



Finance and Governance Report 2016-2017

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Statement by the Board

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General Information

The financial statements cover Cancer Council Western Australia Inc. as an individual entity. The financial statements are presented in Australian dollars, which is Cancer Council Western Australia Inc.'s functional and presentation currency.

The financial statements were authorised for issue on 20 September 2017.

In the opinion of the Board of Cancer Council Western Australia Inc. (the 'Council'):

1. The accompanying financial report gives a true and fair view of the financial position of the Council as at 30 June 2017 and its performance for the financial year ended on that date, in accordance with Australian Accounting Standards Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act) and the Associations Incorporation Act 2015 (WA);
2. The operations of the Council have been carried out in accordance with the Constitution and Rules of the Council; and
3. At the date of this statement there are reasonable grounds to believe that the Council will be able to pay its debts as and when they become due and payable.
4. The financial report of Cancer Council Western Australia Inc. has been properly prepared, and the associated records have been properly kept for the year ended 30 June 2017, in accordance with the Charitable Collections Act (1946) (WA) and the Charitable Collections Regulations (1947) (WA);
5. Funds received as a result of fundraising activities conducted during the year ended 30 June 2017 have been properly accounted for and applied in accordance with the Charitable Collections Act (1946) (WA) and the Charitable Collections Regulations (1947) (WA);

Signed in accordance with a resolution of the Board by:



George Yeoh
President



Pina Caffarelli
Chair Finance Committee

20th day of September 2017

Independent Auditor's report



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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
CANCER COUNCIL WESTERN AUSTRALIA INC.**

Qualified Opinion

We have audited the financial report of Cancer Council Western Australia Inc., (the 'Council'), which comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the statement by the Board.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* paragraph, the financial report of Cancer Council Western Australia Inc., has been prepared in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and the *Associations Incorporation Act 2015 (WA)*, including:

- (a) giving a true and fair view of the Council's financial position as at 30 June 2017 and of its financial performance and cash flows for the year ended on that date; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements, the *Australian Charities and Not-for-profits Commission Regulation 2013*, and the *Associations Incorporation Act 2015 (WA)*.

Basis for Qualified Opinion

Fundraising and donations are significant sources of revenue for the Council. The Council has determined that it is impracticable to establish control over the collection of fundraising and donations prior to entry into its financial records. Accordingly, as the evidence available to us regarding revenue from these sources was limited, our audit procedures with respect to fundraising and donations had to be restricted to the amounts recorded in the financial records. We therefore are unable to express an opinion whether revenues from fundraising and donations are 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 are independent of the Council 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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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Report

The Board and management of the Council 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, the *Australian Charities and Not-for-profits Commission Act 2012* and the *Associations Incorporation Act 2015 (WA)*, and for such internal control as the Board 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 Board of the Council is responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Council or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

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. This description forms part of our auditor's report.

Report on the requirements of the Charitable Collections Act (1946) (WA) and the Charitable Collections Regulations (1947) (WA)*Opinion*

We have audited the financial report of Cancer Council Western Australia Inc. as required by the *Charitable Collections Act (1946) (WA)* and the *Charitable Collections Regulations (1947) (WA)*.

In our opinion

- (a) The financial report of Cancer Council Western Australia Inc. has been properly prepared, and the associated records have been properly kept for the year ended 30 June 2017, in accordance with the *Charitable Collections Act (1946) (WA)* and the *Charitable Collections Regulations (1947) (WA)*; and
- (b) Funds received as a result of fundraising activities conducted during the year ended 30 June 2017 have been properly accounted for and applied in accordance with the *Charitable Collections Act (1946) (WA)* and the *Charitable Collections Regulations (1947) (WA)*;

Auditor's Responsibilities

Our procedures included obtaining an understanding of the internal control structure for fundraising appeal activities and examination, on a test basis, of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising activities pursuant to the *Charitable Collections Act (1946) (WA)* and the *Charitable Collections Regulations (1947) (WA)*.

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

RSM
RSM AUSTRALIA PTY LTD

AL White
ALASDAIR WHYTE
Director

Perth, WA
Dated: 21 September 2017

Statement of Comprehensive Income

	Note	2017 \$	2016 \$
REVENUE			
Fundraising and donations	4	17,106,499	9,972,129
Bequests	16(a)	4,335,439	1,898,677
Merchandise	4	1,117,714	1,001,710
Cancer information and support services		2,651,684	2,650,943
Research		30,000	15,000
Education and prevention programs		1,982,832	2,366,123
Tobacco program		2,573,356	2,994,694
Investments		1,860,075	1,708,900
Other revenue		11,799	2,500,311
Total Revenue		31,669,398	25,108,487
EXPENDITURE			
Fundraising and donations		(12,546,449)	(4,959,554)
Merchandise - cost of goods sold	4	(441,173)	(339,637)
Merchandise - operating	4	(278,188)	(227,345)
Cancer information & support services		(7,552,802)	(7,201,399)
Research		(3,607,945)	(3,842,690)
Education and prevention programs		(3,878,889)	(4,389,512)
Tobacco program		(2,848,348)	(3,294,694)
Directorate		(403,033)	(431,357)
Cancer Council Australia subscription		(923,019)	(949,727)
Administration		(1,701,797)	(1,857,306)
Investments		(130,714)	(122,150)
Total Expenditure		(34,312,357)	(27,615,371)
DEFICIT FROM OPERATIONS	5(a)	(2,642,959)	(2,506,884)
NON OPERATIONAL ITEMS			
Impairment of available-for-sale financial assets	5(c)	(60,803)	(925,969)
Profit on sale of non-current assets	5(d)	1,689,026	638,720
Non Operational Surplus/(Deficit)		1,628,223	(287,249)
DEFICIT BEFORE INCOME TAX		(1,014,736)	(2,794,133)
Income tax expense		-	-
DEFICIT AFTER INCOME TAX EXPENSE FOR THE YEAR		(1,014,736)	(2,794,133)
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX			
<i>Items that may be reclassified subsequently to surplus or deficit</i>		-	-
Net movement on revaluation of financial assets		(110,616)	(1,016,977)
TOTAL COMPREHENSIVE DEFICIT FOR THE YEAR		(1,125,352)	(3,811,110)

The accompanying notes form part of these financial statements

Statement of Financial Position

	Note	2017 \$	2016 \$
CURRENT ASSETS			
Cash and cash equivalents	6	2,791,547	3,077,756
Trade and other receivables	7	2,141,456	2,814,032
Inventories	8	129,149	99,372
Other assets	9	210,570	3,894,010
Financial assets	11	2,044,671	599,450
TOTAL CURRENT ASSETS		7,317,393	10,484,620
NON-CURRENT ASSETS			
Property, plant and equipment	10	24,942,675	25,521,508
Financial assets	11	29,945,840	31,731,823
TOTAL NON-CURRENT ASSETS		54,888,515	57,253,331
TOTAL ASSETS		62,205,908	67,737,951
CURRENT LIABILITIES			
Trade and other payables	12	16,599,416	19,692,645
Borrowings	13	419,858	1,539,858
Provisions	14	1,172,817	1,290,916
TOTAL CURRENT LIABILITIES		18,192,091	22,523,419
NON-CURRENT LIABILITIES			
Borrowings	13	26,572	66,430
Provisions	14	229,312	264,817
TOTAL NON-CURRENT LIABILITIES		255,884	331,247
TOTAL LIABILITIES		18,447,975	22,854,666
NET ASSETS		43,757,933	44,883,285
ACCUMULATED FUNDS			
Restricted by statute			
Land and buildings - Shenton Park and Nedlands sites	10	6,956,539	7,593,737
		6,956,539	7,593,737
Designated by Council			
Property held in trust	10	400,000	400,000
Property, plant and equipment	10	17,586,136	17,527,771
Research grants and fellowships	15(a)	2,976,275	4,060,400
		20,962,411	21,988,171
TOTAL RESTRICTED AND DESIGNATED FUNDS	1(a)	27,918,950	29,581,908
UNRESTRICTED FUNDS	1(a)	9,232,820	8,584,598
Financial assets reserve		6,606,163	6,716,779
TOTAL ACCUMULATED FUNDS		43,757,933	44,883,285

