



**Cancer
Council**
NSW



Financial Report

2019/2020



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2019/20 highlights

Here is a snapshot of what our supporters helped achieve in 2019/20:



INCREASING CANCER SURVIVAL

In 2019/20, we invested **\$19.8** million in world-class research, funding:



241
researchers



67
projects



19
institutions

- Working with the World Health Organization (WHO) and others, our researchers found that more than **62 million lives could be saved** over the next century if 78 low and middle income countries rapidly scale up cervical cancer vaccination, screening and cancer treatment services. This landmark research informed the adoption of the WHO's global strategy for the elimination of cervical cancer.
- We are expanding our research to help the Australian COVID-19 response, including co-leading a global consortium to support decision-making in cancer control both during and after the pandemic.
- **84,000** lives can be saved nationally if we increase bowel screening from 40% to 60%. As part of our commitment to saving lives, we educated **11,000** people about the importance of bowel screening, by holding **72 community engagement activities** across NSW (pre COVID-19).



REDUCING CANCER RISK

183 golf clubs participated in **Improve your long game**, protecting more golfers from harmful UV radiation exposure. This is an increase of 69% from the previous year.

149,669 people were inspired to create healthy recipes for the whole family by visiting the **Healthy Lunch Box** website.

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IMPROVING THE QUALITY OF LIFE OF PEOPLE AFFECTED BY CANCER

Due to COVID-19, people affected by cancer faced additional financial hardship. In March and April 2020, our Financial Assistance program had a **20% increase** in referrals, compared to the same period in 2019.

2,853 people who were struggling with the high cost of cancer received **\$1,021,325** worth of financial assistance payments.

11,839 people contacted 13 11 20 and received information and support from cancer professionals when they needed it most.

551 cancer patients received cleaning and gardening services through our Home Help payment assistance program.

We provided affordable accommodation to **2,258** cancer patients and carers, so they could stay close to their treatment centres.



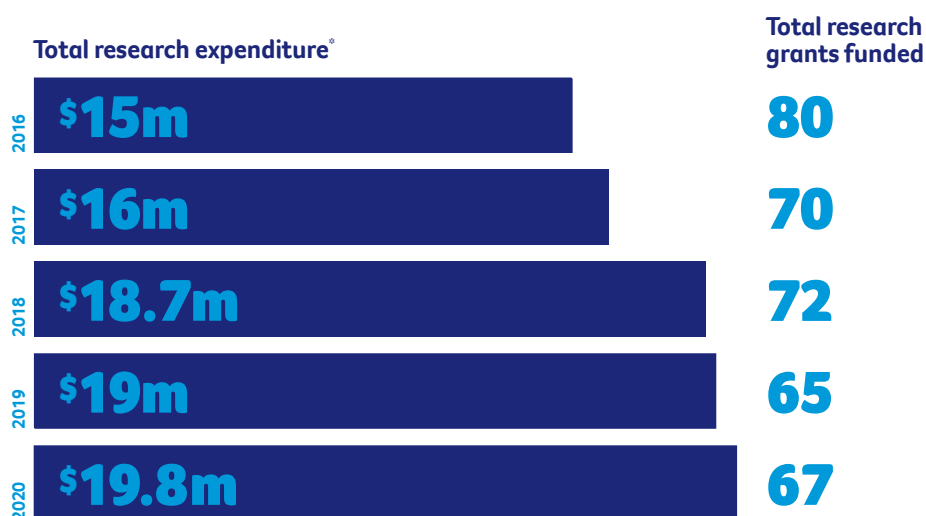
IMPROVING CANCER OUTCOMES FOR PRIORITY POPULATIONS

We hosted the Oceania Tobacco Control Conference in October 2019. With Aboriginal and Torres Strait Islander peoples almost three times more likely to smoke compared to non-Indigenous Australians, it was essential that we bring on board an Aboriginal Health Partner. We partnered with the Aboriginal Health and Medical Research Council of NSW, who advised and collaborated with our Tobacco Control team to ensure the conference was a culturally safe and supportive environment.

We've partnered with Waminda South Coast Women's health and Welfare Aboriginal Corporation through the Tackling Tobacco program. The service provides an innovative and holistic program designed by and for Aboriginal women to tackle tobacco in the Dead or Deadly health and wellbeing space. Through healthy lifestyle changes, strong community connection and a focus on social and emotional wellbeing, the program supports women to quit and stay quit.

Our performance over time

This year, we invested more money than ever before into **life-saving research** and continued to fund external researchers.



* Includes research we fund and conduct.

We also partnered with government and collaborators, seeking competitive grant and contract funding.



	2016	2017	2018	2019	2020
Number of research grants received	12	16	13	21	19
Total research grants received (\$m)	1.5	2.6	1.9	2.3	2.3

Due to the health risks posed by COVID-19, 91% of our dedicated **Transport to Treatment** volunteer drivers (all drivers aged over 60) were temporarily stood down.

Thanks to the incredible volunteers and staff members who stepped up to fill the gap, we were able to ensure cancer patients could still get to their treatment during COVID-19.

Number of trips by our Transport to Treatment service:



	2017	2018	2019	2020
	20,296	22,138	28,407	19,070*

*The overall number of trips fell this year. This was in part due to the bush fires, which impacted many of our Transport to Treatment services during September 2019 and February 2020, and in part due to the COVID-19 pandemic. Since March 2020, some of our services were forced to temporarily close, border closures reduced our ability to transport some patients, and some patients delayed their treatment or opted for virtual appointments.

Number of accommodation nights:



	2016	2017	2018	2019	2020
	19,878	19,897	21,074	23,144	23,816

Due to COVID-19, people affected by cancer faced additional financial hardship. Our Financial Assistance program supported an increased number of cancer patients and carers with the cost of everyday expenses during this time. In March and April 2020, the program saw a 20% increase in referrals compared to the same period in 2019.

Financial assistance payments (\$):



	2016	2017	2018	2019	2020
	508,000	587,052	943,000	1,013,258	1,021,325

We are **providing reliable information** about specific types of cancer, treatments and emotional and practical issues.

Our podcasts, *The Thing About Cancer* and *The Thing About Advanced Cancer*, provide easy to understand information for patients and their carers. The podcast format avoids many common barriers to information. Cancer-related fatigue, brain fog and feeling unwell can make reading a challenge, but listening to a podcast takes very little effort and can be done at a time and place that suits the listener.

Individual listens:



2018	2019	2020
16,451	13,194	23,243

	2016	2017	2018	2019	2020
Visits to the Cancer Council Online Community (launched in 2017)		27,998	53,120	221,004	163,907
Understanding Cancer books and fact sheets distributed in print and digital formats	257,038	218,219	192,147	179,813	146,878*

* We distributed less *Understanding Cancer* resources in hospitals, treatment centres and regional offices due to COVID-19.

Professional organisations generously volunteer their time and expertise to support cancer patients and carers through our Pro Bono program with legal, financial and workplace issues.

Number of legal, financial and workplace issues:



2016	2017	2018	2019	2020
3,882	3,518	3,719	4,003	3,508*

* We experienced a significant decrease in referrals from March – June due to COVID-19

In 2019/20, our **fundraising income was significantly impacted**, first by the bushfires, and then by the COVID-19 pandemic. We are facing an almost 30% decline in fundraising income over the next year, as we have had to stop, postpone or adapt much of our fundraising activity.

We are so grateful to our wonderful supporters who continued to fundraise and donate to us, including those who supported our emergency appeal, which raised more than **\$1.2 million**, making it our most successful appeal to date.



