

THE LEUKAEMIA FOUNDATION OF AUSTRALIA LIMITED
ACN 057 493 017
FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

INDEX	Page
Corporate Information	2
Directors' Report	3-6
Auditor's Independence Declaration	7
Directors' Declaration	8
Statement of Comprehensive Income	9
Statement of Financial Position	10
Statement of Changes in Equity	11
Statement of Cash Flows	12
Notes to the Financial Statements	13-29
Independent Auditor's Report	30-33

THE LEUKAEMIA FOUNDATION OF AUSTRALIA LIMITED
ACN 057 493 017
FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

Corporate information

Directors	B Mirolo (Chairperson) A Alexander C Murray D Laarhoven L Di Giallonardo M Hargraves P Bradley R Yeo T Formica T Ridgway
Company Secretary	P Bradley
Registered office and principal place of business	213-217 St Pauls Terrace Fortitude Valley QLD 4006
Bankers	National Australia Bank 100 Creek Street BRISBANE QLD 4000
Auditor	Ernst & Young Level 51 111 Eagle Street Brisbane QLD 4000

THE LEUKAEMIA FOUNDATION OF AUSTRALIA LIMITED
ACN 057 493 017

DIRECTORS' REPORT

The Board of Directors ("Board") of the Leukaemia Foundation of Australia Limited ('LFA', 'the Foundation' or 'the Company') present herewith the annual financial report of the Foundation for the year ended 30 June 2018 and report as follows:

Directors

The names and particulars of the Directors of the Foundation during or since the end of the financial year are:

Director	Date appointed	Qualifications
Bev Mirolo (Chairperson)	16/04/2016	OAM, RN
Arthur Alexander	16/04/2016	BHMS, EMBA, Dip T, MAICD
Christopher Murray	16/04/2016	BE(Hons), MIEAust, GAICD, AMP
Darren Laarhoven	25/11/2010	FCA
Lucio Di Giallonardo	20/11/2004	FCA
Maryanne Hargraves	16/04/2016	RN, BhlthScN, MBA (Hons), GAICD
Phillip Bradley	28/11/2005	LLB, BA
Robert Yeo	25/10/2005	FCA
Tim Ridgway	21/03/2009	BA(Hons), GAICD
Tony Formica	16/04/2016	CA, FAICD MBA

Short and long-term objectives and strategy

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

- a) Conduct or foster research into the cause, cure, therapy and/or effects of disease or treatments from leukaemia, other diseases of the blood, blood forming tissues and/or vessels and other diseases where treatments involve blood, blood vessels and blood forming tissues; and
- b) Support those, the carers or the families of those who have one or more of these diseases.

The Foundation's strategy for achieving those objectives includes:

- a) Providing funds derived from fundraising and other revenue generating activities to fund research activities;
- b) Providing facilities for the optimum care and treatment of patients with one or more of these diseases;
- c) Conducting, providing and/or promoting educational publications or meetings or providing grants for educational purposes in relation to these diseases;
- d) Acting as an advocate for patients, groups of patients, their carers, or others involved in the provision of care, treatment and therapeutics; and
- e) Doing such other things as the Board may from time to time determine in furtherance of the provision of aid generally to those who have one of these diseases.

Principal activities

The principal activities of the Foundation continue to be supporting patients (together with their carers and families) with Leukaemia, Lymphoma, Myeloma and related blood diseases, as well as promoting the funding of research into these diseases.

Significant changes in state of affairs

There were no significant changes in the state of affairs of the Foundation during the year other than as set out in this report.

Performance measures (non-IFRS)

The Foundation measures performance through the establishment and monitoring of benchmarks based on prior years:

- (a) To be creative and explore ways to generate additional funding;
- (b) To increase funding levels towards support services and research activities; and
- (c) To closely assess and manage the Foundation's expenses to ensure cost effectiveness

THE LEUKAEMIA FOUNDATION OF AUSTRALIA LIMITED
ACN 057 493 017

DIRECTORS' REPORT (continued)

Review of operations

	2018 \$	2017 \$
Fundraising Revenue	31,055,150	33,924,017
Fundraising Costs	(12,189,804)	(13,153,426)
Net Fundraising Revenue	18,865,346	20,770,591
Other Revenue	4,288,984	4,331,247
Operating Costs	(5,241,219)	(5,227,746)
Surplus after Fundraising & Operating Costs	17,913,111	19,854,092
Research Grants Expense	(1,426,973)	(2,238,183)
Patient Support Expense	(13,857,518)	(13,269,769)
Total Expenditure on Support Services and Research	(15,284,491)	(15,507,952)
Surplus for the year	2,628,620	4,346,140

In the 2017-18 financial year, World's Greatest Shave raised \$16.7M. Other major events such as Light the Night, UGLY Bartender and Aussie Muscle Car Run collectively raised \$4.2M. Revenue from Community Fundraising activities amounted to \$2.4M; Individual Giving and Philanthropy raised \$6.4M; Sponsorships, Grants and other fundraising contributed \$0.7M.

The Foundation is beginning to invest in its new research strategy to maximise the impact for patients and families. Support Services expenditure was largely contained during this period to ensure the ongoing viability and sustainability of all support programs.

After Balance Date Events

No matters or circumstances have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the Foundation, the results of those operations, or the state of affairs of the Foundation, in subsequent financial years.

