Working towards a cancer free future

FINANCIAL REPORT 2019

Cancer Council Queensland

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

Our mission

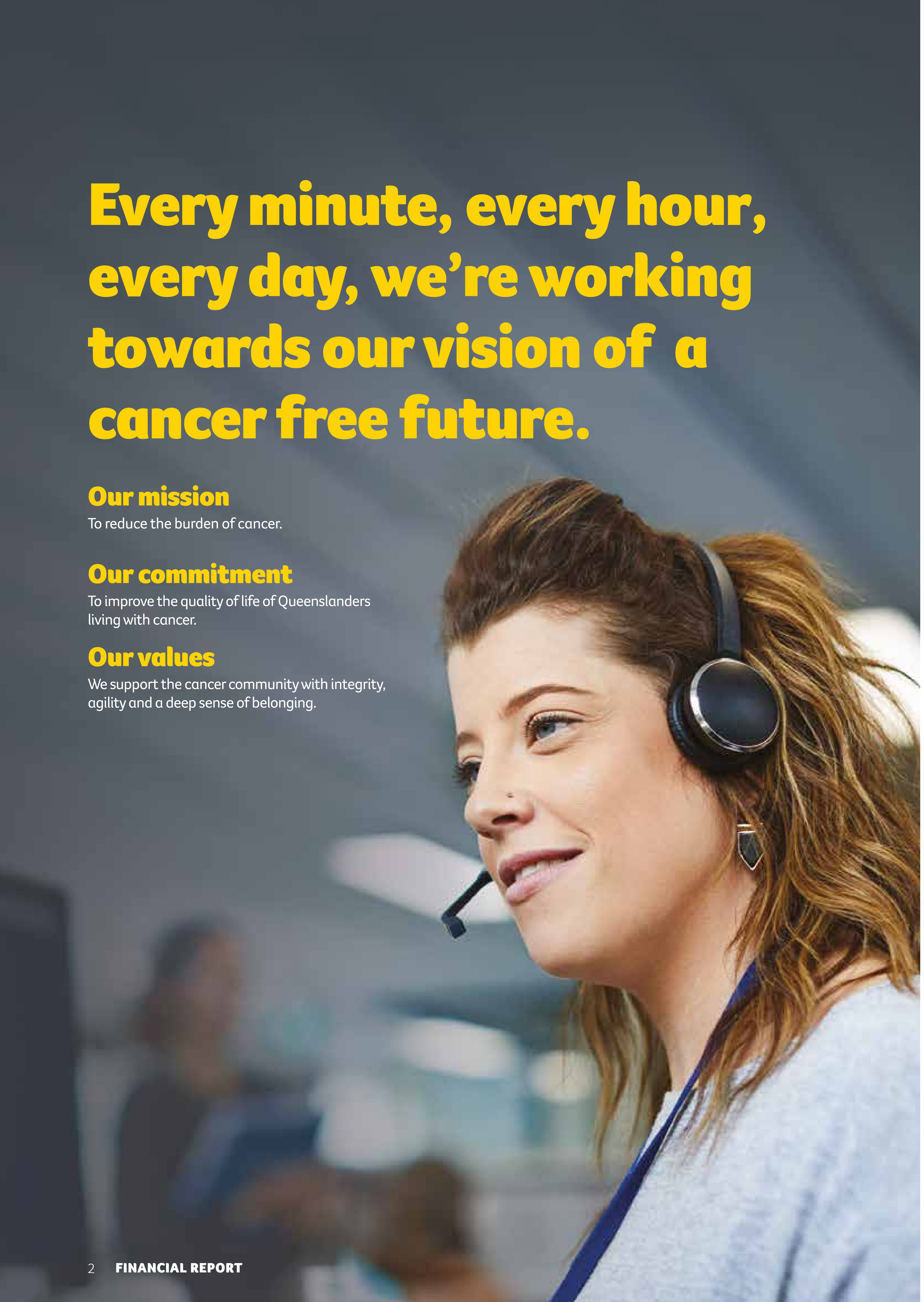
To reduce the burden of cancer.

Our commitment

To improve the quality of life of Queenslanders living with cancer.

Our values

We support the cancer community with integrity, agility and a deep sense of belonging.



Finance Report

For the 12 months ended 31 December 2019

Summary

The total revenue for the financial year ended 31 December 2019 was $30,587,764. In the same period, total expenditure was $29,273,900 leaving a surplus of $1,313,864. Cancer Council Queensland (CCQ) also received other income from a gain on disposal of assets of $33,372 and a gain in the fair value of its managed fund of $1,120,584, resulting in a reported operating surplus of $2,467,819.

INCOME

Total revenue was $30,587,764 down -$7,520,483 on 2018 reflecting decreases over last year on bequests -$6,923,307, Interest and dividends -$94,778, Retail income -$221,486, accommodation income -$439,408 and other revenue -$1,282,205 off-set by an increase in fundraising (excluding bequests) of $810,701.

