



**MCGRATH FOUNDATION LIMITED**

A.B.N. 115 566 624

**FINANCIAL REPORT  
FOR THE YEAR ENDED  
30 JUNE 2017**

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## MESSAGE FROM THE PRESIDENT

“What an exciting year it's been for the McGrath Foundation. With 117 McGrath Breast Care Nurse positions now funded right around Australia, I'm blown away by what we've been able to achieve, working together.”

Since 2005, more than 54,000 families have been helped and supported by a McGrath Breast Care Nurse, and that kind of impact is just something I couldn't have imagined when we began.

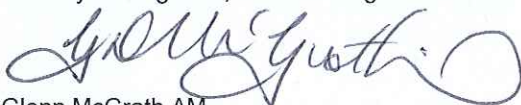
Of course I'm very grateful to all our supporters, and pleased that the Australian Federal Government has renewed its commitment to funding 57 McGrath Breast Care Nurses for another four years. This not only offers certainty to the communities these nurses serve, but underlines the Government's commitment to the work we're undertaking.

This year we introduced a new look for the McGrath Foundation – a warmer pink, and a new logo that puts our name front and centre, and highlights the supportive embrace apparent between our nurses and the people they help, as well as between the Foundation and our many supporters. This is a big change for the Foundation, but I'm pleased to say that our 'stumps' are still very much a part of all our cricket-related campaigns. And certainly the feedback I've had from people is that the new look is refreshing, modern and looks great!

We launched the first McGrath Breast Health Index, which measures breast health understanding among women across Australia. The Index assesses four criteria – awareness, confidence in detecting changes in the breast, frequency of self-checking, and knowledge of risk factors for breast cancer. This will be repeated annually, and over time will be an important tool to measure progress and also contribute considerably to the McGrath Foundation's breast education programme.

I'm truly grateful to the thousands of community members, corporate partners, sporting clubs, schools, and numerous other groups and individuals who have contributed to the success of the Foundation, and to our incredible volunteers, head office staff and of course our 117 McGrath Breast Care Nurses.

Thank you. Together, we're making a difference.



Glenn McGrath AM

*President and Co-Founder*

20 September 2017



## MESSAGE FROM THE CHAIRMAN

“Every year at the McGrath Foundation, our aim is to continue to fund our existing nurses as well as increase the number of McGrath Breast Care Nurses around the country; coming ever closer to the original vision of the Foundation, that every family experiencing breast cancer would have access to this specialist support service, no matter where they live – for free.”

In this financial year we've increased the number of McGrath Breast Care Nurse positions by seven, bringing the total to 117. We are grateful to the ongoing generosity from the community, partners and Government for enabling this achievement. This year we were delighted that the Australian Federal Government renewed its funding commitment for another four years, testament to the incredible impact our nurses have on the communities they serve.

This year, more than 17,500 people are expected to be diagnosed with breast cancer. Nearly 150 of those diagnosed will be men. This equates to around 49 people every day. However, survival rates are also improving for primary breast cancer. This means that more people are being diagnosed, and living, with breast cancer than ever before. The need for McGrath Breast Care Nurses remains high.

This year we've expanded the number of dedicated metastatic McGrath Breast Care Nurses to four. Metastatic breast cancer continues to be extremely challenging for everyone because the prognosis is terminal. The additional complexities in treatment and disease management for people at this stage of disease are significant, and we are pleased to be providing this specialised support now in four states.

It costs nearly \$12 million a year to fund our existing 117 McGrath Breast Care Nurse positions. Maintaining and growing this number, to meet the needs of the community, requires significant investment to ensure sustainable revenue streams. An important part of our efforts to add to our funding sources has been our investment in a programme of direct giving to encourage regular donations. We are gratified by the responses to date.

I thank my fellow Board members, who so generously provide their time and expertise and support the dedicated and talented staff of the Foundation. In addition to Glenn McGrath (President), Tracy Bevan and Terry Brown, this year we welcomed Christine McLoughlin and Suzanne Young to the Board. I express sincere appreciation to our former board members Peter Tracey and Ken Moran for their dedication and service to the Foundation. I thank also our former CEO, Petra Buchanan, for her many contributions during her time with us – we benefitted from her indefatigable drive and commitment.

At the date of this report, we are close to finalising the appointment of a new CEO. This process has taken several months, during which time everyone has gone the extra mile to ensure that we have maintained our busy calendar of activities. On behalf of the Board, I record deep appreciation and thanks to the entire team at the Foundation, for their unwavering commitment to give families experiencing breast cancer the support of a McGrath Breast Care Nurse when and where needed.



John Conde AO

*Chairman*

20 September 2017



## DIRECTORS' REPORT

The Directors present their report together with the financial statements of McGrath Foundation Limited ("the Foundation") for the year ended 30 June 2017 and the auditor's report thereon.

### 1 Directors

The Directors of the Foundation at any time during or since the end of the financial year are:

