

THE LEUKAEMIA FOUNDATION OF AUSTRALIA LIMITED
ACN 057 493 017
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

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THE LEUKAEMIA FOUNDATION OF AUSTRALIA LIMITED
ACN 057 493 017
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

Corporate information

Directors	B Mirolo (Chairperson) A Soter C Hillyard C Murray D Laarhoven L Di Giallonardo M Hargraves P Bradley 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	BDO Level 10 12 Creek 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 2019 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	Date resigned	Qualifications
Bev Mirolo (Chairperson)	16/04/2016		OAM, RN
Andrew Soter	16/09/2019		
Arthur Alexander	16/04/2016	29/06/2019	BHMS, EMBA, Dip T, MAICD
Carrie Hillyard	16/09/2019		AM, BSc (hons), PhD, FTSE, FAICD
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	23/02/2019	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;
- b) Support those who have one or more of these diseases, together with their carers and families; and
- c) work in partnership with the whole blood cancer community to coordinate action to empower patients, ensure equity of access to treatment and care, accelerate research and to catalyse health systems reform to meet the ambitious agenda of zero lives lost to blood cancer by 2035.

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.

THE LEUKAEMIA FOUNDATION OF AUSTRALIA LIMITED
ACN 057 493 017

DIRECTORS' REPORT (continued)

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

Review of operations

	2019 \$	2018 \$
Fundraising Revenue	35,511,285	31,055,150
Fundraising Costs	(13,317,721)	(12,189,804)
Net Fundraising Revenue	22,193,564	18,865,346
Other Revenue	4,611,893	4,288,984
Operating Costs	(5,022,916)	(5,241,219)
Surplus after Fundraising & Operating Costs	21,782,541	17,913,111
Fulfilment of Mission:		
- Research Grants Expense	(2,752,746)	(1,426,973)
- Patient Support Expense	(14,057,102)	(13,857,796)
Total Expenditure on Support Services and Research	(16,809,848)	(15,284,769)
Surplus for the year	<u>4,972,693</u>	<u>2,628,342</u>

In the 2018-19 financial year, World's Greatest Shave raised \$17.16M. Other major events such as Light the Night, UGLY Bartender and Aussie Muscle Car Run collectively raised \$3.4M. Revenue from Community Fundraising activities amounted to \$1.97M; Individual Giving and Philanthropy raised \$11.6M.

The Foundation continues to invest in its new research strategy to maximise the impact for patients and families. Support Services expenditure was maintained at existing levels during this period.

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), the Remuneration Committee (REM) and Nomination Committee (NOM) held during the year ended 30 June 2019, and the numbers of meetings attended by each director were:

	Number of Meetings Directors		Number of Meetings FARM Committee		Number of Meetings REM Committee		Number of Meetings NOM Committee	
	Held (i)	Attended	Held (i)	Attended	Held (i)	Attended	Held (i)	Attended
B Mirolo	7	7			3	3	2	2
A Alexander	7	6						
C Murray	7	6			3	3		
D Laarhoven	7	7	6	6				
L Di Giallonardo	7	5	6	6				
M Hargraves	7	5					2	2
P Bradley	7	7					2	2
R Yeo	5	5						
T Ridgway	7	7			3	3		
T Formica	7	6	6	6				

- (i) Number of meetings held during the time the Director held office or was a Member of the Committee during the year.

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 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 the integrity of the financial reporting of the Foundation; and establishing a sound system of risk oversight and management of internal controls. As circumstances arise, the committee meets to consider any ethics matters with the Board counsel.

THE LEUKAEMIA FOUNDATION OF AUSTRALIA LIMITED
ACN 057 493 017

DIRECTORS' REPORT (continued)

Remuneration Committee (REM)

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.

Nomination Committee (NOM)

The key purpose of the NOM 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 26th day of October 2019.