THE LEUKAEMIA FOUNDATION OF AUSTRALIA LIMITED
ACN 057 493 017

DIRECTORS' REPORT (continued)

Meetings of Directors

The numbers of meetings of the Foundation's Board of Directors, the Finance, Audit and Risk Management Committee (FARM) and the Remuneration and Nominations Committee (RNC) held during the year ended 30 June 2018, and the numbers of meetings attended by each director were:

	Number of Meetings Directors		Number of Meetings FARM Committee		Number of Meetings RNC Committees	
	Held (i)	Attended	Held (i)	Attended	Held (i)	Attended
B Mirolo	10	10			4	4
A Alexander	10	10				
C Murray	10	9			4	4
D Laarhoven	10	9	5	5		
L Di Giallonardo	10	8	5	5		
M Hargraves	10	9				
P Bradley	10	9				
R Yeo	10	9				
T Ridgway	10	9			4	4
T Formica (ii)	5	4	2	2		

- (i) Number of meetings held during the time the Director held office or was a Member of the Committee during the year.
- (ii) The Foundation entered into a contract with a Director – Tony Formica as an operational resource to assist the Transition Manager effectively operate remotely after his relocation overseas. Tony Formica took an authorised leave of absence from the board to avoid any potential conflict of interest.

Corporate Governance

Our mission to beat blood cancer is underpinned by a governance framework that enables the organisation to meet the needs of our stakeholders, while managing risk and complying with federal and state legislation.

Board of Directors

The Board is structured to provide a balanced skill set to add value with regional representation, financial oversight, commercial experience, clinical practice, and legal expertise. The Board ensures the Foundation's resources are used effectively to meet the needs of Australians with Leukaemia, Lymphoma, Myeloma and related blood disorders. The key roles and responsibilities of the Board are:

- selection, appointment and removal of the CEO;
- setting the direction, financial objectives, allocation of capital, human resource management, and goals for management;
- oversight of performance against strategic objectives, and financial goals;
- evaluating the performance and determining the remuneration of the CEO, senior managers and the Board;
- ensuring the appropriate risk management systems, internal controls, reporting systems and compliance frameworks are in place and operating effectively; and
- defining Board competencies, evaluating Board performance and planning Board succession.

The following ongoing Advisory Committees support the Board in fulfilling its roles and responsibilities:

Finance, Audit and Risk Management Committee (FARM)

The key purpose of the FARM is to assist the Board in fulfilling its responsibilities in relation to verifying and safeguarding the integrity of the financial reporting of the Foundation; and establishing a sound system of risk oversight, management of internal controls and ethics.

Remuneration and Nomination Committees (RNC)

The key purpose of the Remuneration Committee is to review and make recommendations to the Board on group remuneration strategy and policy, people and culture, succession planning for key management roles, remuneration for the CEO, GM Corporate Services and other direct reports to the CEO; and such other matters as are delegated by the Board from time to time.

The key purpose of the Nomination Committee is to review and make recommendations to the Board on the composition of the Board, the appointment of directors to the Board; and the performance of the Board and its committees.

Dated at Brisbane this 18th day of December 2018.

Signed in accordance with a resolution of the Directors made pursuant to s298 (2) of the Corporations Act 2001.

On behalf of the Directors



Beverley Mirolo OAM
Chairperson

Auditor's Independence Declaration to the Directors of The Leukaemia Foundation of Australia Limited

In relation to our audit of the financial report of The Leukaemia Foundation of Australia Limited for the financial year ended 30 June 2018, and in accordance with the requirements of Subdivision 60-C of the *Australian Charities and Not-for profits Commission Act 2012*, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Australian Charities and Not-for profits Commission Act 2012* or any applicable code of professional conduct.



Ernst & Young



Mike Reid
Partner
Brisbane
18 December 2018

THE LEUKAEMIA FOUNDATION OF AUSTRALIA LIMITED
ACN 057 493 017

DIRECTORS' DECLARATION

The directors' of the Foundation declare that:

1. The financial statements and notes of the Foundation are in accordance with the *Corporations Act 2001* and the *Australian Charities and Not-for-profits Commission Act 2012*, including:
 - a. Complying with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Regulations 2013*; and
 - b. Giving a true and fair view of the financial position as at 30 June 2018 and of the performance for the year ended on that date of the Foundation.
2. In the director's opinion, with respect to the *NSW Charitable Fundraising Act 1991 No69*, the provisions of the Act, the regulations under the Act and the conditions attached to the authority have been complied by the Foundation.
3. In the directors' opinion, there are reasonable grounds to believe that the Foundation will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Dated at Brisbane this 18th December 2018.

On behalf of the Directors



Beverley Mirolo OAM
Chairperson

THE LEUKAEMIA FOUNDATION OF AUSTRALIA LIMITED
ACN 057 493 017
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 \$	2017 \$
Revenue	2	35,344,134	38,235,264
Fundraising and operational support expenses (excluding research grants, and patient support)	3	(17,431,023)	(18,381,172)
		17,913,111	19,854,092
Fulfilment of mission expenses	3	(15,284,491)	(15,507,952)
Net surplus for the year		2,628,620	4,346,140
<i>Other Comprehensive Income – items that may subsequently be reclassified to profit or loss</i>			
Net changes in fair value of available-for-sale financial assets	11	(17,167)	37,573
Total comprehensive surplus for the year		2,611,453	4,383,713