Fundraising (excluding bequests)

Fundraising income (excluding bequests) was $14,937,585. This was an increase of $810,701 on 2018 due to higher major gift, direct mail and regular giving income (+$623,227) and higher event income (+$187,474).

Bequests

Bequests income was $6,743,025. This was a decrease of $6,293,307 on 2018. Bequests are very important to CCQ's ability to fund the level of cancer services and research it currently delivers each year. It is, however, difficult to predict the value of bequests in any given year. The average value of bequests over the last 10 years has been approximately $9m per annum or close to a third of CCQ's total income. In 2018 bequests were well above average at $13m and they were below average in 2019.

Interest and Dividends

Dividend and interest payments were lower as a result of lower dividends, lower interest rates and lower average cash balances.

Retail Income

Retail income was lower due to lower sales from physical stores and lower royalties. Online income was higher.

Accommodation Income

Accommodation income was lower due mainly to Olive McMahon lodge in Toowoomba being closed for renovations in the second half of the year and 18 rooms were offline for a six- month period at Charles Wantsall lodge in Brisbane, whilst being renovated.

Other revenue

Revenue for managing the Queensland Cancer Registry was reduced by $1.3m due to the ending of that contract in 2018.

EXPENDITURE

Total expenditure was down by $316,064 on 2018.

Research expenditure was down by $263,486 due to efficiency savings made in the Internally run Viertel Research Centre.

Fundraising expenditure was down by $70,223, Community Services expenditure was down by $205,254 (which had increased by $727,358 in 2018), Partnership and engagement expenditure was down by $71,746, retail expenses increased by $62,039 administration and depreciation expenses increased by $232,606. There was a higher depreciation expense reported in 2019 due to the adoption of the new standard AASB16 on accounting for leases.

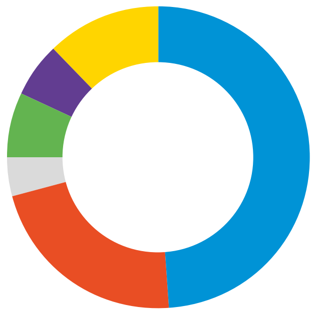
The main sources of revenue were:

	2019 $'000	2018 $'000
Fundraising (excluding bequests)	14,938	14,127
Bequests	6,743	13,036
Total Fundraising Revenue	21,681	27,163
Retail revenue	1,358	1,579
Investment income	2,207	2,302
Accommodation lodge income	1,741	2,181
Grants and other income	3,601	4,883
Total other revenue	8,907	10,945
Total Revenue	**30,588**	**38,108**

The main areas of expenditure were:

	2019 $'000	2018 $'000
Fundraising expenses	8,081	8,152
Retail expenses	806	744
Administration and depreciation	1,394	1,161
Accommodation lodge expenses	1,452	1,351
Research	8,673	8,936
Partnership and engagement	1,649	1,721
Community services and support	7,219	7,525
Total expenses	**29,274**	**29,590**
Surplus before other income	**1,314**	**8,518**
Net gain/(loss) on disposals	33	11
Change in the fair value of managed funds	1,121	(743)
Total Other Income	**1,154**	**(732)**
Net Operating Result	**2,468**	**7,786**

Revenue by Source



Expenditure by Area

Full financial details for the year ending 31 December 2019 have been reported in the Financial Statements on pages 5 to 31. These financial statements have been independently audited and the Auditor's Report is included in the statements. The 2019 result reflects another strong financial performance by CCQ whilst it maintained all of its cancer services and commitments to research. We express our sincere appreciation to all our supporters for their continuing contribution.

Events arising since the end of the reporting period

On 31 January 2020 the World Health Organisation announced a global health emergency because of a new strain of coronavirus (COVID-19) and on 11 March 2020 classified the COVID-19 outbreak as a pandemic.

As a result of social distancing measures brought in by the Australian Government in response to COVID-19, subsequent to year end CCQ has had to cancel or postpone a number of its fundraising activities and close its physical retail outlets. It is not known when these activities and operations will resume.

COVID-19 has also led to a significant downturn in financial markets subsequent to year end. This has resulted in a 15% decrease in the value of CCQ's investments at the date of the signing of the accounts (28 April 2020). The full impact of COVID-19 continues to evolve at the date of this report. Although CCQ is not able to fully estimate the effects of the COVID-19 outbreak on its results of operations and financial conditions for the 2020 financial year, a number of different financial scenarios have been modelled and it is clear that it will have a material adverse effect on CCQ's operations and financial results and condition for the 2020 financial year.

As at 31 December 2019, CCQ had reserves totalling over $63 million. These reserves, along with other measures being taken by our management team and the assistance to be provided by federal government through the JobKeeper assistance package, give us confidence in CCQ's financial stability and its ability to continue its important work in the community.