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

THE LEUKAEMIA FOUNDATION OF AUSTRALIA LIMITED
ACN 057 493 017
AUDITOR'S INDEPENDENCE DECLARATION



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Australia

**DECLARATION OF INDEPENDENCE BY A J WHYTE TO THE DIRECTORS OF THE LEUKAEMIA
FOUNDATION AUSTRALIA LIMITED**

As lead auditor of The Leukaemia Foundation Australia Limited for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been:

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

A handwritten signature in black ink, appearing to be 'A J Whyte', written over a circular stamp or seal.

A J WHYTE
Director

BDO Audit Pty Ltd

Brisbane, 26 October 2019

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 – Reduced Disclosure Requirements 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 2019 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 26th October 2019

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 2019

	Note	2019 \$	2018 \$
Revenue	2	40,123,178	35,344,134
Fundraising and operational support expenses (excluding research grants and patient support)	3	<u>(18,340,637)</u>	<u>(17,431,023)</u>
		21,782,541	17,913,111
Fulfilment of mission expenses	3	<u>(16,809,848)</u>	<u>(15,284,769)</u>
Net surplus for the year		4,972,693	2,628,342
<i>Other Comprehensive Income – items that may subsequently be reclassified to profit or loss</i>			
Net changes in fair value of financial assets at fair value through other comprehensive income	11	9,140	(17,167)
Total comprehensive income for the year		<u><u>4,981,833</u></u>	<u><u>2,611,175</u></u>

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 2019

	Note	2019 \$	2018 \$
CURRENT ASSETS			
Cash and cash equivalents	5	24,250,322	18,056,039
Trade and other receivables	6	997,580	816,418
Other assets	7	1,119,143	426,629
TOTAL CURRENT ASSETS		26,367,045	19,299,086
NON-CURRENT ASSETS			
Property, plant and equipment	8	61,977,933	63,982,489
Intangibles	9	461	33,468
Capital work in progress	10	-	103,140
Financial assets at fair value through other comprehensive income	11	1,466,307	1,406,356
TOTAL NON-CURRENT ASSETS		63,444,701	65,525,453
TOTAL ASSETS		89,811,746	84,824,539
CURRENT LIABILITIES			
Trade and other payables	12	1,694,309	1,682,768
Provisions	13	1,188,519	1,419,807
TOTAL CURRENT LIABILITIES		2,882,828	3,102,575
NON-CURRENT LIABILITIES			
Provisions	13	606,022	380,901
TOTAL NON-CURRENT LIABILITIES		606,022	380,901
TOTAL LIABILITIES		3,488,850	3,483,476
NET ASSETS		86,322,896	81,341,063
EQUITY			
Retained surplus		58,502,480	53,529,787
Reserves	14	27,820,416	27,811,276
TOTAL EQUITY		86,322,896	81,341,063

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 2019

	Retained surpluses	Fair Value Reserve (Note 14)	Equity Contribution Reserve (Note 14)	Total Equity
	\$	\$	\$	\$
Balance at 1 July 2017	50,901,445	37,573	27,790,870	78,729,888
Net surplus for the year	2,628,342	-	-	2,628,342
Net changes in fair value of available-for-sale financial assets	-	(17,167)	-	(17,167)
Total comprehensive income for the year	2,628,342	(17,167)	-	2,611,175
Balance at 30 June 2018	53,529,787	20,406	27,790,870	81,341,063
Net surplus for the year	4,972,693	-	-	4,972,693
Net changes in fair value of financial assets at fair value through other comprehensive income	-	9,140	-	9,140
Total comprehensive income for the year	4,972,693	9,140	-	4,981,833
Balance at 30 June 2019	58,502,480	29,546	27,790,870	86,322,896

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 2019

	Note	2019 \$	2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		270,221	151,251
Dividends received		83,363	48,344
Receipts from donors and sponsors		40,075,171	36,075,485
Payments to suppliers and employees		(34,101,936)	(32,072,505)
NET CASH FLOWS FROM OPERATING ACTIVITIES	17	6,326,819	4,202,575
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(372,536)	(1,444,876)
Sale of land and buildings		240,000	-
NET CASH FLOWS USED IN INVESTING ACTIVITIES		(132,536)	(1,444,876)
NET INCREASE IN CASH AND CASH EQUIVALENTS		6,194,283	2,757,699
Cash and cash equivalents at the beginning of the year		18,056,039	15,298,340
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	5	24,250,322	18,056,039

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 2019

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 26 October 2019.

