



National Breast Cancer Foundation

ABN 37 144 841 707

Annual Financial Report

for the year ended 30 June 2021

National Breast Cancer Foundation ABN 37 144 841 707
Annual report – 30 June 2021

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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 2021.

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)
Deeta Colvin (McGeoch)
Doctor Jenny Fagg
Winsome Hall
Professor Ross Hannan
Megan Keleher
David Krasnostein
Bob Prosser
Jenny Rogers (resigned 26 May 2021)

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; and
- 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; and
- 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; and
- 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 as well as efficiency of operations. 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.

COVID19 – Impact on operations

The immediate consequences and uncertainty created by the onset of COVID-19 in March last year was cause for significant apprehension for the NBCF Board and management. Initial concerns were focused on the health and wellbeing of our staff, the impact on ongoing donor funding (for which NBCF relies on for 100% of revenue), business continuity, and the impact on our researchers and their projects. More broadly, concerns centred on the consequences of wider economic impacts as a result of increased unemployment, depressed business conditions, and the impact of lockdowns and border closures.

NBCF's concerns were immediately realised with staff being forced to work from home overnight, face to face fundraising acquisition ceasing, community fundraising events cancelled, NBCF's investments impacted, and researchers being forced to close laboratories and suspend projects.

In March 2020, as a result of a decline in comparative monthly revenues, NBCF was offered, and accepted, financial assistance from the federal government JobKeeper COVID business assistance package. The assistance ultimately proved crucial in supporting the retention of staff and providing a sense of stability, security, and confidence within the organisation through this difficult period.

In managing this unprecedented situation, the NBCF Board and senior management reacted swiftly by establishing a Board sub-committee, the 'Corona Cabinet', charged with focusing on four key priorities – our researchers and the broader research community, the health and wellbeing of our staff, cash and liquidity, and long term sustainability. Meeting monthly through 2020, the Corona Cabinet ultimately played a vital role in navigating NBCF through the worst of the crisis.

Importantly, NBCF moved quickly to support our researchers and their projects through the establishment of the COVID Extension Fund, as outlined below. Nevertheless, as a result of the impact of COVID-19 on the research community more generally, grant funding applications were down on previous years, hence NBCF's lower than usual overall annual funding commitment. Funding requirements, however, are expected to bounce back strongly as the impact of COVID-19 subsides, at which time NBCF will be extremely well placed to increase research funding to pre-COVID-19 levels and beyond.

As a result of innovative crafting of alternative fundraising approaches, prudent fiscal management, an unwavering focus on mission, and most importantly the continuing support of our wonderful donors, NBCF has emerged from this challenging period in relatively good shape and well positioned to continue the organisation's crucial work.

As we move into 2021/22, a key priority will continue to be the wellbeing and productivity of our people. NBCF were forced to move swiftly in March 2020 to enable all staff to work from home. The move proved relatively seamless thanks to recent investments in technology and the commitment and resolve of staff. Given the success of remote working with regards to productivity and employee engagement, NBCF is considering an ongoing hybrid work office model and increased flexibility for employees on a more permanent basis.

Review of operations

NBCF operations for the year resulted in a surplus before grant expenses of \$21.6m (2020: \$11.8m). After the provision of research grants of \$7.4m (2020: \$9.8m) the net surplus for the year was \$14.2m (2020: \$2.0m).

During the year NBCF announced the awarding of 13 grants through the annual round of the Investigator Initiated Research Scheme (IIRS) with a combined value of approximately \$4.4m. Through this year's IIRS, NBCF has directly supported a total of 19 researchers at varying career stages located in research institutes across Australia, as well as many others indirectly.

In addition to the significant investment in breast cancer research made through the IIRS during 2020/21, NBCF also announced the appointment of Professor Nehmat Houssami as the inaugural Chair in Breast Cancer Prevention in collaboration with the University of Sydney. NBCF's \$3m contribution was supplemented by an additional \$2m from the University of Sydney for this 10 year commitment.

Funding totalling \$200k was also provided for two research grants through the Priority-driven Collaboration Cancer Research Scheme (PdCCRS). NBCF is co-funding these grants with Cancer Australia. Funding for two Doctoral Scholarships was also approved totalling \$36k.