The accompanying notes form part of these financial statements

Statement of Changes in Equity

	Restricted & Designated Funds	Unrestricted Funds	Financial Assets Reserve	Total Accumulated Funds
	\$	\$	\$	\$
Balance at 1 July 2015	29,162,193	11,798,446	7,733,756	48,694,395
(Deficit) after income tax expense for the year	419,715	(2,926,599)	-	(2,506,884)
Non-operational (deficit) for the year	-	(287,249)	-	(287,249)
Other comprehensive income for the year, net of tax	-	-	(1,016,977)	(1,016,977)
Total comprehensive income for the year	419,715	(3,213,848)	(1,016,977)	(3,811,110)
Balance at 30 June 2016	29,581,908	8,584,598	6,716,779	44,883,285
Balance at 1 July 2016	29,581,908	8,584,598	6,716,779	44,883,285
(Deficit) after income tax expense for the year	(1,662,958)	(980,001)	-	(2,642,959)
Non-operational surplus for the year	-	1,628,223	-	1,628,223
Other comprehensive income for the year, net of tax	-	-	(110,616)	(110,616)
Total comprehensive income for the year	(1,662,958)	648,222	(110,616)	(1,125,352)
Balance at 30 June 2017	27,918,950	9,232,820	6,606,163	43,757,933

The accompanying notes form part of these financial statements

Statement of Cash Flows

Note	2017 \$	2016 \$
CASH FLOW FROM OPERATING ACTIVITIES		
	30,481,898	26,075,784
	(32,563,783)	(27,707,066)
	(13,537)	(53,519)
19(b)	(2,095,422)	(1,684,801)
CASH FLOW FROM INVESTING ACTIVITIES		
	(750,476)	(373,378)
	1,040	-
	(3,827,956)	(1,261,173)
	7,131,609	2,301,530
	(4,473,541)	-
	3,028,320	3,248,867
	60,341	-
	1,799,734	1,708,900
	2,969,071	5,624,746
CASH FLOW FROM FINANCING ACTIVITIES		
	-	800,000
	(1,159,858)	(4,543,179)
	(1,159,858)	(3,743,179)
	(286,209)	196,766
	3,077,756	2,880,990
6	2,791,547	3,077,756

The accompanying notes form part of these financial statements

Notes to the Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

New, revised or amending Accounting Standards and Interpretations adopted

Cancer Council Western Australia Inc. (the 'Council') has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Council.

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards Reduced Disclosure Requirements, Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013 and Part 5 of the Associations Incorporation Act 2015 (WA).

The financial report covers the Council as an individual entity. The Council is an association incorporated in Western Australia under the Associations Incorporation Act 2015 (WA).

The financial report of the Council complies with all Australian equivalents to International Financial Reporting Standards ('AIFRS') in their entirety. Due to the application of Australian specific provisions for not-for-profit entities contained only within AIFRS, this financial report and notes thereto, are not necessarily compliant with International Accounting Standards.

The following is a summary of the material accounting policies adopted by the Council in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Going concern

These financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business. As disclosed in the financial statements the Council has net current liabilities as at 30 June 2017 of \$10,874,698. The Council has the ability to readily convert its financial assets as at 30 June 2017 of \$29,945,840 into cash, therefore the Council is able to continue as going concern.

(a) Fund accounting

On occasions the Council may receive resources restricted for particular purposes. To facilitate observance of these limitations, the financial report lists separately those funds which are restricted or designated and those funds which are unrestricted.

- Restricted funds are those funds presently available for use, but expendable only for operating purposes specified by the donor or by statute. When the Board specifies a purpose for the expenditure of funds, where none has been stated by the original donor, such funds are classified as designated funds.
- Unrestricted funds are those funds presently available for use by the Council at the discretion of the Board.

(b) Inventory

The inventory of retail stock has been valued at the lower of cost and net realisable value. Costs are assigned on the basis of average cost and include direct costs and appropriate overheads, if any. Expenditure on education publications is charged against revenue in the year of purchase.

(c) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is current when: it is expected to be settled in the normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within twelve months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.

(d) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Subsequent to initial recognition, available-for-sale financial assets are measured at fair value and changes therein, other than impairment losses, are recognised as a separate component of equity under the fair value reserve. When an investment is derecognised, the cumulative gain or loss in equity is transferred to the statement of comprehensive income.

Held-to-maturity investments

These investments have fixed maturities, and it is the Council's intention to hold these investments to maturity. Any held-to-maturity investments held by the Council are stated at amortised cost using the effective interest rate method.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Impairment

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its current fair value.

Notes to the Financial Statements

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in organisation's that share similar credit risk characteristics.

All impairment losses are recognised in the statement of comprehensive income. Any cumulative loss in respect of an available-for-sale financial asset recognised previously in equity is transferred to the statement of comprehensive income.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets recognised at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in the statement of comprehensive income. For available-for-sale financial assets that are equity securities, the reversal is recognised directly in equity.

(e) Property, Plant and Equipment

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

Depreciation

Depreciation has been provided on property, plant and equipment so as to write off their value over the expected useful life of the assets. Depreciation is provided on all assets using the straight line method.

The depreciation rates used for each class of depreciable asset are:

Class of Fixed Asset	Depreciation Rate
Buildings	2% - 2.5%
Plant, equipment and motor vehicles	10% - 33%

The carrying amount of fixed assets is reviewed annually by the Board to ensure it is in excess of the recoverable amount of those assets. The recoverable amount is assessed on the basis of expected net cash flows which will be received from the asset's

employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining the recoverable amounts.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income.

(f) Accounting for grants and other contributions received

Grants from the government (non-reciprocal transfers) are recognised at their fair value when all of the following conditions are met:

- The Council obtains control of the contribution or the right to receive the contribution;
- It is probable that economic benefits comprising the contribution will flow to the Council; and
- The amount of the contribution can be reliably measured.

(g) Charitable Support revenue

Charitable Support revenue, comprising donations and fundraising revenue and bequests and legacies received, by their nature can only be recognised when they are recorded in the books of the Council. Bequests and legacies and donations are brought to account on a cash basis or where they are received other than cash, according to the value of the bequest or donation when the ownership passes to the Council.

(h) Legacies and bequests not yet recordable

The Council is the beneficiary of certain legacies and bequests, under various wills of deceased benefactors, the total realisable amount of which is not presently determinable. Such amounts will be recorded when clear title is established and the proceeds are measurable.

(i) Other revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Dividend revenue is recognised when the Council has established that it has a right to receive a dividend.

(j) Allocation of expenses

The Council reports its expenditure on a functional basis and accordingly, classifies its expenditure to specific program services, which describe the Council's social service activities and supporting services. Additionally, there is an expense classification of Administration and Depreciation in respect of expenditure of an administrative and general nature that is incurred and is not identifiable with a single program, but is indispensable to the conduct of those activities and to the Council's existence.

(k) Cash and other cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

(l) Trade and other receivables

Other receivables are recognised at amortised cost, less any provision for impairment.

(m) Trade and other payables

These amounts represent liabilities for goods and services provided to the Council prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

(n) Loans and borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

(o) Employee entitlements

Provision is made for the Council's liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries and annual leave which will be settled after one year, have been measured at their nominal amount. Other employee entitlements payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those entitlements.

Contributions are made by the Council to an employee superannuation fund and are charged as expenses when incurred.

(p) Leases

Leases of plant and equipment, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the Council, are classified as finance leases. Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Leased assets are amortised on a straight line basis over their estimated useful lives where it is likely that the Council will obtain ownership of the asset over the term of the lease. Lease payments are allocated between the reduction of the lease liability and lease interest expense for the period.

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(q) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Notes to the Financial Statements

(r) Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principle market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

(s) New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Council for the annual reporting period ended 30 June 2017.

2. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The Board evaluates estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Council.

Grant income received

A critical judgement that management has made in the process of applying the accounting policies, and that has the most significant effect on the amounts recognised in the financial statements, is in relation to grant income received. Grants from the government are recognised at their fair value where there is reasonable assurance that the grant will be received and the company will comply with all the attached conditions. Government grants shall be recognised in profit or loss on a systematic basis over the periods in which the Council recognises as expenses the related costs for which the grants are intended to compensate.

