

**Bowel Cancer & Digestive Research  
Institute Australia**

ABN 98 095 158 633

**Annual report  
for the year ended 30 June 2017**

# **Bowel Cancer & Digestive Research Institute Australia**

ABN 98 095 158 633

## **Annual report - 30 June 2017**

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## **Directors' report**

Your directors present their report on Bowel Cancer & Digestive Research Institute Australia (the "Institute") for the year ended 30 June 2017.

### **Directors**

The following persons held office as directors of Bowel Cancer & Digestive Research Institute Australia during the financial year:

Mr. C M Jackson, Chairman  
Mr. R M Griffin AM  
Mrs. P Morris AM  
Prof. G Newstead AM  
Mr. J G Wiggins  
Mr. D R Gardiner (from 7/3/2017)  
Dr. C J Bell (until 31/12/2016)  
Mrs. M Slater (until 21/2/2017)  
Mr. C W Frew OAM (until 21/3/2017)

### **Principal activities**

The principal activities of the Institute during the year were supporting the establishment of the Lawrence Penn Chair in Bowel Cancer Research and funding other bowel cancer research projects; the establishment of a peer-to-peer network and bowel care nurse helpline; and participating in and supporting the furtherance of health education and awareness.

### **Vision**

To have an everlasting impact on our health future - one where no Australian dies from bowel cancer and all those diagnosed receive the support they need.

### **Short term objectives**

Bowel Cancer Australia is the leading community-funded charity dedicated to prevention, early diagnosis, research, quality treatment and the best care for everyone affected by bowel cancer.

We make real change happen across the entire continuum of care:

- We challenge perceptions through dynamic campaigning that raises awareness and motivates action;
- We increase health knowledge and understanding through the provision of practical information and programs;
- We champion what matters most to people affected by bowel cancer and empower them with the tools and knowledge to be advocates for their own health;
- We provide practical and emotional support for the growing number of Australians affected by bowel cancer, building communities through shared experiences and creating a powerful voice for change;
- We fund research as it is the only way to discover a cure for bowel cancer; and
- We raise money to continue our life-saving work and inspire others to do the same.

### **Explanation of how business activities help meet key objectives**

Fundraising activity provides the Institute with income required to fund life-saving work across core areas - prevention, early diagnosis, research, quality treatment and care - and associated objectives. Funds are also being set aside to establish a research fund reserve to support bowel cancer research, including, but not limited to, the establishment of the Lawrence Penn Chair in Bowel Cancer Research.

### **Measurement of performance**

At the start of each financial year the Institute sets income and expenditure targets and other key performance indicators. Management reviews the progress against these targets on a bi-monthly basis.

### **Review of operations**

For the financial year ended 30 June 2017, Bowel Cancer & Digestive Research Institute Australia earned a surplus of \$525,665 (2016: surplus of \$479,384). No dividends have been paid in the current financial year.

**Directors' report (continued)**

**Information on directors**

<b>Name</b>	<b>Appointed</b>	<b>Experience and Expertise</b>	<b>Special Responsibilities</b>
Mr. C M Jackson	24 Jul 2007	Dip Comm, FAICD, FCA Chairman of Decideware Development Pty Ltd Chairman of Kimbriki Environmental Enterprises  Director, Aderant Australia and New Zealand Director, NSW Ports Director, Paloma Rheem Global Director, Rheem Australia Pty Ltd Director, Bowel Cancer Research Foundation	Chairman
Mr. R M Griffin AM	19 May 2009	B.Com (UNSW), FAICD Retired Investment Banker, Director and Chairman of Private and Public Companies and Government Instrumentalities Chairman, Bowel Cancer Research Foundation	
Mrs. P Morris AM	21 Nov 2006	B.Arch (Hons), M.Env Sci, DipCD, FAICD, FRAIA Professional Company Director since 1994 serving on a wide range of Public Companies and Government Business Enterprises. Currently: Director, Macquarie Point Development Corporation. Chairman, Large Scale Development Tamaki Redevelopment Corporation, Auckland New Zealand. Chairman/Director, various private companies Director, Bowel Cancer Research Foundation	
Prof. G Newstead AM	16 Sep 2015	MB BS, FRACS, FRCS(Eng), FACS Hon FASCRS, Hon FRSM, Hon FACP (GB&I) Conjoint Associate Professor of Surgery, University of New South Wales Chairman, International Council of Coloproctology Member, International Committee, American Society of Colon and Rectal Surgeons Board Member, The Colorectal Surgical Society of Australasia (Research) Foundation (past Founding Chairman) Governing Director, Bowel Cancer Foundation Pty Ltd (incorporating the Harry Oscar Triguboff Research Fund) Chairman, Medical Advisory Committee and Chairman, Colorectal Unit, Prince of Wales Private Hospital Consultant in Colorectal Surgery, Sydney Children's Hospital and Royal Hospital for Women Honorary Colorectal Surgeon, Sir Moses Montefiore Jewish Home (past Chairman, Clinical Advisory Council)	
Mr. J G Wiggins	19 Aug 2008	BEc, LLB CEO & Executive Director	
Mr. D R Gardiner	7 Mar 2017	B.Bus, CA, MAICD Founder and CEO, Nextmedia Pty Ltd Director Nextmedia Pty Ltd Director Lighthouse Independent Media Ltd	
Dr. C J Bell	22 Nov 2000	MD, FRACP Foundation Director Director, Bowel Cancer Research Foundation	Resigned 31/12/2016.

