

Financial Report

for the year ended 30 June 2020

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Corporate information

Directors	K Maywald DUniv Flin FTSE GICD (Chairman) G Boulton AM BA (Accountancy) FCA, FCPA, FAICD (Deputy Chairman) F Baum AO FASSA, FAAHMS, BA (Hons), PhD J Birch AM, BHA, FACHSM, AAICA C Branson AC QC BA LLB (Adel) Hon LLD (Flin) Hon D Litt (Macq) C Michalakakis, BSc(Ma), MSc J Richter AM GAICD, FACHSM, FACN, MBA, GradDipHAdmin, BA(Comms) D I Watson, MBBS, MD, FRACS
Chief Executive	L Size B.Bus (HRM), MBA, CAHRI, GAICD
Company Secretary	A Siebert BA (Acc), FCPA, FAICD
Auditors	KPMG 151 Pirie Street Adelaide SA 5000
Bankers	Bank of South Australia 164 Unley Road Unley SA 5061
Legal	Minter Ellison Lawyers 25 Grenfell St Adelaide SA 5001
Registered Office	202 Greenhill Road Eastwood SA 5063
Postal address	PO Box 929 Unley BC SA 5061

Directors' Report

for the year ended 30 June 2020

The Directors of Cancer Council SA (the Company) present their report with respect to the results for the year ended 30 June 2020 together with the Financial Statements of the Company and the Auditor's report thereon.

Short and long term objectives

Our short term objectives are directed to funding and delivering programs that have a tangible impact on:

- the lives of people with cancer, their carers and families
- research and knowledge of cancer
- community understanding and behaviour in relation to cancer
- advancing cancer prevention and control.

In the longer term our strategic priorities are:

- reducing cancer risk, increasing cancer prevention
- improving the rates of survival when cancer does occur
- optimising cancer care
- improving the quality of life of people with cancer, cancer survivors and carers
- addressing inequalities in cancer risk and cancer outcomes between more and less advantaged sectors of the community, by addressing the causes
- building for the future through investment in infrastructure and strong cancer research
- providing and improving information for cancer control.

Strategies for achieving our objectives

Research – fostering and building South Australian cancer research capacity

- monitor the *Beat Cancer Project* to ensure the growth in cancer research capacity and outcomes in SA through our investment
- ensure research funding includes support for clinical research and population health/health services research
- ensure South Australian cancer registrations are maintained, and data available to key stakeholders through a cancer registry
- lead research into cancer survivorship to improve our understanding of the cancer journey after diagnosis and treatment phases are complete.

Prevention – improving wellbeing and preventing cancer

- reduce smoking rates in adults
- increase population participation in colorectal cancer screening
- increase participation in sun protection behaviours
- increase awareness of risk factors of overweight and obesity
- increase early screening to detect breast and cervix cancer.

Support – supporting people with cancer, their families and carers

- measure and monitor support care needs to ensure evidence based support is available
- increase established online services and 131 120 Information and Support supportive care resources
- increase funding to focussed research on supportive care needs of South Australians
- further develop the State-wide Cancer Control plan and Aboriginal and Torres Strait Islander support plan in collaboration with South Australian Cancer Services
- providing supportive accommodation for rural and remote South Australians travelling to Adelaide for treatment

Directors' Report for the year ended 30 June 2020 (continued)

Building Capacity – ensuring we have the capacity to deliver on our vision

- maintain financial sustainability
- raise brand awareness of Cancer Council SA
- increase number of regular donors and maximise donor value
- increase net fundraising revenue
- ensure community engagement
- work towards organisational health and being an employer of choice
- ensure work practices are environmentally sound

Principal Activities during the year:

The principal activities of Cancer Council SA during the year consisted of furthering research into methods of treatment and the causation and prevention of the disease of cancer; education and promotion of the interests of the public in respect of cancer; providing community support services; promoting any anti-cancer purpose and fundraising to support the delivery of these activities.

Review of operations:

The operations of Cancer Council SA have been carried out so as to achieve the set objectives. The operating profit before recognising any change in the fair value of equity investments was \$0.10million (2019 \$2.59 million). Cancer Council SA expended \$12.29 million (2019: \$10.76 million) on the core mission activities of cancer research, prevention and support programs throughout the year. Expenditure on prevention and support programs of \$8.21 million (2019: \$8.68 million) with a further \$4.08 million (2019: \$2.08 million) directed to cancer research. Funding for prevention programs delivered on a fee for services basis for the South Australian and Commonwealth Government was \$0.06 million less than the previous year. Cancer research expenditure increased from \$2.08 million to \$4.08 million reflecting an increased commitment to the Beat Cancer Project directly funded by the Commonwealth Government.

COVID-19

The COVID-19 pandemic has had a material effect on the generation of fundraising income and operating conditions in the last quarter of the financial year. COVID-19 has not affected the measurement or recognition of material income or expenditure items. Financial assets are recorded at the market value. Valuations changed materially through the six months to 30 June 2020, those changes are reflected in the financial statements. Cancer Council SA's receivables are not material and we do not believe the recovery of those receivables will be affected by the pandemic.

Cancer Council SA received support from the Commonwealth Government through the one-off support payment provided to all business and JobKeeper totalling \$0.53 million in the year to 30 June 2020. This income is recognised in the period it is claimed.

Fundraising in a difficult competitive climate was 28.8% lower than the previous year's level reflecting the impact of COVID-19 on event-based fundraising, particularly Australia's Biggest Morning Tea revenue which was \$1.00m below the previous year. Last year also included a significant gift by a major donor. Bequest income of \$2.50 million was \$0.38 million higher than the previous year. Cancer Council SA generated an operating surplus for the year of \$0.10 million compared to an operating surplus for the year of \$2.59 million last year. The operating surplus reflects the reduction in the fundraising income, the JobKeeper subsidy and action taken throughout the year to maintain the business to a sustainable position in line with the three-year plan and the planned change in the level of research expenditure. A cash inflow for the year of \$1.61 million (2019: \$7.26 million inflow) reflected cash outflow through the operating performance for the year to 30 June 2020 and expenditure of the design for the new building offset by the redemption of \$2.2 million in managed investment unit trusts assets.

