



**Cancer
Council**
Queensland

Working towards a cancer free future

FINANCIAL REPORT 2017

Every **minute**, every **hour**, every **day**, we're working towards our vision of a **cancer free future.**

OUR MISSION

Reducing the burden of cancer. Cancer Council Queensland (CCQ) raises funds that are dedicated to improving quality of life for people living with cancer, through research, patient care, prevention and early detection.

OUR PURPOSE

CCQ is dedicated to supporting the community in cancer control. CCQ is dynamic, outcome focused, responsive to community needs, committed to voluntarism and the pursuit of excellence in all its activities. All employees and volunteers from CCQ, through their work, are actively involved in cancer control.

OUR VALUES

With integrity, agility and a deep sense of belonging – we are committed to supporting the cancer community.

WE WORK ACROSS EVERY ASPECT OF CANCER.

We support Queenslanders affected by cancer.

We work with the community to change laws and policies to reduce cancer risks and improve cancer-care.

We conduct and fund world-class research to reduce the impact of cancer.

We empower Queenslanders to reduce their cancer risk.



Finance Report

FOR THE 12 MONTHS ENDED DECEMBER 31 2017

Every day, we work tirelessly across every aspect of cancer, funding research, delivering prevention programs, advocating for change and providing support to those affected.

The total income for the financial year that ended December 31, 2017 was \$32,609,879. In the same period, expenditure was \$31,199,753, leaving an operating surplus of \$1,410,126.

It was pleasing to report a surplus result for 2017 despite falling income.

Income was down \$2,871,842 and expenses were down by \$2,514,033 from 2016.

Fundraising income was down by \$1,929,797 from 2016.

Fundraising was down due to lower bequests and lower income from national events (Relay For Life, Australia's Biggest Morning Tea, Daffodil Day and Girls' Night in). National events have been in decline for a number of years. A national fundraising leadership team (made up of representatives from all state Cancer Councils) is working together on a new three-year plan. The main emphasis of the plan is to arrest the decline in income and to make the events more cost effective.

The lower fundraising income was more than offset by lower fundraising costs. Fundraising costs were down \$2,118,785 from 2016. The board made the decision in June 2017 to cease investing in face to face donor development. The market for face to face regular giving had become very competitive, with attrition rates increasing to a point where the return on investment was too low for the risk being taken. The reduction in spend in this area in 2017 was \$1,072,869. A further \$1,045,916 was saved through reduced event and campaign costs.

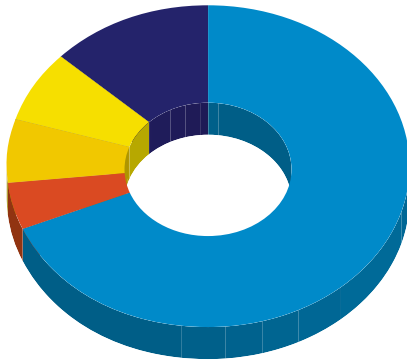
THE MAIN SOURCES OF REVENUE WERE:

	2017	2016
	\$'000	\$'000
Fundraising	22,492	24,422
Retail Revenue	1,509	1,847
Investment Income	2,177	1,557
Accommodation Lodge Income	2,345	2,174
Grants and Other Income	4,203	5,233
Total Revenue	32,725	35,234
Other Income/(Losses)	(115)	248
Total Income	32,610	35,482

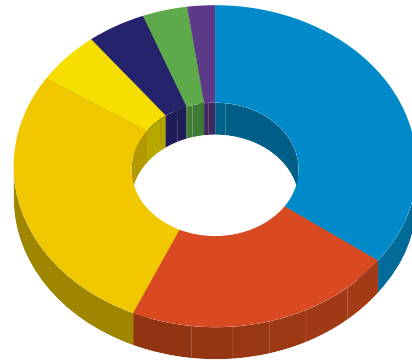
THE MAIN AREAS OF EXPENDITURE WERE:

	\$'000	\$'000
Fundraising expenses	8,616	10,735
Retail expenses	679	1,085
Corporate Services and depreciation	1,136	1,244
Accommodation Lodge Expenses	1,413	1,497
Research	10,983	10,493
Advocacy and prevention	1,637	1,389
Cancer services and support	6,735	7,271
Total Expenses	31,200	33,714
Net surplus	1,410	1,768

Revenue by source



Expenditure by area



Full financial details for the year ending December 31, 2017 have been reported in the Financial Statements on pages 6 to 33. These financial statements have been independently audited and the Auditor's Report is included in the statements.

The 2017 result reflects Cancer Council Queensland's strong commitment to best-practice cancer control in a difficult environment for fundraising. We express our sincere appreciation to all our supporters for their continuing contribution.

At the end of 2015, Cancer Council Queensland set a target to achieve a balanced budget over future years through continued investment to generate income growth and through the pursuit of operational efficiencies.

In 2017 the balanced budget was achieved, mainly through operational efficiencies. Growth in income and continued operational efficiencies needs to continue in future years in order to maintain this balanced budget and create increased opportunity to invest in increased research and cancer support services.