CCQ has continued to provide support to Queenslanders impacted by cancer through these uncertain times. The majority of our services are continuing.

The 13 11 20 Information and Support line continues to provide both telephone and email support during the COVID-19 pandemic. Services including Transport to Treatment, lodge accommodation and transport are operating with minor changes to ensure social distancing guidelines are maintained.

The counselling service has temporarily ceased face-to-face counselling in line with government advice, however the telephone counselling service has continued.

Pal Assist continue to provide telephone and text-based support to those with a lifetime limiting illness.

All face-to-face wig appointments, peer support and community programs have ceased until further notice. However, Queenslanders can request headwear, such as turbans and fringes to be sent out by post.

CCQ is also continuing all of its research during this period including its commitments to external research grants.

CCQ 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 CCQ's 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 2019 – Mr Andrew Arkell, Mr Robert Gregg, Ms Penny Shield, Dr Louise Kelly, Mr Ian Rodin and Ms Tricia Schmidt – 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 CCQ's financial position. In particular I would like to thank retiring member and CCQ Chair Mr Andrew Arkell for his invaluable contribution over many years.

Steve Wiltshire
Chair
Finance, Audit and Risk Management Committee

Statement of profit or loss and other comprehensive income

For The Year Ended 31 December 2019

		2019 $	2018 $
Revenue			
Revenue	2	30,587,764	38,108,247
Other income/(losses)	2	1,153,956	(732,143)
Expenses			
Fundraising expenses	3	(8,081,428)	(8,151,650)
Retail expenses	3	(806,292)	(744,253)
Depreciation and amortisation expenses	3	(1,151,966)	(783,351)
Administration expenses	3	(242,256)	(378,264)
Partnership & engagement	3	(1,648,934)	(1,720,680)
Community services and public health expenses	3	(7,218,818)	(7,524,998)
Accommodation lodge expenses	3	(1,451,650)	(1,350,724)
Research expenses	3	(8,672,559)	(8,936,045)
Surplus before income tax expense		2,467,819	7,786,138
Income tax expense	1 (d)	-	-
Surplus for the year		2,467,819	7,786,138
Other Comprehensive Income			
Items that will not subsequently be reclassified to profit or loss			
Change in fair value of land and buildings		-	449,277
Change in fair value of financial assets		2,721,227	(1,864,975)
Other Comprehensive Income for the year		2,721,227	(1,415,698)
Total Comprehensive Income		5,189,046	6,370,440

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 31 December 2019

	Note	2019 $	2018 $
Current assets			
Cash and cash equivalents	5	1,400,885	1,561,959
Trade and other receivables	6	1,013,219	1,692,051
Inventories	7	270,005	295,900
Financial assets	8	6,552,548	10,141,164
Other current assets	9	254,763	149,196
Total current assets		9,491,420	13,840,270
Non-current Assets			
Financial assets	8	30,979,856	25,185,318
Property, plant and equipment	10	31,025,632	28,147,490
Right-of-use assets	11	476,300	-
Intangible assets	12	-	19,205
Total non-current assets		62,481,788	53,352,013
Total assets		71,973,208	67,192,283
Current liabilities			
Trade and other payables	13	3,611,647	4,321,102
Short-term unpaid grants	14	1,700,000	2,973,787
Provisions	15	643,480	609,166
Lease liabilities	21	252,735	-
Total current liabilities		6,207,862	7,904,055
Non-current liabilities			
Lease liabilities	21	223,565	-
Long-term unpaid grants	14	2,100,000	1,000,000
Provisions	15	187,653	223,146
Total non-current liabilities		2,511,218	1,223,146
Total liabilities		8,719,080	9,127,201
Net assets		63,254,128	58,065,082
EQUITY			
Marylyn and John Mayo Reserve Fund	17	5,182,701	4,530,588
Reserves	17	8,812,380	6,394,104
Accumulated surplus		49,259,046	47,140,390
Total equity		63,254,128	58,065,082

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

Statement of changes in equity

For The Year Ended 31 December 2019

	Asset Revaluation Reserve $	Financial Assets Revaluation Reserve $	Subtotal $	Marylyn and John Mayo Reserve $	Accumulated Surplus $	Total $
Balance at 1 January 2018	4,073,418	5,584,123	9,657,541	3,765,258	38,271,842	51,694,641
Surplus for the year after income tax	-	-	-	-	7,786,138	7,786,138
Other comprehensive income	449,277	(1,661,692)	(1,212,414)	(203,283)	-	(1,415,698)
Transfer of Mayo income to reserve	-	-	-	968,613	(968,613)	-
Transfer of net gain on financial assets sold	-	(2,051,023)	(2,051,023)	-	2,051,023	-
Balance at 31 December 2018	4,522,696	1,871,408	6,394,104	4,530,588	47,140,390	58,065,081
Surplus for the year after income tax	-	-	-	-	2,467,819	2,467,819
Other comprehensive income	-	2,389,910	2,389,910	331,317	-	2,721,227
Transfer of Mayo income to reserve	-	-	-	320,797	(320,797)	-
Transfer of net gain on financial assets sold	-	28,366	28,366	-	(28,366)	-
Balance at 31 December 2019	4,522,696	4,289,684	8,812,381	5,182,701	49,259,046	63,254,128

