Working towards a cancer free future

FINANCIAL REPORT 2018

Cancer Council Queensland

Every minute, every hour, every day, we're working towards our vision of a cancer free future.

Our mission

Reducing the burden of cancer. Cancer Council Queensland (CCQ) raises funds that are dedicated to improving quality of life for people living with cancer, through research, patient care, prevention and early detection.

Purpose

CCQ is dedicated to supporting the community in cancer control. CCQ is dynamic, outcome focused, responsive to community needs, committed to voluntarism and the pursuit of excellence in all its activities. All employees and volunteers of CCQ, through their work, are actively involved in cancer control.

We work across every aspect of cancer to:

- Support Queenslanders affected by cancer.
- Work with the community to change laws and policies to reduce cancer risks and improve cancer-care.
- Conduct and fund world-class research to reduce the impact of cancer.

Values

With integrity, agility and a deep sense of belonging – we are committed to supporting the cancer community.

Finance report

For the 12 months ended December 31, 2018

Every day, we work tirelessly across every aspect of cancer, funding research, delivering prevention programs, advocating for change and providing support to those affected.

The total income for the financial year ended December 31, 2018 was $38,118,925. In the same period, total expenditure was $30,332,787 leaving an operating surplus of $7,786,138.

Total income was up $5,509,046 on 2017 reflecting increases over last year on fundraising income of $4,671,018 and other income of $838,028.

The increase to fundraising was due to significantly higher bequests (+$4,417,217) and higher major gift fundraising (+$1,386,990) which were offset by lower event income (-$160,092) and direct mail and regular giving income (-$973,097).

Total expenditure was reduced by $866,966 on 2017.

Research expenditure was down by $2,047,339, due mainly to the transfer back to Queensland Health of the Queensland Cancer Registry (saving $765,183) and a reduction in the allocation of medical and scientific research grants ($1,433,619).

A decision was made in 2016 to reduce external research grants as a result of deficits incurred in 2014 and 2015. That decision has resulted in reduced grants in 2017 and 2018 (as they were two-year grants). Additionally, bequest income is very difficult to budget and has resulted in a lower amount being set aside to fund medical and scientific research grants. This reduction is being reviewed in light of the higher bequest income received in 2018.

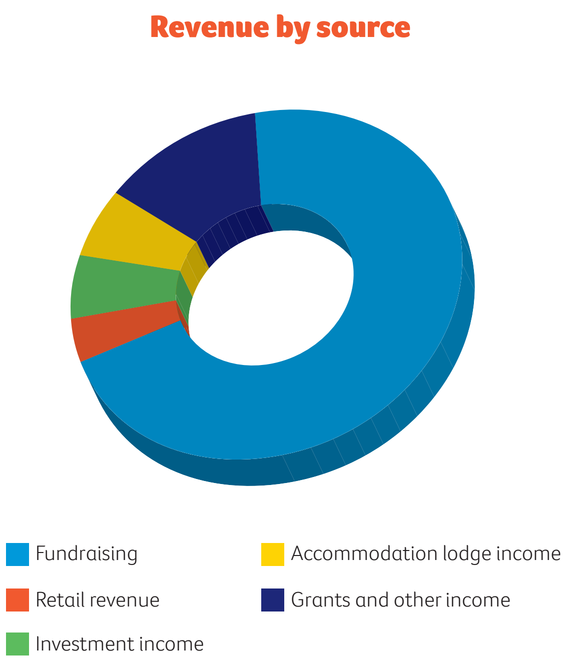
Fundraising expenditure reduced by $464,370, Community Services expenditure increased by $789,589, Partnership and engagement expenditure increased by $83,848 and other expenditure (retail, depreciation and administration expenditure) increased by $90,713. An additional expenditure item in 2018 was the change in value of our managed funds investment totalling $742,821[1].

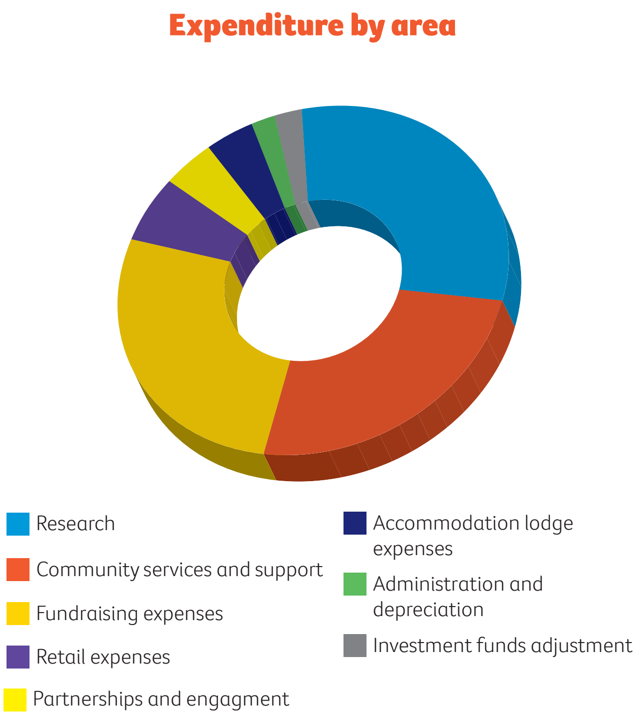
The main sources of revenue were:

	2018 $'000	2017 $'000
Fundraising	27,163	22,492
Retail revenue	1,579	1,509
Investment income	2,302	2,177
Accommodation lodge income	2,181	2,345
Grants and other income	4,883	4,203
Total revenue	38,108	32,725
Other income/(losses)	11	(115)
Total income	38,119	32,610

The main areas of expenditure were:

	$'000	$'000
Fundraising expenses	8,152	8,616
Retail expenses	744	679
Administration and depreciation	1,161	1,136
Accommodation lodge expenses	1,351	1,413
Research	8,936	10,983
Partnership and engagement	1,721	1,637
Community services and support	7,525	6,735
Change in value of managed funds investments	743	0
Total expenses	30,333	31,200
Net operating result	7,786	1,410





Full financial details for the year ending December 31, 2018 have been reported in the Financial Statements on pages 5 to 30. These financial statements have been independently audited and the Auditor's Report is included in the statements.

The 2018 result reflects CCQ's strong commitment to best-practice cancer control in a difficult environment for fundraising. We express our sincere appreciation to all our supporters for their continuing contribution.

At the end of 2015, CCQ set a target to achieve a balanced budget over future years through continued investment to generate income growth and through the pursuit of operational efficiencies.

By 2017 the balanced budget had been achieved through operational efficiencies. In 2018 the strong operating surplus was achieved through both growth in income and continued operational efficiencies. The growth in income was achieved mainly through one off items (bequests and major gifts). CCQ will be looking to invest more in research and community services in future years providing the income growth is sustainable.

CCQ Employees and Volunteers

CCQ benefits immensely from its dedicated and multi-skilled employees, who draw from a broad range of professional experiences that are applicable to the many duties and activities in which they are individually involved. It is a privilege to acknowledge their contribution and thank them for their continued efforts throughout the year.

The efforts of CCQ's employees are enhanced by the contribution of a vast network of registered volunteers and supporters who generously commit their time to our work.

Without their contribution we would be unable to continue research and provide cancer-related services to the Queensland community.

We recognise with abiding gratitude the contribution of all of our volunteers.

I thank the members of the Finance, Audit and Risk Management Committee for 2018 – Mr Andrew Arkell, Mrs Marian Micalizzi, Mr Roger Traves QC, Mr Robert Gregg, Ms Penny Shield and Dr Louise Kelly – and our professional advisors for their wise guidance and counsel. Their knowledge and experience in matters of business and commerce is invaluable to the continued maintenance of CCQ's financial position.

In particular I would like to thank retiring members Mrs Marian Micalizzi and Mr Roger Traves QC for their invaluable contributions over many years and welcome the two recent additions to our team for 2019, Mr Ian Rodin, former partner at Ernst and Young and Ms Tricia Schmidt, Senior Partner of Murphy Schmidt, who I am sure will add further invaluable insights to the committee.

Steve Wiltshire
Chairman
Finance, Audit and Risk Management Committee

Reference Note:

(1) CCQ diversified its investment portfolio by selling down some equities and buying in to a managed fund in 2018. Please note changes in the value of managed funds are accounted for in the entity's profit and loss, whereas changes in the value of equities is accounted for though other comprehensive income.

Statement of profit or loss and other comprehensive income

For The Year Ended December 31, 2018

	Note	2018 $	2017 $
Revenue			
Revenue	2	38,108,247	32,725,185
Other income/(losses)	2	10,678	(115,306)
Expenses			
Fundraising expenses	3	(8,151,650)	(8,616,020)
Retail expenses	3	(744,253)	(679,453)
Depreciation and amortisation expenses	3	(783,351)	(842,582)
Administration expenses	3	(378,264)	(293,119)
Partnership & Engagement	3	(1,720,680)	(1,636,832)
Community Services and Public Health expenses	3	(7,524,998)	(6,735,409)
Accommodation Lodge expenses	3	(1,350,724)	(1,412,955)
Research expenses	3	(8,936,045)	(10,983,384)
Change in fair value of managed funds investments	3	(742,821)	-
Surplus before income tax expense		7,786,138	1,410,126
Income tax expense	1 (c)		
Surplus for the year		7,786,138	1,410,126
Other Comprehensive Income			
Items that will not subsequently be reclassified to profit or loss			
Change in fair value of land and buildings		449,277	-
Change in fair value of financial assets		(1,864,975)	323,382
Net (gain)/loss on disposal of available for sale financial assets		-	(86,404)
Other Comprehensive Income for the year		(1,415,698)	236,978
Total Comprehensive Income		6,370,440	1,647,104

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes

Statement of financial position

AS AT December 31, 2018

	Note	2018 $	2017 $
Current Assets			
Cash and cash equivalents	7	1,561,959	3,015,367
Trade and other receivables	8	1,692,051	1,568,999
Inventories	9	295,900	304,310
Investments	10	10,141,164	8,010,000
Other current assets	11	149,196	188,115
Total Current Assets		13,840,270	13,086,791
Non-current Assets			
Investments	10	25,185,318	20,836,769
Property, plant and equipment	12	28,147,490	27,023,264
Intangible assets	13	19,205	57,118
Total Non-current Assets		53,352,013	47,917,151
Total Assets		67,192,283	61,003,942
Current Liabilities			
Trade and other payables	14	4,321,102	4,116,888
Short-term unpaid grants	15	2,973,787	3,172,393
Provisions	16	609,166	696,874
Total Current Liabilities		7,904,055	7,986,155
Non-current Liabilities			
Long-term unpaid grants	15	1,000,000	1,100,000
Provisions	16	223,146	223,146
Total Non-current Liabilities		1,223,146	1,323,146
Total Liabilities		9,127,201	9,309,301
Net Assets		58,065,082	51,694,641
EQUITY			
Marylyn and John Mayo Reserve Fund	18	4,530,588	3,765,258
Reserves	18	6,394,105	9,657,541
Accumulated surplus		47,140,390	38,271,842
Total Equity		58,065,082	51,694,641