EMPLOYEES AND VOLUNTEERS

CCQ benefits immensely from its dedicated and multi-skilled employees, who draw from a broad range of professional experiences that are applicable to the many duties and activities in which they are individually involved. It is a privilege to acknowledge their contribution and thank them for their continued efforts throughout the year.

The efforts of employees are enhanced by the contribution of a vast network of registered volunteers and supporters who generously commit their time to our work.

Without their contribution we would be unable to continue research and provide cancer-related services to the Queensland community.

We recognise with abiding gratitude the contribution of all of our volunteers.

I thank the members of the Finance, Audit and Risk Management Committee for 2017 – Andrew Arkell, Marian Micalizzi, Roger Traves and Robert Gregg – and our professional advisors for their wise guidance and counsel. Their knowledge and experience in matters of business and commerce is invaluable to the continued maintenance of Cancer Council Queensland's financial position.

I would also like to acknowledge and welcome the two recent additions to our team in Penny Shield, Partner in Advisory at Ernst and Young and Dr Louise Kelly, lecturer in Advertising and Digital Media, QUT who I am sure will add further invaluable insights and to particularly thank my predecessor in this role, CCQ's Chairman, Andrew Arkell, for his ongoing support of the Committee.

Steve Wiltshire

Chairman
Finance, Audit and Risk Management Committee

Statement of profit or loss and other comprehensive income

FOR THE YEAR ENDED DECEMBER 31, 2017

	Note	2017 \$	2016 \$
Revenue			
Revenue	2	32,725,185	35,233,503
Other income/(losses)	2	(115,306)	248,218
Expenses			
Fundraising expenses	3	(8,616,020)	(10,734,806)
Retail expenses	3	(679,453)	(1,084,592)
Depreciation and amortisation expenses	3	(842,582)	(929,450)
Administration expenses	3	(293,119)	(315,149)
Partnership & Engagement	3	(1,636,832)	(1,389,544)
Community Services and Public Health expenses	3	(6,735,409)	(7,270,689)
Accommodation Lodge expenses	3	(1,412,955)	(1,496,733)
Research expenses	3	(10,983,384)	(10,492,823)
Surplus/(Deficit) before income tax expense		1,410,126	1,767,934
Income tax expense	1 (c)	-	-
Surplus/(Deficit) for the year		1,410,126	1,767,934
Other Comprehensive Income/(Deficit)			
Items that will not subsequently be reclassified to profit or loss			
Change in fair value of land and buildings		-	(576,592)
Change in fair value of financial assets		323,382	1,094,200
Net gain/(loss) on disposal of available for sale financial assets		(86,404)	(5,901)
Other Comprehensive Income for the year		236,979	511,707
Total Comprehensive Income/(Deficit)		1,647,105	2,279,641

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes

Statement of financial position

AS AT DECEMBER 31, 2017

	Note	2017 \$	2016 \$
Current Assets			
Cash and cash equivalents	7	3,015,367	1,840,304
Trade and other receivables	8	1,568,999	1,720,350
Inventories	9	304,310	259,869
Financial assets	10	8,010,000	8,010,000
Other current assets	11	188,115	138,737
Total Current Assets		13,086,791	11,969,260
Non-current Assets			
Financial assets at fair value through other comprehensive income	10	20,836,769	19,795,684
Investment properties	12	-	-
Property, plant and equipment	13	27,023,264	27,499,246
Intangible assets	14	57,118	95,115
Total Non-current Assets		47,917,151	47,390,046
Total Assets		61,003,942	59,359,306
Current Liabilities			
Trade and other payables	15	4,116,888	4,220,319
Short-term unpaid grants	16	3,172,393	3,915,714
Provisions	17	696,874	932,561
Total Current Liabilities		7,986,155	9,068,594
Non-current Liabilities			
Long-term unpaid grants	16	1,100,000	-
Provisions	17	223,146	243,176
Total Non-current Liabilities		1,323,146	243,176
Total Liabilities		9,309,301	9,311,769
Net Assets		51,694,641	50,047,536
EQUITY			
Marylyn and John Mayo Reserve Fund	19	3,765,258	3,553,111
Reserves	19	9,657,541	9,425,471
Accumulated surplus		38,271,842	37,068,956
Total Equity		51,694,641	50,047,536

The above Statement of Financial Position should be read in conjunction with the accompanying notes

Statement of changes in equity

FOR THE YEAR ENDED DECEMBER 31, 2017

	Asset Revaluation Reserve \$	Financial Assets Revaluation Reserve \$	Subtotal \$	Marylyn and John Mayo Reserve \$	Accumulated Surplus \$	Total \$
Balance at 1 January 2016	4,650,010	4,361,595	9,011,605	3,257,798	35,498,492	47,767,895
Surplus for the year after income tax	-	-	-	-	1,767,934	1,767,934
Other comprehensive income	(576,592)	990,458	413,866	97,842	-	511,707
Transfer of Mayo income to reserve	-	-	-	197,472	(197,472)	-
Balance at 31 December 2016	4,073,418	5,352,053	9,425,471	3,553,112	37,068,954	50,047,536
Surplus for the year after income tax	-	-	-	-	1,410,126	1,410,126
Other comprehensive income	-	232,070	232,070	4,908	-	236,978
Transfer of Mayo income to reserve	-	-	-	207,239	(207,239)	-
Balance at 31 December 2017	4,073,418	5,584,123	9,657,541	3,765,258	38,271,842	51,694,641

