



Financial Report

for the year ended 30 June 2022

Contents

Directors' Report	2
Auditor Independence Declaration	10
Statement of financial position	11
Statement of profit or loss and other comprehensive income	12
Statement of changes in equity	13
Statement of cash flows	14
Notes to the financial statements	15
Directors' Declaration	27
Auditor's Report	28

Corporate information

Directors

K Maywald DUniv Flin FTSE GICD (Chair)
R Batt LL.B. Dip Ed Master of Tech & Comm (int), FAICD
F Baum AO FASSA, FAAHMS, BA (Hons), PhD
J Birch AM, BHA, FACHSM, AAICA
N Rantanen Reynolds MComLaw, MBA, FCPA, BCom (Acc), FAICD, CSM
J Richter AM GAICD, FACHSM, FACN, MBA, GradDipHAdmin, BA(Comms) (Deputy Chair)
J Russo CIMA®, GDipAppFinInv, B Com(Ec.&Fin.)
D I Watson, MBBS, MD, PhD, FRACS, FRCSEd (hon), FAHMS

Chief Executive K Rowlands GAICD, CPA, BCom, ADipAcc

Company Secretary V Allinson FCCA, FGIA FCG

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 2022

The Directors of Cancer Council SA (the Company) present their report with respect to the results for the year ended 30 June 2022 together with the Financial Statements of the Company and the Auditor's report thereon.

Strategic Objectives:

Our strategic priorities are:

- Investing in research to save lives
- Preventing people from getting cancer in the first place
- Improving the quality of life for South Australians affected by cancer.
- Build our capacity to fulfill our mission.

Strategies for achieving our priorities:

Research – investing in research to bring us closer to a cancer free future.

- Remaining the largest non-government investor in cancer research.
- Ensuring the research we fund is being translated into new and better health outcomes for South Australians.
- Ensuring more South Australians have access to clinical trials and cutting-edge research.
- Leveraging additional funding to ensure a minimum of \$2 of cancer research is funded for every \$1 invested.

Prevention – preventing people from getting cancer in the first place.

- Increasing awareness of how to cut your cancer risk (including sun protection, reducing alcohol intake, improving diet, stopping smoking)
- Maximising the number of South Australians who are accessing the free national screening programs.
- Making cancer education and services accessible and easily understood by Aboriginal and culturally and linguistically diverse communities.
- Focusing on decreasing preventable cancer rates in Aboriginal and Torres Strait Islander communities.

Support - Improve the quality of life for people affected by cancer by:

- Continuing investment in supporting people affected by cancer with psychosocial and practical support.
- Investing in supportive accommodation for regional South Australians.
- Providing support through experienced cancer nurses.
- Decreasing stress by providing practical and financial support.

Build our capacity to fulfil our mission

We will employ the following strategies to help us fulfill our mission:

- Inspiring employees, Ambassadors, volunteers, donors and fundraisers to take action to help deliver our mission.
- Ensuring South Australians know what we do and why we do it.
- Strengthening relationships with our supporters and recognising their contribution towards a cancer free future.
- Strengthening our position of influence on legislative and policy change to reduce the impact of cancer.
- Developing new and sustainable income streams to ensure the continuation of our mission delivery programs.
- Continuously improving the delivery of our mission and administrative operations to maximise the use of every dollar donated.
- Managing risk and maintaining a sustainable business model.

Directors' Report for the year ended 30 June 2022 (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
- invest in workforce capacity and quality employment practices
- 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 to achieve strategic objectives. The operating surplus before recognising the change in the fair value of equity investments was \$26.36 million (2021 \$2.95 million). Total revenue of \$38.98 million includes \$15.92 million relating to the sale of the two accommodation lodges at 204 Greenhill Road and 27-29 Dequetteville Terrace and \$6.14 million relating to the realisation of income from a capital grant, received from the South Australian Government department for Health and Wellbeing, for the development of 202 Greenhill Road. The project commenced in February 2021 with the demolition of the existing building and is expected to be completed before the end of 2022 and is a new multi-level mixed purpose building to house our complete operations.

