



MCGRATH FOUNDATION LIMITED

A.B.N. 23 115 566 624

**FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2021**

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DIRECTORS' REPORT

The Directors present their report together with the financial statements of McGrath Foundation Limited ("the Foundation") for the year ended 30 June 2021 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
Mr John Conde AO Chairman Independent Non-Executive Director	<p>John provides pro-bono support to the Board, drawing on his experience at board level with public, private and not-for-profit organisations.</p> <p>John Conde is also the Chairman of Cooper Energy Limited, President of the (Commonwealth) Remuneration Tribunal, Deputy Chairman of Whitehaven Coal Limited and Chairman of the Dexus Wholesale Property Fund. He is a Member of the Independent Parliamentary Expenses Authority. He retired in September 2020 as a director of Dexus (ASX listed entity DXS). Some of his other previous positions include Chairman of Bupa (Australia and New Zealand), Chairman of the Sydney Symphony Orchestra, Director of BHP Limited, Chairman of Ausgrid (formerly Energy Australia), Member of the Asian Football Confederation (AFC), Asian Cup Local Organising Committee and Chairman of the Australian Olympic Committee (NSW) Fundraising Committee. He has been a Director of the McGrath Foundation since 23 April 2012 and Chairman since 20 September 2013.</p>
Mr Glenn McGrath AM President Non-Executive Director	<p>Glenn is the co-founder and President who donates to the Foundation all of his time spent on Foundation business.</p> <p>Glenn McGrath has had a successful professional cricket career spanning 14 years. He is an Australian sporting icon and continues his contribution to cricket through his coaching activities and as a media commentator. He has been a Director of the McGrath Foundation since 20 November 2007.</p>
Mrs Tracy Bevan Foundation Ambassador Director	<p>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 funding McGrath Breast Care Nurses in the community and encouraging greater breast health understanding. Tracy has been a Director of the McGrath Foundation since 11 December 2008.</p>
Mr Terry Brown Independent Non-Executive Director	<p>Terry is a pro-bono Director and donates all of his time spent on Foundation business.</p> <p>Terry Brown has been a practising lawyer for over 35 years, and is a fellow of the Australian and New Zealand College of Notaries. As a friend and professional advisor to the McGrath family, Terry was a co-founder of the Foundation. Terry also co-founded the Belle Property Group and presently sits on a number of Advisory Boards. He is Joint Managing Director of Tax Assure Pty Ltd.</p> <p>Terry has been a Director of the McGrath Foundation since 2 August 2005.</p>
Ms Christine McLoughlin AM Independent Non-Executive Director (resigned 6 May 2021)	<p>Christine resigned from the Board on 6 May 2021 of which she had been a pro-bono Director since September 2016.</p> <p>Christine McLoughlin AM is an experienced Non-Executive Director and business adviser having worked across a range of sectors including financial services, mining, infrastructure, telecommunications, insurance and health. Christine currently serves as Chairman of Suncorp Group Limited, Chancellor of the University of Wollongong and Chairman of Destination NSW. She is a Director of Cochlear Limited and Chairman and Co-Founder of Minerva Network.</p>
Ms Glenys Beauchamp Independent Non-Executive Director	<p>Glenys joined the Board of the Foundation as a pro-bono Director on 17th June 2020 after more than 35 years in the public service. She was Secretary in the Australian Public Service for nearly 10 years, leading three departments including the Department of Health.</p> <p>Glenys has a degree in Economics from the ANU and a Master of Business Administration from University of Canberra. She is Chair of the Australian Building Codes Board, and a member of the Industry Innovation and Science Australia board and the Australian Commission on Safety and Quality in Health Care. She is also a non-executive director of Health Metrics Pty Ltd and Chair of the advisory board for Region Group Pty Ltd.</p> <p>She is a National Fellow of the Australian Institute of Public Administration Australia and Member of the Centre for Strategy and Governance.</p>

**Ms Christine Holman
Independent Non-
Executive Director**

Christine joined the Board of the McGrath Foundation on 1 July 2020 and is currently the Chair of the Risk, Investment and Audit Committee. Christine is a professional company director and a Non-Executive Director at three ASX listed boards, Metcash Ltd, CSR Ltd and Collins Foods Ltd and one Federal Government Enterprise, The Moorebank Intermodal Company.

In line with her passion for cricket, preserving the history and heritage of the game, and our country, Christine also sits on the Boards of The Bradman Foundation, the ICC T20 Cricket World Cup 2020 and the State Library of NSW Foundation.

In her previous executive capacity, as both CFO & Commercial Director of Telstra Broadcast Services, Christine brings a deep understanding of legacy and emerging technologies. During her time in private investment management, Christine assisted management and the Board of investee companies on strategy development, mergers & acquisitions, leading due diligence teams, managing large complex commercial negotiations and developing growth opportunities.

