



# Financial Report

For the year ended June 2023

**The Leukaemia Foundation helps Australians with blood cancer.**

We offer wraparound health services, fund leading-edge research and campaign for change alongside our community. Leukaemia, lymphoma, myeloma – every blood cancer matters to us.

We're here for anyone with any blood cancer, every step of the way.

The Leukaemia Foundation is Australia's most trusted cancer charity, made up of patients, carers, healthcare professionals, researchers, specialists and an army of community supporters.

**THE LEUKAEMIA FOUNDATION OF AUSTRALIA LIMITED**  
**ACN 057 493 017**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**Corporate Information**

<b>Directors</b>	Lucio Di Giallonardo (Chair) Angela Ferguson Heidi Bradshaw Jane Hancock Mark Cormack Michelle Beveridge Nigel Harris AM Peter Hodgett Siân Slade
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<b>Company Secretary</b>	Stephen Denaro
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<b>Registered office and principal place of business</b>	213-217 St Pauls Terrace Fortitude Valley QLD 4006
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<b>Bankers</b>	National Australia Bank 100 Creek Street Brisbane QLD 4000
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<b>Auditor</b>	BDO Audit Pty Ltd Level 18 727 Collins St Melbourne VIC 3008
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**THE LEUKAEMIA FOUNDATION OF AUSTRALIA LIMITED**  
**ACN 057 493 017**

**DIRECTORS' REPORT**

The Directors present their report, together with the financial statements of the Company, being The Leukaemia Foundation of Australia Limited ('the Foundation'), for the financial year ended 30 June 2023.

**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
Lucio Di Giallonardo (Chair)	20/11/2004	BBus, FCA, MAICD
Angela Ferguson	16/04/2021	BSc (hons), PhD Clin Psy, MAICD
Heidi Bradshaw	17/05/2023	DipBusMgt, DipCS, PGCertSocHlth
Jane Hancock	13/07/2021	MBA (Health), BEd (Nursing), DipAppSc Distinction (Nursing Education), GAICD, ANZSOG (EFP)
Mark Cormack	30/08/2021	BAppSc, MHealthMan, GAICD
Michelle Beveridge	16/04/2021	MBA (Exec), BBus, FCPA, FACS, FGIA, GAICD
Nigel Harris AM	16/04/2021	MBA, CFRE, FFIA, GAICD
Peter Hodgett	16/04/2021	BSc (hons)
Siân Slade	16/04/2021	BSc (hons) Pharm, MPH, MBA, GAICD

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

- a) Conduct or foster research into the causes of, and potential cures, therapies and treatments for leukaemia, other diseases of the blood, blood forming tissues and vessels and other diseases where treatments involve blood, blood vessels and blood forming tissues;
- b) Support those who have any 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 for research;
- b) Providing facilities for the optimum care and treatment of patients with one or more of these diseases;
- c) Providing and promoting educational publications or conducting 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;
- e) Conducting fundraising and other revenue generating activities in order to fund the activities herein; and
- f) 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 any 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 in order to:

- a) Be creative and explore ways to generate additional funding;
- b) Increase funding levels towards support services and research activities; and
- c) Closely assess and manage the Foundation's expenses to ensure cost effectiveness.

**THE LEUKAEMIA FOUNDATION OF AUSTRALIA LIMITED**  
**ACN 057 493 017**

**Review of Operations**

	Note	2023 \$	2022 \$
Fundraising Revenue	2	24,431,373	26,665,750
Fundraising Costs	3	(10,105,237)	(10,524,869)
Net Fundraising Revenue		14,326,136	16,140,881
Other Revenue	2	4,897,673	3,727,457
Operating Costs	3	(3,639,616)	(4,719,255)
Surplus after Fundraising & Operating Costs		15,584,193	15,149,083
Fulfilment of Mission:			
- Patient Support Expense	3	(14,997,032)	(13,013,542)
- Research Grants Expense	3	(4,705,461)	(5,345,060)
Total Expenditure on Support Services and Research		(19,702,493)	(18,358,602)
Deficit for the year		(4,118,300)	(3,209,519)