Financial assets, being direct and indirect investments in exchange tradable securities, decreased in value by \$5.32 million through the year reflecting the redemption of \$2.22 million in managed investment unit trusts assets and a decrease in the value of financial markets of \$3.27 million and compares to a decrease in value of \$0.93 million the previous year.

Directors' Report for the year ended 30 June 2020 (continued)

Likely developments and expected results of operations

COVID-19

Cancer Council SA has a significant pool of financial assets that have allowed time for the organisation to develop a measured response to the changing operating conditions.

Cancer Council SA expects fundraising conditions to remain difficult for the coming financial year. Occupancy levels in our supportive accommodation facilities are expected to be approximately 10% below historic levels. Investment income is expected to be materially below the current financial year and long-term earning rates. The high level of bank and term deposits contribute to the decline in projected investment income, however they provide certainty greater over capital value. Cancer Council SA is projecting for continued Commonwealth Government JobKeeper support for Q1 of the coming financial year.

The organisation continues to pursue its Strategic Plan; however, it will implement changes to operating activities that will reduce expenditure compared to previous years. Cancer Council SA is expected to generate an operating loss for the full year to June 2021.

Cancer Council SA continues to maintain a strong net asset position and a high level of liquid and near liquid financial assets and its financial position remains strong. Cancer Council SA does not rely on suppliers to support its operating cash flow through the provisions of extended trading terms.

Cancer Council SA continued assessing the feasibility of constructing of a new multi-level mixed purpose building to house our complete operations through the financial year. The project was suspended in March 2020 due to the uncertainty of the COVID-19 Pandemic. The Board resolved to continue the project and is currently tendering for the construction of the building

In anticipation of the investment in a new building, investment assets have remained in defensive assets such as cash and term deposits. The switch in the class of investment asset will reduce the level of investment income generated by Cancer Council SA and has been allowed for in the operational and strategic plans.

Although donor support remains high, competition for the charitable and recreational dollar continues to present challenges in raising funds to support the programs of Cancer Council SA. Ongoing review of all programs is undertaken seeking continuous improvement and to ensure the continuing financial viability of Cancer Council SA.

Significant changes in the state of affairs

In the opinion of the Directors, there were no other significant changes in the state of affairs that occurred during the year to 30 June 2020.

Event subsequent to Balance Date

As a result of the evolving nature of COVID-19 and the rapidly evolving government policies of restriction implemented to contain it, as at the date of these financial statements, the Company is not in a position to reasonably estimate the financial effect of COVID-19 on the future financial performance and financial position of Cancer Council SA.

There have been no other significant change in the state of affairs of the Company in the period from 30 June to the date of this report that will have a material effect on the Company's financial performance.

Members' liability

The Anti-Cancer Foundation of South Australia is a Company limited by guarantee. Pursuant to the Constitution, each member undertakes to contribute to the property of the Company in the event of it being wound up. The maximum contribution per member in accordance with the guarantee is \$100.

Directors' Report for the year ended 30 June 2020 (continued)

Information on Directors

The following persons were Directors of Cancer Council SA during the twelve month period and to the date of this report.

The Hon. Karlene Maywald D Univ Flin FTSE GICD
Appointed Director 14/02/2020

Board Chair
Chair, Nomination and Remuneration Committee
Member, Investment Committee

The Hon Karlene Maywald is an experienced Chair and non-executive director across a range of industries in both the private and public sectors including 6 years as a State Government Minister and 3 years as Chair of the National Water Commission.

Karlene was elected as the representative for the seat of Chaffey in the South Australian House of Assembly from October 1997 until March 2010. She was appointed as a Minister from 2004 to 2010 holding at times the portfolios of River Murray, Water Security, Regional Development, Small Business, Consumer Affairs, Science/ Information Economy and Minister assisting with Industry and Trade.

Her recent board experience includes Chairing the International Centre for Excellence in Water Resources Management, the ModMed Institute, Stoney Pinch Sands Ltd and Hydro-dis Ltd. She has also held Directorships with SA Water, GPEx Ltd and the Goyder Institute.

Karlene is currently Chair of the CSIRO Land and Water Business Unit Advisory Committee and Hillgrove Resources Community Advisory Committee and a Member of the Red Cross Bushfire Fund Advisory Panel and the Flinders University New Venture Institute Advisory Board.

Mr Greg Boulton AM BA (Accountancy) FCA, FCPA, FAICD
Appointed Director 13/2/2015

Deputy Chairman, Board Cancer Council - appointed 16/02/2020
Chairman, Strategic Fundraising Committee
Chairman, Audit & Risk Committee
Deputy Chairman, Nomination and Remuneration Committee – appointed 19/02/2020

Greg is a Fellow of the Institute of Chartered Accountants, CPA Australia and the Australian Institute of Company Directors. Greg was Managing Director of IPEC Transport for seven years. After 20 years' experience in senior management roles, he consulted on change management implementation, strategic planning, best practice programs and transport. He is on the Board of a number of private and public companies and has broad experience in capital raising, acquisitions and commercial negotiations and management.

Greg is Chair of SuperSA and also on the Boards of, Kangaroo Island Plantation Timbers Limited, Kogi Iron Limited and Southern Gold Ltd. He was also President of the Port Adelaide Football Club from 1992 to 2008.

Greg has been awarded an AM—Member in the General Division in the Order of Australia for his service to AFL administration, to the community of South Australia and to business.