Christine has an MBA and Post-Graduate Diploma in Management from Macquarie University and is a Graduate of the Australian Institute of Company Directors. Christine is a member of Chief Executive Women (CEW).

2 Company Secretary

Mr Michael Cussen joined the McGrath Foundation in 2017 and currently holds the position of CFO. Michael has been Company Secretary since 30 May 2018.

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		Risk, Investment & Audit Committee	
	A	B	A	B
Mr John Conde AO	5	4	-	5
Mr Glenn McGrath	5	5	-	1
Mrs Tracy Bevan	5	4	-	-
Mr Terry Brown	5	5	5	4
Ms Christine McLoughlin *	4	4	1	1
Ms Glenys Beauchamp	5	5	4	5
Ms Christine Holman **	5	3	5	5

*Christine McLoughlin resigned on 6th May 2021.

** Christine Holman was appointed Chair of the Risk, Investment & Audit Committee on 1st September 2020.

A = Number of meetings held during the time the Director held office during the year.

B = Number of meetings the Director attended.

DIRECTORS' REPORT (cont'd)

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 health understanding in the Australian community. There was a continuing expansion in the provision of nurses during the current year.

Short and Long-term objectives of the Foundation

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

- Provide supportive care nursing for the patients and families of those impacted by breast cancer
- 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
- Increase breast health understanding in the Australian community
- 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.

Strategy for achieving these objectives

The Foundation intends to achieve these objectives through:

- Community fundraising activities and events including but not limited to sporting events
- Partnerships with corporate entities
- Sale of goods and branded merchandise
- Implementing breast health understanding programs
- 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 health understanding 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 surplus/(deficit) of the Foundation for the financial year amounted to \$4,070,322, 2020: (\$1,153,437). This surplus has partially offset a significant portion of the cumulative operating net deficit of (\$5,497,054) realised from the period 1 July 2015 to 30 June 2020 inclusive.

Impact of COVID-19

The Foundation met the revenue reduction criteria to be eligible for the JobKeeper scheme (the Federal Government's wage subsidy in response to COVID-19). Support began in the prior financial year from April 2020 and continued until January 2021. Refer to note 4.4 of the financial statements for details on the JobKeeper subsidies received during the period.

Other support received by the Foundation included the Federal Government's Boosting cash flow for employers, which has been received and recognised within the current and prior financial years as well as rent reductions on lease property of which the cash benefit was received in the current year. Refer to note 4.4 of the financial statements for details of this support received during the period.

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

DIRECTORS' REPORT (cont'd)

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

As at the date of this report, the future impact of COVID-19 on the domestic economy and the impact on the Foundation remains uncertain. The Foundation has and continues to monitor this situation.

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

\$10,000 was paid as the premium for Directors' and officers' liability and legal expense insurance contracts for the year ended 30 June 2021. Such insurance contracts insure against certain liabilities for all directors of the Foundation.

11 Auditor's independence declaration

The auditor's independence declaration is set out on page 7 and forms part of the Directors' Report for the financial year ended 30 June 2021.

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



Mr John Conde AO
Director
24 September 2021
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 2021 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

Daniel Robinson
Partner

Sydney
24 September 2021

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021**

	Notes	2021 \$	2020 \$
Revenue	4.1	26,970,087	21,249,265
Other income	4.4	726,200	434,306
Expenses			
<u>Programme Expenses</u>			
Foundation funded Breast Care Nurses programme expenses		4,505,550	6,495,061
Government funded Breast Care Nurses initiative expenses		12,254,382	8,113,861
<i>Total programme expenses</i>		16,759,932	14,608,922
<u>Non-Programme Expenses</u>			
Fundraising and marketing expenses		6,228,429	7,538,206
General and administration expenses		1,135,193	1,309,882
<i>Total non-programme expenses</i>		7,363,622	8,848,088
Total expenses		24,123,554	23,457,010
Finance income	4.1	531,107	664,439
Finance costs		(33,518)	(44,437)
Net finance income		497,589	620,002
Net surplus/(deficit) for the year		4,070,322	(1,153,437)
Changes in fair value of financial instruments that will not be subsequently realised in surplus/(deficit) for the year		936,084	(308,788)
Other comprehensive income/(loss) for the year		936,084	(308,788)
Total comprehensive income/(loss) for the year		5,006,406	(1,462,225)

The accompanying notes on pages 12 to 25 form part of these financial statements.