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

Statement of changes in equity

For The Year Ended December 31, 2018

	Asset Revaluation Reserve $	Financial Assets Revaluation Reserve $	Subtotal $	Marylyn and John Mayo Reserve $	Accumulated Surplus $	Total $
Balance at 1 January 2017	4,073,418	5,352,053	9,425,471	3,553,112	37,068,954	50,047,536
Surplus for the year after income tax	-	-	-	-	1,410,126	1,410,126
Other comprehensive income	-	232,070	232,070	4,908	-	236,978
Transfer of Mayo income to reserve	-	-	-	207,239	(207,239)	-
Balance at 31 December 2017	4,073,418	5,584,123	9,657,541	3,765,258	38,271,842	51,694,641
Surplus for the year after income tax	-	-	-	-	7,786,138	7,786,138
Other comprehensive income	449,277	(1,661,692)	(1,212,414)	(203,283)	-	(1,415,697)
Transfer of Mayo income to reserve	-	-	-	968,613	(968,613)	-
Transfer of net gain on financial assets sold	-	(2,051,023)	(2,051,023)	-	2,051,023	-
Balance at 31 December 2018	4,522,696	1,871,408	6,394,104	4,530,588	47,140,390	58,065,082

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

Statement of cash flows

For The Year Ended December 31, 2018

		2018 $	2017 $
Cash flows from operating activities			
Receipts from customers and fundraising		32,036,140	32,600,794
Interest received		317,252	228,384
Dividends received		2,035,220	1,643,013
Payments to suppliers and employees		(30,689,214)	(32,090,796)
Net cash inflow/(outflow) from operating activities	23 (b)	3,699,397	2,381,393
Cash flows from investing activities			
Payments for property, plant and equipment		(1,539,563)	(571,164)
Proceeds from sale of property, plant and equipment		129,856	127,255
Reinvestment of dividends		(1,020,784)	(873,879)
Devaluation of Cash Investment Fund		(32,039)	-
Proceeds from sale of / (payment for) investments		(2,690,276)	111,457
Current Financial assets (increase)/decrease		-	-
Net cash inflow/(outflow) from investing activities		(5,152,806)	(1,206,330)
Net increase/(decrease) in cash and cash equivalents		(1,453,408)	1,175,063
Cash and cash equivalents at beginning of the year		3,015,367	1,840,304
Cash and cash equivalents at end of the year	23 (a)	1,561,959	3,015,367

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

Notes to the financial statements

For The Year Ended December 31, 2018

NOTE 1

CORPORATE INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

CORPORATE INFORMATION

The financial statements of Cancer Council Queensland for the year ended 31 December 2018 were authorised for issue in accordance with a resolution of the directors on 30 April 2019 and cover Cancer Council Queensland as an individual entity as required by the Australian Charities and Not-for-profits Commission Act 2012.

The financial statements are presented in Australian currency.

Cancer Council Queensland is a company limited by guarantee incorporated in Australia. The address of the registered office and principal place of business is 553 Gregory Terrace, Fortitude Valley, QLD 4006.

Cancer Council Queensland is a not for profit entity for financial reporting purposes.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements per AASB 1053: Application of Tiers of Australian Accounting Standards and the Australian Charities and Not-for-profits Commission Act 2012.

The financial statements may not fully comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board, due to the inclusion of specific not for profit paragraphs in Australian Accounting Standards.

Historical cost convention

The financial statements have also been prepared on a historical cost basis, except for land and buildings and financial assets, which are valued at fair value through other comprehensive income.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 1(t).

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

(b) Revenue Recognition

Revenue is recognised at the fair value of consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid. The following specific recognition criteria must also be met before revenue is recognised:

Sale of Goods

Revenue from sale of goods is recognised when the significant risks and rewards of ownership have passed to the buyer and can be reliably measured. Risks and rewards are considered passed to buyer when goods have been delivered to the customer.

Rendering of Services

Revenue from Cancer Council Queensland services is recognised when the service is provided.

Fundraising and Bequests

Revenue from fundraising, including bequests, is recognised when received.

Interest

Revenue 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 company's right to receive payment is established.

Rental Income
Rental income on investment properties is accounted for on a straight-line basis over the lease term. Contingent rentals are recognised as income in the periods when they are earned.

Government Grants
Grants from the government are recognised at their fair value where there is reasonable assurance that the grant will be received and the company will comply with all the attached conditions. Government grants relating to the purchase of property, plant and equipment are recognised when the grant has been received and the company complies with all the attached conditions.

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

(c) Income Tax
Cancer Council Queensland is exempt from income tax within the terms of Subdivision 50-5 of the Income Tax Assessment Act 1997 (Cth).

