



**National
Breast Cancer
Foundation**

National Breast Cancer Foundation

ABN 37 144 841 707

Annual Financial Report

for the year ended 30 June 2020

National Breast Cancer Foundation ABN 37 144 841 707
Annual report – 30 June 2020

Contents

	Page
Directors' Report	1
Auditor's Independence Declaration	9
Financial Statements	11
Directors' Declaration	30
Independent auditor's report to the Members	31

Directors' Report

The directors present their report, together with the financial statements of the National Breast Cancer Foundation (NBCF) for the year ended 30 June 2020.

Directors

The following persons were directors of NBCF during the entire financial year, up to the date of this report, unless otherwise shown:

Professor Helen Zorbas (Chair) (appointed 8 March 2020)
Elaine Henry (Chair) (resigned 8 March 2020)
Deeta Colvin (McGeoch)
Doctor Jenny Fagg (appointed 8 March 2020)
Winsome Hall
Professor Ross Hannan
Megan Keleher
David Krasnostein
Bob Prosser
Jenny Rogers
Lady Jane Edwards (resigned 8 March 2020)
Peta Jurd (resigned 21 August 2019)

Non-executive Directors receive no fees and provide their services to the Board of NBCF on a *pro-bono* basis.

Principal Activities

During the year, the principal continuing activities of NBCF consisted of:

- (a) raising monies to fund research;
- (b) granting funds for a wide spectrum of research in relation to breast cancer; and
- (c) engaging with the community.

There were no significant changes in the nature of NBCF's activities during the year.

Long Term Objectives

The long term objective of NBCF is the prevention and cure of breast cancer "towards zero deaths from breast cancer by 2030".

Short to Medium Term Objectives

- (a) Continue to drive the best research towards prevention and cure;
- (b) Enhance our science communications to supporters; and
- (c) Increase fundraising for research.

Key strategies for achieving objectives

- (a) Drive research towards prevention and cure
 - Review and refine research strategy and decision making processes
 - Continue to fund research across the spectrum of research types (e.g. basic, applied, clinical etc.)
 - Continue to fund the best research across Australia
 - Evaluate outcomes of NBCF funded research
- (b) Enhance our science communications to supporters
 - Publish on key research issues, including working closely with NBCF funded researchers to offer lay friendly updates, events and tours.
 - Work closely with other cancer research organisations in Australia and elsewhere, to maximise research opportunities and impact for breast cancer.
- (c) To increase fundraising
 - Review all fundraising activities to ensure optimal return on investment
 - Focus resources on the more profitable activities
 - Explore new areas of fundraising

Explanation of how business activities helped meet key objectives

NBCF aims to deliver a diverse and industry-leading portfolio of research initiatives to support Australia's most outstanding scientists and innovations, in order to realise NBCF's overall objective of "towards zero deaths from breast cancer by 2030". NBCF will achieve this by partnering with the community to identify priorities in breast cancer research and generating funds from fundraising activities and investments to fund this research. Fundraising activity provides the vast majority of the income required to fund research to meet NBCF's ultimate goal of the prevention and cure of the disease.

NBCF-funded research is helping to better understand how breast cancer originates, grows and spreads, in order to develop new tests, treatments and interventions to improve outcomes for people with a breast cancer diagnosis. Research grants cover a broad spectrum of breast cancer research, as well as supporting psychosocial research aimed at understanding and improving the quality of life for patients, their family, and friends. While some research will produce immediate outcomes that can be applied to prevention, treatment, and care, many research projects focus on longer term outcomes and benefits. Grant applications are awarded based on scientific excellence, researcher track record and alignment with NBCF's goal of zero deaths. The fundraising and grant-making businesses are supported and enabled by Marketing and Corporate Services (IT, HR, Finance).

Measurement of performance

Research

Funding agreements are in place for each research project funded by NBCF. These agreements cover the duration of the project (typically over 2 to 5 years) and include milestones and reporting obligations. Research progress is tracked against these milestones through annual progress reports which are monitored by NBCF. Progress reports also include financial reporting from the host research institution. Grant instalment payments are conditional upon the satisfactory performance of the project measured against the pre-determined milestones and related performance measures (such as scientific papers emerging from the project). Research progress and final outcomes are monitored by NBCF's Board, with input from the Research Advisory Committee as required.

In 2017 NBCF adopted and implemented a cloud-based research evaluation tool, ResearchFish, to monitor outcomes in real time and systematically track research impact on a regular basis to ensure that the research funded by NBCF continues to be appropriate, impactful and of the highest quality. An independent evaluation of outcomes from NBCF funded research was undertaken by the Health Economics Research Group (HERG) in 2013 and was updated for the period 2012 -2017. Our evaluation tools continue to demonstrate that research funded by NBCF has had a significant impact in critical areas such as knowledge production; leveraging further funding and research; health gains; development of new therapies and diagnostics; and informing health policy.

Fundraising

The primary focus of fundraising is to ensure sufficient funds are available to meet research needs. Each financial year income and expenditure targets are set for fundraising business units in conjunction with other key performance indicators (e.g. new donor, donor retention etc.). The success of fundraising strategies and initiatives is based on prudent financial management and ensuring an appropriate return on investment is achieved for each activity.

Marketing

Marketing is responsible for raising awareness of breast cancer and the work and impact of NBCF. Additionally, marketing is responsible for the management of NBCF's brand and identity to ensure purpose, impact and outcomes from our research are clearly articulated and communicated. Performance measures for marketing include brand health metrics including brand awareness, consideration and differentiation scoring against other charities.

Corporate Services

Corporate Services (Finance, HR, IT) provide business units with relevant and timely expertise, services and information to support activities. Performance measurement hinges principally on internal client satisfaction and achievements. NBCF has in place a Risk Management Framework to ensure that key risks across the organisation are managed in a strategic and proactive manner, through the ongoing identification, management, reporting and review of risks. Organisational culture is an important focus for NBCF. Key priorities include increasing employee engagement and investing in leaders to develop, support and retain key employees.

Review of operations

NBCF operations for the year resulted in a surplus before grant expenses of \$10.9m (2019: \$8.9m). After the provision of research grants of \$9.8m (2019: \$11.0m) the net surplus for the year was \$1.2m (2019: deficit of \$2.1m).

In March this year, NBCF Chair Elaine Henry OAM stepped down after nine years on the board. Elaine has been an integral member of NBCF since the organisation's founding years, firstly as a trustee and subsequently as a board member and Chair. Succeeding Elaine as Chair is Professor Helen Zorbas. Professor Zorbas AO has a long and distinguished career in health related roles including almost 40 years as a General Practitioner and a specialist breast physician in the public and private health sectors. More recently Professor Zorbas AO was CEO of Cancer Australia for nine years before stepping down in 2019. Prior to Cancer Australia, Professor Zorbas AO was CEO of National Breast and Ovarian Cancer Centre.

