have not been restated for the introduction of AASB 16 Leases

Fight Cancer Foundation

Consolidated Statement of Financial Position

As At 31 December 2019

	Note	2019 \$	2018 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	1,329,651	1,266,097
Trade and other receivables	7	181,717	137,548
Other financial assets	8	23,991	393,314
TOTAL CURRENT ASSETS		<u>1,535,359</u>	<u>1,796,959</u>
NON-CURRENT ASSETS			
Property, plant and equipment	9	11,605,071	10,232,999
Investments in associates	10	926,309	943,829
Right-of-use assets	11	360,211	-
TOTAL NON-CURRENT ASSETS		<u>12,891,591</u>	<u>11,176,828</u>
TOTAL ASSETS		<u><u>14,426,950</u></u>	<u><u>12,973,787</u></u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	210,359	333,074
Lease liabilities	11	108,065	-
Employee benefits	13	123,720	115,884
TOTAL CURRENT LIABILITIES		<u>442,144</u>	<u>448,958</u>
NON-CURRENT LIABILITIES			
Lease liabilities	11	258,039	-
Employee benefits	13	28,452	19,675
TOTAL NON-CURRENT LIABILITIES		<u>286,491</u>	<u>19,675</u>
TOTAL LIABILITIES		<u>728,635</u>	<u>468,633</u>
NET ASSETS		<u><u>13,698,315</u></u>	<u><u>12,505,154</u></u>
EQUITY			
Accumulated Surplus	15	5,306,502	5,310,821
Reserves	16	8,391,813	7,194,333
TOTAL EQUITY		<u>13,698,315</u>	<u>12,505,154</u>

The accompanying notes form part of these financial statements.
Comparatives have not been restated for the introduction of AASB 16 Leases

Fight Cancer Foundation

Consolidated Statement of Changes in Equity

For the Year Ended 31 December 2019

2019

	Accumulated Surplus	Capital Reserve	Asset Revaluation Reserve	BMDI Cord Blood Bank Equity Interest	Total
	\$	\$	\$	\$	\$
Balance at 1 January 2019	5,310,821	2,244,010	4,006,494	943,829	12,505,154
Deficit for the year	(21,839)	-	-	-	(21,839)
Revaluation increment	-	-	1,215,000	-	1,215,000
Transfer to/(from) reserve	17,520	-	-	(17,520)	-
Balance at 31 December 2019	5,306,502	2,244,010	5,221,494	926,309	13,698,315

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

The accompanying notes form part of these financial statements.
Comparatives have not been restated for the introduction of AASB 16 Leases

Fight Cancer Foundation

Consolidated Statement of Cash Flows

For the Year Ended 31 December 2019

	2019	2018
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	4,224,552	4,295,720
Payments to suppliers and employees	(4,080,596)	(4,481,228)
Dividends received	11,042	26,900
Interest received	11,439	34,716
Lease interest paid	(15,523)	-
Net cash provided by/(used in) operating activities	6 150,914	(123,892)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(387,807)	(126,702)
Proceeds from/(purchase of) financial assets	403,579	355,115
Net cash provided by investing activities	15,772	228,413
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payment of lease liabilities	(103,132)	-
Net cash used in financing activities	(103,132)	-
Net increase/(decrease) in cash and cash equivalents held	63,554	104,521
Cash and cash equivalents at beginning of year	1,266,097	1,161,576
Cash and cash equivalents at end of financial year	5 1,329,651	1,266,097

The accompanying notes form part of these financial statements.
Comparatives have not been restated for the introduction of AASB 16 Leases

Fight Cancer Foundation

Notes to the Financial Statements

For the Year Ended 31 December 2019

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 2019.

The adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Group, with the exception of impacts described below in respect of the application of AASB 16 *Leases*.

The Group has not elected to early adopt any new accounting standards available for early adoption at 31 December 2019.

The following are the newly applied Accounting Standards that have most significance to the Group:

AASB 15 Revenue from Contracts with Customers

The Group adopted AASB 15 from 1 January 2019. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price.

Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

Fight Cancer Foundation

Notes to the Financial Statements

For the Year Ended 31 December 2019

2 Summary of Significant Accounting Policies (cont'd)

(a) Change in accounting policy (cont'd)

AASB 1058 Income of Not-for-Profit Entities

The Group adopted AASB 1058 from 1 January 2019. The standard replaces AASB 1004 'Contributions' in respect to income recognition requirements for not-for-profit entities. The timing of income recognition under AASB 1058 is dependent upon whether the transaction gives rise to a liability or other performance obligation at the time of receipt. Income under the standard is recognised where: an asset is received in a transaction, such as by way of grant, bequest or donation; there has either been no consideration transferred, or the consideration paid is significantly less than the asset's fair value; and where the intention is to principally enable the entity to further its objectives.

AASB 16 Leases

The Group has adopted AASB 16 from 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets and an interest expense on the recognised lease liabilities. In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities.

The Group has elected to use the exception to lease accounting for short-term leases and leases of low value assets, and the lease expense relating to these leases are recognised in the statement of profit or loss on a straight line basis.

AASB 16 includes a number of practical expedients which can be used on transition, and the Group has used the following expedients:

- contracts which had previously been assessed as not containing leases under AASB 117 were not re-assessed on transition to AASB 16;
- lease liabilities have been discounted using the Group's incremental borrowing rate at 1 January 2019;
- right-of-use assets at 1 January 2019 have been measured at an amount equal to the lease liability adjusted by the amount of any prepaid or accrued lease payments;

The Group has recognised right-of-use assets of \$412,245 and lease liabilities of \$412,245 at 1 January 2019, in respect of leases correctly classified as operating leases as of the date of application of AASB 16. A weighted average incremental borrowing rate of 4.4% has been applied to lease liabilities at 1 January 2019.

Operating lease commitments totalling \$73,788 were disclosed in the financial report as at 31 December 2018. This total incorrectly excluded the obligation relating to the lease of Hobart premises, representing the majority of the difference between the commitments disclosed and the lease liabilities upon transition.

Fight Cancer Foundation

Notes to the Financial Statements

For the Year Ended 31 December 2019

2 Summary of Significant Accounting Policies (cont'd)

(b) Revenue and other income

The Group adopted AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income of Not-for-Profit Entities* with a date of initial application of 1 January 2019. The modified retrospective method has been applied which means the comparative information has not been restated and continues to be reported under AASB 118 *Revenue*, AASB 1004 *Contributions* and related interpretations. The key changes did not have a material impact on the Group's financial report for the financial year, however the updated accounting policies are described below.

Service and related revenue

The Group undertakes certain activities which are accounted for when the performance obligation is satisfied, including:

- Performing fundraising events
- Providing accommodation services
- Sale of donated products by community branches

The revenue is either recognised over time as the services are provided or recognised at the point in time, for example, as events are delivered, or services are provided to customers. Revenue sourced by branches is recognised when deposited into the Group's bank account.

Sponsorship and donations

Revenue from sponsorship is recognised at the time of the sponsored event. Where payment is received in advance, it is recognised as a liability until the performance obligation is satisfied. Donations are recognised as revenue when the Group gains control, economic benefits are probable, and the amount can be measured reliably.

Portfolio revenue

Revenue from financial assets income comprises interest, dividends and distributions. Interest income is recognised as it accrues, using the effective interest method. Dividends and distributions from listed entities are recognised when the right to receipt has been established.

(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) Leases

In prior year

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.

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

Fight Cancer Foundation

Notes to the Financial Statements

For the Year Ended 31 December 2019

2 Summary of Significant Accounting Policies (cont'd)

(d) Leases (cont'd)

In current year

The Group elected to adopt AASB 16 Leases using the modified retrospective method from 1 January 2019 and therefore the comparative information for the year ended 31 December 2019 has not been restated and has been prepared in accordance with AASB 117 Leases and related interpretations.

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred.

At the lease commencement, the Group recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Group believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Group's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Group's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Exceptions to lease accounting

The Group has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Group recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

(e) 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

Fight Cancer Foundation

Notes to the Financial Statements

For the Year Ended 31 December 2019

2 Summary of Significant Accounting Policies (cont'd)

(e) Property, plant and equipment (cont'd)

Land and buildings (cont'd)

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.

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.

(f) 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).

Fight Cancer Foundation

Notes to the Financial Statements

For the Year Ended 31 December 2019

2 Summary of Significant Accounting Policies (cont'd)

(f) Financial instruments (cont'd)

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 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.