(d) Cash and Cash Equivalents
For the purposes of the Statement of Cash Flows, cash and cash equivalents includes cash on hand and at bank, deposits held at call with financial institutions, other short term, highly liquid investments with maturities of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

(e) Trade and Other Receivables
Trade receivables are recognised at original invoice amounts less an allowance for uncollectible amounts and have repayment terms between 30 and 90 days. Collectability of trade receivables is assessed on an ongoing basis. Debts which are known to be uncollectible are written off. An allowance is made for doubtful debts where there is objective evidence that the Company will not be able to collect all amounts due according to the original terms. Objective evidence of impairment include financial difficulties of the debtor, default payments or debts more than 90 days overdue. On confirmation that the trade receivable will not be collectible the gross carrying value of the asset is written off against the associated provision.

From time to time, the Company elects to renegotiate the terms of trade receivables due from customers with which it has previously had a good trading history. Such renegotiations will lead to changes in the timing of payments rather than changes to the amounts owed and are not, in the view of the directors, sufficient to require the derecognition of the original instrument.

Other receivables are recognised at amortised cost, less any provision for impairment.

(f) Inventories
Inventories are stated at the lower of cost and replacement cost. Costs are assigned to inventories using the weighted average/first-in-first-out basis. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated selling cost of completion and selling expenses.

(g) Investments and Other Financial Assets
At initial recognition, the Company measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

Purchases and sales of investments are recognised on trade date which is the date on which the Company commits to purchase or sell the asset.

Accounting policies for each category of investments and other financial assets subsequent to initial recognition are set out below.

Financial assets at amortised cost
Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses), together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss and other comprehensive income.

Financial Assets at fair value through other comprehensive income
Financial assets at fair value through other comprehensive income are held at fair value at each reporting date. Fair value has been determined by reference to Securities Exchange quoted market bid prices at the close of business at the end of the reporting period. The company has made an irrevocable election on the initial recognition to present gains and losses on these investments in equity instruments which are not held for trading in other comprehensive income. These equity investments represent investment holding that the company intends to hold for long-term strategic purposes. Dividends in respect of these investments that are a return on investment, are recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.

(h) Fair Values

Fair values may be used for financial asset and liability measurement and as well as for sundry disclosures.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It is based on the presumption that the transaction takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market. The principal or most advantageous market must be accessible to or by, the Company.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

The fair value measurement of a non-financial asset takes into account the market participant's ability to generate economic benefits by using the asset at its highest and best use or by selling it to another market participant that would use the asset at its highest and best use.

In measuring fair value, the Company uses valuation techniques that maximise the use of observable inputs and minimise the use of unobservable inputs.

(i) Property, Plant and Equipment

Land and buildings are measured at fair value less accumulated depreciation. Any accumulated depreciation at revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated as the revalued amount of the asset. Any revaluation surplus is recorded in other comprehensive income and hence, credited to the asset revaluation reserve in equity, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the statement of profit or loss and other comprehensive income, in which case the increase is recognised in the statement of profit or loss and other comprehensive income. A revaluation deficit is recognised in the statement of profit or loss and other comprehensive income, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve. On disposal, any revaluation surplus relating to sold assets is transferred to accumulated surplus. Independent valuations are performed regularly to ensure that the carrying amount of land and buildings does not differ materially from the fair value at the end of the reporting period.

All other plant and equipment is stated at historical cost, including costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, less depreciation and any impairment.

Land is not depreciated. Depreciation on other assets is calculated on a straight-line basis over the estimated useful life or in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term, as follows:

- Buildings	2%
- Plant & equipment	10-33%
- Motor Vehicles	20%
- Leasehold improvement	20-33%

The assets residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are calculated as the difference between the net disposal proceeds and the assets carrying amount and are included in profit or loss in the year that the item is derecognised.

(j) Impairment of Assets

At the end of each reporting period the Company assesses whether there is any indication that individual assets are impaired. Where impairment indicators exist, recoverable amount is determined and impairment losses are recognised in profit or loss where the asset's carrying value exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing value in use, depreciated replacement cost is adopted when the future economic benefits of the asset are not primarily dependent on the assets ability to generate net cash inflows and where the Company would, if deprived of the asset, replace its remaining future economic benefits.

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

(k) Intangible Assets

Software

Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 3 years.

(l) Leases

Leases of property, plant and equipment where the Company has substantially all the risks and rewards of ownership are classified as finance leases and capitalised at inception of the lease at the fair value of the leased property or if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases where the lessor retains substantially all the risks and rewards of ownership of the net asset are classified as operating leases. Payments made under operating leases (net of incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

(m) Trade and Other Payables

Trade and other payables represent liabilities for goods and services provided to the Company prior to the year end and which are unpaid. These amounts are unsecured and have 30-60 day payment terms. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(n) Unexpended Grants

The Company receives grant funding for specific purposes either for contracted periods of time or for completion of particular activities irrespective of the time required to complete those activities. Grant funding is treated as a liability in the Statement of Financial Position until such time as all preconditions under the terms of the grant are satisfied.

(o) Provisions

Liabilities for legal claims, unpaid research grants and warranties and make good obligations are recognised when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where the effect of the time value of money is material, provisions are determined by discounting the expected future cashflows at a pre-tax rate that reflects current market assessments of the time value of money and where appropriate, the risks specific to the liability.