During the year NBCF announced the awarding of 16 grants through the annual round of the Investigator Initiated Research Scheme (IIRS) with a combined value of over \$10m. Through this year's IIRS, NBCF has supported a total of 67 researchers at varying career stages located in research institutes across Australia.

In addition to the significant investment in breast cancer research made through the IIRS, NBCF was also proud to announce the award of the first Breast and Ovarian Cancer Linkage with the Ovarian Cancer Research Foundation. This new award extends NBCF's collaborative linkage grants portfolio across three additional cancer types: brain, prostate, and ovarian cancers.

To honour outgoing NBCF Chair, the Elaine Henry NBCF Fellowship was launched during the year. The inaugural Fellowship was awarded to Dr David Croucher who is leading research in improving treatment for triple negative breast cancer. Future Fellowship recipients will be announced each year on International Women's Day.

Notwithstanding the onset of COVID, which severely impacted fundraising activity and income during the final quarter of the year (as detailed below), NBCF generated \$28.8m of fundraising revenue during 19/20, an increase of 13.9% on the previous year. The increase was largely as a result of solid growth in NBCF's Regular Giving program as well as success in a number of new and established events during the first three quarters of the year. NBCF is also very fortunate to enjoy enduring and successful relationships with key partners including Love Your Sister, Mother's Day Classic Foundation, and the Circle of Ten.

A significant initiative completed during 2020 was the development of an NBCF Reconciliation Action Plan as a means of addressing how the organisation can continue to positively impact the lives of Aboriginal and Torres Strait Islander Peoples. Since NBCF's inception in 1994, the organisation has funded 20 research projects in indigenous health, totalling more than \$9m in grants. It is expected that the RAP will be officially launched in late 2020 once final endorsement is received from Reconciliation Australia.

NBCF, through the efforts of its researchers, employees, volunteers, partners, and other stakeholders, was honoured to be externally recognised during 2019/20 as the recipient of a number of awards including:

- 2020 Telstra NSW For Purpose and Social Enterprise Women's Award – awarded to NBCF's CEO, Professor Sarah Hosking
- Best Workplace Award – NBCF was awarded the Voice Project's Change Challenge Award 2020 recognising the organisation's significant progress in work practices and outcomes over the past few years
- 2020 Web Awards Winner (Not for Profit category) – in recognition of the organisation's revamped website and on-line presence.

In summary, the organisation has achieved much in what proved to be a unique and challenging year. It is pleasing to report that NBCF is well placed to continue its important work of funding game-changing breast cancer research as the 10 year countdown to 'zero deaths by 2030' commences.

COVID19 – Impact on operations

Whilst not immune to the challenges of COVID19, NBCF has fared relatively well since the onset of the pandemic. Thanks to responsive and careful crafting of alternative fundraising approaches, prudent fiscal management and planning, strong governance, and an unwavering focus on mission, the organisation continues to resolutely navigate these extraordinary times.

With regard to fundraising, whilst a number of traditional events and initiatives were compromised or cancelled, alternative events and strategies have, to some extent, mitigated the impact. Examples include "Go Pink", a new virtual peer to peer event, which exceeded all expectations by raising more than \$1.8m in May/June. Similarly, the Mother's Day Classic event was also forced to 'go virtual' raising \$900k through the support of more than 32,000 participants. Whilst down on previous years, it was an outstanding outcome given the circumstances.

In relation to the regular giving program, face to face acquisition activity was halted during the latter months of the financial year due to the COVID19 restrictions. Whilst not ideal, the cessation of acquisition in effect reduced expenditure, thereby assisting NBCF's cash flow during the most challenging period of COVID19. It is pleasing to note that acquisition activity has now recommenced with encouraging early results.

To assist our researchers, NBCF established an emergency fund, the COVID19 Extension Fund, to provide additional support to researchers who were impacted by the pandemic. Around 50% of our researchers took up the opportunity of this additional funding. The initiative was welcomed by our researchers and the market generally. As well, planning for the 2020 round of IIRS funding is well advanced with 72 applications received to date.

Strong and agile governance has also proved crucial in dealing with the challenging environment. A new board sub-committee, the 'Corona Cabinet' was established in April and has subsequently met monthly to deal specifically with the challenges of COVID19 in the context of the organisational priorities agreed at the outset.

Financially, a healthy cash position, significant reserves, and prudent financial management have proved the key ingredients in the organisation maintaining a strong and sustainable fiscal position. Whilst NBCF's investment portfolio's performance has been impacted in recent months, NBCF's robust cash position has obviated the need to liquidate investments, thereby avoiding realised investment losses.

NBCF's cash position was also assisted through funds received from the commonwealth government's 'Cash Flow Boost' and 'JobKeeper' COVID19 business support packages.

Finally, a key priority continues to be the health, wellbeing, productivity, and retention of our staff. NBCF moved swiftly in March to enable all staff to work from home, a situation which continues. The move was relatively seamless thanks to recent investments in technology and the commitment and resolve of NBCF employees.

Significant changes in the state of affairs

There has been no significant change in the state of affairs of NBCF during the year.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect:

- (a) NBCF's operations in future financial years, or
- (b) The results of those operations in future financial years, or
- (c) NBCF's state of affairs in future financial years.

Likely developments and expected results of operations

NBCF is expecting to maintain the present status and level of operations, including continuation of investment in the Regular Giving program, to generate additional funds for research in future years. In saying that, it should be noted any future material interruptions to our Regular Giving activities as a result of the uncertainties currently presented by COVID could have an impact on future Regular Giving income in subsequent years.

As part of our Regular Giving investment, Rippling, a joint venture with three other charities, CanTeen, Starlight Children's Foundation and UNICEF, was established to deliver cost-effective and sustainable donor acquisition through an innovative social enterprise. Acquisition activity is expected to commence during 2020/21.

Notwithstanding the above comments, in the opinion of the Directors, there are no other likely changes in the operations of NBCF that will adversely or significantly affect the results of NBCF in subsequent financial years.

Environmental Regulation

NBCF is not subject to any mandatory environmental obligations or reporting requirements, but has in place company policies that promote environmental awareness and sustainability.