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021**

	Notes	2021 \$	2020 \$
Current Assets			
Cash and cash equivalents	5.1	9,039,741	5,325,701
Investments	5.2	115,687	92,803
Trade and other receivables	5.3	365,776	597,979
Prepayments		223,872	214,079
Inventories		20,551	68,563
Other financial assets		239,233	239,233
Total Current Assets		10,004,860	6,538,358
Non-current Assets			
Investments	5.2	21,782,658	15,902,963
Property, plant & equipment	5.5	870,794	1,130,859
Intangible assets	5.6	118,293	208,619
Total Non-current Assets		22,771,745	17,242,441
Total Assets		32,776,605	23,780,799
Current Liabilities			
Trade and other payables	5.4	3,655,564	2,901,454
Employee benefits		455,143	382,611
Deferred income	4.3	4,720,595	1,318,699
Lease Liabilities	5.7	257,896	237,784
Total Current Liabilities		9,089,198	4,840,548
Non-current Liabilities			
Employee benefits		19,751	29,341
Provisions		145,154	142,997
Lease Liabilities	5.7	285,999	537,816
Total Non-current Liabilities		450,904	710,154
Total Liabilities		9,540,102	5,550,702
Net Assets		23,236,503	18,230,097
Equity			
Fair value reserve		1,475,084	539,000
Accumulated surpluses		21,761,419	17,691,097
Total Equity		23,236,503	18,230,097

The accompanying notes on pages 12 to 25 form part of these financial statements.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021**

	Notes	2021 \$	2020 \$
Cash flow from operating activities			
Donations received		6,605,547	6,159,640
Proceeds from fundraising		5,905,583	4,344,944
Proceeds from corporate partners		2,165,245	2,897,952
Proceeds from grants		17,035,752	1,776,500
Cash receipts – Job Keeper	4.4	796,200	240,000
Cash receipts – Other COVID-19 support	4.4	50,000	50,000
Payments to suppliers and employees		(23,920,307)	(23,823,315)
Interest received from cash accounts		2,065	72,156
Interest paid*		(33,518)	(44,437)
Net cash (used in)/provided by operating activities		8,606,567	(8,326,560)
Cash flow from investing activities			
(Deposits made)/proceeds from investments		(4,500,000)	2,000,000
Payments for property, plant & equipment		(160,822)	(16,825)
Payments for intangible assets		-	(20,000)
Net cash (used in)/provided by investing activities		(4,660,882)	1,963,175
Cash flow from financing activities			
Payment of principal of lease liabilities**		(231,705)	(207,047)
Net cash used in financing activities		(231,705)	(207,047)
Net increase/(decrease) in cash held		3,714,040	(6,570,432)
Cash and cash equivalents at the beginning of the financial year		5,325,701	11,896,133
Cash and cash equivalents at the end of the financial year	5.1	9,039,741	5,325,701

*The Foundation has classified:

- Cash payments for the interest portion of lease payments as operating activities consistent with the presentation of interest payments.
- Short-term lease payments, payments for leases of low value assets and variable lease payments not included in the measurement of the lease liability within operating activities.

**The Foundation has classified:

- Cash payments for the principal portion of lease payments as financing activities.

The accompanying notes on pages 12 to 25 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021**

	Fair value reserve \$	Accumulated surpluses \$	Total equity \$
Balance at 30 June 2019	847,788	18,866,185	19,713,973
Initial application of AASB 16*	-	(21,651)	(21,651)
Balance at 1 July 2019	847,788	18,844,534	19,692,322
Net deficit for the year	-	(1,153,437)	(1,153,437)
<i>Other comprehensive income for the year:</i>			
Changes in fair value of financial instruments that will not be subsequently realised in (deficit) for the year	(308,788)	-	(308,788)
Balance at 30 June 2020	539,000	17,691,097	18,230,097
Net surplus for the year	-	4,070,322	4,070,322
<i>Other comprehensive income for the year:</i>			
Changes in fair value of financial instruments that will not be subsequently realised in surplus for the year	936,084	-	936,084
Balance at 30 June 2021	1,475,084	21,761,419	23,236,503

* The Foundation initially applied AASB 16 at 1 July 2019, using the modified retrospective method. Refer to the 30 June 2020 Financial Report for details of opening balance adjustments made on application of the new standard.

The accompanying notes on pages 12 to 25 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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 health understanding programs. 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 2021, the number of members was 4 (2020: 4).

The Foundation’s registered address and principal place of business is Level 1/32 Walker Street, North Sydney NSW 2060.

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 24 September 2021. 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 a going concern basis. The financial statements have been prepared on the historical cost basis except for 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.

Use of estimates and judgements

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

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

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

2 Basis of preparation (cont'd)

(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 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 an other 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 leave entitlements and other incentives recognised in respect of employees' services up to the end of the reporting period. These liabilities are measured at the amounts expected to be paid when they are settled and include related superannuation on-costs.

The employee related expense (including subcontractors) for the year was \$4,401,994 (2020: \$4,746,038). Within employee related expenses, \$342,029 (2020: \$378,918) in expenses relating to defined contribution plans (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.

(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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

2 Basis of preparation (cont'd)

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 probability assumptions, discounted to determine its present value. Reassessments are recognised in the Statement of Comprehensive Income in the period they arise.

(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.