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

Statement of cash flows

For The Year Ended 31 December 2019

		2019 $	2018 $
Cash flows from operating activities			
Receipts from customers and fundraising		30,415,533	32,036,140
Interest received		152,150	317,252
Dividends received		2,019,157	2,035,220
Payments to suppliers and employees		(30,441,148)	(30,689,214)
Net cash inflow from operating activities	22 (b)	2,145,692	3,699,397
Cash flows from investing activities			
Payments for property, plant and equipment		(3,729,897)	(1,571,602)
Proceeds from sale of property, plant and equipment		74,597	129,856
Reinvestment of dividends		(1,030,544)	(1,020,784)
Proceeds from sale of / (payment for) financial assets		2,708,398	(2,690,276)
Net cash outflow from investing activities		(1,977,448)	(5,152,806)
Cash flows from financing activities			
Payments for principle portion of lease liabilities		(329,318)	-
Net cash outflow from financing activities		(329,318)	-
Net decrease in cash and cash equivalents		(161,074)	(1,453,408)
Cash and cash equivalents at beginning of the year		1,561,959	3,015,367
Cash and cash equivalents at end of the year	22 (a)	1,400,885	1,561,959

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

Notes to the financial statements

For The Year Ended 31 December 2019

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 2019 were authorised for issue in accordance with a resolution of the directors on 28 April 2020 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 per AASB 1053: Application of Tiers of Australian Accounting Standards 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 investments, which are valued at fair value.

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).

Going concern

The financial report has been prepared on a going concern basis which contemplates the continuity of normal business conditions and the realisation of assets and discharge of liabilities in the ordinary course of business.

Subsequent to year end Cancer Council Queensland has cancelled a number of fundraising events as a result COVID-19. It is uncertain when Cancer Council Queensland will be able to recommence these operations. Refer to note 25 for further detail.

The directors consider it appropriate to prepare the financial statements on a going concern basis at 31 December 2019 after taking into consideration that Cancer Council Queensland has sufficient capital to maintain its operations for the foreseeable future.

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, except for the changed accounting policies stated below.

(b) New and amended standards and interpretations adopted

Cancer Council Queensland has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. There are no other new interpretations expected to have any significant impact on the Company's financial report that are issued and not yet applicable.

The following Accounting Standards and Interpretations have been adopted by Cancer Council Queensland for the reporting period ended 31 December 2019:

AASB 15 Revenue from Contracts with Customers

This standard was adopted from 1 January 2019. AASB 15 establishes a comprehensive five-step framework for recognising revenue. AASB 15 applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. Under AASB 15, revenue is recognised when a performance obligation has been satisfied at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgment, taking into consideration all the relevant facts and circumstances when applying each step of the model to contracts with their customers.

The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Contracts with customers are presented in the statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

Impact of AASB 15 adoption

AASB 15 was adopted using the modified retrospective approach and as such comparatives have not been restated. In accordance with the transitional guidance, AASB 15 has been applied to contracts that are incomplete as at 1 January 2019. The adoption of AASB 15 had no material impact on the amounts recognised in the financial statements.

AASB 1058 Income of Not-for-Profit Entities

The company has adopted AASB 1058 from 1 January 2019. The standard replaces AASB 1004

'Contributions' in respect to income recognition requirements for not-for-profit entities. The timing of income recognition under AASB 1058 is dependent upon whether the transaction gives rise to a liability or other performance obligation at the time of receipt. Income under the standard is recognised where: an asset is received in a transaction, such as by way of grant, bequest or donation; there has either been no consideration transferred, or the consideration paid is significantly less than the asset's fair value; and where the intention is to principally enable the entity to further its objectives.

For transfers of financial assets to the entity which enable it to acquire or construct a recognisable non-financial asset, the entity must recognise a liability amounting to the excess of the fair value of the transfer received over any related amounts recognised. Related amounts recognised may relate to contributions by owners, AASB 15 revenue or contract liability recognised, lease liabilities in accordance with AASB 16, financial instruments in accordance with AASB 9, or provisions in accordance with AASB 137. The liability is brought to account as income over the period in which the entity satisfies its performance obligation.

If the transaction does not enable the entity to acquire or construct a recognisable non-financial asset to be controlled by the entity, then any excess of the initial carrying amount of the recognised asset over the related amounts is recognised as income immediately.