Information on Directors

Current Directors as at 30th June 2020

Professor Helen Zorbas AO MBBS, FASBP, MAICD

Board member for 4 months (appointed 8th March 2020)

Professor Zorbas AO stepped down from her role as CEO of Cancer Australia in 2019 after nine years, leading initiatives in evidence-based cancer practice, policy, and research. Prior to this, she was CEO of the National Breast Cancer Centre, which then became the National Breast and Ovarian Cancer Centre. In addition to her extensive clinical experience across both the public and private health sector, Professor Zorbas has chaired government Reviews and committees, represented Australia in international cancer initiatives, held NHMRC principle committee appointments and positions in leading cancer and health organisations. In 2013, Professor Zorbas was appointed an Officer of the Order of Australia (AO) in recognition of her distinguished service to public health through leadership in the delivery of improved information and services to cancer patients and their families and contributions to research and clinical trials.

Special responsibilities: Chair, Board; Chair, Corona Cabinet.

Deeta Colvin (McGeoch) BA

Board member for 7 years

Presently and since 2016, Deeta has fulfilled the role of Director Corporate Relations and Corporate Communications for The Michael Cassel Group. She previously worked full time in a Marketing and Special Events role for CPH. Immediately prior to this, Deeta was Director of Corporate Relations and Events for PBL Media from 2002 to 2007. Deeta owned her own marketing and communications agency, Colvin Communications International. She was awarded an "Ordre du Merite" by the French Government in 2001 for her contribution to fostering business between France and Australia.

Special responsibilities: Member, Marketing Committee.

Doctor Jenny Fagg B Econ (Honors), PhD, GAICD

Board member for 4 months (appointed 8th March 2020)

Jenny is an experienced CEO and senior executive who has turned around large financial services businesses globally, through several business cycles. Most recently, Jenny was the Chief Risk Officer of AMP Limited in Australia. Prior to this, Jenny was the EVP of Products and Payments at CIBC, one of Canada's five top banks. Previously Jenny was the CEO of ANZ National Bank Limited, New Zealand's largest bank. She has also held senior leadership roles at Citibank and KPMG. Jenny's doctoral research was in risk management. A member of Chief Executive Women, she has pioneered financial literacy and diversity in leadership initiatives throughout her career.

Winsome Hall BA

Board member for 3 years

Winsome Hall is a non-executive director with more than 25 years experience as a director. She is director of the Medical Research Commercialisation Fund with past director roles in financial planning, consumer protection, infrastructure and venture capital and superannuation funds. Winsome Chairs the Sydney Mothers' Day Classic Committee, a fun run/walk fundraiser which donates all funds to NBCF. Winsome previously held senior roles in the Commonwealth Public Service and was ACT Branch Secretary of the Community and Public Sector Union.

Special responsibilities: Member, Investment Committee; Member, Audit and Risk Committee; Member, Corona Cabinet.

Professor Ross Hannan BSc PhD FAAHMS

Board member for 3 years

Ross is an internationally recognised laboratory scientist, whose work on ribosome biogenesis has led to new treatment paradigms in cancer, centred on drugs that activate nucleolar stress. He received his PhD from the University of Tasmania in 1994, before undertaking postdoctoral research in the USA. Ross's far-reaching contributions were recognised in his recent appointment as inaugural Centenary Chair in Cancer Research and Head of the ACRF Department of Cancer Biology and Therapeutics at John Curtin School of Medical Research, Australian National University (ANU). In 2017 he was appointed as the Executive Director of Research for ACT Health and was elected as Fellow of the Australian Academy of Health and Medical Sciences.

Special responsibilities: Chair, Research Advisory Committee.

Megan Keleher B.Com MBA GAICD

Board member for 2 years

Megan Keleher is a business strategy and marketing specialist with experience across technology, media and telecommunications. She is currently Chief Customer Officer of CUA, Australia's largest customer owned banking institution. Prior to this role, she was the Vice President of Strategy and Marketing of Fujitsu Oceania, a global technology company. Megan has also successfully managed her own consulting business, specialising in brand strategy and the effectiveness and efficiency of the marketing function. Megan has held executive positions in Telstra, Foxtel and the Commonwealth Bank of Australia. Whilst at Telstra, she was the Executive Director Brand and Marketing, and during this time served as a Non-Executive Director of the Australian Association of National Advertisers.

Special responsibilities: Chair, Marketing Committee.

David Krasnostein AM B.Juris, LLB, LLM

Board member for 10 years, Trustee since 2009

David Krasnostein was former CEO of MLC Private Equity, Australia's oldest and largest private equity investor. He was former Chief General Counsel of National Australia Bank, Telstra's first General Counsel and Head of Strategic and Corporate Planning, and a Partner of Sidley Austin in Washington DC. David is a Director of the Qualitas Advisory Board, Director of the Melbourne Symphony Orchestra and a Director of The Hellenic Museum of Victoria.

Special responsibilities: Chair, Investment Committee; Member, Nominations Committee; Member, Audit & Risk Committee; Member, People and Culture Committee; Member, Corona Cabinet.

Bob Prosser MA Oxf, FCA, MAICD

Board member for 9 years

Bob is a Chartered Accountant and an experienced Company Director. He has been a non-executive director and Chair of Audit and Risk Committee of listed and unlisted companies. He was a Partner of PricewaterhouseCoopers from 1987 to 2008.

Special responsibilities: Chair, Audit & Risk Committee; Member, Corona Cabinet.

Jenny Rogers MeSAFAA

Board member for 6 years

Jenny is Director and shareholder of R M Black Morgan Management Pty Ltd, the company that trades under the licence of Patersons Wealth Management. She is a Director and shareholder of 197 Adelaide Terrace Unit Trust. Jenny manages the finances of many private and corporate clients. She has chaired the NBCF Global Illumination Committee in Perth for 14 years. For the past 16 years she has held the position of Vice Chair Alzheimer's Australia WA and chaired the first Alzheimer's Disease International conference in Australia. Jenny was a Director of Lotterywest for 8 years and was Chair of their Medical Research programme with yearly discretionary funding. In 2017 she was elected to the board of Claremont Football Club affiliated with the West Australian Football League.

Special responsibilities: Member, Investment Committee.