Name, qualifications and independence status	Experience and special responsibilities
<b>Mr John Conde AO</b> Chairman Independent Non-Executive Director	John provides pro-bono support to the Board by drawing on his wealth of experience at board level with public, private and not-for-profit organisations.  John Conde is currently the Chairman of Bupa Australia, Cooper Energy Limited, President of the (Commonwealth) Remuneration Tribunal and Deputy Chairman of Whitehaven Coal Limited. He is a former Director of Asian Football Confederation (AFC), Asian Cup Local Organising Committee and former Chairman of the Australian Olympic Committee (NSW) Fundraising Committee. Director since 23 April 2012 – appointed Chairman 20 September 2013.
<b>Mr Glenn McGrath AM</b> President Non-Executive Director	Glenn is a co-founder and pro-bono Director who donates all of his time spent on Foundation business.  Glenn McGrath has had a successful professional cricket career spanning 14 years. Glenn was recently appointed as a Director on the Board of R M Williams. Director since 20 November 2007.
<b>Mrs Tracy Bevan</b> Foundation Ambassador Executive Director	Tracy helped set up the McGrath Foundation in 2005. As a director and member of the staff of the McGrath Foundation, Tracy spends a great deal of her time travelling around the country speaking at different events to raise awareness about the vital role the McGrath Foundation plays in placing Breast Care Nurses in the community and encouraging all women to be breast aware. Director since 11 December 2008.
<b>Mr Ken Moran</b> Independent Non-Executive Director	Ken is a pro-bono Director and donates all of his time spent on Foundation business.  Ken Moran had a 34 year career with Pfizer Inc and was the former regional President of Northern Europe branch of Pfizer prior to his retirement in April 2004. Director since 26 February 2008 and member of the Finance, Audit and Operations Committee until his retirement on 19 September 2016.
<b>Mr Peter Tracey</b> Independent Non-Executive Director	Peter is a pro-bono Director and donates all of his time spent on Foundation business.  Peter Tracey is a qualified Chartered Accountant and has been a member of the Institute of Chartered Accountants since 1996. Peter is a Partner at Trace Business Advisors and Chartered Accountants and was an integral part in the original set-up of the McGrath Foundation. As both a close family friend and advisor he played an integral role in establishing the Foundation. Director from 2 August 2005 until his retirement on 15 March 2017.
<b>Mr Terry Brown</b> Independent Non-Executive Director	Terry is a pro-bono Director and donates all of his time spent on Foundation business.  Terry Brown has been a practicing lawyer for over 30 years. As both a close family friend and advisor he played an integral role in establishing the Foundation. Director since 2 August 2005.
<b>Ms Christine McLoughlin</b> Independent Non-Executive Director	Christine is a pro-bono Director and donates all of her time spent on Foundation business.  Christine McLoughlin is a company director and business adviser with extensive experience across a range of sectors including financial services, mining, infrastructure, telecommunications, insurance and health. Christine currently serves on the Boards of Suncorp Group Ltd, Whitehaven Coal Limited, nib holdings ltd, Spark Infrastructure Group and Venues NSW where she is Chairman. Director since 19 September 2016.

## DIRECTORS' REPORT (cont'd)

### 1 Directors (cont'd)

<b>Ms Suzanne Young Independent Non- Executive Director</b>	<p>Suzanne is a pro-bono Director and donates all of her time spent on Foundation business.</p> <p>Suzanne Young is the Executive General Manager, Operational Partnering at Insurance Australia Group Limited. Suzanne is a recognised senior executive and non-executive director across a range of industries and regulated sectors. She has broad leadership and operational experience spanning financial services, aviation, technology, not-for-profit and professional services across Australia, New Zealand, Asia, Europe and the US. Director since 19 September 2016 and Chair of the Finance, Audit and Risk Committee.</p>
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### 2 Company Secretary

On 24 November 2014, Ms Joanna Molchanoff was appointed as Company Secretary. Ms Joanna Molchanoff joined the McGrath Foundation in 2013 and currently holds the position of Human Resources Director.

### 3 Directors' meetings

The number of directors' meetings (including meetings of committees, while holding the position of director) and number of meetings attended by each of the directors during the financial year are:

Director	Board Meetings		Finance, Audit and Operations Committee Meetings		Risk Committee Meetings		Finance, Audit & Risk Committee	
	No. of meetings entitled to attend	No. of meetings attended	No. of meetings entitled to attend	No. of meetings attended	No. of meetings entitled to attend	No. of meetings attended	No. of meetings entitled to attend	No. of meetings attended
Mr John Conde AO	4	4	-	1	-	-	-	-
Mr Glenn McGrath AM	4	4	-	-	-	-	-	-
Mrs Tracy Bevan	4	3	-	-	-	-	-	-
Mr Ken Moran	1	-	-	-	-	-	-	-
Mr Peter Tracey	4	2	3	3	-	-	-	-
Mr Terry Brown	4	4	-	-	3	3	2	1
Ms Christine McLoughlin	3	3	2	2	-	-	2	2
Ms Suzanne Young	3	3	-	-	1	1	2	2

### 4 Principal Activities

The principal activities of the Foundation during the financial year were raising funds to provide McGrath Breast Care Nurses and increase breast awareness in the Australian community. There was a continuing expansion in the provision of nurses during the current year. Further details on the breast care nurse programme are contained in the Chairman's Report.

#### Short and Long-term objectives of the Foundation

The Foundation's short and long term objectives are to:

- Increase the awareness of breast cancer in the Australian community
- Develop and implement strategies to facilitate the employment or engagement of appropriately qualified Breast Care Nurses servicing hospitals, health care agencies and communities throughout Australia, including provision of funding for this purpose
- Undertake fundraising activities and the procurement of donations and contributions from the public for the purpose of promoting or supporting the fulfilment of the objectives of the Foundation.



## **DIRECTORS' REPORT (cont'd)**

### **4 Principal Activities (cont'd)**

#### **Strategy for achieving these objectives**

The Foundation intends to achieve these objectives through:

- Community fundraising events including but not limited to sporting events
- Partnerships with corporate entities
- Sale of goods and branded merchandise
- Implementing Breast Awareness Education programs in schools and the community
- Liaising with government at all levels.

#### **Performance measures**

The Foundation measures performance through monthly monitoring and oversight to:

- Assess the cost effectiveness of fundraising activities
- Assess control over the Foundation's administrative and other indirect costs
- Ensure that funds raised are directed effectively to the employment and engagement of appropriately qualified Breast Care Nurses and Breast Awareness Education programs
- Assess the number of Australian families experiencing breast cancer who are supported by a Breast Care Nurse and the extent of such assistance.

### **5 Operating and financial review**

The operating net (deficit)/surplus of the Foundation for the financial year amounted to (\$3,215,591) (2016: \$877,513).

A review of operations of the Foundation during the year and subsequent to the end of financial year is contained in the Message from the Chairman on page 4.

In the opinion of the Directors there were no significant changes in the state of affairs of the Foundation that occurred during the financial year under review.

### **6 Members**

#### **Members' guarantee**

In accordance with the Foundation's constitution, each member is required to contribute a maximum of \$10 in the event that the Foundation is wound up. The total amount that all 4 members of the Foundation would contribute is \$40.

### **7 Events subsequent to reporting date**

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Foundation, to affect significantly the operations of the Foundation, the results of those operations, or the state of affairs of the Foundation, in future financial years.