(v) Impact of COVID-19

The Foundation met the revenue reduction criteria to be eligible for the JobKeeper scheme (the Federal Government's wage subsidy in response to COVID-19). Support began in the prior financial year from April 2020 and continued until January 2021. Refer to note 4.4 for details on the JobKeeper subsidies received during the current and prior financial year.

Other support received by the Foundation included the Federal Government's Boosting cash flow for employers, which has been received and recognised within the current and prior financial years as well as rent reductions on lease property of which the cash benefit was received in the current year. Refer to note 4.4 for details of the subsidies received during the current and prior financial year.

Management regularly monitor cash flow forecasts, including the anticipated potential ongoing impacts of COVID-19, to ensure adequate cash is available to meet operational requirements. Taking into consideration cash flow forecasts, available cash on hand and the ability to access cash from investments if required, management have determined that there are reasonable grounds to believe that McGrath Foundation will be able to pay its debts as and when they become due and payable and consider the going concern basis of preparation to be appropriate for this financial report.

3 Changes in accounting policies

The Foundation has consistently applied the accounting policies set out in Notes 2 to 6 to all periods presented in these financial statements. None of the new and amended accounting standards and interpretations as noted below have had a material impact on the Financial Statements.

New and amended accounting standards and interpretations adopted

During the year, the Foundation has adopted a number of new and amended accounting standards and interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatorily effective for an accounting period that begins on or after 1 July 2020, as follows:

AASB 2018-6: Definition of Business (Amendments to AASB 3).

AASB 2018-7: Amendments to Australian Accounting Standards – Definition of Material

AASB 2020-4: Amendments to Australian Accounting Standards – COVID-19 Related Rent Concessions

AASB 2019-3: Interest Rate Benchmark Reform (Amendments to AASB 139, AASB 7 and AASB 9)

IFRIC agenda decision on Cloud Computing Arrangements Costs

In March 2021 the IFRS Interpretations Committee (IFRIC) issued a decision on Configuration or Customisation Costs in a Cloud Computing Arrangement (IAS 138 Intangible Assets). The decision requires that where a customer does not control a Software-as-a-Service product, customisation costs are required to be expensed rather than capitalised. The Foundation has performed an assessment and not identified any material costs capitalised for such arrangements. Future costs incurred by the Foundation which satisfy this criteria would be expensed.

Other accounting 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 1 July 2020, and have not been applied in preparing these financial statements. Those which may be relevant to the Foundation are set out below:

AASB 1060: General Purpose Financial Statements – Simplified Disclosures

AASB 17: Insurance Contracts (effective to annual reporting periods beginning on or after 1 January 2023).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

4 Operations of the Foundation

4.1. Revenue and finance income

Revenue recognition policy

AASB 15 - Revenue from Contracts with Customers

Detail on the nature of revenue and cash flows is included below:

Revenue stream	Nature	Recognition criteria
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 and revenue received as part of the contractual agreements.	Revenue is recognised over time as the service is rendered and performance obligations satisfied.
Government grant income	The Foundation's Breast Care Nurse Programme receives support from Australian Government bodies. The Foundation must comply with the conditions associated with the Grants, otherwise the funding is repayable to the Government. See Note 4.2, 4.3 and 5.3 for further details of the Grants.	Where the Foundation must comply with conditions associated with the grant and there are sufficiently specific performance obligations, the revenue is recognised over time as the performance obligations to the grant are fulfilled.
Sale of goods	The Foundation also recognises revenue from the sale of merchandise at fundraising events.	Revenue related to the sale of these goods is recognised at the point in time when the goods are transferred. Receipt of cash and the transfer of goods usually occurs on the same day.

AASB 1058 - Income of not-for-profit entities

Donations, fundraising, bequests and other grants

Other grants such as donations, bequests and legacies and funding agreements which are not enforceable and do not contain sufficiently specific performance obligations are recognised at their fair value when the asset is received. These assets are generally cash, but may be property which has been donated or sold to the Foundation at significantly below its fair value. Fundraising includes amounts paid to the Foundation from supporters of the Foundation where the donor is involved in a Foundation event, such as the Pink Stumps Day.

Once the asset has been recognised, the Foundation recognises any related liability amounts. Income is then recognised for any difference between the recorded asset and liability.

