

**Bowel Cancer & Digestive Research  
Institute Australia**

ABN 98 095 158 633

**Annual report  
for the year ended 30 June 2015**

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

ABN 98 095 158 633

## **Annual report - 30 June 2015**

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## **Directors' report**

Your directors present their report on Bowel Cancer & Digestive Research Institute Australia for the year ended 30 June 2015.

### **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  
Mr. B J McFadyen  
Mrs. P Morris AM  
Prof. G Newstead AM  
Mrs. M Slater  
Mr. J G Wiggins

On 30 June 2015, following the resignation of Mr B J McFadyen as Chairman, Mr C M Jackson was appointed as Chairman from this date forward.

### **Principal activities**

The principal activities of the Institute during the year were the establishment of the structure to support research in the field of bowel cancer and related medical fields; the establishment of a patient support network; and participating in and supporting the furtherance of health education and awareness.

### **Vision**

To reduce incidence, death and suffering associated with bowel cancer in Australia.

### **Short term objectives**

- To be the leading voice of the bowel cancer community driving ongoing access to high quality programs, services and treatments.
- To increase community awareness and understanding of bowel cancer and the importance of early detection in the successful treatment of the disease.
- To develop and provide practical resources to consumers and health professionals that make the link between diet, lifestyle, screening and bowel cancer risk, and highlight the importance of treatment compliance for effectiveness.
- To support patients and their families directly through contact with the Institute, our staff and patient network, and indirectly through information provided by the Institute to healthcare professionals.
- To continue increasing investment that supports strategic research that adds to the body of evidence about bowel cancer prevention, early detection, treatment and management.
- To fund our life saving work, and in line with the current life cycle of our charity, we will continue to grow our donor base while increasing our visibility to maximise income.

### **Key strategies for achieving objectives**

To be the leading voice of the bowel cancer community driving ongoing access to high quality programs, services and treatments.

- Provide leadership on bowel cancer issues
- Increase access to and participation in screening programs
- Identify new / unmet needs of the bowel cancer community

### **Key strategies for achieving objectives (continued)**

To increase community awareness and understanding of bowel cancer and the importance of early detection in the successful treatment of the disease.

- Have consistent, integrated, national campaigning to achieve awareness and understanding of prevention, risks, signs and symptoms
- Increase awareness of the benefits of participating in screening
- Encourage more people to talk about bowel cancer either personally or publicly

To develop and provide practical resources to consumers and health professionals that make the link between diet, lifestyle, screening and bowel cancer risk, and highlight the importance of treatment compliance for effectiveness.

- Wider engagement with health professionals to drive increased bowel cancer conversations with patients
- Facilitate access to the Institute's resources, programs and services for consumers and health professionals

To support patients and their families directly through contact with the Institute, our staff and patient network, and indirectly through information provided by the charity to healthcare professionals.

- Support resources and services to reach patients at all stages of their bowel cancer journey
- Recognise the Institute as the only national and sole purpose charity providing support to bowel cancer patients and their wider networks

To continue increasing investment that supports strategic research that adds to the body of evidence about bowel cancer prevention, early detection, treatment and management.

- Increase the level of funding relative to burden of disease by developing a vehicle to fund bowel cancer research
- Establish a unique national funding resource dedicated to cutting-edge bowel cancer research, including, but not limited to, establishing a Chair in Bowel Cancer Research
- Seek collaborative relationships with organisations involved with cancer research

To fund our life saving work, and in line with the current life cycle of our charity, we will continue to grow our donor base while increasing our visibility to maximise income.

- Attract new donors and sponsors to expand revenue streams
- Explore new areas of fundraising

### **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 - advocacy, awareness, education, support and research - 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 a 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 monthly basis.

### **Review of operations**

For the financial year ended 30 June 2015, Bowel Cancer & Digestive Research Institute Australia incurred a deficit of \$5,138,026 (2014: Surplus of \$694,764). During the financial year, the Institute delivered on a long term objective, to establish the Lawrence Penn Chair in Bowel Cancer Research by pledging an amount of \$5,900,000 to support Bowel Cancer Research Foundation. Of the amount pledged, \$112,500 was paid in cash to the Foundation during the year. Excluding the outstanding balance of this one off donation expense of \$5,780,000, the operating profit of the Institute for the financial year ended 30 June 2015, was a surplus of \$649,474. This result is comparable to the FY14 result of surplus of \$694,764.