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

THE LEUKAEMIA FOUNDATION OF AUSTRALIA LIMITED
ACN 057 493 017
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	Note	2018 \$	2017 \$
CURRENT ASSETS			
Cash and cash equivalents	5	18,056,039	15,298,340
Trade and other receivables	6	816,418	1,859,183
Other assets	7	426,629	672,349
TOTAL CURRENT ASSETS		19,299,086	17,829,872
NON-CURRENT ASSETS			
Property, plant and equipment	8	63,982,489	62,808,134
Intangibles	9	33,468	76,063
Capital work in progress	10	103,140	1,874,664
Available-for-sale financial investments	11	1,406,356	240,662
TOTAL NON-CURRENT ASSETS		65,525,453	64,999,523
TOTAL ASSETS		84,824,539	82,829,395
CURRENT LIABILITIES			
Trade and other payables	12	1,682,490	2,149,372
Unearned Revenue	13	-	100,000
Provisions	14	1,419,807	1,401,755
TOTAL CURRENT LIABILITIES		3,102,297	3,651,127
NON-CURRENT LIABILITIES			
Provisions	14	380,901	448,380
TOTAL NON-CURRENT LIABILITIES		380,901	448,380
TOTAL LIABILITIES		3,483,198	4,099,507
NET ASSETS		81,341,341	78,729,888
EQUITY			
Retained surplus		53,530,065	50,901,445
Reserves	15	27,811,276	27,828,443
TOTAL EQUITY		81,341,341	78,729,888

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

THE LEUKAEMIA FOUNDATION OF AUSTRALIA LIMITED
ACN 057 493 017
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018

	Retained surpluses	Fair Value Reserve (Note 15)	Equity Contribution Reserve (Note 15)	Total Equity
	\$	\$	\$	\$
Balance at 1 July 2016	46,555,305	-	-	46,555,305
Equity contribution	-	-	27,790,870	27,790,870
Net surplus for the year	4,346,140	-	-	4,346,140
Net changes in fair value of available-for-sale financial assets	-	37,573	-	37,573
Balance at 30 June 2017	50,901,445	37,573	27,790,870	78,729,888
Net surplus for the year	2,628,620	-	-	2,628,620
Net changes in fair value of available-for-sale financial assets	-	(17,167)	-	(17,167)
Balance at 30 June 2018	53,530,065	20,406	27,790,870	81,341,341

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

THE LEUKAEMIA FOUNDATION OF AUSTRALIA LIMITED
ACN 057 493 017
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 \$	2017 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		151,251	229,924
Receipts from donors and sponsors		36,123,829	39,664,693
Payments to suppliers and employees		(32,072,505)	(34,160,832)
NET CASH FLOWS FROM OPERATING ACTIVITIES	18	<u>4,202,575</u>	<u>5,733,785</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(642,386)	(2,471,060)
Payments for capital work in progress		(802,490)	(1,840,885)
Cash from acquisition of related parties		-	4,816,487
NET CASH FROM/(USED IN) INVESTING ACTIVITIES		<u>(1,444,876)</u>	<u>504,542</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		2,757,699	6,238,327
Cash and cash equivalents at the beginning of the year		15,298,340	9,060,013
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	5	<u><u>18,056,039</u></u>	<u><u>15,298,340</u></u>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

THE LEUKAEMIA FOUNDATION OF AUSTRALIA LIMITED
ACN 057 493 017
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

1. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The financial report is a general purpose financial report which has been prepared in accordance with the *Corporations Act 2001*, the *Australian Charities and Not-for-profits Commission Act 2012*, Australian Accounting Standards – Reduced Disclosure Requirements, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial report was authorised for issue by the board of Directors on 18 December 2018.

The company is limited by guarantee and is incorporated and domiciled in Australia.

The financial report has been prepared on the basis of historical cost except for available-for-sale (AFS) financial investments.

Accounting policies

Specific material accounting policies adopted by the Foundation in the preparation of the financial report are included with the relevant Note to the Financial Statements. The accounting policies have been consistently applied unless otherwise stated.

(a) Income tax

No provision for income tax has been raised as the Foundation is exempt from income tax under Subdivision 50 - 5 of the Income Tax Assessment Act 1997.

(b) Critical accounting estimates and judgments

The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Foundation. Key estimates and critical judgments are discussed in the Notes dealing with Property, Plant and Equipment and Available-for-Sale Financial Investments.

(c) Functional currency

The financial statements of the Foundation are presented in its functional currency being the currency of the primary economic environment in which the entity operates. The results and financial position of the Foundation are expressed in Australian dollars, which is the functional currency of The Leukaemia Foundation of Australia Limited and the presentation currency of the financial statements.

(d) Adoption of new and revised Accounting Standards

Standards and Interpretations issued and effective for the reporting period ended 30 June 2018

In the year ended 30 June 2018, the directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Foundation's operations and effective for the current reporting period. It has been determined by the directors that there is no material impact, of the new and revised Standards and Interpretations on the Foundation's business and, therefore, no change to the Foundation's accounting policies is necessary.

Standards and Interpretations issued but not effective for the reporting period ended 30 June 2018

The directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2018. As a result of this review the directors have determined that there is no material impact from the new and revised Standards apart from AASB 16 Leases, AASB 1058 Income for Not-for-Profit Entities and AASB 15 Revenue from Contracts with Customers (all are effective for the year ending 30 June 2020). The Foundation is in the process of assessing the impact of AASB 16.