3. INCOME TAX

The Council is exempt from income tax under the provisions of section 50-5 of the Income Tax Assessment Act 1997.

Notes to the Financial Statements

4. REVENUE

(a) Fundraising and donations

	30 June 2017 \$	30 June 2016 \$
Fundraising	12,772,653	4,597,816
Donations	4,333,846	5,374,313
	17,106,499	9,972,129

(b) Merchandise

Sales	1,117,714	1,001,710
Cost of goods sold	(441,173)	(339,637)
Gross surplus	676,541	662,073
Less operating expenditure	(278,188)	(227,345)
Net surplus from merchandising	398,353	434,728

5. SURPLUS FROM OPERATIONS

(a) Surplus from operations has been determined after:

Depreciation	1,328,205	1,334,698
Employee expenses	11,322,290	11,276,276
Operating lease	98,941	114,451

(b) Significant revenues and expense

The following revenue and expense items are relevant in explaining the financial performance:

Grant funding	-	2,500,000
Bequests (amounts greater than \$350,000)(*)		
Estate of Josephine McLarty	390,000	-
Estate of Kenneth William George Young	350,000	350,000
Estate Anonymous	945,841	-

(*) Complete list of bequests in Note 16(a)

(c) Impairment of available-for-sale financial assets

Impairment	60,803	925,969
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(d) Surplus on sale of non-current assets

Proceeds from sale of non-current assets	8,854,572	5,550,397
Written down value of non-current assets sold	(7,165,546)	(4,911,677)
	1,689,026	638,720

6. CASH AND CASH EQUIVALENTS

Cash on hand and at bank	11,745	358,040
Cash management accounts	2,779,802	2,719,716
	2,791,547	3,077,756

7. TRADE AND OTHER RECEIVABLES

	30 June 2017 \$	30 June 2016 \$
Trade receivables	1,192,265	1,094,821
Other receivables	965,061	1,735,081
Provision for impairment of receivables	(15,870)	(15,870)
	2,141,456	2,814,032

Trade and other receivable balances are all classified as current, payment terms are 30 days.

(a) Impaired trade receivables

As at 30 June 2017, current trade receivables with a nominal value of \$15,870 (2016: \$15,870) were impaired.

The amount of the provision was \$15,870 (2016: \$15,870). The impaired receivables mainly relate to outstanding accounts for merchandise sales. It was assessed that a major proportion of the receivables is expected to be recovered.

The aging of these receivables is as follows:

1 to 6 months	-	-
6 to 12 months	-	-
over 12 months	15,870	15,870
	15,870	15,870

The movements in the provision for impairment of receivables are as follows:

At 1 July	15,870	5,530
Provision for impairment recognised during the year	-	10,340
Written off as uncollectible	-	-
	15,870	15,870

(b) Past due and not impaired trade receivables

As of 30 June 2017, trade receivables of \$356,140 (2016: \$529,252) were past due but not impaired. These relate to a number of outstanding accounts where there is no recent history of default.

The aging of these receivables is as follows:

Past due 0 - 30 days	11,062	9,512
31 - 90 days	106,215	21,736
over 91 days	238,863	498,004
	356,140	529,252

(c) Fair value and credit risk

Due to the short-term nature of these receivables, their carrying amount is assumed to approximate their fair value.

Notes to the Financial Statements

	30 June 2017 \$	30 June 2016 \$
8. INVENTORY		
Retail products	129,149	99,372
9. OTHER ASSETS		
Prepayments	210,570	154,287
Lottery prizes	-	3,739,723
	210,570	3,894,010
10. PROPERTY, PLANT AND EQUIPMENT		
Land and buildings		
Shenton Park Site		
Cost	8,097,404	8,092,768
Accumulated depreciation	(5,551,931)	(5,035,443)
	2,545,473	3,057,325
Leasehold Improvements		
Nedlands Site		
Cost	6,529,142	6,516,919
Accumulated depreciation	(2,118,076)	(1,980,507)
	4,411,066	4,536,412
Administration/Services		
Subiaco Site		
Cost	16,675,496	16,675,496
Accumulated depreciation	(856,953)	(505,676)
	15,818,543	16,169,820
Leasehold Improvements		
Administration/Retail		
Cost	96,542	96,542
Accumulated depreciation	(57,281)	(55,673)
	39,261	40,869
Properties held in trust	400,000	400,000
Total land and buildings	23,214,343	24,204,426
Plant, equipment and vehicles		
Cost	6,012,013	5,894,736
Accumulated depreciation	(4,898,163)	(4,577,955)
	1,113,850	1,316,781
Capital Works In Progress		
Cost	614,482	301
Total property, plant and equipment	24,942,675	25,521,508

Land and buildings included at a cost of:

\$8,097,404 (2016: \$8,092,768), relates to the Shenton Park site's buildings and improvements. The Shenton Park buildings and grounds are situated on land held under conditional tenure which states that the land cannot be sold or encumbered without Ministerial approval. Should the Minister deem that the land is no longer being used for the specific purposes outlined in the management order, then the land could be forfeited to the Government.

\$6,529,142 (2016: \$6,516,919), relates to the Nedlands site's building and improvements. The Country Hostel is situated on land owned by the Queen Elizabeth II Medical Centre Trust that the Council is leasing for a peppercorn annual \$1 rental, for a 50 year period, expiring 31 December 2048.

\$16,675,496 (2016: \$16,675,496), relates to the Council's office accommodation located at 420 Bagot Rd, Subiaco.

\$400,000 (2016: \$400,000), relates to a property held in trust. The property is a unit located in Claremont transferred from AH Crawford Society but held in trust whilst the subject of a lifetime tenancy agreement.

Capital Works in Progress is included at a carrying value of \$614,181. This represents the refurbishment of rooms in accommodation lodges in Shenton Park and Nedlands, scheduled for completion in September 2017.

2017 Reconciliation

	Capital works in progress	Land & buildings	Plant & equipment and vehicles	Total
	\$	\$	\$	\$
Opening written down value	301	24,204,426	1,316,781	25,521,508
Additions	614,181	16,859	119,435	750,475
Transfers	-	-	-	-
Disposals	-	-	(1,103)	(1,103)
Depreciation expense	-	(1,006,942)	(321,263)	(1,328,205)
Closing written down value	614,482	23,214,343	1,113,850	24,942,675

2016 Reconciliation

	Capital works in progress	Land & buildings	Plant & equipment and vehicles	Total
	\$	\$	\$	\$
Opening written down value	-	25,028,684	1,454,144	26,482,828
Additions	54,046	179,203	140,129	373,378
Transfers	(53,745)	-	53,745	-
Disposals	-	-	-	-
Depreciation expense	-	(1,003,461)	(331,237)	(1,334,698)
Closing written down value	301	24,204,426	1,316,781	25,521,508

Notes to the Financial Statements

10. PROPERTY, PLANT AND EQUIPMENT (CONT.)

Restricted and designated:

Restricted by statute

Land and buildings – Shenton Park

Land and buildings – Nedlands

Designated by council

Land and buildings

Administration/Services

Leasehold Improvements

Plant, equipment and vehicles

Capital Works In Progress

Properties held in trust

30 June 2017 \$

30 June 2016 \$

2,545,473 3,057,325

4,411,066 4,536,412

6,956,539 7,593,737

15,818,543 16,169,820

39,261 40,869

1,113,850 1,316,781

614,482 301

17,586,136 17,527,771

400,000 400,000

11. FINANCIAL ASSETS

Current

Held-to-maturity financial assets:

Managed Funds Fixed Interest Investments

2,044,671 599,450

2,044,671 599,450

Non-current

Available-for-sale financial assets:

Listed Securities

17,147,250 17,750,615

Managed Funds

12,798,590 13,981,208

29,945,840 31,731,823

12. TRADE AND OTHER PAYABLES

Trade creditors and accruals

3,919,067 3,904,004

Research grants payable

3,062,687 2,933,695

Deferred grant and fellowship income

1,887,486 2,198,828

Funds held in trust

Note 16(b)

7,730,176 6,721,166

Deferred lottery income

- 3,934,952

16,599,416 19,692,645

Payment terms for trade creditors are 30 days.