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes

Statement of cash flows

FOR THE YEAR ENDED DECEMBER 31, 2017

	Note	2017 \$	2016 \$
Cash flows from operating activities			
Receipts from customers and fundraising		32,600,794	33,219,131
Interest received		228,384	336,975
Dividends received		1,643,013	1,249,857
Payments to suppliers and employees		(32,090,796)	(33,931,460)
Net cash inflow/(outflow) from operating activities	24 (b)	2,381,393	874,503
Cash flows from investing activities			
Payments for property, plant and equipment		(571,164)	(1,036,454)
Proceeds from sale of property, plant and equipment		127,255	589,159
Reinvestment of dividends		(873,879)	(763,474)
Proceeds from sale of investment property		-	1,035,000
Proceeds from sale of / (payment for) other investments		111,457	(60,860)
Current Financial assets (increase)/decrease		-	(2,000,000)
Net cash inflow/(outflow) from investing activities		(1,206,330)	(2,236,629)
Net increase in cash and cash equivalents		1,175,063	(1,362,126)
Cash and cash equivalents at beginning of the year		1,840,304	3,202,430
Cash and cash equivalents at end of the year	24 (a)	3,015,367	1,840,304

The above Statement of Cash Flows should be read in conjunction with the accompanying notes

Notes to the financial statements

FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 1

CORPORATE INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

CORPORATE INFORMATION

The financial statements of Cancer Council Queensland (the Company) for the year ended 31 December 2017 were authorised for issue in accordance with a resolution of the directors on 22 May 2018 and cover Cancer Council Queensland as an individual entity as required by the Australian Charities and Not-for-profits Commission Act 2012.

The financial statements are presented in Australian currency.

Cancer Council Queensland is a company limited by guarantee incorporated in Australia. The address of the registered office and principal place of business is 553 Gregory Terrace, Fortitude Valley, QLD 4006.

Cancer Council Queensland is a not for profit entity for financial reporting purposes.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Commission Act 2012.

The financial statements may not fully comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board, due to the inclusion of specific not for profit paragraphs in Australian Accounting Standards.

Historical cost convention

The financial statements have also been prepared on a historical cost basis, except for land and buildings and financial assets, which are valued at fair value through other comprehensive income.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 1(t).

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

(b) Revenue Recognition

Revenue is recognised at the fair value of consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid. The following specific recognition criteria must also be met before revenue is recognised:

Sale of Goods

Revenue from sale of goods is recognised when the significant risks and rewards of ownership have passed to the buyer and can be reliably measured. Risks and rewards are considered passed to buyer when goods have been delivered to the customer.

Rendering of Services

Revenue from Cancer Council Queensland services is recognised when the service is provided.

Fundraising and Bequests

Revenue from fundraising, including bequests, is recognised when received.

Interest

Revenue is recognised as interest accrues using the effective interest method. The effective interest method uses the effective interest rate which is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial asset.

Dividends

Dividends are recognised as revenue when the company's right to receive payment is established.

Rental Income

Rental income on investment properties is accounted for on a straight-line basis over the lease term. Contingent rentals are recognised as income in the periods when they are earned.

Government Grants

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 relating to the purchase of property, plant and equipment are recognised when the grant has been received and the company complies with all the attached conditions.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

(c) Income Tax

Cancer Council Queensland is exempt from income tax.

(d) Cash and Cash Equivalents

For the purposes of the Statement of Cash Flows, cash and cash equivalents includes cash on hand and at bank, deposits held at call with financial institutions, other short term, highly liquid investments with 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) Trade and Other Receivables

Trade receivables are recognised at original invoice amounts less an allowance for uncollectible amounts and have repayment terms between 30 and 90 days. Collectability of trade receivables is assessed on an ongoing basis. Debts which are known to be uncollectible are written off. An allowance is made for doubtful debts where there is objective evidence that the Company will not be able to collect

all amounts due according to the original terms.

Objective evidence of impairment include financial difficulties of the debtor, default payments or debts more than 90 days overdue. On confirmation that the trade receivable will not be collectible the gross carrying value of the asset is written off against the associated provision.

From time to time, the Company elects to renegotiate the terms of trade receivables due from customers with which it has previously had a good trading history. Such renegotiations will lead to changes in the timing of payments rather than changes to the amounts owed and are not, in the view of the directors, sufficient to require the derecognition of the original instrument.

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

(f) Inventories

Inventories are stated at the lower of cost and replacement cost. Costs are assigned to inventories using the weighted average/first-in-first-out basis. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated selling cost of completion and selling expenses.