Directors' Report for the year ended 30 June 2020 (continued)

Professor Fran Baum AO FASSA, FAAHMS, BA (Hons), PhD
Appointed Director 16/10/19
Member, Research Committee

Fran Baum is Matthew Flinders Distinguished Professor of Public Health and Foundation Director of the Southgate Institute for Health, Society and Equity and WHO Collaborating Centre on the Social, Political and Commercial Determinants of Health Equity at Flinders University, Adelaide, Australia. She was named in the Queen's Birthday 2016 Honours List as an Officer of the Order of Australia (AO) for "distinguished service to higher education as an academic and public health researcher, as an advocate for improved access to community health care, and to professional organisations".

Fran is a Fellow of the Academy of the Social Sciences in Australia, the Australian Academy of Health and Medical Sciences and of the Australian Health Promotion Association. She is a past National President and Life Member of the Public Health Association of Australia. She is a Foundation Director of the Southgate Institute for Health, Society and Equity and Co-Chair of the Global Steering Council of the People's Health Movement. She also served as a Commissioner on the World Health Organisation's Commission on the Social Determinants of Health from 2005-08.

Mr Jim Birch AM, BHA, FACHSM
Appointed Director 30/11/2012

Chairman, Cancer Research Committee
Member, Strategic Fundraising Committee
Member, Nomination and Remuneration Committee

Jim is a Non-Executive Director of a number of Boards. He was formerly Ernst & Young's Global Health Leader and Government and Public Sector Leader, Oceania.

Jim has been Chief Executive of the Human Services and Health Department (South Australia), Deputy Chief Executive of Justice, and Chief Executive of major health service delivery organisations, including teaching hospitals.

Jim is currently Chair of the Australian Red Cross Blood Service, Chair of the Woman's and Children's Local Health Network (South Australia), a member of the Board of the Australian Red Cross Society, Chair of Clevertar Pty Ltd and Chair of the Board of the Little Company of Mary Health Care.

The Hon Catherine Branson AC QC BA LLB (Adel) Hon LLD (Flin) Hon D Litt (Macq)

Appointed Director 25/03/2015
Member, Audit & Risk Committee

Catherine is a former Judge of the Federal Court of Australia and a past President of the Australian Human Rights Commission. Earlier in her career she held the positions of Crown Solicitor of South Australia and CEO of the Attorney-General's Department (SA) before leaving public employment to practise as a Barrister.

Catherine is Chancellor of The University of Adelaide, and an Adjunct Professor of the Adelaide Law School. Catherine is a Fellow of the Australian Academy of Law and Chair of the Human Rights Law Centre.

Throughout her career she has served in a voluntary capacity on the governance or advisory bodies of a significant number of organisations and charities involved with the arts, health, education or human rights.

Directors' Report for the year ended 30 June 2020 (continued)

Mr Con Michalakakis BSc (Ma), MSc
Appointed Director 24/03/2011

Chairman, Investment Committee

Along with the Investment Committee, Con is responsible for managing Statewide Super's \$10 billion in funds under management.

Prior to joining Statewide, Con was Director of Marketing and Client Services for Manhattan-based boutique investment firm Pzena Investment Management, where he was responsible for marketing the firm's products and services in Australia, New Zealand, Hong Kong and Singapore. He was previously the Director, Head of Institutional Business, for Merrill Lynch Investment Managers based in Sydney. Con has also worked in London with Alliance Capital Management and was the first Australian practice leader of investment consulting for Watson Wyatt.

Con has a Bachelor of Mathematical Science from the University of Adelaide, a Masters of Science from the University of London and a Postgraduate Diploma in Financial Strategy from Saïd Business School at the University of Oxford.

Con is a member of the University of Adelaide Endowment Fund Investment Advisory Committee.

Jennifer Richter AM GAICD, FACHSM, FACN, MBA, Grad Dip HAdmin, BA(Comms)
Appointed Director 16/10/ 2019

Member, Audit and Risk Committee

Member, Investment Committee

Jenny Richter is currently an independent consultant and a Non-Executive Director on several Boards.

Jenny's previous executive roles include Deputy Chief Executive for SA Health, a position she held for five years and more recently as CEO of Central Adelaide Local Health Network.

Jenny's experience in the health sector commenced as a Registered Nurse. Throughout her careers she has gained significant leadership experience as an administrator and executive in the public and private hospital sectors, within community nursing, in the private financing sector through public private partnership projects and within the SA public health system.

Jenny is a graduate of the Australian Institute of Company Directors, a Fellow of the Australasian College of Health Service Management and a Fellow of the Royal College of Nursing Australia. She has a Master of Business Administration, a Grad Dip in Health Administration and a Bachelor of Arts.

Jenny currently holds directorships with the South Australian Health & Medical Research Institute, the Independent Hospital Pricing Authority and the Southern Adelaide Local Health Network where she also chairs the Clinical Governance Board Sub-Committee. Jenny is also a non-executive director of Cancer Council Australia.

Directors' Report for the year ended 30 June 2020 (continued)

Professor David Watson MBBS, MD, FRACS, FAHMS

Appointed Director – 14/10/2015

Member, Cancer Research Committee

Member, Strategic Fundraising Committee

Since 2002, David has been Head of the Flinders University Department of Surgery and is an Oesophageal and Gastric Surgeon at Flinders Medical Centre. Before joining Flinders University, he worked as a Consultant Surgeon at the Royal Adelaide Hospital for nine years.

His clinical and research interests include gastro-oesophageal reflux and oesophageal and gastric cancer, and he has led 14 randomised clinical trials designed to improve clinical practice in these areas. He also leads molecular biology and population health research groups at Flinders University which work to improve early detection and prevention of gastrointestinal cancer. David has published more than 400 research Papers and textbook chapters, and he has held many major research grants, including continuous funding from the National Health and Medical Research Council for more than 20 years. He has led the development of clinical guidelines for the management and prevention of oesophageal cancer for Cancer Council and SA Health.