### **8 Future developments**

The Foundation will continue to pursue its charitable objectives described above.

### **9 Environmental regulations**

The Foundation's operations are not subject to significant environmental regulations under either Commonwealth or State legislation.

### **10 Indemnification and Insurance of Directors**

The premium for Directors' and officers' liability and legal expense insurance contracts for the year ended 30 June 2017 were provided to the Foundation free of charge. Such insurance contracts insure against certain liabilities for all directors of the Foundation.

No indemnities have been given or insurance premiums paid, during or since the end of the financial year.

## **DIRECTORS' REPORT (cont'd)**

### **11 Auditor's Independence Declaration**

The auditor's independence declaration is set out on page 9 and forms part of the Directors' Report for the financial year ended 30 June 2017.

This report is made out in accordance with a resolution of the Directors:

A handwritten signature in black ink, appearing to read 'J.C. Conde', written in a cursive style.

Mr John Conde AO  
Director  
20 September 2017  
Sydney, NSW





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

To: the directors of McGrath Foundation Limited.

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2017 there have been:

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

*KPMG*

KPMG

A handwritten signature in black ink, appearing to read 'Daniel Robinson'.

Daniel Robinson  
*Partner*

*Sydney*

20 September 2017

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2017**

	Notes	2017 \$	2016 \$
<b>Income</b>			
Revenue	4.1	18,136,252	16,327,854
<b>Expenses</b>			
<b><u>Programme Expenses</u></b>			
Foundation funded Breast Care Nurses programme expenses	4.5	6,238,239	5,299,336
Government funded Breast Care Nurse Initiative expenses	4.5	5,564,191	5,093,832
Education programme expenses		33,950	91,135
<i>Total programme expenses</i>		11,836,380	10,484,303
<b><u>Non-Programme Expenses</u></b>			
Fundraising and marketing expenses		8,398,547	4,288,274
General and administration expenses		1,732,816	1,370,380
<i>Total non-programme expenses</i>		10,131,363	5,658,654
Total expenses		21,967,743	16,142,957
Finance income	4.1	615,900	692,616
<b>Net (deficit)/surplus for the year</b>	4.5	<b>(3,215,591)</b>	<b>877,513</b>
Changes in fair value of financial instruments that will not be subsequently realised in surplus/(deficit) for the year		346,925	26,622
<b>Other comprehensive income for the year</b>		<b>346,925</b>	<b>26,622</b>
<b>Total comprehensive (deficit)/income for the year</b>		<b>(2,868,666)</b>	<b>904,135</b>

*The accompanying notes on pages 14 to 23 form part of these financial statements.*



**STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2017**

	Notes	2017 \$	2016 \$
<b>Current Assets</b>			
Cash and cash equivalents	5.1	3,890,838	2,439,559
Investments	5.2	1,400,000	6,984,951
Trade and other receivables	5.3	1,072,756	890,258
Prepayments		139,986	99,605
Inventories		33,956	38,392
Other financial assets		197,710	191,384
<b>Total Current Assets</b>		<b>6,735,246</b>	<b>10,644,149</b>
<b>Non-Current Assets</b>			
Investments	5.2	15,982,375	15,237,491
Property, plant & equipment	5.5	88,468	164,980
Intangible Assets – Computer software	5.6	288,530	350,170
<b>Total Non-Current Assets</b>		<b>16,359,373</b>	<b>15,752,641</b>
<b>Total Assets</b>		<b>23,094,619</b>	<b>26,396,790</b>
<b>Current Liabilities</b>			
Trade and other payables	5.4	1,562,073	1,116,414
Employee benefits		144,269	109,758
Provisions		82,803	138,519
Deferred income	4.3	-	873,381
<b>Total Current Liabilities</b>		<b>1,789,145</b>	<b>2,238,072</b>
<b>Non-Current Liabilities</b>			
Employee benefits		60,203	44,781
<b>Total Non-Current Liabilities</b>		<b>60,203</b>	<b>44,781</b>
<b>Total Liabilities</b>		<b>1,849,348</b>	<b>2,282,853</b>
<b>Net Assets</b>		<b>21,245,271</b>	<b>24,113,937</b>
<b>Equity</b>			
Fair value reserve		373,547	26,622
Accumulated surpluses		20,871,724	24,087,315
<b>Total Equity</b>		<b>21,245,271</b>	<b>24,113,937</b>

*The accompanying notes on pages 14 to 23 form part of these financial statements.*

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2017**

	Notes	2017 \$	2016 \$
<b>Cash flow from operating activities</b>			
Donations received		5,365,293	3,477,373
Proceeds from fundraising		4,267,501	4,356,224
Proceeds from corporate partners		2,720,154	3,142,698
Proceeds from grants		5,298,700	5,296,500
Payments to suppliers and employees		(21,970,139)	(16,692,706)
Interest received from cash accounts		22,053	54,806
<b>Net cash (used in)/provided by operating activities</b>		<b>(4,296,438)</b>	<b>(365,105)</b>
<b>Cash flow from investing activities</b>			
Proceeds from investments		195,888	682,242
Payments for investments		-	(15,082,079)
Payments from investments		5,584,951	15,082,079
Payments for property, plant & equipment		(10,717)	(75,529)
Payments for intangible assets		(22,405)	(107,406)
<b>Net cash provided/(used in) investing activities</b>		<b>5,747,717</b>	<b>499,307</b>
<b>Cash flow from financing activities</b>			
		-	-
Net increase/(decrease) in cash held		1,451,279	134,202
Cash and cash equivalents at the beginning of the financial year		2,439,559	2,305,357
<b>Cash and cash equivalents at the end of the financial year</b>	5.1	<b>3,890,838</b>	<b>2,439,559</b>

*The accompanying notes on pages 14 to 23 form part of these financial statements.*