In a year dominated by the impacts of COVID-19, the research community was not immune. In response, in early 2020 NBCF announced the launch of the COVID Extension Fund. Through this innovative initiative, NBCF contributed more than \$1m to extend the timelines of 38 grants and support the salaries of 53 researchers so they could continue their game changing work despite laboratory shutdowns. This initiative was warmly welcomed by our researchers and the research community generally.

Notwithstanding the continuing impact of COVID-19, NBCF generated \$34.4m of fundraising revenue during 2020/21, an increase of 15.9% 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 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.

Specifically the establishment of innovative virtual community events proved incredibly successful. New events such as Step Up to Breast Cancer and the 55 Squat Challenge provided the community with the opportunity to stay active whilst at the same time raising much needed funds for breast cancer research.

NBCF's workplace culture was again recognised by winning the Voice Projects 'Best Workplace' award for 2021. NBCF also won this award in 2020. As well, in April this year, the annual employee engagement survey was conducted with 100% of employees responding. Overall engagement increased to 86% with employee wellbeing at 89%, an increase of 11% over the previous survey.

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 countdown to 'zero deaths by 2030' continues.

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

The Mother's Day Classic Foundation acknowledged on 28 July 2021 that a \$2m donation would be made to NBCF in relation to the Mother's Day Classic Event held in May 2021. All donations from the Mother's Day Classic Foundation are used for grant funding and grant making expenses. In July and September 2021, NBCF received confirmation of a bequest totalling \$2.8m from the Estate of the Late Florence Cush. There are no other significant events occurring after 30 June 2021 that require disclosure.

No other matter or circumstance has arisen since 30 June 2021 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-19 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 Médecins Sans Frontières, was established to deliver cost-effective and sustainable donor acquisition through an innovative social enterprise. Acquisition activity has now commenced.

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 2021

Professor Helen Zorbas AO MBBS, FASBP, MAICD

Board member for 16 months

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; Member, Remuneration & Nominations Committee; Chair, Corona Cabinet.

Deeta Colvin (McGeoch) BA

Board member for 8 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.

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

Board member for 16 months

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

Special responsibilities: Member, Audit, Risk, and Investment Committee.

Winsome Hall BA

Board member for 5 years

Winsome Hall is a non-executive director with more than 25 years experience. 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 chaired the Sydney Mothers' Day Classic Committee for 8 years, a fun run/walk fundraiser which donates all funds to NBCF, held senior roles in the Commonwealth Public Service and was ACT Branch Secretary of the Community and Public Sector Union.

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

Professor Ross Hannan BSc PhD FAAHMS

Board member for 4 years

Ross is an internationally recognised research scientist, whose work on ribosome biogenesis has led to new treatment paradigms in cancer. He received his PhD from the University of Tasmania in 1994, before undertaking postdoctoral research in the USA. Ross's far-reaching research contributions have been recognised by his appointment as inaugural Centenary Chaired Professor in Cancer Research at the Australian National University and 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 3 years

Megan Keleher is a business strategy and marketing specialist with experience across finance, technology, media and telecommunications. She is currently Chief Customer Officer of Great Southern Bank, Australia's largest customer-owned bank. Prior to this she was Vice President of Strategy and Marketing for global technology firm Fujitsu Oceania. Megan has held executive positions in Telstra, Foxtel and the Commonwealth Bank of Australia, and has also successfully managed her own consulting business, specialising in brand strategy and marketing. Megan has previously served as a Non-Executive Director of the Australian Association of National Advertisers and is currently a member of the Griffith Business School Strategic Advisory Board. Her expertise has been recognised with her inclusion in the 2021 CMO50 list of Australian's most effective and innovative marketing leaders.

Special responsibilities: Chair, Remuneration and Nominations Committee.

David Krasnostein AM B.Juris, LLB, LLM

Board member for 11 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, Director of The Aikenhead Centre For Medical Discovery and The Hellenic Museum of Victoria.

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

Bob Prosser MA Oxf, FCA, MAICD

Board member for 10 years

Bob is a Chartered Accountant and an experienced Company Director. He is an experienced 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, and Investment Committee; Member, Corona Cabinet.