AASB 1058 Income for Not-for-Profit Entities may apply in future for transactions where the Foundation receives goods and services for consideration that is significantly less than fair value. The Foundation has peppercorn leases that may be required to be included as income, based on the fair value of the leases.

THE LEUKAEMIA FOUNDATION OF AUSTRALIA LIMITED
ACN 057 493 017
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

AASB 9 Financial Instruments (effective for the Foundation's financial year ending 30 June 2019), revises the classification and measurement of financial assets, reducing the number of categories and simplifying the measurement choices, including the removal of impairment testing of assets measured at fair value. Impairment of receivables will be based on expected credit losses. Market value movements and sales for available-for-sale assets will be recorded within the Other Comprehensive Income.

THE LEUKAEMIA FOUNDATION OF AUSTRALIA LIMITED
ACN 057 493 017
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

	2018 \$	2017 \$
2. REVENUE		
<u>Revenue from operating activities</u>		
– World's Greatest Shave	16,677,478	16,490,982
– Other fundraising and donations	13,310,895	15,528,849
– Fundraising towards capital projects	399,360	1,298,978
– Interest income	247,510	229,924
– Rent	3,993,130	4,071,952
– Dividends	48,344	9,371
– Sponsorship and grants	667,417	605,208
	35,344,134	38,235,264

Accounting policy - Revenue

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

Operating Revenue

Operating revenue comprises revenue received or receivable from donations and fundraising. In-kind donations are included at the fair value to the Foundation where this can be quantified reliably. No amounts are included in the financial statements for voluntary or donated services.

Operating revenue is brought to account when the consideration has been received or it is probable that the consideration will be received in the normal course of business – generally 30 days.

Funds received with formalised spending restrictions are recorded as trust funds held and only recognised as revenue once the required spending is made.

Due to the nature of some of the Foundation's fundraising activities, it is impracticable for the Foundation to establish adequate control over the collection of donations prior to entry in its financial records. As a result, donation revenue disclosed in the Statement of Comprehensive Income represents amounts banked by the Foundation.

Interest income

Interest income is recognised as it accrues using the effective interest method.

Grant Revenue

Grants received on the condition that specified services are delivered, or conditions are fulfilled, are considered reciprocal. Such grants are initially recognised as a liability and revenue is recognised as services are performed or conditions fulfilled. Revenue from non-reciprocal grants is recognised when the Foundation obtains control of the funds.

Disposal of Non-Current Assets

The profit or loss on disposal of assets is brought to account at the date an unconditional contract of sale is signed.

Goods and Services tax

Revenues is recognised net of the amount of goods and services tax (GST), except for receivables which are recognised in the Statement of Financial Position inclusive of GST.

THE LEUKAEMIA FOUNDATION OF AUSTRALIA LIMITED
ACN 057 493 017
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

	2018 \$	2017 \$
3. EXPENSES		
<u>Fundraising and operational support expenses</u> (excluding interest expense, research and patient support)		
– Fundraising	12,189,804	13,153,426
– Operational support	5,241,219	5,227,746
	<u>17,431,023</u>	<u>18,381,172</u>
<u>Fulfilment of mission expenses</u>		
– Provision of accommodation and patient support	13,857,518	13,269,769
– Research and grants	1,426,973	2,238,183
	<u>15,284,491</u>	<u>15,507,952</u>
<u>Accounting policy - Expenses</u>		
Expenses are recognised net of the amount of goods and services tax (GST), except:		
(i) where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of an item of expense, or		
(ii) for payables which are recognised in the Statement of Financial Position inclusive of GST.		
<u>(a) Included as Expenses are the following specific items:</u>		
<u>Employee Benefits</u>		
– Fundraising and Operational activities	8,075,795	8,062,796
– Fulfilment of mission activities	7,269,990	6,869,387
	<u>15,345,785</u>	<u>14,932,183</u>
<u>Depreciation of non-current assets</u>		
– Buildings	1,405,436	1,339,372
– Plant and equipment	183,339	140,455
– Motor vehicles	100,714	101,104
– Furniture and fittings	351,775	332,681
	<u>2,041,264</u>	<u>1,913,612</u>
<u>Amortisation of non-current assets</u>		
– Software Intangible Asset	<u>42,595</u>	<u>132,638</u>
<u>Rental expense on operating lease</u>		
– minimum lease payments	<u>1,925,509</u>	<u>1,957,685</u>

THE LEUKAEMIA FOUNDATION OF AUSTRALIA LIMITED
ACN 057 493 017
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

	2018 \$	2017 \$
4. AUDITORS' REMUNERATION		
Amount received, or due and receivable by the auditor for:		
– auditing the financial report	<u>50,740</u>	<u>59,296</u>

5. CASH AND CASH EQUIVALENTS

– Cash at bank	4,943,571	10,266,959
– Term deposits	13,112,468	5,031,381
	<u>18,056,039</u>	<u>15,298,340</u>

\$476,214 of the cash held represents funds that are committed for specific projects (2017: \$555,235).

\$5,327,711 of the cash held represents funds reserved for accommodation in Queensland unless otherwise approved by a majority of the Queensland resident directors (2017: \$5,349,360).

Accounting policy - Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, which are subject to an insignificant risk of changes in value and have a maturity of three months or less at the date of the acquisition.