**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2017**

	Fair value reserve \$	Accumulated Surpluses \$	Total Equity \$
<b>Balance at 30 June 2015</b>	-	23,209,802	23,209,802
Net surplus for the year	-	877,513	877,513
Other comprehensive income for the year:			
Changes in fair value of financial instruments that will not be subsequently realised in surplus/(deficit) for the year	26,622	-	26,622
<b>Balance at 30 June 2016</b>	<u>26,622</u>	<u>24,087,315</u>	<u>24,113,937</u>
Net (deficit) for the year	-	(3,215,591)	(3,215,591)
Other comprehensive income for the year:			
Changes in fair value of financial instruments that will not be subsequently realised in surplus/(deficit) for the year	346,925	-	346,925
<b>Balance at 30 June 2017</b>	<u>373,547</u>	<u>20,871,724</u>	<u>21,245,271</u>

*The accompanying notes on page 14 to 23 form part of these financial statements.*

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

## 1 Reporting entity

McGrath Foundation Limited ("the Foundation") is a not-for-profit entity dedicated to raising funds for the provision of Breast Care Nurses and breast cancer awareness. The Foundation is an unlisted public company limited by guarantee which does not have any share capital. If the Foundation is wound up, the constitution states that each Member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the Foundation. At 30 June 2017, the number of members was 4 (2016: 4).

The Foundation's registered address and principal place of business is 52-54 Chandos St, St. Leonards NSW 2065.

## 2 Basis of preparation

The financial statements are Tier 2 general purpose financial statements which have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements adopted by the Australian Accounting Standards Board and the Australian Charities and Not-for-profits Commission Act 2012. These financial statements comply with Australian Accounting Standards – Reduced Disclosure Requirements.

The financial statements were authorised for issue by the Board of Directors on 20 September 2017. Details of the Foundation's accounting policies, including changes during the year, are included in Notes 2 to 6.

The financial statements have been presented in a style which attempts to make them less complex and more relevant to the users of the financial statements, such as the supporters of the Foundation. Note disclosures are grouped into five sections: 'Basis of Preparation', 'Changes in accounting policies', 'Operations of the Foundation', 'Operating Assets and Liabilities' and 'Other Notes'. Each section sets out the accounting policies applied in producing the relevant notes, along with details of any key judgements and estimates used.

The purpose of this format is to provide readers with a clearer understanding of what drives financial performance of the Foundation and to provide commentary on each section, or note, in plain English.

In the opinion of the Directors, having regard to the not-for-profit nature of the Foundation, the terms used in the prescribed format of the Statement of Comprehensive Income are not appropriate. "Profit or Loss" in the prescribed format of the Statement of Comprehensive Income has been substituted by "Surplus or Deficit".

### Functional and presentation currency

These financial statements are presented in Australian dollars, which is the Foundation's functional currency.

### Basis of measurement

The financial statements have been prepared on the historical cost basis except for non-current investments, which are measured at fair value.

### Current/non-current distinction

Current assets include assets held primarily for trading purposes, cash and cash equivalents, and assets expected to be realised in, or intended for sale or use within one year from the reporting date. All other assets are classified as non-current assets.

Current liabilities include liabilities held primarily for trading purposes and include those liabilities due within one year from the reporting date or where the Foundation does not have the right to defer settlement beyond 12 months. All other liabilities are classified as non-current liabilities.

### Financial Instruments - Non-derivative Financial Assets and Liabilities

The Foundation's non-derivative financial assets comprise cash and cash equivalents, investments, trade and other receivables and other financial assets. Non-derivative financial liabilities comprise trade and other payables.

The Foundation initially recognises cash and cash equivalents and receivables on the date when they are originated. All other financial assets and financial liabilities are initially recognised on the trade date.

#### (i) Recognition and measurement of Non-derivative Financial Assets

A financial asset is classified as fair value through profit or loss if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognised in the Statement of Comprehensive Income as incurred. Financial assets at fair value through profit and loss are measured at fair value and changes therein, including any interest or dividend income, are recognised in the Statement of Comprehensive Income.

A financial asset at amortised cost is initially recognised at fair value plus any directly attributable transaction costs, except for trade receivables which do not contain a significant financial component and are recognised at



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

### 2 Basis of Preparation (cont'd)

transaction price. Subsequent to initial measurement, they are measured at amortised cost using the effective interest rate method.

A financial asset is classified as fair value through other comprehensive income if contractual cash flows include only principal and interest in a business model where the assets are managed to collect contractual cash flows or for sale or for equity instruments where another comprehensive election is applied on initial recognition. Directly attributable transaction costs and dividend income are recognised in surplus/(deficit) as incurred. Financial assets through other comprehensive income are measured at fair value and changes therein, are recognised in other comprehensive income.

#### (ii) Recognition and measurement of Non-derivative Financial Liabilities

Financial liabilities are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, these liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in the Statement of Comprehensive Income over the period of the borrowing on the effective interest basis.

#### (iii) De-recognition of Non-derivative Financial Instruments

The Foundation derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

The Foundation derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Foundation has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

#### Income Tax

The Foundation is a registered charity and is exempt from income tax in accordance with Section 50-B of the Income Tax Assessment Act 1997. The Foundation holds deductible gift recipient status.

#### Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST.

Cash flows are included in the Statement of Cash Flows on a gross basis.

#### Employee Benefits

##### (i) Short-term employee benefits

Short-term employee benefits include annual leave and other leave expected to be wholly settled within the next 12 months.

The employee related expense (including subcontractors) for the year was \$4,521,863 (2016: \$3,669,364). Within employee related expenses, \$321,876 (2016: \$272,086) in expenses relating to defined contribution funds (superannuation) was recognised.

##### (ii) Defined contribution plans

Obligations for contributions to defined contribution plans (superannuation) are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

The Foundation has no obligation to pay further contributions to these plans if the plans do not hold sufficient assets to pay all employee benefits relating to employee service in current and prior periods.

##### (iii) Other long-term employee benefits

Other long-term employee benefits include annual leave not expected to be wholly settled within the next 12 months and long service leave.

