



Cancer Council NSW

# Full financial report

2012/2013

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# Directors' Report

## For the year ended 30 June 2013

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The Directors of The Cancer Council NSW (CCNSW) present their report with respect to the results for the financial year ended 30 June 2013 and the state of CCNSW's affairs at that date.

### Directors

The following persons were Directors of CCNSW during the whole of the financial year and up to the date of this report:

Stephen Ackland  
Michael Back  
Jill Boehm (Deputy Chair)  
Mary Chiew  
Bruce Hodgkinson SC (Chair)  
Paul Lahiff  
Stephen Roberts  
Melanie Trethowan.

The following person was a Director of CCNSW from the start of the financial year and up to 26 February 2013: Bob Sendt.

The following person was a Director of CCNSW from 1 September 2012 and up to the date of this report: John Stubbs.

The following person was a Director of CCNSW from 30 April 2013 and up to the date of this report: Mark Phillips.

### Short- and long-term objectives

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

- The lives of cancer patients and carers
- Scientific knowledge of cancer
- Community understanding and behaviour in relation to cancer
- Society, policy and practice in advancing cancer control.

In the longer term, our Strategic Priorities are to:

- Drive major advances in research, ensuring no cancer is ignored
- Ensure the NSW community acts to prevent cancer and/or detect it at a curable stage
- Give the NSW community a voice on issues and entitlements around cancer
- Ensure that no one faces a cancer diagnosis alone
- Expand the opportunities available for people to contribute to our work by giving money or fundraising.

### CCNSW strategy for achieving those objectives

CCNSW is unique among cancer charities in dealing with the cancer challenge comprehensively, encompassing all cancers and all potential methods of controlling the disease. Selection of priorities is guided by considering the relative impact of different cancers and risk factors in the NSW community; the emergence and implications of trends in cancer incidence and risk factors; and the opportunities presented by changes in knowledge, technology and society that will have favourable impact on achieving our vision.

# Directors' Report

## For the year ended 30 June 2013

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Four areas of focus underpin our strategy:

**Insight:** Funding and conducting research provides knowledge and generates evidence to improve the effectiveness of cancer control. This is amplified by the experience we derive from working with cancer patients and their families, health professionals and the community.

**Connection:** CCNSW is distinctive in the emphasis it places on connecting and engaging the NSW community with the cancer cause. Connection greatly amplifies the potential of people and organisations to realise our vision of cancer defeated.

**Contribution:** We create and increase opportunities for people to contribute their time, skills and resources to the cancer cause. Specifically, we create opportunities for people as donors, volunteers, staff, research participants and community leaders.

**Impact:** CCNSW pursues priorities that have the potential to make far-reaching and sustained change in the cancer landscape. This includes creating a community that is informed, rational and compassionate in relation to cancer; addressing the support and information needs of cancer patients; and generating changes in the living, working, social and commercial environments to reduce the leading causes of cancer.

### Principal activities and how these activities assisted in achieving objectives

The principal activities of CCNSW during the year were to achieve our short- and long-term objectives in the following focus areas. The page references beside each point refer to pages in Cancer Council NSW's *Annual Report 2012/2013*, where we outline more detail on each of the focus areas and their achievements in this financial year:

- Research (pages 10–11)
- Cancer prevention (pages 12–13)
- Health advocacy (pages 14–15)
- Information and support services for cancer patients and carers (pages 16–17)
- Fundraising (pages 18–19).

### How CCNSW measures its performance, including any key performance indicators used

CCNSW assesses the outcome of its 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
- Trends in net returns from revenue programs.

# Directors' Report

## For the year ended 30 June 2013

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The operational effectiveness of CCNSW work is measured by:

- Coverage of target populations or settings with programs in cancer prevention and support
- Net income from fundraising and revenue streams
- Fundraising cost:income ratios, and infrastructure and investment expenditure ratios
- The number of NSW people engaged as donors, volunteers, advocates and research participants
- The match between the distribution of research funding and the burden of disease and cancer in NSW.

Key performance indicators are identified for each CCNSW program and project area. Data is captured and reported regularly to provide insight into performance and outcomes. CCNSW conducts regular business reviews, and uses 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.

See also pages 38–43 of CCNSW's *Annual Report 2012/2013* for a summary of our performance indicators against each Strategic Priority.

### Review of financial operations and results of CCNSW

The total income for the financial year ended 30 June 2013 was \$72,826,000. In the same period, expenditure was \$71,733,000, leaving a surplus of \$1,093,000.

#### **The main sources of revenue were:**      \$'000

Fundraising	59,588
Retail	7,609
Interest and investments	2,495
Grant income	2,220

#### **The main areas of expenditure were:**

Fundraising	21,948
Research	14,782
Regional program delivery	7,227
Information and support	7,010
Retail	6,905
Health advocacy and prevention	4,501
Infrastructure and investment	6,043

# Directors' Report

## For the year ended 30 June 2013

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### **Matters subsequent to the end of the financial year**

No matters or circumstances have arisen since the end of the financial year that could significantly affect the operations of CCNSW in future years.

### **Likely developments and expected results of operations**

CCNSW expects to maintain the present status and level of operations.

### **Environmental regulation**

CCNSW is not subject to any significant environmental regulation.

### **Dividends**

CCNSW's Constitution does not permit any dividends and therefore no dividends have been paid or declared.

### **Members' liability**

CCNSW is incorporated under the *Corporations Act 2001*(Cwlth) 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 2013, the number of members was 38 (2012: 56).

# Directors' Report

## For the year ended 30 June 2013

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### Information on Directors

#### **Dr Stephen Ackland MBBS, FRACP, GAICD**

Member of the Cancer Research Committee

First elected to the Board in August 2006, re-elected December 2008 and December 2011

Conjoint Professor, Faculty of Health, University of Newcastle  
Staff Specialist, Medical Oncology, Calvary Mater Newcastle Hospital  
Director, Hunter Cancer Research Alliance (HCRA)

Dr Ackland is also former President of the Clinical Oncological Society of Australia (COSA) and former Chair and secretary of the Medical Oncology Group of Australia. He has been a member of various other state, national and international oncology committees and working groups.

Dr Ackland has had extensive involvement in cancer clinical trials, clinical pharmacokinetics of anticancer drugs, and pre-clinical pharmacology of anticancer drugs and combinations. He has been principal investigator on two Australian multi-institutional randomised controlled trials and a number of phase I and II trials.

#### **Associate Professor Michael Back**

Member of the Governance Committee

First appointed to the Board in December 2011

Director, Northern Sydney Cancer Centre

Associate Professor Back is a radiation oncologist, and also has postgraduate qualifications in Psycho-oncology, as well as in Business Management with an MBA. He is Director of Cancer Services for Northern Sydney Local Health District, as well as Director of Radiation Oncology at the Northern Sydney Cancer Centre and the Central Coast Cancer Centre. His past involvement with Cancer Council NSW has included cancer awareness workshops, fundraising activities and events such as Relay For Life.

#### **Ms Jill Boehm OAM, RN, DC, MMgt**

Deputy Chair of the Board, Member of the Audit and Finance Committee, Member of the Governance Committee

First elected to the Board in August 2006, re-elected December 2008 and December 2011

Ms Boehm is a registered nurse and midwife, and a past representative of the NSW Nurses and Midwives Board on professional and tribunal matters. She was appointed an inaugural board member of the Illawarra Shoalhaven Local Health District (ISLHD) in 2011 and was formerly Chief Executive Officer of CanAssist (2001–2005). In addition, Ms Boehm was a founding member of the Board of the Cancer Institute NSW until March 2010. Ms Boehm was also a member of the Gene Technology Ethics and Community Consultation Committee for the Federal Government from 2008 to 2011. Ms Boehm co-chairs the Quality Committee for the ISLHD and is the board representative on the Medical and Dental Appointments Advisory Committee.

She was awarded the Medal of the Order of Australia in 2007 for service to the community through advocacy and support for people with cancer, their families and their carers; was nominated for NSW Women's Honour Role in 2005; and is also a member of Women On Boards (WOB).

# Directors' Report

## For the year ended 30 June 2013

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### **Ms Mary Chiew**

First appointed to the Board in April 2007, reappointed April 2010 and April 2013

Chief Executive Officer, Giorgio Armani Australia Pty Ltd

Ms Chiew's expertise includes marketing, communications, administration and management. Her experience also includes four years as Trustee of the National Breast Cancer Foundation, and she currently serves on the Board of the Salvation Army Employment Plus. As a cancer survivor, Ms Chiew brings her personal experience to Cancer Council NSW and helps to maintain a focus on the interests of cancer patients in Board discussions.

### **Mr Bruce Hodgkinson SC**

Chair of the Board, Chair of the Governance Committee, Member of the Remuneration Committee

First elected to the Board in July 2007, re-elected October 2009 and December 2012

Barrister, Denman Chambers

Mr Hodgkinson has been a practising barrister at the Sydney Bar since the early 1980s. He was appointed Senior Counsel in 2001 and continues to practise extensively in the occupational health and safety field. Through his practise as a barrister, he has provided advice to corporations and their boards in many legal and governance fields, including corporations law, trade practices law, statutory compliance and employment law. Mr Hodgkinson has been a member of the POSH Committee for a number of years, through which he has actively engaged in raising money for Cancer Council NSW.

He has also been a member of the Board of Cancer Council Australia since 2008.

### **Mr Paul Lahiff BSc(Agr), FAIM**

Chair of the Investment Committee, Chair of the Remuneration Committee

First appointed to the Board in February 2007, reappointed February 2010 and February 2013

Mr Lahiff has over 30 years' experience in the financial services industry. This has included roles as Managing Director of Permanent Trustee, Heritage Building Society, Mortgage Choice and WDSScott, as well as senior executive roles with Westpac Banking Corporation (in Sydney and London) and the credit union sector. Mr Lahiff currently runs his own consulting advisory business, and serves on a number of boards.

### **Mr Mark Phillips FAICD**

Member of the Audit and Finance Committee

First appointed to the Board in April 2013

Mark Phillips has over 30 years of business experience. In a 20-year career with the Commonwealth Bank of Australia, Mark was instrumental in the development of five new business divisions, spanning securities and trading markets, infrastructure finance, property lending and government finance. More recently, Mark has spent 10 years as the Chief Executive Officer of listed financial services companies. In the case of one of these companies, the firm's value grew substantially during Mark's tenure as Chief Executive Officer, and this firm was regarded during this time as one of the top-performing companies on the Australian Stock Exchange. Today, Mark is an adviser to business, social and charitable organisations.



# Directors' Report

## For the year ended 30 June 2013

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### **Mr Stephen Roberts BBus(Acc&Fin), MBA, GAICD**

Chair of the Audit and Finance Committee

First elected to the Board in October 2007, re-elected November 2009 and December 2012

Mr Roberts is a member of the boards of Cancer Council Australia and Social Ventures Australia Capital Fund, and is member of Cancer Council Australia's Executive Committee. Professionally, he is an independent company director and was Senior Partner and Regional Business Leader of Asia Pacific for Mercer Investments. He brings extensive business and management experience to the Board. Mr Roberts is trained as a chartered accountant, and is also Chair of the POSH Committee, which engages in fundraising activities for Cancer Council NSW.