Cancer Council SA expended \$9.89 million (2021: \$10.21 million) on the core mission activities of cancer research, prevention and support programs throughout the year. Expenditure on prevention and support programs of \$7.98 million (2021: \$7.32 million) with a further \$1.91 million (2021: \$2.89 million) directed to cancer research.

The COVID-19 pandemic has had a continuing impact on the generation of fundraising income and operating conditions in the financial year, particularly relating to fundraising events which rely on public participation.

Financial assets are recorded at the market value. Valuations changed materially prior to 30 June 2022; those changes are reflected in the financial statements. Cancer Council SA's receivables are not material, and we believe all receivables will be recoverable.

Although fundraising has been challenging due to a competitive climate and the effects of COVID 19 on events, total fundraising revenue, excluding bequests, was 18% higher than the previous year's level. Income from Major gifts of \$1.17 million was due to a successful campaign to raise funds for the development of accommodation facilities on 202 Greenhill Road. Bequest income of \$7.49 million was \$3.52 million higher than the previous year due to the receipt of three high value bequests during the financial year.

A cash inflow for the year of \$2.75 million (2021: \$11.00 million inflow) reflected cash inflow from the sale of 204 Greenhill Road and 27-29 Dequetteville Terrace, operating activities and expenditure on the ongoing construction for the new building at 202 Greenhill Road.

Directors' Report for the year ended 30 June 2022 (continued)

Likely developments and expected results of operations

To meet the cashflow needs 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.

Financial assets, being direct and indirect investments in exchange tradable securities, increased in value by \$1.40 million through the year which compares to an increase in value of \$3.15 million the previous year. During the financial year an additional \$4.31 million was invested due to the investment of surplus cash and the receipt of bequeathed shares. The downturn in the market value of the portfolio during the year reduced the overall value by \$2.91 million.

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 in the coming year are expected to be approximately 10% below historic levels due to some disruption to accommodation at 204 Greenhill Road by building work at 202 Greenhill Road and the transition to the new building. Investment income has already recovered some ground from 30 June 2022 and is expected to more closely reflect long-term earning rates. The high level of bank and term deposits to fund the construction of 202 Greenhill Road will be invested into the market on completion of construction.

Cancer Council SA will launch a new Strategic Plan in 2023 financial year. The resulting investment in strategic initiatives will increase expenditure compared to previous years to recover from the COVID-19 Pandemic and reposition the organisation to build competitive advantage and better service our clients' needs into the future. Cancer Council SA is expected to generate an operating surplus for the full year to June 2023 due to three significant bequests receivable during the year.

Cancer Council SA continues to maintain a strong net asset position with 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.

Use of Reserves

Cancer Council SA has included a Restricted Fund Reserve and a General Reserve for the first time in the presentation of the Statement of Financial Position. The Restricted Fund Reserve contains bequests and donations that will be applied to the specific purposes for which they were provided. The General Reserve has been created to identify gains made from the sale of capital assets which will be applied over time to build the capacity of the organisation, including built asset investment.

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 2022.

Events Subsequent to Balance Date

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

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 2022 (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 DUnivFlin FTSE GICD

Appointed Director 14 February 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.

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

Jennifer Richter AM GAICD, FACHSM, FACN, MBA, GradDipHAdmin, BA(Comms)

Appointed Director 16 October 2019

Deputy Chair, appointed 13 November 2020

Member, Audit and Risk Committee

Member, Investment Committee

Member, Nomination and Remuneration Committee

Jenny Richter is currently 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 career 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 (AICD), 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 2022 (continued)

Ms Rosey Batt LL.B. Dip Ed Master of Tech & Comm (int), FAICD

Appointed Director 13 May 2021

Member, Audit, Finance and Risk Committee

Rosey is the CEO of Rosey Batt & Associates, a firm providing legal and business services. Rosey is an experienced Non-Executive Director, with her corporate governance expertise strengthened by 30+ years working as a commercial lawyer both locally and internationally, 15+ years facilitating the AICD Company Directors' flagship course and her many years of experience as a Non-Executive Director.