The Foundation's obligation is determined as the amount of future benefit that employees have earned in return for their service in the current and prior periods, applying actuarial assumptions, discounted to determine its present value. Remeasurements are recognised in the Statement of Comprehensive Income in the period they arise.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

### 2 Basis of Preparation (cont'd)

#### (iv) Breast Care Nurses

Breast Care Nurses are employed by the relevant Local Health District. The Foundation hold contracts with the Local Health Districts to fund the Breast Care Nurses employment costs. Payments made to the Local Health District by the Foundation include salaries and wages and all employee benefits. As a consequence, no employee benefits are provided for in the financial statements of the Foundation. The Foundation's future commitments for Breast Care Nurses are disclosed in Note 4.2.

### 3 Changes in accounting policies

Except for the changes noted below, the Foundation has consistently applied the accounting policies set out in Notes 2 to 6 to all periods presented in these financial statements.

#### Application of new or revised accounting standards

The Foundation has adopted the following new standards and amendments to standards with a date of initial application of 1 July 2015.

#### (i) AASB 9 Financial Instruments

The Foundation early adopted AASB 9 Financial Instruments as amended in December 2014 (AASB 9 (2014)). There were no changes in measurement to the Foundation's existing financial assets and liabilities as a result of the changes in classification required by AASB 9 (2014). For new investments made in the period their classification and measurement were assessed under AASB 9 (2014) as either fair value through profit and loss, fair value through other comprehensive income or amortised cost.

#### New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are available for early adoption for annual periods beginning after 1 July 2016, and have not been applied in preparing these financial statements. Those which may be relevant to the Foundation are set out below. The Foundation does not plan to adopt these standards early.

#### (i) AASB 15 Revenue from Contracts with Customers

AASB 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including AASB 118 Revenue, AASB 111 Construction Contracts and IFRIC 13 Customer Loyalty Programmes.

AASB 15 is effective for annual reporting periods beginning on or after 1 January 2019. The Foundation is assessing the potential impact on its financial statements resulting from the application of AASB 15.

#### (ii) AASB 16 Leases

AASB 16 Leases removes the lease classification test and requires all leases (including operating leases) to be brought onto the balance sheet. The definition of a lease is also amended and is now the new on/off balance sheet test for lessees.

AASB 16 is effective for annual reporting periods beginning on or after 1 January 2019. Early adoption will be permitted for entities that also adopt AASB 15 Revenue from contracts with customers.

The Foundation is assessing the potential impact on its financial statements resulting from the application of AASB 16.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

### 4. Operations of the Foundation

#### 4.1. Revenue and Finance Income

##### Revenue recognition accounting policy

Revenue is stated exclusive of GST, selecting the appropriate timing and amount of revenue recognised requires some judgement. Revenue recognition criteria for the Foundation's key classes of revenue are recognised on the following bases:

Income stream	Nature	Recognition criteria
Donations	Amounts paid to the Foundation from supporters of the Foundation where the donor receives no material benefit or advantage.	On receipt of the cash.
Fundraising	Amounts paid to the Foundation from supporters of the Foundation where the donor is involved in a Foundation event, such as the Ladies High Tea or Pink Stumps Day. This includes revenue from the sale of merchandise related to fundraising events i.e. Pull On Your Socks, and is recognised when the goods are delivered.	On receipt of the cash/when goods are delivered.
Corporate Partners	Partnerships with third party companies for fundraising activities and involve a contract. For example donations from the corporate partner based on sales of their product.	Recognised monthly based on third party reports confirming revenue receivable by the Foundation.
Government Grant income	The Foundation's Breast Care Nurse Programme receives support from the Commonwealth Government of Australia. The Foundation must comply with the conditions associated with the Grant, otherwise the funding is repayable to the Government. See Note 4.2 and 4.3 for further details on the Grant.	On a systematic basis in the same period in which the related services are delivered i.e. when expenditure is incurred in relation to the Government Breast Care Nurse Program. The grant revenue recorded will not exceed grant related expenditure in the period.
Finance income	All finance income relates to interest income on funds invested.	As it accrues using the effective interest method.

	2017 \$	2016 \$
<b>Revenue</b>		
Donations	5,365,293	3,477,373
Fundraising	4,267,501	4,356,224
Corporate partners	2,939,267	3,400,425
Government grant	5,564,191	5,093,832
	<b>18,136,252</b>	<b>16,327,854</b>
<b>Finance Income</b>		
Interest income	615,900	692,616
	<b>615,900</b>	<b>692,616</b>

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

## 4.2. Breast Care Nurse Commitments

### Commonwealth Government of Australia Funded Breast Care Nurses

The Foundation receives support from the Commonwealth Government of Australia to fund Breast Care Nurses and fulfil the Foundation's mission. On 28 June 2013, the Foundation signed a contract with the Commonwealth to fund the 44 nursing positions supported under the 2008-09 Breast Cancer Nurses Budget Initiative as well as funding the procurement of a further 13 Breast Care Nurse positions in areas where there is a demonstrated need. The contract period was 1 July 2013 to 30 June 2017. The Foundation has since signed a new contract with the Commonwealth for a further four years, from 1 July 2017 to 30 June 2021.

The number of nurse positions filled under the Government contract at 30 June 2017 was 57 (2016: 57).

The commitments included in this note only include committed amounts associated with the employment costs of the Commonwealth funded Breast Care Nurses, this does not include other costs permitted under the funding agreement such as a recruitment costs, training costs, etc as these costs are not deemed to be committed.

The total undiscounted future minimum payments under Commonwealth Government of Australia Funded Breast Care Nurses fall due for payment as follows:

	2017 \$	2016 \$
Within one year	4,575,689	4,469,850
Greater than one year but not later than five years	13,727,067	-
Total (excluding GST)	<u>18,302,756</u>	<u>4,469,850</u>

### McGrath Foundation Funded Breast Care Nurses

The Foundation funds all other nurses through the support of the community. The Foundation currently has support for 60 (2016: 53) Breast Care Nurse positions that are committed as at 30 June 2017 as a result of contracts executed with health care providers usually with a 3 year duration. The Foundation's goal is to fund the expansion of Breast Care Nurse positions into the future through fundraising appeals.