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 the measurement at fair value of certain financial assets.

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 6, 8 and 11 dealing with Receivables, Property, Plant and Equipment and Financial Assets at Fair Value Through Other Comprehensive Income.

(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) New standards, interpretations and amendments adopted for the first time

The Foundation adopted, for the first time, AASB 9 Financial Instruments with a transition date of 1 July 2018. The impact of the adoption of AASB 9 and the new accounting policies that have been applied from 1 July 2018, where they are different to those applied in prior periods, are disclosed below.

AASB 9 Financial Instruments

AASB 9 Financial Instruments replaces AASB 139 Financial Instruments: Recognition and Measurement. It makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an 'expected credit loss' model for impairment of financial assets. Classification and measurement of debt securities is driven by the Foundation's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. When adopting AASB 9, the Foundation has applied transitional relief and opted not to restate prior periods. As a result, the comparative information provided continues to be accounted for in accordance with the Foundation's previous accounting policy.

The adoption of AASB 9 did not have a material change to the classification or measurement of financial instruments, including from the application of the new expected credit loss impairment model, in either the current or comparative period. The new accounting policies are set out below.

THE LEUKAEMIA FOUNDATION OF AUSTRALIA LIMITED
ACN 057 493 017
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Classification of investments and other financial assets

From 1 July 2018, the Foundation classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value, either through other comprehensive income (OCI) or through profit or loss, and
- those to be measured at amortised cost.

The classification depends on the Foundation's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Foundation has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss (FVTPL):

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On 1 July 2018 (the date of initial application of AASB 9), management has assessed which business models apply to the financial assets held by the Foundation and has classified its financial instruments into the appropriate AASB 9 categories. The main effect resulting from this assessment are as follows:

- The existing AASB 139 categories of held-to-maturity, loans and receivables and available-for-sale (AFS) were removed.
- The Foundation has elected to irrevocably designate the investments in listed equity shares previously included in 'available-for-sale financial investments' to FVOCI as permitted under AASB 9. Under AASB 9, the changes in the fair value of these investments in listed equity shares will no longer be reclassified to profit or loss when they are disposed of. These equity investments are now included in 'Financial assets at fair value through other comprehensive income' in the statement of financial position at 1 July 2018 as the previous available-for-sale (AFS) category under AASB 139 was 'retired'.

(ii) Measurement

At initial recognition, the Foundation measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Under AASB 9, debt financial instruments are subsequently measured at FVTPL, amortised cost, or FVOCI. The classification is based on two criteria: The Foundation's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding (the 'SPPI criterion').

The assessment of the Foundation's business models was made as of the date of initial application, 1 July 2018, and then applied retrospectively to those financial assets that were not derecognised before 1 July 2018. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

There has been no adjustment made to the amounts disclosed as a result of the application of this standard.

The accounting for the Foundation's financial liabilities remains largely the same as it was under AASB 139. The management has determined that the financial liabilities which include borrowings and trade and other payables will be classified as amortised cost.

THE LEUKAEMIA FOUNDATION OF AUSTRALIA LIMITED
ACN 057 493 017
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(iii) Impairment

The adoption of AASB 9 has changed the Foundation's accounting for impairment losses for financial assets by replacing AASB 139's incurred loss approach with a forward-looking expected credit loss (ECL) approach. AASB 9 requires the Foundation to record an allowance for ECLs for all loans and other debt financial assets not held at FVTPL.

For receivables, the Foundation has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses. The Foundation calculates the provision based on the Foundation's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The adoption of the ECL requirements of AASB 9 has not resulted in any material change in impairment allowances of the Foundation's financial assets.