### **Mr Bob Sendt BA(Econ), GDipEnvStud, FCPA, FIPA, FAICD**

Chair of the Audit and Finance Committee, Member of the Remuneration Committee

First appointed to the Board in February 2007, reappointed February 2010, resigned February 2013

Consultant and former NSW Auditor-General

Mr Sendt is a company director and runs his own management consultancy practice. He serves on a number of boards, including as Chairman of Job Futures Ltd, Chairman of National Health Call Centre Network Ltd and a Director of the Accounting Professional and Ethical Standards Board. He was Auditor-General of NSW from 1999 to 2006, and has a strong interest in governance, accountability and strategic management.

### **Mr John Stubbs**

First appointed to the Board in September 2012

Chief Executive Officer, CanSpeak

Fourteen years ago John was diagnosed with chronic myeloid leukaemia. Since that time he has been a committed and passionate advocate for people affected by cancer. He holds degrees in Accounting and Arts, and is a regular speaker at medical conferences and seminars on cancer policy, advocacy, clinical trials and related issues. He is currently Chief Executive Officer of CanSpeak a national cancer consumer advocacy group. He is was awarded an Honorary Associate of the University of Sydney's School of Medicine for his work in the promotion of clinical trials in this country. As a board member for the Cancer Institute NSW, Mr Stubbs is their nominee on the Board of Cancer Council NSW. His other current board memberships in Australia are with the Faculty of Radiation Oncology, the Royal Australian and New Zealand College of Radiologists, and the Arrow Foundation.

### **Ms Melanie Trethowan MB(Marketing)**

Elected to the Board in December 2008, re-elected December 2011

Ms Trethowan has been actively involved in cancer issues since 2004. To date, her roles with Cancer Council NSW include Regional Advocacy Network Facilitator, member of the Mudgee Relay For Life Committee, acting Chair of the Western Regional Advisory Committee, member of the Medical and Scientific Advisory Committee and Daffodil Day Town Manager. Her previous board experience includes the Central West Community College, Kanandah Retirement Ltd and the Foundation for Australian Agricultural Women. She is currently Chair of the annual Mudgee Readers' Festival event. She has completed the Australian Rural Leadership Program and is a Vincent Fairfax Fellow. Since 1996, she has operated a marketing and project consultancy business based in Mudgee.

# Directors' Report

## For the year ended 30 June 2013

### Company Secretary

The Company Secretary is Ms Angela Aston, JP, CSA (Cert).

### Directors' benefit

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

### Meetings of Directors/ Committees:

	Full meetings of Directors		Audit and Finance Committee		Investment Committee		Governance Committee		Remuneration Committee	
	A	B	A	B	A	B	A	B	A	B
S Ackland	5	6	*	*	*	*	*	*	*	*
M Back	6	6	*	*	*	*	3	4	*	*
J Boehm	4	6	4	4	*	*	4	4	*	*
M Chiew	5	6	*	*	*	*	*	*	*	*
B Hodgkinson	6	6	*	*	*	*	4	4	1	1
P Lahiff	4	6	*	*	4	4	*	*	1	1
M Phillips	1	1	*	*	*	*	*	*	*	*
S Roberts	6	6	2	2	*	*	*	*	*	*
R Sendt	4	4	3	3	*	*	*	*	1	1
J Stubbs	6	6	*	*	*	*	*	*	*	*
M Trethowan	5	6	*	*	*	*	*	*	*	*

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

### Insurance of officers

During the financial year, CCNSW paid a premium of \$11,000 to insure the Directors and Secretary of the company, and an additional \$18,000 on professional indemnity insurance. The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of CCNSW, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

# Directors' Report

## For the year ended 30 June 2013

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### Proceedings on behalf of the company

No person has applied to the Court under section 237 of the *Corporations Act 2001* (Cwlth) for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party, for the purpose of taking responsibility on behalf of the company for all or part of those proceedings. No proceedings have been brought or intervened in on behalf of the company with leave of the Court under section 237 of the *Corporations Act 2001* (Cwlth).

### Non-audit services

During the financial year, BDO, the company's auditor, has performed certain other services in addition to its statutory duties. These services were limited to acquittals for several small government grants. Details of the amounts paid to the auditor of the company, BDO, for audit and non-audit services provided during the year are set out in Note 5 of the full financial report.

### Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* (Cwlth) is set out on page 10.

### Rounding of amounts

The company is of a kind referred to in *Class Order 98/0100*, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the Directors' Report. Amounts in the Directors' Report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

### Auditor

BDO continues in office in accordance with section 327 of the *Corporations Act 2001* (Cwlth). This report is made in accordance with a resolution of Directors.



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Mr B Hodgkinson SC

Director

Sydney

30 October 2013



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Ms Jill Boehm OAM

Director

Sydney

30 October 2013



Tel: +61 2 9251 4100  
Fax: +61 2 9240 9821  
www.bdo.com.au

Level 11, 1 Margaret St  
Sydney NSW 2000  
Australia

## **DECLARATION OF INDEPENDENCE BY PAUL BULL TO THE DIRECTORS OF THE CANCER COUNCIL NSW**

As lead auditor of The Cancer Council NSW for the year ended 30 June 2013, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read 'P. Bull', is written over the printed name and title.

Paul Bull  
Partner

**BDO East Coast Partnership**

Sydney, 30 October 2013

BDO East Coast Partnership ABN 83 236 985 726 is a member of a national association of independent entities which are all members of BDO (Australia) Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO East Coast Partnership and BDO (Australia) Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation (other than for the acts or omissions of financial services licensees) in each State or Territory other than Tasmania.



# Statement of profit or loss and other comprehensive income

## For the year ended 30 June 2013

	Notes	2013 \$'000	2012 \$'000
<b>Revenue</b>			
Fundraising income	3, 22	59,588	58,513
Retail income	3	7,609	7,130
Interest and investment income	3	2,495	2,726
Grant income	3	2,220	2,340
Other revenue	3	914	811
<b>Total revenue</b>		<b>72,826</b>	<b>71,520</b>
Increase in fair value of investment property	9	-	30
<b>Total income</b>		<b>72,826</b>	<b>71,550</b>
<b>Expenses</b>			
Fundraising expenditure		21,948	18,235
Retail expenditure		6,905	6,295
Research expenditure		14,782	14,962
Regional program delivery		7,227	6,438
Cancer information and support services		7,010	8,126
Health advocacy and prevention		4,501	4,695
Media, communication and marketing expenditure		3,317	2,853
Infrastructure and investment		6,043	5,516
<b>Total expenses</b>	4	<b>71,733</b>	<b>67,120</b>
<b>Surplus before income tax expense</b>	4	<b>1,093</b>	<b>4,430</b>
Income tax expense	2 (c)	-	-
<b>Surplus for the year</b>		<b>1,093</b>	<b>4,430</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified subsequently to surplus or deficit			
Gain/loss on disposal of available-for-sale financial assets		67	-
Increase/(decrease) in fair value of available-for-sale financial assets	10 (c)	6,283	(2,461)
Revaluation of land and buildings		-	651
<b>Total comprehensive income for the year</b>		<b>7,443</b>	<b>2,620</b>

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

# Statement of financial position

## As at 30 June 2013

	Notes	2013 \$'000	2012 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	4,552	8,323
Trade and other receivables	7	3,946	2,160
Inventories	8	1,982	1,348
Financial assets	10	-	305
<b>Total current assets</b>		<b>10,480</b>	<b>12,136</b>
<b>Non-current assets</b>			
Investment properties	9	1,210	330
Financial assets	10	59,942	52,392
Intangible assets	11	723	424
Property, plant and equipment	12	17,947	17,963
<b>Total non-current assets</b>		<b>79,822</b>	<b>71,109</b>
<b>TOTAL ASSETS</b>		<b>90,302</b>	<b>83,245</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	13	3,248	3,543
Provisions - employee benefits	14	2,000	1,964
<b>Total current liabilities</b>		<b>5,248</b>	<b>5,507</b>
<b>Non-current liabilities</b>			
Provisions - employee benefits	14	601	728
<b>Total non-current liabilities</b>		<b>601</b>	<b>728</b>
<b>TOTAL LIABILITIES</b>		<b>5,849</b>	<b>6,235</b>
<b>NET ASSETS</b>		<b>84,453</b>	<b>77,010</b>
<b>Funds</b>			
General funds		72,004	70,506
Restricted funds reserve		6,036	6,538
Available-for-sale financial assets reserve		1,636	(4,647)
Grant income reserve		1,202	1,038
Asset revaluation reserve		3,575	3,575
<b>TOTAL FUNDS</b>		<b>84,453</b>	<b>77,010</b>

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

# Statement of changes in funds

## For the year ended 30 June 2013

	General funds	Restricted funds reserve	Available- for-sale financial assets reserve	Grant income reserve	Asset revaluation reserve	Total funds
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance as at 1 July 2011</b>	<b>63,998</b>	<b>8,421</b>	<b>(2,186)</b>	<b>1,233</b>	<b>2,924</b>	<b>74,390</b>
<b>Transfer to/(from) reserves</b>	<b>2,078</b>	<b>(1,883)</b>	<b>-</b>	<b>(195)</b>	<b>-</b>	<b>-</b>
Surplus for the year	4,430	-	-	-	-	4,430
Other comprehensive income for the year	-	-	(2,461)	-	651	(1,810)
<b>Total comprehensive income for the year</b>	<b>4,430</b>	<b>-</b>	<b>(2,461)</b>	<b>-</b>	<b>651</b>	<b>2,620</b>
<b>Closing balance as at 30 June 2012</b>	<b>70,506</b>	<b>6,538</b>	<b>(4,647)</b>	<b>1,038</b>	<b>3,575</b>	<b>77,010</b>
<b>Opening balance as at 1 July 2012</b>	<b>70,506</b>	<b>6,538</b>	<b>(4,647)</b>	<b>1,038</b>	<b>3,575</b>	<b>77,010</b>
<b>Transfer to/(from) reserves</b>	<b>338</b>	<b>(502)</b>	<b>-</b>	<b>164</b>	<b>-</b>	<b>-</b>
Surplus for the year	1,093	-	-	-	-	1,093
Other comprehensive income for the year	67	-	6,283	-	-	6,350
<b>Total comprehensive income for the year</b>	<b>1,160</b>	<b>-</b>	<b>6,283</b>	<b>-</b>	<b>-</b>	<b>7,443</b>
<b>Closing balance as at 30 June 2013</b>	<b>72,004</b>	<b>6,036</b>	<b>1,636</b>	<b>1,202</b>	<b>3,575</b>	<b>84,453</b>

### Nature and purpose of reserves

#### 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.

#### Available-for-sale financial assets reserve

The available-for-sale financial assets reserve is used to record changes in the fair value of financial assets classified as available-for-sale as described in note 2(f). Amounts are reclassified to surplus or deficit when the associated assets are sold or impaired.

#### 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.

#### 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 2(j).

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 2013

	Notes	2013 \$'000	2012 \$'000
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Receipts from supporters and funding sources (inclusive of GST)		65,891	65,886
Receipts from grant funding		2,220	2,340
Dividends, franking credits and interest received		436	673
		<b>68,547</b>	<b>68,899</b>
<b>Payments</b>			
Payments to suppliers and employees (inclusive of GST)		(71,706)	(63,989)
		<b>(71,706)</b>	<b>(63,989)</b>
<b>Net cash inflow/(outflow) from operating activities</b>	17	<b>(3,159)</b>	<b>4,910</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of property, plant and equipment		271	834
Proceeds from sale of available-for-sale financial assets		1,000	-
Proceeds from sale of held-to-maturity investments		305	2,057
Payments for purchase of held-to-maturity investments		-	(305)
Payments for purchase of intangible assets		(386)	(434)
Payments for purchase of property, plant and equipment		(1,802)	(1,881)
<b>Net cash inflow from investing activities</b>		<b>(612)</b>	<b>271</b>
Net increase/(decrease) in cash and cash equivalents		(3,771)	5,181
Cash and cash equivalents at beginning of year		8,323	3,142
<b>Cash and cash equivalents at end of year</b>	6	<b>4,552</b>	<b>8,323</b>

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 2013

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### 1. Introduction

This financial report covers The Cancer Council NSW (CCNSW) as an individual entity for the year ended 30 June 2013. The financial report is presented in Australian dollars, which is the company's functional and presentational currency.