In addition to her legal qualifications, Rosey has a Masters in Science & Technology Commercialisation from the University of Texas in Austin and the University of Adelaide. Rosey is a Fellow of the AICD and currently sits on a number of Boards including Chairing the Board of Fertility SA Pty Ltd, ModMed Institute, GPEx Limited, Windmill Theatre Inc and Buddy Technologies Ltd. She also chairs several health focused Committees including Barossa Hills Fleurieu Local Health Network Rural Support Service Governance Committee and the Committee of the six Rural SA Local Health Networks Chairs. She is also a member of the Law Society of SA Litigation Assistance Fund Advisory Committee and the Law Society of SA Ethics & Practice Committee.

Professor Fran Baum AO FASSA, FAAHMS, LMPHAA, BA (Hons), PhD

Appointed Director 16 October 2019

Chair, Cancer Research Committee

Member, Nomination Remuneration and Governance Committee

Fran Baum is the National Health and Medical Research Council Investigator Fellow and Director, Stretton Health Equity, University of Adelaide previously she was the 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".

She is a Fellow of the Australian Academy of Social Sciences, the Australian Association 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. Fran is a Member of the Lancet Commission on Gender & Global health, of the Stretton Institute/ School of Social Science, Faculty of Arts at the University of Adelaide, Director of Australia21 and a Commissioner of the Tsinghau-Lancet Commission on Health and Poverty Alleviation in China and a member of two WHO Expert Advisory groups. Her research focuses on means of achieving health equity and on examination of the social, commercial and political determinants of health.

Mr Jim Birch AM, BHA, FACHSM, AAICA

Appointed Director 30 November 2012

Jim is a Non-Executive Director on 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 Lifeblood and a member of the Australian Red Cross Board. He is Chair of the Woman's and Children's Local Health Network (South Australia), Chair of Clevertar Pty Ltd, a Director of Beamtree Holdings and Chair of the Little Company of Mary Health Care Board.

Directors' Report for the year ended 30 June 2022 (continued)

Ms Nicolle Rantanen Reynolds MComLaw, MBA, FCPA, BCom (Acc), FAICD, CSM

Appointed Director 14 October 2020
Chair, Audit, Finance and Risk Committee
Member, Investment Committee

Nicolle is an experienced senior executive with over 20 years' experience in both the public and private sector and a substantial record of success in all aspects of service delivery for commercial and profit-for-purpose enterprises. With a Masters in Commercial Law, Business Administration (MBA) and as a Certified Practising Accountant (Fellow), Nicolle has a strong legal, business, accounting and audit background and an in-depth understanding of risk management and governance.

Nicolle is an experienced Non-Executive Director on a number of boards including; Credit Union SA Board Member (Audit Committee Chair and Risk Committee member), Advisory Board Member of the Australian Institute of Company Directors, Central Adelaide Waste and Recycling Authority Audit Committee Chair, Office of Recreation Sport & Racing (Risk and Audit Committee Member), Board Member and Chair of the Governance Committee of Clayton Church Homes, City of Marion Audit and Finance Committee Member, Thoroughbred Racing NT Deputy Chair and Chair of the Risk Committee, Director and Member of the Audit, Finance and Risk Committee of the University of SA and Vice President and Finance Committee Chair of the Grange Golf Club.

As the South Australian Public Trustee, Nicolle is a Statutory Officer appointed under an Act. Her responsibilities include holding 83,000 Wills and Powers of Attorney for clients and managing the finances for over 4,500 vulnerable members of the community. Nicolle was previously the Chief Operating Officer of the Department of Treasury and Finance and both Chief Executive and Chief Operating Officer at Statewide Super.

Mr Jason Russo CIMA®, GDipAppFinInv, B Com(Ec.&Fin.)

Appointed Director 14 October 2020
Chair, Investment Committee

Jason heads up the Investment and Research team at Perks Private Wealth. With more than 20 years' experience in multi-asset class portfolio management spanning over Australia and the UK and across private business, public corporations and government organisations, he is highly adept at leading and advising investment strategies at a managerial, technical and analytical level.

As a member of the Perks Private Wealth Investment Committee, Jason drives the investment strategy for Perks Private Wealth, while informing client-side decision making. Underpinned by his vast experience, Jason is the lead resource for all investment queries, research, analysis and education. Jason is also responsible for managing several key technical functions in the business, including reporting on market sector and asset class performance and providing analysis of fund manager performance across all asset classes.