**Information on directors**

<b>Name</b>	<b>Appointed</b>	<b>Experience and Expertise</b>	<b>Special Responsibilities</b>
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 Director, Bowel Cancer Research 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 Director NSW Ports Director Rheem Australia Pty Ltd Director, Bowel Cancer Research Foundation	Audit & Finance - Appointed Chariman July 2015
Mr. B J McFadyen	3 Feb 2004	BA,LLB; MAICD; FAPI; Fellow UTS General Counsel, CFX Retail Property Trust Group Global Asset Management — Property Chairman, UTS Sydney's Law Faculty Advisory Board. Director of 16 companies including employer companies and private companies and holds 11 chairmanships	Chairman - Retired 2015
Mrs. P Morris AM	21 Nov 2006	B.Arch (Hons), M.Env Sci, DipCD, FAICD, FRAIA Company Director and Business Consultant for past 21 years, serving on a wide range of publicly listed and government sector boards. Currently Chairman/Director of various private companies. Prior CEO and Senior Executive positions in private sector and Commonwealth Government. Director, Bowel Cancer Research Foundation	

**Information on directors (continued)**

<b>Name</b>	<b>Appointed</b>	<b>Experience and Expertise</b>	<b>Special Responsibilities</b>
Prof. G Newstead AM	16 Sept 2014	<p>MB BS, FRACS, FRCS(Eng), FACS            Hon FASCRS, Hon FRSM, Hon FACP (GB&amp;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, Colorectal Research Pty Ltd (The Colorectal Research Fund) and Director, Harry O Triguboff Research Fellowship            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 2014</p>	
Mr. J G Wiggins	19 Aug 2008	<p>BEC, LLB            CEO &amp; Executive Director</p>	

**Significant changes in the state of affairs**

During the year the Institute pledged \$5.9 million to the Bowel Cancer Research Foundation Limited to meet its financial obligations under the Deed of Gift with the University over four years for the establishment of the Lawrence Penn Chair in Bowel Cancer Research.

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

No matter or circumstance has arisen since 30 June 2015 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 2015, and the numbers of meetings attended by each director were:

	Full meetings of directors	
	A	B
Dr. C J Bell	9	10
Mr. C W Frew	3	10
Mr. R M Griffin AM	8	10
Mr. C M Jackson	9	10
Mr. B J McFadyen	10	10
Mrs. P Morris AM	7	10
Prof. G Newstead AM	8	10
Mrs. M Slater	7	10
Mr. J G Wiggins	10	10

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 \$5,808 (2014: \$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 2015, there were 23 members of the entity.

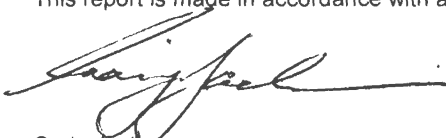
**Auditor's independence declaration**

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 7 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  
9 December 2015





## Auditor's Independence Declaration

As auditor for the audit of Bowel Cancer & Digestive Research Institute Australia for the year ended 30 June 2015, 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, light-colored signature line.

Manoj Santiago  
Partner  
PricewaterhouseCoopers

Sydney  
9 December 2015

# Bowel Cancer & Digestive Research Institute Australia

ABN 98 095 158 633

## Annual report - 30 June 2015

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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 6, which are not part of these financial statements.

The financial statements were authorised for issue by the directors on 9 December 2015. 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 2015**

	Notes	2015 \$	2014 \$
<b>Revenue from continuing operations</b>	2, 20	<b>3,234,027</b>	2,895,142
Employment expenses		<b>(520,875)</b>	(397,118)
Event expenses		<b>(399)</b>	(399)
Donor renewals/Regular giving	20	<b>(584,585)</b>	(674,587)
Other fundraising expenses	20	<b>(77,243)</b>	(60,591)
Research expenses		<b>(94,917)</b>	(91,500)
Awareness expenses		<b>(678,082)</b>	(473,906)
Office expenses		<b>(115,386)</b>	(88,313)
Insurance expenses		<b>(10,461)</b>	(8,383)
Bank fees		<b>(22,869)</b>	(24,171)
Depreciation and amortisation expenses	3	<b>(15,700)</b>	(34,577)
Advocacy and policy expenses		<b>(29,311)</b>	(26,817)
Education expenses		<b>(98,258)</b>	(113,562)
Governance expenses		<b>(5,196)</b>	(14,527)
Patient services expenses		<b>(218,770)</b>	(191,926)
Lawrence Penn Chair in Bowel Cancer Research Expense	3	<b>(5,900,000)</b>	-
<b>Surplus/(deficit) before income tax</b>	3	<b>(5,138,026)</b>	694,764
Income tax (expense)/benefit		-	-
<b>Surplus/(deficit) for the year</b>		<b>(5,138,026)</b>	694,764
<b>Other comprehensive income for the year, net of tax</b>		-	-
<b>Total comprehensive income/(deficit) for the year</b>	14	<b>(5,138,026)</b>	694,764