David is a Senior Editor of the ANZ Journal of Surgery, and Associate Editor of the World Journal of Surgery, and a member of the Editorial Boards for many other leading international journals including the British Journal of Surgery and the Journal of Gastrointestinal Surgery.

In 2006, David led the establishment of the Australia and New Zealand Gastric and Oesophageal Surgery Association, and he served as the foundation President until 2010. He currently serves as President-elect for the International Society for Diseases of the Oesophagus, and has served on the National Council for the Australian Academy of Health and Medical Sciences. He is a recipient of major research awards including the Royal Australasian College of Surgeons' John Mitchell Crouch Fellowship, a James IV Travelling Fellowship, election to Fellowship of the Australian Academy of Health and Medical Sciences, honorary fellowship of the Royal College of Surgeons of Edinburgh and appointment to a Matthew Flinders Distinguished Professorship at Flinders University.

Rear Admiral The Honourable Kevin Scarce AC CSC RANR Rtd

Appointed Director 1/11/2014, Retired 14/02/2020

Associate Professor Susan Neuhaus CSC, MBBS, PhD, FRACS, FAICD

Appointed Director 27/10/2010; retired 16/10/2019

Mrs Belinda Jennings

Appointed Director 18/8/2016; retired 16/10/2019

Dr Judith Dwyer AM, PhD, MBA, BA, FAICD, FCHSM

Appointed Director 10/11/2010; retired 16/10/2019

Directors' benefits

No Director of Cancer Council SA has received or has become entitled to receive a benefit in respect of their role as Directors.

Directors' Report for the year ended 30 June 2020 (continued)

Meetings of Directors

The number of Directors' meetings and number of meetings attended by each of the Directors of Cancer Council SA during the twelve month period was:

	Directors' meetings	
	No of Meetings Attended	No of Meetings Eligible to Attend
K Maywald	4	4
G Boulton AM	4	7
F Baum AO	5	5
J Birch AM	7	7
C Branson AC QC	7	7
C Michalakakis	4	7
J Richter AM	5	5
D Watson	3	7
K Scarce AC CSC RANR Rtd	3	4
JM Dwyer AM	1	2
B Jennings	1	2
S Neuhaus CSC	2	2

Indemnification and insurance of officers and auditors

To the extent permitted by law, Cancer Council SA has entered into an agreement indemnifying all Directors and Officers against all liabilities to another person, other than Cancer Council SA or a related body corporate that may arise from their position as Directors of Cancer Council SA or in the capacity of an outside Director for a non-profit outside organisation, except when the liability arises out of conduct involving a lack of good faith.

Cancer Council SA has paid insurance premiums in respect of the Association Liability Insurance contract for current and former Directors and Officers.

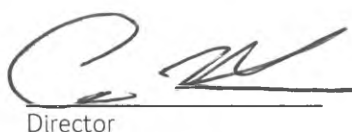
The contract of insurance prohibits disclosure of the nature of the liability covered and the amount of the premium paid.

Auditor's independence declaration

The auditor's independence declaration is set out on page 10 and forms part of the Directors' report.

This report is made with a resolution of the Directors:


Director


Director

Dated this 14 day of October 2020



Independent Auditor's Report

To the Members of Anti-Cancer Foundation of South Australia

Opinion

We have audited the **Financial Report**, of Anti-Cancer Foundation (trading as Cancer Council SA- the "Council").

In our opinion, the accompanying **Financial Report** of Anti-Cancer Foundation of South Australia is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*, including:

- giving a true and fair view of the Council's financial position as at 30 June 2020, and of its financial performance and its cash flows for the year ended on that date; and
- complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

The **Financial Report** comprises:

- Statement of financial position as at 30 June 2020.
- Statement of profit or loss and other comprehensive, Statement of changes in equity, and Statement of cash flows for the year then ended.
- Notes including a summary of significant accounting policies; and
- Director's declaration of Council.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 Group in accordance with the auditor independence requirements of the *ACNC Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

Other information

Other Information is financial and non-financial information in Council's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.



Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- Preparing the Financial Report that gives a true and fair view in accordance with Australian Accounting Standards and the ACNC.
- Implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.
- Assessing the Council's ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate Council or to cease operations or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- 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 *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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 this Financial Report.

As part of an audit in accordance with *Australian Auditing Standards*, we exercise professional judgement and maintain professional skepticism 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 registered Council'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 Council'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 Council to cease to continue as a going concern; and
- 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 of the Council 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.

KPMG

Sheenagh Edwards
Partner

Adelaide
14 October 2020

Statement of financial position as at 30 June 2020

	Note	2020 \$	2019 \$
Current assets			
Cash and cash equivalents	8	17,546,746	15,938,072
Trade and other receivables	9	2,593,522	2,330,383
Total current assets		<u>20,140,268</u>	<u>18,268,455</u>
Non current assets			
Other financial assets	10	16,801,001	22,117,052
Property, plant and equipment	11	9,578,726	9,155,711
Total non-current assets		<u>26,379,727</u>	<u>31,272,763</u>
Total assets		<u>46,519,995</u>	<u>49,541,218</u>
Current liabilities			
Trade and other payables	12	1,096,780	1,402,024
Contract liability	13	807,801	442,758
Interest free borrowings		4,000	4,000
Lease liability	16	14,550	13,712
Employee benefits	14	691,841	648,193
Total current liabilities		<u>2,614,972</u>	<u>2,510,687</u>
Non current liabilities			
Employee benefits	14	125,669	66,042
Lease liability	16	20,791	35,341
Total non-current liabilities		<u>146,460</u>	<u>101,383</u>
Total liabilities		<u>2,761,432</u>	<u>2,612,071</u>
Net assets		<u>43,758,563</u>	<u>46,929,147</u>
Equity			
Reserves		6,157,870	7,107,306
Retained earnings		37,600,693	39,821,841
Total equity attributable to equity holder		<u>43,758,563</u>	<u>46,929,147</u>

The above Statement of Financial Position should be read in conjunction with the accompanying notes set out on pages 15 to 26.