CCNSW is a not-for-profit entity, and a 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 1 and 2 of the Directors' Report.

The financial report was authorised for issue by the Directors on 30 October 2013. The company has the power to amend and reissue this financial report.

### 2. Summary of 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 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 *Corporations Act 2001* (Cwlth), as appropriate for not-for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The company is a not for profit organisation as such the term "profit" is not applicable and the term "surplus" is used where required.

The financial statements are presented in Australian Dollars.

#### **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) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

CCNSW recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity, and the specific criteria have been met for each activity as described below.

Revenue is recognised for the major business activities as follows.

#### **Fundraising income**

Fundraising revenue is recognised when CCNSW has control of the contribution.

# Notes to the financial statements

## For the year ended 30 June 2013

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### **Retail income**

Revenue from the sale of goods is recognised when CCNSW has passed control of the goods to the buyer.

### **Interest and investment income**

Interest and investment income is recognised on an accrual basis. Dividends are brought to account as they are received.

### **Grant income**

Grants from the government and other organisations are recognised at their fair value where there is a reasonable assurance that the grant will be received and that CCNSW will comply with all attached conditions.

### **(c) Income tax**

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

### **(d) Cash and cash equivalents**

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 which are subject to an insignificant risk of change in values.

### **(e) Trade receivables**

Trade receivables are recognised initially at fair value, and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that CCNSW will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in the surplus or deficit within other expenses. When a trade receivable for which an impairment allowance has been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the surplus or deficit.

# Notes to the financial statements

## For the year ended 30 June 2013

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### **(f) Financial assets**

#### ***Classification***

CCNSW classifies its financial assets in the following categories: 'available-for-sale' financial assets, and 'loans and receivables'. 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) Trade and other receivables***

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. Trade receivables are generally due for settlement within 30 days.

#### ***(ii) Financial assets at fair value through other comprehensive income***

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 in other comprehensive income. This election is permitted for equity instruments that are not held for trading purposes.

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 in other comprehensive income and presented within equity in the available-for-sale financial assets 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.

#### ***Change in accounting policy***

CCNSW early-adopted *AASB 9 Financial Instruments* for the first time from 1 July 2012. *AASB 9* specifies the basis for classifying and measuring financial assets. Classification is determined based on CCNSW's business model and the contractual cashflow characteristics of the financial assets. Financial assets will be classified as either amortised cost or fair value. *AASB 9* replaces the classification and measurement requirements relating to financial assets in *AASB 139 Financial Instruments: Recognition and measurement*.

A financial asset is measured at amortised cost if the following conditions are met:

- The objective of CCNSW's business model in relation to those instruments is to hold the asset to collect the contractual cash flows; and
- The contractual cash flows give rise, on specific dates, to cash flows that are solely payments of principal and interest on the principal outstanding.

If these criteria are not met, then the financial asset must be classified as fair value through profit and loss, except as discussed below. Alternatively, similar to the requirements in *AASB 139*, CCNSW may irrevocably elect at inception to classify a financial asset as fair value through profit or loss to reduce an accounting mismatch.

Amortised cost is still measured using the effective interest rate method and amortised cost assets must be assessed for impairment losses. There are no changes to the measurement method for fair value through profit or loss requirements in *AASB 139*.

# Notes to the financial statements

## For the year ended 30 June 2013

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Under AASB 9 only equity instruments that are not held for trading are able to be classified as fair value through other comprehensive income rather than fair value through profit or loss. On disposal, in contrast to AASB 139, the cumulative gains or losses recognised in equity over the period CCNSW held the equity instrument are transferred directly to retained earnings and are not permitted to be recognised in profit or loss. Equity instruments fair valued through other comprehensive income are no longer required to be assessed for impairment.

There has been no impact on the financial results of CCNSW due to the change in accounting policy, as CCNSW continued to classify equity instruments that are not held for trading as fair value through other comprehensive income.

### ***Recognition and de-recognition***

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.

### ***Subsequent measurement***

Loans and receivables are carried at amortised cost less impairment using the effective interest method. Details on how the fair value of financial instruments is determined are disclosed in note 1(t).

### ***Impairment***

CCNSW assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in surplus or deficit – is reclassified from equity and recognised in surplus or deficit as a reclassification adjustment. Impairment losses recognised in surplus or deficit on equity instruments classified as available-for-sale are not reversed through surplus or deficit.

Details of financial assets are set out in note 10.

### **(g) Inventory**

Inventory is stated at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for at purchase cost on a basis of weighted average cost. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

### **(h) Investment property**

Investment property comprises two properties which are held for capital appreciation and/or rental yields and are not occupied by CCNSW. Investment properties are carried at fair value, representing open-market value. Changes in fair values are recorded in the statement of profit or loss and other comprehensive income as part of other income or expense.

Investment properties are derecognised when disposed of or when there is no future economic benefit expected.



# Notes to the financial statements

## For the year ended 30 June 2013

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### **(i) Intangible assets**

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

They 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.

### **(j) Property, plant and equipment**

Land and buildings (except for investment property – refer to note 2(h)) are shown at fair value, based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings. 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.

Increases in the carrying amounts arising on revaluation of land and buildings are credited to the asset revaluation reserve in equity. To the extent that the increase reverses a decrease previously recognised in surplus or deficit, the increase is first recognised in surplus or deficit. Decreases that reverse previous increases of the same asset are first charged against the asset revaluation reserve directly in equity to the extent of the remaining reserve attributable to the asset; all other decreases are charged to surplus or deficit.

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.

### **(k) Payables**

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

# Notes to the financial statements

## For the year ended 30 June 2013

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### **(l) Employee benefits**

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include annual leave and long service leave.

#### ***Annual leave***

Liabilities for annual leave are recognised in the provision for employee benefits and are measured at the amounts expected to be paid in respect of employees' services up to the reporting date when the liabilities are settled.

#### ***Long service leave***

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wages 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.

### **(m) Leases**

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs, so as to achieve a constant rate of interest on the remaining balance of the liability.

Leased assets acquired under a finance lease are depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that CCNSW will obtain ownership at the end of the lease term.

Operating lease payments, net of any incentives received from the lessor, are charged to the statement of profit or loss and other comprehensive income on a straight-line basis over the term of the lease.

### **(n) 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.

# Notes to the financial statements

## For the year ended 30 June 2013

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### **(o) Joint venture operations**

The proportionate interests in the assets, liabilities, revenue and expenses of joint venture activities have been incorporated in the financial statements under the appropriate headings. Details of the joint venture operations are set out in note 19.

### **(p) 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.

### **(q) Financial reporting by segments**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-makers. The chief operating decision-makers, who are responsible for allocating resources and assessing performance of the operating segments, have been identified as the Board of Directors.

CCNSW operates primarily in one segment. The principal activities consist of initiatives and programs to defeat cancer and build a cancer-smart community, and engaging the NSW community in this mission. CCNSW operates in one geographical area, being NSW.

### **(r) Rounding off**

CCNSW is of a kind referred to in *Class Order 98/0100*, 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, or in certain cases, the nearest dollar.

### **(s) New Accounting Standards and Interpretations**

CCNSW has adopted all the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current annual reporting period. The adoption of these new and revised Standards and Interpretations did not have any material financial impact on the amounts recognised in the financial statements for the current or prior periods.

#### ***AASB 2011-9 Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income***

The company has applied AASB 2011-9 amendments from 1 July 2012. The amendments require grouping together of items within other comprehensive income on the basis of whether they will eventually be 'recycled' to the profit or loss (reclassification adjustments). The change provides clarity about the nature of items presented as other comprehensive income and the related tax presentation. The amendments also introduced the term 'Statement of profit or loss and other comprehensive income', clarifying that there are two discrete sections: the profit or loss section (or separate statement of profit or loss) and other comprehensive income section

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early-adopted by CCNSW for the year ended 30 June 2013.

# Notes to the financial statements

## For the year ended 30 June 2013

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CCNSW has early-adopted *AASB 9 Financial Instruments*, with effect 1 July 2012, as the Directors believe the revised accounting policy for fair value adjustments to these investments more reliably presents the financial position of CCNSW. *AASB 9* allows, and 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 in other comprehensive income. No further impairment of the available-for-sale asset will be recognised. *AASB 9* does not require companies that adopt the Standard for reporting period beginning before 1 January 2012 to restate prior periods.

***AASB 9 Financial Instruments; 2009-11 Amendments to Australian Accounting Standards arising from AASB 9; 2010-7 Amendments to Australian Accounting Standards arising from AASB 9; 2012-6 Amendments to Australian Accounting Standards arising from AASB 9; AASB 13 Fair Value Measurement; and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13***

This Standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2013. The Standard provides a single robust measurement framework, with clear measurement objectives, for measuring fair value using the 'exit price', and it provides guidance on measuring fair value when a market becomes less active. The 'highest and best use' approach would be used to measure assets, whereas liabilities would be based on transfer value. As the Standard does not introduce any new requirements for the use of fair value, its impact on adoption by the company from 1 July 2013 should be minimal, although there will be increased disclosures where fair value is used.

***AASB 119 Employee Benefits (September 2011) and AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)***

This revised Standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2013. The amendments make changes to the accounting for defined benefit plans and the definition of short-term employee benefits, from 'due to' to 'expected to' be settled within 12 months. The later will require annual leave that is not expected to be wholly settled within 12 months to be discounted, allowing for expected salary levels in the future period when the leave is expected to be taken. The adoption of the revised Standard from 1 July 2013 is expected to reduce the reported annual leave liability of the company.

***AASB 2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities***

The amendments are applicable to annual reporting periods beginning on or after 1 January 2013. The disclosure requirements of *AASB 7 Financial Instruments: Disclosures* (and consequential amendments to *AASB 132 Financial Instruments: Presentation*) have been enhanced to provide users of financial statements with information about netting arrangements, including rights of set-off related to an entity's financial instruments and the effects of such rights on its statement of financial position. The adoption of the amendments from 1 July 2013 will increase the disclosures by the company.

***AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities***

The amendments are applicable to annual reporting periods beginning on or after 1 January 2014. The amendments add application guidance to address inconsistencies in the application of the offsetting criteria in *AASB 132 Financial Instruments: Presentation*, by clarifying the meaning of "currently has a legally enforceable right of set-off"; and clarifies that some gross settlement systems may be considered to be equivalent to net settlement. The adoption of the amendments from 1 July 2014 will not have a material impact on the company.