	2021	2020
	\$	\$
Revenue		
Government grants	12,254,382	8,113,861
Donations	6,605,547	6,159,640
Fundraising	5,905,583	4,344,944
Corporate partners	2,204,575	2,630,820
	26,970,087	21,249,265

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

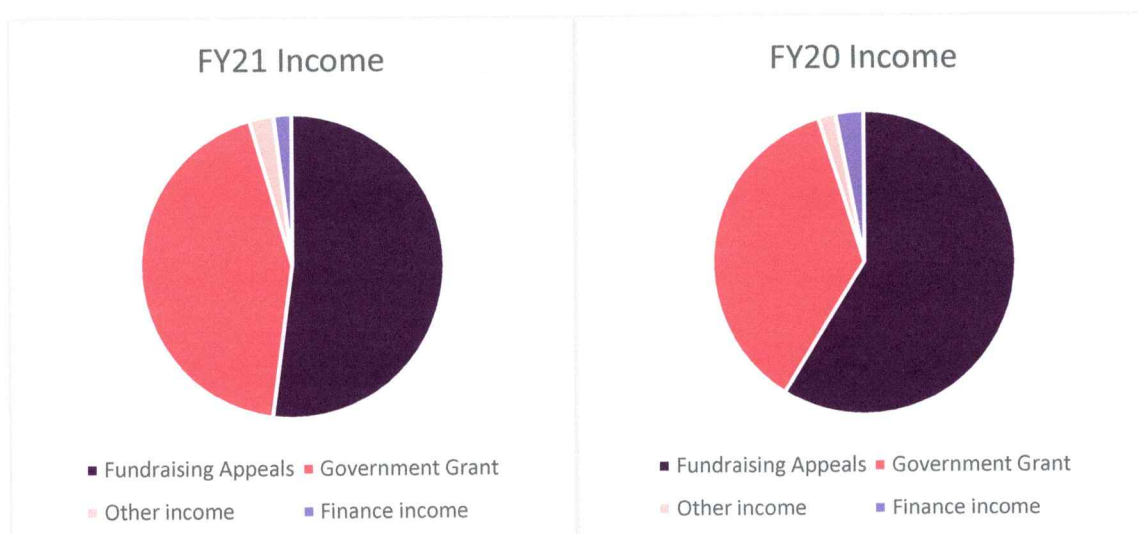
4.1. Revenue and finance income (cont'd)

Finance income relates to interest and dividends received on funds invested. It accrues using the effective interest method.

	2021 \$	2020 \$
Finance income		
Interest income	531,107	664,439
<i>Finance Income</i>	531,107	664,439

Fundraising activities conducted during the year

Major campaigns conducted during 30 June 2021 financial year included Sydney Pink Test, Pink Stumps Day and Pink Up Your Town, donations received through regular giving and major appeals (Tax Appeal and Christmas Appeal), Community Fundraising Events and Corporate Partnerships.



The composition of income is from the sources outlined in the chart above. The majority of funding for the Foundation's mission is sourced from fundraising appeals, which include donations, fundraising and corporate partners.

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. On 22 May 2017, The Foundation signed a new contract with the Commonwealth for a further four years, from 1 July 2017 to 30 June 2021. On 4 June 2019, the Foundation signed a deed of variation on the agreement and a new Standard Grant Agreement was signed which secured funding for up to 98 Breast Care Nurses by 2022-23. The new agreement is effective from 1 July 2019 to 30 June 2023.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

4.2. Breast Care Nurse commitments (cont'd)

On 6 April 2021, the Foundation signed another deed of variation and received additional funding in May 2021. This secured funding to increase the number of Breast Care Nurses for up to 102 by 2022-2023.

The number of nurse positions filled under the Government contract at 30 June 2021 was 87 (2020: 78).

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:

	2021 \$	2020 \$
Within one year	6,900,497	7,043,301
Greater than one year but not later than five years	6,739,363	2,416,962
Total (excluding GST)	13,639,860	9,460,263

State Government Funded Breast Care Nurses

During the year, the Foundation received support from the State Governments to fund Breast Care Nurses.

Government of New South Wales

On 1 November 2019, the Foundation entered into an agreement with the New South Wales Ministry of Health to fund 8 nurse positions and their recruitment and professional development costs. The funding agreement is effective from 1 September 2019 to 31 August 2023.

The number of nurse positions filled under the agreement at 30 June 2021 was 8 (2020: 8).

The commitments included in this note only include committed amounts associated with the employment costs of the Breast Care Nurses, this does not include recruitment and professional development costs permitted under the funding agreement as these costs are not deemed to be committed.

The total undiscounted future minimum payments under the Government of New South Wales Funded Breast Care Nurses fall due for payment as follows:

	2021 \$	2020 \$
Within one year	713,351	758,635
Greater than one year but not later than five years	473,616	732,761
Total (excluding GST)	1,186,967	1,491,396

Government of Victoria

On 9 June 2020, the Foundation received funds from the Department of Health and Human Services Victoria to fund 7 nurse positions and their recruitment and professional development costs for the period 1 July 2020 to 30 June 2021. On 8 June 2021 additional funds were received to provide funding for the 7 nurse positions from 1 July 2021 to 30 June 2022.

The number of nurse positions filled under the agreement at 30 June 2021 was 7 (2020: 7).

The commitments included in this note only include committed amounts associated with the employment costs of the Breast Care Nurses, this does not include recruitment and professional development costs permitted under the funding agreement as these costs are not deemed to be committed.