(p) Employee Benefit Provisions

Short-term employee benefit obligations

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled wholly within 12 months after the end of the reporting period are recognised in other liabilities in respect of employees' services rendered up to the end of the reporting period and are measured at amounts expected to be paid when the liabilities are settled.

Other long-term employee benefit obligations Liabilities

Long service leave and annual leave not expected to be settled wholly within 12 months after the end of the reporting period are recognised as part of the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees to the end of the reporting period using the projected unit credit method. Consideration is given to expected future salaries and wages levels, experience of employee departures and periods of service. Expected future payments are discounted using corporate bond rates at the end of the reporting period with terms to maturity and currency that match as closely as possible, the estimated future cash outflows.

Regardless of when settlement is expected to occur, liabilities for long service leave and annual leave are presented as current liabilities in the statement of financial position if the entity does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period.

Retirement Benefit Obligations

The Company has a defined contribution superannuation fund. Contributions are recognised as expenses as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(q) GST

Revenues and expenses are recognised net of GST except where GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cashflows are included in the statement of cashflows on a gross basis and the GST component of cashflows arising from investing and financing activities which is recoverable from or payable to, the taxation authority are classified as operating cashflows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from or payable to, the taxation authority.

(r) Adoption of New and Amended Accounting Standards

The Company has adopted all the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and are effective for the current reporting period. The adoption of these new Standards and Interpretations did not have any material effect on the amounts recognised in the financial statements in the current or prior periods.

(s) New accounting standards issued but not yet effective

The following new or amended accounting standards and interpretations have been issued, but are not mandatory for financial year ended 31 December 2018. They have not been adopted in preparing the financial statement for the year ended 31 December 2018 and may impact the Company in the period of initial application. In all cases, the Company intends to apply these standards from application date as intended below.

Reference	Title	Summary	Impact on financial report	Application date
AASB 15	Revenue from contracts with customers	Is a single comprehensive framework for determining whether, how much and when revenue is recognised. The core principle of the standard is that an entity will recognise revenue when control of goods or services is transferred rather than on transfer of risks and rewards as is currently the case under AASB 118: Revenue.	The Company will evaluate the overall impact of AASB 15 on the financial statements. The key area of impact for the Company will be the recognition of grant revenue.	1 January 2019
AASB 1058	Income of Not-for-Profit Entities	This standard provides specific guidance with respect to the revenue recognition treatment of donations, government grants and volunteer services.	The Company continues to evaluate the overall impact of AASB 1058 on the financial statements. The key area of impact for the Company will be the recognition of grant revenue.	1 January 2019
AASB 16	Leases	All leases will be included in the statement of financial position of lessees as right-of-use assets (non-current asset) and lease liabilities (split between current and non-current). In addition, rent expense will no longer be treated as an operating expense but will be classified as a financial activity.	The Company anticipates its operating lease contracts, currently in effect, which are largely related to premises leases, will be impacted by the introduction of AASB 16. The Company has undertaken a detailed assessment of the impact of AASB 16 and the impact on the profit and loss is immaterial.	1 January 2019

(t) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgements incorporated into the financial statements 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 Company. Assumptions, estimates and judgments used in the Directors' valuation of land and buildings are disclosed in note 12.

Notes to the financial statements

For The Year Ended December 31, 2018

	Note	2018 $	2017 $
Note 2: Revenue			
Fundraising Income			
Fundraising Events (general donations, national events, community events, branch committees)		7,610,712	7,770,804
Major gift fundraising (direct mailing, major gifts, employee contributions, memoriams)		6,516,172	6,102,279
Bequests		13,036,332	8,619,115
Total Fundraising		27,163,216	22,492,198
Interest and dividend (unrelated parties)			
Held to Maturity		252,789	246,541
Other		13,700	287,279
Dividends & Distributions		2,035,220	1,643,013
Total Interest and Dividends		2,301,708	2,176,833
Retail Income	5	1,579,003	1,508,607
Accommodation income			
- Charles Wanstall Apex Lodge, Herston Brisbane	6	725,199	768,316
- Gluyas Rotary Lodge, Townsville	6	427,460	587,830
- Rockhampton Lodge, Rockhampton	6	164,415	145,300
- Marylyn Mayo Lodge, Cairns	6	180,710	215,001
- Olive McMahon Lodge, Toowoomba	6	274,718	250,397
- Ellis Lodge, South Brisbane	6	408,445	377,802
		2,180,947	2,344,646
Other Revenue			
- Partnerships and Engagement		399	284
- Cancer Support and Information		1,009,187	825,603
- Public Health		340,657	383,944
- Cancer Counselling		62,592	64,251
- Viertel Centre for Research in Cancer Control		2,159,637	2,288,218
- Queensland Cancer Registry & Australian Paediatric Cancer Registry		1,310,900	640,603
		4,883,372	4,202,902
Total Revenue		38,108,247	32,725,185

Notes to the financial statements

For The Year Ended December 31, 2018

	Note	2018 $	2017 $
Note 2: Revenue (continued)			
Other Income			
Net gain/(loss) on disposal of plant and equipment		10,678	(115,306)
Total other income		10,678	(115,306)