# Notes to the financial statements

## For the year ended 30 June 2013

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### ***AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009–2011 Cycle***

The amendments are applicable to annual reporting periods beginning on or after 1 January 2013. The amendments affect five Australian Accounting Standards as follows: confirmation that repeat application of *AASB 1 (IFRS 1) First-time Adoption of Australian Accounting Standards* is permitted; Clarification of borrowing cost exemption in *AASB 1*; clarification of the comparative information requirements when an entity provides an optional third column or is required to present a third statement of financial position in accordance with *AASB 101 Presentation of Financial Statements*; Clarification that servicing of equipment is covered by *AASB 116 Property, Plant and Equipment*, if such equipment is used for more than one period; clarification that the tax effect of distributions to holders of equity instruments and equity transaction costs in *AASB 132 Financial Instruments: Presentation* should be accounted for in accordance with *AASB 112 Income Taxes*; and clarification of the financial reporting requirements in *AASB 134 Interim Financial Reporting* and the disclosure requirements of segment assets and liabilities. The adoption of the amendments from 1 July 2013 will not have a material impact on the company.

### **(t) Critical accounting 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, are as follows.

#### ***Financial assets are fair value through other comprehensive income***

CCNSW holds an investment in shares classified as financial assets at fair value through other comprehensive income. As CCNSW has early adopted *AASB 9 Financial Instruments* with effect from 1 July 2012, 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 in other comprehensive income. No further impairment of the financial assets at fair value through other comprehensive income will be recognised.

#### ***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 definite 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.

#### ***Long service leave provision***

As discussed in note 2(l), 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.

# Notes to the financial statements

## For the year ended 30 June 2013

	2013 \$'000	2012 \$'000
<b>3. Revenue</b>		
<b>Fundraising income</b>		
Bequests	13,740	13,997
Events - involving sale of merchandise	4,237	5,125
Events - other	13,755	13,178
Appeals and events - conducted with a trader	14,038	11,980
Appeals - other	13,818	14,233
	<b>59,588</b>	<b>58,513</b>
<b>Retail income</b>		
Sale of goods	7,609	7,130
	<b>7,609</b>	<b>7,130</b>
<b>Interest and investment income</b>		
Interest	196	332
Managed funds distributions	2,059	2,053
Imputation credits received	240	341
	<b>2,495</b>	<b>2,726</b>
<b>Grant income</b>		
AMP Foundation - AMP Grant	104	80
Australian Broadcasting Corporation - Breast cancer study	-	20
Cancer Australia - Brain cancer grant	-	10
Cancer Australia - Culturally and linguistically diverse communities	-	10
Cancer Australia - Supporting people with cancer	25	47
Cancer Institute NSW - Data linkage	91	95
Cancer Institute NSW - Evidence To Practice Grant	25	-
Cancer Institute NSW - Hepatitis B, Lets talk about it project	20	80
Cancer Institute NSW - Mens 50+ Skin Cancer Prevention Campaign	50	-
Community Development Support Expenditure grants	-	9
Cunningham Centre - Sacred Heart Hospice	37	-
Department of Health and Ageing - Eat It To Beat It	90	-
Gilead Sciences Pty Ltd - GILEAD Grant	10	-
Good Shepherd - No-interest loans for people affected by cancer	-	4
Law and Justice Foundation - The Legal Referral Service evaluation	-	14
Newcastle Permanent Building Society Limited - Vehicles Grant	68	-
NHMRC - Canfell NHMRC modelling	168	369
NHMRC - CDA	75	99
NHMRC - Equipment grant	7	21
NHMRC - Fellowship Smith	70	77
NHMRC - Fellowship Yu	50	74
NHMRC - Independent research institutes infrastructure support	151	-
NHMRC - Infectious and lifestyle determinants of non-melanoma skin cancer	-	49
NHMRC - Partnership Grant	137	104
NHMRC - Patterns of Cancer Care for Aboriginal People in NSW	145	465
NHMRC - Prostate outcomes study	24	16
NSW Health - Australian Better Health Initiative	-	22
NSW Department of Health - Hepatitis B resource development	20	-
NSW Department of Ageing, Disability and Home Care (Carers)	57	56
NZ Health Ministry - Consultancy monies	92	45
NZ Health Ministry - Hepatitis B Nurse Educator Grant	87	43

# Notes to the financial statements

## For the year ended 30 June 2013

	2013 \$'000	2012 \$'000
Prostate Cancer Foundation of Australia - Prevalence	103	103
Prostate Cancer Foundation of Australia - Prostate Cancer Guidelines	44	-
Queensland Institute of Medical Research - Pancreatic Patterns of Care Study	147	95
ROCHE - Compass Trial	69	-
The Health Administration Corporation - Food Policy	15	65
The Health Administration Corporation - Mental health professionals' training on smoking	-	138
The Health Administration Corporation - Eat It To Beat It	30	-
Tour de Cure - Cancer awareness evening and School Healthy Eating Garden	5	-
Transport for NSW - Community Transport grant	-	10
University of Manchester, UK - ARTISTIC - Cervical screening	75	78
University of Sydney - Vitamin D and prostate cancer study	-	42
Victorian Cytology Service Incorporated - Australian consultancy modelling	11	-
Western Sydney and Nepean Blue Mountains Local Health Districts – Eat It To Beat It	118	-
	<b>2,220</b>	<b>2,340</b>

### Unspent grant funds

Grant income has been recognised as revenue in the statement of profit or loss and other comprehensive income. It includes amounts yet to be spent in the manner specified by the contributor. Unexpended amounts totalling \$1,202,000 have been included in revenue and held in reserves at 30 June 2013.

	Opening Balance 1 July 2012 \$'000	Receipts 2013 \$'000	Interest 2013 \$'000	Payments 2013 \$'000	Closing Balance 30 June 2013 \$'000
Health promotion grants	214	724	-	(419)	519
Contract research grants	824	1,496	22	(1,659)	683
	<b>1,038</b>	<b>2,220</b>	<b>22</b>	<b>(2,078)</b>	<b>1,202</b>

	2013 \$'000	2012 \$'000
<b>Other revenue</b>		
Accommodation fees	302	331
Account management charge	6	63
Gain on disposal of property, plant and equipment	20	-
Membership fees	1	1
Patient transport	23	22
Project contributions received	502	356
Seminars and conferences	-	7
Sponsorship income	9	31
Registration fees	51	-
	<b>914</b>	<b>811</b>
<b>Total Revenue</b>	<b>72,826</b>	<b>71,520</b>

# Notes to the Financial Statements

## For the year ended 30 June 2013

	2013 \$'000	2012 \$'000
<b>4. Expenses</b>		
<b>Surplus before income tax includes the following specific expenses:</b>		
Employee benefits expense	30,902	28,063
Depreciation		
Building	277	387
Leasehold improvements	311	244
Office furniture and equipment	729	741
Motor vehicles	250	244
	1,567	1,616
Rental expense relating to operating leases	1,925	1,810
Direct operating expenses from investment property	1	1
<b>5. Remuneration of auditors</b>	2013 \$	2012 \$
During the year, the following fees were paid or payable for services provided by the auditor to CCNSW:		
<b>Assurance services</b>		
Audit services - BDO		
Audit of financial report under the <i>Corporations Act 2001</i> (Cwlth)	49,500	46,600
Other assurance services - audit of regulatory statements	2,000	3,300
<b>Total remuneration for assurance services</b>	<b>51,500</b>	<b>49,900</b>
<b>6. Cash and cash equivalents</b>	2013 \$'000	2012 \$'000
Cash on hand	20	25
Cash at bank	4,532	5,215
Deposits at call	-	3,083
	<b>4,552</b>	<b>8,323</b>

As at balance date, cash at bank was earning interest of 2.50% p.a. (2012: 3.5% p.a.)

# Notes to the financial statements

## For the year ended 30 June 2013

	2013 \$'000	2012 \$'000
<b>7. Trade and other receivables</b>		
Trade receivables	2,645	1,540
Provision for impairment of trade receivables	(3)	(8)
GST receivable	578	487
Interest receivable	1	24
Prepayments	725	117
	<b>3,946</b>	<b>2,160</b>

### (a) Ageing of trade receivables and impairment

	Gross \$'000	Impairment \$'000
<b>At 30 June 2013</b>		
Not past due	2,612	-
Past due 0 - 30 days	17	-
Past due 30 - 60 days	10	-
Past due 60 - 90 days	6	3
	<b>2,645</b>	<b>3</b>
<b>At 30 June 2012</b>		
Not past due	1,515	-
Past due 0 - 30 days	11	-
Past due 30 - 60 days	6	-
Past due 60 - 90 days	8	8
	<b>1,540</b>	<b>8</b>

### (b) Movements in the provision for impairment of receivables

	2013 \$'000	2012 \$'000
Opening balance 1 July	(8)	-
Additional provision	(2)	(8)
Unused amount reversed	7	-
Closing balance 30 June	<b>(3)</b>	<b>(8)</b>

### (c) Credit risk and interest rate risk

There is no concentration of credit risk or interest rate risk with respect to current and non-current receivables.

## 8. Inventories

Goods held for resale	1,982	1,348
	<b>1,982</b>	<b>1,348</b>

# Notes to the financial statements

For the year ended 30 June 2013

	2013 \$'000	2012 \$'000
<b>9. Investment property</b>		
At fair value	1,210	330
	<b>1,210</b>	<b>330</b>
<b>(a) Movement in investment property</b>		
Opening balance 1 July	330	300
Additional property received from a bequest	880	-
Increase in fair value of investment property	-	30
Closing balance 30 June	<b>1,210</b>	<b>330</b>

## **(b) Amounts recognised in surplus or deficit for investment property**

Two investment properties were bequeathed to CCNSW; one is currently occupied under a life tenancy agreement, the other is being sold for capital gain. As a result, no rental income is generated from investment property. The direct operating expenses for investment property totalled \$1,000 for the year (2012: \$1,000).

## **(c) Valuation basis**

The basis of the valuation of investment property is fair value, being the amounts for which the properties could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location and condition.

## **10. Financial assets**

### **Current assets**

Term deposits		
Held-to-maturity investments	-	305
	<b>-</b>	<b>305</b>

### **Non-current assets**

Managed funds		
Available for sale	59,942	52,392
	<b>59,942</b>	<b>52,392</b>

## **(a) Managed funds**

Changes in the fair value of available-for-sale financial assets are recorded in equity and disclosed in other comprehensive income.

## **(b) Movement in financial assets held to maturity**

Opening balance 1 July	305	2,057
Additions	-	305
Disposals	(305)	(2,057)
<b>Closing balance 30 June</b>	<b>-</b>	<b>305</b>

## **(c) Movement in available-for-sale financial assets**

Opening balance 1 July	52,392	52,800
Additions	2,200	2,053
Increase/(decrease) in fair value of managed funds	6,283	(2,461)
Disposals	(933)	-
<b>Closing balance 30 June</b>	<b>59,942</b>	<b>52,392</b>



# Notes to the financial statements

For the year ended 30 June 2013

	2013 \$'000	2012 \$'000
<b>(d) Available-for-sale financial assets at the end of the financial year were invested as follows:</b>		
Australian Shares (tax exempt)	13,961	13,021
Australian Small Companies Fund	1,982	976
Australian Sovereign Bonds	2,176	1,663
Cash	3,818	4,878
Direct Property Fund	2,317	2,166
Emerging Market Debt Fund	2,382	2,092
Emerging Markets Fund	2,977	2,303
Global Credit Fund	3,494	3,276
Listed Infrastructure Fund	1,636	1,764
Listed Property (Global)	2,399	2,970
Natural Resources Fund	1,869	1,879
Overseas Low Volatility Fund	3,293	2,640
Overseas Shares (Hedged)	8,609	5,730
Overseas Shares (Unhedged)	2,002	1,026
Overseas Small Companies Fund	2,880	2,038
Overseas Sovereign Bonds	1,724	1,637
Unlisted Infrastructure Fund	2,423	2,333
	<b>59,942</b>	<b>52,392</b>

## **(e) Risk management**

Information about CCNSW's exposure to market risk is provided in note 20.