Professor David Watson MBBS, MD, PhD, FRACS, FRCSEd (hon), FAHMS

Appointed Director – 14 October 2015
Member, Cancer Research Committee
Member, Nomination Remuneration and Governance Committee

Since 2002, David has been Head of the Flinders University Discipline 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 15 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 450 research Papers and textbook chapters, and he has held many major research grants.

He has led the development of nationally endorsed clinical guidelines for the management and prevention of oesophageal cancer for Cancer Council Australia and Cancer Council Victoria.

Directors' Report for the year ended 30 June 2022 (continued)

David is a Senior Editor of the *ANZ Journal of Surgery*, and Associate Editor of the *World Journal of Surgery* and *Diseases of the Oesophagus*, 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 is Past-President for the International Society for Diseases of the Esophagus, and he serves as Clinical Director for the Royal Australasian College of Surgeons Clinical Trials Networks of Australia and New Zealand. He is a member of the Royal Australian College of Surgeons International Committee.

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.

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.

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	6	6
R Batt	5	6
F Baum AO	5	6
J Birch AM	6	6
N Rantanen Reynolds	6	6
J Richter AM	6	6
J Russo	5	6
D Watson	6	6

Indemnification and insurance of officers

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.

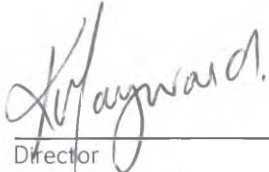
Cancer Council SA has paid insurance premiums in respect of the Association Liability Insurance contract for current and former Directors and Officers.

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 26 day of October 2022



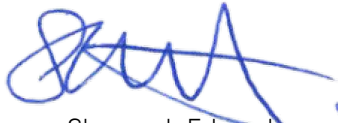
Auditor's Independence Declaration under subdivision 60-C section 60-40 of Australian Charities and Not-for-profits Commission Act 2012

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 2022 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


Sheenagh Edwards
Partner

Adelaide

26 October 2022

Statement of financial position as at 30 June 2022

	Note	2022 \$	2021 \$
Current assets			
Cash and cash equivalents	8	31,299,044	28,550,553
Trade and other receivables	9	2,298,271	1,266,254
Assets held for resale	11, 18	-	6,167,227
Total current assets		<u>33,597,315</u>	<u>35,984,034</u>
Non-current assets			
Other financial assets	10	22,365,678	20,965,408
Property, plant and equipment	11	25,626,643	6,167,263
Total non-current assets		<u>47,992,321</u>	<u>27,132,671</u>
Total assets		<u>81,589,636</u>	<u>63,116,703</u>
Current liabilities			
Trade and other payables	12	5,975,024	10,756,093
Contract liabilities	13	805,981	828,903
Interest free borrowings		4,000	4,000
Employee benefits	14	621,341	766,837
Lease liability	17	5,353	15,438
Total current liabilities		<u>7,411,699</u>	<u>12,371,271</u>
Non-current liabilities			
Employee benefits	14	82,407	95,734
Lease liability	17	-	5,353
Total non-current liabilities		<u>82,407</u>	<u>101,087</u>
Total liabilities		<u>7,494,106</u>	<u>12,472,358</u>
Net assets		<u>74,095,531</u>	<u>50,644,346</u>
Equity			
FVOCI reserve	15	6,725,410	7,839,816
Restricted fund reserve	15	3,833,347	-
General reserve	15	23,612,454	-
Retained earnings		39,924,320	42,804,530
Total equity attributable to equity holder		<u>74,095,531</u>	<u>50,644,346</u>

The above Statement of Financial Position should be read in conjunction with the accompanying notes set out on pages 15 to 25

Statement of profit or loss and other comprehensive income for the year ended 30 June 2022