*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 2015**

	Notes	2015 \$	2014 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	627,593	242,781
Trade and other receivables	5	197,852	243,815
Inventories	6	30,395	16,603
Term deposits	7	6,350,000	5,900,000
<b>Total current assets</b>		<b>7,205,840</b>	<b>6,403,199</b>
<b>Non-current assets</b>			
Property, plant and equipment	8	18,528	16,686
Intangible assets	9	43,468	50,554
<b>Total non-current assets</b>		<b>61,996</b>	<b>67,240</b>
<b>Total assets</b>		<b>7,267,836</b>	<b>6,470,438</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	10	691,925	328,545
Provisions	11	21,675	16,266
<b>Total current liabilities</b>		<b>713,600</b>	<b>344,811</b>
<b>Non-current liabilities</b>			
Provisions	12	27,114	22,980
Other non-current liabilities	13	5,562,500	-
<b>Total non-current liabilities</b>		<b>5,589,614</b>	<b>22,980</b>
<b>Total liabilities</b>		<b>6,303,214</b>	<b>367,791</b>
<b>Net assets</b>		<b>964,622</b>	<b>6,102,647</b>
<b>EQUITY</b>			
Reserves	14 (a)	-	5,000,000
Retained earnings	14 (b)	964,622	1,102,648
<b>Total equity</b>		<b>964,622</b>	<b>6,102,648</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 2015**

	Reserves	Retained earnings	Total equity
	\$	\$	\$
<b>Balance at 1 July 2013</b>	4,275,000	1,132,884	5,407,884
Surplus/(deficit) for the year	-	694,764	694,764
Other comprehensive income	-	-	-
<b>Total comprehensive income/(deficit) for the year</b>	-	694,764	694,764
<b>Transactions with owners in their capacity as owners:</b>			
Transfer to Research fund reserve	725,000	(725,000)	-
	5,000,000	1,102,648	6,102,648
<b>Balance at 1 July 2014</b>	<b>5,000,000</b>	<b>1,102,648</b>	<b>6,102,648</b>
Surplus/(deficit) for the year		(5,138,026)	(5,138,026)
Other comprehensive income	-	-	-
<b>Total comprehensive income/(deficit) for the year</b>	-	<b>(5,138,026)</b>	<b>(5,138,026)</b>
<b>Transactions with owners in their capacity as owners:</b>			
Transfer from Research fund reserve	(5,000,000)	5,000,000	-
	-	964,622	964,622
<b>Balance as 30 June 2015</b>	-	<b>964,622</b>	<b>964,622</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 2015**

	Notes	2015 \$	2014 \$
<b>Cash flows from operating activities</b>			
Donations and fund raising received (inclusive of goods and services tax)		3,500,212	2,841,103
Payments to suppliers and employees (inclusive of goods and services tax)		<u>(2,883,221)</u>	<u>(2,252,713)</u>
		616,991	588,390
Interest received		<u>228,277</u>	<u>177,582</u>
<b>Net cash inflow from operating activities</b>		<u><b>845,268</b></u>	<u><b>765,972</b></u>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment	8	(10,456)	(1,695)
Payments for held-to-maturity investments		<u>(6,350,000)</u>	<u>(5,900,000)</u>
Payments for intangibles	9	-	(44,447)
Proceeds from held-to-maturity investments		<u>5,900,000</u>	<u>5,150,000</u>
<b>Net cash (outflow) from investing activities</b>		<u><b>(460,456)</b></u>	<u><b>(796,142)</b></u>
<b>Net (decrease)/increase in cash and cash equivalents</b>			
Cash and cash equivalents at the beginning of the financial year		<u>242,781</u>	<u>272,951</u>
<b>Cash and cash equivalents at end of year</b>	4	<u><b>627,593</b></u>	<u><b>242,781</b></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 2014:

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 2014-1 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 2015 reporting periods. The Institute assesses that these will not have any material impact on the financial statements.