THE LEUKAEMIA FOUNDATION OF AUSTRALIA LIMITED
ACN 057 493 017
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

	2019 \$	2018 \$
	<hr/>	<hr/>
2. REVENUE		
<u>Revenue from operating activities</u>		
– World’s Greatest Shave	17,158,628	16,677,478
– Other fundraising and donations	16,930,990	13,310,895
– Fundraising towards capital projects	-	399,360
– Interest income	366,480	247,510
– Rent	4,162,050	3,993,130
– Dividends	83,363	48,344
– Sponsorship and grants	1,421,667	667,417
	<hr/> 40,123,178 <hr/>	<hr/> 35,344,134 <hr/>

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.

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 the contract of sale becomes unconditional.

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 2019

	2019 \$	2018 \$
3. EXPENSES		
<u>Fundraising and operational support expenses</u> (excluding research grants and patient support)		
– Fundraising	13,317,721	12,189,804
– Operational support	5,022,916	5,241,219
	<u>18,340,637</u>	<u>17,431,023</u>
<u>Fulfilment of mission expenses</u>		
– Provision of accommodation and patient support	14,057,102	13,857,796
– Research grants and advocacy	2,752,746	1,426,973
	<u>16,809,848</u>	<u>15,284,769</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	8,091,407	8,075,795
– Fulfilment of mission activities	8,061,159	7,269,990
	<u>16,152,566</u>	<u>15,345,785</u>
<u>Depreciation of non-current assets</u>		
– Buildings	1,413,323	1,405,436
– Plant and equipment	225,285	183,339
– Motor vehicles	101,738	100,714
– Furniture and fittings	343,549	351,775
	<u>2,083,895</u>	<u>2,041,264</u>
<u>Amortisation of non-current assets</u>		
– Software Intangible Asset	<u>33,007</u>	<u>42,595</u>
<u>Rental expense on operating lease</u>		
– minimum lease payments	<u>1,627,232</u>	<u>1,925,509</u>

THE LEUKAEMIA FOUNDATION OF AUSTRALIA LIMITED
ACN 057 493 017
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
	<u> </u>	<u> </u>

4. AUDITORS' REMUNERATION

Amount received, or due and receivable by the auditor for:

– auditing the financial report	<u>41,297</u>	<u>50,740</u>
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5. CASH AND CASH EQUIVALENTS

– Cash at bank	4,698,324	4,943,571
– Term deposits	19,551,998	13,112,468
	<u>24,250,322</u>	<u>18,056,039</u>

\$5,447,459 of the cash held represents funds reserved for accommodation in Queensland unless approved for other purposes by a majority of the Queensland resident directors (2018: \$5,327,711).

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	725,152	507,861
GST receivable	183,687	212,298
Other receivables	88,741	96,259
	<u>997,580</u>	<u>816,418</u>

Accounting policy - Trade and other receivables

The Foundation holds the trade and other receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days. The Foundation has applied the simplified approach to measuring expected credit losses, which uses lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue. No impairment loss has been recognised by the Foundation during the financial year (2018: nil).

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

The net amount of GST receivable from the taxation authority is included as part of receivables.

THE LEUKAEMIA FOUNDATION OF AUSTRALIA LIMITED
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FOR THE YEAR ENDED 30 JUNE 2019

	2019 \$	2018 \$
7. OTHER ASSETS		
Current		
Assets held for sale*	845,000	-
Community benefit fund	10,903	10,903
Deposits	42,938	57,105
Prepayments	220,302	358,621
	<u>1,119,143</u>	<u>426,629</u>
* Summer Hill apartment bequeathed to the Foundation in December 2018. The property sale was finalised in August 2019.		
8. PROPERTY, PLANT AND EQUIPMENT		
Freehold land – at cost	<u>12,606,054</u>	<u>12,843,554</u>
Total land	<u>12,606,054</u>	<u>12,843,554</u>
Freehold Buildings – at cost	44,971,928	45,067,928
Less: Accumulated Depreciation	(5,470,050)	(4,573,215)
	<u>39,501,878</u>	<u>40,494,713</u>
Leasehold Buildings – at cost	13,726,955	13,726,955
Less: Accumulated Depreciation	(5,573,394)	(5,062,306)
	<u>8,153,561</u>	<u>8,664,649</u>
Total buildings	<u>47,655,439</u>	<u>49,159,362</u>
Plant and equipment – at cost	1,809,555	1,600,751
Less: Accumulated Depreciation	(1,213,580)	(988,294)
	<u>595,975</u>	<u>612,457</u>
Total plant and equipment	<u>595,975</u>	<u>612,457</u>
Furniture and fittings – at cost	2,797,342	2,721,872
Less: Accumulated Depreciation	(2,174,187)	(1,949,282)
	<u>623,155</u>	<u>772,590</u>
Leasehold improvements – at cost	825,539	732,744
Less: Accumulated Depreciation	(484,612)	(401,136)
	<u>340,927</u>	<u>331,608</u>
Total furniture, fittings and leasehold improvements	<u>964,082</u>	<u>1,104,198</u>