	Note	2022 \$	2021 \$
Revenue from operating activities			
Fundraising	5(i)	13,281,614	8,897,768
Program services			
Supportive accommodation service		1,575,212	2,037,115
Administered program funding	13	1,752,126	2,522,816
Other income	5(ii)	6,249,608	3,834,154
Royalty and licence income	5(iii)	194,788	161,127
Profit on disposal of fixed assets	11	15,921,340	-
		<u>38,974,688</u>	<u>17,452,981</u>
Expenses from operating activities			
Program services			
Research	6(i)	1,908,806	2,890,705
Prevention	6(ii)	3,545,159	3,969,302
Information and support	6(iii)	4,433,475	3,353,814
Fundraising		3,074,689	2,601,906
Communication & administration	6(iv)	2,435,408	1,863,997
Loss on disposal of fixed assets	11	-	1,221,507
		<u>15,397,537</u>	<u>15,901,231</u>
Result before financial income		<u>23,577,151</u>	<u>1,551,750</u>
Financial income	7	2,783,240	1,394,408
Operating profit before change in fair value of Equity Investments		<u>26,360,391</u>	<u>2,946,158</u>
Change in fair value - Equity investments through Profit and Loss		(1,794,800)	2,257,679
Profit / (loss) for the year		<u>24,565,591</u>	<u>5,203,837</u>
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Change in fair value - Equity investments through Other Comprehensive Income		(1,114,406)	1,681,946
Total comprehensive income/(loss) for the year		<u>23,451,185</u>	<u>6,885,783</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 2022

	Reserves	Retained earnings	Total equity
	\$	\$	\$
Balance at 1 July 2020	6,157,870	37,600,693	43,758,563
Total comprehensive income for the year			
Profit/(Loss) for the year	-	5,203,837	5,203,837
Change in fair value - Equity Investments	1,681,946	-	1,681,946
Total comprehensive income for the year	1,681,946	5,203,837	6,885,783
Balance at 30 June 2021	7,839,816	42,804,530	50,644,346
Balance at 1 July 2021	7,839,816	42,804,530	50,644,346
Total comprehensive income for the year			
Profit/(Loss) for the year	-	24,565,591	24,565,591
Change in fair value - Equity Investments	(1,114,406)	-	(1,114,406)
Transfer to reserves	27,445,801	(27,445,801)	-
Total comprehensive income for the year	26,331,395	(2,880,210)	23,451,185
Balance at 30 June 2022	34,171,211	39,924,320	74,095,531

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 2022

Cash flows from operating activity	2022	2021
	\$	\$
	Note	
Receipts from Customers	14,403,992	25,610,150
Payments to suppliers and employees	(16,200,423)	(11,945,989)
Interest received	95,976	120,525
Net Cash (used in) / generated from operating activities	<u>(1,716,715)</u>	<u>13,784,687</u>
Cash flows from investing activities		
Proceeds from sale of properties	22,057,748	-
Payments for property, plant, and equipment	(17,989,002)	(4,232,369)
Dividends received	1,934,949	1,431,112
Proceeds from sale of investments	1,578,810	961,985
Acquisition of investments	(3,117,299)	(941,608)
Net cash provided from investing activities	<u>4,465,206</u>	<u>(2,780,880)</u>
Cash flows from financing activities		
Repayment of finance leases	(16,260)	(16,260)
Net cash used from financing activities	<u>(16,260)</u>	<u>(16,260)</u>
Net change in cash or cash equivalents	2,748,491	11,003,807
Opening cash	28,550,553	17,546,746
Closing cash	<u>31,299,044</u>	<u>28,550,553</u>
	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 2022

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 not publicly accountable. These consolidated financial statements are Tier 2 general purpose consolidated financial report that have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures For-Profit and Not-for-Profit Tier 2 Entities adopted by the Australian Accounting Standards Board (AASB) and the Australian Charities and Not for Profit Commission Act 2012 (ACNC). The entity previously prepared general purpose financial statements under Tier 2 – Reduced Disclosure Requirements. There were no transition adjustments on the adoption of Australian Accounting Standards – Simplified Disclosures and there was no impact on the recognition and measurement of amounts recognised in the statements of financial position, profit and loss and other comprehensive income and cash flows of the Company as a result of the change in the basis of preparation.

This financial report has been approved by the Directors on 26 October 2022.

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 2022

Note 2 Basis of preparation continued

e) Basis of consolidation

The Trust is controlled by the Trustee. Control exists when the Trustee 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.

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)).