## 2 Revenue

	2015	2014
	\$	\$
<b>From operations</b>		
Fundraising activities and donations	2,834,290	2,453,509
Merchandise	171,460	211,991
Interest income	228,277	229,642
	<b>3,234,027</b>	<b>2,895,142</b>

## 3 Expenses

	2015	2014
	\$	\$
<b>Surplus before income tax includes the following specific expenses:</b>		
<i>Depreciation</i>		
<i>Plant and equipment</i>	8,613	16,852
Total depreciation	<b>8,613</b>	<b>16,852</b>
<i>Amortisation</i>		
<i>Software</i>	7,087	17,725
Total amortisation	<b>7,087</b>	<b>17,725</b>
Total depreciation and amortisation	<b>15,700</b>	<b>34,577</b>
Lawrence Penn Chair in Bowel Cancer Research Expense	<b>5,900,000</b>	-

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.

Recognition of this one off donation expense resulted in the Institute incurring a deficit of \$5,138,026 (2014: Surplus of \$694,764). Of the amount pledged, \$112,500 was paid in cash to the Foundation during the year. Excluding the outstanding balance of this one off donation expense of \$5,780,000, the operating profit of the Institute for the financial year ended 30 June 2015, was a surplus of \$649,474. This result is comparable to the FY14 result of surplus of \$694,764.

## 4 Current assets - Cash and cash equivalents

	2015	2014
	\$	\$
Cash at bank and in hand	<b>627,593</b>	<b>242,781</b>

**5 Current assets - Other receivables**

	\$	\$
GST Receivable	34,050	61,331
Interest receivable	114,258	105,329
Other debtors	49,544	77,155
	<b>197,852</b>	<b>243,815</b>

**6 Current assets - Inventories**

	2015 \$	2014 \$
Finished goods at cost	30,395	16,603
	<b>30,395</b>	<b>16,603</b>

**7 Current assets - Term deposits**

	2015 \$	2014 \$
Term deposits	6,350,000	5,900,000
	<b>6,350,000</b>	<b>5,900,000</b>

The deposits are bearing floating interest rates between 3.10% and 3.90% (2014- 3.85% and 4.45%).  
These deposits have an average maturity of 274 days (2014: 276 days).

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

	Plant and equipment \$	Total \$
<b>At 30 June 2014</b>		
Cost	70,727	70,727
Accumulated depreciation	(54,041)	(54,041)
<b>Net book amount</b>	<b>16,686</b>	<b>16,686</b>
<b>Year ended 30 June 2015</b>		
Opening net book amount	16,686	16,686
Additions	10,456	10,456
Depreciation charge	(8,614)	(8,614)
Closing net book amount	18,528	18,528
<b>At 30 June 2015</b>		
Cost	81,183	81,183
Accumulated depreciation	(62,655)	(62,655)
<b>Net book amount</b>	<b>18,528</b>	<b>18,528</b>

## 9 Non-current assets - Intangible assets

	Software \$	Total \$
<b>At 30 June 2014</b>		
Cost	83,446	83,446
Accumulated amortisation and impairment	(32,892)	(32,892)
<b>Net book amount</b>	<b>50,554</b>	<b>50,554</b>
<b>Year ended 30 June 2015</b>		
Opening net book amount	50,554	50,554
Additions	-	-
Amortisation charge	(7,086)	(7,086)
Closing net book amount	43,468	43,468
<b>At 30 June 2015</b>		
Cost	83,446	83,446
Accumulated amortisation and impairment	(39,978)	(39,978)
<b>Net book amount</b>	<b>43,468</b>	<b>43,468</b>

**10 Current liabilities - Trade and other payables**

	2015	2014
	\$	\$
Trade payables	448,293	8,172
Pledge Payable to Bowel Cancer Research Foundation	217,812	-
Accrued expenses	18,632	320,373
Accrued Interest	7,188	-
	<b>691,925</b>	<b>328,545</b>