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	2019 \$	2018 \$
8. PROPERTY, PLANT AND EQUIPMENT (continued)		
Motor vehicles – at cost	674,690	757,536
Less: Accumulated Depreciation	(518,307)	(494,618)
	<u>156,383</u>	<u>262,918</u>
Total motor vehicles	<u>156,383</u>	<u>262,918</u>
 Total property, plant and equipment	 <u><u>61,977,933</u></u>	 <u><u>63,982,489</u></u>

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 current 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).

THE LEUKAEMIA FOUNDATION OF AUSTRALIA LIMITED
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2019	2018
\$	\$
<hr/>	<hr/>

8. PROPERTY, PLANT AND EQUIPMENT (continued)

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.

Carrying amounts of assets pledged as security

Property at 8 Priory Road, Waverton, NSW	4,461,944	4,497,283
Property at 25 Helen Street, Westmead, NSW	2,732,241	2,734,673
Property at 22 Villa Road, Newcastle, NSW	381,046	384,446
	<hr/> 7,575,231 <hr/>	<hr/> 7,616,402 <hr/>

The security is with a major Australian bank for a corporate credit card facility and bank guarantees for bonds on office leases - refer Notes 17 (b) and 18 (d) 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 2019</u>	Freehold Land	Buildings	Plant and Equipment	Furniture & Fittings Leasehold Improvements	Motor Vehicles	Total
	\$	\$	\$	\$	\$	\$
Balance at beginning of year	12,843,554	49,159,362	612,457	1,104,198	262,918	63,982,489
Additions	-	-	208,803	128,334	35,399	372,536
Transfer from capital work in progress	-	16,500	-	86,640	-	103,140
Disposals	(237,500)	(107,100)	-	(11,541)	(40,196)	(396,337)
Depreciation and amortisation	-	(1,413,323)	(225,285)	(343,549)	(101,738)	(2,083,895)
Carrying amount at end of the year	<hr/> 12,606,054 <hr/>	<hr/> 49,655,439 <hr/>	<hr/> 595,975 <hr/>	<hr/> 964,082 <hr/>	<hr/> 156,383 <hr/>	<hr/> 61,977,933 <hr/>

THE LEUKAEMIA FOUNDATION OF AUSTRALIA LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

8. PROPERTY, PLANT AND EQUIPMENT (continued)

<u>Year Ended 30 June 2018</u>	Freehold Land	Buildings	Plant and Equipment	Furniture & Fittings Leasehold Improvements	Motor Vehicles	Total
	\$	\$	\$	\$	\$	\$
Balance at beginning of year	12,843,554	48,191,447	535,312	1,001,973	235,848	62,808,134
Additions	-	-	183,078	331,525	127,783	642,386
Transfer from capital work in progress	-	2,373,351	77,406	123,257	-	2,574,014
Disposals	-	-	-	(781)	-	(781)
Depreciation and amortisation	-	(1,405,436)	(183,339)	(351,776)	(100,713)	(2,041,264)
Carrying amount at end of the year	12,843,554	49,159,362	612,457	1,104,198	262,918	63,982,489

9. INTANGIBLES

NON-CURRENT

	2019	2018
	\$	\$
Software development - at cost	213,414	213,414
Less: accumulated amortisation	(212,953)	(179,946)
Total Computer software	461	33,468
Movements during the year:		
Balance at beginning of year	33,468	76,063
Amortisation expense	(33,007)	(42,595)
Balance at end of year	461	33,468

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.