**Directors' report (continued)**

Mr. C W Frew OAM	21 Mar 2006	B.Bus Masters of Public Health Masters of International Health Director of several private companies Community Health Ambassador, Heart Research Australia Director, The Mo, Evie and Otis Maslin Foundation	Resigned 21/03/2017.
Mrs. M Slater	21 June 2011	BA (Hons); MA, MBA, Dip Education; Dip Industrial Law and Industrial Relations; Dip Mastering the Board Room; MAICD EGM HR, Councilor AHRI, NSW Advisory Committees, Universities of Newcastle and Western Sydney, Senior HR and operational executive with extensive experience in a diverse and complex range of industries and business models. Director of Diversity Council Australia until July 2015	Resigned 21/02/2017.

**Matters subsequent to the end of the financial year**

No matter or circumstance has arisen since 30 June 2017 that has significantly affected, or may significantly affect:

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

**Likely developments and expected results of operations**

Likely developments in the operations of the Institute and the expected results of operations have not been included in this annual report because the directors believe it would be likely to result in unreasonable prejudice to the Institute.

**Environmental regulation**

The Institute is not subject to any particular or significant environmental regulations.

**Meetings of directors**

The numbers of meetings of the Institute's board of directors held during the year ended 30 June 2017, and the numbers of meetings attended by each director were:

	Full meetings of directors	
	A	B
Mr. C M Jackson	6	6
Mr. R M Griffin AM	3	6
Mrs. P Morris AM	6	6
Prof. G Newstead AM	5	6
Mr. J G Wiggins	6	6
Mr. D Gardiner	2	2
Dr. C J Bell	2	4
Mrs. M Slater	1	4
Mr. C W Frew	3	5

A = Number of meetings attended

B = Number of meetings held during the time the director held office during the year

**Insurance of officers**

During the financial year, Bowel Cancer & Digestive Research Institute Australia paid a premium of \$5,850 (2016: \$5,850) to insure the directors and secretaries of the Institute and the general managers of each of the divisions of the Institute.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the Institute, 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 or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Institute. 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 Institute**

No person has applied to the Court for leave to bring proceedings on behalf of the Institute, or to intervene in any proceedings to which the Institute is a party, for the purpose of taking responsibility on behalf of the Institute for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Institute with leave of the Court.

**Members guarantee**

The Institute is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. If the entity is wound up, the articles of association state members are each required to contribute \$10 towards meeting any outstanding obligations of the Institute. At 30 June 2017, there were 33 members of the entity.

**Directors' report (continued)**

**Auditor's independence declaration**

A copy of the auditor's Independence declaration as required under section 60.40 of the Australian Charities and Not-for-profit Commission (ACNC) Act 2012 is set out on page 5 and forms part of the Directors' report.

**Auditor**

PricewaterhouseCoopers continues in office in accordance with sections 327 of the corporation Act 2001.