Fundraising revenue of \$24.4m was \$2.2m (8%) less than in the prior year. World's Greatest Shave, our signature peer-to-peer fundraising event, generated \$13.5m and other fundraising revenue was \$10.9m which is robust and we are immensely grateful to all those who participated in an event or donated to our mission. Fundraising was challenging during the 2023 financial year, but nevertheless we were able to reduce our fundraising costs by \$0.4m and generated net revenue from fundraising of \$14.3m to be utilised for the benefit of those impacted by blood cancers.

Other Revenue of \$4.9m comprised State contributions towards patient services, income from the delivery of projects under the National Action Plan for cancer and interest on term deposits, and was \$1.2m higher than the prior year. When combined with a \$1.1m reduction in operating costs, our surplus after fundraising and operating costs increased by \$0.4m compared with the prior year to \$15.6m.

This enabled our mission expenditure on support services for those living with blood cancer (\$15.0m) and on research into the causes and treatment of blood cancers (\$4.7m). Total expenditure on support services to patients and research increased by \$1.3m over the prior year to \$19.7m.

The net operating deficit for the year of \$4.1m was in accordance with operational plans set at the commencement of FY23 and this was mitigated somewhat by a \$0.2m gain on the value of shares held by the Foundation (see Statement of Comprehensive Income).

**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**

**Meetings of Directors**

The number of meetings of the Foundation's Board of Directors, the Finance, Audit & Risk Management Committee (FARM), the Members, Branch and Stakeholders Committee (MBS), and the Remuneration, Nominations & People Committee (REM) held during the year ended 30 June 2023, and the number of meetings attended by each director were:

	Number of Meetings Directors		Number of Meetings FARM		Number of Meetings MBS		Number of Meetings REM	
	Held (i)	Attended	Held (i)	Attended	Held (i)	Attended	Held (i)	Attended
Lucio Di Giallonardo	6	6	6	4				
Angela Ferguson	6	6			6	6		
Heidi Bradshaw	1	1						
Jane Hancock	6	5			6	5	6	6
Mark Cormack	6	5						
Michelle Beveridge	6	6	6	6				
Nigel Harris AM	6	6			6	4	6	6
Peter Hodgett	6	6	6	6				
Siân Slade	6	6			6	5	6	6

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

The committees in place at the date of this report are as follows:

**Name of Committee**

Finance, Audit & Risk Management Committee  
Remuneration, Nominations & People Committee  
Members, Branch & Stakeholders Committee

**Chairperson**

Michelle Beveridge  
Siân Slade  
Angela Ferguson

**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 and clinical practice. The Board ensures the Foundation's resources are used effectively to meet the needs of Australians with Leukaemia, Lymphoma, Myeloma and related blood disorders. Key roles and responsibilities of the Board include:


- Selection and appointment 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;
- 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.

**Auditor's Independence Declaration**

A copy of the Auditor's Independence Declaration as required under section 60-40 of the *Australian Charities and Non-for-Profits Commission Act 2012* is included on page 5 of the Financial Report and forms part of this Directors' Report.

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

On behalf of the Directors

  
Lucio Di Giallonardo

Chair

20 October 2023



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Australia

**DECLARATION OF INDEPENDENCE BY ELIZABETH BLUNT TO THE DIRECTORS OF LEUKAEMIA  
FOUNDATION OF AUSTRALIA LIMITED**

As lead auditor of Leukaemia Foundation of Australia Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of section 60-40 of the *Australian Charities and Not-for-profit 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 read 'EB', followed by a horizontal line and a stylized flourish.