	2016	2017	2018	2019	2020
Total fundraising income (\$m)	67.4	66.9	56.5	63.8	48.1
Number of people who left us a gift in their will	152	150	108	147	134

We are working to **prevent** cancer by creating healthier environments and empowering people to reduce their cancer risk.

Improve your long game is our free sun protection program in NSW golf clubs. In NSW, men over the age of 40 are 1.5 times more likely to be diagnosed with melanoma and 2.5 times more likely to die from melanoma than women of the same age. *Improve your long game* is a way to reach this often difficult to reach group.

Number of golf clubs participating in *Improve your long game*:

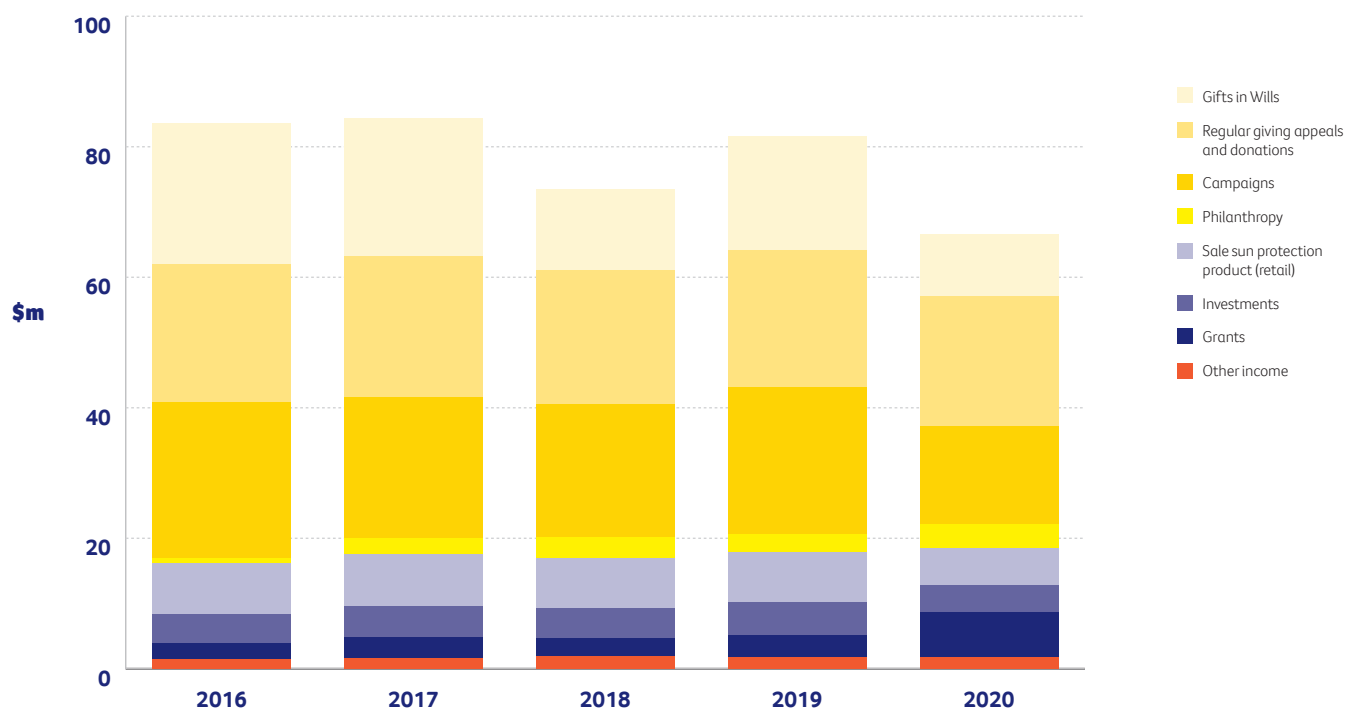


2017	2018	2019	2020
82	111	108	183

Improve your long game started as a pilot in 2014/15 in just 12 golf clubs in the mid-north coast of NSW. After securing Cancer Institute NSW funding based on the pilot's success, the program reach has increased each year. In 2019/20, we trialled a new approach to increase the reach of the program.

Thanks to our community's support, we are here to help everyone affected by cancer when they need it most.

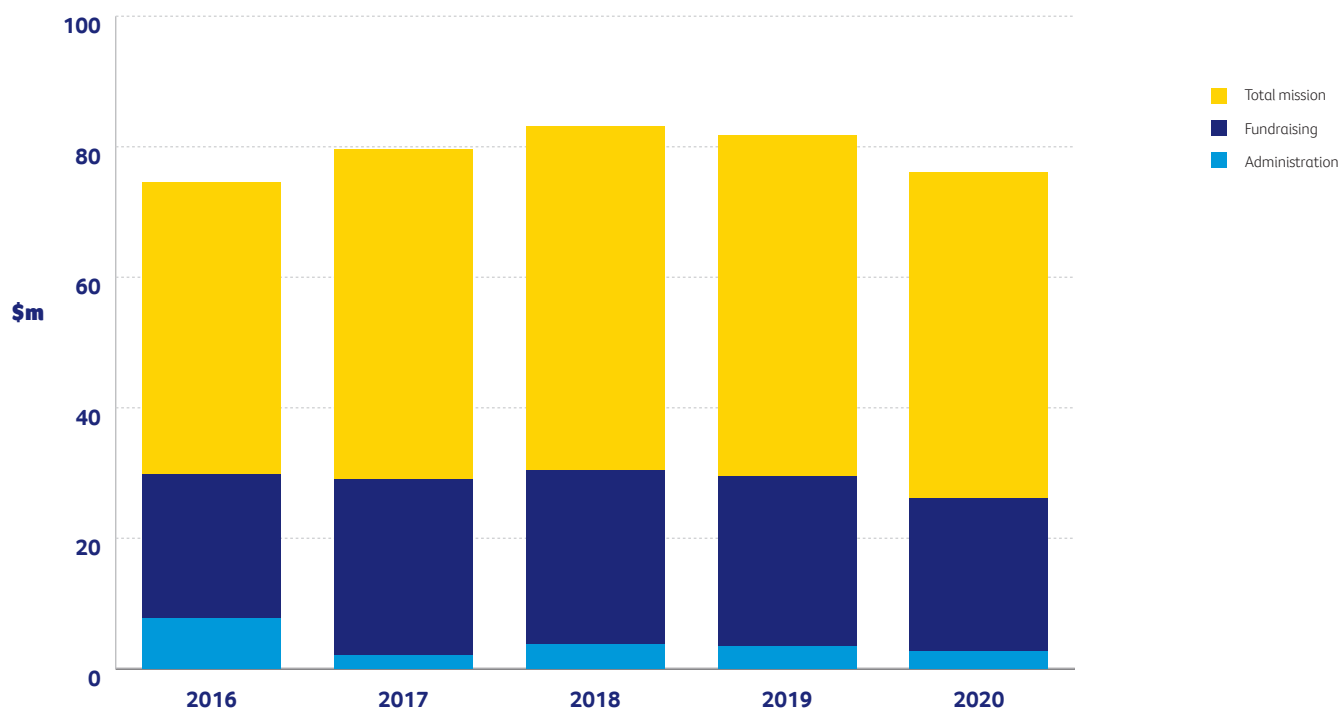
Where the money comes from



	2016		2017		2018		2019		2020	
	\$m	%	\$m	%	\$m	%	\$m	%	\$m	%
Gifts in Wills	21.6		21.1		12.3		17.5		9.6	
Regular giving, appeals and donations	21.1		21.7		20.6		20.9		19.8	
Campaigns	24.0		21.6		20.3		22.5		15.1	
Philanthropy	0.7		2.5		3.3		2.9		3.6	
Total fundraising	67.4	81%	66.9	79%	56.5	77%	63.8	78%	48.1	72%
Sale sun protection products (retail)	7.8	9%	8.0	10%	7.7	10%	7.6	10%	5.8	9%
Investments	4.4	5%	4.6	5%	4.5	6%	5.1	6%	4.0	6%
Grants and government support	2.6	3%	3.3	4%	2.8	4%	3.4	4%	6.9	10%
Other income	1.4	2%	1.6	2%	1.9	3%	1.7	2%	1.8	3%
Total income*	83.6		84.4		73.4		81.6		66.6	