(g) 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

Fight Cancer Foundation

Notes to the Financial Statements

For the Year Ended 31 December 2019

2 Summary of Significant Accounting Policies (cont'd)

(g) Joint arrangements (cont'd)
surplus or deficit.

(h) 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.

(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.

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 2019

4 Result for the Year

The result for the year includes the following specific expenses:

	2019	2018
	\$	\$
Employee benefits expense	1,438,495	1,386,077
Depreciation of property plant and equipment	230,735	226,543
Depreciation of right-of-use assets	109,025	-

5 Cash and Cash Equivalents

Cash at bank and in hand	<u>1,329,651</u>	<u>1,266,097</u>
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6 Cash Flow Information

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

Surplus/(deficit) for the year	(21,839)	(388,827)
Non-cash flows:		
- depreciation	339,760	226,543
- fair value movements on investments	(34,256)	21,020
Share of net deficit in associate	17,520	14,127
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(44,169)	125,515
- increase/(decrease) in deferred income	45,000	(125,840)
- increase/(decrease) in trade and other payables	(167,715)	38,639
- increase/(decrease) in employee benefits	16,613	(35,069)
Cashflows from operations	<u>150,914</u>	<u>(123,892)</u>

7 Trade Receivables and Other Assets

Trade receivables	113,964	82,673
Prepayments	16,177	15,089
Accrued income and other receivables	51,576	39,786
	<u>181,717</u>	<u>137,548</u>

8 Other Financial Assets

Financial assets at fair value through profit or loss

Units and shares in listed entities	<u>23,991</u>	<u>393,314</u>
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The portfolio was subject to orderly liquidation during the year, generating a realised surplus of \$30,570.

Fight Cancer Foundation

Notes to the Financial Statements For the Year Ended 31 December 2019

9 Property, plant and equipment

	2019	2018
	\$	\$
LAND AND BUILDINGS		
BMDI Rotary House (at 2019 valuation)	7,000,000	5,841,250
Hilltop House (at 2015 valuation)	3,957,164	4,068,450
Capital works in progress	498,970	118,614
Total Property	11,456,134	10,028,314
Comprising		
Freehold land		
Hilltop House (at 2015 valuation)	369,900	369,900
BMDI Rotary House (at 2019 valuation)	5,000,000	3,950,000
Total freehold land	5,369,900	4,319,900
Total Land	5,369,900	4,319,900
Buildings		
Hilltop House (at 2015 valuation)	4,215,490	4,215,490
less accumulated depreciation	(628,226)	(516,940)
BMDI Rotary House (at 2019 valuation)	2,000,000	2,050,000
less accumulated depreciation	-	(158,750)
Total buildings	5,587,264	5,589,800
Capital works in progress		
At cost	498,970	118,614
Total land and buildings	11,456,134	10,028,314
PLANT AND EQUIPMENT		
Equipment, Furniture and Fittings		
At cost	342,336	1,330,716
Accumulated depreciation	(193,399)	(1,126,031)
Total plant and equipment	148,937	204,685
Total property, plant and equipment	11,605,071	10,232,999

The directors obtained an independent assessment of the fair value of freehold land and buildings for 'BMDI Rotary House' on 31 December 2019. 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.

Plans to extend Hilltop House were developed during the year and further works commenced in 2019 are currently proceeding (Hilltop House Stage II). 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.

Fight Cancer Foundation

Notes to the Financial Statements

For the Year Ended 31 December 2019

9 Property, plant and equipment (cont'd)

The Hilltop House Stage II project has been costed at \$3.8 million by a recognised quantity surveyor. A fixed price and term construction contract was entered into on 15 November 2019 in the sum of \$2,645,000. Additional expenditure will be incurred in the procurement of furnishings and equipment. A Commonwealth Government grant of \$1.9 million from the 'Building Better Regions Fund' has been approved. The residual amount required will be sourced from reserves for the project, proceeds from a public appeal launched in December 2019 and other grants currently under consideration. It is expected that the project will be completed within the budget approved by the Board of Directors.