Statement of profit or loss and other comprehensive income for the year ended 30 June 2020

	Note	2020 \$	2019 \$
Revenue from operating activities			
Fundraising	5(i)	7,404,624	9,013,024
Program services			
Supportive accommodation service		2,200,808	2,457,246
Administered program funding	13	2,762,877	3,383,331
Other income	5(ii)	2,688,509	241,271
Royalty and licence income	5(iii)	201,410	176,804
		<u>15,258,229</u>	<u>15,271,675</u>
Expenses from operating activities			
Program services			
Research	6(i)	4,076,448	2,075,341
Prevention	6(ii)	3,905,348	4,446,210
Information and support	6(iii)	4,309,135	4,233,203
Fundraising		2,494,954	2,761,766
Communication & administration	6(iv)	2,140,715	1,785,768
		<u>16,926,600</u>	<u>15,302,288</u>
Result before financial income		<u>(1,668,371)</u>	<u>(30,613)</u>
Financial income	7	1,768,852	2,619,593
Operating profit before change in fair value of Equity Investments		<u>100,481</u>	<u>2,588,980</u>
Change in fair value - Equity investments through Profit and Loss		(2,321,629)	(530,773)
Profit / (loss) for the year		<u>(2,221,148)</u>	<u>2,058,207</u>
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Change in fair value - Equity investments through Other Comprehensive Income		(949,436)	(398,082)
Total comprehensive (loss) / income for the year		<u>(3,170,584)</u>	<u>1,660,125</u>

The above Statement of profit and loss and other comprehensive income should be read in conjunction with the accompanying notes set out on pages 15 to 26.

Statement of changes in equity for the year ended 30 June 2020

	Reserves	Retained earnings	Total equity
	\$	\$	\$
Balance at 1 July 2018	7,505,388	37,763,634	45,269,022
Total comprehensive income for the year			
Profit for the year	-	2,058,207	2,058,207
Change in fair value - Equity Investments	(398,082)	-	(398,082)
Total comprehensive income for the year	(398,082)	2,058,207	1,660,125
Balance at 30 June 2019	7,107,306	39,821,841	46,929,147
Balance at 1 July 2019	7,107,306	39,821,841	46,929,147
Total comprehensive income for the year			
Loss for the year	-	(2,221,148)	(2,221,148)
Change in fair value - Equity Investments	(949,436)	-	(949,436)
Total comprehensive loss for the year	(949,436)	(2,221,148)	(3,170,584)
Balance at 30 June 2020	6,157,870	37,600,693	43,758,563

The above Statement of changes in equity should be read in conjunction with the accompanying notes set out on pages 15 to 26.

Statement of cash flows for the year ended 30 June 2020

Cash flows from operating activity	2020 \$	2019 \$
	Note	
Receipts from Customers	14,688,653	15,486,595
Payments to suppliers and employees	(16,477,636)	(15,035,275)
Interest received	325,994	218,518
Net Cash (used in) / generated from operating activities	(1,462,989)	669,838
Cash flows from investing activities		
Payments for property plant and equipment	(722,619)	(81,645)
Dividends received	1,687,961	2,591,907
Proceeds from sale of Investments	3,494,524	5,159,327
Acquisition of investments	(1,388,203)	(1,083,578)
Net cash provided from investing activities	3,071,663	6,586,011
Net change in cash or cash equivalents	1,608,674	7,255,849
Opening cash	15,938,072	8,682,223
Closing cash	17,546,746	15,938,072
	8	

The above Statement of cash flow should be read in conjunction with the accompanying notes set out on pages 15 to 26.

Notes to the financial statements for the year ended 30 June 2020

Note 1 Reporting entity

Anti-Cancer Foundation of South Australia (the Trustee) is a not for profit company limited by guarantee and domiciled in Australia.

The sole object of the Trustee is to act as trustee of the public charitable Trust known as Anti-Cancer Foundation of South Australia (trading as Cancer Council SA) and for that purpose the consolidated entity comprises both the Trustee and the Trust. The financial information presented in this financial report are those of the consolidated entity.

In all reports, any reference to the Company is a reference to the consolidated entity. The Trustee does not trade and has no assets and liabilities other than in its capacity as trustee.

Note 2 Basis of preparation

a) Statement of compliance

In the opinion of the Directors, the Company is of the type that meets the criteria to produce Tier 2 general purpose financial reports as defined in Australian Accounting Standard AASB 1053 - Application of Tiers of Australian Accounting Standards. These consolidated financial statements are Tier 2 general purpose consolidated financial report that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements (AASB-RDRs) adopted by the Australian Accounting Standards Board (AASB) and the Australian Charities and Not for Profit Commission Act 2012 (ACNC). These consolidated financial statements comply with Australian Accounting Standards - Reduced Disclosure Requirements.

This is the first set of the Company's annual financial statements in which AASB15 Revenue from contracts with customers, AASB 1058 Income of Not-for-Profit Entities & AASB16 Leases has been applied. Changes to significant accounting policies are described in note 2(f).