The following directors left the board during 2020/21

Jenny Rogers MeSAFAA

Board member for 7 years (resigned 26 May 2021)

Meetings of directors

The number of Board and Board Committee meetings held during the year ended 30 June 2021 that each Director was eligible to attend, and the numbers of meetings attended by each director were:

Director	Board		Audit, Risk, & Investment Committee		Research Advisory Committee		Remuneration & Nominations Committee		Corona Cabinet	
	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended
Professor Helen Zorbas	4	4					2	2	4	4
Deeta Colvin (McGeoch)	4	3								
Doctor Jenny Fagg	4	4	2	2						
Winsome Hall	4	4	2	1					4	3
Ross Hannan	4	4			2	1				
Megan Keleher	4	4					2	2		
David Krasnostein	4	3	2	2			2	2	4	4
Bob Prosser	4	3	2	2					4	4
Jenny Rogers (resigned 26/05/21)	4	3	1	0						

Indemnification of officers

During the financial year, NBCF paid a premium of \$10k (2020: \$11k) 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 8 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
24 November 2021



**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 2021, and in accordance with the requirements of Subdivision 60-C of the Australian Charities and Not-for profits Commission Act 2012, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Australian Charities and Not-for profits Commission Act 2012 or any applicable code of professional conduct.

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
24 November 2021

National Breast Cancer Foundation ABN 37 144 841 707
Annual report – 30 June 2021

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 7, 50 Margaret 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 24 November 2021. The directors have the power to amend and reissue the financial statements.

STATEMENT OF COMPREHENSIVE INCOME

		2021	(Restated) 2020
	Notes	\$'000	\$'000
Revenue from fundraising activities	4(a)	34,358	29,645
Donations in kind		670	501
Other Income	4(b)	8,528	1,944
Revenue from continuing operations		43,556	32,090
Donations in kind expense		(670)	(501)
Direct cost of fundraising	21	(13,499)	(9,834)
Depreciation and amortisation	5(a)	(579)	(556)
Rent	5(b)	55	(59)
Salaries and allowances	5(c)	(5,675)	(5,775)
Other operating expenses		(1,590)	(1,333)
Share of loss of an associate		(11)	-
Net fair value loss on financial assets		-	(2,236)
Surplus before grant expense and income tax		21,587	11,796
Grant expenses	15(b)	(7,415)	(9,780)
Surplus/(Deficit) before income tax		14,172	2,016
Income tax expense	6	-	-
Surplus/(Deficit) for the year		14,172	2,016
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income/(deficit) for the year		14,172	2,016

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

STATEMENT OF FINANCIAL POSITION

		2021	(Restated) 2020
	Notes	\$'000	\$'000
ASSETS			
Current assets			
Cash and cash equivalents	7	10,072	4,565
Trade and other receivables	8	2,747	2,539
Financial assets	9	42,256	36,613
Total current assets		55,075	43,717
Non-current assets			
Investment in associates	10	101	67
Property, plant and equipment	11	213	276
Right of use asset	12(a)	86	276
Total non-current assets		400	619
Total assets		55,475	44,336
LIABILITIES			
Current liabilities			
Trade and other payables	13	923	1,221
Lease liabilities	12(b)	86	336
Provisions	14	11,333	12,619
Total current liabilities		12,342	14,176
Non-current liabilities			
Provisions	15	10,891	12,090
Total non-current liabilities		10,891	12,090
Total liabilities		23,233	26,266
Net assets		32,242	18,070
EQUITY			
Accumulated funds	16	32,242	18,070
Total equity		32,242	18,070

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 2019 <i>(Restated)</i>	16	16,168	16,168
Surplus/ (Deficit) for the year		2,016	2,016
Other comprehensive income		-	-
Total comprehensive surplus/(deficit) for the year		2,016	2,016
Transition to AASB 16		(114)	(114)
Balance at 30 June 2020 <i>(Restated)</i>	16	18,070	18,070
Balance at 1 July 2020	16	18,070	18,070
Surplus/ (Deficit) for the year		14,172	14,172
Other comprehensive income		-	-
Total comprehensive surplus/(deficit) for the year		14,172	14,172
Balance at 30 June 2021	16	32,242	32,242