**Elizabeth Blunt**  
**Director**

**BDO Audit Pty Ltd**

Melbourne, 20 October 2023

**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 Leukaemia Foundation of Australia Limited ("the Foundation") are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:
  - a. Complying with Australian Accounting Standards – Simplified Disclosures and the *Australian Charities and Not-for-profits Commission Regulation 2022*; and
  - b. Giving a true and fair view of the Foundation's financial position as at 30 June 2023 and of its financial performance for the year ended on that date;
2. In the Directors' 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 with by the Foundation;
3. Internal controls are appropriate and effective in accounting for all income received and applied from any fundraising appeals; and
4. 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.

On behalf of the Directors



Lucio Di Giallonardo

Chair

20 October 2023

**THE LEUKAEMIA FOUNDATION OF AUSTRALIA LIMITED**  
**ACN 057 493 017**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2023**

	Note	2023 \$	2022 \$
<b>Revenue</b>	2	29,329,046	30,393,207
Fundraising and operational support expenses (excluding research grants and patient support)	3	(13,744,853)	(15,244,124)
		<u>15,584,193</u>	<u>15,149,083</u>
Fulfilment of mission expenses	3	(19,702,493)	(18,358,602)
Net deficit for the year		<u>(4,118,300)</u>	<u>(3,209,519)</u>
<b>Other Comprehensive Income – Items that will not subsequently be reclassified to profit or loss</b>			
Net changes in fair value of financial assets at fair value through other comprehensive income	10	214,553	(243,970)
Total comprehensive deficit for the year		<u>(3,903,747)</u>	<u>(3,453,489)</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 2023**

	Note	2023 \$	2022 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	24,910,004	26,657,161
Trade and other receivables	6	1,625,258	672,980
Other assets	7	13,290,632	15,254,887
<b>Total current assets</b>		<b>39,825,894</b>	<b>42,585,028</b>
<b>Non-current assets</b>			
Property, plant and equipment	8	49,900,135	51,564,290
Right-of-use assets	9	5,672,628	6,580,327
Financial assets at fair value through other comprehensive income	10	2,791,177	2,576,624
<b>Total non-current assets</b>		<b>58,363,940</b>	<b>60,721,241</b>
<b>Total assets</b>		<b>98,189,834</b>	<b>103,306,269</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	11	1,459,828	1,585,606
Lease liability	9	444,105	824,006
Deferred income	12	1,014,763	1,183,094
Provisions	13	1,373,135	1,258,616
<b>Total current liabilities</b>		<b>4,291,831</b>	<b>4,851,322</b>
<b>Non-current liabilities</b>			
Lease liability	9	5,430,607	5,856,230
Provisions	13	417,704	645,278
<b>Total non-current liabilities</b>		<b>5,848,311</b>	<b>6,501,508</b>
<b>Total liabilities</b>		<b>10,140,142</b>	<b>11,352,830</b>
<b>Net assets</b>		<b>88,049,692</b>	<b>91,953,439</b>
<b>Equity</b>			
Retained surplus		60,250,949	64,369,249
Reserves	14	27,798,743	27,584,190
<b>Total equity</b>		<b>88,049,692</b>	<b>91,953,439</b>

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 2023**

	Retained Surplus	Fair Value Reserve (Note 14)	Equity Contribution Reserve (Note 14)	Total Equity
	\$	\$	\$	\$
<b>Balance at 1 July 2021</b>	67,578,768	37,290	27,790,870	95,406,928
Net deficit for the year	(3,209,519)	-	-	(3,209,519)
Other comprehensive deficit	-	(243,970)	-	(243,970)
Total comprehensive deficit for the year	(3,209,519)	(243,970)	-	(3,453,489)
<b>Balance at 30 June 2022</b>	64,369,249	(206,680)	27,790,870	91,953,439
Net deficit for the year	(4,118,300)	-	-	(4,118,300)
Other comprehensive income	-	214,553	-	214,553
Total comprehensive deficit for the year	(4,118,300)	214,553	-	(3,903,747)
<b>Balance at 30 June 2023</b>	60,250,949	7,873	27,790,870	88,049,692