(g) Investments and Other Financial Assets

All investments and other financial assets are initially stated at cost, being the fair value of consideration given plus acquisition costs. Purchases and sales of investments are recognised on trade date which is the date on which the Company commits to purchase or sell the asset. Accounting policies for each category of investments and other financial assets subsequent to initial recognition are set out below.

Held-to-Maturity Investments

Held-to-Maturity Investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company has the positive intention and ability to hold-to-maturity and are measured at fair value.

Financial Assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are held at fair value at each reporting date. Fair value has been determined by reference to Securities Exchange quoted market bid prices at the close of business at the end of the reporting period. The company has made an irrevocable election on the initial recognition to present gains and losses on these investments in

Notes to the financial statements

FOR THE YEAR ENDED DECEMBER 31, 2017

equity instruments which are not held for trading in other comprehensive income. These equity investments represent investment holding that the company intends to hold for long-term strategic purposes. Dividends in respect of these investments that are a return on investment, are recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.

For investments where there is no quoted market price, fair value is determined by reference to the current market value of another instrument which is substantially the same or is calculated based on the expected cash flows of the underlying net asset base of the investment.

(h) Fair Values

Fair values may be used for financial asset and liability measurement and as well as for sundry disclosures.

Fair value is 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. It is based on the presumption that the transaction takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market. The principal or most advantageous market must be accessible to or by, the Company.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

The fair value measurement of a non-financial asset takes into account the market participant's ability to generate economic benefits by using the asset at its highest and best use or by selling it to another market participant that would use the asset at its highest and best use.

In measuring fair value, the Company uses valuation techniques that maximise the use of observable inputs and minimise the use of unobservable inputs.

(i) Property, Plant and Equipment

Land and buildings are measured at fair value less accumulated depreciation. Any accumulated depreciation at revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated as the revalued amount of the asset. Any revaluation surplus is recorded in other comprehensive income and hence, credited to the asset revaluation reserve in equity, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the statement of profit or loss and other comprehensive income, in which case the increase is recognised in the statement of profit or loss and other comprehensive income. A revaluation deficit is recognised in the statement of profit or loss and other comprehensive income, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve. On disposal, any revaluation surplus relating to sold assets is transferred to accumulated surplus. Independent valuations are performed regularly to ensure that the carrying amount of land and buildings does not differ materially from the fair value at the end of the reporting period.

All other plant and equipment is stated at historical cost, including costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, less depreciation and any impairment.

Land is not depreciated. Depreciation on other assets is calculated on a straight-line basis over the estimated useful life or in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term, as follows:

- Buildings	2%
- Plant & equipment	10-33%

The assets residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are calculated as the difference between the net disposal proceeds and the assets carrying amount and are included in profit or loss in the year that the item is derecognised.

(j) Impairment of Assets

At the end of each reporting period the Company assesses whether there is any indication that individual assets are impaired. Where impairment indicators exist, recoverable amount is determined and impairment losses are recognised in profit or loss where the asset's carrying value exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing value in use, depreciated replacement cost is adopted when the future economic benefits of the asset are not primarily dependent on the assets ability to generate net cash inflows and where the Company would, if deprived of the asset, replace its remaining future economic benefits.

Where it is not possible to estimate recoverable amount for an individual asset, recoverable amount is determined for the cash-generating unit to which the asset belongs.

(k) Investment Properties

Investment properties held for rental are initially measured at cost including transaction costs. Subsequent to initial recognition, investment properties are carried at fair value, which is using an income approach based on the estimated rental value of the property. Gains and losses arising from changes in fair values of investment properties are included in profit or loss as part of other income in the year in which they arise.

(l) Intangible Assets

Software

Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 3 years.

(m) Leases

Leases of property, plant and equipment where the Company has substantially all the risks and rewards of ownership are classified as finance leases and capitalised at inception of the lease at the fair value of the leased property or if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a

constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases where the lessor retains substantially all the risks and rewards of ownership of the net asset are classified as operating leases. Payments made under operating leases (net of incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

(n) Trade and Other Payables

Trade and other payables represent liabilities for goods and services provided to the Company prior to the year end and which are unpaid. These amounts are unsecured and have 30-60 day payment terms. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(o) Unexpended Grants

The Company receives grant funding for specific purposes either for contracted periods of time or for completion of particular activities irrespective of the time required to complete those activities. Grant funding is treated as a liability in the Statement of Financial Position until such time as all preconditions under the terms of the grant are satisfied.

(p) Provisions

Liabilities for legal claims, unpaid research grants and warranties and make good obligations are recognised when the Company has a present legal 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. Provisions are not recognised for future operating losses.

Where the effect of the time value of money is material, provisions are determined by discounting the expected future cashflows at a pre-tax rate that reflects current market assessments of the time value of money and where appropriate, the risks specific to the liability.

Notes to the financial statements

FOR THE YEAR ENDED DECEMBER 31, 2017

(q) Employee Benefit Provisions

Short-term employee benefit obligations

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled wholly within 12 months after the end of the reporting period are recognised in other liabilities in respect of employees' services rendered up to the end of the reporting period and are measured at amounts expected to be paid when the liabilities are settled.