Notes to the financial statements for the year ended 30 June 2022

Note 3 Significant accounting policies (continued)

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

c) Leases

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, unless the lease term ends within 12 months of the acquisition date, or for which the underlying asset is of low value.

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) Assets held for resale

Non-current assets are classified as held-for-resale if it is highly probable that they will be primarily recovered through sale rather than through continuing use. Such assets are measured at the lower of their carrying amount and fair value less costs to sell.

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 2022

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 parental 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 community fundraising, 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 2022

Note 3 Significant accounting policies (continued)

i) Administered program funding

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.

Notes to the financial statements for the year ended 30 June 2022

Note 4 New and amended standards adopted by the Company

The Company has initially adopted the following standard and amendments from 1 July 2021:

-AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities.

The above standard and amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

A number of other new standards are also effective from 1 July 2021, but they do not have a material effect on the Company's financial statements.

Notes to the financial statements for the year ended 30 June 2022

	2022 \$	2021 \$
Note 5		
Revenue		
(i) Fundraising		
Bequests & legacies	7,489,994	3,967,914
Community fundraising	5,791,620	4,929,854
	<u>13,281,614</u>	<u>8,897,768</u>
(ii) Other income		
Medical Research Future Fund	-	1,000,000
JobKeeper Subsidy	-	1,085,000
202 Greenhill Road Building Construction Grant	6,144,912	1,546,202
Other income	104,696	202,952
	<u>6,249,608</u>	<u>3,834,154</u>
(iii) Royalty and Licence income	<u>194,788</u>	<u>161,127</u>
Note 6		
Program services		
(i) Research		
Research fellowships	50,000	235,337
Beat cancer project	1,000,000	2,000,000
Internal research programs and strategy support	858,806	655,368
	<u>1,908,806</u>	<u>2,890,705</u>
(ii) Prevention		
Prevention programs	1,962,254	1,722,935
Tobacco control	1,582,905	2,246,367
	<u>3,545,159</u>	<u>3,969,302</u>
(iii) Information and Support Services		
Information and Support programs	1,209,893	1,069,202
Supportive accommodation service	3,223,582	2,284,612
	<u>4,433,475</u>	<u>3,353,814</u>
(iv) Communication and Administration		
Marketing and Communication	1,284,674	924,168
Administration	1,150,734	939,829
	<u>2,435,408</u>	<u>1,863,997</u>

Administration Expenses include fees for the audit of the financial report by KPMG. Audit fees for the year ended 30 June 2022 are \$34,500 (2021: \$31,300). In addition \$5,268 (2021:\$0) was paid to KPMG for the provision of the FairCall service.

Note 7

Net financial income

Interest income	111,087	106,269
Dividends, distributions, and franking credits	2,672,153	1,288,139
	<u>2,783,240</u>	<u>1,394,408</u>

Notes to the financial statements for the year ended 30 June 2022

2022
\$

2021
\$

Note 8

Cash and cash equivalents at amortised cost

Bank balances	14,267,749	19,782,371
Term deposits maturing within 3 months	16,012,517	8,768,182
Term deposits maturing later than 3 months	1,018,778	-
	31,299,044	28,550,553

Note 9

Trade and other receivables

Trade receivables at amortised cost	44,636	9,531
Sundry receivables at amortised cost	1,995,707	1,092,621
Prepayments	257,928	164,102
	2,298,271	1,266,254

Note 10

Other financial assets at fair value

Investments in equity securities	9,182,911	12,772,387
Investments in units in trusts	13,182,767	8,193,021
	22,365,678	20,965,408

Note 11

Property, plant, and equipment

	Land \$	Buildings under construction \$	Plant & equipment \$	Total \$
Cost				
Balance at 1 July 2021	1,250,000	4,793,225	1,181,324	7,224,549
Acquisitions	-	-	297,968	297,968
Capitalised value of building development	-	18,734,747	506,583	19,241,330
Disposals	-	-	(475,106)	(475,106)
Balance at 30 June 2022	1,250,000	23,527,972	1,510,769	26,288,741
Depreciation and impairment losses				
Balance at 1 July 2021	-	-	1,057,286	1,057,286
Depreciation charge	-	-	77,723	77,723
Disposals	-	-	(472,911)	(472,911)
Balance at 30 June 2022	-	-	662,098	662,098
Carrying Amounts				
Balance at 1 July 2021	1,250,000	4,793,225	124,038	6,167,263
Balance at 30 June 2022	1,250,000	23,527,972	848,671	25,626,643