	Note	2018 $	2017 $
Note 3: Expenses			
Fundraising expenses			
- Events		5,737,994	5,017,883
- Direct Marketing		2,413,656	3,598,138
Total Fundraising expenses		8,151,650	8,616,020
Retail expenses			
- Cost of goods sold	5	392,943	375,940
- Direct operating costs	5	351,310	303,513
Total Retail expenses		744,253	679,453
Depreciation of Non Current Assets			
- Buildings	12	149,787	148,846
- Plant and equipment	12	595,651	655,739
Total Depreciation expenses		745,438	804,584
Software amortisation		37,912	37,998
Total Depreciation expense and software amortisation		783,351	842,582
Administration expenditure		378,264	293,119
Partnership and Engagement expenditure		1,720,680	1,636,832
Community Services - Programs			
- Cancer Support and Information		6,121,980	4,018,935
- Public Health		756,851	1,416,249
- Cancer Counselling		646,167	1,300,225
Total Community Services - Programs expenditure		7,524,998	6,735,409
Accommodation Lodge expenses			
- Charles Wanstall Apex Lodge, Herston, Brisbane	6	318,438	307,523
- Gluyas Rotary Lodge, Townsville	6	243,398	401,080
- Rockhampton Lodge, Rockhampton	6	99,147	70,520
- Marylyn Mayo Lodge, Cairns	6	157,589	137,349
- Olive McMahon Lodge, Toowoomba	6	208,782	227,791
- Ellis Lodge, South Brisbane	6	323,370	268,692
Total accommodation lodge expenses		1,350,724	1,412,955
Total Community Services - Programs and Lodge expenditure		8,875,722	8,148,364
Research expenditure			
- Medical and Scientific research		3,427,761	4,861,380
- Viertel Centre for research in Cancer Control		3,948,976	3,591,757
- Qld Cancer Registry and Aust Paediatric Cancer Registry		468,507	1,233,690
- Qld Oncology Group		1,090,801	1,296,557
Total Research expenditure		8,936,045	10,983,384
Change in fair value of managed funds investments		742,821	0
Total expenses		30,332,787	31,199,753

Notes to the financial statements

For The Year Ended December 31, 2018

	2018 $	2017 $
Note 4: Employee Costs and Rental Expenses		
Employee Costs (Employee costs cover mission related activities such as Community Services including Cancer Helpline, Accommodation, Cancer Counselling, Cancer Research)	12,837,238	12,822,713
Rental expenses on operating leases	397,928	560,955
Defined contribution superannuation expenses*	1,667,013	1,164,229

*Superannuation expense increased in 2018 due to a $489,789 accrual taken up for superannuation on annual leave loading.

	2018 $	2017 $
Note 5: Retail - SunSmart Shop		
Sales	1,579,003	1,508,607
- Less cost of goods sold	(392,943)	(375,940)
- Less direct operating costs	(351,310)	(303,513)
	834,750	829,154
Note 6: Accommodation Lodges		
Charles Wanstall Apex Lodge, Herston Brisbane		
- Total fees received	725,199	768,316
- Less direct operating costs	(318,438)	(307,523)
	406,761	460,793
Gluyas Rotary Lodge, Townsville		
- Total fees received	427,460	587,830
- Less direct operating costs	(243,398)	(401,080)
	184,062	186,750
Rockhampton Lodge, Rockhampton		
- Total fees received	164,415	145,300
- Less direct operating costs	(99,147)	(70,520)
	65,268	74,780
Marylyn Mayo Lodge, Cairns		
- Total fees received	180,710	215,001
- Less direct operating costs	(157,589)	(137,349)
	23,121	77,652
Olive McMahon Lodge, Toowoomba		
- Total fees received	274,718	250,397
- Less direct operating costs	(208,782)	(227,791)
	65,936	22,606
Ellis Lodge, South Brisbane		
- Total fees received	408,445	377,802
- Less direct operating costs	(323,370)	(268,692)
	85,075	109,110

Notes to the financial statements

For The Year Ended December 31, 2018

	2018 $	2017 $
Note 7: Cash Assets		
Cash at bank	1,548,810	3,002,748
Cash on hand	13,149	12,618
	1,561,959	3,015,367
Note 8: Trade and Other Receivables		
Trade debtors	219,889	368,992
Accrued imputation credits	593,072	378,537
Accrued interest	84	64,547
Accrued revenue	879,006	756,923
	1,692,051	1,568,999

All receivables that are neither past due or impaired are with long standing clients who have a good credit history with the entity. The carrying amount for receivables best represents the maximum exposure to credit risk. No collateral is held over receivables.

No receivables balances are past due or impaired.

	2018 $	2017 $
Note 9: Inventories		
Finished Goods at cost	295,900	304,310
	295,900	304,310

	2018 $	2017 $
Note 10: Financial Assets		
Current		
Investments at amortised cost		
Bank accepted term deposits and Cash Managed Funds- less than 12 months. Interest averaging 2.58% (2017: 2.58%)	10,141,164	8,010,000
Non-current		
Investments at fair value through other comprehensive income		
Shares listed on the Australian Securities Exchange - at market value	15,639,923	20,836,769
Investments at fair value through profit or loss		
Managed funds - at market value	9,545,395	-
The cost of shares in listed corporations on the Australian Securities Exchange at 31 December 2018 was $14,334,743 (2017: $15,647,630). The managed funds investment cost was $10,288,216.		
Note 11: Other Current Assets		
Advances	10,199	9,609
Bonds	54,465	63,465
GST Receivable	20,595	38,666
Paypal	19,506	10,499
Prepayments	44,431	65,876
	149,196	188,115