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



C.M. Jackson  
Chairman

Sydney  
8 November 2017



## **Auditor's Independence Declaration**

As lead auditor for the audit of Bowel Cancer & Digestive Research Institute Australia for the year ended 30 June 2017, I declare that to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read 'Manoj Santiago', is written over a faint, dotted line.

Manoj Santiago  
Partner  
PricewaterhouseCoopers

Sydney  
8 November 2017

# Bowel Cancer & Digestive Research Institute Australia

ABN 98 095 158 633

## Annual report - 30 June 2017

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These financial statements cover Bowel Cancer & Digestive Research Institute Australia as an individual entity. The financial statements are presented in the Australian currency.

Bowel Cancer & Digestive Research Institute Australia is a company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Bowel Cancer & Digestive Research Institute Australia  
Level 2, 65 Walker Street  
North Sydney NSW 2060

A description of the nature of the Institute's operations and its principal activities is included in the review of operations and activities in the Directors' report on pages 1 to 4, which are not part of these financial statements.

The financial statements were authorised for issue by the directors on 8 November 2017. The Institute has the power to amend and reissue the general purpose financial statements.

**Bowel Cancer & Digestive Research Institute Australia**  
**Statement of comprehensive income**  
**For the year ended 30 June 2017**

	Notes	2017 \$	2016 \$
<b>Revenue from continuing operations</b>	2	<b>2,715,764</b>	2,926,758
Employment expenses		<b>(478,642)</b>	(486,949)
Donations expenses	20	<b>(391,142)</b>	(454,815)
Merchandise expenses	20	<b>(21,274)</b>	(35,349)
Research expenses		<b>(7,933)</b>	(92,966)
Awareness expenses		<b>(559,767)</b>	(718,383)
Office expenses		<b>(126,972)</b>	(119,918)
Insurance expenses		<b>(10,125)</b>	(11,227)
Bank, merchant and service fees		<b>(64,408)</b>	(56,745)
Depreciation and amortisation expenses	3	<b>(20,852)</b>	(29,520)
Prevention and early diagnosis expenses		<b>(270,931)</b>	(159,873)
Governance expenses		<b>(8,000)</b>	(23,288)
Treatment and patient support expenses		<b>(230,053)</b>	(258,341)
<b>Surplus before income tax</b>		<b>525,665</b>	479,384
Income tax (expense)/benefit		-	-
<b>Surplus for the year</b>		<b>525,665</b>	479,384
<b>Other comprehensive income for the year, net of tax</b>		-	-
<b>Total comprehensive income for the year</b>	14	<b>525,665</b>	479,384

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

**Bowel Cancer & Digestive Research Institute Australia**  
**Balance sheet**  
**As at 30 June 2017**

	Notes	2017 \$	2016 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	1,944,007	373,100
Other receivables	5	103,782	162,802
Inventories	6	40,746	37,826
Term deposits	7	3,500,000	6,850,000
<b>Total current assets</b>		<b>5,588,535</b>	<b>7,423,728</b>
<b>Non-current assets</b>			
Property, plant and equipment	8	13,543	10,383
Intangible assets	9	15,980	30,795
<b>Total non-current assets</b>		<b>29,523</b>	<b>41,178</b>
<b>Total assets</b>		<b>5,618,058</b>	<b>7,464,906</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	10	627,016	623,848
Provisions	11	26,061	20,617
<b>Total current liabilities</b>		<b>653,077</b>	<b>644,465</b>
<b>Non-current liabilities</b>			
Provisions	12	38,935	38,935
Other non-current liabilities	13	2,956,375	5,337,500
<b>Total non-current liabilities</b>		<b>2,995,310</b>	<b>5,376,435</b>
<b>Total liabilities</b>		<b>3,648,387</b>	<b>6,020,900</b>
<b>Net assets</b>		<b>1,969,671</b>	<b>1,444,006</b>
<b>EQUITY</b>			
Retained earnings	14	1,969,671	1,444,006
<b>Total equity</b>		<b>1,969,671</b>	<b>1,444,006</b>

*The above balance sheet should be read in conjunction with the accompanying notes.*

**Bowel Cancer & Digestive Research Institute Australia**  
**Statement of changes in equity**  
**For the year ended 30 June 2017**