This financial report has been approved by the Directors on 14th October 2020.

b) Basis of measurement

The financial statements have been prepared on the historical cost basis except other financial assets which are measured at fair value (see note 3(a)(ii)).

c) Functional and presentation currency

The financial statements are presented in Australian dollars which is the Company's functional currency.

d) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Notes to the financial statements for the year ended 30 June 2020

Note 2

Basis of preparation continued

e) Basis of consolidation

The Trust is controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Intra-Company balances and transactions, and any unrealised income and expenses arising from intra-Company transactions, are eliminated in preparing the consolidated financial statements.

f) Changes in accounting policies

The Company has adopted all of the new recognition and measurement requirements, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the year ended 30 June 2020. The effect of the adoption of these standards on the financial position of the Service is disclosed below:

(i) AASB 15 Revenue from Contracts with Customers

AASB 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces AASB 118 Revenue, AASB 111 Construction Contracts and related interpretations. Under AASB 15, revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control – at a point in time or over time – requires judgment.

(ii) AASB 1058 Income for Not-for-Profit Entities

AASB 1058 replaces the income recognition requirements relating to private sector and majority of public sector not-for-profit (NFP) entities in AASB 1004 Contributions. AASB 1058 simplifies the income recognition requirements applicable to NFP entities and is applied in conjunction with AASB 15

The adoption of AASB 15 and AASB 1058 did not have any impact on the balance of retained earnings at 1 July 2019.

(iii) AASB 16 Leases

Replaces AASB 117 Leases and related interpretations. The Company has applied AASB 16 effective 1 July 2019. The Company has adopted paragraph C8(b)(i) modified retrospective approach on transition with practical expedients as permitted by the new standard. The modified retrospective approach does not require comparative financial information to be restated. Thus, the comparative period balances have not been restated and are assessed under AASB 117.

The adoption of AASB 16 did not have any impact on the balance of statement of financial position at 1 July 2019.

The Company has elected to apply the following practical expedients as permitted by AASB 16:

- Short-term and low value leases are not recognised on the statement of financial position but are expensed on a straight line basis.
- Application of a single discount rate across the Company for similar classes of underlying assets.
- Reliance on historical impairment assessments in determining whether leases are onerous. The Company has recognised nil impairment loss on the application of AASB 16.

Notes to the financial statements for the year ended 30 June 2020

Note 3 Significant accounting policies

Cancer Council SA has consistently applied the following accounting policies to all periods presented in these financial statements.

a) Financial instruments

i. Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. The Company invests in term deposits with banks regulated by the Australian Prudential Regulation Authority with maturity dates spread throughout the year.

ii. Financial assets

When financial assets are recognised initially, they are measured at fair value. Financial assets other than those subsequently measured at amortised cost are subsequently measured at fair value. Direct investments in equity securities that are not held for trading are measured at fair value through other comprehensive income. Investments in equity securities through an independently managed unit trust that are not held for trading are measured at fair value through Profit and Loss. Fair value is determined based on fair value (being the redemption value) of all investments.

For direct investments in equity securities that are not held for trading, the Council has elected at initial recognition to present gains and losses in other comprehensive income. For instruments measured at fair value through other comprehensive income, gains and losses are not reclassified to profit or loss and no impairments are recognised in profit or loss. Dividends earned are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

For investments measured at fair value through profit or loss, net gains and losses including interest or dividend income, are recognised in profit or loss.

Financial assets are recognised/de-recognised by Cancer Council SA on the date it commits to purchase/sell the investments.

iii. Trade and other receivables

Trade and other receivables are stated at their cost less impairment losses (see accounting policy (e)).

b) Property, plant and equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation or impairment write-offs. The carrying amount is reviewed annually to ensure it is not in excess of the remaining service potential of these assets. All classes of property, plant and equipment are depreciated using the straight-line method. The estimated useful lives for the current and comparative periods are as follows:

- buildings 40 years
- motor vehicles 5 years
- plant and equipment 3 – 20 years

Notes to the financial statements for the year ended 30 June 2020

Note 3 Significant accounting policies (continued)

c) Leases

Policy until 30 June 2019

The lease liability is measured at amortised cost using the effective interest method. The present value of future lease payments is discounted using the rate implicit in the lease. Under the amortised cost effective interest method, each period a lease payment is made, the lease liability is partially reduced and interest expense on the lease liability is recognised in the statement of profit or loss and other comprehensive income under 'finance costs'. The interest expense recognised on the lease is relatively higher in the earlier years of the lease than at the end of the lease term.

Policy from 1 July 2019

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Service uses the definition of a lease in AASB 16.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date.

The lease liability is measured at amortised cost using the effective interest method. The present value of future lease payments is discounted using the rate implicit in the lease, or if the rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. Under the amortised cost effective interest method, each period a lease payment is made, the lease liability is partially reduced and interest expense on the lease liability is recognised in the statement of profit or loss and other comprehensive income under 'finance costs'. The interest expense recognised on the lease is relatively higher in the earlier years of the lease than at the end of the lease term.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct cost incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset of the site on which it is located, less any incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease term or the cost of the asset reflects that the Company will exercise a purchase option or ownership transfer to the Company at the end of the lease term, in which case the asset is depreciated over the useful life of the asset. Depreciation expense on the right-of-use asset is recognised in the statement of profit or loss and other comprehensive income. In addition, the asset is periodically reduced by impairment losses, if any, and remeasured for certain remeasurements of the lease liability.

d) Inventories

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

e) Impairment

At each reporting date the carrying amounts of Cancer Council SA's tangible and intangible assets are reviewed to determine whether there is any indication of impairment. If any such indication exists the recoverable amount, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Notes to the financial statements for the year ended 30 June 2020

Note 3 Significant accounting policies (continued)

f) Employee benefits

i. Superannuation

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions are recognised when they are due.

ii. Wages, salaries, annual and paid maternity leave

The provisions for employee entitlements to wages, salaries, annual and paid maternity leave represent obligations resulting from employees' services provided up to reporting date, calculated at undiscounted amounts based on wage and salary rates, including related on costs, which Cancer Council SA expects to pay at each reporting date.