Notes to the financial statements

For The Year Ended December 31, 2018

	2018 $	2017 $
Note 12: Property, plant and equipment		
Land and Buildings - at fair value		
Fortitude Valley, 553 Gregory Terrace	9,400,000	8,822,381
Cairns, 169-171 Aumuller Street	810,000	804,330
Herston, Charles Wanstall Apex Lodge	5,130,000	4,864,470
Rockhampton, 37-43 Upper Dawson Road	1,590,000	1,600,000
Townsville, Gluyas Rotary Lodge	1,700,000	1,804,500
Cairns, Marylyn Mayo Lodge	1,370,000	1,175,000
Toowoomba, Olive McMahon Lodge	1,700,000	2,051,595
South Brisbane, Ellis Lodge	4,020,000	4,400,000
(b) Less: Accumulated depreciation	-	(148,846)
	25,720,000	25,373,430
Work-in-Progress - Buildings	175,933	145,113
Plant and equipment - at cost	6,597,773	5,767,554
Less: Accumulated depreciation	(4,346,216)	(4,262,833)
	2,251,557	1,504,721
Total Property, Plant and Equipment	28,147,490	27,023,264

Note 12: Property, plant and equipment - continued

(a) Valuations of land and buildings

The valuation of Land and Buildings was at director valuation based on independent valuations by Heron Todd White in September and October 2018, and is based on the presumption that the entity is a going concern.

The fair value of land and buildings for office accommodation is their market value. Fair Value has been assessed based on the fact the properties will remain owner-occupied. The fair value of land and buildings for purpose built lodge accommodation is the open market value of a fully operational motel as a going concern.

The Directors have reviewed the current property values for 2018 and are satisfied that the current carrying value is reasonable and reflects current market conditions.

(b) Depreciation for Land and Buildings

Following the revaluation of buildings to their fair value based on October 2018 valuations by Heron Todd White, the accumulated depreciation was written back to zero.

(c) Movements in carrying amounts

	Work in Progress - Buildings	Land and Buildings	Plant and Equipment	Total Property Plant and Equipment
	$	$	$	$
Carrying amounts at the beginning of the year	145,113	25,373,430	1,504,721	27,023,264
Transfers	(1,341,750)			(1,341,750)
Additions	1,372,569	47,080	1,461,664	2,881,313
Asset Revaluation		449,277		449,277
Disposals			(119,177)	(119,177)
Depreciation expense		(149,787)	(595,651)	(745,438)
Carrying amount at the end of the year	175,933	25,720,000	2,251,557	28,147,489

Notes to the financial statements

For The Year Ended December 31, 2018

	2018 $	2017 $
Note 13: Intangible Assets		
Computer software - at cost	419,507	419,507
Accumulated Amortisation	(400,302)	(362,389)
	19,205	57,118
Note 14: Trade and other Payables		
Unsecured		
Sundry Creditors	359,232	202,441
Revenue in Advance	1,193,883	1,970,241
Short-term employee benefits	848,429	755,755
Other creditors and accruals	1,919,558	1,188,451
	4,321,102	4,116,888
Note 15: Unpaid Grants		
Reconciliation of Current grants payable		
Provision for grants at 1 January brought forward	3,172,393	3,915,714
Add:		
Additional current grants provided during the year	3,080,465	3,214,472
Grants written back or refunded	(1,660)	(11,783)
	6,251,199	7,118,403
Less:		
Grants paid during the year	(3,277,412)	(3,946,010)
Current Grants payable at end of year	2,973,787	3,172,393
Reconciliation of Non-Current grants payable		
Provision for grants at 1 January brought forward	1,100,000	-
Add:		
Additional non-current grants provided during the year	-	1,100,000
Less:		
Reduced non-current grants payable	(100,000)	-
Non-Current Grants payable at end of year	1,000,000	1,100,000

	2018 $	2017 $
Note 16: Provisions		
Current		
Employee benefits		
- Long service leave	609,166	696,874
Non-Current		
Employee benefits		
- Long service leave	223,146	223,146

Note 17: Members' guarantee

Pursuant to the Company Constitution, each member of the Company undertakes to contribute to the property of the company in the event of it being wound up and there being a shortfall of net assets. The maximum contribution per member in accordance with the guarantee is $20. There were eight members in 2017 and six members in 2018.

Note 18: Reserves

Marylyn and John Mayo Reserve

The Marylyn and John Mayo Reserve consists of donations of cash and shares. Interest and dividends are received from the investment of these funds and fair value movements in investment are allocated to the reserve. The reserve is used to fund cancer research.

Asset Revaluation Reserve

The asset revaluation surplus records increments and decrements on the revaluation of individual parcels of land and buildings.

Financial Asset Revaluation Reserve

The financial asset revaluation reserve comprises changes in the fair value of financial instruments at fair value through other comprehensive income.