Other long-term employee benefit obligations Liabilities

Long service leave and annual leave not expected to be settled wholly within 12 months after the end of the reporting period are recognised as part of 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 to the end of the reporting period using the projected unit credit method. Consideration is given to expected future salaries and wages levels, experience of employee departures and periods of service. Expected future payments are discounted using corporate bond rates at the end of the reporting period with terms to maturity and currency that match as closely as possible, the estimated future cash outflows.

Regardless of when settlement is expected to occur, liabilities for long service leave and annual leave are presented as current liabilities in the statement of financial position if the entity does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period.

Retirement Benefit Obligations

The Company has a defined contribution superannuation fund. Contributions are recognised as expenses as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(r) GST

Revenues and expenses are recognised net of GST except where GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cashflows are included in the statement of cashflows on a gross basis and the GST component of cashflows arising from investing and financing activities which is recoverable from or payable to, the taxation authority are classified as operating cashflows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from or payable to, the taxation authority.

(s) Adoption of New and Amended Accounting Standards

The Company has adopted all the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and are effective for the current reporting period. The adoption of these new Standards and Interpretations did not have any material effect on the amounts recognised in the financial statements in the current or prior periods.

(t) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgements incorporated into the financial statements 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 Company. Assumptions, estimates and judgments used in the Directors' valuation of land and buildings are disclosed in note 13.

	Note	2017 \$	2016 \$
Note 2: Revenue			
Fundraising Income			
Fundraising Events (general donations, national events, community events, branch committees)		7,770,804	9,210,934
Major gift fundraising (direct mailing, major gifts, employee contributions, memoriams)		6,102,279	6,003,721
Bequests		8,619,115	9,207,341
Total Fundraising		22,492,198	24,421,995
Interest and dividend			
Held to Maturity		246,541	213,528
Other		287,279	93,384
Dividends		1,643,013	1,249,857
Total Interest and Dividends		2,176,833	1,556,769
Retail Income	5	1,508,607	1,847,451
Accommodation income			
- Charles Wanstall Apex Lodge, Herston Brisbane	6	768,316	799,696
- Gluyas Rotary Lodge, Townsville	6	587,830	494,710
- Rockhampton Lodge, Rockhampton	6	145,300	89,715
- Marylyn Mayo Lodge, Cairns	6	215,001	204,605
- Olive McMahon Lodge, Toowoomba	6	250,397	160,792
- Ellis Lodge, South Brisbane	6	377,802	424,454
		2,344,646	2,173,971
Other Revenue			
- Partnerships and Engagement		284	24,049
- Cancer Support and Information		825,603	886,418
- Public Health		383,944	288,679
- Cancer Counselling		64,251	163,399
- Viertel Centre for Research in Cancer Control		2,288,218	2,285,812
- Queensland Cancer Registry		640,603	1,584,958
		4,202,902	5,233,316
Total Revenue		32,725,185	35,233,503

Notes to the financial statements

FOR THE YEAR ENDED DECEMBER 31, 2017

	Note	2017 \$	2016 \$
Note 2: Revenue (continued)			
Other Income			
Net gain/(loss) on disposal of plant and equipment		(115,306)	(32,815)
Net gain/(loss) on sale of investment property		-	281,033
Total other income		(115,306)	248,218

	Note	2017 \$	2016 \$
Note 3: Expenses			
Fundraising expenses			
- Events		5,017,883	5,352,519
- Direct Marketing		3,598,138	5,382,287
Total Fundraising expenses		8,616,020	10,734,806
Retail expenses			
- Cost of goods sold	5	375,940	637,835
- Direct operating costs	5	303,513	446,757
Total Retail expenses		679,453	1,084,592
Depreciation of Non Current Assets			
- Buildings	13	148,846	159,019
- Plant and equipment	13	655,739	731,058
Total Depreciation expenses		804,584	890,077
Software amortisation		37,998	39,371
Total Depreciation expense and software amortisation		842,582	929,449
Administration expenditure		293,119	315,149
Partnership and Engagement expenditure		1,636,832	1,389,544
Community Services - Programs			
- Cancer Support and Information		4,018,935	4,148,556
- Public Health		1,416,249	1,427,322
- Cancer Counselling		1,300,225	1,694,811
Total Community Services - Programs expenditure		6,735,409	7,270,689
Accommodation Lodge expenses			
- Charles Wanstall Apex Lodge, Herston, Brisbane	6	307,523	344,645
- Gluyas Rotary Lodge, Townsville	6	401,080	412,720
- Rockhampton Lodge, Rockhampton	6	70,520	98,795
- Marylyn Mayo Lodge, Cairns	6	137,349	155,060
- Olive McMahon Lodge, Toowoomba	6	227,791	170,226
- Ellis Lodge, South Brisbane	6	268,692	315,287
Total accommodation lodge expenses		1,412,955	1,496,733
Total Community Services - Programs and Lodge expenditure		8,148,364	8,767,422
Research expenditure			
- Medical and Scientific research		4,861,380	4,505,901
- Viertel Centre for research in Cancer Control		3,591,757	3,379,047
- Qld Cancer Registry and Aust Paediatric Cancer Registry		1,233,690	1,386,896
- Qld Oncology Group		1,296,557	1,220,979
Total Research expenditure		10,983,384	10,492,823
Total expenses		31,199,753	33,713,786