The total undiscounted future minimum payments under McGrath Foundation Funded Breast Care Nurses fall due for payment as follows:

	2017 \$	2016 \$
Within one year	4,604,941	4,845,507
Greater than one year but not later than five years	4,464,893	3,841,668
Total (excluding GST)	<u>9,069,834</u>	<u>8,687,175</u>

## 4.3. Deferred Income

	2017 \$	2016 \$
Government grant	-	873,381
Other	-	-
	<u>-</u>	<u>873,381</u>

### Government grant

Funding received in the year ended 30 June 2017 amounted to \$5,298,700 (inc GST) (2016: \$5,296,500 inc GST) and was conditional on the funding being used for the provision of training to, assistance with the recruitment of, and funding of employment costs of, Commonwealth-funded McGrath Foundation Breast Care Nurses under the initiative and administration activities performed by McGrath Foundation Limited to implement the initiative. The funding is received in instalments over the period of the funding agreement and is initially recognised as deferred income. Any residual unspent grant at 30 June 2017 is payable to the Government and presented within Trade and other payables.

Revenue recognised in relation to the government grant for the year ended 30 June 2017 amounted to \$5,564,191 (2016: \$5,093,832). Revenue is released to the income statement when costs that fulfil the conditions of the funding agreement relating to the Commonwealth-funded McGrath Foundation Breast Care Nurses initiative are incurred.

See Note 4.2 for details of future commitments for Commonwealth-funded McGrath Foundation Breast Care Nurses as at 30 June 2017.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

### 4.4. Operating leases

#### Leases accounting policy

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 the leased assets, and operating leases under which the lessor effectively retains all such risks and benefits. The Foundation has no finance leases.

Operating lease payments are charged to the Statement of Comprehensive Income in the periods in which they are incurred.

#### Operating leases commitments

The total undiscounted future minimum lease payments under non-cancellable operating leases fall due for payment as follows:

	2017 \$	2016 \$
Within one year	191,450	181,888
Greater than one year but not later than five years	-	191,450
<b>Total (excluding GST)</b>	<b>191,450</b>	<b>373,338</b>

The Foundation entered into a 5 year commercial lease for business premises at 52-54 Chandos Street, St Leonards NSW 2065, commencing 1 July 2013 with an option to renew the lease for a further 5 years, with lease payments increased each year by a factor of 4% p.a.

During the year ended 30 June 2017, an amount of \$261,650 (2016: \$224,209) was recognised as an expense in the Statement of Comprehensive Income in respect of operating leases.

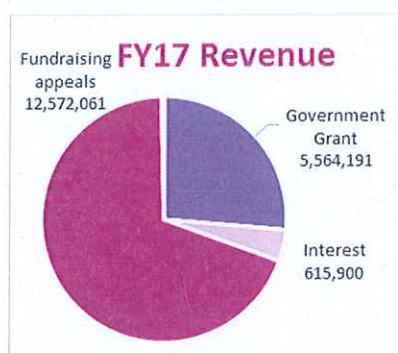
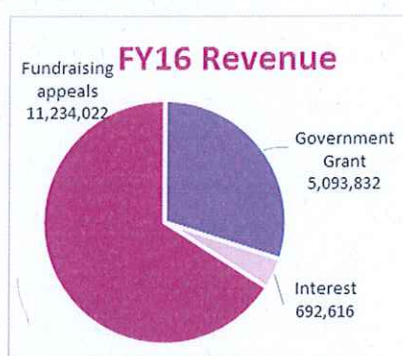
### 4.5. This information is presented in accordance with the Charitable Fundraising (NSW) Act 1991 and Regulations

#### Fundraising activities conducted during the year

Major campaigns conducted during 30 June 2017 financial year included Sydney Pink Test, Pink Stumps Day and Pull on Your Socks and 10 year anniversary gala dinner, donations received through regular giving and major appeals (Tax Appeal and Christmas Appeal), Community Fundraising Events, Metro High Teas and Corporate Partnerships.

#### Fundraising costs

Direct fundraising costs relate to costs incurred by the McGrath Foundation in respect of fundraising activities. This primarily includes expenses relating to event kits, venue hire, travel, and event catering.



The composition of revenue is from the sources outlined in the graph above. The majority of funding for the Foundation's mission is sourced from fundraising appeals, which include donations, fundraising and Corporate Partners.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2017**

**4.5. This information is presented in accordance with the Charitable Fundraising (NSW) Act 1991 and Regulations (cont'd)**

	2017 \$	2016 \$
<b>Results of donations, fundraising, and corporate partners ("fundraising appeals")</b>		
Gross income from fundraising appeals	12,572,061	11,234,022
Less: direct costs of fundraising appeals	(5,345,689)	(1,961,837)
<b>Net surplus obtained from fundraising appeals</b>	<b>7,226,372</b>	<b>9,272,185</b>
<b>Application of net surplus obtained from fundraising appeals</b>		
Indirect costs of fundraising appeals	3,052,858	2,326,437
Foundation funded Breast Care Nurse programme expenses	6,238,239	5,299,336
Education programme expenses	33,950	91,135
General and administration expenses	1,732,816	1,370,380
<b>Net expenditure (excluding government grant expenses and merchandise cost)</b>	<b>11,057,863</b>	<b>9,087,288</b>
<b>Net (deficit)/surplus after net surplus from fundraising appeals</b>	<b>(3,831,491)</b>	<b>184,897</b>
<b>The net surplus for the year was funded from net surplus after expenditure from fundraising appeals and the following sources</b>		
Government grant income	5,564,191	5,093,832
Government grant expenses	(5,564,191)	(5,093,832)
Interest income	615,900	692,616
	<b>615,900</b>	<b>692,616</b>
<b>(Deficit)/surplus for the year</b>	<b>(3,215,591)</b>	<b>877,513</b>

**Comparisons of certain monetary figures and percentages**

	2017 \$	%	2016 \$	%
Direct cost of fundraising appeals / Gross income from fundraising appeals	<u>5,345,689</u> 12,572,061	42.5	<u>1,961,837</u> 11,234,022	17.5
Net surplus obtained from fundraising appeals / Gross income from fundraising appeals	<u>7,226,372</u> 12,572,061	57.5	<u>9,272,185</u> 11,234,022	82.5
Total cost of services provided (total programme expenses per P/L) / Total expenditure (excluding Fundraising and marketing expenses per P/L)	<u>11,836,380</u> 13,569,196	87.2	<u>10,484,303</u> 11,854,683	88.4
Total cost of services provided (total programme expenses per P/L) / Total income received (total revenue per P/L)	<u>11,836,380</u> 18,136,252	65.3	<u>10,484,303</u> 16,327,854	64.2

The total cost of services provided over total income received ratio relates to spend in the current financial year and does not take into account funds that have been received and invested to cover the following two years of contracted funding for all current nurse positions.