6. TRADE AND OTHER RECEIVABLES

Current

Trade receivables	283,379	879,746
GST receivable	212,298	365,647
Grants receivable	-	599,000
Other receivables	320,741	14,790
	<u>816,418</u>	<u>1,859,183</u>

At 30 June the aged analysis of trade receivables is as follows:

0 – 30 days	131,396	567,754
31 - 60 days	62,196	100,389
61 – 90 days PDNI*	89,787	170,894
+ 91 days PDNI*	-	40,709
Total	<u>283,379</u>	<u>879,746</u>

PDNI = Past due not impaired

THE LEUKAEMIA FOUNDATION OF AUSTRALIA LIMITED
ACN 057 493 017
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

2018	2017
\$	\$
<hr/>	<hr/>

6. TRADE AND OTHER RECEIVABLES (continued)

(a) Allowance for impairment loss

Trade receivables are non-interest bearing and are generally on 30-60 day terms. An allowance for impairment loss is recognised when there is objective evidence that an individual trade receivable is impaired. No impairment loss has been recognised by the Foundation in the current year (2017: \$Nil).

Accounting policy - Trade and other receivables

Trade receivables, which generally have 30 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectable amounts. An allowance for doubtful debts is made when there is objective evidence that the Foundation will not be able to collect the debts. Bad debts are written off when identified.

The net amount of GST payable to the taxation authority is included as part of receivables.

7. OTHER ASSETS

Current

Community benefit fund	10,903	10,903
Deposits	57,105	70,702
Prepayments	358,621	590,744
	<hr/> 426,629 <hr/>	<hr/> 672,349 <hr/>

THE LEUKAEMIA FOUNDATION OF AUSTRALIA LIMITED
ACN 057 493 017
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

	2018 \$	2017 \$
8. PROPERTY, PLANT AND EQUIPMENT		
Freehold land – at cost	<u>12,843,554</u>	<u>12,843,554</u>
Freehold Buildings – at cost	45,067,928	42,694,577
Less: Accumulated Depreciation	(4,573,215)	(3,678,867)
	<u>40,494,713</u>	<u>39,015,710</u>
Leasehold Buildings – at cost	13,726,955	13,726,955
Less: Accumulated Depreciation	(5,062,306)	(4,551,218)
	<u>8,664,649</u>	<u>9,175,737</u>
Total buildings	<u>49,159,362</u>	<u>48,191,447</u>
Plant and equipment – at cost	1,600,751	1,345,867
Less: Accumulated Depreciation	(988,294)	(810,555)
	<u>612,457</u>	<u>535,312</u>
Furniture and fittings – at cost	2,721,872	2,601,133
Less: Accumulated Depreciation	(1,949,282)	(1,692,074)
	<u>772,590</u>	<u>909,059</u>
Leasehold improvements – at cost	732,744	413,743
Less: Accumulated Depreciation	(401,136)	(320,829)
	<u>331,608</u>	<u>92,914</u>
Total furniture, fittings and leasehold improvements	<u>1,104,198</u>	<u>1,001,973</u>
Motor vehicles – at cost	757,536	687,919
Less: Accumulated Depreciation	(494,618)	(452,071)
	<u>262,918</u>	<u>235,848</u>
Total property, plant and equipment	<u>63,982,489</u>	<u>62,808,134</u>

THE LEUKAEMIA FOUNDATION OF AUSTRALIA LIMITED
ACN 057 493 017
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

8. PROPERTY, PLANT AND EQUIPMENT (continued)

Accounting policy - Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation, and impairment. Costs include all expenditure that is directly attributable to the acquisition of the asset. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition. The carrying amount of property, plant and equipment is reviewed annually by the directors to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the expected future use.

Depreciation is provided on plant and equipment and is calculated on a straight line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, with the effect of any changes recognised on a prospective basis.

The following useful lives are used in the calculation of depreciation:

Plant and Equipment	6.67 years
Computer Equipment	3 years
Furniture and Fittings	6.67 years
Motor Vehicles	5.33 years
Buildings	50 years
Leasehold Buildings	30 years
Leasehold Improvements	10 years

Assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority, in which case it is recognised as part of the cost of acquisition of an asset.

Impairment of assets

Assets that have an indefinite life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use. As a not-for-profit entity, value in use is determined using depreciated replacement cost where the asset would be replaced with a similar asset if the entity were deprived of it. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

Where it is not possible to estimate the recoverable amount of an individual asset, the Foundation estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Key estimates – Impairment

The Foundation assesses impairment at each reporting date by evaluating conditions specific to the Foundation that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. This may involve value in use calculations which incorporate a number of key estimates and assumptions.

THE LEUKAEMIA FOUNDATION OF AUSTRALIA LIMITED
ACN 057 493 017
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

	2018 \$	2017 \$
8. PROPERTY, PLANT AND EQUIPMENT (continued)		
<u>Carrying amounts of assets pledged as security</u>		
Property at 8 Priory Road, Waverton, NSW	4,497,283	4,532,622
Property at 25 Helen Street, Westmead, NSW	2,734,673	2,781,996
Property at 22 Villa Road, Newcastle, NSW	384,446	387,846
	<u>7,616,402</u>	<u>7,702,464</u>

The security is with a major Australian bank for an interest only mortgage facility - refer Note 18 (b) for further details.