13. BORROWINGS

Current

Bank loan

380,000 1,500,000

Finance lease

39,858 39,858

419,858 1,539,858

Non-current

Finance lease

26,572 66,430

26,572 66,430

Total secured liabilities

The total secured liabilities (current and non-current) are as follows:

Bank loans

380,000 1,500,000

Finance lease

66,430 106,288

446,430 1,606,288

Assets pledged as security

The bank loans are secured by first mortgages over the Council's land and building at 420 Bagot Road, Subiaco.

The finance lease liabilities are effectively secured as the rights to the leased assets, recognised in the statement of financial position, reverting to the lessor in the event of default.

Total facility

Bank loan

5,200,000 5,200,000

Used at the reporting date

Bank loan

2,133,000 5,200,000

Unused at reporting date

Bank loan

2,867,000 -

At 30 June 2017, a Bank Guarantee in the sum of \$1,753,000 is held by the Department of Racing Gaming and Liquor as security for the future Lottery obligations of the Council.

Notes to the Financial Statements

14. PROVISIONS

Current

	30 June 2017 \$	30 June 2016 \$
Employee entitlements	1,172,817	1,290,916

Reconciliation

Opening balance	1,290,916	1,189,011
Amounts provided for	772,281	964,914
Amounts used	(890,380)	(863,009)
Closing balance	1,172,817	1,290,916

Non-current

Employee entitlements	229,312	264,817
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Reconciliation

Opening balance	264,817	193,411
Amounts provided for	(11,628)	96,775
Amounts used	(23,877)	(25,369)
Closing balance	229,312	264,817

15. EXPENDITURE COMMITMENTS

(a) Research grants and fellowships

Commitments contracted for at the reporting date, but not recognised as liabilities are as follows:

	30 June 2017 \$	30 June 2016 \$
	2 to 5 Years	2 to 5 Years
Research fellowship grants	1,288,375	1,612,500
Research project grants	96,500	196,500
Research program grants	1,591,400	2,251,400
	2,976,275	4,060,400

Research project, program and fellowship grants

Liabilities for research project, program and fellowship grants ('grants') are recognised when the Council has a present or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount can be reliably estimated. The Council has determined that it has a constructive obligation and has recognised as a liability, the share of grants that are contracted and expected to be settled within 12 months from the reporting date.

The Council has also determined that the share of grants that are contracted and expected to be settled greater than 12 months from the reporting date, are subject to performance conditions required by the grant recipient, to activate a constructive obligation. Accordingly, these amounts are not recognised as liability and are disclosed as grant commitments.

(b) Operating lease commitments

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

Not later than one year	193,713	229,428
Later than one year but not later than 5 years	182,154	311,677
	375,867	541,105

(c) Finance lease commitments

Committed at the reporting date and recognised as liabilities, payable:

Not later than one year	39,858	39,858
Later than one year but not later than 5 years	26,572	66,430
	66,430	106,288

Notes to the Financial Statements

30 June 2017 \$

16. BEQUESTS

(a) Bequests revenue per statement of comprehensive income

Estate Anonymous	945,841
Estate of Alan John Maurice Parsons	3,000
Estate of Albert Ots	1,000
Estate of Alice Roberts	1,000
Estate of Alison Margaret Lawrence	37,023
Estate of Allan John Barr	20,000
Estate of Allison Lee McLaren	18,042
Estate of Barbara Harper-Nelson	50,000
Estate of Bridget Elizabeth Teal	38,665
Estate of Claire Alice Mercer	68,004
Estate of Daisy De Gennaro	101,479
Estate of David H Martin	5,000
Estate of David Johnson	171,000
Estate of Dennis Robert Owen	50,000
Estate of Dorothy Lorraine Carr	145,349
Estate of Dorothy Robyn Toase	1,000
Estate of Edna Rixson	10,000
Estate of Edwin Humphreys	178,151
Estate of Eleanor Bysouth	2,000
Estate of Enid Barbara Wells	127,189
Estate of Evelyn Louisa Freight	18,166
Estate of George Guy Alfred Innes	10,000
Estate of Gladys Mabel Gulson	2,000
Estate of Gustaf Ringstrom	150
Estate of Hertha Ilves	6,576
Estate of Jessie May Lowrie	200
Estate of Joan Grace Rutter	24,921
Estate of Josephine McLarty	390,000
Estate of Kenneth William George Young	350,000
Estate of Kerensa Leigh Allason	48,966
Estate of Leslie Matheson	155,162
Estate of Lillian Isobel Rowlands	500
Estate of Margaret Gay Carroll	5,415
Estate of Margaret Mabel Holman	179,410
Estate of Margaret Shoemith	34,729
Estate of Mervyn William Catchpole	1,969
Estate of Michael Joseph Nowrojee	10,000
Estate of Nancy May Goodwin	1,250
Estate of Olive McDowell Mackie Melley	87,668
Estate of Patsy Lorraine Giles	234,382

Estate of Roy Billing	105,668
Estate of Saartje Dekker	10,215
Estate of Shaun Leslie Carlson	48,829
Estate of Shirley Anne Randall	2,608
Estate of Sinja Kay Kyle	1,000
Estate of Stephen Orner	7,000
Estate of Terttu Kaarina Jauhiainen	60,991
Estate of Verdun Griffith William Jones	200,227
Estate of Vittoria Barbittia	3,334
Aileen Inglis Charitable Trust	3,140
Albert & Dulcie Weston Charitable Trust	51,103
Anne S Bluntish Trust	100
Catherine Iddison H Trust	150
Cherrell Guilfoyle Charitable Trust	47,789
Decima Mary Jane Strachan Charitable Trust	990
Dorothy & Bill Irwin Charitable Trust	15,000
Edward & Patricia Usher	2,034
Elizabeth Ann Bothwell Charitable Trust	13,672
Gilbert L North Charitable Trust	5,403
Hansen and Kean Charitable Trust	72,626
Harry & Margaret Kerman Trust	6,228
Harry Frederick Carter Charitable Trust	1,035
Hilda Ellen Pratt Charitable Trust	865
Irene Lucy Martin Trust	90
Jean Marion Isobel Balston Charitable Trust	19,447
Jeanne Krajanich Trust	995
John Dewer Phillips Charitable Trust	1,029
John Edward Parker Charitable Trust	3,734
Joseph & Betty Pitschel Pain Relief Fund	770
Leah Jane Cohen	1,084
Lindsay & Nan Wilkinson Trust	960
Mary Alice White Charitable Trust	2,353
Myrtle Alletta Purcell Trust	20,307
Nakashima Research Trust	62,339
Oranje Endowment	374
Patricia Douglas Phillips Charitable Trust	780
Peter & Iris Cook	4,275
Peter Rymer Charitable Trust	5,319
Philip Owen Endowment	16,369
	4,335,439