Impact of AASB 1058 adoption

AASB 1058 were adopted using the modified retrospective approach and as such comparatives have not been restated. The adoption of AASB 1058 had no material impact on the financial statements.

AASB 16 Leases

This standard has been adopted from 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position.

AASB 16 was adopted using the modified retrospective approach and as such the comparatives have not been restated. The company elected to measure right-of-use asset at the date of initial application at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments that existed at the date of transition. Therefore, there was no impact on opening accumulated surplus at the date of initial application at 1 January 2019. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening statement of financial position on 1 January 2019.

Impact of AASB 16 adoption

As a lessee, the Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under AASB 16, the Company recognises right-of-use assets and lease liabilities for most leases. However, the Company has elected not to recognise right-of-use assets and lease liabilities for some leases of low value assets based on the value of the underlying asset when new or for short-term leases with a lease term of 12 months or less.

On adoption of AASB 16, the Company recognised right-of-use assets and lease liabilities in relation to property leases which had previously been classified as operating leases. The lease liabilities were discounted using the Company's incremental borrowing rate as at 1 January 2019. The company's incremental borrowing rate is the rate at which a similar borrowing could be obtained from an independent creditor under comparable terms and conditions. The weighted-average rate applied was 8.39%.

In applying AASB 16 for the first time, the Company has used the following practical expedients permitted by the standard:

- Applied a single discount rate to a portfolio of leases with reasonably similar characteristics;
- Reliance on previous assessments on whether leases are onerous as opposed to preparing an impairment review under IAS 36 as at the date of initial application; and
- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term remaining as of the date of initial application.

The following table presents the impact of adopting AASB 16 on the statement of financial position as at 1 January 2019:

The main sources of revenue were:

Statement of Financial Position (extract)	Amounts under AASB 117	Adjustments	Amounts under AASB 16
Non-current assets			
Right-of-use assets	-	768,718	768,718
Current liabilities			
Lease liabilities	-	276,795	276,795
Non-current liabilities			
Lease liabilities	-	491,923	491,923
Total Liabilities	**-**	**768,718**	**768,718**
Net effect in retained earnings	**-**	**-**	**-**

Right-of-use assets relates to property leases of $768,718 which were recognised and presented separately in the statement of financial position.

(c) Revenue Recognition

Accounting policy applicable from 1 January 2019

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Sale of Goods

Revenue from sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of the delivery.

Rendering of Services

Revenue from Cancer Council Queensland services is recognised over time as the services are rendered.

Fundraising and Bequests

Revenue from fundraising, including donations and bequests, is recognised when received or receivable.

Interest

Interest income 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.

Grants

Revenue from government grants received under enforceable agreements, where there are sufficiently specific performance obligations imposed, is deferred until the obligations are satisfied. If the performance obligations are not sufficiently specific, revenue will be recognised upon receipt.

Capital grants are recognised as income when (or as) it satisfies its obligations under the transfer. Capital grants are types of grants where the Company receives a financial asset to acquire or construct a non-financial asset to identified specifications; retains control of the non-financial asset (i.e. for its own use); and the transaction is enforceable.

Other revenue

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

Volunteer services

The company has elected not to recognise volunteer services as either revenue or other form of contribution received. As such, any related consumption or capitalisation of such resources received is also not recognised.

All revenue is stated net of the amount of goods and services tax (GST).

Revenue recognition policy applicable until 31 December 2018

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

Interest income 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.

All revenue is stated net of the amount of goods and services tax (GST).

(d) Income Tax

Cancer Council Queensland is exempt from income tax within the terms of Subdivision 50-5 of the Income Tax Assessment Act 1997 (Cth).

(e) 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.

(f) Trade and Other Receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 and 90 days.

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 allowance for expected credit losses.

(g) 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.

(h) Investments and Other Financial Assets

At initial recognition, the Company measures a financial asset at its fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, it's carrying value is written off.

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.

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 Australian 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 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.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Impairment of financial assets

The entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

(i) 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.

(j) Property, Plant and Equipment

Land and buildings are measured at fair value based on periodic, at least every three years, valuations by external independent valuers, less subsequent depreciation and impairment for buildings. 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	3%
- Plant & equipment	10-33%
- Motor vehicles	20%
- Leasehold improvement	20-33%

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.

(k) Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

(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) 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.

(n) Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties.

When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

(o) Trade and other Payables Unsecured

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 included in 'Other creditors and accruals' 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.

(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) 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.

Valuation of land and buildings

Assumptions, estimates and judgments used in the Directors' valuation of land and buildings are disclosed in note 12.

Estimation of useful lives of assets

The Company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete.