* Excludes capital gains on investments

How we put the money to work



	2016		2017		2018		2019		2020	
	\$m	%	\$m	%	\$m	%	\$m	%	\$m	%
Mission expenditure										
Research	15.0		16.0		18.7		19.0		19.8	
Community engagement	9.7		11.3		12.3		10.6		9.1	
Advocacy and cancer prevention	5.1		6.5		4.8		4.4		4.5	
Cancer information and support	5.6		7.4		7.8		10.2		9.0	
Sale of sun protection products (retail)	7.4		7.4		7.2		7.2		5.9	
Direct mission support	2.0		2.1		2.0		0.8		1.8	
Total mission	44.8	60%	50.7	64%	52.8	64%	52.2	64%	50.1	66%
Mission enabling expenditure										
Fundraising	22.1	30%	26.9	33%	26.6	32%	26.0	32%	23.4	31%
Administration*	7.7	10%	2.1	3%	3.8	4%	3.5	4%	2.7	3%
Total expenditure**	74.6		79.7		83.2		81.7		76.2	

* Items from these categories which are directly related to mission have been reallocated to Direct mission support

** Excludes capital losses on investments

2016 and 2017 reflects Total mission on a restated basis.

2017 and 2018 reflects administration costs allocated to mission and fundraising on a different basis

Directors' report

For the year ended 30 June 2020

The Directors of Cancer Council NSW (CCNSW) present their report with respect to the results for the financial year ended 30 June 2020 and the state of CCNSW's affairs at that date.

Board of Directors

CCNSW's Constitution provides that the Board directs the affairs of CCNSW. In carrying out its responsibilities and exercising its powers, the Board recognises its overriding responsibility to act honestly, fairly and diligently, and in accordance with the law in serving the interests of CCNSW, including its members, volunteers, supporters, employees and the community.

The following persons were Directors of CCNSW at any time during or since the end of the financial year:

- Mark Phillips (Chair)
- Nicholas Adams
- James Butler
- Toby Heap
- Jo Mitchell
- Christine Howard
- John Laker
- Vicki Wade
- Jane Young
- Haryana Dhillon
- Nerida Dean

About Cancer Council NSW

CCNSW believes in a cancer free future and it is the only organisation in Australia that works across every area of every cancer. Together with its volunteers, supporters, stakeholders and employees, CCNSW is committed to reducing the impact of cancer by reducing cancer risk, increasing cancer survival, improving the quality of life for people affected by cancer, and improving cancer outcomes for priority populations.

CCNSW is a member of a national federation of Cancer Councils that covers every state and territory across Australia. This federated model allows CCNSW to focus on opportunities, needs and initiatives within NSW, while collaborating nationally on issues that impact all Australians.

Principal activities during the year and how they assisted in achieving our objectives

The principal activities of CCNSW during the year were aimed at achieving its short and long-term outcomes in the following focus areas:

- research
- prevention
- information and support
- advocacy
- fundraising
- working with the NSW community
- our people

We provide more detail on our activities and achievements in the financial year on pages 2-5 in this document.

How we measure performance, including key performance indicators

We assess the outcome of our work in relation to:

- the prevalence of adverse cancer risks and healthy behaviours
- the unmet needs of cancer patients
- the support of community and government leaders for our agenda in cancer control
- the quality and impact of results from research, and
- trends in net returns from revenue programs.

The operational effectiveness of our work is measured by

- the coverage of target populations or settings with programs in cancer prevention and support
- mission expenditure ratios to ensure expenditure on mission delivery is maximised
- net income from fundraising and revenue streams
- fundraising cost to income ratios
- the number of NSW people engaged as donors, volunteers, advocates and research participants, and
- the match between the distribution of research funding and the burden of disease and cancer in NSW.

Our key performance indicators and our results for the past five years are outlined in pages 4-5 of this document. Data is captured and reported regularly to provide insight into performance and outcomes. CCNSW conducts regular business reviews and uses its internal auditors to review and advise on the performance of various programs and to identify opportunities for improvements. Annual performance planning is conducted for all staff to ensure alignment with the organisation's direction.

Information on our Directors

Mr Mark Phillips

BCom (Hons), MCom, FAICD

Chair of the Board, Chair of the Remuneration and Nomination Committee, Chair of the Investment Committee from May 2020, Cancer Council NSW representative on the Cancer Council Australia Board from May 2020

Appointed to the Board in April 2013 and re-appointed in April 2016 and April 2019

Mr Phillips has more than 30 years' experience in business. In a 20-year career with the Commonwealth Bank of Australia, he was instrumental in the development of a range of new business divisions. Subsequently, Mr Phillips spent more than 10 years as the Chief Executive Officer of various companies listed on the Australian Securities Exchange and as an adviser to businesses and not-for-profit organisations.

He is currently Chief Executive Officer of CatholicCare Sydney, Co-chair of End Street Sleeping Collaboration Ltd, and non-executive director of Cancer Council Australia and Access Programs Australia Ltd.

Mr Nicholas Adams

BCom (Marketing)

Chair of the Fundraising and Marketing Committee

Elected to the Board in December 2015 and re-elected in December 2018

Mr Adams is the Chief Market Manager at Allianz Australia Insurance and has 23 years' experience in financial services and telecommunications marketing with companies such as Telstra, Westpac, and American Express.

As a marketing leader, he has expertise in customer relationship management (CRM), loyalty and digital marketing, and building data-driven marketing programs to drive both revenue and customer engagement with brands.

Mr James Butler

Member of the Remuneration and Nomination Committee, Chair of the Consumer Research Review Panel, Chair of the Relay For Life Steering Committee, Co-Chair of the Aboriginal Advisory Committee

Elected to the Board in December 2014 and re-elected in December 2017

Mr Butler has been an active volunteer for Cancer Council NSW for 25 years, holding roles including Chair of the Hills Relay For Life Committee, and Chair of the Western Sydney Cancer Advocacy Network. He is a trained Cancer Council NSW advocate. As a two-time cancer survivor, he understands the need to influence decision-makers around key issues that have an impact on people affected by cancer.

Mr Butler is currently Chair of Cancer Council NSW's Consumer Research Review Panel. Mr Butler has also been a business owner for 25 years and is an active consumer representative on cancer services committees in the Western Sydney Local Health District.

Dr Toby Heap

BAppSc (Syd), MCom (Finance) (Syd), PhD (Syd), CF GAICD

Chair of the Investment Committee until May 2020, Member of the Audit and Risk Committee until May 2020, Member of the Fundraising and Marketing Committee until May 2020

Elected to the Board in December 2015, re-elected in December 2018 and retired from the Board in May 2020

Dr Heap is a Founding Partner of H2 Ventures, a venture capital investment firm, and a Board Member of equity crowd-funding platform Equitise. Previously he founded several digital startups, was a Research Fellow at the University of Sydney, and was a member of the Australian Securities and Investment Committee. Dr Heap holds a PhD in Health Sciences from the University of Sydney. He was awarded a Churchill Fellowship in 2017 and an Eisenhower Fellowship in 2018 to study disruptive innovation.