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 2023**

	Note	2023 \$	2022 \$
<b>Cash flows from operating activities</b>			
Receipts from donors and sponsors		27,765,425	30,682,649
Interest received		437,703	141,375
Dividends received		168	325
Government grants		-	239,362
Interest paid on lease liabilities	9	(200,373)	(129,301)
Payments to suppliers and employees		(30,710,361)	(30,422,526)
Net cash (used in)/ provided by operating activities	17	(2,707,438)	511,884
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		-	(1,507)
Proceeds from sale of land and buildings		9,347	-
Payment from term deposits		-	(15,000,000)
Receipts from term deposits		2,000,000	-
Net cash flows from/ (used in) investing activities		2,009,347	(15,001,507)
<b>Cash flows from financing activities</b>			
Principal paid on lease liabilities		(1,049,066)	(975,827)
Net cash flows used in financing activities		(1,049,066)	(975,827)
Net decrease in cash and cash equivalents		(1,747,157)	(15,465,450)
Cash and cash equivalents at the beginning of the year		26,657,161	42,122,611
Cash and cash equivalents at the end of the year	5	24,910,004	26,657,161

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 AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

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These financial statements cover The Leukaemia Foundation of Australia Limited ('the Foundation'). The Leukaemia Foundation of Australia Limited is a not-for profit company limited by guarantee, incorporated, and domiciled in Australia.

These financial statements were authorised for issue by the board of Directors on 20 October 2023. Comparatives are consistent with the prior year, unless otherwise stated.

The financial statements of the Foundation are presented in Australian dollars.

## **1 SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies adopted in the preparation of the financial statements are set out below or included in the relevant note to the financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

### **New or amended Accounting Standards and Interpretations adopted**

The Foundation has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. These did not have a material impact on the financial report.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. These are not expected to have a material impact on the financial report on initial application.

### **Basis of preparation**

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards - Simplified Disclosures issued by the AASB and the *Australian Charities and Not-for-profits Commission Act 2012*, as appropriate for not-for-profit oriented entities.

#### (a) Historical cost convention

The financial statements have been prepared on the basis of historical cost except for the measurement at fair value of certain financial assets.

#### (b) 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.

#### (c) Critical accounting judgments, estimates and assumptions

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 set out in applicable notes.

### **Reclassification of comparatives**

Comparative figures where appropriate have been reclassified to be comparable with the figures presented for the current financial year.

**THE LEUKAEMIA FOUNDATION OF AUSTRALIA LIMITED**  
**ACN 057 493 017**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

	2023 \$	2022 \$
<b>2 REVENUE</b>		
Included in results are the following items of revenue:		
<b>Fundraising revenue</b>		
- World's Greatest Shave	13,538,379	14,098,352
- Other fundraising and donations	9,907,704	11,179,631
- Sponsorship and grants	985,290	1,387,767
	<u>24,431,373</u>	<u>26,665,750</u>
<b>Other revenue</b>		
- Interest income	951,345	173,386
- Patient service rental income	3,772,693	3,314,229
- Dividends	168	325
- Commonwealth Government grant income:		
- Department of Health - National Action Plan	168,331	239,362
- Gain on sale of assets	5,136	-
- Profit on modification of contracts (leases)	-	155
	<u>4,897,673</u>	<u>3,727,457</u>
	<u>29,329,046</u>	<u>30,393,207</u>

**Accounting policy - Revenue**

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Foundation is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Foundation: identifies the contract with a customer, identifies the performance obligations in the contract, determines the transaction price which takes into account estimates of variable consideration, allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Rendering of Services

Revenue from services provided by the Foundation is recognised over time as the services are rendered.

Fundraising, donations and bequests

Revenue from fundraising, including donations and bequests, is recognised when received or receivable.

Interest

Interest income is recognised as interest accrues using the effective interest method. The effective interest method uses the effective interest rate which is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial asset.

Dividends

Dividends are recognised as revenue when the Foundation's right to receive payment is established.