For further information on the total amount invested and its purpose please see Note 5.2 Investments.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

## 5. Operating Assets and Liabilities

### 5.1. Cash and cash equivalents

#### Accounting policy

Cash and cash equivalents comprise cash balances, call deposits with a maturity of less than or equal to three months from the date of acquisition. The carrying value of cash and cash equivalents is considered to approximate fair value.

	2017	2016
	\$	\$
Cash at bank and on hand	886,231	2,439,559
Term deposits	3,004,607	-
	<b>3,890,838</b>	<b>2,439,559</b>

### 5.2. Investments

#### Accounting policy

Investments comprise term-deposits invested for terms exceeding three months, equity and debt instruments.

	2017	2016
	\$	\$
<b>Current</b>		
Investments in term deposits	1,400,000	6,984,951
<b>Non-Current</b>		
Investments measured at fair value through profit and loss	5,191,193	5,059,251
Investments measured at fair value through other comprehensive income	10,791,182	10,178,240
	<b>15,982,375</b>	<b>15,237,491</b>

Investments in equity instruments are measured at fair value through other comprehensive income and are measured at fair value on a recurring basis using Level 1 inputs. Investments in debt instruments are measured at fair value through profit and loss. Total interest income recognised in relation to investments measured at fair value through other comprehensive income for the year ended 30 June 2017 was \$305,176 (2016: \$68,737).

The Foundation does not commit to additional nurses until funding for the full contract period is raised. The investment funds are used to fund Foundation nurses and future increases including additions to nurse positions.

### 5.3. Trade and other receivables

#### Accounting policy

Trade receivables are classified and measured as a financial asset at amortised cost. Financial assets at amortised cost are recognised at fair value. Credit terms are available to Corporate Partners with contracts for fundraising and a third party who manages merchandise sales. Timing differences may also occur between Government grant funding due date and payment date which result in a receivable being recorded.

Estimates are used in determining the level of receivables that will not, in the opinion of the Directors, be collected. These estimates include such factors as historical experience and industry specific factors. A provision for impairment of trade receivables is established when there is sufficient evidence that the Foundation will not be able to collect all amounts due.

The carrying value of trade receivables is considered to approximate fair value.

	2017	2016
	\$	\$
Trade receivables	566,074	571,125
Provision for impairment	(30,289)	-
	535,785	571,125
Other receivables (accrued interest income; net GST receivable)	536,971	319,133
	<b>1,072,756</b>	<b>890,258</b>

Movement in the provision for impairment of trade receivables is as follows:

Balance at 1 July 2016	-
Impairment loss recognised during the year	67,944
Unused amount reversed during the year (amounts recovered)	(37,655)
Amounts written off during the year (utilisation of provision)	-
<b>Balance at 30 June 2017</b>	<b>30,289</b>

The impairment expense recognised in the period is \$67,944 (2016: \$nil) and was recognised within Fundraising and marketing expenses on the Statement of Comprehensive Income.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

### 5.4. Trade and other payables

#### Accounting policy

Trade payables are recognised at the value of the invoice received from a supplier. The carrying value of trade payables is considered to approximate fair value.

	2017	2016
	\$	\$
Trade payables	1,157,289	48,796
Accrued expenses	404,784	1,067,618
	1,562,073	1,116,414

### 5.5. Property, plant and equipment

#### Accounting policy

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost of these assets is the amount initially paid for them. Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Foundation.

Depreciation is provided and is charged to the Statement of Comprehensive Income to reflect annual wear and tear and the reduced value of the asset over time. Depreciation is calculated by estimating the number of years the Foundation expects the asset to be used (useful economic life) and is expensed to the Statement of Comprehensive Income on a straight-line basis over the useful economic life. Major categories of property, plant & equipment are depreciated as follows:

Asset class	Depreciation policy
Leasehold improvements	Lease term
Furniture and fittings	5 years
Computer equipment	3 years

Property, plant and equipment that is subject to depreciation is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Indicators of impairment may include changes in technology.

The depreciation expense recognised in the year was \$87,229 (2016: \$92,608).

### 5.6. Intangible assets – computer software

#### Accounting policy

Software is recorded at cost less accumulated amortisation and impairment losses. Amortisation is charged on a straight-line basis over their estimated lives of 3 to 5 years. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period.

Intangible additions for the year total \$22,405 (2016: \$107,406) and relate to the capitalisation of expenses pertaining to the development and implementation of a new accounting and revenue system.

The amortisation expense recognised in the year was \$84,045 (2016: \$55,859).



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

### 6. Other notes

#### 6.1. Auditors remuneration

Audit of statutory financial statements  
Audit/review of Government Grant funding  
Assistance with preparation of financial statements  
Total auditors remuneration

	2017	2016
	\$	\$
	35,000	-
	6,700	5,200
	7,300	7,300
	<u>49,000</u>	<u>12,500</u>

#### 6.2. Related parties

The related parties identified by the Directors include key management personnel (the Foundation does not have any joint ventures, associated undertakings or direct equity investments). To enable users of our financial statements to form a view about the effects of related party relationships on the Foundation, we disclose the related party relationship when control exists, irrespective of whether there have been transactions between the related parties.

Key management personnel consists of McGrath Foundation Limited Executive and Non-executive Directors and the McGrath Foundation Chief Executive Officer.

##### Key management personnel compensation

Key management personnel compensation was \$633,893 (2016: \$479,089) for the year ended 30 June 2017. Non-Executive Directors do not receive any remuneration from the Foundation for their Director duties.