(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 2019					
Balance at the beginning of year	118,614	4,319,900	5,589,800	204,685	10,232,999
Additions	380,356	-	-	7,451	387,807
Depreciation expense	-	-	(167,536)	(63,199)	(230,735)
Revaluation	-	1,050,000	165,000	-	1,215,000
Balance at the end of the year	498,970	5,369,900	5,587,264	148,937	11,605,071

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%

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

	2019	2018
	\$	\$
Current assets	1,011,040	917,809
Non-current assets	154,236	193,928
Total assets	1,165,276	1,111,737
Current liabilities	(238,967)	(167,908)
Share of investee's net assets	926,309	943,829
Revenue	888,478	906,553
Expenses	(905,998)	(920,680)
Share of investee's net deficit	(17,520)	(14,127)

Fight Cancer Foundation

Notes to the Financial Statements

For the Year Ended 31 December 2019

11 Leases

The Company has leases over premises and office equipment. Premises leases include a corporate office space, accommodation premises in Hobart and recycle outlets in Geelong and Drysdale. Photocopying and printing equipment are also leased.

Fight Cancer Foundation's corporate office located at the Royal Melbourne Hospital, First Floor 1D Royal Parade, Parkville is leased from Melbourne Health. Under an extension of an existing lease the premises are leased for a 3-year term through 29 May 2023, at an annual rental of \$1. Nominal amounts are therefore contained in the right-of-use asset and lease liabilities related to this lease. Other costs in the lease relate to services, which are therefore classified as non-lease components which are disclosed within commitments in Note 17.

Hobart House is leased for a 5-year term through 15 September 2023, and the lease contains an option to renew for a further period of 5 years. This term is not regarded as reasonably certain.

The option allows for the lease term to be extended by up to twice the original non-cancellable period of the lease, enabling flexibility and certainty and the opportunity to reduce costs of moving premises. At commencement date and each subsequent reporting date, management assesses where it is reasonably certain that extension options will be exercised. At the reporting date there is \$487,500 in potential future lease payments which are not included in lease liabilities as it has been assessed that the exercise of the option is not reasonably certain.

The leases in respect of recycle outlets are currently under short term or month-to-month arrangements.

There are no significant restrictions on use of the leased premises assets, while the leases require that the lessee maintains the premises in clean condition and repair, subject to fair wear and tear.

Office equipment lease is in respect of photocopiers with the current contract due to expire on 29 October 2024.

Right-of-use assets

	Buildings	Office Equipment	Total
	\$	\$	\$
Year ended 31 December 2019			
Balance at beginning of year	412,245	-	412,245
Depreciation charge	(109,025)	-	(109,025)
Additions to right-of-use assets	40,257	16,734	56,991
Balance at end of year	343,477	16,734	360,211

Lease liabilities

	2019
	\$
Current	108,065
Non-Current	258,039
	<u>366,104</u>

Fight Cancer Foundation

**Notes to the Financial Statements
For the Year Ended 31 December 2019**

11 Leases (cont'd)

Lease liabilities (cont'd)

	2019
	\$
Reconciliation of lease liability	
Balance at 1 January 2019	412,245
New leases	56,991
Lease payments	(118,655)
Interest expense	15,523
Balance at 31 December 2019	<u>366,104</u>

The amounts recognised in the consolidated statement of surplus or deficit and other comprehensive income relating to leases where the Group is a lessee are shown below:

	2019	2018
	\$	\$
Interest expense on lease liabilities	(15,523)	-
Depreciation of right-of-use assets	(109,025)	-
	<u>(124,548)</u>	<u>-</u>

12 Trade and Other Payables

Trade payables	96,899	85,822
Sundry payables and accrued expenses	63,460	242,252
Deferred income	50,000	5,000
	<u>210,359</u>	<u>333,074</u>

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.

13 Employee Benefits

Current liabilities		
Long service leave	59,741	52,066
Provision for employee benefits	63,979	63,818
	<u>123,720</u>	<u>115,884</u>
Non-current liabilities		
Long service leave	28,452	19,675

Fight Cancer Foundation

Notes to the Financial Statements

For the Year Ended 31 December 2019

14 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 2019 the number of members of FCF was 18 (2018: 18), BMDI: 11 (2018: 11) and ONCC: 11 (2018:11).