**THE LEUKAEMIA FOUNDATION OF AUSTRALIA LIMITED**  
**ACN 057 493 017**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

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Grants

Revenue from government grants received under enforceable agreements, where there are sufficiently specific performance obligations imposed, is deferred until the obligations are satisfied. If the performance obligations are not sufficiently specific, revenue will be recognised upon receipt.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

**THE LEUKAEMIA FOUNDATION OF AUSTRALIA LIMITED**  
**ACN 057 493 017**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

	2023 \$	2022 \$
<b>3 EXPENSES</b>		
<b>Fundraising and operational support expenses</b> (excluding research grants and patient support)		
- Fundraising	10,105,237	10,524,869
- Operational support	3,639,616	4,719,255
	<u>13,744,853</u>	<u>15,244,124</u>
<b>Fulfilment of mission expenses</b>		
Provision of accommodation and patient support	14,997,032	13,013,542
Research grants and advocacy	4,705,461	5,345,060
	<u>19,702,493</u>	<u>18,358,602</u>
<b>Included as Expenses are the following specific items:</b>		
<u>Employee Benefits</u>		
- Fundraising and Operational activities	6,115,532	7,995,569
- Fulfilment of mission activities	9,574,436	8,062,794
	<u>15,689,968</u>	<u>16,058,363</u>

Superannuation expense of \$1,430,712 for the year ended 30 June 2023 (2022: \$1,389,478) was included in employee benefits expense.

Depreciation of non-current assets

- Buildings	1,376,109	1,376,111
- Plant and equipment	97,858	124,646
- Motor vehicles	39,943	40,425
- Furniture and fittings	146,039	213,999
- Right-of-use assets	1,151,241	1,027,256
	<u>2,811,190</u>	<u>2,782,437</u>

**Accounting policy - Expenses**

Expenses 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 an item of expense.

**4 AUDITORS' REMUNERATION**

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

- Auditing the financial report	51,500	47,000
- Other services	4,000	14,700
	<u>55,500</u>	<u>61,700</u>

**THE LEUKAEMIA FOUNDATION OF AUSTRALIA LIMITED**  
**ACN 057 493 017**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

	2023 \$	2022 \$
<b>5 CASH AND CASH EQUIVALENTS</b>		
Cash at bank	7,910,004	7,301,687
Term deposits less than 3 months from maturity	17,000,000	19,355,474
	<u>24,910,004</u>	<u>26,657,161</u>

\$5,602,585 of the cash held represents funds reserved for accommodation in Queensland unless approved for other purposes by a majority of the Queensland resident directors (2022: \$5,602,585).

**Accounting policy - Cash and cash equivalents**

Cash comprises cash on hand and on 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	812,243	437,146
GST receivable	197,436	133,896
Interest accrued	615,579	101,938
	<u>1,625,258</u>	<u>672,980</u>

**Accounting policy - Trade and other receivables**

The Foundation holds the trade and other receivables with the objective to collect the contractual cash flows which 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 (2022: nil).

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

**7 OTHER ASSETS – CURRENT**

Community benefit fund	10,903	10,903
Deposits	52,975	32,975
Prepayments	226,754	211,009
Term deposits greater than 3 months from maturity	13,000,000	15,000,000
	<u>13,290,632</u>	<u>15,254,887</u>



**THE LEUKAEMIA FOUNDATION OF AUSTRALIA LIMITED**  
**ACN 057 493 017**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