##### Transactions with key management personnel

The Directors of McGrath Foundation Limited and their related entities from time to time make donations to McGrath Foundation Limited under the same terms and conditions as donations received from members of the public and corporate organisations.

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of these entities. None of these entities transacted with the Foundation during the year ended 30 June 2017 (2016: \$nil).

#### 6.3. Significant events after balance date

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Foundation, to affect significantly the operations of the Foundation, the results of those operations, or the state of affairs of the Company, in future financial years.

## DECLARATION OF CHAIRMAN IN RESPECT OF FUNDRAISING APPEALS

I, John Conde, Chairman of McGrath Foundation Limited, declare that in my opinion:

- 1 The financial statements give a true and fair view of all income and expenditure of McGrath Foundation Limited with respect to fundraising appeal activities for the financial year ended 30 June 2017.
- 2 The statement of financial position gives a true and fair view of the state of affairs with respect to fundraising appeal activities as at 30 June 2017.
- 3 The provisions of the Charitable Collections (WA) Act 1946 and the conditions attached to the authority have been complied with for the financial year ended 30 June 2017;
- 4 The provisions of the Charitable Fundraising (NSW) Act 1991 and Regulations and the conditions attached to the authority have been complied with for the financial year ended 30 June 2017; and
- 5 The internal controls exercised by McGrath Foundation Limited are appropriate and effective in accounting for all income received and applied by McGrath Foundation Limited from any of its fundraising appeals.



Mr John Conde AO  
Chairman  
20 September 2017  
Sydney, NSW

## DIRECTORS' DECLARATION

In the opinion of the directors of McGrath Foundation Limited (the Foundation):

- (a) the Foundation is not publicly accountable;
- (b) the financial statements and notes that are set out on pages 10 to 23 are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:
  - (i) giving a true and fair view of the Foundation's financial position as at 30 June 2017 and of its performance, for the financial year ended on that date; and
  - (ii) complying with Australian Accounting Standards – Reduced Disclosure Regime and the Australian Charities and Not-for-profits Commission Regulation 2013; and
- (c) there are reasonable grounds to believe that the Foundation will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:



Mr John Conde AO  
Director  
20 September 2017  
Sydney, NSW





## Independent Auditor's Report

To the members of McGrath Foundation Limited

### Report on the audit of the Financial Report

#### Opinion

We have audited the **Financial Report**, of the McGrath Foundation Limited (the Foundation).

In our opinion, the accompanying **Financial Report** of the Foundation is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*, and Section 24(2) of the *Charitable Fundraising (NSW) Act 1991* and Regulations and with Section 15(1) and 15(2) of the *WA Charitable Collections Act 1946* and Regulations 1947 (collectively the Acts and Regulations) including:

- i. giving a true and fair view of the Foundation's financial position as at 30 June 2017, and of its financial performance and its cash flows for the year ended on that date; and
- ii. complying with *Australian Accounting Standards – Reduced Disclosure Requirements* and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

The **Financial Report** comprises:

- i. Statement of financial position as at 30 June 2017.
- ii. Statement of comprehensive income, Statement of changes in equity, and Statement of cash flows for the year then ended.
- iii. Notes including a summary of significant accounting policies.
- iv. Directors' Declaration.
- v. Declaration by the Chairman in respect of fundraising appeals of the Foundation.

#### Basis for opinion

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

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

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



## Other information

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

The Other Information we obtained prior to the date of this Auditor's Report was the Director's Report.

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

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

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

## Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- i. Preparing the Financial Report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosures Requirements and the ACNC.
- ii. Preparing the Financial Report in accordance with Section 24(2) of the Charitable Fundraising (NSW) Act 1991 and Regulations and with Section 15(1) and 15(2) of the WA Charitable Collections Act 1946 and Regulations 1947, collectively the Acts and Regulations.
- iii. Implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.
- iv. Assessing the Foundation's ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Foundation or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- i. to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- ii. to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Financial Report.





Undertaking an audit in accordance with *Australian Auditing Standards*, means exercising professional judgment and maintaining professional skepticism.

Our responsibilities include:

- i. Identifying and assessing the risks of material misstatement of the Financial Report, whether due to fraud or error.
- ii. Designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error. This is because fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- iii. Obtaining an understanding of internal control relevant to the Audit in order to design audit procedures that are appropriate in the circumstances. This is not for the purpose of expressing an opinion on its effectiveness.
- iv. Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- v. Concluding on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Financial Report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- vi. Evaluating the overall presentation, structure and content of the Financial Report, including the disclosures, and whether the Financial Report represents the underlying transactions and events in a manner that achieves fair presentation.

In addition we have:

- i. Obtained an understanding of the internal control structure for fundraising appeal activities.
- ii. Examined on a test basis of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to the Acts and Regulations.

We have not audited on a continuous basis the accounting records relied upon for reporting on fundraising appeal activities. These do not necessarily reflect accounting adjustments after the event or normal year-end financial adjustments required for the preparation of Financial Report such as accruals, prepayments, provisioning and valuations.



## Report on Other Legal and Regulatory Requirements

### Opinion pursuant to the Charitable Fundraising Act (NSW) 1991

In our opinion,:

- i. the Financial Report gives a true and fair view of the Foundation's financial result of fundraising appeal activities for the financial year ended 30 June 2017;
- ii. the Financial Report has been properly drawn up, and the associated records have been properly kept for the period from 1 July 2016 to 30 June 2017, in accordance with the *Charitable Fundraising Act (NSW) 1991* and Regulations;
- iii. money received as a result of fundraising appeal activities conducted during the period from 1 July 2016 to 30 June 2017 has been properly accounted for and applied in accordance with the *Charitable Fundraising Act (NSW) 1991* and Regulations; and
- iv. there are reasonable grounds to believe that the Foundation will be able to pay its debts as and when they fall due.

### Opinion pursuant to the Charitable Collections Act (WA) 1946 and Charitable Collections Regulations (WA) 1947

In our opinion, the Foundation has complied, in all material respects, with the requirements of the *Charitable Collections Act (WA) 1946* and *Charitable Collections Regulations (WA) 1947* for the year ended 30 June 2017.

KPMG

Daniel Robinson  
Partner

Sydney

20 September 2017