30 June 2017 \$

Notes to the Financial Statements

16. BEQUESTS (Cont.)

(b) Funds Held in Trust

	Opening Balance	Transfers In	Income	Transfers Out	Closing Balance
Crawford Fund	804,632	-	15,327	(307,732)	512,227
Edith Betty Green Research Fund	2,168	-	-	(2,168)	-
Edward & Patricia Usher Research Fund	193,704	-	4,652	(2,034)	196,322
Estate Anonymous	-	1,693,029	11,541	(945,841)	758,729
Estate of Kenneth William George Young	915,130	-	14,339	(350,000)	579,469
Estate of Margaret Shoesmith	-	184,828	3,677	(34,729)	153,776
Estate of Mavis Sands	-	1,118,581	2,225	-	1,120,806
Estate of Anthony Leo Ryan	-	59,940	-	-	59,940
FA Milligan Palliative Care	4,791	-	116	-	4,907
Gilda Amelia Fund	21,571	2,700	563	-	24,834
John Nott Travel Fund	318,010	-	7,677	-	325,687
Joseph & Betty Pitschel Pain Relief Fund	27,713	-	660	(770)	27,603
Kott Gunning Research Program	-	30,000	-	-	30,000
Leah Jane Cohen Research Fund	103,225	-	2,479	(1,084)	104,620
Lynette Clarke Memorial Fund	38,316	-	925	-	39,241
McLarty Palliative Care Trust Fund	1,629,041	-	30,686	(390,000)	1,269,727
Milner & West Endowment Trust	21,361	-	516	-	21,877
N&M Nakashima Research Trust	62,339	-	-	(62,339)	-
Paulus Hoogendyk Research Fund	-	10,000	40	-	10,040
Peter & Iris Cook Metastases Research Fund	1,628,479	-	39,260	(4,275)	1,663,464
Richard & Alice Maud Bone Travel Scholarship Fund	165,638	-	3,999	-	169,637
Roslyn Grenville Warrick Trust	54,136	-	1,307	-	55,443
Roy Billing Children's Cancer Research Fund	52,834	-	-	(52,834)	-
Roy Billing Low Survival Rate Research Fund	52,834	-	-	(52,834)	-
Sandra Helen O'Keefe	528,032	-	12,747	-	540,779
South West Support Centre Dot's Place Bunbury	48,295	946	-	(49,241)	-
South West Support Centre Dot's Place Mandurah	-	50,000	93	(38,026)	12,067
Wings of Love Travel Fund	48,917	-	1,163	(1,099)	48,981
	6,721,166	3,120,024	183,992	(2,295,006)	7,730,176

17. REMUNERATION OF AUDITORS

The following fees were paid or payable for services provided by RSM Australia Pty Ltd, the auditor of the Council:

	30 June 2017 \$	30 June 2016 \$
<i>Audit services</i>		
Audit of the financial statements	29,000	28,000

18. RELATED PARTY INFORMATION

(a) Members of the Board

The names of the members of the Board, who serve in a voluntary capacity (and are not remunerated), who held office during any part of the year ended 30 June 2017 and up to the date of this report are:

Prof G Yeoh (President)
 Prof K Faulkner (Vice President)
 Ms S Ardagh
 Mr G Bain (joined July 2016)
 Ms P Caffarelli
 Dr P Cannell
 Ms C Chan (joined November 2016)
 Hon H Cowan
 Prof M Henderson
 Mr M Kelly
 Adj/A/Prof V Platt
 Prof C Saunders

(b) Key management personnel compensation

The totals of remuneration paid to key management personnel of the Council was as follows:

	30 June 2017 \$	30 June 2016 \$
Short-term employee benefits	881,716	851,592
Post-employment benefits	83,034	75,045
	964,750	926,637

(c) Transactions with related parties

There were no transactions with related parties during the current and previous financial year.

(d) Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

(e) Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Notes to the Financial Statements

30 June 2017 \$ 30 June 2016 \$

19. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of cash

Cash at the end of the year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as per Note 6.

(b) Reconciliation of net cash provided by operating activities to net surplus

	30 June 2017 \$	30 June 2016 \$
Net deficit	(1,014,736)	(2,794,133)
Non-cash items:		
Depreciation expense	1,328,205	1,334,698
Profit on sale of non-current assets	(1,689,026)	(638,720)
Impairment expense	60,803	925,969
Items classified as investing activities:		
Interest received	(60,341)	-
Dividends received	(1,799,734)	(1,708,900)
Movements in assets and liabilities:		
Trade and other receivables	672,575	(1,248,416)
Inventories	(29,775)	(8,388)
Other assets	3,683,440	(3,647,992)
Trade and other payables	(3,093,229)	5,927,770
Provisions	(153,604)	173,311
Net cash used in operating activities	(2,095,422)	(1,684,801)

20. FINANCIAL RISK MANAGEMENT

The main risks arising from the Council's financial instruments are interest rate risk, market price risk, liquidity risk and credit risk. The Council does not hold financial instruments denominated in foreign currencies and does not use derivative instruments to manage risks associated with its financial instruments.

The Council's policies for managing each of these risks are summarised below. The policies are subject to Board approval and are reviewed regularly.

(a) Interest rate risk

The Council is exposed to interest rate fluctuations on its cash at bank and cash on deposit. The Council actively monitors interest rates for cash at bank and on deposit to maximise interest income. The Council accepts the risk in relation to fixed interest securities as they are held to generate income on surplus funds.

The Council's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted interest rates on those financial assets and financial liabilities, is as follows:

2017		Weighted average effective interest rate	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
FINANCIAL ASSETS						
Cash and cash equivalents	6	0.6%	2,757,118	-	34,429	2,791,547
Trade and other receivables	7	-%	-	-	2,141,456	2,141,456
Financial assets	11	2.48%	-	2,044,671	29,945,840	31,990,511
TOTAL FINANCIAL ASSETS			2,757,118	2,044,671	32,121,725	36,923,514
FINANCIAL LIABILITIES						
Trade and other payables	12	-%	-	-	(16,599,416)	(16,599,416)
Borrowings	13	3.4%	(380,000)	(66,430)	-	(446,430)
TOTAL FINANCIAL LIABILITIES			(380,000)	(66,430)	(16,599,416)	(17,045,846)
NET FINANCIAL ASSETS			2,377,118	1,978,241	15,522,309	19,877,668

2016		Weighted average effective interest rate	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
FINANCIAL ASSETS						
Cash and cash equivalents	6	0.97%	3,042,475	-	35,281	3,077,756
Trade and other receivables	7	-%	-	-	2,814,032	2,814,032
Total financial assets	11	3.57%	-	599,450	31,731,823	32,331,273
TOTAL FINANCIAL ASSETS			3,042,475	599,450	34,581,136	38,223,061
FINANCIAL LIABILITIES						
Trade and other payables	12	-%	-	-	(19,692,645)	(19,692,645)
Trade and other payables	13	4.08%	(1,500,000)	(106,288)	-	(1,606,288)
TOTAL FINANCIAL LIABILITIES			(1,500,000)	(106,288)	(19,692,645)	(21,298,933)
NET FINANCIAL ASSETS			(2,348,393)	3,698,850	1,542,475	493,162

Notes to the Financial Statements

20. FINANCIAL RISK MANAGEMENT (Cont.)

Interest rate sensitivity

At 30 June 2017, if interest rates had changed by +/-0.5% during the entire year with all other variables held constant, surplus for the year and equity would have been \$24,009 lower/higher (2016: \$18,209 lower/higher), mainly as a result of lower/higher interest income from cash and cash equivalents.

2017	Carrying amount	+0.5% change		-0.5% change	
		Surplus	Equity	Surplus	Equity
FINANCIAL ASSETS	\$	\$	\$	\$	\$
Cash and cash equivalents	2,757,118	(13,786)	(13,786)	13,786	13,786
Financial assets	2,044,671	(10,223)	(10,223)	10,223	10,223
	4,801,789	(24,009)	(24,009)	24,009	24,009

2016	Carrying amount	+0.5% change		-0.5% change	
		Surplus	Equity	Surplus	Equity
FINANCIAL ASSETS	\$	\$	\$	\$	\$
Cash and cash equivalents	3,042,475	15,212	15,212	(15,212)	(15,212)
Financial assets	599,450	2,997	2,997	(2,997)	(2,997)
	3,641,925	18,209	18,209	(18,209)	(18,209)

(b) Market price risk

Market price risk is the risk that the Council's operations will be adversely affected by a significant adverse fluctuation on the value of its available-for-sale investments. The Council has engaged a licensed investment advisor to advise on the management of its investment portfolio. The Board has approved risk and return parameters for investment in available-for-sale investments and receives reports from management and its licensed investment advisor on a quarterly basis regarding the performance of the investment portfolio.

A change in the market value of these investments by +/-5%, with all other variables held constant would have increased/(decreased) the Council's total equity as shown below.

	Carrying amount	+5% change equity	-5% change equity
Financial Assets	\$	\$	\$
Available-for-sale financial assets	29,945,840	1,497,292	(1,497,292)

(c) Liquidity risk

The Council manages liquidity risk by monitoring forecast cash flows and ensuring that adequate liquid funds are maintained. When necessary, cash for unforeseen events may be sourced from the sale of the Council's financial assets.