Notes to the financial statements

For The Year Ended December 31, 2018

	2018 $	2017 $
Note 19: Remuneration of key management personnel		
(a) Directors' remuneration		
All Directors participate in an honorary capacity without remuneration.		
The names of the Directors of the Company who held office during the year are:-		
Traves, Roger Norman (Resigned 22 August 2018)		
Arkell, Andrew Robert		
Davidson, Paul		
Dornan, Peter Roderick		
Green, Anita Dorelle		
Wiltshire, Steve		
Gregg, Robert		
(b) Executives' remuneration		
Short-term employee benefits - Salaries and wages	1,379,774	1,653,124
Post-employment benefits	138,930	126,435
Other long-term benefits	75,991	75,991
	1,594,695	1,855,550
Note 20: Related party transactions		
There were no transactions with related parties, other than as detailed in Note 19 above.		
Note 21: Auditor's remuneration		
During the year, the following fees were paid or payable to BDO Audit Pty Ltd and its related practices.		
Audit Services		
Audit Fees - financial statements	42,000	42,015
Audit Fees - Cancer Registry	-	2,900
	42,000	44,915

	2018 $	2017 $
Note 22: Operating Lease Commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements:		
Future minimum lease payments payable:		
- Within one year	329,285	412,188
- Later than one year but not later than five years	454,140	783,425
- Later than five years	-	-
	783,425	1,195,613

Cancer Council Queensland leases various premises under non-cancellable operating leases expiring between 1 and 5 years. All leases have annual CPI escalation clauses. The above commitments do not include any turnover rental which are contingent upon Cancer Council Queensland achieving defined sales levels, nor do they include commitments for any renewal options on leases. Lease terms usually contain a 5 year renewal option. Lease conditions do not impose any restrictions on the ability of Cancer Council Queensland from borrowing further funds.

	2018 $	2017 $
Note 23: Cash flow information		
(a) Reconciliation of Cash		
Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:-		
Cash at Bank	1,548,810	3,002,748
Cash on Hand	13,149	12,618
	1,561,959	3,015,367
(b) Reconciliation of cash flow from operations with surplus/(deficit) after income tax		
Surplus/(deficit) after income tax	7,786,138	1,410,126
Depreciation and amortisation	783,351	842,582
Net loss/(gain) on disposal of plant and equipment	(10,678)	115,306
Change in fair value of managed funds	742,821	-
Bequests received as shares during the year less shares sold	(5,344,411)	(41,684)
Increase/(decrease) in provisions	(87,708)	(255,717)
(Increase)/decrease in other current assets	38,919	(49,378)
(Decrease)/increase in trade and other payables	204,214	(103,431)
Decrease/(increase) in inventories	8,410	(44,441)
Decrease/(increase) in trade and other receivables	(123,052)	151,351
Increase/(decrease) in grants	(298,606)	356,679
Net cash flows from operating activities	3,699,397	2,381,393

Notes to the financial statements

For The Year Ended December 31, 2018

Note 24: Sylvia and Charles Viertel Charitable Foundation

The Trustees of the Sylvia and Charles Viertel Foundation made a grant of $5,000,000 payable in ten instalments over five years from 1 January 2014 to 31 December 2018 to Cancer Council Queensland. The trustees have now granted a further grant of $6,901,878 payable in ten instalments over the next five years commencing 1 January 2019. The instalments will be recognised as income as they are received.

Note 25: Company details

The registered office of the company is:

Cancer Council Queensland
553 Gregory Terrace
Fortitude Valley QLD 4006

Note 26: Post Balance Date Events

There are no material post balance date events that require disclosure.

Directors declaration

For The Year Ended December 31, 2018

The Directors of Cancer Council Queensland declare that in the Directors' opinion:

1. The financial statements, comprising the statement of profit or loss and other comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity, and accompanying notes, are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and:
   a. comply with Australian Accounting Standards and the Australian Charities and Not-for-profits Commission Regulation 2013 (ACNC Regulation 2013); and
   b. give a true and fair view of the entity's financial position as at 31 December 2018 and of its performance for the year ended on that date.
2. There are reasonable grounds to believe that the entity will be able to pay all of its debts, as and when they become due and payable.

Signed in accordance with subsection 60.15(2) of the ACNC Regulation 2013 on behalf of the directors by:

Director
Andrew Robert Arkell

Dated: 30 April 2019

Director
Dr Anita Green

Dated: 30 April 2019

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INDEPENDENT AUDITOR'S REPORT

To the members of Cancer Council Queensland

Report on the Audit of the Financial Report

Qualified opinion

We have audited the financial report of Cancer Council Queensland, which comprises the statement of financial position as at 31 December 2018, the statement of profit or loss and other 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, except for the effects of the matter described in the *Basis for qualified opinion* section of our report, the accompanying financial report of Cancer Council Queensland, 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 31 December 2018 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 qualified opinion

Fundraising events revenue from cash collections is a significant source of revenue for Cancer Council Queensland. Cancer Council Queensland has determined that it is impracticable to establish control over the collection of fundraising event revenue received in the form of cash prior to entry into its financial records. Accordingly, as the evidence available to us regarding fundraising event revenue from this source was limited, our audit procedures with respect to fundraising event revenue had to be restricted to the amounts recorded in the financial records. We therefore are unable to express an opinion whether fundraising event revenue from cash collections that Cancer Council Queensland has recorded is complete.

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 qualified opinion.

Other information

The directors of the company are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the company's annual 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 the 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, 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.

The directors are responsible for overseeing the company'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

This description forms part of our auditor's report.

BDO Audit Pty Ltd

BDO

A J Whyte

Director

Brisbane, 30 April 2019

Cancer Council Queensland

BRISBANE

BUNDABERG

CAIRNS

GOLD COAST

MACKAY

ROCKHAMPTON

SUNSHINE COAST

TOOWOOMBA

TOWNSVILLE

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