iii. Long-term service benefits

Long term service benefits, plus related on costs, are measured at the present value of future cash outflows. Regardless of the expected timing of settlement, provisions made for annual leave and unconditional long service leave are classified as a current liability where the employee has a present entitlement to the benefit. A non-current liability would include long service leave entitlements accrued for employees with less than 7 years of continuous service.

g) Trade and other payables

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

h) Revenue

i. Charitable support

Revenue is received from fundraising events, legacies and bequests and is brought to account on a cash received basis. When assets, such as investments or properties, are received from a bequest or donation, an asset is recognised at fair value, with a corresponding amount of revenue, when Cancer Council SA gains control of such assets.

ii. Interest and dividend revenue

Interest revenue is recognised as it accrues on a daily basis, using the effective interest method. Dividend revenue is recognised in the statement of profit or loss and other comprehensive Income on the date the right to receive payments is established, which in the case of quoted securities is normally the ex-dividend date. Where dividends are franked the dividends are recognised inclusive of imputation credits. Distributions from managed investment funds are recognised as revenue in the period to which they relate.

iii. Sale of goods/services

Revenue from the sale of goods is recognised when control of the goods passes to the customer. Revenue from accommodation facilities is recognised when rooms are occupied and food and beverage is sold.

Notes to the financial statements for the year ended 30 June 2020

Note 3 Significant accounting policies (continued)

i) Administered program funding

Policy until 30 June 2019

Grants received for specific programs are recognised as income only to the extent of work completed up to the reporting date, when the terms of the grant stipulate that any unexpended funds be returned should the program not be completed.

Policy from 1 July 2019

Operating Grants

Where an agreement is enforceable and contains sufficiently specific performance obligations, the revenue is either recognised over time as the work is performed, or recognised at a point in time that the control of the services pass to the customer.

Capital Grants

Where the Company has received assets (including cash) to acquire or construct a non-financial asset, the asset is to be controlled by the Company and there is a refund liability if the terms and conditions of the grant are not met then the asset is recognised as a contract liability on receipt and recorded as revenue as the performance obligation to acquire or construct the asset is completed.

Funds attributable to work still to be completed are recorded as a current liability in the statement of financial position. These funds are invested in fixed interest and at-call facilities in accordance with the grant terms and are included as part of cash and cash equivalents under Note 8.

j) Taxation

i. **Goods and services tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (the ATO). In these circumstances the GST is recognised as part of the cost of acquisition or as part of the expense. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST component of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

ii. **Income tax**

Cancer Council SA is exempt from income tax under the terms of Section 50(5) of the Income Tax Assessment Act 1997.

k) Fair value reserve

The fair value reserve includes the cumulative net change in the fair value of equity investments.

l) Changes in comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in this financial report.

Note 4 New standards and interpretations not yet adopted

Notes to the financial statements for the year ended 30 June 2020

The Australian Accounting Standards Board has released one new accounting standards that are not yet effective.

- AASB 1060 General Purpose Financial Statements – Simplified Disclosure for For-Profit and Not-For-Profit Entities, effective for financial years ending on or after 1 July 2021;

A review of the accounting treatment required by the standard has commenced. The impact of the new accounting standards will be assessed in future reporting periods when the standards become effective.

Notes to the financial statements for the year ended 30 June 2020

2020
\$

2019
\$

Note 5

Revenue

(i) Fundraising

Bequests & legacies	2,499,650	2,121,600
Community fundraising	4,904,974	6,891,424
	<u>7,404,624</u>	<u>9,013,024</u>

(ii) Other income

Medical Research Future Fund	2,000,000	-
JobKeeper Subsidy	533,000	-
Other income	155,510	241,270
	<u>2,688,510</u>	<u>241,270</u>

(iii) Royalty and Licence income

	<u>201,410</u>	<u>176,804</u>
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Note 6

Program services

(i) Research

Research fellowships	323,246	159,068
Beat cancer project	3,000,000	1,000,000
Internal research programs and strategy support	753,202	916,273
	<u>4,076,448</u>	<u>2,075,341</u>

(ii) Prevention

Prevention programs	1,398,729	1,485,757
Tobacco control	2,506,619	2,960,453
	<u>3,905,348</u>	<u>4,446,210</u>

(iii) Information and Support Services

Information and Support programs	1,604,632	1,570,297
Supportive accommodation service	2,704,503	2,662,905
	<u>4,309,135</u>	<u>4,233,203</u>

(iv) Communication and Administration

Marketing and Communication	1,046,840	901,756
Administration	1,093,875	884,013
	<u>2,140,715</u>	<u>1,785,768</u>

Note 7

Net financial income

Interest income	278,110	236,671
Dividends, distributions and franking credits	1,490,742	2,382,922
Net financial income	<u>1,768,852</u>	<u>2,619,593</u>

Notes to the financial statements for the year ended 30 June 2020

2020
\$

2019
\$

Note 8

Cash and cash equivalents

Bank balances	7,767,408	2,181,589
Term deposits maturing within 3 months	5,514,494	10,750,000
Term deposits maturing later than 3 months	4,264,844	3,006,482
	<u>17,546,746</u>	<u>15,938,072</u>

Note 9

Trade and other receivables

Trade receivables	84,094	34,631
Sundry receivables	2,415,099	2,225,357
Prepayments	94,329	70,395
	<u>2,593,522</u>	<u>2,330,383</u>

Note 10

Other financial assets

Investments in equity securities	6,483,467	7,253,371
Investments in units in trusts	10,317,534	14,863,681
	<u>16,801,001</u>	<u>22,117,052</u>

Note 11

Property, plant and equipment

	Land \$	Buildings \$	Plant & equipment \$	Total \$
Cost				
Balance at 1 July 2019	5,624,000	6,029,575	3,748,339	15,401,914
Acquisitions	-	-	63,439	63,439
Capitalised value of building development		659,180		659,180
Disposals	-	-	-	-
Balance at 30 June 2020	<u>5,624,000</u>	<u>6,688,755</u>	<u>3,811,778</u>	<u>16,124,533</u>
Depreciation and impairment losses				
Balance at 1 July 2019	-	2,961,709	3,284,494	6,246,203
Depreciation charge	-	126,221	173,383	299,604
Disposals	-	-	-	-
Balance at 30 June 2020	<u>-</u>	<u>3,087,930</u>	<u>3,457,877</u>	<u>6,545,807</u>
Carrying Amounts				
Balance at 1 July 2019	5,624,000	3,067,866	463,845	9,155,711
Balance at 30 June 2020	<u>5,624,000</u>	<u>3,600,825</u>	<u>353,901</u>	<u>9,578,726</u>

Included in Building is an amount of \$0.659m representing capital works in progress which is not subject to depreciation.