Dr Jo Mitchell

BSc, Post Grad Dip Nut & Diet, MPH, DrPH, GAICD

Member of the Audit and Risk Committee from May 2020, Member of the Remuneration and Nomination Committee from May 2020

Appointed to the Board in November 2019

Dr Jo Mitchell has worked in preventive health for more than 30 years.

Her career has included senior public sector executive experience, most recently as policy lead for population health in NSW. This portfolio covered a range of complex and contested policy issues including drug and alcohol, HIV and sexually transmitted infections, overweight and obesity, tobacco control and viral hepatitis.

In 2018 she was awarded the Public Service Medal for her contribution to population health policy in NSW.

She is currently an independent consultant and senior advisor to The Australian Prevention Partnership Centre.

Jo has degrees in science, nutrition and public health.

Ms Christine Howard

B.Soc.Sc, Dip.App.Sc, Mid

Member of the Fundraising and Marketing Committee

Elected to the Board in December 2017

Ms Howard has 20 years of health management experience with a specific interest in understanding and responding to the health needs of rural areas. She has a background in nursing, midwifery and occupational rehabilitation before moving to executive management at the Riverina Division of General Practice in 2010. This organisation evolved into the Murrumbidgee Primary Health Network covering 124,000 square kilometres in south west NSW. As Executive Manager Planning, Commissioning and Performance, Ms Howard has ensured that primary health services funded through the network have been delivered in direct response to findings from the regional health needs assessments. The health burden of cancer in rural and regional areas continues to present as a significant challenge and one that Ms Howard is passionate about changing.

Dr John Laker AO

BEc (Hons 1) (Syd), MSc (Econ) PhD (London), HonDSc (Syd)

Chair of the Governance Committee, Chair of the Audit and Risk Committee, Cancer Council NSW representative on the Cancer Council Australia Board

Elected to the Board in December 2014 and re-elected in December 2017

Dr Laker was Chairman of the Australian Prudential Regulation Authority (APRA), the regulator of the Australian financial services industry, from 2003 to 2014. An economist by training, Dr Laker had an extensive career in the Reserve Bank of Australia before his appointment to APRA, both in Australia and London, and has also worked in the Commonwealth Treasury and the International Monetary Fund (IMF).

Currently, Dr Laker is an External Expert for the IMF and has participated in a number of reviews of major banking systems. He is Chairman of ING Bank Australia, Chairman of The Banking and Finance Oath Limited and Deputy Chancellor and member of the Council of the University of Technology, Sydney. He also lectures at The University of Sydney. Dr Laker was made an Officer of the Order of Australia in 2008 and has won other professional awards for his services to the regulation of the Australian financial system.

Vicki Wade

Dip App Sc, BHsc N, MN

Appointed to the Board in October 2018 and retired from the Board in August 2019

Ms Wade is a proud Noongar woman and has lived and worked in NSW on the lands of the Cabrigol people of the Darug Nation for over fifty years. She has dedicated over 40 years to improving the health of all Australians and for over twenty-five years she has been dedicated to closing the health gap of Aboriginal and Torres Strait Islander peoples. She is a respected leader and advocate in Aboriginal health.

Ms Wade has taught undergraduates and postgraduates Aboriginal health and cardiac health, been an ICU/CCU nurse educator, Cardiac Rehabilitation nurse, Clinical Nurse Consultant Cardiology, After Hours Manager of Bankstown hospital, Area Director for Aboriginal Health, NSW State Manager of Aboriginal Vascular Health, Cultural Advisor to the National Heart Foundation of Australia and current Senior Cultural leader of RHD Australia.

Professor Jane Young

MBBS, MPH, PhD, FAFPHM

Chair of the Cancer Research Committee

Appointed to the Board in June 2016 and re-appointed in June 2019

Professor Young trained in medicine in the United Kingdom in 1983, undertook a Master of Public Health in 1998 and completed a PhD in applied epidemiology at The University of Sydney in 2000. She holds joint appointments with The University of Sydney, where she is Professor in Cancer Epidemiology; and Sydney Local Health District, where she is Executive Director of the Surgical Outcomes Research Centre, and Executive Director, Research for the Institute of Academic Surgery at Royal Prince Alfred Hospital. Professor Young is a health services researcher with a focus on applying epidemiological methods to improve cancer services and patient outcomes. She has undertaken research spanning the cancer journey, and has an interest in surgical trials as well as developing and evaluating new models of care, promoting evidence-based practice and using data to improve cancer service delivery. She has co-authored over 200 peer-reviewed journal articles.

Dr Haryana Dhillon
BSc MA(Psych) PhD

Member of the Governance Committee from May 2020, Member of the Cancer Research Committee from May 2020

Appointed to the Board in July 2019

Dr Haryana Dhillon (BSc MA PhD) is an Associate Professor in Psycho-Oncology at the University of Sydney. She is a Director of the Centre for Medical Psychology & Evidence-based Decision-making, School of Psychology at the University of Sydney where she co-leads the Cancer Survivorship Research Group.

Haryana has more than 25 years experience in cancer clinical research originally working with the NHMRC Clinical Trial Centre, the University of Sydney across a range of investigator-initiated cancer clinical trials. Over the past 15 years she has focused more on psycho-oncology and behavioural research.

Haryana was formerly a member of the Clinical Oncology Society of Australia Board and Chair of the Survivorship group of COSA. She is Chair of the Scientific Advisory Committee of the Psycho-Oncology Cooperative Research

Group, and actively involved in leadership roles with other trials groups to promote the inclusion of patient experience and patient reported outcomes in cancer clinical trials

Nerida Dean
BEd Dip Ed (UNE)

Member of the Remuneration and Nomination Committee

Appointed to the Board in October 2018

Ms Dean brings a wealth of experience and a strong community perspective. She has spent the bulk of her working life as a secondary teacher and has served on a number of Boards at a local and regional level, including as the Deputy Chair Queanbeyan Local Health Committee for 14 years.

Ms Dean is currently a member of the Rotary Club of Mullumbimby and is involved with the build of the new Tweed Hospital. She has been involved with Cancer Council NSW for eight years, taking on numerous volunteer roles such as Community Speaker, MP Liaison, Relay For Life Committee member, Eat It To Beat It facilitator, Australia's Biggest morning tea host and Daffodil Day stall holder.

Directors' benefit

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

Board and committee meeting attendance

	Full meetings of Directors		Audit and Risk Committee		Investment Committee		Governance Committee		Remuneration and Nomination Committee		Fundraising and Marketing Committee		Cancer Research Committee	
	A	B	A	B	A	B	A	B	A	B	A	B	A	B
N Adams	6	6	*	*	*	*	*	*	*	*	5	5	*	*
J Butler	6	6	*	*	*	*	*	*	3	3	*	*	*	*
N Dean	6	6	*	*	*	*	*	*	2	3	*	*	*	*
H Dhillon³	5	6	*	*	*	*	0	0	*	*	*	*	0	0
T Heap²	5	5	5	5	5	5	*	*	*	*	4	4	*	*
C Howard	5	6	*	*	*	*	*	*	*	*	4	5	*	*
J Laker	6	6	6	6	*	*	2	2	*	*	*	*	*	*
J Mitchell⁴	4	4	0	0	*	*	*	*	0	0	*	*	*	*
M Phillips	6	6	*	*	0	0	*	*	3	3	*	*	*	*
V Wade¹	0	0	*	*	*	*	*	*	*	*	*	*	*	*
J Young	5	6	*	*	*	*	*	*	*	*	*	*	3	4

¹Vicki Wade retired 16 August 2019

²Toby Heap retired 27 May 2020

³Haryana Dhillon appointed 5 July 2019

⁴Jo Mitchell appointed 1 November 2019

A = Number of meetings attended

B = Number of meetings held during the time the Director held office or was a member of the Committee during the year.