	Notes	Retained earnings \$	Total equity \$
<b>Balance at 1 July 2015</b>		964,622	964,622
Surplus for the year		479,384	479,384
<b>Total comprehensive income for the year</b>		479,384	479,384
<b>Balance at 1 July 2016</b>	14	<b>1,444,006</b>	<b>1,444,006</b>
Surplus for the year	14	525,665	525,665
<b>Total comprehensive income for the year</b>		<b>525,665</b>	<b>525,665</b>
<b>Balance as 30 June 2017</b>	14	<b>1,969,671</b>	<b>1,969,671</b>

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

**Bowel Cancer & Digestive Research Institute Australia**  
**Statement of cash flows**  
**For the year ended 30 June 2017**

	Notes	2017 \$	2016 \$
<b>Cash flows from operating activities</b>			
Donations and fund raising received		2,862,489	3,035,966
Payments to suppliers and employees		(2,353,434)	(2,766,156)
Payments to the Bowel Cancer Research Foundation to support the Lawrence Penn Chair in Bowel Cancer Research		(2,466,772)	(225,000)
		<u>(1,957,717)</u>	44,810
Interest received		187,821	209,399
<b>Net cash inflow from operating activities</b>		<u>(1,769,896)</u>	254,209
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment	8	(9,197)	(2,949)
Payments for held-to-maturity investments		-	(6,850,000)
Payments for intangibles	9	-	(5,753)
Proceeds from held-to-maturity investments		3,350,000	6,350,000
<b>Net cash inflow/(outflow) from investing activities</b>		<u>3,340,803</u>	(508,702)
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>1,570,907</b>	(254,493)
Cash and cash equivalents at the beginning of the financial year		<u>373,100</u>	627,593
<b>Cash and cash equivalents at end of year</b>	4	<u>1,944,007</u>	373,100

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

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## 1 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements is 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 and interpretations issued by the Australian Accounting Standards Board and the Australian Charities and Not-for-profits Commission Act 2012. Bowel Cancer & Digestive Research Institute Australia is a not-for-profit entity for the purpose of preparing the financial statements.

#### (i) Compliance with Australian Accounting Standards - Reduced Disclosure Requirements

The financial statements of the Bowel Cancer & Digestive Research Institute Australia comply with Australian Accounting Standards - Reduced Disclosure Requirements as issued by the Australian Accounting Standards Board (AASB).

#### (ii) New and amended standards adopted by the Institute

The Institute has applied the following standards and amendments for the first time in their annual reporting period commencing 1 July 2016:

AASB 2014-4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation

AASB 2015-1 Amendments to Australian Accounting Standards – Annual improvements to Australian Accounting Standards 2012 – 2014 cycle, and

AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure initiative: Amendments to AASB 101.

The adoption of above listed standards did not have any impact to the amounts recognised and the disclosures in the notes to the financial statements.

#### (iii) Historical cost convention

The financial statements have been prepared in accordance with the historical cost convention. Certain balances in the prior period have been reclassified in order to conform with the current year presentation.

#### (iv) 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 the Institute's accounting policies. There are no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

### (b) Revenue recognition

#### (i) Donations

Revenue from fundraising activities, being donations, sponsorship and ticket sales is recognised as revenue only when the Institute obtains control over the funds

#### (ii) Interest income

Interest income is recorded on a proportional basis taking into account the interest rate applicable to the financial asset using effective interest method.

#### (iii) Merchandise

Revenue from the sale of merchandise is recognised when the Institute sells a product to the customer.

## 1 Summary of significant accounting policies (continued)

### (c) Income tax

The Institute is exempt from income tax as it is deemed to be a not-for-profit organisation by the Australian Taxation Office.

### (d) 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 three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

### (e) Investments and other financial assets

#### Classification

Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at the end of each reporting date.

#### (i) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets quoted in an active market with fixed or determinable payments and fixed maturities that the Institute's management has the positive intention and ability to hold to maturity.

### (f) Property, plant and equipment

All property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Institute and the cost of the item can be measured reliably. All other repairs and maintenance are charged to surplus or deficit during the financial period in which they are incurred.

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

Plant and equipment	4 years
Fixtures and fittings	1 years

### (g) Intangible assets

#### (i) Software

Costs incurred in developing and acquiring software and licenses that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software. Amortisation is calculated on a straight-line basis over 3 years period.