	2023 \$	2022 \$
<b>8 PROPERTY, PLANT AND EQUIPMENT</b>		
Freehold land - at cost	9,466,054	9,466,054
<b>Total land</b>	<b>9,466,054</b>	<b>9,466,054</b>
Buildings - at cost	56,238,413	56,238,413
Less: accumulated depreciation	(16,102,868)	(14,726,759)
<b>Total buildings</b>	<b>40,135,545</b>	<b>41,511,654</b>
Plant and equipment - at cost	1,909,757	1,909,757
Less: accumulated depreciation	(1,808,448)	(1,710,590)
<b>Total plant and equipment</b>	<b>101,309</b>	<b>199,167</b>
Furniture and fittings - at cost	2,914,288	2,918,494
Less: accumulated depreciation	(2,791,440)	(2,705,476)
	122,848	213,018
Leasehold improvements - at cost	825,539	825,539
Less: accumulated depreciation	(813,332)	(753,257)
	12,207	72,282
<b>Total furniture, fittings and leasehold improvements</b>	<b>135,055</b>	<b>285,300</b>
Motor vehicles - at cost	418,318	418,318
Less: accumulated depreciation	(356,146)	(316,203)
<b>Total motor vehicles</b>	<b>62,172</b>	<b>102,115</b>
<b>Total property, plant and equipment</b>	<b>49,900,135</b>	<b>51,564,290</b>
<u>Carrying amounts of assets pledged as security</u>		
Property at 25 Helen Street, Westmead, NSW	2,599,072	2,629,537
Property at 22 Villa Road, Newcastle, NSW	367,446	370,557
	2,966,518	3,000,094

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(b) for further details.

Movements in the 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 2023</u>	Freehold Land	Buildings	Plant & Equipment	Furniture, Fittings and Leasehold Improvements	Motor Vehicles	Total
	\$	\$	\$	\$	\$	\$
Balance at beginning of the year	9,466,054	41,511,654	199,167	285,300	102,115	51,564,290
Additions	-	-	-	-	-	-
Disposals	-	-	-	(4,206)	-	(4,206)
Depreciation and amortisation	-	(1,376,109)	(97,858)	(146,039)	(39,943)	(1,659,949)
Carrying amount at end of the year	9,466,054	40,135,545	101,309	135,055	62,172	49,900,135

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**Accounting policy - Property, plant and equipment**

Classes of property, plant and equipment are 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.

Depreciation is provided on plant and equipment and is calculated on a straight-line basis so as to write off the net cost 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	3.00 years
Furniture and Fittings	6.67 years
Motor Vehicles	5.33 years
Freehold Buildings	50.0 years
Leasehold Buildings	30.0 years
Leasehold Improvements	10.0 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.

**Estimation of useful lives of assets**

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

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## **9 LEASES**

### Foundation as a lessee

The Foundation leases various offices, equipment and motor vehicles. Rental contracts are typically made for fixed periods of 3 to 5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes. There are several lease contracts that include extension options.

The Foundation also has certain leases of equipment and storage with lease terms of 12 months or less, or low value. The Foundation applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

### **“Peppercorn” or concessionary leases**

The Foundation measures “peppercorn” or concessionary leases at cost rather than at fair value. The Foundation currently leases properties at 41/100 Angus Smith Drive, Douglas, QLD (land only); and 170 Middle Street, Coopers Plains, QLD (land only) at a \$Nil rental. These properties are being used to enable the Foundation to further its objectives.

### **Right-of-use assets**

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

#### Year ended 30 June 2023

	<b>Equipment</b>	<b>Buildings</b>	<b>Total</b>
As at 1 July 2022	168,598	6,411,729	6,580,327
Additions	-	-	-
Lease re-assessments	6,611	236,931	243,542
Depreciation expense	(53,308)	(1,097,933)	(1,151,241)
As at 30 June 2023	<u>121,901</u>	<u>5,550,727</u>	<u>5,672,628</u>