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

STATEMENT OF CASH FLOWS

	Notes	2021 \$'000	2020 \$'000
Cash flows from operating activities			
Receipts from grants, donations and fundraising activities		34,976	30,716
Payments for research grants, suppliers and employees		<u>(30,140)</u>	<u>(30,707)</u>
Net cash (outflow)/inflow from operating activities		<u>4,836</u>	<u>9</u>
Cash flows from investing activities			
Payments for property, plant and equipment	11	(69)	(170)
Proceeds from short-term deposits and investments		3,810	6,176
Payments for short-term deposits and investments		(4,049)	(4,842)
Interest income received		6	14
Investment income received		1,488	1,638
Net cash (outflow)/inflow from investing activities		<u>1,186</u>	<u>2,816</u>
Cash flows from financing activities			
Payment of lease liabilities		(515)	(508)
Net cash (outflow)/inflow from financing activities		<u>(515)</u>	<u>(508)</u>
Net increase/(decrease) in cash		5,507	2,317
Opening cash		4,565	2,248
Closing cash end of year	7	<u>10,072</u>	<u>4,565</u>

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

Notes to the financial statements

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

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*

Donations, community fundraising, and bequests are generally recognised when received.

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

At inception of a contract, NBCF assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. For leases identified, NBCF recognises a right-of-use asset and a lease liability at the lease commencement date.

(i) Right-of-use assets

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the lease term. The lease term includes periods covered by an option to extend if the Company is reasonably certain to exercise that option. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

(ii) Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid as at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, NBCF uses its incremental borrowing rate as the discount rate.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or if NBCF changes its assessment of whether it will exercise an extension option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Lease payments are allocated between principal and finance cost. The finance cost is charged to the profit and 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.

Payments associated with short-term leases that have a lease term of 12 months or less and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

(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 15.

(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

An associate is an entity over which NBCF has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. NBCF's investment in its associate is accounted for using the equity method.

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in NBCF's share of net assets of the associate since the acquisition date. The statement of profit or loss reflects NBCF's share of the results of operations of the associate.

After application of the equity method, NBCF determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, NBCF determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, NBCF calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss within 'Share of profit of an associate' in the statement of profit or loss.

(r) Prior year comparatives

Certain comparative information was amended in the financial report to confirm to the current year presentation. These amendments do not have a material impact on the financial results or balance sheet.

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 (2-10 year bonds): 0.04% - 1.52% [2020: 0.26% - 0.92%].

3 Changes in accounting policies, disclosures, standards and interpretations

NBCF has applied all standards and amendments, which are effective for annual periods beginning on or after 1 July 2020. NBCF has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

(a) Change in fundraising revenue recognition

During the period, NBCF have reassessed their revenue recognition of donations from Mother's Day Classic Foundation. This change has been applied retrospectively as if this recognition policy had always been in place, resulting in an opening retained earnings adjustment as at 1 July 2019 and restated comparative figures for 2020. All donations from the Mother's Day Classic Foundation are used for grant funding and grant making expenses.

	30 June 2020 \$'000	1 July 2019 \$'000
Opening retained earnings adjustment		
Reported accumulated funds	18,967	17,915
Recognition of fundraising revenue	(897)	(1,747)
Restated accumulated funds	18,070	16,168
 Restatement impact on statement of comprehensive income		
Reported revenue from fundraising activities	28,795	
Recognition of fundraising revenue	850	
Restated revenue from fundraising activities	29,645	
 Restatement impact on statement of financial position		
Reported accrued income	2,582	
Recognition of fundraising revenue	(897)	
Restated accrued income	1,685	

4 Revenue

	2021 \$'000	(Restated) 2020 \$'000
(a) Revenue from fundraising activities		
Foundations	2,852	3,172
Partnerships and Community Fundraising	11,175	8,059
Individual Giving	20,331	18,414
	34,358	29,645
 (b) Other Income		
Interest income	3	8
Investment income	2,503	1,383
Net fair value gains on financial assets	5,107	-
Proceeds on disposal of assets held for sale	2	2
Government COVID-19 Support	913	551
	8,528	1,944

5 Expenses

	2021	2020
	\$'000	\$'000
Profit before income tax Includes the following specific expenses:		
<i>(a) Depreciation</i>		
Intangible assets	2	1
Office Equipment, fixtures & fittings	98	83
Leasehold improvements	30	45
Right-of-use asset	449	427
Total depreciation	<u>579</u>	<u>556</u>
 Total depreciation and amortisation	 <u>579</u>	 <u>556</u>
<i>(b) Rental expense relating to operating leases</i>		
Minimum lease payments	<u>(55)</u>	<u>59</u>
<i>(c) Salaries and Allowances</i>		
Salaries & Wages	5,208	5,283
Defined contribution superannuation expense	467	492
Total Salaries and Allowances expense	<u>5,675</u>	<u>5,775</u>
<i>(d) Non – executive Directors fees</i>	<u>-</u>	<u>-</u>