### (h) Trade and other payables

These amounts represent liabilities for goods and services provided to the Institute 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.

### (i) Employee benefits

#### (i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the 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 accumulating sick leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

## 1 Summary of significant accounting policies (continued)

### (i) Employee benefits (continued)

#### *(ii) Other long-term employee benefit obligations*

The liabilities for long service leave and annual leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore 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 using the projected unit credit method. 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 of government bonds with terms and currencies that match, as closely as possible, the estimated future recognised in surplus or deficit.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

### (j) 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 balance sheet.

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.

### (k) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2017 reporting periods. The Institute assesses that these will not have any material impact on the financial statements. Further assessment is detailed below

#### *(i) AASB 9 Financial Instruments:*

AASB 9 addresses classification, measurement and derecognition of financial assets and financial liabilities. Since December 2016, it also sets out new rules for hedge accounting. The directors of the Institute are in the process of assessing the quantitative effect of these requirements. However, in the opinion of the directors, it is not practicable to provide a reasonable estimate of the quantitative effect for the application of AASB 9 until the assessment has been completed.

#### *(ii) AASB 15 Revenue from Contracts with Customers:*

AASB 15 is a new standard for the recognition of revenue. This will replace AASB 118 which covers revenue arising from the sale of goods and the rendering of services and AASB 111 which covers construction contracts. The directors of the Institute anticipate that the adoption of AASB 15 in the future will not impact the charity as Revenue is not recognised based on contracts.

## 1 Summary of significant accounting policies (continued)

### (k) New accounting standards and interpretations (continued)

#### (iii) AASB 16 *Leases*:

AASB 16 is a new standard for the recognition of leases. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised.

Total operating lease commitments of the Institute as at 30 June 2016 and 2017 amounted to AUD\$1,874 and AUD\$5,306 respectively as disclosed in note 18 of this report. The directors of the Institute anticipate the adoption of AASB 16 in the future may have impact on the amounts reported and disclosures made in the Institute's financial statements, as it is expected that certain portion of these lease commitments will be required to be recognised in the statements of financial position of the Institute as right-of-use assets and lease liabilities. The Institute expects to adopt AASB 16 on 1 July 2019 and is currently assessing the impact of AASB 16 upon adoption. Except as disclosed above, the directors of the Institute do not anticipate that application of AASB 16 will have a significant impact on the financial performance and financial position of the Institute.

There are no other standards that are not yet effective and that are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

## 2 Revenue

	2017	2016
	\$	\$
<b>From operations</b>		
Fundraising activities and donations	2,306,767	2,534,409
Merchandise	223,058	182,950
Interest income	185,939	209,399
	<b>2,715,764</b>	<b>2,926,758</b>

## 3 Expenses

	2017	2016
	\$	\$
<b>Surplus before income tax includes the following specific expenses:</b>		
<i>Depreciation</i>		
<i>Plant and equipment</i>	6,037	11,094
Total depreciation	<b>6,037</b>	<b>11,094</b>
<i>Amortisation</i>		
<i>Software</i>	14,815	18,426
Total amortisation	<b>14,815</b>	<b>18,426</b>
Total depreciation and amortisation	<b>20,852</b>	<b>29,520</b>

## 4 Current assets - Cash and cash equivalents

	2017	2016
	\$	\$
Cash at bank and in hand	<b>1,944,007</b>	373,100

## 5 Current assets - Other receivables

	2017	2016
	\$	\$
GST receivable	34,539	11,996
Interest receivable	54,243	56,125
Other debtors	15,000	94,681
	<b>103,782</b>	<b>162,802</b>

## 6 Current assets - Inventories

	2017	2016
	\$	\$
Finished goods at cost	<b>40,746</b>	37,826

## 7 Current assets - Term deposits

	2017	2016
	\$	\$
Term deposits	<b>3,500,000</b>	6,850,000

The deposits are bearing floating interest rates between 2.30% and 2.70% (2016 - 3.1% and 3.9%).  
These deposits have an average maturity of 270 days (2016: 274 days).