Remaining contractual maturities

The following tables detail the Council's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

2017	Weighted average interest rate %	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Remaining contractual maturities
Non-derivatives						
<i>Non-interest bearing</i>						
Trade and other payables	-%	16,599,416	-	-	-	16,599,416
<i>Interest-bearing -</i>						
Bank loans- variable rate *	3.40%	380,000	-	-	-	380,000
Lease liability- fixed rate	7.55%	39,858	26,572	-	-	66,430
Total non-derivatives		17,019,274	26,572	-	-	17,042,846

* The term of the bank loan is three years. Terms of the loan agreement stipulate the facility will be reviewed each year, to determine whether the facility will be continued, cancelled or reduced. Correspondingly the balance has been classified as a "current liability" in the category of "1 year or less" above.

2016	Weighted average interest rate %	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Remaining contractual maturities
Non-derivatives						
<i>Non-interest bearing</i>						
Trade and other payables	-%	19,692,645	-	-	-	19,692,645
<i>Interest-bearing -</i>						
Bank loans- variable rate *	3.98%	1,500,000	-	-	-	1,500,000
Lease liability- fixed rate	7.55%	39,858	39,858	26,572	-	106,288
Total non-derivatives		21,232,503	39,858	26,572	-	21,298,933

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

(d) Credit risk

The Council is exposed to credit risk in respect of funds deposited with banks and other financial institutions. Funds are deposited only with those banks and financial institutions approved by the Board.

(e) Net Fair Values

The financial assets and financial liabilities included in current assets and current liabilities in the statement of financial position are carried at amounts that approximate their net fair values.

Notes to the Financial Statements

21. FAIR VALUE MEASUREMENTS

Fair value hierarchy

The following tables detail the Council's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

30 June 2017	Note	Level 1	Level 2	Level 3	Total
		\$	\$	\$	\$
<i>Assets</i>					
Listed Securities available-for-sale	11	17,147,250	-	-	17,147,251
Managed funds available-for-sale	11	12,798,590	-	-	12,798,590
Total assets		29,945,840	-	-	29,945,841

30 June 2016	Note	Level 1	Level 2	Level 3	Total
		\$	\$	\$	\$
<i>Assets</i>					
Listed Securities available-for-sale	11	17,750,615	-	-	17,750,615
Managed funds available-for-sale	11	13,981,208	-	-	13,981,208
Total assets		31,731,823	-	-	31,731,823

Assets and liabilities held for sale are measured at fair value.

There were no transfers between levels during the financial year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

22. CONTINGENT LIABILITIES

At 30 June 2017, a Bank Guarantee in the sum of \$1,753,000 is held by the Department of Racing Gaming and Liquor as security for the future Lottery obligations of the Council.

23. EVENTS SUBSEQUENT TO REPORTING DATE

Since 30 June 2017, no event has arisen that would be likely to affect the operations or the state of affairs of the Council, not otherwise disclosed in the Council's financial report.

24. COUNCIL DETAILS

(a) Incorporation

The Council is a public benevolent institution incorporated in Western Australia.

(b) Registered Office

The Council's registered office and principal place of business is:
Level 1, 420 Bagot Road
Subiaco WA 6008

(c) Principal Activities

The Council works with our community to reduce the incidence and the impact of cancer.

(d) Significant changes in activities

There were no significant changes in activities during the year.

Frequently Asked Questions

How much income was generated in 2016 - 2017?

Total operating income for the year ending 30 June 2017 from all of our activities was \$31,669,398.

What were the main sources of income in 2016 - 2017?

Community and fundraising events, donations and bequests raised over \$21 million this financial year, accounting for 67.7% of operating income. Other significant revenues were sourced from grants for cancer education and prevention programs, from reimbursements from the Patient Assisted Travel Scheme and from investments.

What income or support do you receive from the government?

We do not receive any direct funding from the government for our Cancer Information and Support Services. We receive grants from the government to run specific programs in the area of health promotion, cancer prevention and health professional education. This grant income allows us to run large-scale campaigns such as Make Smoking History, SunSmart and LiveLighter. These campaigns are often run in partnership with other health organisations to maximise impact.

How much did it cost to operate the organisation this year?

We spent \$34,312,357 on operational expenses this year, with almost \$18 million allocated to research, education and prevention programs, and to cancer information and support services.

How much did you spend on research, and how do you decide what to fund?

This financial year we invested \$3.61 million in funding and administering cancer research projects. We decide which grant applications to fund through a strict peer review process. Each grant application is evaluated by our Research Committee and by our Postdoctoral and Pre-doctoral Subcommittees, which include locally and internationally recognised researchers, as well as consumer representatives.

Our Research Committee's role is to assess and award funds on the basis of their scientific quality. This competitive structure enables us to direct funding to the most promising research conducted across a range of institutes and universities, wherever the best research occurs. Our Research Committees generously volunteer their time, knowledge and expertise.

What do your Mission Enabling costs include?

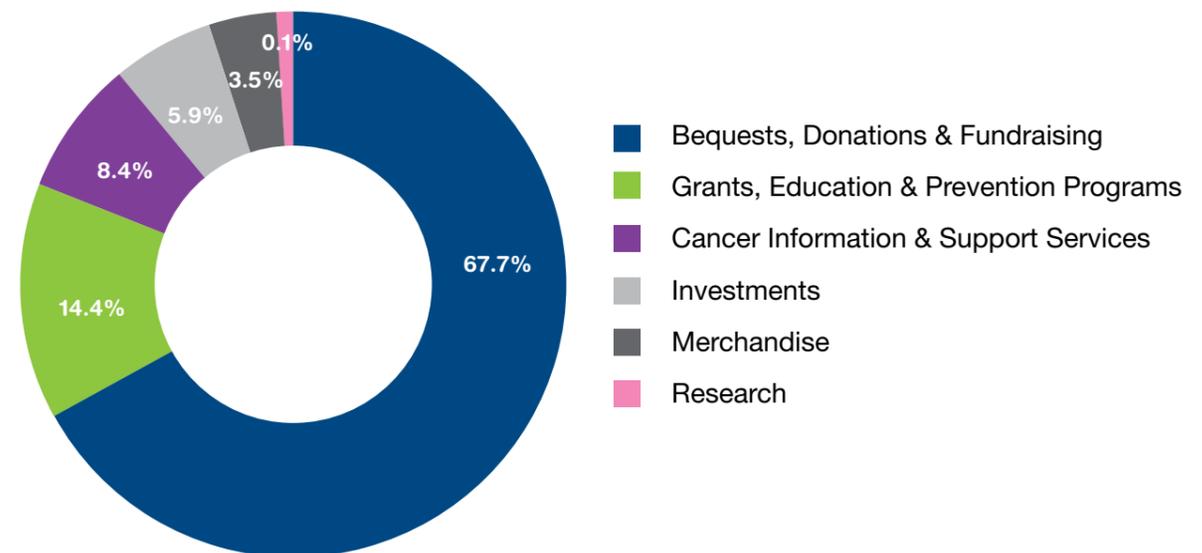
Our Mission Enabling costs include accounting, occupational health and safety, human resource management, donations processing, contracts administration, and information technology. These costs enable us to run all aspects of our organisation effectively and accountably.

Efficient infrastructure underpins all areas of our work including our cancer support services, our cancer prevention programs, and our research funding program. These frameworks also ensure that our fundraising activities are absolutely transparent. As a non-profit organisation we are committed to keeping these costs as low as possible, however it is essential we have the highest standards of accountability and transparency, and we make the necessary investment to ensure these obligations are met.

