

**Bowel Cancer & Digestive Research
Institute Australia**

ABN 98 095 158 633

**Annual report
for the year ended 30 June 2016**

Bowel Cancer & Digestive Research Institute Australia

ABN 98 095 158 633

Annual report - 30 June 2016

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Directors' report

Your directors present their report on Bowel Cancer & Digestive Research Institute Australia for the year ended 30 June 2016.

Directors

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

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

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 patient support 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.

Short term objectives

Bowel Cancer Australia is the leading community-funded charity dedicated to prevention, early diagnosis, research, quality treatment and 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 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 2016, Bowel Cancer & Digestive Research Institute Australia incurred a surplus of \$479,384 (2015: deficit of \$5,138,026 following the Institute delivering on a long-term objective to establish the Lawrence Penn Chair in Bowel Cancer Research).

Information on directors

Name	Appointed	Experience and Expertise	Special Responsibilities
Dr. C J Bell	22 Nov 2000	MD, FRACP Foundation Director Director, Bowel Cancer Research Foundation	Medical Liaison
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	
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	
Mr. C M Jackson	24 July 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	Audit & Finance - Appointed Chariman July 2015
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	

Information on directors (continued)

Name	Appointed	Experience and Expertise	Special Responsibilities
Prof. G Newstead AM	16 September 2015	<p>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)</p>	
Mrs. M Slater	21 June 2011	<p>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</p>	
Mr. J G Wiggins	19 Aug 2008	<p>BEC, LLB CEO & Executive Director</p>	

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2016 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 2016, and the numbers of meetings attended by each director were:

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

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 (2015: \$5,060) 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 2016, there were 8 members of the entity.

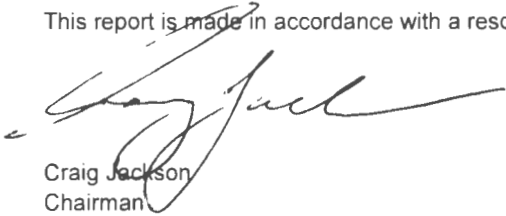
Auditor's independence declaration

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 6 and forms part of the Directors' Report.

Auditor

PricewaterhouseCoopers continues in office.

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



Craig Jackson
Chairman

Sydney
18 October 2016



Auditor's Independence Declaration

As auditor for the audit of Bowel Cancer & Digestive Research Institute Australia for the year ended 30 June 2016, 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 light grey signature line.

Manoj Santiago
Partner
PricewaterhouseCoopers

Sydney
18 October 2016

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Bowel Cancer & Digestive Research Institute Australia

ABN 98 095 158 633

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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 5, which are not part of these financial statements.

The financial statements were authorised for issue by the directors on 18 October 2016. The Institute has the power to amend and reissue the special purpose financial statements.

Bowel Cancer & Digestive Research Institute Australia
Statement of comprehensive income
For the year ended 30 June 2016

	Notes	2016 \$	2015 \$
Revenue from continuing operations	2, 20	2,926,758	3,234,027
Employment expenses		(486,949)	(520,875)
Event expenses		-	(399)
Donor renewals/Regular giving	20	(454,815)	(584,585)
Other fundraising expenses	20	(35,349)	(36,374)
Research expenses		(92,966)	(94,917)
Awareness expenses		(718,383)	(681,192)
Office expenses		(119,918)	(115,386)
Insurance expenses		(11,227)	(10,461)
Bank, merchant and service fees		(56,745)	(60,628)
Depreciation and amortisation expenses	3	(29,520)	(15,700)
Prevention and early diagnosis expenses		(159,873)	(127,570)
Governance expenses		(23,288)	(5,196)
Treatment and patient support expenses		(258,341)	(218,770)
Lawrence Penn Chair in Bowel Cancer Research Expense	3	-	(5,900,000)
Surplus/(deficit) before income tax	3	479,384	(5,138,026)
Income tax (expense)/benefit		-	-
Surplus/(deficit) for the year		479,384	(5,138,026)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income/(deficit) for the year	14	479,384	(5,138,026)

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 2016

	Notes	2016 \$	2015 \$
ASSETS			
Current assets			
Cash and cash equivalents	4	373,100	627,593
Trade and other receivables	5	162,802	197,852
Inventories	6	37,826	30,395
Term deposits	7	6,850,000	6,350,000
Total current assets		7,423,728	7,205,840
Non-current assets			
Property, plant and equipment	8	10,383	18,528
Intangible assets	9	30,795	43,468
Total non-current assets		41,178	61,996
Total assets		7,464,906	7,267,836
LIABILITIES			
Current liabilities			
Trade and other payables	10	623,848	691,925
Provisions	11	20,617	21,675
Total current liabilities		644,465	713,600
Non-current liabilities			
Provisions	12	38,935	27,114
Other non-current liabilities	13	5,337,500	5,562,500
Total non-current liabilities		5,376,435	5,589,614
Total liabilities		6,020,900	6,303,214
Net assets		1,444,006	964,622
EQUITY			
Reserves	14 (a)	-	-
Retained earnings	14 (b)	1,444,006	964,622
Total equity		1,444,006	964,622