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

	2021	2020
	\$'000	\$'000
Cash at bank and in hand	<u>10,072</u>	<u>4,565</u>
	<u>10,072</u>	<u>4,565</u>

8 Current assets - Trade and other receivables

	2021	(Restated) 2020
	\$'000	\$'000
Trade receivables	403	470
Provision for impairment of trade receivables	(12)	(39)
Accrued income	1,963	1,685
GST receivables / (payables)	150	183
Prepayments	243	240
	<u>2,747</u>	<u>2,539</u>

9 Financial assets

	2021	2020
	\$'000	\$'000
Current		
<i>Financial assets held at amortised cost</i>		
Short-term deposits	305	305
<i>Financial assets at fair value through profit and loss</i>		
Listed securities	10,148	7,513
Managed investments	31,803	28,795
	42,256	36,613

10 Investment in associates

	2021	2020
	\$'000	\$'000
Investment in associates – Rainbow Fields Limited	101	67
	101	67

11 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 2020					
Cost	47	17	466	226	756
Accumulated depreciation	-	(1)	(283)	(196)	(480)
Net book amount	47	16	183	30	276
Year ended 30 June 2021					
Opening net book amount	47	16	183	30	276
Additions	2	-	67	-	69
Transfers	(26)	-	26	-	-
Disposals	-	-	(45)	-	(45)
Disposals - depreciation write back	-	-	43	-	43
Depreciation charge	-	(2)	(98)	(30)	(130)
Closing net book amount	23	14	176	-	213
At 30 June 2021					
Cost	23	17	514	226	780
Accumulated depreciation	-	(3)	(338)	(226)	(567)
Net book amount	23	14	176	-	213

12 Leases

(a) Right-of-use assets

	Property	Equipment	Total
	\$'000	\$'000	\$'000
Balance at 1 July 2020	270	6	276
Additions	259	-	259
Disposals	(674)	-	(674)
Disposals – depreciation write back	674	-	674
Depreciation charge	(443)	(6)	(449)
Balance at 30 June 2021	86	-	86

(b) Lease liabilities

	2021	2020
	\$'000	\$'000
Opening balance 1 July	336	-
Transition to AASB 16	-	812
Additions	259	5
Principal repayments	(515)	(508)
Interest	6	27
Closing balance 30 June	86	336

	2021	2020
	\$'000	\$'000
Current	86	336
Non-current	-	-
	86	336

(c) Amounts recognised on the Statement of Comprehensive Income

	2021	2020
	\$'000	\$'000
Depreciation charge on right-of-use assets	449	427
Interest on lease liabilities	6	27
Expenses relating to short-term leases	(55)	59
	400	513

(d) Amounts recognised in Statement of Cashflows

	2021	2020
	\$'000	\$'000
Total cash outflow of leases	(515)	(508)
	(515)	(508)

13 Current liabilities - Trade and other payables

	2021	2020
	\$'000	\$'000
Trade payables	542	794
Accrued expenses	381	407
Deferred revenue	-	20
	923	1,221

14 Current Liabilities - Provisions

	2021	2020
	\$'000	\$'000
Employee benefits	298	230
Future research grants provision	11,035	12,321
Register4 provision	-	68
	11,333	12,619

15 Non-Current Liabilities - Provisions

	2021	2020
	\$'000	\$'000
Employee benefits - long service leave	153	78
Future research grants provision	10,738	12,012
	10,891	12,090

(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:

	2021	2020
	\$'000	\$'000
Grants provision		
Current and Non-Current		
Carrying amount at start of year	24,401	28,365
Charged/(credited) to profit or loss		
- additional provisions recognised after discount	7,687	9,703
- unused amounts reversed	(131)	(263)
- finance expense incurred as a result of change in discount rate and unwinding of provision	(141)	341
Amounts used during the year	(10,043)	(13,745)
Carrying amount at end of year	21,773	24,401
 Of which:		
Short term	11,035	12,389
Long term	10,738	12,012
	21,773	24,401

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

	2021	2020
	\$'000	\$'000
Additional provision recognised	7,687	9,703
Unused amounts reversed	(131)	(263)
Discount of additional provisions recognised	(191)	(118)
Finance expense incurred as a result of change in discount rate and unwinding of provision	50	458
Total grant expenses per statement of comprehensive income	7,415	9,780

16 Accumulated funds

	2021	<i>(Restated)</i> 2020
	\$'000	\$'000
Movements in accumulated funds were as follows:		
Opening balance 1 July	18,070	16,168
Net surplus/(deficit) for the year	14,172	2,016
Transition to AASB 16	-	(114)
Closing balance 30 June	32,242	18,070

17 Key management personnel disclosures

NBCF has determined that 7 (5.0 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 (2020: 7 (5.7 FTEs)).