## **11. Intangible assets** (computer software)

Opening balance 1 July	424	-
Additions	386	434
Amortisation	(87)	(10)
Closing balance 30 June	<b>723</b>	<b>424</b>

# Notes to the financial statements

For the year ended 30 June 2013

## 12. Property, plant and equipment

	Freehold land	Buildings	Leasehold improvements	Office furniture and equipment	Motor vehicles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Year ended 30 June 2012</b>						
<b>Opening net book amount</b>	<b>4,345</b>	<b>10,087</b>	<b>530</b>	<b>2,083</b>	<b>854</b>	<b>17,899</b>
Additions	-	69	600	645	567	1,881
Revaluation increment	-	651	-	-	-	651
Disposals	-	(548)	-	(9)	(295)	(852)
Depreciation expense	-	(387)	(244)	(741)	(244)	(1,616)
<b>Closing net book amount</b>	<b>4,345</b>	<b>9,872</b>	<b>886</b>	<b>1,978</b>	<b>882</b>	<b>17,963</b>
<b>At 30 June 2012</b>						
Cost or fair value	4,345	9,902	1,889	5,597	1,201	22,934
Accumulated depreciation	-	(30)	(1,003)	(3,619)	(319)	(4,971)
<b>Net book amount</b>	<b>4,345</b>	<b>9,872</b>	<b>886</b>	<b>1,978</b>	<b>882</b>	<b>17,963</b>
<b>Year ended 30 June 2013</b>						
<b>Opening net book amount</b>	<b>4,345</b>	<b>9,872</b>	<b>886</b>	<b>1,978</b>	<b>882</b>	<b>17,963</b>
Additions	-	232	424	713	433	1,802
Disposals	-	-	-	(41)	(210)	(251)
Depreciation expense	-	(277)	(311)	(729)	(250)	(1,567)
<b>Closing net book amount</b>	<b>4,345</b>	<b>9,827</b>	<b>999</b>	<b>1,921</b>	<b>855</b>	<b>17,947</b>
<b>At 30 June 2013</b>						
Cost or fair value	4,345	10,131	2,313	5,502	1,251	23,542
Accumulated depreciation	-	(304)	(1,314)	(3,581)	(396)	(5,595)
<b>Net book amount</b>	<b>4,345</b>	<b>9,827</b>	<b>999</b>	<b>1,921</b>	<b>855</b>	<b>17,947</b>

### 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, being the amounts for which the assets could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location and condition. Building valuations were conducted as at 30 June 2012, 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.

# Notes to the financial statements

## For the year ended 30 June 2013

	2013 \$'000	2012 \$'000
<b>13 . Trade and other payables</b>		
Trade creditors	2,581	3,106
Accruals	667	437
	3,248	3,543

### 14. Provisions - employee benefits

	Current liability \$'000	Non-current liability \$'000
<b>Year ended 30 June 2012</b>		
Opening Balance 1 July 2011	1,779	477
Additional provisions recognised/(unused amounts reversed)	1,674	251
Employee benefits taken	(1,489)	-
<b>Closing balance 30 June 2012</b>	1,964	728
<b>Year ended 30 June 2013</b>		
Opening Balance 1 July 2012	1,964	728
Additional provisions recognised/(unused amounts reversed)	1,625	(127)
Employee benefits taken	(1,589)	-
<b>Closing balance 30 June 2013</b>	2,000	601

### 15. Commitments

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

	1 year or less \$'000	Over 1 to 5 years \$'000	Total \$'000
<b>Research grant commitments</b>			
Research Project Grants	3,626	3,144	6,770
Research Program Grants	2,100	2,850	4,950
Strategic Research Partnership grants	1,890	4,540	6,430
Priority-driven Collaborative Cancer Research Scheme	472	242	714
International Cancer Genome Consortium grant	500	-	500
45 and Up Study	300	300	600
<b>Total research grant commitments</b>	8,888	11,076	19,964
<b>Rental lease commitments</b>	1,590	3,136	4,726
<b>Total commitments</b>	10,478	14,212	24,690

The total commitments above include input tax credits of \$2,244,636 that are expected to be recoverable from the Australian Taxation Office.

	2013 \$'000	2012 \$'000
<b>16. Contingent liabilities</b>		
Bank guarantees in respect of operating leases	93	93
	93	93

# Notes to the financial statements

For the year ended 30 June 2013

	2013 \$'000	2012 \$'000
<b>17. Reconciliation of surplus/(deficit) after income tax to net cash inflow from operating activities</b>		
Surplus for the year	1,093	4,430
Depreciation	1,567	1,616
Amortisation	87	10
Non-cash managed fund distributions	(2,058)	(2,053)
Non-cash financial assets received	(142)	-
Non-cash investment property received	(880)	-
Net (gain)/loss on sale of property, plant and equipment	(20)	18
(Increase) in fair value of investment property	-	(30)
(Increase) in trade and other receivables	(1,786)	(471)
(Increase) in inventories	(634)	(85)
(Decrease)/increase in provisions	(91)	436
(Decrease)/increase in trade and other payables	(295)	1,039
<b>Total cash inflows from operating activities</b>	<b>(3,159)</b>	<b>4,910</b>

## 18. Key management personnel

### (a) Directors

The following persons were Directors of CCNSW during the year:

Stephen Ackland

Michael Back

Jill Boehm (Deputy Chair)

Mary Chiew

Bruce Hodgkinson SC (Chair)

Paul Lahiff

Mark Phillips

Stephen Roberts

Bob Sendt

John Stubbs

Melanie Trethowan

### Remuneration of Directors

Board Directors received no remuneration from CCNSW during the year.

# Notes to the financial statements

## For the year ended 30 June 2013

### (b) Other key management personnel

The following persons also had authority and responsibility for planning, directing and controlling the activities of CCNSW, directly or indirectly during the year:

Executive	Position
Andrew Penman AM	Chief Executive Officer (resigned 5 October 2012)
Regina Sutton	Chief Executive Officer (appointed 5 October 2012, resigned 13 June 2013)
Sally Chatterjee	Chief Operating Officer (contract ended 28 May 2013)
Ted Starc	Divisional Director, Corporate Services and Chief Financial Officer
Gillian Batt	Divisional Director, Cancer Information and Support Services
Merewyn Partland	Head, Regional and Rural Network and Services (appointed 28 May 2013)
Julie Callaghan	Head, Metropolitan Network and Services (appointed 28 May 2013)
Trudi Mitchell	Divisional Director, Marketing and Communications
Freddy Sitas	Divisional Director, Cancer Research
Kathy Chapman	Divisional Director, Health Strategies
Sandra Rouco	Head, People Learning and Culture
John Davies	Head, Information Technology (appointed 28 May 2013)

### Other key management personnel compensation

	2013 \$'000	2012 \$'000
Short-term employee benefits	1,701	1,537
	<b>1,701</b>	<b>1,537</b>

### (c) Transactions with Directors and key management personnel.

Two Directors, Bruce Hodgkinson and Stephen Roberts, are also Directors of Cancer Council Australia (CCA). CCNSW paid CCA \$4,043,242 during the year ended 30 June 2013 for membership fees and national merchandise purchases. CCNSW also received distributions of \$4,570,159 from CCA for the NSW share of national fundraising campaigns, with an additional \$413,026 due from CCA, and included in trade receivables as at 30 June 2013.

Board Director, Stephen Roberts, was an employee of Mercer Investments for part of the year. During the year ended 30 June 2013, CCNSW paid Mercer investment management fees of \$406,687, based on normal commercial terms and conditions.

### 19. Events after reporting period

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

# Notes to the financial statements

## For the year ended 30 June 2013

### 20. Interests in joint ventures

CCNSW has entered into three joint ventures to provide accommodation for cancer patients and their relatives whilst receiving radiotherapy treatment in NSW: Lilier Lodge at Wagga Wagga, Blue Gum Lodge at Greenwich and Casuarina Lodge at Westmead. The joint venture agreement with Blue Gum Lodge (BGL) was terminated on 30 September 2011, with Cancer Council paid its share of the BGL assets on termination. It is listed this year only for comparative purposes.

CCNSW holds a 50% voting power in Lilier Lodge and Casuarina Lodge, and had a 33% voting power in Blue Gum Lodge.

CCNSW holds a 50% ownership interest in each of these joint venture operations and is entitled to a 50% share of their output.

CCNSW's 50% interest in these joint venture assets, liabilities, revenues and expenses were recognised in the financial statements under the following classifications:

	2013 \$'000	2012 \$'000
<b>Current assets</b>		
Cash and cash equivalents	890	721
Trade and other receivables	36	29
<b>Total current assets</b>	926	750
<b>Non-current assets</b>		
Property, plant and equipment	1,473	1,524
<b>Total non-current assets</b>	1,473	1,524
<b>Total assets</b>	2,399	2,274
<b>Current liabilities</b>		
Trade and other payables	25	13
<b>Total current liabilities</b>	25	13
<b>Total liabilities</b>	25	13
<b>Share of net assets employed in joint venture</b>	2,374	2,261
<b>Revenue</b>		
Accommodation fees	311	331
Interest	40	20
<b>Total revenue</b>	351	351
<b>Expenditure</b>		
Staff	131	166
Operational	136	135
<b>Total expenses</b>	267	301
<b>Surplus/(deficit) before income tax</b>	84	50



# Notes to the financial statements

## For the year ended 30 June 2013

### 21. Financial risk management

CCNSW's activities expose it to a variety of financial risks: market risk (including price risk), credit risk and liquidity risk. CCNSW's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the performance of CCNSW.

Overall risk management is carried out by the Audit and Finance Committee (A&FC), and the Investment Committee is charged with the responsibility to monitor the financial risks through the Investment Policy. Both Committees identify and evaluate financial risks in close cooperation with management. They report to the Board of Directors for regular reporting and specific approvals.

CCNSW holds the following financial instruments:

	2013 \$'000	2012 \$'000
<b>Financial assets</b>		
Cash and cash equivalents	4,552	8,323
Trade and other receivables	3,946	2,160
Financial assets held to maturity	-	305
Available-for-sale financial assets	59,942	52,392
<b>Total financial assets</b>	<b>68,440</b>	<b>63,180</b>
<b>Financial liabilities</b>		
Trade and other payables	3,248	3,543
<b>Total financial liabilities</b>	<b>3,248</b>	<b>3,543</b>

#### (a) Price risk

CCNSW is exposed to equity securities price risk. This arises from investments in managed funds held by CCNSW and classified on the statement of financial position as available-for-sale financial assets.

The price risk management is carried out by the Investment Committee, which is appointed by the Board of Directors. The Investment Committee monitors the performance of managed funds on a quarterly basis, and considers advice on fund manager performance received from independent external investment advisers. The investment strategy is reviewed on an annual basis, and advice is sought from the independent external investment advisers on asset allocation.

For each asset class, suitable fund managers are selected. Each manager is expected to display the skill and expertise of a professional investment manager and to follow investment objectives.

Investment risk is considered when implementing diversification both within and between asset classes. Investment managers are required to invest within guidelines which include stated credit worthiness of securities and entities invested in, and limits of exposures.