Notes to the financial statements for the year ended 30 June 2022

Note 11 (continued)

Cancer Council SA is undertaking the construction of a new multi-level mixed purpose building at 202 Greenhill Road (Project 202) to house our complete operations. The project commenced in February 2021 with the demolition of the existing building. Assets associated with this building were written off, which resulted in a loss on disposal being recorded of \$1,221,507. Construction of the new building is due to be completed in late 2022. Included in Buildings Under Construction is an amount of \$23.528 million (2021: \$4.793 million) representing capital works in progress and in Plant & Equipment an amount of \$0.506 million (2021: \$0 million) relating to fixtures and fittings including IT equipment for the construction of the new building. These amounts are not subject to depreciation.

Assets held for Resale as at 30 June 2021 of \$6.167 million represented the net book value of the two wholly owned accommodation lodges. On 16 August 2021, Cancer Council SA sold the wholly owned lodge at 27-29 Dequetteville Terrace for a gross sales price of \$12.25 million. On 18 November 2021 the property at 204 Greenhill Road, Eastwood, SA was sold for \$10.05 million before costs. After taking into account the costs of sale, the combined profit on sale for both properties was \$15.921 million.

2022 2021

Note 12

Trade and other payables

	\$	\$
Trade payables	703,105	1,552,387
Other payables	2,847,507	374,560
Revenue received in advance	2,308,886	8,453,798
Non trade payables and accrued expenses	115,526	375,348
	<u>5,975,024</u>	<u>10,756,093</u>

Revenue received in advance of \$2.31 million is the unrecognised proportion of the \$10 million grant, which was received in June 2021 for the development of the 202 Greenhill Road site. The remaining \$2.31 million grant will be recognised as income in the year ended 30 June 2023.

Note 13

Contract liabilities

Opening balance	828,903	807,801
Amounts received	1,729,204	2,543,918
Income taken to revenue	(1,752,126)	(2,522,816)
	<u>805,981</u>	<u>828,903</u>

Note 14

Employee benefits

Current

Liability for annual leave	360,864	400,126
Liability for long service leave	260,477	366,712
	<u>621,341</u>	<u>766,837</u>

Non-current

Liability for long service leave	82,407	95,734
	<u>82,407</u>	<u>95,734</u>

Total employee benefits

703,748 862,571

Notes to the financial statements for the year ended 30 June 2022

Note 15 Reserves

	FVOCI reserve \$	Restricted fund reserve \$	General reserve \$	Total \$
Balance at 1 July 2020	6,157,870	-	-	6,157,870
Other comprehensive income	1,681,946	-	-	1,681,946
Transfer to/from retained earnings	-	-	-	-
Balance at 30 June 2021	7,839,816	-	-	7,839,816
Balance at 1 July 2021	7,839,816	-	-	7,839,816
Other comprehensive income	(1,114,406)	-	-	(1,114,406)
Transfer to/from retained earnings	-	3,833,347	23,612,454	27,445,801
Balance at 30 June 2022	6,725,410	3,833,347	23,612,454	34,171,211

Financial assets at fair value through other comprehensive income (FVOCI) reserve

The reserve is used to recognise increments and decrements in the fair value of financial assets at fair value through other comprehensive income.

Restricted fund reserve

Donor funds and bequests received for or allocated to specific purposes which have not yet been applied to those purposes.

General reserve

Capital profits arose as a result of the sale of land and buildings and other asset-related allocations as identified by the Board, these will be applied over time to build the capacity of the organisation and for building maintenance purposes.

Note 16

Key management personnel compensation

The key management personnel compensation was \$1,308,087 for the year ended 30 June 2022 (2021: \$961,351). The number of employees defined as key management personnel was 10 (2021:7) 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.