* = Not a member of the relevant Committee

Review of financial operations and results

The results of CCNSW's operations in the financial year is a deficit of \$10,961,000 (2019: surplus of \$2,420,000).

The coronavirus pandemic has had a significant impact on our operations. As a result of social distancing measures brought in by both federal and state governments, CCNSW has had to cancel, postpone and/or change most of its fundraising activities, resulting in a significant decline in fundraising revenue from March to June 2020. We also moved to close our retail stores temporarily, which had a further impact on income for the June quarter.

Notwithstanding this impact, CCNSW has continued to provide support to the New South Wales community impacted by cancer during the COVID-19 pandemic. Most of our services are continuing. The 13 11 20 Information and support line continues to provide both telephone and email support, while services including Transport to Treatment and lodge accommodation are operating with minor changes to ensure social distancing guidelines are maintained. The counselling service has paused face-to-face counselling in line with government advice but the telephone counselling service has continued. So too has financial assistance and counselling along with legal services.

Although it remains difficult to assess the impact of COVID-19 over coming years, the Board has modelled a number of different financial scenarios. It is clear that conditions will remain challenging and will impact on CCNSW's operations and financial results for some time.

At 30 June 2020, CCNSW had reserves in excess of \$90 million. These reserves, along with other measures being taken by our management team and the support provided by the federal government through the JobKeeper assistance package, give us confidence in CCNSW's financial stability and its ability to continue its important work in the community.

Members' liability

CCNSW is incorporated under the *Corporations Act 2001* (Cth) and is a public company limited by guarantee. If CCNSW is wound up, the constitution states that each member of CCNSW is required to contribute a maximum of \$2 each towards meeting any liabilities of CCNSW. As at 30 June 2020, the number of members was 112 (2019: 154).



Mr Mark Phillips
Director

Sydney
27 October 2020



Dr John Laker
Director

Sydney
27 October 2020

Auditor's declaration of independence



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Australia

DECLARATION OF INDEPENDENCE BY GILLIAN SHEA TO THE MEMBERS OF CANCER COUNCIL NSW

As lead auditor of Cancer Council NSW for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read 'Gillian Shea', with a long horizontal flourish extending to the right.

Gillian Shea
Director

BDO Audit Pty Ltd

Sydney, 27 October 2020

Statement of profit or loss and other comprehensive income

For the year ended 30 June 2020

	Notes	2020 \$'000	2019 \$'000
Revenue			
Fundraising	3	48,140	63,812
Grants and government support	4	6,844	3,365
Sale of sun protection products (retail)		5,811	7,635
Interest and investment		3,959	5,093
Other (contributions from other Cancer Councils, publications and joint ventures)		1,829	1,725
Total income		66,583	81,630
Expenses			
Fundraising	3, 5	23,445	25,966
Research	5	19,737	18,966
Community engagement	5	9,137	10,641
Cancer information and support services	5	9,019	10,216
Sale of sun protection products (retail)	5	5,890	7,177
Advocacy and cancer prevention	5	4,524	4,412
Administration	5	2,726	3,452
Marketing and communications	5	1,772	832
Total expenses		76,250	81,662
Operating deficit		(9,667)	(32)
Income tax expense	2 (c)	-	-
Increase/(decrease) in investments at fair value	8 (b)	(1,105)	2,452
Fair value adjustment to investment property		(189)	-
Surplus/(deficit) for the year		(10,961)	2,420
Other comprehensive income			
Items that will not be reclassified subsequently to surplus or deficit:			
Revaluation of land and buildings on classification as held for sale	10	2,739	412
Total other comprehensive income for the year		2,739	412
Net result for the year		(8,222)	2,832

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Statement of financial position

For the year ended 30 June 2020

	Notes	2020 \$'000	2019 \$'000
Assets			
Current assets			
Trade and other receivables	6	7,028	6,896
Cash and cash equivalents	7	24,385	8,701
Financial assets	8	110	142
Held for sale assets	9	4,100	-
Inventories		652	785
Total current assets		36,275	16,524
Non-current assets			
Financial assets	8	67,702	89,907
Property, plant and equipment	10	31,674	33,693
Intangible assets	11	6,152	6,847
Right of use assets	12	1,312	-
Investment properties		420	1,100
Total non-current assets		107,260	131,547
TOTAL ASSETS		143,535	148,071
Liabilities			
Current liabilities			
Trade and other payables	13	6,361	6,551
Contract liabilities - grants		1,578	-
Deferred revenue		480	-
Lease liabilities	14	850	-
Provisions - employee benefits	15	3,048	2,653
Total current liabilities		12,317	9,204
Non-current liabilities			
Lease liabilities	14	482	-
Provisions - employee benefits	15	752	707
Total non-current liabilities		1,234	707
TOTAL LIABILITIES		13,551	9,911
NET ASSETS		129,984	138,160
Equity			
Accumulated funds		89,047	98,031
Asset revaluation reserve		24,850	22,111
Investments at fair value reserve		9,601	10,706
Restricted funds reserve		4,018	4,448
Grant income reserve		2,468	2,864
TOTAL EQUITY		129,984	138,160

The above statement of financial position should be read in conjunction with the accompanying notes.

Statement of changes in equity

For the year ended 30 June 2020

	Accumulated funds \$'000	Asset revaluation reserve \$'000	Investments at fair value reserve \$'000	Restricted funds reserve \$'000	Grant income reserve \$'000	Total equity \$'000
Opening balance as at 1 July 2018	97,576	21,699	8,254	4,612	3,098	135,239
Transfer to/(from) reserves	(2,054)	-	2,452	(164)	(234)	-
Casuarina Lodge	89	-	-	-	-	89
Surplus/(deficit) for the year	2,420	-	-	-	-	2,420
Other comprehensive income for the year	-	412	-	-	-	412
Net result for the year	2,420	412	-	-	-	2,832
Closing balance as at 30 June 2019	98,031	22,111	10,706	4,448	2,864	138,160
Opening balance as at 1 July 2019	98,031	22,111	10,706	4,448	2,864	138,160
Transfer to/(from) reserves	1,931	-	(1,105)	(430)	(396)	-
Casuarina Lodge	46	-	-	-	-	46
Surplus/(deficit) for the year	(10,961)	-	-	-	-	(10,961)
Other comprehensive income for the year	-	2,739	-	-	-	2,739
Net result for the year	(10,961)	2,739	-	-	-	(8,222)
Closing balance as at 30 June 2020	89,047	24,850	9,601	4,018	2,468	129,984

Nature and purpose of reserves

Accumulated funds

Accumulation of funds over time as a net result of past surpluses and deficits.

Asset revaluation reserve

The asset revaluation reserve is used to record increments and decrements on the revaluation of CCNSW land and buildings, as described in note 10.