To manage its price risk arising from investments in managed funds, CCNSW diversifies its portfolio of funds. As at 30 June 2013, CCNSW's investments can be classified into 17 categories. They are Australian Shares (23%), Overseas Shares (Hedged) (14%), Overseas Shares (Unhedged) (3%), Listed Property (Global) (4%), Australian Sovereign Bonds (4%), Overseas Sovereign Bonds (3%), Australian Small Companies (3%), Direct Property (4%), Overseas Low Volatility (5%), Emerging Markets (5%), Overseas Small Companies (5%), Global Credit (6%), Emerging Market Debt (4%), Listed Infrastructure (3%), Natural Resources (3%), Unlisted Infrastructure (4%) and Cash (7%). Below is a description of each fund type.

# Notes to the financial statements

## For the year ended 30 June 2013

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**Australian Shares Fund** - invests in Australian shares using a multi-manager approach\*.

**Overseas Shares (Hedged) Fund** - invests in overseas shares using a multi-manager approach\*. Returns are hedged back into Australian dollars. Hedging overseas share investments to the Australian dollar may help to even out some of the ups and downs caused by currency movements around the world.

**Overseas Shares (Unhedged) Fund** - invests in overseas shares using a multi-manager approach\*.

**Listed Property (Global) Fund** - invests in global listed property securities using a multi-manager approach\*.

**Australian Sovereign Bonds Fund** - invests primarily in Australian sovereign bonds using a multi-manager approach\*.

**Overseas Sovereign Bonds Fund** - invests primarily in overseas sovereign bonds using a multi-manager approach\*.

**Australian Small Companies Fund** - invests in the shares of Australian small companies using a multi-manager approach\*.

**Direct Property Fund** - invests primarily in direct property, with a focus on unlisted properties, using a multi-manager approach\*.

**Overseas Low Volatility Fund** - invests primarily in overseas equities, with a focus on low volatility, using a multi-manager approach\*.

**Emerging Markets Fund** - invests in the financial markets of emerging market countries, using a multi-manager approach\*.

**Overseas Small Companies Fund** - invests in the shares of overseas small companies, using a multi-manager approach\*.

**Global Credit Fund** - invests in fixed interest securities issued by Australian and overseas companies, using a multi-manager approach\*.

**Emerging Market Debt Fund** - invests in fixed interest securities in emerging market countries, using a multi-manager approach\*.

**Listed Infrastructure Fund** - invests in a range of listed infrastructure projects, using a multi-manager approach\*.

**Natural Resources Fund** - invests in traditional and emerging natural resources assets, using a multi-manager approach\*.

**Unlisted Infrastructure Fund** - invests in a range of unlisted infrastructure projects, using a multi-manager approach\*.

**Cash Fund** - invests in cash and short-term interest-bearing investments.

\* **Multi-manager approach** - is a fund structure in which more than one investment manager may be appointed to manage assets in each asset class, sector or investment style within the fund.

### ***Sensitivity analysis***

The table below summarises the impact of increases/decreases of unit price on CCNSW's surplus for the year and on accumulated funds. The analysis is based on the assumptions that the unit price increased/decreased by the percentages shown in the table and that an income distribution of 40% of total unit price gains is received for each fund. The parameters are based on long-term market return expectations, adjusted by reasonable worst case/best case return scenarios.

# Notes to the financial statements

## For the year ended 30 June 2013

				2013		2012	
	Long-term return expectation	Estimate return range	Sensitivity	Impact on surplus \$'000	Impact on funds \$'000	Impact on surplus \$'000	Impact on funds \$'000
Australian Shares	9.8%	-15.0% 15.0%	-5.2% 24.8%	- 1,385	(726) 3,462	- 1,281	(703) 3,203
Australian Small Companies Fund	10.3%	-17.5% 17.5%	-7.2% 27.8%	- 220	(143) 551	- 109	(69) 272
Australian Sovereign Bonds	5.4%	-3.5% 3.5%	1.9% 8.9%	17 77	41 194	13 60	33 150
Cash	5.3%	-1.0% 1.0%	4.3% 6.3%	66 96	164 241	92 131	229 327
Direct Property Fund	8.9%	-5.5% 5.5%	3.4% 14.4%	32 133	79 334	14 109	35 273
Emerging Market Debt Fund	7.5%	-12.0% 12.0%	-4.5% 19.5%	- 186	(107) 464	- 164	(92) 410
Emerging Markets Fund	9.1%	-17.5% 17.5%	-8.4% 26.6%	- 317	(250) 792	- 263	(147) 659
Global Credit Fund	6.1%	-5.0% 5.0%	1.1% 11.1%	15 155	38 388	13 144	33 360
Listed Infrastructure Fund	7.8%	-12.0% 12.0%	-4.2% 19.8%	- 130	(69) 324	- 140	(72) 351
Listed Property (Global)	8.5%	-16.0% 16.0%	-7.5% 24.5%	- 235	(180) 588	- 274	(264) 686
Natural Resources Fund	7.7%	-15.0% 15.0%	-7.3% 22.7%	- 170	(136) 424	- 171	(137) 427
Overseas Low Volatility Fund	8.6%	-13.0% 13.0%	-4.4% 21.6%	- 285	(145) 711	- 224	(127) 560
Overseas Shares (Hedged)	8.7%	-16.0% 16.0%	-7.3% 24.7%	- 851	(628) 2,126	- 559	(435) 1,398
Overseas Shares (Unhedged)	8.4%	-15.0% 15.0%	-6.6% 23.4%	- 187	(132) 468	- 95	(70) 238
Overseas Small Companies Fund	9.3%	-17.5% 17.5%	-8.2% 26.8%	- 309	(236) 772	- 214	(177) 536
Overseas Sovereign Bonds	5.5%	-3.5% 3.5%	2.0% 9.0%	14 62	34 155	14 60	34 149
Unlisted Infrastructure Fund	8.3%	-5.5% 5.5%	2.8% 13.8%	27 134	68 335	23 126	58 315

### (b) Credit risk

CCNSW's credit risk arises from cash and cash equivalents, and deposits with banks and financial institutions, as well as credit exposures to its customers, including outstanding receivables and committed transactions. For banks and financial institutions, CCNSW only deals with major banks with a minimum credit rating of AA (rated by Standard & Poor's). CCNSW does not credit-assess its customers, as its credit sales form less than 5% of its total revenue. Debtors' risk is monitored on a monthly basis, with follow-up of outstanding invoices. If a customer has failed to provide payment for over 90 days, their account is put on hold and any outstanding debts passed on to professional collection services (refer to note 7 for details on trade receivables).

# Notes to the financial statements

For the year ended 30 June 2013

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## (c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities, and the ability to meet obligations as they fall due. CCNSW manages liquidity risk by monitoring quarterly forecasts of income, expenditure and actual cash flows, and matching the maturity profiles of financial assets and liabilities. Surplus funds are only invested in 30- to 90-day term deposits with banks that have AA credit ratings. The managed fund investments are managed with a view to ensuring that CCNSW will have sufficient liquidity to meet expected operational cash flow requirements.

CCNSW's main liquidity risk is its trade and other payables which are non-interest-bearing liabilities. CCNSW pays trade creditors payments within prescribed trading terms. CCNSW has sufficient reserves available to cover all of the trade and other payables at 30 June 2013.

## (d) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. The fair value of financial instruments traded in active markets (such as managed funds) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by CCNSW is the current bid price.

As required by the amendment to the accounting standard *AASB7: Financial Instruments: Disclosures*, CCNSW has adopted the fair value measurements by level of the following fair value measurement hierarchy:

- (i) Quoted prices (unadjusted) in active markets for identical assets (Level 1)
- (ii) Inputs other than quoted prices included within Level 1 that are observable for the asset, either directly (as prices) or indirectly (derived from prices) (Level 2)
- (iii) Inputs for assets that are not based on observable market data (unobservable inputs) (Level 3).

### Level 2

At 30 June 2013

\$'000

Available-for-sale financial assets

59,942

# Notes to the financial statements

## For the year ended 30 June 2013

### 22. Fundraising activities

Below is additional information furnished under the *Charitable Fundraising Act 1991* (NSW) and the Office of Charities Fundraising Authority Conditions.

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

	2013 \$'000	2012 \$'000
Gross proceeds from fundraising appeals (including bequests)	59,588	58,513
Total costs of fundraising appeals	(21,948)	(18,235)
<b>Net surplus from fundraising appeals</b>	<b>37,640</b>	<b>40,278</b>
<b>Net margin from fundraising appeals</b>	<b>63%</b>	<b>69%</b>

#### (b) Application of funds for charitable purposes

During the year, CCNSW achieved a net surplus of \$37,640,000 from fundraising appeals, a net surplus of \$704,000 from retail activities, \$2,220,000 from project grants, \$914,000 from other income and a net surplus of \$2,495,000 from investments. Surplus available to spend on research and support programs is \$43,973,000.

<b>Surplus available to spend on CCNSW projects</b>	<b>43,973</b>	<b>47,020</b>
<b>Less:</b>		
Cancer research	14,782	14,962
Regional program delivery (health campaigns and information and support services)	7,227	6,438
Health advocacy and prevention	4,501	4,695
Cancer information services	1,696	2,324
Accommodation services	304	601
Multicultural information service	173	238
Supportive care	2,576	2,393
Cancer Helpline	1,012	1,133
Cancer Council Connect	296	404
Practical support	953	1,033
Media, communication and marketing	3,317	2,853
Infrastructure and investment costs	6,043	5,516
	42,880	42,590
<b>Net surplus to be spent on future CCNSW projects</b>	<b>1,093</b>	<b>4,430</b>

# Notes to the financial statements

## For the year ended 30 June 2013

### (c) Fundraising appeals conducted jointly with traders

Face-to-face, door-to-door and telemarketing donor acquisition, and the Sh\*tbox Rally.

	2013 \$'000	2012 \$'000
Revenue	14,038	11,980
Total payments to trader	(4,768)	(2,032)
Other direct expenses	(597)	(214)
<b>Gross contribution</b>	<b>8,673</b>	<b>9,734</b>

<b>Net margin from fundraising activities conducted with traders</b>	<b>62%</b>	<b>81%</b>
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### (d) Fundraising appeals conducted during the year

**Appeals/events involving the sale of goods:** Daffodil Day and Pink Ribbon Day

**Appeals conducted jointly with a trader:** Face-to-face pledge appeal (Breakthrough)

**Fundraising events:** Relay For Life, POSH Auction, Pink Ribbon events and Do Your Thing

**Mail appeals:** Daffodil Day mail appeal, Christmas mail appeal, tax mail appeal, September mail appeal and March mail appeal

**Other fundraising appeals:** Australia's Biggest Morning Tea, Girls Night In, Workplace Giving, In Memoriam donations and Call To Arms

**Corporate sponsorships** were received for events conducted during the reporting period, including Relay For Life, Girls Night In and POSH Auction.