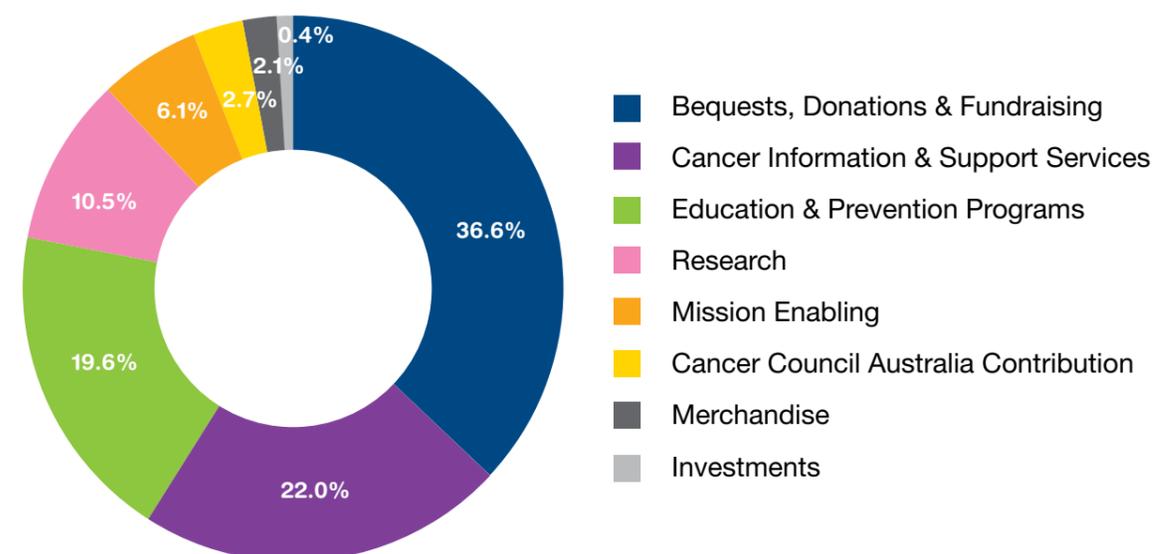
Who decides where Cancer Council WA spends its money?

The Board and the Executive approve a complete financial plan each year, which has been developed by Cancer Council WA staff. Quarterly performance against this plan is reported to the Finance Committee, a subcommittee of the Board. Our Board and Finance Committee generously volunteer their time, knowledge and expertise.

How we raised our operational funds in 2016-17



How we spent our operational funds in 2016-17



Our Structure

BOARD

Prof George Yeoh (President)
Prof Kingsley Faulkner (Vice President)
Ms Pina Caffarelli
Hon Hendy Cowan
Prof Michael Henderson
Mr Matt Kelly
Adj/A/Prof Violet Platt
Prof Christobel Saunders (resigned May 2017)
Ms Suzanne Ardagh
Dr Paul Cannell
Mr Gavin Bain (appointed September 2016)
Ms Cheryl Chan (appointed November 2016)

EXECUTIVE TEAM

Mr Ashley Reid (Chief Executive Officer) (appointed May 2017)
Ms Susan Rooney (Chief Executive Officer) (resigned April 2017)
Mr Martin Hall (Corporate Services Director)
Ms Sandy McKiernan (Cancer Information and Support Services Director)
Ms Lillian Ryan (Business Development Director)
Mr Terry Slevin (Education and Research Director)

SUB-COMMITTEES

Finance Committee

Ms Pina Caffarelli (Chair)
Mr Matt Kelly
Mrs Molly Nuttall
Ms Tracie Clark

Governance Committee

Prof George Yeoh (Chair)
Ms Suzanne Ardagh
Ms Pina Caffarelli
Ms Cheryl Chan (appointed November 2016)

Nominations Committee

Hon Hendy Cowan (Chair)
Prof Christobel Saunders (resigned May 2017)
Prof George Yeoh
Ms Suzanne Ardagh
Prof Michael Henderson

RESEARCH COMMITTEES

Research Grants Advisory Committee

Prof Lin Fritschi (Chair)
Prof Ruth Ganss (acting Chair)
A/Prof Evan Ingley
Prof Daniel Galvao
Prof Barry Iacopetta
Dr Andy Redfern
Prof David Preen
Mr Paul Katris (resigned October 2016)
Mr Dan Byles
Ms Susan Hayes
Ms Kristen Huey
Mr Kilian Woulfe

Postdoctoral Subcommittee

A/Prof Evan Ingley (Chair)
Prof Ruth Ganss
A/Prof Martin Ebert
Dr Georgia Halkett
Prof Alison Reid
Ms Barbara Daniels
Mr Wen-Jun Lee
Mr Matthew Taylor
Ms Vanessa Samuels

Pre-doctoral Subcommittee

Prof Daniel Galvao (Chair)
Dr Keith Giles
Dr Anna Nowak
Mr Geoffrey Jalleh
Dr Kathy Fuller
Dr Juliana Hamzah
Ms Diana Andrew
Ms Julie Duxbury
Ms Ines Janca
Mr Cale Johnson

LIFE MEMBERS

Mrs L Barter
Mrs L Carroll
Mr G Cornish
Mrs B Hatcher
Mrs J Hynam
Mr R Keall
Mr J McGowan
Mrs M Nuttall
Mrs S Parker
Dr M Samuels
Mr H Sheiner
Mr R Walker
Prof M Walters
Mrs A Wilmot

Our Board



PROFESSOR GEORGE YEOH

(Appointed June 2009)

George undertakes research at the Harry Perkins Institute of Medical Research in the laboratory for Liver Disease and Carcinogenesis. He has had a long term interest in liver development and cancer. George is a Senior Honorary Research Fellow in the School of Molecular Sciences and Emeritus Professor in the School of Medicine & Pharmacology at The University of Western Australia where he taught and undertook research for more than 40 years. He was Chair of our Research Grants Committee for eight years and a Board member of the Institute for Respiratory Health, Deputy Director of the UWA Centre for Cell Therapy and Regenerative Medicine and a member of the NHMRC Translational Research Faculty. George is a Board member of Cancer Council Australia and sits on the Advisory Council of Cancer Australia. George is also Chairman of the Board and President of Cancer Council WA.



HON HENDY COWAN

(Appointed June 2001)

Hendy served for five years as the President of Cancer Council WA until 2008. He is a past President of the Cancer Council Australia Board, retiring in October 2013. Hendy was made an Officer in the Order of Australia in June 2014. In 2005, he was elected Chancellor of Edith Cowan University. From a background in farming, Hendy Cowan became one of the long-serving and most accomplished parliamentarians in the history of WA. For 27 years, he was elected a member of the WA Legislative Assembly, including 23 years as Leader of the National Party and eight years as Deputy Premier of WA before retiring in October 2001. Hendy holds two honorary doctorates. In the WA Citizen of the Year Awards in 2005, Hendy won the Governor's Award for Regional Development.



PROFESSOR KINGSLEY FAULKNER

(Appointed March 2013)

Kingsley is a graduate of The University of Western Australia, trained in surgery and is currently on the academic staff of the School of Medicine, Fremantle, UNDA. He was Head of the Department of General Surgery at SCGH 1994-2001 and has treated many patients with cancer. He has held leading roles with the Australian Council on Smoking and Health (ACOSH) over a 35 year period. Following election to the Council of the Royal Australasian College of Surgeons (RACS), he served as President of it from 2001 to 2003 and is currently Chair of the Board, Foundation for Surgery, RACS. He remains committed to cancer prevention, research, therapeutic advances and support. In 2014, he prepared a report for the Health Department of Western Australia on surgical oncology planning for the next decade. Since mid-2016, Kingsley has been an East Metropolitan Health Service (EMHS) Board member.



PROFESSOR CHRISTOBEL SAUNDERS

(Appointed November 2001 - resigned May 2017)

Christobel Saunders is Winthrop Professor of Surgical Oncology, academic surgeon, cancer researcher and educator of surgery at the School of Surgery, The University of Western Australia. She has been closely involved in strategic planning and management of health cancer services in Western Australia as author of the WA Health Cancer Services Framework and as first A/Director, WA Cancer and Palliative Care Network. She sits on boards of a number of cancer organisations including BreastSurgANZ and is a past-President of CCWA. She has contributed to many clinical aspects of breast cancer research including clinical trials of new treatments, psychosocial, translational and health services research. Christobel is active in several areas of surgical oncology cancer research, with a particular emphasis on breast cancer.