Note 17

	Up to one year \$	One to two years \$	Two to five years \$	Total \$
Lease liability				
30 June 2022				
Minimum Lease Payments	5,420	-	-	5,420
Finance Charge	67	-	-	67
Net Present Value	5,353	-	-	5,353
30 June 2021				
Minimum Lease Payments	16,260	5,420	-	21,680
Finance Charge	822	67	-	889
Net Present Value	15,438	5,353	-	20,791

Notes to the financial statements for the year ended 30 June 2022

Note 17 (continued)

Cancer Council SA entered into a 4-year lease for office equipment on 10 September 2019 with minimum lease payments of \$65,040. Due to the ongoing construction project at 202 Greenhill Road and the sale of the properties at 27-29 Dequetteville Terrace and 204 Greenhill Road during the year, Cancer Council SA Council SA has leased three premises for office and accommodation space, rental costs of \$1,196,560 (2021: \$143,275) have been recognised in Administration costs. In addition, premises are rented on a casual basis for short periods to support fundraising activities. These costs are recorded under Fundraising expenditure.

Note 18

Contractual Commitments

As at 30 June 2022, Cancer Council SA has contractual commitments for the redevelopment of 202 Greenhill Road and to fund cancer research through the Peter Nelson Leukaemia Research Fellowship.

Non-cancellable funding agreements and contracts are payable as follows:

	2022	2021
	\$	\$
Not later than that of one year	6,039,479	25,389,796
Later than one year but not later than two years	-	40,000
Later than two years but not later than 5 years	-	-
	<u>6,039,479</u>	<u>25,429,796</u>

Note 19

Assets Held for Resale

	2022	2021
	\$	\$
27-29 Dequetteville Terrace	-	4,594,590
204 Greenhill Road	-	1,572,637
	<u>-</u>	<u>6,167,227</u>

Cancer Council SA sold its property located at 27-29 Dequetteville Terrace, Kent Town, SA in August 2021. The sale of the property to a private party was on commercial terms, resulting in gross sales proceeds of \$12.25 million. Cancer Council SA has entered into a lease arrangement with the new owners to lease the premises until 30 June 2022 with options to extend for two further terms of three months to 31 December 2022. The total commitment in the year ended 30 June 2022 was \$537,266 (\$51,042 per month).

On 18 November 2021 the property at 204 Greenhill Road, Eastwood, SA was sold on commercial terms for \$10.05 million before costs. At the time of the sale Cancer Council SA entered into a lease agreement with the purchasers to lease the property until 30 June 2022 with options to extend for two further terms of three months to 31 December 2022. The total commitment to 30 June 2022 was \$312,569 (\$42,083 per month).

Note 20

Contingent Assets

Cancer Council SA is a beneficiary of two residual Estates which were subject to applications filed with the Supreme Court of South Australia at 30 June 2022. Settlement of these applications in July 2022 will result in income to Cancer Council SA of approximately \$10.5 million subsequent to the year end.

Notes to the financial statements for the year ended 30 June 2022

Note 21

Events after the Reporting Period

As at the date of these financial statements, the Company is not expecting there to be a material financial effect of COVID-19 on the future financial performance and financial position of Cancer Council SA.

There has 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.

Directors' Declaration

In the opinion of the Directors of Cancer Council SA:

- a) The Company is not publicly accountable.
- 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 2022 and of its performance, for the financial year ended on that date; and
 - ii. complying with Australian Accounting Standards – Simplified 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 26 day of October 2022



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 of South Australia (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 2022, and of its financial performance and its cash flows for the year ended on that date; and
- complying with Australian Accounting Standards – Simplified Disclosures Framework and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013 (ACNCR).

The **Financial Report** comprises:

- Statement of financial position as at 30 June 2022;
- Statement of profit or loss and other comprehensive income, 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 the 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 Council 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 these requirements.

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 - Simplified Disclosures Framework and the ACNC and ACNCR;
- 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; and
- Assessing the Council's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the 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 scepticism throughout the audit.

We also:

- i. 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.
- ii. 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.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- iv. 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.
- v. 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

KPMG

A handwritten signature in blue ink, appearing to read 'Sheenagh Edwards'.

Sheenagh Edwards
Partner

Adelaide

26 October 2022