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	2019 \$	2018 \$
	<hr/>	<hr/>
10. CAPITAL WORK IN PROGRESS		
Balance at beginning of year	103,140	1,874,664
Additions	-	802,490
Transfers to property, plant and equipment*	(103,140)	(2,574,014)
Balance at end of year	<hr/> - <hr/>	<hr/> 103,140 <hr/>

*In the 2018 financial year, the major refurbishment of the Herston accommodation village was completed and associated work in progress of \$2,574,014 was transferred into property, plant and equipment.

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. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments in listed shares at fair value	1,466,307	1,406,356
	<hr/>	<hr/>
Movements in investments:		
Opening Balance	1,406,356	240,662
Shares received as donations	50,811	1,182,861
Fair value adjustments	9,140	(17,167)
Closing Balance	<hr/> 1,466,307 <hr/>	<hr/> 1,406,356 <hr/>

All investments are quoted on the Australian Securities Exchange.

Key accounting judgments – Investments

Policy applicable before 1 July 2018:

Investments in listed securities have been classified as “available-for-sale”. Any movement in the fair value following their acquisition 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.

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2019	2018
\$	\$
<hr/>	<hr/>

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (continued)

Policy applicable from 1 July 2018.

Financial assets at fair value through other comprehensive income:

Financial assets at fair value through other comprehensive income relates to investments in equity instruments held by the Foundation that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets. Investments in equity instruments classified at fair value through other comprehensive income are initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue i.e. ordinary shares.

The management has elected, at initial recognition, to irrevocably designate all equity investments at fair value through other comprehensive income (FVOCI) as allowed under AASB 9. The Foundation's policy is to designate equity investments as FVOCI when those investments are not held for trading or held for purposes other than to generate investment returns. This election is made on an investment by investment basis. When this election is used, fair value gains and losses are recognised in OCI and are not subsequently reclassified to profit or loss, including on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to be recognised in profit or loss as other income when the group's right to received payments is established.

Impairment – Applicable from 1 July 2018

As described in Note 1(d), the adoption of AASB 9 has resulted to changes in the accounting policies of impairment of financial assets. From 1 July 2018, all equity instruments were re-classified as financial assets at fair value through other comprehensive income and are not subject to impairment under AASB 9.

12. TRADE AND OTHER PAYABLES

Current

Trust funds held	65,141	38,481
Sundry creditors and accruals (i)	1,629,168	1,644,287
	<hr/> 1,694,309 <hr/>	<hr/> 1,682,768 <hr/>

(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.

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	2019 \$	2018 \$
	<hr/>	<hr/>
13. PROVISIONS		
Current		
Employee entitlements	<u>1,188,519</u>	<u>1,419,807</u>
Non-current		
Employee entitlements	346,022	120,901
Provision for make good expense	260,000	260,000
	<u>606,022</u>	<u>380,901</u>
	<hr/>	<hr/>
	<u>1,794,541</u>	<u>1,800,708</u>
	<hr/>	<hr/>

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.

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 entitlements

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.

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2019	2018
\$	\$
<hr/>	<hr/>

13. PROVISIONS (continued)

Defined contribution plans

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

14. RESERVE

(a) Fair value reserve	29,546	20,406
The fair value reserve is used to record increases and decreases in the value of the Foundation's 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	<hr/> 27,820,416 <hr/>	<hr/> 27,811,276 <hr/>

15. 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 2019 the number of members was 360 (2018: 398).