### (e) Comparison of monetary figures and percentages

	2013 \$'000	2012 \$'000
Total cost of fundraising/Gross proceeds from fundraising	21,948/ 59,588 = 37%	18,235/ 58,513 = 31%
Net surplus from fundraising/Gross proceeds from fundraising	37,616/ 59,588 = 63%	40,278/ 58,513 = 69%
Total cost of services/Total expenditure	36,832/ 71,733 = 51%	37,074/ 67,120 = 55%
Total cost of services/Total revenue	36,832/ 72,826 = 51%	37,074/ 71,520 = 52%



# Notes to the financial statements

## For the year ended 30 June 2013

### (f) Fundraising income by appeal/event

	2013 \$'000	2012 \$'000
<b>Bequests</b>		
Bequests	13,740	13,997
<b>Events - involving sale of merchandise</b>		
Daffodil Day	2,886	3,603
Pink Ribbon Day	1,351	1,522
<b>Events - other</b>		
Do Your Thing	3,509	2,657
Pink Ribbon events	1,143	889
POSH Auction	938	1,020
Relay For Life	8,165	7,705
<b>Appeals - conducted with a trader</b>		
Face-to-face pledge appeal (Breakthrough)	12,798	11,980
Sh*tbox Rally	1,240	907
<b>Appeals - other</b>		
Australia's Biggest Morning Tea	4,486	4,538
Call to Arms	126	200
Direct mail appeals (Breakthrough)	2,378	2,338
Direct mail appeals (other)	3,064	2,417
Donations (other)	1,946	1,988
Girls Night In	864	1,720
In Memoriam donations	394	461
Workplace Giving	560	571
<b>Total fundraising income</b>	<b>59,588</b>	<b>58,513</b>

END OF AUDITED FINANCIAL STATEMENTS

# Directors' Declaration

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In the Directors' opinion:

- the attached financial statements and notes thereto comply with the *Corporations Act 2001* (Cwlth), the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2(a) to the financial statements;
- the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 30 June 2013 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; and

The Directors have been given the declarations required by section 295A of the *Corporations Act 2001* (Cwlth).

Signed in accordance with a resolution of Directors made pursuant to section 295(5) of the *Corporations Act 2001* (Cwlth).

On behalf of the Directors



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Mr B Hodgkinson SC  
Director

Sydney  
30 October 2013



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Ms Jill Boehm OAM  
Director

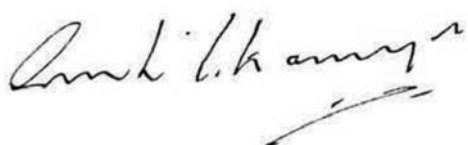
Sydney  
30 October 2013

# Declaration by Chief Executive Officer in respect of fundraising appeals

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I, Jim L'Estrange, 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; and
- b) the balance sheet gives a true and fair view of the state of affairs with respect to fundraising appeals; and
- 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; and
- 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.



Jim L'Estrange  
Chief Executive Officer

Sydney

30 October 2013



Tel: +61 2 9251 4100  
Fax: +61 2 9240 9821  
[www.bdo.com.au](http://www.bdo.com.au)

Level 11, 1 Margaret St  
Sydney NSW 2000  
Australia

## INDEPENDENT AUDITOR'S REPORT

To the members of The Cancer Council NSW

### Report on the Financial Report

We have audited the accompanying financial report of The Cancer Council NSW, which comprises the statement of financial position as at 30 June 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

#### Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, the *Corporations Act 2001* and the *Charitable Fundraising Act 1991* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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



#### **Matters Relating to the Electronic Presentation of the Audited Financial Report**

This auditor's report relates to the financial report of the company for the year ended 30 June 2013 included on the company's website. The company's directors are responsible for the integrity of the company's web site. We have not been engaged to report on the integrity of this web site.

The auditor's report refers only to the financial report named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this website.

#### **Independence**

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of The Cancer Council NSW, would be in the same terms if given to the directors as at the time of this auditor's report.

#### **Basis for Qualified Opinion**

Cash from donations and other fundraising activities are a significant source of revenue for the company. The company has determined that it is impractical to establish control over the collection of revenue from these sources prior to entry into its financial records. Accordingly, as the evidence available to us regarding revenue from these sources were limited, our audit procedures with respect to donations and other fundraising activities had to be restricted to the amounts recorded in the financial records. We therefore are unable to express an opinion whether donations and other fundraising activities received are complete.

#### **Qualified Opinion**

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph:

- (a) the financial report of The Cancer Council NSW is in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the company's financial position as at 30 June 2013 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2.

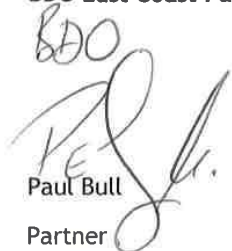


## Report on Other Legal and Regulatory Requirements

We also report that:

- (a) the financial report gives a true and fair view of the financial result of fundraising appeals for the year ended 30 June 2013, as required by the *Charitable Fundraising Act 1991*;
- (b) the accounting and associated records of The Cancer Council NSW have been kept in accordance with the *Charitable Fundraising Act 1991* and the Regulations for the year ended 30 June 2013;
- (c) money received as a result of fundraising appeals conducted by The Cancer Council NSW during the year ended 30 June 2013 has been properly accounted for and applied in accordance with the *Charitable Fundraising Act 1991* and the Regulations; and
- (d) at the date of this report, there are reasonable grounds to believe that The Cancer Council NSW will be able to pay its debts as and when they fall due.

**BDO East Coast Partnership**



Paul Bull  
Partner

Sydney, 30 October 2013



# Commentary on statement of profit or loss and other comprehensive income

The result for the financial year ended 30 June 2013 was a surplus of \$1.1m compared with a budget surplus of \$0.6m. This result was achieved through some income streams reaching targeted levels and expenditure being less than planned across most areas.

## Revenue

**Total revenue** was \$72.8m, being \$1.3m or 1.8% up on last year's revenue of \$71.5m, but 4.9% lower than the budget of \$76.6m.

**Fundraising income** increased by \$1.1m or 1.8% from last year (from \$58.5m to \$59.6m); however, it fell 2.0% short of the budgeted target of \$60.8m.

Do Your Thing (DYT) was the standout performer, posting its fifth consecutive year of income growth, up on last year by \$0.9m or 32.1%. This result is attributed to a greater number of community fundraisers doing their own thing, greater engagement with social media, and the launch of a new DYT website.

Relay For Life (RFL) income was up on last year by \$0.5m or 6.0%, and \$0.4m or 5.0% up on the budgeted target. This result is due to continued income growth across most areas of the state. A delay in the national relay project and a sustained focus on monitoring and containing event costs saw the net income for RFL grow from \$4.9m to over \$5m, despite significant investment during the year on the RFL website.

Bequest income decreased by \$0.3m or 1.8% from last year (from \$14.0m to \$13.7m); however, it exceeded the budget of \$11.0m by 24.9%. This great result was due to receiving several significant bequests earlier than anticipated.

Our face-to-face pledge appeal (Breakthrough) was up on last year by \$0.8m or 6.8%. This result is due to significant investment in new donor acquisitions during the year. An increased focus has been placed on monitoring the net return of this key income stream as it reached maturity in 2012/13.

Two of our more established events saw significant decreases on last year: Daffodil Day (19.9%) and our Pink Portfolio (19.0%), with both falling short of budget targets. A review of these two merchandise-based events is underway, looking for innovation to improve future results. A more detailed commentary on the performance and challenges of these and other fundraising events and appeals can be found on pages 18 and 19 of our 2012/13 annual report.

**Retail income** increased by \$0.5m or 6.7% on last year (\$7.1m to \$7.6m). This result is \$0.6m or 8.7% higher than budget and is primarily attributed to a warmer summer season and a strengthened online presence.

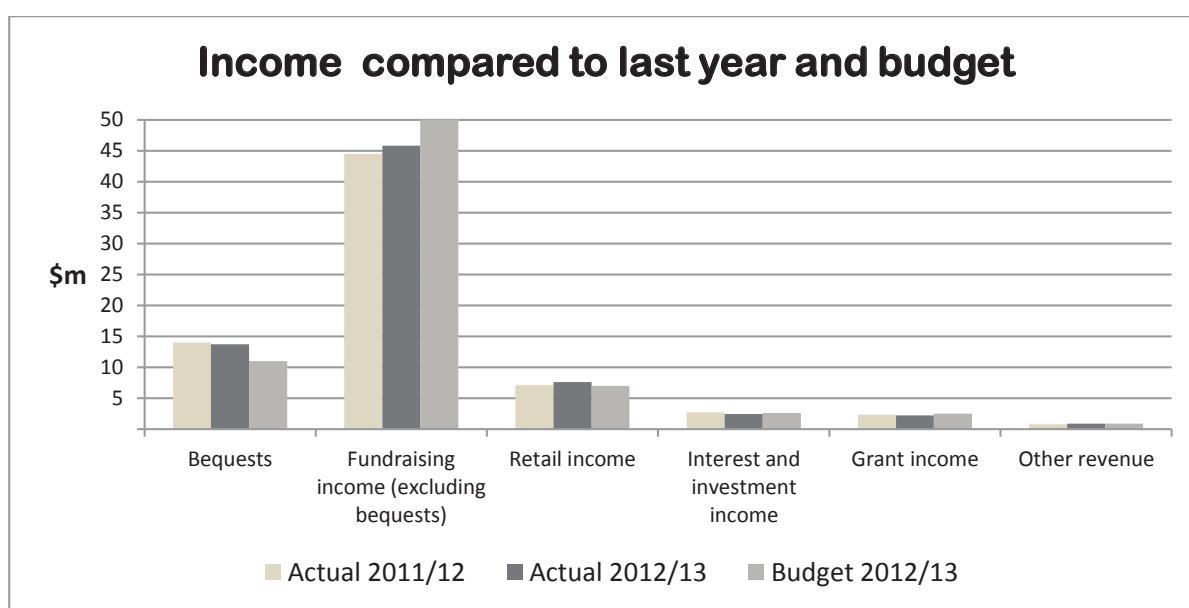
**Interest and investment income** decreased this year by \$0.2m or 8.5% (\$2.7m to \$2.5m), primarily due to lower interest rates and cash levels than last year, and therefore lower interest income. This result is \$0.1m or 4.6% lower than budget.

Our investment portfolio delivered outstanding capital returns during the year with an unrealised gain of \$6.3m booked to reserves. Combining income and capital yields for the year shows a 17% return on our Investments, our best result in six years.

Our investment policy is closely monitored by our Board and the Investment Committee, which take a long-term view of our investments, and operate under the guidance of our investment advisors, Mercer, to ensure the stability of CCNSW and improve future investment returns.

**Grant income** decreased by \$0.1m or 5.1% from last year (\$2.3m to \$2.2m). This result is \$0.3m or 11.9% lower than budget.

**Other revenue** increased by \$0.1m or 12.7% from last year (\$0.8m to \$0.9m) and was comparable to budget.



## Expenditure

**Total expenditure** increased by \$4.6m or 6.9% from last year (\$67.1m to \$71.7m). This result reflects a year of growth in program spending and significant investment in future fundraising revenue, although total expenditure was still \$4.3m or 5.6% lower than budget of \$76.0m.

**Fundraising expenditure** increased by \$3.7m or 20.4% from last year (\$18.2m to \$21.9m), primarily due to increased recruitment expenditure of \$2.4m for our regular giving program, and significant investment in a new telemarketing channel. This result is \$2.4m or 10.0% lower than budget, due to savings in expenditure across the fundraising portfolio, most significantly in Relay for Life, Pink Portfolio, Do Your Thing and direct marketing.

**Retail expenditure** increased by \$0.6m or 9.7% from last year (\$6.3m to \$6.9m), in line with the increase in retail income. This result is \$0.7m or 11.6% higher than budget due to higher sales activity than expected.