PINA CAFFARELLI

(Appointed October 2009)

Pina's professional career spans over almost 30 years in taxation and business advisory services. She commenced public practice at Ernst and Young where she qualified as a chartered accountant. In 1989, she set-up her own boutique specialist accounting and tax practice known as Caffarelli and Associates, providing various services to clients including taxation, accounting, auditing and specialist advice for small business and the not for profit sector. She is also a Chartered Tax Advisor (Taxation Institute) and a Fellow of the Chartered Accountants in Australia and NZ and is a member of the Australian Institute of Company Directors. She currently chairs our Finance Committee and is also a member of our Governance Committee. Pina has held various board positions over the last 25 years, currently holding board positions in the area of arts, sport and health.



PROFESSOR MICHAEL HENDERSON

(Appointed November 2003)

Amongst a number of other community services, Michael is Founder and Chairman of the International Skills and Training Institute in Health, national Vice Chairman of CSIRO's Digital Productivity and Services Flagship Advisory Committee, a Member of the WA State Training Board – Scenario Working Group and a Member of the West Australian Ballet Board. He is a strong promoter internationally of healthcare, education and research, having been pivotal in the creation and development of a number of national and international research and training institutes. Michael was the 2011 Ernst and Young Social Entrepreneur of the Year and was a 2015 Western Australian of the Year finalist. He is a Fellow of the Australian Institute of Management.

Our Board



ADJ. ASSOCIATE PROFESSOR VIOLET PLATT

(Appointed July 2006)

Violet is Co-Director and Director of Nursing of The Western Australia Cancer and Palliative Care Network and Adjunct Associate Professor at The University of Notre Dame and Edith Cowan University. Violet leads a state wide team of Cancer Nurse Coordinators and Cancer Nurses and represents cancer services and nursing on many National Committees. Violet has worked in cancer care since 1985, training at Christie Hospital in the UK. She established several nurse led oncology and palliative care services before becoming Lead Cancer Nurse on the Isle of Man. When she emigrated to Australia in 2003, Violet managed the Medical Oncology Department at Sir Charles Gardiner Hospital, Nedlands and was the nursing representative on the Western Australia Cancer Taskforce.



GAVIN BAIN

(Appointed September 2016)

Gavin is CEO of leading Perth communications agency Meerkats – The Brand Leadership Company. He has spent over 20 years working in and alongside some of Western Australia's most loved and successful brands, and brought his Marketing skills to bear in Board positions at Nulsen, and West Australian Ballet. Gavin is also the current Chair of the Communications Council in WA, Patron of the Perth Advertising & Design Club and long time supporter of Youth Focus over several years.



MATT KELLY

(Appointed March 2010)

Matt is a partner with KPMG. He began his career at KPMG in London in 1991 before qualifying as Chartered Accountant in 1994 and transferring to Australia in 2000. His work involves due diligence on and for companies, Government departments, private equity firms and banks. Matt has a BSc (Hons) in Business Administration from the University of Bath and is a Member of the Australian Institute of Company Directors, the Institute of Chartered Accountants in Australia and the Institute of Chartered Accountants in England and Wales. He is also a strong supporter of Youth Focus and has ridden from Albany to Perth on the Ride for Youth in seven of the last eight years.



SUZANNE ARDAGH

(Appointed September 2014)

Suzanne Ardagh is a senior management executive and business leader with more than 30 years international and domestic experience. Her career has spanned diplomacy, corporate affairs, the tertiary education sector and membership associations. She has an extensive background in business development, strategic marketing, communications, international affairs and corporate governance. She has lived and worked in Europe, Latin America and most recently, in South East Asia, where she established the international arm of the Australian Institute of Company Directors. As a Director, Suzanne has served on both international and national Boards in the health sector, international aid development and the arts over the past ten years.



DR PAUL CANNELL

(Appointed May 2016)

Dr Paul Cannell graduated from The University of Western Australia in 1981. He trained as a Haematologist in Perth and spent two years post fellowship in the Haematology Department at the Royal Free Hospital in London working as a Research Fellow in the department of Professor Victor Hoffbrand. He was appointed as a Consultant Haematologist to Royal Perth Hospital in 1993. He was appointed as Head of Service in 2005 and continued in this position until transferring to Fiona Stanley Hospital in 2014 where he holds the posts including Co-Director of Medical and Surgical Specialties and Discipline Lead for PathWest Haematology. He continues to practice as a clinician with particular interest in haematologic malignancy and bone marrow transplantation.



CHERYL CHAN

(Appointed November 2016)

Cheryl Chan has over 15 years' experience as a lawyer, specialising in employment and discrimination law, and has worked across a number of different industries such as oil and gas, retail, financial services, health, education and government. She has worked in Perth, Melbourne and London and has managed numerous high profile mergers, acquisitions and divestments, regulatory investigations, employment and discrimination issues and litigation and industrial relations issues. She is currently responsible for all legal issues relating to staff across the Asia Pacific region for a global oil and gas company. Cheryl also chairs an independent public school board and has previously served on the board of 100 Women and the Inner North Community Foundation. In 2017, she was selected as a participant in the Australian Institute of Company Directors - Director Pipeline Project. Cheryl's skills include strategy, change management, mergers and acquisitions, corporate governance and risk management, crisis management, legal, industrial relations and leadership.

Corporate partners

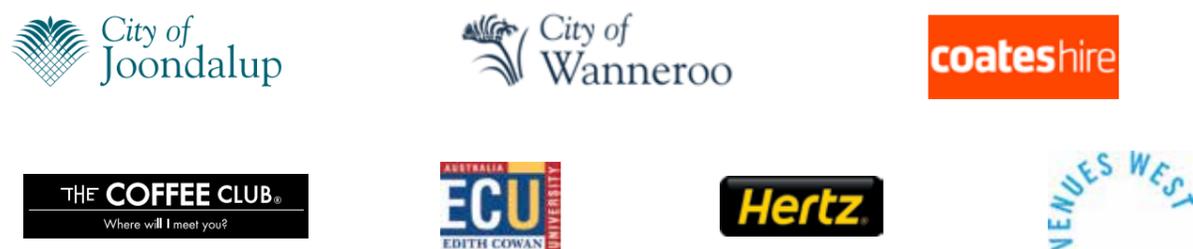
Principal Partner



Major Partners



Event Partners



Media Partners



Research Program 2017

We aim to keep growing our vital investment in research so that we can move closer to the day when we live in a cancer-free world. The Research Program 2017 was proudly supported in the names of:

Anonymous	Estate of Juidth Smart
Annadora Horne & Thelma Norris Trust Fund	Estate of Bridget Teal
Australia Post	Friends of Cancer Council WA
Burracoppin Daffodil Day Committee	Gilmac Pty Ltd
Blueprint Wealth	The Dorothy and Bill Irwin Charitable Trust
Carnarvon Lions Club Cancer Research Foundation	Jill Tilly
Peter and Iris Cook Metastases Research	Janifer Joy Mason
Curtin University Community	James Crofts Hope Foundation Vacation Scholarship
Cynthia Noonan and Family	Knitters for a Cure Relay For Life team
Deeny O'Shaughnessy	Leah Jane Cohen
Ee Family	Lions Cancer Institution PhD Top Up Scholarship
Edward and Patricia Usher Cancer Research Assistance Fund	Momentum for Australia Ltd
Estate of Roy Billing	Mitsui Iron Ore Development Pty Ltd
Estate of Eleanor Bysouth	N & M Nakashima
Estate of Shaun Carlson	Nannup Craft and Quilting Group
Estate of Daisy De Gennaro	Joseph and Betty Pitschel Pain Relief Fund
Estate of Terttu Jauhiainen	Shutter Bugs Relay For Life Busselton
Estate of Harold Marley	Swan Athletic Senior Citizens
Estate of Les Matheson	William Barrett & Sons
Estate of Margaret Shoesmith	West Coast Eagles Football Club
Estate of Dennis Owen	The Women of the Greek Community
Estate of Lillian Rowlands	Yvonne Baker Foundation
	The Youngberg Women's Cancer Research Fellowship

We would like to thank all our amazing supporters who made our work in 2016-2017 possible. With your help, we continue to work towards our vision of a cancer-free future.