Notes to the financial statements

FOR THE YEAR ENDED DECEMBER 31, 2017

	Note	2017 \$	2016 \$
Note 4: Employee Costs and Rental Expenses			
Employee Costs (Employee costs cover mission related activities such as Community Services including Cancer Helpline, Accommodation, Cancer Counselling, Cancer Research)		12,822,713	12,875,966
Rental expenses on operating leases		560,955	663,837
Defined contribution superannuation expenses		1,164,229	1,191,918

Note	2017 \$	2016 \$
Note 5: Retail - SunSmart Shop		
Sales	1,508,607	1,847,451
- Less cost of goods sold	(375,940)	(637,835)
- Less direct operating costs	(303,513)	(446,757)
	829,154	762,859
Note 6: Accommodation Lodges		
Charles Wanstall Apex Lodge, Herston Brisbane		
- Total fees received	768,316	799,696
- Less direct operating costs	(307,523)	(344,645)
	460,793	455,050
Gluyas Rotary Lodge, Townsville		
- Total fees received	587,830	494,710
- Less direct operating costs	(401,080)	(412,720)
	186,750	81,990
Rockhampton Lodge, Rockhampton		
- Total fees received	145,300	89,715
- Less direct operating costs	(70,520)	(98,795)
	74,780	(9,080)
Marylyn Mayo Lodge, Cairns		
- Total fees received	215,001	204,605
- Less direct operating costs	(137,349)	(155,060)
	77,652	49,545
Olive McMahon Lodge, Toowoomba		
- Total fees received	250,397	160,792
- Less direct operating costs	(227,791)	(170,226)
	22,606	(9,434)
Ellis Lodge, South Brisbane		
- Total fees received	377,802	424,454
- Less direct operating costs	(268,692)	(315,287)
	109,110	109,167

Notes to the financial statements

FOR THE YEAR ENDED DECEMBER 31, 2017

	2017 \$	2016 \$
Note 7: Cash Assets		
Cash at bank	3,002,748	1,828,783
Cash on hand	12,618	11,520
	3,015,367	1,840,304
Note 8: Trade and Other Receivables		
Trade debtors	368,992	506,036
Accrued imputation credits	378,537	279,745
Accrued interest	64,547	46,390
Accrued revenue	756,923	888,179
	1,568,999	1,720,350
<p>All receivables that are neither past due or impaired are with long standing clients who have a good credit history with the entity. The carrying amount for receivables best represents the maximum exposure to credit risk. No collateral is held over receivables.</p> <p>No receivables balances are past due or impaired.</p>		
Note 9: Inventories		
Finished Goods at cost	304,310	259,869
	304,310	259,869

	2017	2016
	\$	\$
Note 10: Financial Assets		
Currently Cancer Council Queensland has invested:-		
Current - Financial assets at amortised cost		
Bank accepted term deposits - less than 12 months. Interest averaging 2.58% (2016: 2.86%)	8,010,000	8,010,000
Non-current - Financial assets at fair value through other comprehensive income		
Shares listed on the Australian Securities Exchange - at market value	20,836,769	19,795,684
The cost of shares in listed corporations on the Australian Securities Exchange at 31 December 2017 was \$15,647,630 (2016: \$14,929,928).		
Note 11: Other Current Assets		
Advances	9,609	2,253
Bonds	63,465	45,465
GST Receivable	38,666	10,775
Paypal	10,499	1,627
Prepayments	65,876	78,618
	188,115	138,737

Notes to the financial statements

FOR THE YEAR ENDED DECEMBER 31, 2017

	2017 \$	2016 \$
Note 12: Investment Property Annie Street New Farm		
Fair value		
Balance at beginning of year	-	800,000
Fair value adjustment	-	(800,000)
Balance at end of year		-
The investment property at Annie Street New Farm was sold on 16 November 2016		
The following amounts have been recognised in the statement of profit or loss and other comprehensive income:		
Rental income	-	24,172
Direct operating expenses arising from investment property that generated rental income during the year	-	(9,188)
Gain on sale of investment property	-	281,033
	-	296,017
Note 13: Property, plant and equipment		
Land and Buildings - at fair value		
Fortitude Valley, 553 Gregory Terrace	8,822,381	8,800,000
Cairns, 169-171 Aumuller Street	804,330	804,330
Herston, Charles Wanstall Apex Lodge	4,864,470	4,700,000
Rockhampton, 37-43 Upper Dawson Road	1,600,000	1,600,000
Townsville, Gluyas Rotary Lodge	1,804,500	1,800,000
Cairns, Marylyn Mayo Lodge	1,175,000	1,175,000
Toowoomba, Olive McMahon Lodge	2,051,595	2,050,000
South Brisbane, Ellis Lodge	4,400,000	4,400,000
Less: Accumulated depreciation	(148,846)	-
	25,373,430	25,329,330
Work-in-Progress - Buildings	145,113	10,150
Plant and equipment - at cost	5,767,554	6,146,065
Less: Accumulated depreciation	(4,262,833)	(3,986,299)
	1,504,721	2,159,766
Total Property, Plant and Equipment	27,023,264	27,499,246

Note 13: Property, plant and equipment - continued

(a) Valuations of land and buildings

The valuation of Land and Buildings was at director valuation based on independent valuations by Landmark White and Heron Todd White in October and November 2016, and is based on the presumption that the entity is a going concern. The valuation assumes that all property is free of all easements and that there is no encroachment outside boundaries. All property is assumed to have town planning approval and be fully compliant. It is further assumed that all property is structurally sound, free from flood, uncontaminated and marketable.