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

	2021 \$	2020 \$
Within one year	529,000	321,767
Greater than one year but not later than five years	-	-
Total (excluding GST)	529,000	321,767

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

4.2. Breast Care Nurse commitments (cont'd)

Government of Queensland

On 28 September 2020, the Foundation entered into an agreement with Queensland Health to fund 7 nurse position and their recruitment and professional development costs. The funding agreement is effective from 1 July 2020 to 30 June 2023.

The number of nurse positions filled under the agreement at 30 June 2021 was 7 (2020: Nil).

The commitments included in this note only include committed amounts associated with the employment costs of the Breast Care Nurses, this does not include recruitment and professional development costs permitted under the funding agreement as these costs are not deemed to be committed.

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

	2021 \$	2020 \$
Within one year	767,200	-
Greater than one year but not later than five years	442,236	-
Total (excluding GST)	1,209,436	-

Government of Western Australia

On 2 February 2021, the Foundation entered into an agreement with the Department of Health Western Australia to fund 3 nurse positions and their recruitment and professional development costs. The funding agreement is effective from 1 July 2020 to 30 June 2022.

The number of nurse positions filled under the agreement at 30 June 2021 was 3 (2020: Nil).

The commitments included in this note only include committed amounts associated with the employment costs of the Breast Care Nurses, this does not include recruitment and professional development costs permitted under the funding agreement as these costs are not deemed to be committed.

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

	2021 \$	2020 \$
Within one year	71,822	-
Greater than one year but not later than five years	-	-
Total (excluding GST)	71,822	-

Non-Government funded Breast Care Nurses

The Foundation funds all other nurses through the support of the community. The Foundation currently supports 43 (2020: 54) Breast Care Nurse positions that are committed as at 30 June 2021 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 Non-Government funded Breast Care Nurses fall due for payment as follows:

	2021 \$	2020 \$
Within one year	3,777,028	4,309,616
Greater than one year but not later than five years	4,747,169	4,994,932
Total (excluding GST)	8,524,197	9,304,548

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

4.3. Deferred income

	2021 \$	2020 \$
Government grant - Commonwealth of Australia (contract liability)	3,689,169	453,728
Government grant - New South Wales (contract liability)	154,167	174,971
Government grant - Victoria (contract liability)	690,000	690,000
Government grant – Queensland (contract liability)	115,437	-
Government grant – Western Australia (contract liability)	71,822	-
Total deferred income	4,720,595	1,318,699

Government grant - Commonwealth Government of Australia

Funding received in the year ended 30 June 2021 amounted to \$13,228,600 (incl. GST) (2020: \$Nil). Funding is conditional on 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 2021 is payable to the Commonwealth Government and presented within Deferred income.

Revenue recognised in relation to the government grant for the year ended 30 June 2021 amounted to \$8,790,559 (2020: \$7,363,832). 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 2021.

Government grant - Government of New South Wales

Funding received in the year ended 30 June 2021 amounted to \$1,017,500 (incl. GST) (2020: \$1,017,500) and was conditional on the funding being used for the recruitment and professional development of McGrath Breast Care Nurses in New South Wales, and funding of employment costs of 8 McGrath Foundation Breast Care Nurses. 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 2021 is payable to the Government of New South Wales and presented within Deferred income.

Revenue recognised in relation to the government grant for the year ended 30 June 2021 amounted to \$945,804 (2020: \$750,029). Revenue is released to the income statement when costs that fulfil the conditions of the funding agreement are incurred.

See Note 4.2 for details of future commitments for Government of New South Wales funded McGrath Foundation Breast Care Nurses as at 30 June 2021.

Government grant - Government of Victoria

Funding received in the year ended 30 June 2021 amounted to \$759,000 (incl. GST) (2020: \$759,000) and was conditional on the funding being used for the recruitment and professional development, and employment costs of 7 McGrath Foundation Breast Care Nurses. 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 2021 is payable to the Government of Victoria and presented within Deferred income.

Revenue recognised in relation to the government grant for the year ended 30 June 2021 amounted to \$690,000 (2020: \$Nil). Revenue is released to the income statement when costs that fulfil the conditions of the funding agreement are incurred.

See Note 4.2 for details of future commitments for Government of Victoria funded McGrath Foundation Breast Care Nurses as at 30 June 2021.

Government grant - Government of Queensland

Funding received in the year ended 30 June 2021 amounted to \$913,180 (incl. GST) (2020: \$Nil) and was conditional on the funding being used for the recruitment and professional development, and employment costs of 7 McGrath Foundation Breast Care Nurses. 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 2021 is payable to the Government of Queensland and presented within Deferred income.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

4.3. Deferred income (cont'd)

Revenue recognised in relation to the government grant for the year ended 30 June 2021 amounted to \$714,727 (2020: \$Nil). Revenue is released to the income statement when costs that fulfil the conditions of the funding agreement are incurred.