Long service leave provision

The liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). Potential future cash outflows have not been included in the lease liabilities because it is not reasonably certain that the leases will be extended (or not terminated). The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

Determining whether a grant contains enforceable and sufficiently specific obligations

The interaction between AASB 15 and AASB 1058 require the management to assess whether the government grants and other funding received need to be accounted for under AASB 15 or AASB 1058. Key to this assessment is whether the government grants and other funding agreements contain:

- a contract with a customer that creates 'enforceable' rights and obligations, and
- the contract includes 'sufficiently specific' performance obligations.

Critical judgement was applied by management in assessing whether a promise is 'sufficiently specific', taking into account all facts and circumstances and any conditions specified in the arrangement (whether explicit or implicit) regarding the promised goods or services, including conditions regarding:

- the nature or type of the goods or services
- the cost or value of the goods or services
- the quantity of the goods or services
- the period over which the goods or services must be transferred.

Notes to the financial statements

For The Year Ended 31 December 2019

	Note	2019 $	2018 $
Note 2: Revenue			
Fundraising income			
Fundraising events (general donations, national events, community events, branch committees)		7,798,186	7,610,712
Major gift fundraising (direct mailing, major gifts, employee contributions, memoriams)		7,139,399	6,516,172
Bequests		6,743,025	13,036,332
Total fundraising		21,680,610	27,163,216
Interest and dividend (unrelated parties)			
Held to maturity		152,113	252,789
Other		35,661	13,700
Dividends		2,019,156	2,035,220
Total interest and dividends		2,206,930	2,301,708
Other revenue			
- Retail income		1,357,517	1,579,003
- Accommodation income		1,741,539	2,180,947
- Partnerships and engagement		45,550	399
- Cancer support and information		689,456	1,009,187
- Public health		305,179	340,657
- Cancer counselling		46,053	62,592
- Viertel Centre for Research in Cancer Control		2,514,930	2,159,637
- Queensland Cancer Registry		-	1,310,900
		6,700,224	8,643,323
Total revenue		30,587,764	38,108,246
Other revenue			
Net gain/(loss) on disposal of plant and equipment		33,372	10,678
Change in fair value of managed funds investments		1,120,584	(742,821)
Total other income		1,153,956	(732,143)

Notes to the financial statements

For The Year Ended 31 December 2019

	Note	2019 $	2018 $
Note 3: Expenses			
Fundraising expenses			
- Events		5,395,612	5,737,994
- Direct marketing		2,685,816	2,413,656
Total fundraising expenses		8,081,428	8,151,650
Retail expenses			
- Cost of goods sold		402,839	392,943
- Direct operating costs		403,452	351,310
Total retail expenses		806,292	744,253
Depreciation of non current assets			
- Buildings	10	190,147	149,787
- Plant and equipment	10	650,194	595,651
- Right of use lease assets	11	292,419	-
Total depreciation expenses		1,132,761	745,438
Software amortisation		19,205	37,912
Total depreciation expense and software amortisation		1,151,966	783,351
Administration expenditure (net of re-allocation)		242,256	378,264
Partnership and engagement expenditure		1,648,934	1,720,680
Community services - programs			
- Cancer support and information		5,787,549	6,121,980
- Public health		800,655	756,851
- Cancer counselling		630,613	646,167
- Accomodation lodge expenses		1,451,650	1,350,724
Total community services - Programs expenditure		8,670,468	8,875,722
Research expenditure			
- Medical and Scientific research		3,461,634	3,427,761
- Viertel Centre for research in Cancer Control		3,556,125	3,948,976
- Queensland Cancer Registry and Australian Paediatric Cancer Registry		383,434	468,507
- Queensland Oncology Group		1,271,366	1,090,801
Total research expenditure		8,672,559	8,936,045
Total expenses		29,273,901	29,589,965

Notes to the financial statements

For The Year Ended 31 December 2019

	Note	2019 $	2018 $
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)		12,810,431	12,837,238
Rental expenses on operating leases	(a)	65,717	397,928
Defined contribution superannuation expenses*		1,269,482	1,667,013

(a) Rent expenses on operating leases decreased in 2019 due to application of the new standard AASB 16.

Notes to the financial statements

For The Year Ended 31 December 2019

	Note	2019 $	2018 $
Note 5: Cash and cash equivalents			
Cash at bank		1,385,005	1,548,810
Cash on hand		15,880	13,149
		1,400,885	1,561,959
Note 6: Trade and other receivables			
Trade debtors		228,001	219,889
Accrued imputation credits		231,569	593,072
Accrued interest		47	84
Accrued revenue		553,602	879,006
		1,013,219	1,692,051
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.			
Note 7: Inventories			
Finished goods at cost		270,005	295,900
		270,005	295,900