The following directors left the board during 2019/20

Elaine Henry OAM BSc (Hons 1), DLitt (h.c.) MAICD

Board member for 10 years, Chair since 2012, Trustee since 1995 (resigned 8th March 2020)

Lady Jane Edwards AM ONM(Fr) BA, FAICD, FAIM

Board member for 10 years, Trustee since 2005 (resigned 8th March 2020)

Peta Jurd B.Com, Dip.Law, CPA, FAICD

Board member for 8 years (resigned 21 August 2019)

Meetings of directors

The number of Board and Board Committee meetings held during the year ended 30 June 2020 that each Director was eligible to attend, and the numbers of meetings attended by each director were:

Director	Board		Audit & Risk Committee		Investment Committee		People & Culture Committee		Research Advisory Committee		Marketing Committee		Corona Cabinet	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Helen Zorbas (appointed 08/03/20)	1	1	1	1	-	-	-	-	-	-	-	-	3	3
Elaine Henry (resigned 08/03/20)	4	4	-	-	-	-	1	1	-	-	-	-	-	-
Deeta Colvin	5	4	-	-	-	-	-	-	-	-	1	1	-	-
Jenny Fagg (appointed 08/03/20)	1	1	-	-	-	-	-	-	-	-	-	-	-	-
Winsome Hall	5	4	4	3	4	2	1	1	-	-	-	-	3	2
Ross Hannan	5	3	-	-	-	-	-	-	2	2	-	-	-	-
Megan Keleher	5	5	-	-	-	-	-	-	-	-	1	1	-	-
David Krasnostein	5	4	4	4	4	4	1	1	-	-	-	-	3	3
Bob Prosser	5	5	4	4	-	-	1	1	-	-	-	-	3	3
Jenny Rogers	5	5	-	-	4	4	-	-	-	-	-	-	-	-
Jane Edwards (resigned 08/03/20)	4	4	-	-	-	-	1	1	-	-	1	-	-	-
Peta Jurd (resigned 21/08/2019)	1	1	-	-	-	-	-	-	-	-	-	-	-	-

Indemnification of officers

During the financial year, NBCF paid a premium of \$11k (2019: \$8k) for insurance to indemnify directors and officers against any matter arising from any wrongful act committed by them in their capacity as directors.

The liabilities insured are for legal costs incurred in defending civil or criminal proceedings that may be brought against them in their capacity as officers of NBCF, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from:

- conduct involving a wilful breach of duty by the officers;
- the improper use of their position; or
- use of information to gain advantage for themselves or someone else, or to cause detriment to the company.

It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

Proceedings on behalf of the company

No person has applied for leave of court under Section 237 of the *Corporations Act 2001* to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. No proceedings have been brought or intervened in, on behalf of the Company, with leave of the Court under section 237 of the *Corporations Act 2001*.

Member's Guarantee

NBCF is a company limited by guarantee. If NBCF is wound up, its constitution states that each member is required to contribute a maximum of \$100 towards meeting outstanding obligations of NBCF. At the date of this report, there were 9 members of the entity. Under NBCF's Constitution, the directors are the only members of the company.

Indemnification of Auditors

To the extent permitted by law, NBCF has agreed to indemnify its auditors, Ernst & Young (EY), as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). However, the indemnity does not apply to any loss in respect of any matters which are finally determined to have resulted from EY's negligent, wrongful or wilful acts or omissions. No payment has been made to indemnify EY during or since the financial year.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under Subdivision 60-C of the *Australian Charities and Not-for-profits Commission Act 2012* is set out on page 9.

Auditor

EY continues in office.

This report is made in accordance with a resolution of directors.



Professor Helen Zorbas AO
Director/Chair



Professor Sarah Hosking
CEO

Sydney
29 October 2020



**Building a better
working world**

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Auditor's Independence Declaration to the Directors of National Breast Cancer Foundation

In relation to our audit of the financial report of National Breast Cancer Foundation for the financial year ended 30 June 2020, and in accordance with the requirements of Subdivision 60-C of the *Australian Charities and Not-for profits Commission Act 2012*, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements the *Australian Charities and Not-for profits Commission Act 2012* or any applicable code of professional conduct.

A handwritten signature in black ink that reads "Ernst & Young".

Ernst & Young

A handwritten signature in black ink that reads "Rob Lewis".

Rob Lewis
Partner
29 October 2020

National Breast Cancer Foundation ABN 37 144 841 707
Annual report – 30 June 2020

Contents

	Page
Financial Statements	
Statement of comprehensive income	11
Statement of financial position	12
Statement of changes in equity	13
Statement of cash flows	14
Notes to the financial statements	16
Directors' declaration	30
Independent auditor's report to the members	31

This is the financial report of the National Breast Cancer Foundation as an individual entity. The financial report is presented in the Australian Currency and all values are rounded to the nearest thousand dollars (\$'000) unless otherwise stated.

National Breast Cancer Foundation is a "not-for-profit" company limited by guarantee, domiciled in Australia. Its registered office and principal place of business is:

National Breast Cancer Foundation
Level 9, 10 Barrack Street
SYDNEY
NSW 2000

A description of the nature of NBCF operations and its principal activities is included in the directors' report on pages 1 to 8, which is not part of these financial statements.

The financial statements were authorised for issue by the directors on 29 October 2020. The directors have the power to amend and reissue the financial statements.

STATEMENT OF COMPREHENSIVE INCOME

	Notes	2020 \$'000	2019 \$'000
Revenue from fundraising activities	4a	28,795	25,285
Donations in kind		501	1,860
Other Income	4b	<u>1,944</u>	<u>2,738</u>
Revenue from continuing operations		<u>31,240</u>	<u>29,883</u>
Donations in kind expense		(501)	(1,860)
Direct cost of fundraising	22	(9,834)	(12,036)
Depreciation and amortisation	5a	(556)	(101)
Rent	5b	(59)	(529)
Salaries and allowances	5c	(5,775)	(5,250)
Other operating expenses		(1,333)	(1,239)
Net fair value loss on financial assets		<u>(2,236)</u>	
Surplus before grant expense and income tax		<u>10,946</u>	<u>8,868</u>
Grant expenses	14b	<u>(9,780)</u>	<u>(10,989)</u>
Surplus/(Deficit) before income tax		<u>1,166</u>	<u>(2,121)</u>
Income tax expense	6	<u>-</u>	<u>-</u>
Surplus/(Deficit) for the year		<u>1,166</u>	<u>(2,121)</u>
Other comprehensive income for the year, net of tax		<u>-</u>	<u>-</u>
Total comprehensive income/(deficit) for the year		<u>1,166</u>	<u>(2,121)</u>

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION

ASSETS	Notes	2020 \$'000	2019 \$'000
Current assets			
Cash and cash equivalents	7	4,565	2,248
Trade and other receivables	8	3,503	4,479
Financial assets	9	36,613	40,291
Total current assets		44,681	47,018
Non-current assets			
Financial assets – term deposits	9	-	305
Property, plant and equipment	10	276	238
Right of use asset	11(a)	276	-
Total non-current assets		552	543
Total assets		45,233	47,561
LIABILITIES			
Current liabilities			
Trade and other payables	12	1,221	1,021
Lease liabilities	11(b)	336	-
Provisions	13	12,619	15,583
Total current liabilities		14,176	16,604
Non-current liabilities			
Provisions	14	12,090	13,042
Total non-current liabilities		12,090	13,042
Total liabilities		26,266	29,646
Net assets		18,967	17,915
EQUITY			
Accumulated funds	15	18,967	17,915
Total equity		18,967	17,915

The above statement of financial position should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY

	Notes	Accumulated funds \$'000	Total equity \$'000
Balance at 1 July 2018	15	20,036	20,036
Surplus/ (Deficit) for the year		(2,121)	(2,121)
Other comprehensive income		-	-
Total comprehensive surplus/(deficit) for the year		(2,121)	(2,121)
Balance at 30 June 2019	15	17,915	17,915
Balance at 1 July 2019	15		
Surplus/ (Deficit) for the year		1,166	1,166
Other comprehensive income		-	-
Total comprehensive surplus/(deficit) for the year		1,166	1,166
Transition to AASB 16		(114)	(114)
Balance at 30 June 2020	15	18,967	18,967

The above statement of changes in equity should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS

	Notes	2020 \$'000	2019 \$'000
Cash flows from operating activities			
Receipts from grants, donations and fundraising activities		30,716	24,958
Payments for research grants, suppliers and employees		(30,707)	(30,329)
Net cash (outflow)/inflow from operating activities		<u>9</u>	<u>(5,371)</u>
Cash flows from investing activities			
Payments for property, plant and equipment	10	(170)	(107)
Proceeds from short-term deposits and investments		6,176	4,857
Payments for short-term deposits and investments		(4,842)	(4,157)
Interest income received		14	52
Investment income received		1,638	2,008
Net cash (outflow)/inflow from investing activities		<u>2,816</u>	<u>2,653</u>
Cash flows from financing activities			
Payment of lease liabilities		(508)	-
Net cash (outflow)/inflow from financing activities		<u>(508)</u>	<u>-</u>
Net increase/(decrease) in cash		2,317	(2,718)
Opening cash		2,248	4,966
Closing cash end of year	7	<u>4,565</u>	<u>2,248</u>

The above statement of cash flows should be read in conjunction with the accompanying notes.

Table of Contents - Notes to the financial statements

Note	Item	Page
1	Summary of significant accounting policies	16
2	Critical accounting estimates and judgements	20
3	Changes in accounting policies, disclosures, standards and interpretations	21
4	Revenue	23
5	Expenses	23
6	Income tax expense	23
7	Current assets - Cash and cash equivalents	24
8	Current assets - Trade and other receivables	24
9	Financial assets	24
10	Non-current assets - Property, plant and equipment	25
11	Leases	25
12	Current liabilities - Trade and other payables	26
13	Current liabilities – Provisions	26
14	Non-current liabilities – Provisions	26
15	Accumulated funds	27
16	Key management personnel disclosures	28
17	Contingencies	28
18	Commitments	28
19	Related party transactions	28
20	Associates and Joint Ventures	28
21	Members' Guarantee	29
22	Charitable fundraising comparisons information - Financial Highlights 2020	29
23	Charitable fundraising comparisons information - Charitable Purposes 2020	29
24	Events occurring after the reporting period	29

1 Summary of significant accounting policies

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

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and interpretations issued by the Australian Accounting Standards Board and the *Australian Charities and Not-for-Profits Commission Act 2012*. National Breast Cancer Foundation is a not-for-profit entity for the purpose of preparing the financial statements.

(i) *Historical cost convention*

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and liabilities at fair value through profit or loss.

(ii) *Critical accounting estimates*

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying NBCF'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 2.

(b) Revenue recognition

NBCF adopted AASB 1058 Income of Not-For-Profit Entities and AASB 15 Revenue from Contracts with Customers from 1 July 2019. The adoption of both standards did not have a material impact to NBCF. Refer to Note 3 for more information.

Revenue is recognised at the fair value of consideration received, or receivable, when NBCF is legally entitled to the income and the amount can be quantified with reasonable accuracy. Revenues are recognised net of the amounts of goods and services tax (GST) payable to the Australian Taxation Office. Revenue not received at the balance sheet date is reflected in the statement of financial position as a receivable. Revenue received in respect of future periods is reflected in the statement of financial position as a liability.

Revenue is recognised for the major business activities as follows:

(i) *Revenue from fundraising*

Generally, community fundraising and donations are recognised when received. Foundations and Partnerships donations are recognised when received or receivable.

Bequests are recognised when NBCF is notified of an impending finalised distribution or the bequest is received, whichever occurs earlier. Bequests comprising shares or other property are recognised at fair value, being the market value of the shares or property at the date NBCF becomes legally entitled to the shares or property.

Revenue from the sale of goods is comprised of revenue earned (net of returns and discounts) from the sale of goods purchased for resale. Sales revenue is recognised when the control of goods passes to the customer.

(ii) *Interest income*

Interest income is recognised as it accrues, taking into account the effective yield on the financial asset.

(iii) *Donations in kind*

Donations in kind of goods or services are included at the fair value to NBCF when received, where this can be quantified and where a third party is bearing the cost.

No amounts are included in the financial statements for services donated by volunteers or directors.

(iv) *Other income sources*

Revenue from other sources is brought to account on an accrual basis.

(c) *Expenditures*

All expenditures are accounted for on an accruals basis and have been classified under headings that aggregate all costs related to the categories. Where costs cannot be directly attributed to a particular category, they have been allocated to activities on a basis consistent with use of the resources.

(d) *Income tax*

NBCF is a charitable institution for the purposes of Australian taxation legislation and is therefore exempt from income tax under Section 50-5 of the *Income Tax Assessment Act 1997*. This exemption has been confirmed by the Australian Taxation Office. NBCF holds deductible gift recipient status and has been endorsed as a health promotion charity.

(e) *Leases*

NBCF elected to implement AASB 16 using the modified retrospective approach with the cumulative effect of initial application recognised as at the date of initial application of AASB 16, i.e. 1 July 2019 with the corresponding effects recorded in equity (retained earnings). This means that the data presented for 2019 and 2020 is not comparable. As required by the standard, this election has been consistently applied to all leases in which the company is a lessee, with the exception to peppercorn leases. This standard impacts the accounting for one property and two equipment leases.

For all leases, except for short-term leases and leases of low-value assets, previously classified as operating leases:

- As at 1 July 2019 NBCF has recognised a lease liability measured at the present value of the remaining lease payments, discounted using the company's incremental borrowing rate at 1 July 2019 (4.85%);
- The fixed increases and probability that renewal options would be accepted were assumptions made in measuring the remaining lease payments;
- For all leases the company has elected to recognise a right-of-use asset at an amount equal to the lease liability, adjusted by the amount of prepaid or accrued lease payments relating to those leases recognised in the consolidated statement of financial position immediately before the date of initial application;
- Lease expenses were previously included in rent expenses, however under AASB 16 are recorded between principal repayment of the liability, depreciation and interest expense.

(f) *Impairment of assets*

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

(g) *Cash and cash equivalents*

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of less than three months that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

Cash includes: cash on hand; deposits held at call with financial institutions, and the cash component of NBCF's

managed investments.