Investments at fair value reserve

The investments at fair value reserve is used to record changes in the fair value of financial assets classified as investments at fair value through profit or loss, as described in note 8 (b).

Restricted funds reserve

The restricted funds reserve relates to bequests and donations received by CCNSW with a purpose specified in the bequest or by the donors. These funds are held in the restricted funds reserve until spent appropriately.

Grant income reserve

The grant income reserve relates to grant monies received but not yet spent. These funds are held in reserve until spent appropriately in line with the conditions of the funding agreement.

The above statement of changes in funds should be read in conjunction with the accompanying notes.

Statement of cash flows

For the year ended 30 June 2020

	2020 \$'000	2019 \$'000
Cash flows from operating activities		
Receipts from supporters and funding sources (inclusive of GST)	56,170	73,590
Receipts from grant and government funding	8,734	3,365
Dividends, franking credits and interest received	1,331	746
Lease interest	(58)	-
Payments to suppliers and employees (inclusive of GST)	(71,627)	(81,121)
Net cash inflow/(outflow) from operating activities	(5,450)	(3,420)
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	1,591	192
Proceeds from sale of/(payment for) financial assets	23,761	8,000
Payments for purchase of intangible assets	(795)	(483)
Payments for purchase of property, plant and equipment	(2,486)	(1,698)
Net cash inflow/(outflow) from investing activities	22,071	6,011
Cash flows from financing activities		
Payments for principle portion of lease liabilities	(983)	-
Net cash inflow/(outflow) from financing activities	(983)	-
Net increase/(decrease) in cash and cash equivalents	15,638	2,591
Cash and cash equivalents at beginning of year	7,388	4,797
Cash and cash equivalents at end of year	23,026	7,388

The above statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the financial statements

For the year ended 30 June 2020

1. Introduction

This financial report covers Cancer Council NSW (CCNSW) as an individual entity for the year ended 30 June 2020. The financial report is presented in Australian dollars, which is the company's functional and presentational currency.

CCNSW is a not-for-profit unlisted public company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business is:

The Cancer Council NSW
153 Dowling Street
Woolloomooloo NSW 2011

A description of the nature of CCNSW's operations and its principal activities is included on page 8.

The financial report was authorised for issue by the Directors on 27 October 2020. The Directors have the power to amend and reissue this financial report

2. Significant accounting policies

The principal accounting policies adopted in the preparation of this financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

These general-purpose financial statements have been prepared on a going concern basis and in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB), NSW legislation (the *Charitable Fundraising Act 1991* (NSW) and associated regulations), and the *Australian Charities and Not-for-profits Commission Act 2012* (Cth), as appropriate for not-for-profit oriented entities.

CCNSW has applied Reduced Disclosure Requirements as set out in *AASB 1053 Application of Tiers of Australian Accounting Standards*. This application was approved by the Board of CCNSW.

CCNSW is a not-for-profit organisation and as such the term 'profit' is not applicable and the term 'surplus' is used where required.

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and liabilities, certain classes of property, plant and equipment, and investment property.

(b) Change in accounting policy

CCNSW has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period.

The following Accounting Standards and Interpretations have been adopted by CCNSW for the reporting period ended 30 June 2020.

AASB 15 Revenue from Contracts with Customers

This standard has been adopted from 1 July 2019 establishing a comprehensive five step framework for recognising revenue. AASB 15 applies to all revenue arising from contracts with customers unless these contracts are in the scope of other standards. Under AASB 15, revenue is recognised when a performance obligation has been satisfied at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

AASB 1058 Income of Not-for-Profit entities

This standard has been adopted from 1 July 2019 and replaces *AASB 1004 Contributions*. The timing of income recognition under AASB 1058 is dependent upon whether the transaction gives rise to a liability or other performance obligation at the time of receipt.

AASB 1058 was adopted using the modified retrospective approach and as such comparatives have not been restated. The adoption of AASB 1058 had no material impact on the financial statements.

AASB 16 Leases

This standard has been adopted from 1 July 2019 and replaces *AASB 117 Leases* eliminating the classifications of operating and finance leases. Right-of-use assets and corresponding lease liabilities are now recognised in the statement of financial position other than short-term or low value leases.

CCNSW has applied the practical expedient described in paragraph 46A of the *Covid-19-Related Rent Concessions Exposure Draft* where a lessee may elect not to assess whether a Covid-19-related rent concession is a lease modification.

CCNSW has elected not to recognise right-of-use assets and liabilities for those leases with less than 12 months of lease term remaining as of the date of application.

A single discount rate has been applied to the portfolio of leases as they have similar characteristics.

Impact of adopting AASB 16

AASB 16 has been adopted using the modified retrospective approach and as such comparatives have not been restated.

The recognition of the right of use asset and liability is reconciled as follows:

	1 July 2019 \$'000
Operating lease commitments as at 1 July 2019 (AASB 117)	2,830
Operating lease commitments discount based on the weighted average incremental borrowing rate of 3.3% (AASB 16)	(114)
Short-term and low-value leases not recognised as a right-of-use asset (AASB 16)	(544)
Right-of-use assets (AASB 16)	2,172

(c) Income tax

CCNSW is exempt from income tax within the terms of Subdivision 50-5 of the *Income Tax Assessment Act 1997* (Cth).

(d) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, unless the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In this case, it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST receivable from or payable to the ATO is included with other receivables or payables in the statement of financial position.

(e) Public company limited by guarantee

In the event of CCNSW being wound up, the liability of each member is limited to an amount not exceeding \$2.

(f) Rounding off

CCNSW is of a kind referred to in Legislative Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the financial report. Amounts in the financial report have been rounded off in accordance with the class order to the nearest thousand dollars.

(g) Critical estimates and judgements

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying CCNSW's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, can be found in the following notes to the financial statements:

	Note
Financial assets	8
Useful life of assets	10
Employee benefits	15

(i) Financial assets at fair value through profit or loss

CCNSW holds an investment in shares classified as financial assets at fair value through profit or loss. As at 1 July 2018, in adopting AASB 9 *Financial Instruments*, CCNSW has made an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading through profit or loss.

(ii) Estimation of useful lives of assets

CCNSW determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment, and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or where technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

iii) Long service leave provision

The liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

iv) Determining whether a grant contains enforceable and sufficiently specific obligations

The interaction between AASB 15 and AASB 1058 requires management to assess whether the government grants and other funding received need to be accounted for under AASB 15 or AASB 1058. Key to this assessment is whether the government funding and other funding agreements contain:

- a contract with a customer that creates 'enforceable' rights and obligations, and
- the contract includes 'sufficiently specific' performance obligations.

Critical judgement was applied by management in assessing whether a promise is 'sufficiently specific'. Taking into account all facts and circumstances and any conditions specified in the arrangement (whether explicit or implicit) regarding the promised goods or services, including conditions regarding:

- the nature or type of the goods and services
- the cost or value of the goods and services
- the quantity of the goods and services
- the period over which the goods and services must be transferred.

3. Fundraising

(a) Fundraising income

	2020 \$'000	2019 \$'000
Regular giving, appeals and donations	19,805	20,910
Campaigns	15,080	22,510
Gifts in wills	9,614	17,456
Philanthropy	3,641	2,936
	48,140	63,812

Fundraising revenue is recognised under AASB 1058 when received or receivable.

(b) Fundraising activities

The information below is furnished under the *Charitable Fundraising Act 1991* (NSW) and NSW Fair Trading Fundraising Authority Conditions.