**11 Current liabilities - Provisions**

	2015	2014
	\$	\$
Employee benefits - annual leave provision	21,675	16,266
	<b>21,675</b>	<b>16,266</b>

**12 Non-current liabilities - Provisions**

	2015	2014
	\$	\$
Employee benefits - long service leave	27,114	22,980
	<b>27,114</b>	<b>22,980</b>

**13 Non-current liabilities - Other**

	2015	2014
	\$	\$
Pledge Payable to Bowel Cancer Research Foundation	4,904,824	-
Accrued Interest	657,676	-
	<b>5,562,500</b>	<b>-</b>

**14 Reserves and retained earnings**

**(a) Reserves**

	2015	2014
	\$	\$
Research fund reserve	-	5,000,000
	<b>-</b>	<b>5,000,000</b>

	2015	2014
	\$	\$
<b>Movements:</b>		
<i>Research fund reserve</i>		
Balance 1 July	5,000,000	4,275,000
Transfer from/(to) retained earnings	(5,000,000)	725,000
Balance 30 June	<b>-</b>	<b>5,000,000</b>

## 14 Reserves and retained earnings (continued)

### (b) Retained earnings

Movements in retained earnings were as follows:

	2015 \$	2014 \$
Balance 1 July	1,102,648	1,132,884
Surplus/(deficit) for the year	(5,138,026)	694,764
Transfer to/(from) research fund reserve	5,000,000	(725,000)
Balance 30 June	<u>964,622</u>	<u>1,102,648</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  
Mr. B J McFadyen  
Mrs. P Morris AM  
Mrs. M Slater  
Prof. G Newstead AM

### Executive director and CEO

Mr. J G Wiggins

On 30 June 2015, following the resignation of Mr B J McFayden as Chairman, Mr C M Jackson was appointed as Chairman from this date forward.

### (a) Key management personnel compensation

	2015 \$	2014 \$
Short-term employee benefits	169,724	160,550
Post-employment benefits	15,276	14,450
	<u>185,000</u>	<u>175,000</u>

## 16 Remuneration of auditors

PricewaterhouseCoopers act as auditor in an honorary capacity.

## 17 Contingencies

The Institute had no contingent liabilities at 30 June 2015 (2014: 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.

	2015	2014
	\$	\$
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	21,550	20,721
Later than one year but not later than five years	1,802	23,351
	23,352	44,072

## 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, the first instalment payment of \$112,500 was made to the Bowel Cancer Research Foundation Limited during the 2015 financial year (2014: \$nil).



## 20 Charitable fundraising comparisons information - Financial Highlights 2015 and 2014

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

- Donations
- Merchandise

2015	Income	Fundraising income % of total	Fundraising expenses	Expense % of income
	\$	%	\$	%
Donations	2,834,290	<b>94%</b>	637,059	21%
Merchandise	171,460	<b>6%</b>	24,769	1%
<b>Total fundraising</b>	<b>3,005,750</b>		<b>661,828</b>	

2014	Income	Fundraising income % of total	Fundraising expenses	Expense % of income
	\$	%	\$	%
Donations	2,453,509	<b>92%</b>	719,883	27%
Merchandise	211,991	<b>8%</b>	15,296	1%
<b>Total fundraising</b>	<b>2,665,500</b>		<b>735,178</b>	

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

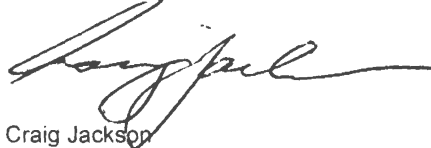
The Institute is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. If the entity is wound up, the articles of association state members are each required to contribute \$10 towards meeting any outstanding obligations of the Institute. At 30 June 2015, there were 23 members of the entity.

**Bowel Cancer & Digestive Research Institute Australia**  
**Directors' declaration**  
**30 June 2015**

In the directors' opinion:

- (a) the financial statements and notes set out on pages 8 to 23 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 2015 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  
9 December 2015



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

### ***Report on the financial report***

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 2015, 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 entity'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 entity'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 presents fairly, in all material respects the financial position as at 30 June 2015, and its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*.

*PricewaterhouseCoopers*  
PricewaterhouseCoopers

A large, stylized handwritten signature in black ink, appearing to read "Manoj Santiago".

Manoj Santiago  
Partner

Sydney  
9 December 2015