See Note 4.2 for details of future commitments for Government of Queensland funded McGrath Foundation Breast Care Nurses as at 30 June 2021.

Government grant - Government of Western Australia

Funding received in the year ended 30 June 2021 amounted to \$303,472 (incl. GST) (2020: \$Nil) and was conditional on the funding being used for the recruitment and professional development, and employment costs of 3 McGrath Foundation Breast Care Nurses. 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 2021 is payable to the Government of Western Australia and presented within Deferred income.

Revenue recognised in relation to the government grant for the year ended 30 June 2021 amounted to \$204,062 (2020: \$Nil). Revenue is released to the income statement when costs that fulfil the conditions of the funding agreement are incurred.

See Note 4.2 for details of future commitments for Government of Western Australia funded McGrath Foundation Breast Care Nurses as at 30 June 2021.

4.4 Other income

Other income	2021	2020
	\$	\$
Jobkeeper payments	676,200	360,000
Cash flow boost on PAYG withholding	50,000	50,000
Rent concessions	-	24,306
Total other income	726,200	434,306

The Foundation met the revenue reduction criteria to be eligible for the JobKeeper scheme and this support began in April 2020 and continued until January 2021. The Foundation has received \$676,200 of benefit with respect of these payments in the current year. \$120,000 was recorded as a receivable in trade and other receivables as at 30 June 2020, relating to support for the previous financial year and has also been received as cash in the current year. The Foundation expected to receive a rent concession of \$24,306 which was negotiated prior to 30 June 2020. The Foundation received \$18,534 of benefit as negotiations continued in the current year. The difference of \$5,772, being the reduction in benefit received has been recognised in general and administration expenses in the current year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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.

	2021 \$	2020 \$
Cash at bank and on hand	9,039,741	5,325,701
	9,039,741	5,325,701

5.2. Investments

Accounting policy

Investments comprise of both equity and debt instruments.

	2021 \$	2020 \$
Current		
Investments measured at fair value through profit and loss	115,687	92,803
	115,687	92,803
Non-current		
Investments measured at fair value through profit and loss	16,816,385	12,077,460
Investments measured at fair value through other comprehensive income	4,966,273	3,825,503
	21,782,658	15,902,963

Investments in equity instruments are measured at fair value through other comprehensive income on a recurring basis using Level 1 inputs. All investments measured at fair value through other comprehensive income have been designated as such on initial recognition in accordance with AASB 9. Investments in debt instruments are measured at fair value through profit and loss.

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 a Government grant funding due date and payment date which results 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.

	2021 \$	2020 \$
Trade receivables	141,431	97,328
Provision for impairment	-	-
	141,431	97,328
Other receivables (sundry receivables, net GST receivable)	55,114	500,651
Receivable in respect of Regional NSW funded Government Breast Care Nurses	169,231	-
	365,776	597,979

The impairment expense recognised in the period is \$NIL (2020: \$NIL).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

5.3. Trade and other receivables (cont'd)

Government grant - Government of NSW (Regional Grant)

Funding received in the year ended 30 June 2021 amounted to \$814,000 (incl. GST) (2020: \$Nil) and was conditional on the funding being used for the recruitment and professional development, and employment costs of McGrath Foundation Breast Care Nurses. The funding is received in instalments over the period of the funding agreement.

Revenue recognised in relation to the government grant for the year ended 30 June 2021 amounted to \$909,231 (2020: \$Nil). Revenue is released to the income statement when costs that fulfil the conditions of the funding agreement are incurred.

The grant is not expected to be renewed and there are no further material commitments. The final instalment is to be received in October 2021 as per the terms of the signed agreement with the Department of Regional NSW.

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.

	2021	2020
	\$	\$
Trade payables	642,480	658,080
Other payables (net GST and PAYG payable)	238,052	-
Accrued expenses	2,775,032	2,243,374
	3,655,564	2,901,454

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:

<u>Asset class</u>	<u>Depreciation policy</u>
Leasehold improvements	Lease term
Furniture and fittings	5 years
Computer equipment	3 years
Right-of-use assets	Lease term

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.

Property, plant and equipment additions for the year total \$160,822 (2020: \$16,825).