## 8 Non-current assets - Property, plant and equipment

	Plant and equipment \$	Total \$
<b>At 30 June 2016</b>		
Cost	69,532	69,532
Accumulated depreciation	(59,149)	(59,149)
<b>Net book amount</b>	<b>10,383</b>	<b>10,383</b>
<b>Year ended 30 June 2017</b>		
Opening net book amount	10,383	10,383
Additions	9,197	9,197
Depreciation charge	(6,037)	(6,037)
Closing net book amount	13,543	13,543
<b>At 30 June 2017</b>		
Cost	78,729	78,729
Accumulated depreciation	(65,186)	(65,186)
<b>Net book amount</b>	<b>13,543</b>	<b>13,543</b>

## 9 Non-current assets - Intangible assets

	Software \$	Total \$
<b>At 30 June 2016</b>		
Cost	103,799	103,799
Accumulated amortisation and impairment	(73,004)	(73,004)
<b>Net book amount</b>	<b>30,795</b>	<b>30,795</b>
<b>Year ended 30 June 2017</b>		
Opening net book amount	30,795	30,795
Amortisation charge	(14,815)	(14,815)
Closing net book amount	15,980	15,980
<b>At 30 June 2017</b>		
Cost	103,799	103,799
Accumulated amortisation and impairment	(87,819)	(87,819)
<b>Net book amount</b>	<b>15,980</b>	<b>15,980</b>

## 10 Current liabilities - Trade and other payables

	2017 \$	2016 \$
Trade payables	240,439	190,556
Pledge payable to Bowel Cancer Research Foundation	-	218,871
Accrued expenses	243,224	208,292
Accrued interest	143,353	6,129
	<b>627,016</b>	<b>623,848</b>

## 11 Current liabilities - Provisions

	2017 \$	2016 \$
Employee benefits - annual leave provision	26,061	20,617

## 12 Non-current liabilities - Provisions

	2017	2016
	\$	\$
Employee benefits - long service leave	<u>38,935</u>	<u>38,935</u>

## 13 Non-current liabilities - Other

	2017	2016
	\$	\$
Pledge payable to Bowel Cancer Research Foundation	2,884,983	4,918,932
Accrued interest	<u>71,392</u>	<u>418,568</u>
	<u>2,956,375</u>	<u>5,337,500</u>

On 27 April 2015 the Institute agreed to support the operations of the Bowel Cancer Research Foundation by providing financial support to ensure that the Foundation can meet its payment obligations under the Deed of Gift entered into between the Foundation and The University of Sydney for the establishment of the inaugural Lawrence Penn Chair in Bowel Cancer Research.

## 14 Retained earnings

Movements in retained earnings were as follows:

	2017	2016
	\$	\$
Balance 1 July	1,444,006	964,622
Surplus/(deficit) for the year	<u>525,665</u>	<u>479,384</u>
Balance 30 June	<u>1,969,671</u>	<u>1,444,006</u>

## 15 Key management personnel disclosures

The specified directors of Bowel Cancer & Digestive Research Institute Australia during the financial year were:

### Non-executive directors (receive no remuneration)

Mr. C M Jackson, Chairman  
 Mr. R M Griffin AM  
 Mrs. P Morris AM  
 Prof. G Newstead AM  
 Mr. D R Gardiner  
 Dr. C J Bell  
 Mrs. M Slater  
 Mr. C W Frew OAM

### Executive director and CEO (received remuneration)

Mr. J G Wiggins

### (a) Key management personnel compensation

	2017	2016
	\$	\$
Short-term employee benefits	174,397	174,397
Post-employment benefits	<u>16,568</u>	<u>16,568</u>
	<u>190,965</u>	<u>190,965</u>

## 16 Remuneration of auditors

PricewaterhouseCoopers act as auditor in an honorary capacity.

## 17 Contingencies

The Institute had no contingent liabilities at 30 June 2017 (2016: \$ nil).

## 18 Commitments

### (a) Lease commitments

#### (i) Non-cancellable operating leases

The Institute leases an office under non-cancellable operating leases expiring within one year. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated. Excess warehouse space is sub-let to third parties also under non-cancellable operating leases.