16. 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 (resigned 29-6-19)	Mr Phillip Bradley
Mr Christopher Murray	Mr Robert Yeo (resigned 23-2-19)
Mr Darren Laarhoven	Mr Tim Ridgway
Mr Lucio Di Giallonardo	Mr Tony Formica

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2019	2018
\$	\$
<hr/>	<hr/>

16. RELATED PARTY TRANSACTIONS (continued)

(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
	<hr/>	<hr/>

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	457,114	380,400
– Post-employment benefits	41,811	37,448
	<hr/>	<hr/>
	498,925	417,848

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	2019 \$	2018 \$
	<hr/>	<hr/>
17. CASH FLOW INFORMATION		
Reconciliation of net cash flows from operating activities to net surplus/(deficit)		
(a) Net surplus for the year	4,972,693	2,628,342
<u>Non-cash items:</u>		
Property received as donation	(845,000)	-
Shares received as donations	(50,811)	(1,182,861)
Depreciation and amortisation	2,116,902	2,083,859
Net loss on disposal of non-current assets	156,337	781
<u>Change in operating assets and liabilities:</u>		
(Increase)/decrease in receivables	(181,162)	1,042,765
(Increase)/decrease in prepayments	138,319	232,123
(Increase)/decrease in deposits	14,167	13,597
Increase/(decrease) in payables	11,541	(466,604)
Increase/(decrease) in unearned revenue	-	(100,000)
Increase/(decrease) in provisions	(6,167)	(49,427)
Cash inflow from operating activities	<hr/> 6,326,819 <hr/>	<hr/> 4,202,575 <hr/>

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 2019 were:

At 30 June 2019 there was a \$300,000 corporate credit card facility available to the company (2018: \$300,000).

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2019	2018
\$	\$
<hr/>	<hr/>

18. COMMITMENTS

Expenditure commitments

(a) Operating Lease Commitments – Leased Premises

Non-cancellable operating leases contracted for but not capitalised in the financial statements.

Payable:

– less than 1 year	697,125	614,658
– greater than 1 year but less than 5 years	1,551,162	1,365,422
	<hr/> 2,248,287 <hr/>	<hr/> 1,980,080 <hr/>

The lease commitments relate to the office premises around Australia with lease periods 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	106,257	258,385
– greater than 1 year but less than 5 years	23,818	127,747
	<hr/> 130,075 <hr/>	<hr/> 386,132 <hr/>

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.

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2019	2018
\$	\$
<hr/>	<hr/>

18. COMMITMENTS (continued)

(c) Grant Commitments

Grant commitments comprise research and clinical grants arising from the Foundation's commitment to the research community. At balance date, the balance of the grants to be funded in future amounted to \$7,083,564 and it is anticipated that this will be payable as follows:

Payable:

– less than 1 year	2,145,914	449,108
– greater than 1 year but less than 5 years	4,937,650	367,354
Minimum grant payments	<hr/> 7,083,564	<hr/> 816,462

(d) Bank Guarantees

The Foundation has issued bank guarantees to third parties totalling \$357,483 (2018: \$406,805). These bank guarantees are for bonds on office leases and are secured against the property of the Foundation as listed in Note 8.

19. 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.

20. 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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of The Leukaemia Foundation of Australia Limited (the Company), which comprises the statement of financial position as at 30 June 2019, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of The Leukaemia Foundation of Australia Limited, is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) Giving a true and fair view of the Company's financial position as at 30 June 2019 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards - Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report 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 on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intends to liquidate the Company or to cease operations, or has 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.

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

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

This description forms part of our auditor's report.

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 Fund raising 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:

- (i) The financial report shows a true and fair view of the financial result of fundraising appeals conducted during the year ended 30 June 2019;
- (ii) The accounting and associated records have been properly kept during the year in accordance with *NSW Charitable Fundraising Act 1991* and the *NSW Charitable Fund raising Regulations 2015* and the *WA Charitable Collections Act (1946)* and the *WA Charitable Collections Regulations (1947)*;
- (iii) Money received as a result of fundraising appeals conducted during the year has been properly accounted for and applied in accordance with the above mentioned Acts; and
- (iv) As at the date of this report, there are reasonable grounds to believe that the registered entity will be able to pay its debts as and when they fall due.

BDO Audit Pty Ltd



A J Whyte
Director

Brisbane, 26 October 2019