Notes to the financial statements

For The Year Ended 31 December 2019

	2019 $	2018 $
Note 8: Financial assets		
Currently Cancer Council Queensland has invested:		
Current		
Investments at amortised cost		
Queensland Community Foundation	10,000	10,000
Investments at fair value through other comprehensive income		
QIC Cash Enhanced Fund		
- at market value	6,542,548	10,131,164
	6,552,548	10,141,164
Non-current		
Investments at fair value through other comprehensive income		
Shares listed on the Australian Securities Exchange - at market value	19,923,778	15,639,923
Investments at fair value through profit or loss		
QIC Growth Managed funds		
- at market value	11,056,078	9,545,395
	30,979,856	25,185,318
Note 9: Other current assets		
Advances	7,487	10,199
Bonds	63,215	54,465
GST Receivable	63,675	20,595
PayPal	10,207	19,506
Prepayments	110,178	44,431
	254,763	149,196

Notes to the financial statements

For The Year Ended 31 December 2019

	2019 $	2018 $
Note 10: Property, plant and equipment		
Land and buildings - at fair value		
Land & buildings	25,720,000	25,720,000
Less: accumulated depreciation	(190,147)	-
Work in Progress - buildings	1,593,372	175,933
	27,123,225	25,895,933
Plant and equipment - at cost	8,675,410	6,597,773
Less: accumulated depreciation	(4,773,003)	(4,346,216)
	3,902,407	2,251,557
Total property, plant and equipment	31,025,632	28,147,490

(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 2018.

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 2019 and are satisfied that the current carrying value is reasonable and reflects market conditions at 31 December 2019.

Please note depreciation on buidlings was written down to nil in 2018 after the formal valuations.

(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	175,933	25,720,000	2,251,557	28,147,490
Transfers	(1,895,144)	1,646,324	248,820	-
Additions	3,312,584	-	447,124	3,759,708
Asset Revaluation	-	-	-	-
Disposals	-	-	(41,224)	(41,224)
Depreciation expense	-	(190,147)	(650,194)	(840,342)
Carrying amount at the end of the year	1,593,373	27,176,177	2,256,083	31,025,632

Notes to the financial statements

For The Year Ended 31 December 2019

	2019 $	2018 $
Note 11: Leases		
This note provides information for leases where the Company is a lessee.		
Right of use assets		
Right-of-use assets (ROU)	768,718	768,718
Less: accumulated depreciation	(292,419)	-
	476,300	768,718

* ROU are CCQ's right to use leased assets over the life of their leases and have come in to effect from 2019 due to the application of the new lease standard AASB 16.

There were no additions to the right-of-use assets during the year. Included in profit or loss for the year are $292,419 of depreciation of right-of-use assets and $38,088 of finance cost on lease liabilities (included in note 3). Expenses relating to short-term leases included in administrative expense in the profit or loss for the period were $75,661. The total cash outflow for leases in 2019 was $404,979.

Notes to the financial statements

For The Year Ended 31 December 2019

	2019 $	2018 $
Note 12: Intangible assets		
Computer software - at cost	419,507	419,507
Accumulated amortisation	(419,507)	(400,302)
	-	19,205
Note 13: Trade and other payables		
Unsecured		
Sundry creditors	163,512	359,232
Contract liability	1,009,852	1,193,883
Short-term employee benefits	707,207	848,429
Other creditors and accruals	1,731,076	1,919,558
	3,611,647	4,321,102
Note 14: Unpaid grants		
Reconciliation of current grants payable		
Provision for grants at 1 January brought forward	2,973,787	3,172,393
Add:		
Additional current grants provided during the year	2,011,000	3,080,466
Grants written back or refunded	-	(1,660)
	4,984,787	6,251,199
Less:		
Grants paid during the year	(3,284,787)	(3,277,412)
Current grants payable at end of year	1,700,000	2,973,787
Reconciliation of non-current grants payable		
Provision for grants at 1 January brought forward	1,000,000	1,100,000
Add:		
Additional non-current grants provided during the year	2,100,000	-
Less:		
Reduced non-current grants payable	(1,000,000)	(100,000)
Non-current grants payable at end of year	2,100,000	1,000,000

Notes to the financial statements

For The Year Ended 31 December 2019

	2019 $	2018 $
Note 15: Provisions		
Current		
Employee benefits		
- Long service leave	643,480	609,166
Non-current		
Employee benefits		
- Long service leave	187,653	223,146

Notes to the financial statements

For The Year Ended 31 December 2019

Note 16: 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 six members in 2018 and seven members in 2019.