The fair value of land and buildings for Office Accommodation is their market value. Fair Value has been assessed based on the fact the properties will remain owner-occupied. The fair value of land and buildings for purpose built lodge accommodation is the open market value of a fully operational motel as a going concern.

The Directors have reviewed the current property values for 2017 and are satisfied that the current carrying value is reasonable and reflects current market conditions.

(b) Movements in carrying amounts

	Work in Progress - Buildings \$	Land and Buildings \$	Plant and Equipment \$	Total Property Plant and Equipment \$
Carrying amounts at the beginning of the year	10,150	25,329,330	2,159,766	27,499,246
Transfers	(188,059)	-	-	(188,059)
Additions	323,022	192,945	243,254	759,222
Asset Revaluation	-	-	-	-
Disposals	-	-	(242,561)	(242,561)
Depreciation expense	-	(148,846)	(655,739)	(804,584)
Carrying amount at the end of the year	145,113	25,373,430	1,504,721	27,023,264

Notes to the financial statements

FOR THE YEAR ENDED DECEMBER 31, 2017

	2017 \$	2016 \$
Note 14: Intangible Assets		
Computer software - at cost	419,507	419,507
Accumulated Amortisation	(362,389)	(324,392)
	57,118	95,115
Note 15: Trade and other Payables		
Unsecured		
Sundry Creditors	202,441	176,635
Revenue in Advance	1,970,241	1,852,168
Short-term employee benefits	755,755	874,194
Other creditors and accruals	1,188,451	1,317,322
	4,116,888	4,220,319
Note 16: Short Term Unpaid Grants		
Reconciliation of Current grants payable		
Provision for grants at 1 January brought forward	3,915,714	5,526,672
Add:		
Additional current grants provided during the year	3,214,472	3,898,814
Grants written back or refunded	(11,783)	(52,663)
	7,118,403	9,372,823
Less:		
Grants paid during the year	(3,946,010)	(5,457,109)
Current Grants payable at end of year	3,172,393	3,915,714
Reconciliation of Non-Current grants payable		
Provision for grants at 1 January brought forward	-	-
Add:		
Additional non-current grants provided during the year	1,100,000	-
Non-Current Grants payable at end of year	1,100,000	-

	2017	2016
	\$	\$
Note 17: Provisions		
Current		
Employee benefits		
- Long service leave	696,874	932,561
Non-Current		
Employee benefits		
- Long service leave	223,146	243,176

Note 18: Members' guarantee

Pursuant to the Company Constitution, each member of the Company undertakes to contribute to the property of the company in the event of it being wound up and there being a shortfall of net assets. The maximum contribution per member in accordance with the guarantee is \$20. There were nine members in 2016 and eight members in 2017.

Note 19: Reserves

Marylyn and John Mayo Reserve

The Marylyn and John Mayo Reserve consists of donations of cash and shares. Interest and dividends are received from the investment of these funds and fair value movements in investment are allocated to the reserve. The reserve is used to fund cancer research.

Asset Revaluation Reserve

The asset revaluation surplus records increments and decrements on the revaluation of individual parcels of land and buildings.

Financial Asset Revaluation Reserve

The financial asset revaluation reserve comprises changes in the fair value of financial instruments at fair value through other comprehensive income.

Notes to the financial statements

FOR THE YEAR ENDED DECEMBER 31, 2017

	2017 \$	2016 \$
Note 20: Remuneration of key management personnel		
(a) Directors' remuneration		
All Directors participate in an honorary capacity without remuneration.		
The names of the Directors of the Company who held office during the year are:-		
Gibson, Graham John (Resigned 23 May 2017)		
Traves, Roger Norman		
Arkell, Andrew Robert		
McGuckin, Michael (Resigned 31 December 2017)		
Davidson, Paul		
Dornan, Peter Roderick		
Green, Anita Dorelle		
Wiltshire, Steve		
(b) Executives' remuneration		
Short-term employee benefits - Salaries and wages	1,653,124	1,523,652
Post-employment benefits	126,435	136,820
Other long-term benefits	75,991	342,979
	1,855,550	2,003,451