(h) Trade receivables and other receivables

Trade and other receivables are recognised at amortised cost, less any expected credit loss (ECL). NBCF applies a simplified approach in calculating ECLs. Therefore, NBCF does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. NBCF has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

(i) Investments and financial assets

Classification

NBCF has placed funds with an external fund manager to be externally managed as a balanced portfolio. The portfolio consists of listed securities, managed funds, term deposits and cash. NBCF manages its investment portfolio for growth and income and classifies its entire portfolio as financial assets at fair value through profit and loss. Financial assets at fair value through profit and loss are comprised of marketable equity securities and unlisted managed funds and are included in current assets unless the investment matures or management intends to dispose of the investment more than 12 months from the end of the financial year.

Measurement

At initial recognition, NBCF measures a financial asset at its fair value with subsequent changes in fair value being recognised directly in the Statement of Comprehensive Income.

(j) Property, plant and equipment

Plant and equipment acquired are measured on the cost basis less, where applicable, depreciation and impairment losses.

Depreciation on assets is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements, the shorter lease term as follows:

- Office equipment, fixtures and fittings	10% - 40%
- Leasehold improvements	16% - 20%

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the statement of comprehensive income. When revalued assets are sold, it is NBCF's policy to transfer any amounts included in other reserves (in respect of those assets) to accumulated funds.

A leasehold improvement's carrying amount is written down immediately when the item is no longer used in the operations of NBCF or when it has no sale value. Any gain or loss arising on derecognition of the leasehold improvement is calculated as the difference between the net disposal proceeds and the carrying amount of the leasehold improvement. These gains or losses are included in the statement of comprehensive income.

(k) Intangible assets

(i) Trademarks

Trademarks have a finite useful life and are carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of trademarks over their estimated useful lives.

(ii) IT development and software

Costs incurred in developing products or systems and costs incurred in acquiring software and licences that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software and systems. Costs capitalised include external direct costs of materials and service and direct payroll and payroll related costs of employees' time spent on a significant project. Amortisation is calculated on a straight-line basis over periods generally ranging from 3 to 5 years.

(l) Trade and other payables

These amounts represent liabilities for goods and services provided to NBCF prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(m) Provisions

Provisions are measured at the present value of Directors' best estimate of the expenditure required to settle the present obligation at the end of each reporting period. Liabilities expected to be settled within 12 months after the end of each reporting period are classified as current liabilities. The liabilities not expected to be settled within 12 months after the end of the reporting period are measured as the present value of expected future payments to be made in respect of research grants and are classified as non-current liabilities. Expected future payments are discounted using market yields at the end of the reporting period on government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows. The movement in the provisions due to the passage of time and the impact of changes in discount rates are included in grant expenses in the statement of comprehensive income. The impact of discounting is disclosed separately in note 13.

(n) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries and annual leave expected to be settled within 12 months after the end of each reporting period in which the employees render the related service, are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

(ii) Other long-term employee benefit obligations

The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the reporting period in which the employees render the related service is recognised in 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, up to the end of the reporting period. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

(iii) Retirement benefit obligations

NBCF has no legal obligation to provide benefits to employees on retirement.

(o) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case, it is recognised as part of the cost of acquisition of the asset or as part of the expense.

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

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

(p) Fair value estimation

The fair value of financial assets traded in active markets (such as publicly traded securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by NBCF is the current bid price. The fair value of managed funds is based on the unit price of each fund as reported by the funds at balance sheet date.

(q) Investment in associates and joint ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

In 2018/19 NBCF entered into a collaborative joint venture with three other charities: CanTeen, Starlight Children's Foundation (Starlight) and The Australian Committee for UNICEF (UNICEF Australia) to establish an independent not-for-profit social enterprise, Rainbow Fields Limited ("Rippling"). Rippling will focus on sustainable donor acquisition. NBCF's share in Rippling is 25%. As at June 2020, the Joint Venture had not commenced operations and establishment transactions were minimal. Establishment transactions incurred by NBCF for the financial year are represented as a loan in note 8.

NBCF's investment in its associate and joint venture are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the NBCF's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

The financial statements of the joint venture will be prepared for the same reporting period as the NBCF. When necessary, adjustments are made to bring the accounting policies in line with those of the NBCF.

2 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

(a) Critical accounting estimates and assumptions

NBCF makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Net present value of future research grants payable

NBCF has adopted AASB 137 *Provisions Contingent Liabilities and Contingent Assets*, whereby the future grants provisions are discounted to appropriately reflect the time value of money. These grants are discounted based on government bond rates for 2-10 year bonds, which is assessed at the end of each year. The key assumptions used by the directors in determining fair value are as follows:

Discount rate 0.26% - 0.92% [2019 (2-10 year bonds): 1.01% - 1.38%].

3 Changes in accounting policies, disclosures, standards and interpretations

AASB 16 Leases

NBCF elected to implement AASB 16 using the modified retrospective approach with the cumulative effect of initial application recognised as at the date of initial application of AASB 16, i.e. 1 July 2019 with the corresponding effects recorded in equity (retained earnings). This means that the data presented for 2019 and 2020 is not comparable. As required by the standard, this election has been consistently applied to all leases in which the company is a lessee, with the exception to peppercorn leases. This standard impacts the accounting for one property and two equipment leases.

For all leases, except for short-term leases and leases of low-value assets other than those which are subleased, previously classified as operating leases:

- As at 1 July 2019 NBCF has recognised a lease liability measured at the present value of the remaining lease payments, discounted using NBCF's incremental borrowing rate at 1 July 2019 (4.85%);
- The fixed increases and probability that renewal options would be accepted were assumptions made in measuring the remaining lease payments;

Impact of financial statements

The table below explains the difference between operating lease commitments disclosed as at 30 June 2019 to 1 July 2020 after applying AASB 16.

	1 July 2019 \$'000
Operating lease commitments disclosed 30 June 2019	797
Add: Price adjustments to lease repayments and office equipment previously not disclosed	46
Discounted using incremental borrowing rate at 1 July 2019	(31)
Lease liabilities recognised at 1 July 2019	812

AASB 15 Revenue from Contracts with Customers

AASB 15 supersedes AASB 18 *Revenue* and related interpretations and it applies, with limited exceptions, to all revenue arising from contracts with its customers. AASB 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

AASB 15 requires entities to exercise judgment, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

NBCF adopted AASB 15 from 1 July 2019 using the modified retrospective method of adoption. There was no significant impact on recognition or measurement in the financial statements as a result of the adoptions but there has been a change in the required disclosures to reflect the requirements of the new accounting standard.