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	2023 \$	2022 \$
<b>Lease liabilities</b>		
Balance at beginning of year	6,680,236	1,475,976
Additions	-	6,035,120
Lease re-assessments	243,542	145,121
Interest expense	200,373	129,301
Payments	<u>(1,249,439)</u>	<u>(1,105,282)</u>
Balance at end of year	<u>5,874,712</u>	<u>6,680,236</u>
Current	444,105	824,006
Non-current	<u>5,430,607</u>	<u>5,856,230</u>
	<u>5,874,712</u>	<u>6,680,236</u>
Future lease payments are due as follows :		
Within one year	623,325	1,021,756
One to five years	2,012,472	2,118,911
More than five years	<u>4,600,779</u>	<u>5,098,982</u>
	<u>7,236,576</u>	<u>8,239,649</u>
The following are the amounts recognised in profit or loss:		
Depreciation charge of right-of-use assets:		
- Buildings	1,097,933	974,677
- Plant and Equipment	53,308	52,579
Interest expense (included in finance cost)	200,373	129,301
Rent expense relating to short-term leases	493,930	282,349

**Accounting policy – Leases**

**Right of use assets**

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Foundation expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is calculated over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease.

The Foundation has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed as incurred

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Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Foundation's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Foundation, the Foundation's incremental borrowing rate is used, being the rate that the Foundation would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is expensed over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the Foundation's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The Foundation reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the Foundation estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security, conditions and economic environment.

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	2023 \$	2022 \$
<b>10 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME</b>		
Investments listed at fair value	<u>2,791,177</u>	<u>2,576,624</u>
<u>Movement in investments:</u>		
Opening Balance	2,576,624	2,750,514
Shares received as donations	-	70,080
Fair value adjustments	<u>214,553</u>	<u>(243,970)</u>
Closing Balance	<u>2,791,177</u>	<u>2,576,624</u>

**Key accounting judgments - Investments**

Financial assets at fair value through other comprehensive income.

Financial assets at fair value through other comprehensive income relate 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.

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 Other Comprehensive Income 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 as other income when the Foundation's right to receive the dividend is established.

**11 TRADE AND OTHER PAYABLES**

**Current**

Trust funds held	42,000	48,290
Sundry creditors and accruals (i)	<u>1,417,828</u>	<u>1,537,316</u>
	<u>1,459,828</u>	<u>1,585,606</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 amortised 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 payable to the taxation authority is included as part of payables.

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	2023 \$	2022 \$
<b>12 DEFERRED INCOME</b>		
<b>Current</b>		
Deferred grant revenue	<u>1,014,763</u>	<u>1,183,094</u>

**Accounting policy – Deferred income**

Grant agreements that contain specific performance obligations represent a liability until the specific performance obligations are met. When the performance obligations attributable to the grant agreement have been delivered, in line with the performance obligations of the grant, the grant is recognised as income.

**13 PROVISIONS**

<b>Current</b>		
Employee entitlements	<u>1,373,135</u>	<u>1,258,616</u>
<b>Non-current</b>		
Employee entitlements	267,704	385,278
Provision for make good	<u>150,000</u>	<u>260,000</u>
	<u>417,704</u>	<u>645,278</u>
	<u>1,790,839</u>	<u>1,903,894</u>

**Accounting policy - Employee entitlements**

A liability is recognised for benefits accruing to employees in respect of 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.

**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.

A provision for make good has been brought to account in respect of premises at Artarmon estimated at \$75,000 and Innaloo estimated at \$75,000. The lease over premises in Innaloo expired in March 2023 and we have been working through a process to ensure that our patient facilities and office solution in WA is optimal. A number of options were presented to us for market testing and it is likely that our Innaloo lease will now be renewed. The lease over premises at North Melbourne expired on 30 September 2022 and the cost of make good accounts for the movement in the balance shown above. All other leased properties have been assessed and have been found not to require a provision for make good.

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	2023 \$	2022 \$
<b>14 RESERVES</b>		
(a) Fair value reserve	7,873	(206,680)
The fair value reserve is used to record increases and decreases in the value of the Foundation's financial assets at fair value through other comprehensive income.		
(b) Equity contribution reserve	27,790,870	27,790,870
The equity contribution reserve arose on the voluntary merger of Leukaemia Foundation of Australia, and Leukaemia Foundation of Queensland which was finalised on 1 July 2016.		
Total reserves	<u>27,798,743</u>	<u>27,584,190</u>
Movements in reserves are disclosed in the Statement of Changes in Equity.		