Movements in carrying amounts for each class of property, plant and equipment between the beginning and the end of the financial year are as follows:

<u>Year Ended 30 June 2018</u>	Freehold Land	Buildings	Plant and Equipment	Motor Vehicles	Leasehold Improvements Furniture & Fittings	Total
	\$	\$	\$	\$	\$	\$
Balance at beginning of year	12,843,554	48,191,447	535,312	235,848	1,001,973	62,808,134
Additions	-	2,373,351	260,484	127,783	454,782	3,216,400
Disposals	-	-	-	-	(781)	(781)
Depreciation and amortisation	-	(1,405,436)	(183,339)	(100,713)	(351,776)	(2,041,264)
Carrying amount at end of the year	12,843,554	49,159,362	612,457	262,918	1,104,198	63,982,489

<u>Year Ended 30 June 2017</u>	Freehold Land	Buildings	Plant and Equipment	Motor Vehicles	Leasehold Improvements Furniture & Fittings	Total
	\$	\$	\$	\$	\$	\$
Balance at beginning of year	5,509,867	31,641,437	177,790	100,846	535,796	37,965,736
On business combination (a)	237,500	1,842,412	281,267	44,161	65,169	2,470,509
Additions	7,096,187	16,046,970	216,710	196,955	733,689	24,290,511
Disposals	-	-	-	(5,010)	-	(5,010)
Depreciation and amortisation	-	(1,339,372)	(140,455)	(101,104)	(332,681)	(1,913,612)
Carrying amount at end of the year	12,843,554	48,191,447	535,312	235,848	1,001,973	62,808,134

- (a) Effective 1 July 2016, the unification of the Leukaemia Foundation of Queensland and The Leukaemia Foundation of Australia was accounted for as a business combination using the Acquisition Method whereby all identifiable assets acquired and liabilities assumed were measured at their fair values.

THE LEUKAEMIA FOUNDATION OF AUSTRALIA LIMITED
ACN 057 493 017
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

	2018 \$	2017 \$
9. INTANGIBLES		
NON-CURRENT		
Software development - at cost	213,414	290,140
Less: accumulated amortisation	(179,946)	(214,077)
Total Computer software	<u>33,468</u>	<u>76,063</u>
Movements during the year:		
Balance at beginning of year	76,063	73,237
On business combination	-	134,913
Additions	-	551
Amortisation expense	(42,595)	(132,638)
Balance at end of year	<u>33,468</u>	<u>76,063</u>

Accounting policy - Intangibles

Intangible assets, relating to computer software, are recognised in the financial statements. Each intangible asset is amortised over its estimated useful life to the Foundation, less any anticipated residual value. The residual value is zero for all the Foundation's intangible assets.

It has been determined that there is no active market for any of the Foundation's intangible assets. As such, the assets are recognised and carried at cost less accumulated amortisation and accumulated impairment losses.

Costs associated with the development of computer software have been capitalised and are amortised on a straight-line basis over the period of expected benefit to the Foundation, namely 3 years.

THE LEUKAEMIA FOUNDATION OF AUSTRALIA LIMITED
ACN 057 493 017
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

	2018 \$	2017 \$
10. CAPITAL WORK IN PROGRESS		
Balance at beginning of year	1,874,664	8,321
On business combination	-	25,459
Additions	802,490	1,866,343
Transfers to property, plant and equipment	(2,574,014)	(25,459)
Balance at end of year	<u>103,140</u>	<u>1,874,664</u>

Capital work in progress at 30 June 2017 related to the accumulation of planning costs for the refurbishment of the Herston accommodation village, which commenced in the 2016/17 financial year for an estimated cost of \$2,000,000. The project was completed in July 2017. The Foundation was successful in an application for funding the project under the National Stronger Regions Fund programme in the amount of \$998,400 subject to milestones being met. A grant receivable of \$599,000 was taken up in the prior year and the construction was completed on 10 July 2017 and the remaining grant contribution was received in the 2017/18 year. The total cost less the grant was funded from the funds reserved for accommodation in Queensland.

Accounting policy - Capital work in progress

Capital work in progress is recorded at cost and is transferred to Property, plant and equipment when completed and available for use.

11. AVAILABLE-FOR-SALE FINANCIAL INVESTMENTS

Investments in listed shares at fair value	1,406,356	240,662
Movements in available-for-sale investments:		
Opening Balance	240,662	203,089
Shares received as donations	1,182,861	-
Revaluation	(17,167)	37,573
Closing Balance	<u>1,406,356</u>	<u>240,662</u>

All available-for-sale investments are quoted on the Australian Securities Exchange.

Key accounting judgments – Investments

Investments in listed securities have been classified as “available-for-sale”. Any movement in the fair value is recognised directly in equity until the investments are sold, unless a significant or prolonged decline has occurred, in which case the investment is impaired through the Statement of Comprehensive Income.

THE LEUKAEMIA FOUNDATION OF AUSTRALIA LIMITED
ACN 057 493 017
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

	2018 \$	2017 \$
12. TRADE AND OTHER PAYABLES		
Current		
Trust funds held	38,481	40,552
Sundry creditors and accruals (i)	1,644,009	2,102,862
Deferred lease liability	-	5,958
	<u>1,682,490</u>	<u>2,149,372</u>

(i) The average credit period on purchases of certain goods is 30 days. No interest is charged on trade payables from the date of invoice. The Foundation has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

Accounting policy - Trade and other payables

Trade payables and other payables represent amounts due and payable in the next 12 months. These amounts are carried at cost representing fair value of the consideration to be paid. Any amounts outside this timeframe are discounted at the appropriate rate. Trade payables and other payables represent liabilities for goods and services provided to the Foundation prior to the end of the financial year that are unpaid and arise when the Foundation becomes obliged to make future payments in respect of the purchase of these goods and services.