AASB 1058 *Income of Not-For-Profit Entities*

AASB 1058 will defer income recognition in some circumstances for not-for-profit entities, particularly where there is a performance obligation or any other liability. In addition, certain components in an arrangement, such as donations, may be separated from other types of income and recognised immediately. The standard also expands the circumstances in which not-for-profit entities are required to recognise income for goods and services received for consideration that is significantly less than the fair value of the asset principally to enable the entity to further its objectives (discounted goods and services).

NBCF adopted AASB 1058 from 1 July 2019 using the modified retrospective method of adoption. The classification and measurement requirements of AASB 1058 did not have a material impact to NBCF.

4 Revenue

	2020	2019
	\$'000	\$'000
(a) Revenue from fundraising activities		
Foundations	2,322	2,861
Partnerships and Community Fundraising	8,059	7,035
Individual Giving	18,414	15,389
	28,795	25,285
(b) Other Income		
Interest income	8	29
Investment income	1,383	1,670
Net fair value gains on financial assets	-	1,039
Proceeds on disposal of assets held for sale	2	-
Government COVID19 Support	551	-
	1,944	2,738

5 Expenses

	2020	2019
	\$'000	\$'000
Profit before income tax Includes the following specific expenses:		
<i>(a) Depreciation</i>		
Intangible assets	1	-
Office Equipment, fixtures & fittings	83	56
Leasehold improvements	45	45
Right-of-use asset	427	-
Total depreciation	556	101
Total depreciation and amortisation	556	101
<i>(b) Rental expense relating to operating leases</i>		
Minimum lease payments	59	529
<i>(c) Salaries and Allowances</i>		
Salaries & Wages	5,283	4,812
Defined contribution superannuation expense	492	438
Total Salaries and Allowances expense	5,775	5,250
<i>(d) Non – executive Directors fees</i>	-	-

6 Income Tax expense

NBCF is exempt from income tax in accordance with section 50-100 of the *Income Tax Assessment Act (1997)*.

7 Current assets - Cash and cash equivalents

	2020	2019
	\$'000	\$'000
Cash at bank and in hand	4,565	2,248
	4,565	2,248

8 Current assets - Trade and other receivables

	2020	2019
	\$'000	\$'000
Trade receivables	470	1,244
Provision for impairment of trade receivables	(39)	(33)
Accrued income	2,582	2,970
GST receivables / (payables)	183	(17)
Prepayments	240	283
Loan – Rainbow Fields Limited	67	32
	3,503	4,479

9 Financial assets

	2020	2019
	\$'000	\$'000
Current		
<i>Financial assets held at amortised cost</i>		
Short-term deposits	305	400
<i>Financial assets at fair value through profit and loss</i>		
Listed securities	7,513	9,784
Managed investments	28,795	30,107
	36,613	40,291
Non - Current		
<i>Financial assets held at amortised cost</i>		
Term deposits	-	305

10 Non-current assets - Property, plant and equipment

	Assets under construction	Intangible assets	Office equipment, fixtures and fittings	Leasehold improvements	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
At 30 June 2019					
Cost	21	7	877	226	1,131
Accumulated depreciation	-	-	(742)	(151)	(893)
Net book amount	<u>21</u>	<u>7</u>	<u>135</u>	<u>75</u>	<u>238</u>
Year ended 30 June 2020					
Opening net book amount	21	7	135	75	238
Additions	26	10	134	-	170
Disposals	-	-	(545)	-	(545)
Disposals - depreciation write back			542		542
Depreciation charge	-	(1)	(83)	(45)	(129)
Closing net book amount	<u>47</u>	<u>16</u>	<u>183</u>	<u>30</u>	<u>276</u>
At 30 June 2020					
Cost	47	17	466	226	756
Accumulated depreciation	-	(1)	(283)	(196)	(480)
Net book amount	<u>47</u>	<u>16</u>	<u>183</u>	<u>30</u>	<u>276</u>

11 Leases

(a) Right-of-use assets

	Property	Equipment	Total
	\$'000	\$'000	\$'000
Transition to AASB 16	669	29	698
Additions	5	-	5
Depreciation charge	(404)	(23)	(427)
Balance at 30 June 2020	<u>270</u>	<u>6</u>	<u>276</u>

(b) Lease liabilities

	2020	2019
	\$'000	\$'000
Transition to AASB 16	812	-
Additions	5	-
Principal repayments	(508)	-
Interest	27	-
Closing balance	<u>336</u>	<u>-</u>

	2020	2019
	\$'000	\$'000
Current	336	-
Non-current	-	-
	<u>336</u>	<u>-</u>

(c) Amounts recognised on the Statement of Comprehensive Income

	2020	2019
	\$'000	\$'000
Depreciation charge on right-of-use assets	427	-
Interest on lease liabilities	27	-
Expenses relating to short-term leases	59	-
	<u>513</u>	<u>-</u>

(d) Amounts recognised in Statement of Cashflows

	2020	2019
	\$'000	\$'000
Total cash outflow of leases	<u>(508)</u>	<u>-</u>
	<u>(508)</u>	<u>-</u>

12 Current liabilities - Trade and other payables

	2020	2019
	\$'000	\$'000
Trade payables	794	767
Accrued expenses	407	95
Deferred revenue	20	159
	<u>1,221</u>	<u>1,021</u>

13 Current Liabilities - Provisions

	2020	2019
	\$'000	\$'000
Employee benefits	230	191
Future research grants provision	12,321	15,324
Register4 provision	68	68
	<u>12,619</u>	<u>15,583</u>

14 Non-Current Liabilities - Provisions

	2020	2019
	\$'000	\$'000
Employee benefits - long service leave	78	69
Future research grants provision	12,012	12,973
	<u>12,090</u>	<u>13,042</u>

(a) Movements in provisions (current and non-current)

Movements in each class of provision during the financial year, other than employee benefits, are set out below:

Grants provision	2020	2019
	\$'000	\$'000
Current and Non-Current		
Carrying amount at start of year	28,365	28,194
Charged/(credited) to profit or loss		
- additional provisions recognised after discount	9,703	10,407
- unused amounts reversed	(263)	(85)
- finance expense incurred as a result of change in discount rate and unwinding of provision	341	667
Amounts used during the year	<u>(13,745)</u>	<u>(10,818)</u>
Carrying amount at end of year	<u>24,401</u>	<u>28,365</u>
Of which:		
Short term	12,389	15,392
Long term	<u>12,012</u>	<u>12,973</u>
	<u>24,401</u>	<u>28,365</u>

(b) Reconciliation of movement in provisions to statement of comprehensive income

	2020	2019
	\$'000	\$'000
Additional provision recognised	9,703	10,407
Unused amounts reversed	(263)	(85)
Discount of additional provisions recognised	(118)	(394)
Finance expense incurred as a result of change in discount rate and unwinding of provision	<u>458</u>	<u>1,061</u>
Total grant expenses per statement of comprehensive income	<u>9,780</u>	<u>10,989</u>

15 Accumulated funds

	2020	2019
	\$'000	\$'000
Movements in accumulated funds were as follows:		
Opening balance 1 July	17,915	20,036
Net surplus/(deficit) for the year	1,166	(2,121)
Transition to AASB 16	<u>(114)</u>	<u>-</u>
Closing balance 30 June	<u>18,967</u>	<u>17,915</u>

16 Key management personnel disclosures

NBCF has determined that 7 (5.7 Full Time Equivalent (FTEs)) management personnel had authority and responsibility for planning, directing and controlling the activities of NBCF, directly or indirectly, during the financial year (2019: 7 (5.8 FTEs)).