Note 17: 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 31 December 2019

	2019 $	2018 $
Note 18: 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:		
Arkell, Andrew Robert		
Dornan, Peter Roderick		
Green, Anita Dorelle		
Wiltshire, Steve		
Gregg, Robert		
Becker, Karen		
Schmidt, Tricia		
(b) Executives' remuneration		
Short-term employee benefits - Salaries and wages	1,399,148	1,379,774
Post-employment benefits	152,059	138,930
Other long-term benefits	83,428	75,991
	1,634,635	1,594,695
Note 19: Related party transactions		
There were no transactions with related parties, other than as detailed in Note 20 above.		
Note 20: 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	42,000	42,000
Audit fees - tax advisory services	6,431	-
	48,431	42,000

Notes to the financial statements

For The Year Ended 31 December 2019

	2019 $	2018 $
Note 21: Lease liabilities		
Current lease liability	252,735	-
Non-current lease liability	223,565	-

CCQ adopted AASB 16 retrospectively from 1 January 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard. As a result, the above Lease lease liabilities represent the present value of the remaining lease payments, discounted using the company's incremental borrowing rate.

Note 22: 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:

	2019 $	2018 $
Cash at bank	1,385,005	1,548,810
Cash on hand	15,880	13,149
	1,400,885	1,561,959
(b) Reconciliation of cash flow from operations with surplus/(deficit) after income tax		
Surplus/(deficit) after income tax	2,467,821	7,786,138
Depreciation and amortisation (excluding leased assets)	859,547	783,351
Net loss/(gain) on disposal of plant and equipment	(33,372)	(10,678)
Change in fair value of managed funds	(1,120,584)	742,821
Bequests received as shares during the year less shares sold	(71,775)	(5,344,410)
(Increase)/decrease in other current assets	(105,567)	38,919
Decrease/(increase) in trade and other receivables	678,832	(123,052)
Decrease/(increase) in inventories	25,895	8,410
(Decrease)/increase in trade and other payables	(709,455)	204,214
Increase/(decrease) in provisions	(1,179)	(87,708)
Payments for principle portion of lease liabilities	329,318	-
Increase/(decrease) in grants	(173,787)	(298,606)
Net cash flows from operating activities	2,145,692	3,699,397

Notes to the financial statements

For The Year Ended 31 December 2019

Note 23: Sylvia and Charles Viertel Charitable Foundation

The Trustees of the Sylvia and Charles Viertel Foundation have advised that, subject to various terms and conditions, Cancer Council Queensland has been granted a grant of $6,901,878 payable in ten instalments over five years commencing 31 January 2019. The instalments will be recognised as income as they are received.

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

Note 24: Company details

The registered office of the company is:

Cancer Council Queensland
553 Gregory Terrace
Fortitude Valley QLD 4006

Note 25: Post Balance Date Events

Subsequent to the end of the financial year the following non-adjusting event has occurred that is considered material.

On 31 January 2020, the World Health Organisation (WHO) announced a global health emergency because of a new strain of coronavirus (COVID-19) and the risks to the international community as the virus spreads globally beyond its point of origin. Because of the rapid increase in exposure globally, on 11 March 2020, the WHO classified the COVID-19 outbreak as a pandemic.

As a result of the social distancing measures introduced by the Austrlaian Government in response to COVID-19, subsequent to year end Cancer Council Queensland has had to cancel a number of its fundraising activities and close its retail outlets. It is not yet known when these operations will resume.

COVID-19 has also led to a significant downturn in financial markets subsequent to year end. This has resulted in a $4,631,104 decrease in the value of Cancer Council Queensland's investments at the date of signing this report.

The full impact of the COVID-19 outbreak continues to evolve at the date of this report. Although the Company is not able to reliably estimate the effects of COVID-19 outbreak on its results of operations and financial condition for the 2020 financial year, it is clear that it will have a material adverse impact.

Directors' declaration

For The Year Ended 31 December 2019

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 2019 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: 28 April 2020

Director
Dr Anita Green
Dated: 28 April 2020

Tel: +61 7 3237 5999
Fax: +61 7 3221 9227
www.bdo.com.au

Level 10, 12 Creek St
Brisbane QLD 4000
GPO Box 457 Brisbane QLD 4001
Australia

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 2019, 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 2019 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 events revenue from cash collections is a significant source of revenue for Cancer Council Queensland. Cancer Council Queensland has determined that it is impracticable to establish control over the collection of fundraising event revenue received in the form of cash prior to entry into its financial records. Accordingly, as the evidence available to us regarding fundraising event revenue from this source was limited, our audit procedures with respect to fundraising event revenue had to be restricted to the amounts recorded in the financial records. We therefore are unable to express an opinion whether fundraising event revenue from cash collections that Cancer Council Queensland has recorded is complete.

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We 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 (including Independence Standards)* (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 confirm that the independence declaration required by section 60-40 of *Australian Charities and Not-for-profits Commission Act 2012*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Emphasis of Matter – Subsequent Event

We draw attention to Note 25 of the financial report, which describes the non-adjusting subsequent event being the impact of the COVID-19 outbreak on the entity. Our opinion is not modified with respect to this matter.

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

BDO

A J Whyte
Director
Brisbane, 28 April 2020

BDO Audit Pty Ltd ABN 33 134 022 870 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.

13 11 20

cancerqld.org.au

20058

Cancer Council Queensland