	2017 \$	2016 \$
Note 21: Related party transactions		
There were no transactions with related parties, other than as detailed in Note 20 above.		
Note 22: Auditor's remuneration		
During the year, the following fees were paid or payable to BDO Audit Pty Ltd and its related practices.		
Audit Services		
Audit Fees - financial statements	42,015	38,000
Audit Fees - Cancer Registry	2,900	2,700
	44,915	40,700
Note 23: Operating Lease Commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements:		
Future minimum lease payments payable:		
- Within one year	412,188	398,708
- Later than one year but not later than five years	783,425	436,243
- Later than five years	-	-
	1,195,613	834,951

Cancer Council Queensland leases various premises under non-cancellable operating leases expiring between 1 and 5 years. All leases have annual CPI escalation clauses. The above commitments do not include any turnover rental which are contingent upon Cancer Council Queensland achieving defined sales levels, nor do they include commitments for any renewal options on leases. Lease terms usually contain a 5 year renewal option. Lease conditions do not impose any restrictions on the ability of Cancer Council Queensland from borrowing further funds.

Notes to the financial statements

FOR THE YEAR ENDED DECEMBER 31, 2017

	2017 \$	2016 \$
Note 24: Cash flow information		
(a) Reconciliation of Cash		
Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:-		
Cash at Bank	3,002,748	1,828,784
Cash on Hand	12,618	11,520
	3,015,367	1,840,304
(b) Reconciliation of cash flow from operations with surplus/(deficit) after income tax		
Surplus/(deficit) after income tax	1,410,126	1,767,935
Depreciation and amortisation	842,582	929,449
Net loss/(gain) on disposal of plant and equipment	115,306	32,815
Net loss/(gain) on disposal of investment property	-	(281,033)
Bequests received as shares during the year less shares sold	(41,684)	(1,352,404)
Increase/(decrease) in provisions	(255,717)	(168,076)
(Increase)/decrease in other current assets	(49,378)	678,912
(Decrease)/increase in trade and other payables	(103,431)	(20,477)
Decrease/(increase) in inventories	(44,441)	(11,258)
Decrease/(increase) in trade and other receivables	151,351	909,598
Increase/(decrease) in unpaid grants	356,679	(1,610,958)
Net cash flows from operating activities	2,381,393	874,503

Note 25: Sylvia and Charles Viertel Charitable Foundation

The Trustees of the Sylvia and Charles Viertel Foundation have advised that, subject to various terms and conditions, the Cancer Council Queensland has been granted a grant of \$5,000,000 payable in ten instalments over five years commencing 1 January 2014. The instalments will be recognised as income as they are received.

The Cancer Council Queensland recognises the support given by the Sylvia and Charles Viertel Charitable Foundation.

Note 26: Company details

The registered office of the company is:

Cancer Council Queensland
553 Gregory Terrace
Fortitude Valley QLD 4006

Note 27: Post Balance Date Events

There are no material post balance date events that require disclosure.

Directors/Responsible Entities declaration

FOR THE YEAR ENDED DECEMBER 31, 2017

The Directors of Cancer Council Queensland declare that in the Directors' opinion:

1. The financial statements, comprising the statement of profit or loss and other comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity, and accompanying notes, are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and:
 - a. comply with Australian Accounting Standards and the Australian Charities and Not-for-profits Commission Regulation 2013 (ACNC Regulation 2013); and
 - b. give a true and fair view of the entity's financial position as at 31 December 2017 and of its performance for the year ended on that date.
2. There are reasonable grounds to believe that the entity will be able to pay all of its debts, as and when they become due and payable.

Signed in accordance with subsection 60.15(2) of the ACNC Regulation 2013 on behalf of the directors by:

Director
Andrew Robert Arkell

Dated: 22 May 2018

Director
Roger Norman Traves

Dated: 22 May 2018

INDEPENDENT AUDITOR'S REPORT

To the members of Cancer Council Queensland

Report on the Audit of the Financial Report

Qualified opinion

We have audited the financial report of Cancer Council Queensland, which comprises the statement of financial position as at 31 December 2017, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, except for the effects of the matter described in the *Basis for qualified opinion* section of our report, the accompanying financial report of Cancer Council Queensland, is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) Giving a true and fair view of the company's financial position as at 31 December 2017 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards - Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for qualified opinion

Fundraising revenue from general donations is a significant source of revenue for Cancer Council Queensland. The Cancer Council Queensland has determined that it is impracticable to establish control over the collection of fundraising revenue from general donations prior to entry into its financial records. Accordingly, as the evidence available to us regarding fundraising revenue from this source was limited, our audit procedures with respect to general donations had to be restricted to the amounts recorded in the financial records amounting to \$7,770,804. We therefore are unable to express an opinion whether fundraising revenue from general donations the Cancer Council Queensland recorded 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 company in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and 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.

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



Other information

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

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

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

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

Responsibilities of the directors' for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the ACNC Act, 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.

In preparing the financial report, directors are responsible for assessing the company'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 the directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The directors are responsible for overseeing the company's financial reporting process.

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 (<http://www.auasb.gov.au/Home.aspx>) at:

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

BDO Audit Pty Ltd

A J Whyte
Director

Brisbane, 22 May 2018



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BUNDABERG

CAIRNS

GOLD COAST

MACKAY

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