(i) Details of aggregate gross income and total expenses of fundraising appeals

Gross proceeds from fundraising activities (including gifts in wills)	48,140	63,812
Total cost of fundraising appeals	(23,445)	(25,966)
Net surplus from fundraising appeals	24,695	37,846
<i>Net margin from fundraising appeals</i>	51%	59%
<i>Fundraising costs as a percentage of Total expenses</i>	31%	32%

(ii) Application of funds for charitable purposes

During the year, CCNSW achieved the following net surpluses:

Net surplus from fundraising appeals	24,695	37,846
Net surplus from investments	3,959	5,093
Net surplus from grants	6,844	3,365
Net surplus from other income	1,829	1,725
Net surplus/(deficit) from sale of sun protection products	(79)	458
Net surplus available to spend on CCNSW mission	37,248	48,487
Less:		
Research	19,737	18,966
Community engagement	9,137	10,641
Cancer information and support services	9,019	10,216
Advocacy and cancer prevention	4,524	4,412
Administration	2,726	3,452
Marketing and communications	1,772	832
	46,915	48,519
Net surplus/(deficit) to be spent on future CCNSW projects	(9,667)	(32)

4. Grants received

	Opening balance 1 July 2019 \$'000	Receipts 2020 \$'000	Payments 2020 \$'000	Closing balance 30 June 2020 \$'000
Cancer research grants	2,089	2,320	(2,459)	1,950
Community support grants	516	892	(1,000)	408
Cancer prevention grants	259	44	(193)	110
Total grants	2,864	3,256	(3,652)	2,468
JobKeeper receipts		3,588		
Total grants and government support		6,844		

Grants from the government and other organisations are recognised at their fair value through profit and loss where the sufficiently specific performance obligations of the grant have been met. Where those obligations have not been met for the year, revenue is deferred until those obligations are satisfied.

Where a grant is received without sufficiently specific performance obligations the revenue is recognised upon receipt through profit and loss.

5. Mission expenditure

CCNSW seeks to maximise its expenditure on mission delivery. Below is a summary of those mission areas that CCNSW has funded in 2019/20.

	2020 \$'000	2019 \$'000
Mission		
Research	19,737	18,966
Community engagement	9,137	10,641
Cancer information and support services	9,019	10,216
Sale of sun protection products (retail)	5,890	7,177
Advocacy and cancer prevention	4,524	4,412
Direct mission support - Marketing and communications*	1,772	832
Total mission expenditure	50,079	52,244
Mission enabling		
Fundraising expenditure	23,445	25,966
Administration	2,726	3,452
Total mission enabling expenditure	26,171	29,418
Total expenses	76,250	81,662
Mission spend as a percentage of total expenses	66%	64%
Total mission/net surplus from fundraising		
Total mission	50,079	52,244
Net surplus from fundraising	24,695	37,846
Mission spend as a percentage of net surplus from fundraising	203%	138%

*Items from these categories which are directly related to mission have been reallocated to Direct mission support.

6. Trade and other receivables

	2020 \$'000	2019 \$'000
Trade receivables	6,257	5,701
Provision for impairment of trade receivables	(2)	(2)
Other receivables	773	1,197
	7,028	6,896

Trade receivables are initially recognised at fair value, and subsequently measured at amortised cost. Trade receivables are generally due for settlement within 30 days.

A provision is made for doubtful debts when there is evidence that those debts may not be collected. Bad debts are written off when identified.

7. Cash and cash equivalents

Cash on hand and at bank	23,026	7,388
Restricted cash	1,359	1,313
	24,385	8,701

For statement of cash flow presentation purposes, cash and cash equivalents include cash on hand; deposits held at call with financial institutions; and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in values.

Restricted cash represents cash relating to joint operations with Casuarina Lodge (note 20).

8. Financial assets

Current assets - Financial assets at amortised cost

Financial assets at amortised cost	110	142
	110	142

Non-current assets - Investments at fair value through profit or loss

(a) Investments at the end of the financial year were as follows:

Australian shares (tax exempt)	22,167	25,241
Overseas shares (unhedged)	14,150	17,023
Cash fund	8,465	8,367
Australian sovereign bonds	8,159	7,809
Global credit fund	7,053	6,708
Australian small companies fund	5,098	5,544
Overseas sovereign bonds	2,610	2,469
Direct property fund	-	9,582
Unlisted infrastructure fund	-	7,164
	67,702	89,907

Changes in the fair value of investments are recorded in equity and disclosed through profit or loss.

(b) Movement in investments

Opening balance 1 July	89,907	88,104
Additions	3,071	9,596
Increase/(decrease) in fair value of managed funds	(1,105)	2,452
Disposals	(24,171)	(10,245)
Closing balance 30 June	67,702	89,907

Classification of financial assets

CCNSW classifies its financial assets in the following categories: 'investments at fair value through profit or loss', and 'financial assets at amortised cost'. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of CCNSW's financial assets at initial recognition:

(i) Investments at fair value through profit or loss

At initial recognition, CCNSW may make an irrevocable election (on an instrument-by-instrument basis) to recognise the change in fair value of investments in equity instruments through profit or loss. This election is permitted for equity instruments that are not held for trading purposes.

(ii) Financial assets at amortised cost

Financial assets at amortised cost are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment.

These instruments are initially recognised at fair value plus transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein are recognised through profit or loss and presented within equity in the investments at fair value reserve. When an instrument is derecognised, the cumulative gain or loss is transferred directly to retained earnings and is not recognised in profit or loss. Dividends or other distributions received from these investments are still recognised in profit or loss as part of interest and investment income.

Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade date – the date on which CCNSW commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred, and CCNSW has transferred substantially all the risks and rewards of ownership.

9. Held for sale assets

	2020 \$'000	2019 \$'000
Building	4,100	-
	4,100	-

The property located at Lot 1, 43 Hunter Street Parramatta was reclassified as held for sale at 30 June 2020 as set out on AASB 5 and measured at fair value less costs to sell. Settlement took place in August 2020 with no gain on disposal recognised.

10. Property, plant and equipment

	Buildings \$'000	Freehold land \$'000	Motor vehicles \$'000	Office furniture and equipment \$'000	Leasehold improvements \$'000	Total \$'000
Year ended 30 June 2020						
Opening net book amount	22,379	8,440	1,209	1,512	153	33,693
Additions	3	-	311	702	107	1,123
Transfer to held for sale assets	(1,360)	-	-	-	-	(1,360)
Disposals	-	-	(110)	-	(6)	(116)
Depreciation expense	(662)	-	(350)	(527)	(127)	(1,666)
Closing net book amount	20,360	8,440	1,060	1,687	127	31,674
At 30 June 2020						
Cost or fair value	22,407	8,440	1,807	7,233	1,977	41,864
Accumulated depreciation	(2,047)	-	(747)	(5,546)	(1,850)	(10,190)
Net book amount	20,360	8,440	1,060	1,687	127	31,674

Valuations of freehold land and buildings

All property, plant and equipment categories are valued at cost, with the exception of land and buildings. The valuation basis of land and buildings is fair value. Building valuations were conducted as at 30 June 2018, with revaluations based on independent assessments by members of the Australian Property Institute. The revaluation increment was credited to the asset revaluation reserve in accumulated funds.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

- buildings 25 to 40 years
- leasehold improvements 2 to 5 years
- office furniture and equipment 3 to 10 years
- motor vehicles 5 years

The asset residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses are determined by comparing proceeds with carrying amount. These are included in the statement of profit or loss and other comprehensive income.