	2017	2016
	\$	\$
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	2,653	1,874
Later than one year but not later than five years	2,653	-
	5,306	1,874

## 19 Related party transactions

In accordance with the Deed of Gift to establish the Lawrence Penn Chair in Bowel Cancer Research and the Institute's pledge, two payments totalling \$2,466,772 were made to the Bowel Cancer Research Foundation Limited during the 2017 financial year (2016: \$225,000).

## 20 Charitable fundraising comparisons information - Financial highlights 2017 and 2016

Bowel Cancer & Digestive Research Institute Australia has 2 categories of fundraising income:

- Donations
- Merchandise

	Income	Fundraising income % of total	Fundraising expenses	Expense % of income
	\$	%	\$	%
<b>2017</b>				
Donations	2,306,767	91%	375,299	15%
Merchandise	223,058	9%	37,117	1%
Total fundraising	2,529,825		412,416	
<b>2016</b>				
Donations	2,534,409	93%	481,284	18%
Merchandise	182,950	7%	8,880	0%
Total fundraising	2,717,359		490,164	

Fundraising expenses include specific direct costs other than salaries & allowances, and other expenses not directly related to fundraising.

## **21 Events occurring after the reporting period**

No matter or circumstance has occurred subsequent to year end that has significantly affected, or may significantly affect, the operations of the Institute, the results of those operations or the state of affairs of the Institute or economic entity in subsequent financial years.

## **22 Member's guarantee**

The Institute is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. If the entity is wound up, the articles of association state members are each required to contribute \$10 towards meeting any outstanding obligations of the Institute. At 30 June 2017, there were 33 members of the entity.

## **Directors' declaration**

In the directors' opinion:

- (a) the financial statements and notes set out on pages 6 to 20 are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:
  - (i) complying with Accounting Standards - Reduced Disclosure Requirements and other mandatory professional reporting requirements, and
  - (ii) giving a true and fair view of the Institute's financial position as at 30 June 2017 and of its performance for the financial year ended on that date; and
- (b) there are reasonable grounds to believe that the Institute will be able to pay its debts as and when they become due and payable, and
- (c) the provisions of the Charitable Fundraising Act (NSW) 1991, the regulations under the Act and the conditions attached to Bowel Cancer & Digestive Research Institute Australia's fundraising authority have been complied with by the organisation.

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



Craig Jackson  
Chairman

Sydney  
8 November 2017



## Independent auditor's report

To the members of Bowel Cancer & Digestive Research Institute Australia

### Our qualified opinion

In our opinion, except for the possible effects of the matter described in the *Basis for qualified opinion* section of our report, the accompanying financial report of Bowel Cancer & Digestive Research Institute Australia (the Institute) is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*, including:

- (a) giving a true and fair view of the Institute's financial position as at 30 June 2017 and of its financial performance for the year then ended
- (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

### What we have audited

The financial report comprises:

- the balance sheet as at 30 June 2017
- the statement of comprehensive income for the year then ended
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- the notes to the financial statements, which include a summary of significant accounting policies
- the declaration of the directors.

### Basis for qualified opinion

Cash from donations and other fundraising activities are a significant source of revenue for the Institute. The directors have determined that it is impracticable to establish control over the collection of revenue from these sources prior to entry into its financial records. Accordingly, as the evidence available to us regarding revenue from cash donations and other fundraising activities was limited, our audit procedures with respect to revenue from these sources had to be restricted to the amounts recorded in the Institute's financial records. As a result, we are unable to express an opinion as to whether revenue from cash donations and other fundraising activities is complete.

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

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



### ***Independence***

We are independent of the Institute in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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### ***Other information***

The directors are responsible for the other information. The other information obtained at the date of this auditor's report comprises the directors' report included in the annual financial report, but does not include the financial report and our auditor's report thereon.

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

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

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

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### ***Responsibilities of the directors for the financial report***

The directors of the Institute 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 *Australian Charities and Not-for-profits Commission (ACNC) 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 ability of the Institute to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Institute or to cease operations, or have no realistic alternative but to do so.

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### ***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 the financial report.



A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our auditor's report.

*PricewaterhouseCoopers*

PricewaterhouseCoopers

A large, stylized handwritten signature in black ink, appearing to read 'Manoj Santiago', is written over the printed name.

Manoj Santiago  
Partner

Sydney  
8 November 2017