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 2016

	Reserves	Retained	Total
	\$	earnings	equity
	\$	\$	\$
Balance at 1 July 2014	5,000,000	1,102,648	6,102,648
Surplus/(deficit) for the year	-	(5,138,026)	(5,138,026)
Other comprehensive income	-	-	-
Total comprehensive income/(deficit) for the year	-	(5,138,026)	(5,138,026)
Transactions with owners in their capacity as owners:			
Transfer to Research fund reserve	(5,000,000)	5,000,000	-
	-	964,622	964,622
Balance at 1 July 2015	-	964,622	964,622
Surplus/(deficit) for the year		479,384	479,384
Other comprehensive income	-	-	-
Total comprehensive income/(deficit) for the year	-	479,384	479,384
Transactions with owners in their capacity as owners:			
Transfer from Research fund reserve	-	-	-
	-	1,444,007	1,444,007
Balance as 30 June 2016	-	1,444,007	1,444,007

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 2016

	Notes	2016 \$	2015 \$
Cash flows from operating activities			
Donations and fund raising received (inclusive of goods and services tax)		3,035,966	3,500,212
Payments to suppliers and employees (inclusive of goods and services tax)		<u>(2,991,156)</u>	<u>(2,883,221)</u>
		44,810	616,991
Interest received		<u>209,399</u>	<u>228,277</u>
Net cash inflow from operating activities		<u>254,209</u>	<u>845,268</u>
Cash flows from investing activities			
Payments for property, plant and equipment	8	(2,949)	(10,456)
Payments for held-to-maturity investments		-	(6,350,000)
Payments for intangibles	9	(5,753)	-
Proceeds from held-to-maturity investments		<u>(500,000)</u>	<u>5,900,000</u>
Net cash (outflow) from investing activities		<u>(508,702)</u>	<u>(460,456)</u>
Net (decrease)/increase in cash and cash equivalents			
Cash and cash equivalents at the beginning of the financial year		627,593	242,781
Cash and cash equivalents at end of year	4	<u>373,100</u>	<u>627,593</u>

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 first time in their annual reporting period commencing 1 July 2015:

AASB 2013-2 Offsetting Financial Assets and Financial Liabilities

ASB 2013-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities – Control and Structured Entities

AASB 2015-1 Part B Defined Benefit Plans: Employee Contributions (Amendments to AASB 119)

ASX Corporate Governance Principles and Recommendations

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 receives a pledge, economic benefits are probable and the amounts can be measured reliably.

1 Summary of significant accounting policies (continued)

(b) Revenue recognition (continued)

(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.

(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.

1 Summary of significant accounting policies (continued)

(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.

(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 2016 reporting periods. The Institute assesses that these will not have any material impact on the financial statements.

2 Revenue

	2016	2015
	\$	\$
From operations		
Fundraising activities and donations	2,534,409	2,834,290
Merchandise	182,951	171,460
Interest income	209,399	228,277
	2,926,758	3,234,027

3 Expenses

	2016	2015
	\$	\$
Surplus before income tax includes the following specific expenses:		
<i>Depreciation</i>		
<i>Plant and equipment</i>	11,094	8,613
Total depreciation	11,094	8,613
<i>Amortisation</i>		
<i>Software</i>	18,426	7,087
Total amortisation	18,426	7,087
Total depreciation and amortisation	29,520	15,700
Lawrence Penn Chair in Bowel Cancer Research Expense	-	5,900,000

On 27 April 2016 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.

4 Current assets - Cash and cash equivalents

	2016	2015
	\$	\$
Cash at bank and in hand	373,100	627,593

5 Current assets - Other receivables

	\$	\$
GST Receivable	11,996	34,050
Interest receivable	56,125	114,258
Other debtors	94,682	49,544
	162,802	197,852

6 Current assets - Inventories

	2016	2015
	\$	\$
Finished goods at cost	37,826	30,395

7 Current assets - Term deposits

	2016	2015
	\$	\$
Term deposits	6,850,000	6,350,000

The deposits are bearing floating interest rates between 3.10% and 3.90% (2015 - 3.85% and 4.45%).
 These deposits have an average maturity of 274 days (2015: 276 days).