**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.

At 30 June 2023 the number of members of the Foundation was 377 (2022: 371).



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	2023	2022
	\$	\$
<b>16 RELATED PARTY TRANSACTIONS</b>		
(a) The names of directors who have held office during the financial year are:		
<b>Name</b>	<b>Date Appointed</b>	
Lucio Di Giallonardo	19/11/2004	
Angela Ferguson	17/04/2021	
Heidi Bradshaw	17/05/2023	
Jane Hancock	13/07/2021	
Mark Cormack	02/09/2021	
Michelle Beveridge	17/04/2021	
Nigel Harris AM	17/04/2021	
Peter Hodgett	17/04/2021	
Siân Slade	17/04/2021	
(b) There were no transactions between related parties. No Director received remuneration directly or indirectly in connection with the management of the Foundation.		
(c) <b>Key management personnel compensation</b>		
The aggregate compensation of other members of key management personnel of the Foundation is as follows:		
Aggregate compensation	629,122	568,018

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	2023 \$	2022 \$
<b>17 CASH FLOW INFORMATION</b>		
<b>(a) Reconciliation of net cash flows from operating activities to net deficit</b>		
Net deficit for the year	(4,118,300)	(3,209,519)
<b>Non-cash items:</b>		
Shares received as donations	-	(70,080)
Depreciation and amortisation	2,811,190	2,782,437
Gain on disposal of non-current assets	(5,136)	-
Profit on modification of contracts (Leases)	-	(155)
<b>Change in operating assets and liabilities:</b>		
(Increase)/decrease in receivables	(952,283)	(114,899)
(Increase)/decrease in prepayments	(15,745)	(208,707)
(Increase)/decrease in deposits	(20,000)	-
Increase/(decrease) in payables	(125,778)	514,425
Increase/(decrease) in deferred revenue	(168,331)	855,638
Increase/(decrease) in provisions	(113,055)	(37,256)
Cash (outflow)/inflow from operating activities	<u>(2,707,438)</u>	<u>511,884</u>

**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.

**(b) Financing facilities available to the Foundation as at June 2023**

At 30 June 2023 there was a \$300,000 corporate credit card facility available to the Foundation (2022: \$300,000).

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	2023	2022
	\$	\$

**18 COMMITMENT**

**(a) 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 \$7,737,436 and it is anticipated that this will be payable as follows:

- less than 1 year	4,164,372	2,399,849
- greater than 1 year but less than 5 years	3,573,064	5,276,194
Minimum grant payments	7,737,436	7,676,043

**(b) Bank Guarantee**

The Foundation has issued bank guarantees to third parties totaling \$162,250 (2022: \$162,250). These bank guarantees are for bonds on office leases and are secured against the property of the Foundation as listed in Note 8.

As at 30 June 2023, the bank guarantee facility limit is \$420,000 with an unused facility limit of \$257,750 and used facility limit of \$162,250.

**19 CONTINGENT LIABILITIES**

The Directors are not aware of any contingent liabilities at 30 June 2023 (2022:Nil).

**20 EVENTS SUBSEQUENT TO REPORTING 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.

## INDEPENDENT AUDITOR'S REPORT

To the members of Leukaemia Foundation of Australia Limited

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Leukaemia Foundation of Australia Limited (the Foundation), which comprises the statement of financial position as at 30 June 2023, 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 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 Foundation's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards - Simplified Disclosures and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2022*.

#### 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 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 (including Independence Standards)* (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 of the Foundation are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the directors' report, but does not include the financial report and our auditor's report thereon.

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 Foundation are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Simplified Disclosures 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, directors are responsible for assessing the Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

The directors of the Foundation are responsible for overseeing the Foundation's financial reporting process.

### **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](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf)

This description forms part of our auditor's report.

**BDO Audit Pty Ltd**



Elizabeth Blunt  
Director

Melbourne, 20 October 2023