The depreciation expense recognised in the year was \$398,887 (2020: \$406,501) of which \$233,508 (2020: \$233,508) related to the right of use assets.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

5.5. Property, plant and equipment (cont'd)

	Right-of-Use assets	Leasehold improvements	Furniture and Fittings	Computer Hardware	Work in Progress	Total
Cost	\$	\$	\$	\$	\$	\$
Balance at 30 June 2020	934,032	597,336	93,312	345,362	-	1,970,042
Additions	-	-	1,723	51,084	108,015	160,822
Disposals	-	-	(40,056)	-	-	(40,056)
Balance at 30 June 2021	934,032	597,336	54,979	396,446	108,015	2,090,808
Accumulated Depreciation/Amortisation						
Balance at 30 June 2020	233,508	238,741	66,918	300,016	-	839,183
Depreciation	233,508	119,664	2,944	42,771	-	398,887
Disposals	-	-	(18,056)	-	-	(18,056)
Balance at 30 June 2021	467,016	358,405	51,806	342,787	-	1,220,014
Carrying Amounts						
At 30 June 2020	700,524	358,595	26,394	45,346	-	1,130,859
At 30 June 2021	467,016	238,931	3,173	53,659	108,015	870,794

5.6. Intangible assets

Accounting policy

Intangible assets are 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 \$NIL (2020: \$20,000).

The amortisation expense recognised in the year was \$90,326 (2020: \$143,001).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

5.6. Intangible assets – (cont'd)

	Computer Software	Website Costs	Total
Cost			
Balance 1 July 2020	607,808	238,306	846,114
Additions	-	-	-
Balance 30 June 2021	607,808	238,306	846,114
Accumulated Amortisation			
Balance 1 July 2020	554,186	83,309	637,495
Amortisation	42,664	47,662	90,326
Balance 30 June 2021	596,850	130,971	727,821
Carrying Amounts			
At 30 June 2020	53,622	154,997	208,619
At 30 June 2021	10,958	107,335	118,293

5.7. Lease Liabilities

Contractual undiscounted cashflows

	2021	2020
	\$	\$
Less than one year	279,234	265,223
One to five years	293,804	573,038
More than five years	-	-
Total undiscounted lease liabilities	573,038	838,261
Current	257,896	237,784
Non-current	285,999	537,816
Total lease liabilities	543,895	775,600

Accounting policy

At inception of a contract, the Foundation assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Foundation uses the definition of a lease in AASB 16. At inception or on reassessment of a contract that contains a lease component, the Foundation allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

The Foundation leases assets including items of property. The Foundation recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term and adjusted for certain re-measurements of the lease liability or impairment losses.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

5.7. Lease Liabilities (cont'd)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Foundation's incremental borrowing rate. It is remeasured (and a corresponding adjustment made to the related right-of-use asset) when there is a change in future lease payments arising from a change in an index rate, a change in the estimate of the amount expected to be payable under a residual guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

6 Other notes

6.1. Auditor's remuneration

	2021	2020
	\$	\$
Audit of statutory financial statements	49,500	46,000
Audit/review of Government Grant funding	5,500	5,500
Assistance with compilation of financial statements	7,750	7,750
Total auditors remuneration	62,750	59,250

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 \$548,664 (2020: \$536,170) for the year ended 30 June 2021. 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 2021 (2020: \$nil).

6.3. Significant events after balance date

As at the date of this report, the future impact of COVID-19 on the domestic economy and the impact on the Foundation remains uncertain. The Foundation has and continues to monitor this situation.

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.

DECLARATION OF CHIEF EXECUTIVE OFFICER IN RESPECT OF FUNDRAISING APPEALS

I, Holly Masters, Chief Executive Officer 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 2021.
- 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 2021.
- 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 2021;
- 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 2021; 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.



Mrs Holly Masters
Chief Executive Officer
24 September 2021
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 8 to 25 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 2021 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:

A handwritten signature in blue ink that reads "John Conde". The signature is written in a cursive style with a large initial 'J'.

Mr John Conde AO
Chairman
24 September 2021
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 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*, including:

- i. giving a true and fair view of the Foundation's financial position as at 30 June 2021, and of its financial performance and its cash flows for the year then ended; and
- ii. complying with *Australian Accounting Standards – Reduced Disclosure Requirements* to the extent described in Note 2 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 2021.
- ii. Statement of profit or loss and other 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 Chief Executive Officer in respect of fundraising appeals of the Foundation.

Basis for opinion

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

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

We are independent of the 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 (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.



Other information

Other Information is financial and non-financial information in 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.

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 and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the 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.



As part of an audit in accordance with Australian Accounting Standards - Reduced Disclosures Requirements, we exercise professional judgement and maintain professional scepticism throughout the audit.

We also:

- i. Identify and assess the risks of material misstatement of the Financial Report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ii. Obtain an understanding of internal control relevant to the Audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the registered Foundation's internal control.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- iv. Conclude on the appropriateness of the Director's 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 registered 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 registered Foundation to cease to continue as a going concern.
- v. Evaluate the overall presentation, structure and content of the Financial Report, including the disclosures, and whether the Financial Report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors of the registered Foundation regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 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 2021;
- ii. The Financial Report has been properly drawn up, and the associated records have been properly kept for the period from 1 July 2020 to 30 June 2021, 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 2020 to 30 June 2021 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 2021.

KPMG

Daniel Robinson
Partner

Sydney
24 September 2021