15 Accumulated Surplus

	2019	2018
	\$	\$
Balance at the beginning of the financial year	5,310,821	5,685,521
Surplus/ (Deficit) for the year	(21,839)	(388,827)
Transfer to/(from) BMDI Cord Blood Bank Equity Interest	17,520	14,127
Accumulated Surplus at end of the financial year	5,306,502	5,310,821

16 Reserves and other Equity Interest

Capital reserve (a)		
Opening balance	2,244,010	2,244,010
Revaluation surplus		
Opening balance	4,006,494	4,006,494
Revaluation of land and buildings	1,215,000	-
	5,221,494	4,006,494
BMDI Cord Blood Bank Equity Interest (c)		
Opening balance	943,829	957,956
Change in share of net assets	(17,520)	(14,127)
	926,309	943,829
Total	8,391,813	7,194,333

(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.

Fight Cancer Foundation

Notes to the Financial Statements

For the Year Ended 31 December 2019

17 Capital and Leasing Commitments

Operating Leases

	2019	2018
	\$	\$
Minimum lease payments under non-cancellable operating leases:		
- not later than one year	-	30,355
- between one year and five years	-	43,433
	<u>-</u>	<u>73,788</u>

Commitments

Under a fixed price and term construction contract entered into on 15 November 2019 the company committed to an extension of Hilltop House, to a contract sum of \$2,645,000. The construction will be completed within two years.

Under a premises lease the company is committed to pay \$29,500 per annum for outgoings, subject to annual CPI adjustment, through the term of the lease term expiring 28 May 2023.

18 Key Management Personnel Remuneration

The total remuneration paid to key management personnel in respect to short-term benefits was \$168,649 (2018: \$171,267).

19 Contingencies

In the opinion of those charged with governance, the Company did not have any contingencies at 31 December 2019 (31 December 2018: Nil).

20 Parent Entity

	2019	2018
	\$	\$
Consolidated Statement of Financial Position		
Assets		
Current assets	1,535,359	1,796,959
Non-current assets	12,891,591	11,176,828
Total Assets	<u>14,426,950</u>	<u>12,973,787</u>
Liabilities		
Current liabilities	442,144	448,958
Non-current liabilities	286,491	19,675
Total Liabilities	<u>728,635</u>	<u>468,633</u>
Equity		
Reserves	8,391,813	7,194,333
Accumulated Surplus	5,306,502	5,310,821
Total Equity	<u>13,698,315</u>	<u>12,505,154</u>
Consolidated Statement of Surplus or Deficit and Other Comprehensive Income		
Total surplus or deficit for the year	<u>(21,839)</u>	<u>(388,827)</u>
Total comprehensive income	<u>(21,839)</u>	<u>(388,827)</u>

Fight Cancer Foundation

Notes to the Financial Statements

For the Year Ended 31 December 2019

21 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 \$29,227 (2018: \$59,358) 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.

22 Events after the end of the Reporting Period

Coronavirus (COVID-19) outbreak

The existence of COVID-19 was identified in mainland China in December 2019. Consequent to the spread of the outbreak globally, causing disruption to businesses and economic activity, COVID-19 was characterised as a pandemic by the World Health Organisation on 11 March 2020.

The outbreak, and measures taken in response, are considered by the Directors to be non-adjusting events indicative of conditions that arose after the reporting period.

The management developed a response plan in early March 2020 that was consistent with Government guidelines, focusing on the health and well-being of staff, and ensuring the company is prepared for business continuity in an evolving environment.

As of the date of preparation of this financial report, the Directors are aware of the financial impact in terms of reduced funding from operational revenues, in particular cancellation of events. The financial impact on operations are under active assessment. In respect of events cancelled up to June 2020 a decline in operational revenues of up to 25% for the year is estimated. Alternative delivery style of events are now being planned to be rolled out in the second half of 2020. In addition, a number of government assistance packages have been applied for and received.

The outbreak will be expected to have significant future economic impact which may in turn affect Fight Cancer Foundation's operations, the results thereof, and its state of affairs in years subsequent to 31 December 2019. The carrying amount of certain of the Group's assets such as financial assets and property has been determined as at 31 December 2019 by reference to market values at that date. Such values may have materially changed as of the date of preparation of this report. Budgets and Cashflow forecasts are being monitored regularly by the Board, and we are confident that the Group will continue to operate in a solvent position into the future.

The building and construction of our Albury Stage 11 project is continuing as planned, with minimal disruptions.

23 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  day of  2020

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 2019, 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 2019 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, 29 July 2020



Steven Bradby
Partner