The net amount of GST recoverable from the taxation authority is included as part of payables.

13. UNEARNED REVENUE

Current

Unearned Revenue	-	100,000
------------------	---	---------

14. PROVISIONS

Current

Employee entitlements	1,419,807	1,401,755
-----------------------	-----------	-----------

Non-current

Employee entitlements	120,901	348,380
Provision for make good expense	260,000	100,000
	<u>380,901</u>	<u>448,380</u>
	<u>1,800,708</u>	<u>1,850,135</u>

A provision for make good has been brought to account in respect of premises at Artarmon, Innaloo and North Melbourne. The lease over premises at Artarmon expires in September 2023. The estimate of the make good costs for these premises is \$75,000. The lease over premises in Innaloo expires in March 2023. The estimate of the costs to make good for this location is \$75,000. The lease over premises at North Melbourne expires on 30 June 2022 with an option for a five year renewal. The estimate of the costs to make good for this location is \$110,000. All other leased properties have been assessed and been found not to require a provision for make good.

THE LEUKAEMIA FOUNDATION OF AUSTRALIA LIMITED
ACN 057 493 017
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$

14. PROVISIONS (continued)

Accounting policy - Provisions

Provisions are recognised when the Foundation has a present obligation (legal or constructive) as a result of a past event, it is probable that the Foundation will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Where some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Accounting policy - Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Foundation in respect of services provided by employees up to reporting date.

Defined contribution plans

Contributions to defined contribution superannuation plans are expensed when employees have rendered service entitling them to contributions.

15. RESERVE

(a) Fair value reserve	20,406	37,573
The fair value reserve is used to record increases and decreases in the value of the Foundation's available-for-sale financial investments.		
(b) Equity contribution reserve	27,790,870	27,790,870
The equity contribution reserve arose on the voluntary merger of LFA and Leukaemia Foundation of Queensland which was finalised on 1 July 2016.		
Total reserves	<u>27,811,276</u>	<u>27,828,443</u>

THE LEUKAEMIA FOUNDATION OF AUSTRALIA LIMITED
ACN 057 493 017
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$

16. MEMBERS' GUARANTEE

The Leukaemia Foundation of Australia Limited is a company limited by guarantee. If the Foundation is wound up, the constitution states that each member is required to contribute a maximum of \$2 each towards meeting any outstanding obligations of the company.

At 30 June 2018 the number of members was 398 (2017: 400).

17. RELATED PARTY TRANSACTIONS

(a) Directors:

The names of directors who have held office during the financial year are:

Mrs Beverley Mirolo	Ms Maryanne Hargraves
Mr Arthur Alexander	Mr Phillip Bradley
Mr Christopher Murray	Mr Robert Yeo
Mr Darren Laarhoven	Mr Tim Ridgway
Mr Lucio Di Giallonardo	Mr Tony Formica

(b) Related party transactions

Transactions between related parties are on normal commercial terms and conditions and are no more favourable than those available to other parties unless otherwise stated.

Transactions with related parties	21,000	-
-----------------------------------	--------	---

The Foundation entered into a contract with a Director – Tony Formica as an operational resource to assist the Transition manager effectively operate remotely after his relocation overseas. During the period of this contract, Tony Formica took an authorised leave of absence from the board to avoid any potential conflict of interest.

No director received remuneration directly or indirectly in connection with the management of the Foundation.

(c) Key management personnel compensation

The names and positions of those having authority for planning, directing and controlling the Foundation's activities, directly or indirectly (other than directors), are:

William Petch, Chief Executive Officer
Keiran Mylrea, General Manager Corporate Services

– Short term benefits	380,400	356,506
– Post-employment benefits	37,448	32,285
	<u>417,848</u>	<u>388,791</u>

THE LEUKAEMIA FOUNDATION OF AUSTRALIA LIMITED
ACN 057 493 017
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

	2018 \$	2017 \$
18. CASH FLOW INFORMATION		
(a) Reconciliation of net cash flows from operating activities to net surplus/(deficit)		
Net surplus for the year	2,628,620	4,346,140
Add/(subtract) items classified as investing/financing activities & non-cash:		
Assets held for sale	-	252,500
Shares received as donations	(1,182,861)	-
Depreciation and amortisation	2,083,859	2,046,250
Net (gain)/loss on disposal of non-current assets	781	5,010
<u>Change in operating assets and liabilities:</u>		
(Increase)/decrease in receivables	1,042,765	(392,230)
(Increase)/decrease in prepayments	232,123	(32,472)
(Increase)/decrease in deposits	13,597	3,463
Increase/(decrease) in payables	(466,882)	(622,587)
Increase/(decrease) in unearned revenue	(100,000)	50,000
Increase/(decrease) in provisions	(49,427)	77,711
Cash inflow from operating activities	<u>4,202,575</u>	<u>5,733,785</u>

Accounting Policy - Goods and Services Tax

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified within operating cash flows.

(b) Financing facilities available to the company as at 30 June 2018 were:

An interest only mortgage facility of \$3,000,000 is available to the company secured by various properties, refer to Note 8. At 30 June 2018 this facility was not utilised (2017 - \$Nil).