The following amounts were paid to them in respect of such duties:

	2020	2019
	\$'000	\$'000
Employee benefits	1,173	1,263

There were no transactions between key management personnel and the NBCF during the year other than on an employee-employer basis.

Non-executive Directors receive no fees and provide their services to the Board of NBCF on a *pro-bono* basis.

17 Contingencies

NBCF had no contingent liabilities or contingent assets at 30 June 2020 (2019: Contingent liabilities of \$Nil and contingent assets of \$Nil).

18 Commitments

(a) Lease Commitments

Future non-cancellable operating lease rentals not provided for in the financial statements and payable:

	2020	2019
	\$'000	\$'000
Within one year	-	472
Later than one year but not later than five years	-	325
	-	797

From 1 July 2019, operating leases are accounted for under AASB 16 with a corresponding right-of-use asset and lease liability recognised in the Statement of Financial Position.

19 Related party transactions

(a) Transactions with related parties

No transactions occurred with related parties during 2020 financial year. (2019: nil).

20 Associates and Joint Ventures

NBCF has a 25% interest in Rippling, a Joint Venture established in the 2019 financial year. As at June 2020, the Joint Venture had not commenced operations and establishment transactions were minimal. Establishment transactions incurred by NBCF for the financial year are represented as a loan in Note 8.

21 Members' Guarantee

NBCF is an entity limited by guarantee. If the entity is wound up, the entity's constitution states that each member is required to contribute a maximum of \$100 towards meeting any outstanding obligations of the entity. At reporting date, there were 9 (2019: 10) members of the entity.

22 Charitable fundraising comparisons information - Financial Highlights 2020

NBCF has three categories of fundraising income:

- Foundations
- Partnerships and Community Fundraising
- Individual Giving

	Income \$'000	Fundraising Income %	Fundraising Expense \$'000	Expense % of Income %
Foundations	2,322	8	1	0%
Partnerships and Community Fundraising	8,059	28	988	12%
Individual Giving	18,414	64	8,845	48%
Total fundraising	28,795	100	9,834	34%

Fundraising expenses include specific direct costs other than salaries and allowances, and other expenses not directly related to fundraising. NBCF has continued to invest in Regular Giving (commitments from supporters to make monthly donations). The cost of acquiring new supporters is expensed in the year they become a supporter, resulting in a high ratio of expense to Individual Giving income, whereas income from these new supporters is received over a number of years with relatively little additional costs.

23 Charitable fundraising comparisons information - Charitable Purposes 2020

	2020 \$'000	2019 \$'000
Summary of operating expenses:		
Direct costs of fundraising (note 22)	9,834	12,036
Costs of fundraising staff	2,726	2,381
Research Administration costs	584	470
Marketing/Speakers/Volunteers	978	1,057
Administration including Finance/IT/HR/all office costs	3,435	3,212
Operating expenses	17,557	19,156
Donations in kind	501	1,860
Net unrealised loss on investments	2,236	-
Operating expenses (including Donation in kind)	20,294	21,016
Research grant funding	9,780	10,989
Total expenses	30,074	32,005

24 Events occurring after the reporting period

There were no significant events occurring after 30 June 2020 that require disclosure in this financial report.

Directors' Declaration

In the directors' opinion:

- (a) the financial statements and notes set out on pages 11 to 29 are in accordance with *the Australian Charities and Not-for-profits Commission Act 2012*, including:
 - (i) complying with Accounting Standards – Reduced Disclosure Requirements, *the Australian Charities and Not-for-profits Commission Regulation 2013* and other mandatory professional reporting requirements, and
 - (ii) giving a true and fair view of the Company's financial position as at 30 June 2020 and of its performance for the financial year ended on that date, and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
- (c) The statement of comprehensive income gives a true and fair view of all income and expenditure of the Company with respect to fundraising appeals;
- (d) The statement of financial position gives a true and fair view of the state of affairs of the Company with respect to fundraising appeals;
- (e) The provisions and regulations of the NSW Charitable Fundraising Act 1991, the NSW Charitable Fundraising Regulation 2015, the requirements of the WA Charitable Collections Act (1946), the WA Charitable Collections Regulations (1947) and the conditions attached to the authority to fundraise have been complied with by the Company; and
- (f) Money received as a result of fundraising appeals conducted during that year has been properly accounted for and applied in accordance with the above mentioned Acts and regulations.

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



Professor Helen Zorbas AO
Director



Professor Sarah Hosking
CEO

Sydney
29 October 2020



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working world**

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Independent Auditor's Report to the Members of National Breast Cancer Foundation

Report on the financial report

Opinion

We have audited the accompanying financial report of National Breast Cancer Foundation (the Company), which comprises the statement of financial position as at 30 June 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- a) giving a true and fair view of the Company's financial position as at 30 June 2020 and of its financial performance for the year ended on that date; and
- b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-Profits Commission Regulation 2013*.

Basis for Opinion

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

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

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

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



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

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

Responsibilities of the Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.



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- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Opinion

In our opinion:

- a) the financial report of National Breast Cancer Foundation has been properly drawn up and associated records have been properly kept during the financial year ended 30 June 2020, in all material respects, in accordance with:



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- i. sections 20(1), 22(1-2), 24(1-3) of the NSW Charitable Fundraising Act 1991;
 - ii. sections 10(6) and 11 of the NSW Charitable Fundraising Regulations 2015;
 - iii. the WA Charitable Collections Act (1946); and
 - iv. the WA Charitable Collections Regulations (1947).
- b) the money received as a result of fundraising appeals conducted by the company during the financial year ended 30 June 2020 has been properly accounted for and applied, in all material respects, in accordance with the above-mentioned Acts and Regulations

A handwritten signature in black ink that reads "Ernst & Young".

Ernst & Young

A handwritten signature in black ink that reads "Rob Lewis".

Rob Lewis
Partner
Sydney
29 October 2020