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

	2021	2020
	\$'000	\$'000
Employee benefits	1,101	1,173

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.

18 Contingencies

NBCF had no contingent liabilities or contingent assets at 30 June 2021 (2020: Contingent liabilities of \$Nil and contingent assets of \$Nil).

19 Related party transactions

(a) Transactions with related parties

No transactions occurred with related parties during 2021 financial year. (2020: Nil).

20 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 8 (2020: 9) members of the entity.

21 Charitable fundraising comparisons information - Financial Highlights 2021

	Income \$'000	Fundraising Income %	Fundraising Expense \$'000	Expense % of Income %
Foundations	2,852	8%	1	0%
Partnerships and Community Fundraising	11,175	33%	1,369	12%
Individual Giving	20,331	59%	12,129	60%
Total fundraising	34,358	100%	13,499	40%

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.

22 Charitable fundraising comparisons information - Charitable Purposes 2021

	2021 \$'000	2020 \$'000
Summary of operating expenses:		
Direct costs of fundraising (note 21)	13,499	9,834
Costs of fundraising staff	2,556	2,726
Research Administration costs	583	584
Marketing/Speakers/Volunteers	1,026	978
Administration including Finance/IT/HR/all office costs	3,624	3,435
Operating expenses	<u>21,288</u>	<u>17,557</u>
Donations in kind	670	501
Share of loss of an associate	11	-
Net unrealised loss on investments	-	2,236
Operating expenses (including Donation in kind)	<u>21,969</u>	<u>20,294</u>
Research grant funding	<u>7,415</u>	<u>9,780</u>
Total expenses	<u>29,384</u>	<u>30,074</u>

23 Events occurring after the reporting period

The Mother's Day Classic Foundation acknowledged on 28 July 2021 that a \$2m donation would be made to NBCF in relation to the Mother's Day Classic Event held in May 2021. All donations from the Mother's Day Classic Foundation are used for grant funding and grant making expenses. In July and September 2021, NBCF received confirmation of a bequest totalling \$2.8m from the Estate of the Late Florence Cush. There are no other significant events occurring after 30 June 2021 that require disclosure in this financial report.

Directors' Declaration

In the directors' opinion:

- (a) the financial statements and notes set out on pages 10 to 26 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 2021 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.

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



Director/Chair
National Breast Cancer Foundation
Sydney
24 November 2021

Chief Executive Officer's Declaration in respect of Fundraising Appeals

I, Professor Sarah Hosking, Chief Executive Officer, of National Breast Cancer Foundation, declare in my opinion:

- (a) the statement of comprehensive income gives a true and fair view of all income and expenditure of National Breast Cancer Foundation with respect to fundraising appeal activities for the twelve months ended 30 June 2021;
- (b) the statement of financial position gives a true and fair view of the state of affairs with respect to fundraising appeal activities as at 30 June 2021;
- (c) 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 during the period from 1 July 2020 to 30 June 2021;
- (d) the internal controls exercised by National Breast Cancer Foundation are appropriate and effective in accounting for all income received, and applied, from any of its fundraising appeals; and
- (e) this statement is founded on a sound system of risk management and internal control which implements the policies adopted by the Board in relation to financial reporting risks, and that the system is operating effectively in all material respects.



Professor Sarah Hosking
CEO
National Breast Cancer Foundation
Sydney
24 November 2021



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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 2021, 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 2021 and of its financial performance for the year ended on that date; and
- b) complying with Australian Accounting Standards - Reduced Disclosures 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 2021, 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 2021 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' in a cursive, script font.

Ernst & Young

A handwritten signature in black ink that reads 'Rob Lewis' in a cursive, script font.

Rob Lewis
Partner
Sydney
24 November 2021