8 Non-current assets - Property, plant and equipment

	Plant and equipment \$	Total \$
At 30 June 2015		
Cost	66,583	66,583
Accumulated depreciation	(48,055)	(48,055)
Net book amount	<u>18,528</u>	<u>18,528</u>
Year ended 30 June 2016		
Opening net book amount	18,528	18,528
Additions	2,949	2,949
Depreciation charge	(11,094)	(11,094)
Closing net book amount	<u>10,383</u>	<u>10,383</u>
At 30 June 2016		
Cost	69,532	69,532
Accumulated depreciation	(59,149)	(59,149)
Net book amount	<u>10,383</u>	<u>10,383</u>

9 Non-current assets - Intangible assets

	Software \$	Total \$
At 30 June 2015		
Cost	98,046	98,046
Accumulated amortisation and impairment	(54,578)	(54,578)
Net book amount	<u>43,468</u>	<u>43,468</u>
Year ended 30 June 2016		
Opening net book amount	43,468	43,468
Additions	5,753	5,753
Amortisation charge	(18,426)	(18,426)
Closing net book amount	<u>30,795</u>	<u>30,795</u>
At 30 June 2016		
Cost	103,799	103,799
Accumulated amortisation and impairment	(73,004)	(73,004)
Net book amount	<u>30,795</u>	<u>30,795</u>

10 Current liabilities - Trade and other payables

	2016	2015
	\$	\$
Trade payables	190,556	448,293
Pledge Payable to Bowel Cancer Research Foundation	218,871	217,812
Accrued expenses	208,292	18,632
Accrued Interest	6,129	7,188
	623,848	691,925

11 Current liabilities - Provisions

	2016	2015
	\$	\$
Employee benefits - annual leave provision	20,617	21,675

12 Non-current liabilities - Provisions

	2016	2015
	\$	\$
Employee benefits - long service leave	38,935	27,114

13 Non-current liabilities - Other

	2016	2015
	\$	\$
Pledge Payable to Bowel Cancer Research Foundation	4,918,932	4,904,824
Accrued Interest	418,568	657,676
	5,337,500	5,562,500

14 Reserves and retained earnings

	2016	2015
(a) Reserves	\$	\$
Movements:		
<i>Research fund reserve</i>		
Balance 1 July	-	5,000,000
Transfer from/(to) retained earnings	-	(5,000,000)
Balance 30 June	-	-

14 Reserves and retained earnings (continued)

(b) Retained earnings

Movements in retained earnings were as follows:

	2016 \$	2015 \$
Balance 1 July	964,622	1,102,648
Surplus/(deficit) for the year	479,384	(5,138,026)
Transfer to/(from) research fund reserve	-	5,000,000
Balance 30 June	<u>1,444,006</u>	<u>964,622</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)

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

Executive director and CEO

Mr. J G Wiggins

(a) Key management personnel compensation

	2016 \$	2015 \$
Short-term employee benefits	174,397	169,724
Post-employment benefits	16,568	15,276
	<u>190,965</u>	<u>185,000</u>

16 Remuneration of auditors

PricewaterhouseCoopers act as auditor in an honorary capacity.

17 Contingencies

The Institute had no contingent liabilities at 30 June 2016 (2015: 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.

	2016	2015
	\$	\$
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	1,874	21,550
Later than one year but not later than five years	-	1,802
	1,874	23,352

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 instalment payments of \$112,500, totalling \$225,000 was made to the Bowel Cancer Research Foundation Limited during the 2016 financial year (2015: \$112,500).

20 Charitable fundraising comparisons information - Financial Highlights 2016 and 2015

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

- Donations
- Merchandise

2016	Income	Fundraising income % of total	Fundraising expenses	Expense % of income
	\$	%	\$	%
Donations	2,534,409	93%	463,695	17%
Merchandise	182,951	7%	26,469	1%
Total fundraising	2,717,360		490,164	

2015	Income	Fundraising income % of total	Fundraising expenses	Expense % of income
	\$	%	\$	%
Donations	2,834,290	94%	596,189	20%
Merchandise	171,460	6%	24,769	1%
Total fundraising	3,005,750		620,959	

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

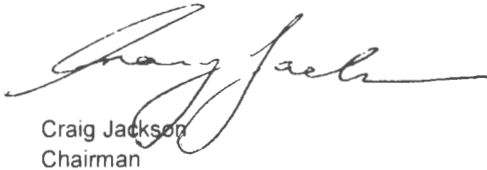
The Institute is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. If the entity is wound up, the articles of association state members are each required to contribute \$10 towards meeting any outstanding obligations of the Institute. At 30 June 2016, there were 23 members of the entity.

Bowel Cancer & Digestive Research Institute Australia
Directors' declaration
30 June 2016

In the directors' opinion:

- (a) the financial statements and notes set out on pages 7 to 22 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 Group's financial position as at 30 June 2016 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
18 October 2016



Independent auditor's report to the members of Bowel Cancer & Digestive Research Institute Australia

We have audited the accompanying financial report of Bowel Cancer & Digestive Research Institute Australia (the Company), which comprises the balance sheet as at 30 June 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' responsibility 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 and the *Australian Charities and Not-for-profits Commission Act (ACNC) 2012* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial report 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Basis for qualified opinion

Cash from donations and other fundraising activities are a significant source of revenue for the Company. The Company's 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 Company'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.

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Qualified opinion

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

- a. giving a true and fair view of the Company's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
- b. complying with Australian Accounting Standards.

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

Manoj Santiago
Partner

Sydney
18 October 2016