THE LEUKAEMIA FOUNDATION OF AUSTRALIA LIMITED
ACN 057 493 017
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

	2018 \$	2017 \$
19. COMMITMENTS		
<u>Expenditure commitments</u>		
(a) Operating Lease Commitments – Leased Premises		
Non-cancellable operating leases contracted for but not capitalised in the financial statements.		
Payable:		
– less than 1 year	614,658	743,451
– greater than 1 year but less than 5 years	1,365,422	839,257
	<u>1,980,080</u>	<u>1,582,708</u>

The lease commitments relate to the office premises around Australia between 2 and 5 years with option periods between 1 and 3 years.

(b) Operating Lease Commitments – Motor Vehicle Leases

Cancellable operating leases contracted for but not capitalised in the financial statements.

Payable:		
– less than 1 year	258,385	449,244
– greater than 1 year but less than 5 years	127,747	209,301
Minimum lease payments	<u>386,132</u>	<u>658,545</u>

The cancellable operating leases are for motor vehicles. Generally the motor vehicle leases are for a period of 4 years. Terms and conditions for each lease vary depending on market conditions prevailing at the time the lease is entered into. All vehicles are to be returned to the leasing companies at the finalisation of the lease period.

Accounting policy - Leased assets

Operating lease payments, where substantially all the risk and benefits remain with the lessor are recognised as an expense on a straight-line basis over the lease term. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

THE LEUKAEMIA FOUNDATION OF AUSTRALIA LIMITED
ACN 057 493 017
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

	2018 \$	2017 \$
19. COMMITMENTS (continued)		
(c) Grant Commitments		
Grant commitments comprise research and clinical grants arising from the Foundation's commitment to the research community. A formal assessment of grants applications is undertaken annually, and based on this assessment the Foundation agrees to fund various grant in future periods, subject to funds being available. At balance date, the balance of the grants to be funded in future amounted to \$816,462 and it is anticipated that this will be payable as follows:		
Payable:		
– less than 1 year	449,108	1,036,799
– greater than 1 year but less than 5 years	367,354	244,000
Minimum grant payments	<u>816,462</u>	<u>1,280,799</u>

(d) Bank Guarantees

The Foundation has issued bank guarantees to third parties totalling \$406,805 (2017: \$249,072). These bank guarantees are for bonds on office leases and are secured against the property of the Foundation as listed in Note 8.

20. EVENTS SUBSEQUENT TO BALANCE DATE

No matters or circumstances have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the Foundation, the results of those operations, or the state of affairs of the Foundation, in subsequent financial years.

21. CONTINGENT LIABILITIES

The Directors are not aware of any contingent liabilities at balance date.

Independent Auditor's Report to the Members of The Leukaemia Foundation of Australia Limited

Opinion

We have audited the financial report of The Leukaemia Foundation of Australia Limited (the Foundation), which comprises the statement of financial position as at 30 June 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Foundation is in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012*, including:

- a) giving a true and fair view of the Foundation's financial position as at 30 June 2018 and of its financial performance for the year ended on that date;
- b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-Profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Foundation in accordance with 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 also fulfilled our other ethical responsibilities in accordance with the Code.

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

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information is the directors' report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Responsibilities of the Directors for the Financial Report

The directors of the Foundation are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-Profits Commission Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- 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.
- 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 Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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.

- 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 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.

Report on the requirements of the NSW Charitable Fundraising Act 1991 and the NSW Charitable Fundraising Regulations 2015 and the requirements of the WA Charitable Collections Act (1946) and the WA Charitable Collections Regulations (1947)

We have audited the financial report as required by Section 24(2) of the *NSW Charitable Fundraising Act 1991* and the *WA Charitable Collections Act (1946)*. Our procedures included obtaining an understanding of the internal control structure for fundraising appeal activities and examination, on a test basis, of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to the *NSW Charitable Fundraising Act 1991* and the *NSW Charitable Fundraising Regulations 2015* and the *WA Charitable Collections Act (1946)* and the *WA Charitable Collections Regulations (1947)*.

Because of the inherent limitations of any assurance engagement, it is possible that fraud, error or non-compliance may occur and not be detected. An audit is not designed to detect all instances of non-compliance with the requirements described in the above-mentioned Act(s) and Regulations as an audit is not performed continuously throughout the period and the audit procedures performed in respect of compliance with these requirements are undertaken on a test basis. The audit opinion expressed in this report has been formed on the above basis.

Opinion

In our opinion:

- a) the financial report of the Foundation has been properly drawn up and associated records have been properly kept during the financial year ended 30 June 2018, in all material respects, in accordance with:
 - i. sections 20(1), 22(1-2), 24(1-3) of the *NSW Charitable Fundraising Act 1991*;
 - ii. sections 10(6) and 11 of the *NSW Charitable Fundraising Regulations 2015*;
 - iii. the *WA Charitable Collections Act (1946)*; and
 - iv. the *WA Charitable Collections Regulations (1947)*.
- b) the money received as a result of fundraising appeals conducted by the Foundation during the financial year ended 30 June 2018 has been properly accounted for and applied, in all material respects, in accordance with the above mentioned Act(s) and Regulations.

Other Matters

This report replaces a previously issued auditor's report to the members of the Foundation dated 2 November 2018. The audit report dated 2 November 2018 did not include reporting on the requirements of the NSW Charitable Fundraising Act 1991 and the NSW Charitable Fundraising Regulations 2015 and the requirements of the WA Charitable Collections Act (1946) and the WA Charitable Collections Regulations (1947) for the financial year ended 30 June 2018.



Ernst & Young



Mike Reid
Partner
Brisbane
18 December 2018