**Research expenditure** decreased by \$0.2m or 1.2% from last year (\$15.0m to \$14.8m). This result is \$1.5m or 9.4% lower than budget, primarily due to a reduction in grant payments to external researchers and the transfer of our cancer modelling team to the University of New South Wales in January 2013. The reduction in grant payments was partly due to our Research Committee approving only 3, rather than the planned 4, new Strategic Research Partnership grants, with these funds reallocated to other mission delivery areas.

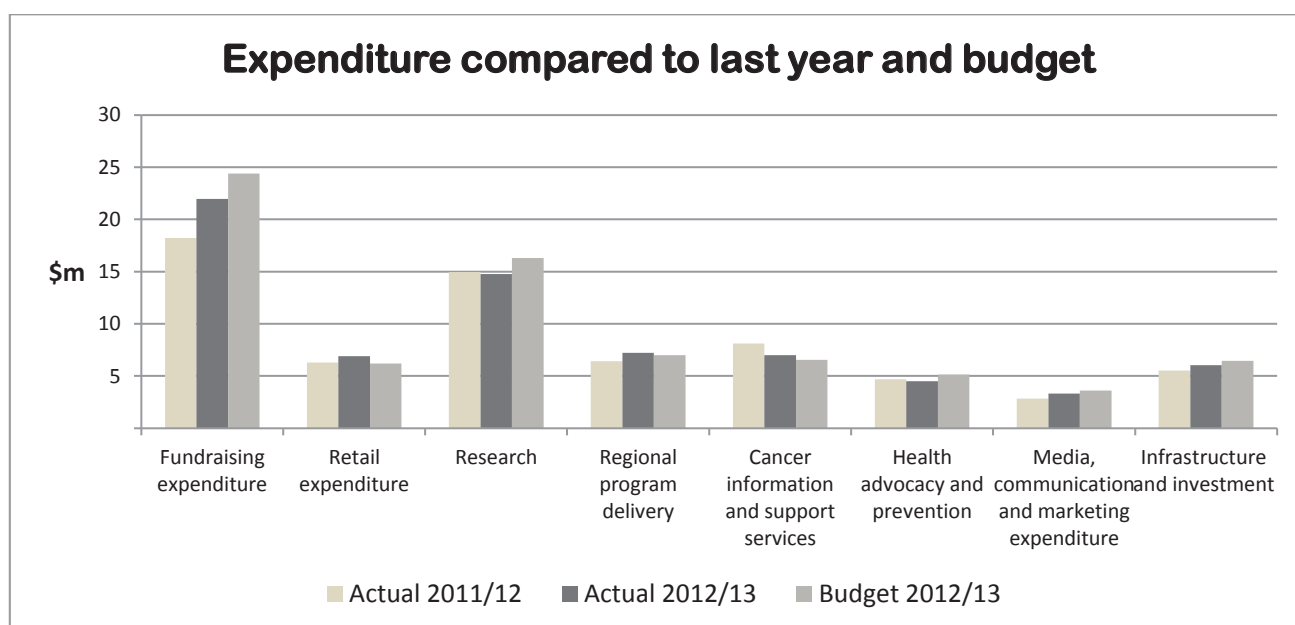
**Regional program delivery expenditure** increased by \$0.8m or 12.3% from last year (\$6.4m to \$7.2m), primarily due to increased staff resources in some regional networks. This result is \$0.2m or 3.3% higher than budget.

**Cancer information and support services expenditure** decreased by \$1.1m or 13.7% from last year (\$8.1m to \$7.0m). This is primarily due to one-off spends last year in new technology for our Helpline, and the construction of new patient accommodation on the Far North Coast. This result is \$0.5m or 7.3% higher than budget.

**Health advocacy and prevention expenditure** decreased by \$0.2m or 4.1% from last year (\$4.7m to \$4.5m). This result is \$0.6m or 12.4% lower than budget, primarily due to reduced expenditure in the Tobacco and Skin programs.

**Media, communication and marketing expenditure** increased by \$0.5m or 16.3% from last year (\$2.9m to \$3.3m), due to the investment in Cancer Council NSW's first brand television ad to increase awareness and better engage the community in our work. This result is \$0.3m or 8.3% lower than budget.

**Infrastructure and investment expenditure** increased by \$0.5m or 9.6% from last year (\$5.5m to \$6.0m), primarily due to the implementation of new performance management and finance systems, the appointment of an interim Chief Operating Officer, and the transition of leadership with the retirement of our long-term Chief Executive Officer. This result is \$0.4m or 6.2% lower than budget.



## Commentary on our expenditure categories

CCNSW's **fundraising expenditure** comprises all of the direct costs incurred to run and administer the significant number of events and appeals held state-wide during the year. Whilst the majority of our events and appeals are dependent on volunteer contributions, they are driven by a team of 77 dedicated staff from our Head Office and our regional offices. In addition to the cost of these staff employed in fundraising roles, the following are included in our fundraising costs:

- Staff costs for our Information Systems, Data Analytics, and Donor and Events Support teams, who work on supporting fundraising events and appeals
- Contractor costs for recruiting donors into our Breakthrough regular giving program
- Research into and development of future fundraising revenue streams.

The following are **not** included in our fundraising costs:

- Staff costs for our Human Resources, Volunteer, Finance, and Risk and Property teams who support fundraising events and appeals
- Staff costs for our Media and Communications team and the Office of the CEO who support fundraising events and appeals.

As we are almost entirely reliant on community funds, CCNSW's existence is dependent on active fundraising in a competitive market. Fundraising costs are necessary to ensure our work can continue and also grow to reach the increasing number of people diagnosed with cancer in NSW. We monitor our fundraising costs constantly, and regularly benchmark our costs against other participants in the fundraising market. Interpreting benchmarking results is a complex exercise, and many fundraising organisations use different funding models and strategies from ours. For example, many are not reliant on fundraising income but receive significant funding from government agencies, and a large number have less face-to-face interaction with their supporters, which will have an impact on their cost:income ratios.

Key to our mission is engaging with communities across NSW. **Our fundraising events and appeals are not merely a means to raise funds: they also provide opportunities for us to promote our cancer prevention messages, support and information services, and advocacy initiatives.** They also provide the opportunity for members of our community to connect with us and each other. One such example is Relay For Life. We held Relay events in 58 communities during the year, involving more than 45,000 participants and connecting people from communities all over NSW. All of the costs associated with planning and running these events are included in our fundraising costs.

More information on our fundraising revenue and associated costs is disclosed in note 22 of our full financial report.

CCNSW's **infrastructure and investment costs** comprise all of the costs (staff and other costs) required to support our Strategic Priorities and therefore our mission to defeat cancer.

Included in our infrastructure and investment costs are all of the expenditure for the following Divisions and functions:

- People Learning and Culture Division: recruitment, learning and development, performance planning, payroll and remuneration, workers compensation and other human resources services to our staff of 358 permanent employees, our casual employees and our 2,744 regular registered volunteers
- Finance: accounts payable, accounts receivable, management reporting, internal and external audit, annual budget and quarterly forecasting, business analysis and improvement, taxation, and compliance management and training
- Information Systems: systems architecture and IT security, IT service desk, hardware replacement, and software development and maintenance
- Risk and Property: risk management, building maintenance, mail distribution, work health and safety, warehousing and business continuity
- Office of CEO: organisational strategy, direction and communication, corporate governance, Board and Board sub-committee management, and organisational membership
- Our share of funding the operational costs for Cancer Council Australia.

The following are **not** included in our infrastructure and investment costs:

- Staff costs for our Information Systems, and Donor and Events Support staff, who work directly on supporting fundraising events and appeals. These costs are therefore allocated to fundraising, as detailed above.

**Media, communication and marketing expenditure** incorporates the following functions:

- Communications: media relations, internal communications, reputation management, issues and risk management, stakeholder communications, and campaign strategy and implementation
- Marketing services: marketing support services for our information and prevention programs to stakeholders, and management of our CCNSW brand
- Digital: website building, maintenance and digital strategy
- Creative Services: print management and design.

# Commentary on statement of financial position

## Assets

Total assets increased by \$7.1m or 8.5% from last year (\$83.2m to \$90.3m), with net assets increasing by \$7.4m or 9.7% (\$77.0m to \$84.4m). This increase is attributable to the surplus for the year (\$1.1m) together with the fair value gains on our managed funds (\$6.3m).

**Cash and cash equivalents** decreased by \$3.8m or 45.3% from last year (\$8.3m to \$4.6m). This decrease in cash levels is due to a multitude of factors and is best understood by reviewing the statement of cash flows and note 17 from the full financial report. Cash balances within the range of \$1m to \$6m are required to fund ongoing operations, in particular to cover the two significant rounds of external research grant payments made during the year.

**Trade and other receivables** increased by \$1.8m or 82.7% from last year (\$2.2m to \$3.9m). They include monies or services due to CCNSW but not received as at 30 June. Significant items included in this balance are distributions due from Cancer Council Australia; donations received from our supporters prior to year end but not yet received from credit card companies; prepaid rent for our offices and retail stores for July; prepaid services; and GST credits due from the Australian Taxation Office.

**Inventories** increased by \$0.6m or 47.0% from last year (\$1.3m to \$2.0m). They include retail inventory for our eight retail stores and event merchandise for our merchandise fundraising events: Pink Ribbon Day and Daffodil Day.

**Financial assets** increased by \$7.2m or 13.8% from last year (\$52.7m to \$59.9m). This increase is primarily due to fair value gains on our managed funds during the year, and is best explained in note 10 of the Full Financial Report.

**Property, plant and equipment** is comparable to last year's balance. This represents regular asset turnover and depreciation charges, with no major additions or disposals during the year.

## Liabilities

**Total liabilities** decreased by \$0.4m or 6.2% from last year (\$6.2m to \$5.8m). This is mostly reflected in current liabilities.

**Trade and other payables** decreased by \$0.3m or 8.3% from last year (\$3.5m to \$3.2m). This balance is for payments due to suppliers across all areas of the organisation, for work completed prior to 30 June 2013.

**Provisions – employee benefits** is comparable to last year's balance, with staff on average taking all of their four-week annual leave entitlement.

## Funds

**Total funds** increased by \$7.4m or 9.7% from last year (\$77.0m to \$84.4m). This increase is attributed to the surplus for the financial year (\$1.1m), together with the fair value gains on our managed funds (\$6.3m).

Our restricted funds reserve, which forms part of this total fund balance, decreased by \$0.5m or 7.7% from last year (\$6.5m to \$6.0m). It should be noted that \$3.8m of this reserve balance is classified as permanent funds, invested into perpetuity. Income earned on these funds can be spent on Cancer Council programs; however, the \$3.8m can never be spent.

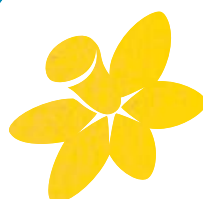
Our available-for-sale financial assets reserve increased by \$6.3m from last year (-\$4.6m to \$1.7m). This increase represents the unrealised gains in the market value of our managed funds at 30 June 2013.

Our grants income reserve increased by \$0.2m or 15.8% from last year (\$1.0m to \$1.2m).

Our asset revaluation reserve is \$3.6m and is unchanged from last year's balance, with no revaluations during the year.

Descriptions of the purpose and nature of these funds are found in the Statement of changes in funds, on page 13 of the full financial report.





**Cancer  
Council**  
NSW

**13 11 20**

**cancercouncil.com.au**

153 Dowling Street  
Woolloomooloo NSW 2011

[feedback@nswcc.org.au](mailto:feedback@nswcc.org.au)  
[www.cancercouncil.com.au](http://www.cancercouncil.com.au)



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