During 2018 the properties were independently valued by CB Richard Ellis. The total fair value of these properties, being land and buildings, was determined to be \$20.20m.

Notes to the financial statements for the year ended 30 June 2020

2020 2019

Note 12

Trade and other payables

	\$	\$
Trade payables	556,354	715,087
Other payables	248,850	404,116
Non trade payables and accrued expenses	291,576	282,822
	<u>1,096,780</u>	<u>1,402,024</u>

Note 13

Contract liabilities

Opening balance	442,758	403,176
Amounts received	3,127,920	3,422,913
Income taken to revenue	(2,762,877)	(3,383,331)
	<u>807,801</u>	<u>442,758</u>

Note 14

Employee benefits

Current

Liability for annual leave	413,392	350,211
Liability for long service leave	278,449	297,982
	<u>691,841</u>	<u>648,193</u>

Non-current

Liability for long service leave	125,669	66,042
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Total employee benefits

	<u>817,510</u>	<u>714,235</u>
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Note 15

Key management personnel compensation

The key management personnel compensation was \$953,445 for the year ended 30 June 2020 (2019: \$970,081). The number of employees defined as key management personnel was 5 during the financial year.

No Directors of Cancer Council SA have received or become entitled to receive a benefit in respect of their role as Directors.

Notes to the financial statements for the year ended 30 June 2020

Note 16

Lease liability	Up to one year	One to two years	Two to five years	Six or more years	Total
	\$	\$	\$	\$	\$
30 June 2020					
Minimum Lease Payments	16,260	16,260	5,420	-	37,940
Finance Charge	1,710	822	67	-	2,599
Net Present Value	14,550	15,438	5,353	-	35,341
30 June 2019					
Minimum Lease Payments	16,260	16,260	21,680	-	54,200
Finance Charge	2,548	1,710	889	-	5,147
Net Present Value	13,712	14,550	20,791	-	49,053

Cancer Council SA entered into a 4-year lease for office equipment on 10 September 2019 with minimum lease payments of \$65,040.

Cancer Council SA leases premises on a casual basis for short periods to support fundraising activities. These costs are recorded under the Fundraising expenditure.

Note 17

Contractual Commitments

Cancer Council SA has the following long-term contractual commitments to fund cancer research through the Beat Cancer Project and separate agreements direct with The University of Adelaide, Flinders University and the University of South Australia.

	2020 \$	2019 \$
Non-cancellable research funding agreements are payable as follows:		
Not later than that of one year	1,254,357	1,290,023
Later than one year but not later than two years	75,000	1,223,141
Later than two years but not later than 5 years	-	75,000
Later than 5 Years	-	-
	<u>1,329,357</u>	<u>2,588,164</u>

Note 18

Event subsequent to Balance Date

As a result of the evolving nature of COVID-19 and the rapidly evolving government policies of restriction implemented to contain it, as at the date of these financial statements, the Company is not in a position to reasonably estimate the financial effect of COVID-19 on the future financial performance and financial position of Cancer Council SA.

There have been no significant change in the state of affairs of the Company in the period from 30 June to the date of this report that will have a material effect on the Company's financial performance.

Notes to the financial statements for the year ended 30 June 2020

Note 19

Contingent Liability

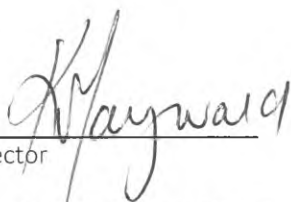
A recent decision of the Full Court of the Federal Court of Australia found an employee with regular, predictable and continuous work previously considered as a casual employee by their employer was not casual under the Fair Work Act and therefore entitled to paid annual, carers/personal and sick leave. Cancer Council SA has retained some employees on a casual basis. At the date of signing the accounts Cancer Council SA is unable to reliably measure any liability arising from the decision for current and former employees. Cancer Council SA also notes that an application has been made to the High Court to appeal the decision.

Directors' Declaration

In the opinion of the Directors of Cancer Council SA:

- a) The Company is of the type that meets the criteria to produce Tier 2 general purpose financial reports as defined in Australian Accounting Standard AASB 1053 - Application of Tiers of Australian Accounting Standards.
- b) The financial statements and notes, as set out on pages 15 to 26, are in accordance with the Australian Charities and Not-for profits Commission Act 2012, including:
 - i. giving a true and fair view of the financial position of the Cancer Council SA as at 30 June 2020 and of its performance, for the financial year ended on that date; and
 - ii. complying with Australian Accounting Standards - Reduced Disclosure Regime and the Australian Charities and Not-for-profits Commission Regulation 2013; and
- c) there are reasonable grounds to believe that the Cancer Council SA will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors



Director

Director

Dated this 14th day of October 2020



Auditor's Independence Declaration under subdivision 60-C section 60-40 of Australian Charities and Not-for-profits Commission Act 2012

To the Directors of Anti-Cancer Foundation of South Australia

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2020 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Sheenagh Edwards
Partner

Adelaide

14 October 2020