11. Intangible assets

	Computer software \$'000	Internally generated intangible assets \$'000	Total \$'000
Year ended 30 June 2020			
Opening net book amount	141	6,706	6,847
Additions	57	738	795
Amortisation	(118)	(1,372)	(1,490)
Closing net book amount	80	6,072	6,152
At 30 June 2020			
Cost or fair value	1,029	9,717	10,746
Accumulated amortisation	(949)	(2,641)	(3,590)
Intangible impairment	-	(1,004)	(1,004)
Net book amount	80	6,072	6,152

Finite intangible assets include acquired or developed software, capitalised on the basis of the costs incurred to acquire and install the software. Subsequent software expenditure is expensed as incurred.

Finite intangible assets are accounted for using the cost model, whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives (between 3 to 10 years). Residual values and useful lives are reviewed at each reporting date.

CCNSW continues to invest in technology to improve how it engages with the community, simplify its working environment and help it work more effectively.

12. Right-of-use assets

	2020 \$'000	2019 \$'000
Right of use asset	2,231	-
Less: accumulated depreciation	(919)	-
	1,312	-

Right-of-use assets are CCNSW's right to use leased assets over the life of their leases and have come into effect from 1 July 2019 due to the application of AASB 16.

There were no additions to the right-of-use assets during the year. Included in surplus/(deficit) for the year are \$944,722 of depreciation of right-of-use assets and \$58,349 of finance cost on lease liabilities. Expenses relating to short-term leases included in administrative expense in the profit or loss statement for the period were \$826,775. The total cash outflow for leases for the year was \$982,824.

13. Trade and other payables

	2020 \$'000	2019 \$'000
Trade creditors and accruals	4,432	4,273
Cancer Council Australia membership fees	1,684	1,982
Other current payables	245	296
	6,361	6,551

These amounts represent liabilities for goods and services provided to CCNSW prior to the end of the financial year and that were unpaid as at the reporting date. These amounts are unsecured and are paid within the suppliers' terms, usually 30 days.

14. Lease liabilities

Current lease liability	850	-
Non-current lease liability	482	-
Total lease liability	1,332	-

CCNSW adopted AASB 16 retrospectively from 1 July 2019, but has not restated comparatives for the 2019 reporting period, as permitted under the specific transitional provisions in the standard with no adjustment to retained earnings. As a result, the above lease liabilities represent the present value of the remaining lease payments, discounted using the appropriate incremental borrowing rate.

15. Employee benefits

(a) Employee benefits provisions - Current

Annual leave	2,044	1,840
Long service leave	1,004	813
Current Employee benefits	3,048	2,653

(b) Employee benefits provisions - Non-current

Long service leave	752	707
Non-current employee benefits	752	707

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, and leave expected to be settled within 12 months of the reporting date, are recognised in current liabilities, and are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The leave liabilities not expected to be settled within 12 months of the reporting date are recognised in non-current liabilities. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date, using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(c) Employee benefits expense

Employee benefits expense	35,723	34,273
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16. Key management personnel

	2020 \$	2019 \$
(a) Executive remuneration		
Executive remuneration expense	1,999,039	2,187,406

(b) Transactions with Directors and key management personnel

During the financial year Dr John Laker was an (unpaid) Board member of both CCNSW as well as Cancer Council Australia (CCA). CCNSW paid CCA \$2,294,327 during the year ended 30 June 2020 for membership fees and national merchandise purchases. CCNSW also received distributions of \$3,079,654 from CCA for the NSW share of national fundraising campaigns.

17. Commitments

Commitments contracted for at the reporting date, but not recognised as liabilities are as follows:

	2020 \$'000	2019 \$'000
Lease commitments		
Within one year	-	1,418
One to five years	-	1,412
	-	2,830
Research grant commitments		
Within one year	8,482	8,561
One to five years	10,525	10,036
	19,007	18,597
Campaign licensing commitments		
Within one year	300	300
One to five years	250	550
	550	850

18. Contingent liabilities

Contingent liabilities consist of \$118,000 in bank guarantees in respect of operating leases (2019: \$118,000).

19. Events after reporting period

CCNSW was not aware of any events that have occurred after reporting date that are of such significance that they need to be disclosed or recognised in the financial statements.

20. Interests in joint ventures

CCNSW has entered into two joint ventures to provide accommodation for cancer patients and their relatives while receiving radiotherapy treatment in NSW: Lilier Lodge at Wagga Wagga and Casuarina Lodge at Westmead.

CCNSW holds a 50% voting power in Lilier Lodge.

CCNSW holds a 50% ownership interest in the operations of Lilier Lodge and is entitled to a 50% share of their output.

CCNSW's 50% interest in Lilier Lodge's assets, liabilities, revenues and expenses was recognised in the financial statements as part of a joint operation.

CCNSW recognises 50% of a joint cash fund with Casuarina Lodge.

21. New Accounting Standards

CCNSW has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of CCNSW.

END OF AUDITED FINANCIAL STATEMENTS

Directors' declaration

In the Directors' opinion:

- the attached financial statements and notes thereto comply with the *Australian Charities and Not-for-profits Commission Act 2012* (Cth), the Accounting Standards, the *Australian Charities and Not-for-profits Commission Regulations 2013* and other mandatory professional reporting requirements
- the attached financial statements and notes thereto give a true and fair view of the company's financial position as at 30 June 2020 and of its performance for the financial year ended on that date
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:



Mr Mark Phillips
Director

Sydney
27 October 2020



Dr John Laker
Director

Sydney
27 October 2020

Declaration by Chief Executive Officer in respect of fundraising appeals

I, Jeff Mitchell, Chief Executive Officer of The Cancer Council NSW declare that in my opinion:

- a) the income statement gives a true and fair view of all income and expenditure of The Cancer Council NSW with respect to fundraising appeals
- b) the balance sheet gives a true and fair view of the state of affairs with respect to fundraising appeals
- c) the provisions of the *Charitable Fundraising Act 1991* (NSW), the regulations under the Act and the conditions attached to the authority have been complied with
- d) the internal controls exercised by The Cancer Council NSW are appropriate and effective in accounting for all income received and applied by The Cancer Council NSW from any of its fundraising appeals.



Jeff Mitchell

Chief Executive Officer

Sydney
27 October 2020

Independent auditor's report



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INDEPENDENT AUDITOR'S REPORT

To the members of Cancer Council NSW

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Cancer Council NSW (the Entity), which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of Cancer Council NSW, is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) Giving a true and fair view of the registered entity's financial position as at 30 June 2020 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards - Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the registered entity in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) 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 also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other information

Those charged with governance are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the registered entity's annual report, but does not include the financial report and our auditor's report thereon.

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 and, in doing so, 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.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of directors for the Financial Report

The directors of the registered entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the ACNC Act, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the registered entity's financial reporting process.

Auditor's responsibilities for the audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

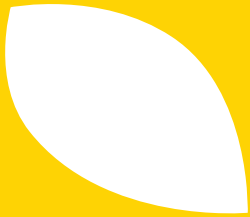
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A handwritten signature in black ink, appearing to read 'Gillian Shea', written over a thin horizontal line.

Gillian Shea

Director



With your help, we are getting closer to a cancer free future.

- Volunteer with us
- Give regularly
- Host or join a fundraising event
- Campaign with us
- Visit one of our retail stores



**To find out more, visit
cancercouncil.com.au/get-involved**

Call **13 11 20** for information and support

This free and confidential service is staffed by experienced cancer professionals, who provide evidence-based information and support to people affected by cancer.

Contact us.

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