

ANZ Breast Cancer Trials Group Limited
(trading as Breast Cancer Trials)

Financial Statements

For the Financial Year Ended 31 March 2019

ANZ Breast Cancer Trials Group Limited (trading as Breast Cancer Trials)

Financial Statements for the Financial Year Ended 31 March 2019

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ANZ Breast Cancer Trials Group Limited (trading as Breast Cancer Trials)

Directors' Report

31 March 2019

Your directors present their report on ANZ Breast Cancer Trials Group Limited (trading as Breast Cancer Trials) ("BCT") for the financial year ended 31 March 2019.

1. Directors

The names of directors in office at any time during or since the end of the last financial year are:

B Mann, MBBS, PhD, FRACS Professor Mann was elected to the Board in July 2015 and appointed Chair in July 2017. He is a member of the BCT Scientific Advisory Committee. Professor Mann is Director of the Breast Tumour Stream of the Victorian Comprehensive Cancer Centre, and works at Royal Melbourne, Royal Women's Hospital and the Peter MacCallum Cancer Centre. He is active in clinical and translational breast cancer research. Professor Mann is also on the board of the Breast Cancer Network of Australia and is on a number of committees for Cancer Australia, BreastScreen Australia and BreastScreen Victoria. (Melbourne, VIC, Australia).

R Isaacs, MNZM, PhD, NZCS (Paramedical), BHB, MBChB, FRACP Dr Isaacs was elected to the Board in July 2014. He is a Medical Oncologist and Head of Medical Oncology at Palmerston North Hospital, New Zealand, where he has been an investigator on multiple clinical trials. Dr Isaacs was Vice President of the Palmerston North Medical Research Foundation from 2008-2013 and Chair of the New Zealand Breast Cancer Specialist Interest Group from 2008-2011. He was Chair of the New Zealand Specialist Advisory Committee for the Royal Australasian College of Physicians from 2010-2013. He now sits on the Cancer Treatments Subspecialty Advisory Group to Pharmac. (Palmerston North, New Zealand).

J Horrigan, BBus, GradDipAppFin, GradDipMgt, MAICD J Horrigan has 25 years' experience across investment banking, financial communication and investor relations. Formerly the Chief Operating Officer, Greenhill Australia. She is also a Non-Executive Director of QV Equities (ASX: QVE), APN Funds Management Limited, APN Industria REIT (ASX: ADI), Convenience Retail REIT (ASX: AQR), Yarra Funds Management Limited, and Chairman of Redkite. (Sydney, NSW, Australia).

C Saunders AO, MBBS, FRCS, FRCS, FAAHMS Professor Saunders was elected to the Board in July 2016 and is a member of the Communications and Fundraising Committee. She is a Consultant Surgeon at the Royal Perth, Fiona Standley and St John of God Subiaco Hospitals and is Professor of Surgical Oncology at the University of Western Australia. (Perth, WA, Australia).

N Wilcken, MBBS, PhD, FRACP Associate Professor Wilcken was elected to the Board in July 2016. He is the Director of Medical Oncology at the Crown Princess Mary Cancer Centre Westmead, Senior Staff Specialist at Nepean Hospital and Associate Professor of Medicine at the University of Sydney. (Sydney, NSW, Australia).

S Lakhani FRCPA, FAHMS Professor Sunil Lakhani was elected to the Board in July 2017. He is the Executive Director of Research and Senior Staff Specialist at Pathology Queensland and Head of the Breast Group, Centre for Clinical Research, University of Queensland, Brisbane, Australia. He is a clinical diagnostic pathologist and also heads a research team comprising scientists and clinicians, ensuring a translational focus to the program. (Brisbane, QLD, Australia).

ANZ Breast Cancer Trials Group Limited (trading as Breast Cancer Trials)

Directors' Report

31 March 2019

1. Directors (cont'd)

R Thompson PhD

Professor Rik Thompson was elected to the Board in July 2017. He is a Professor in Breast Cancer Research at the Institute of Health and Biomedical Innovation (IHBI), Queensland University of Technology (QUT) and Associate Director of IHBI at the Translational Research Institute (TRI), Brisbane. (Brisbane, QLD, Australia).

M O'Donnell AO, FAICD

Marg O'Donnell AO was appointed to the Board in August 2017. She works as a consultant, Mentor and Board Director. Currently Ms O'Donnell is the Chair of the Board of SANE Australia, a not-for profit (NFP) organisation providing advice, advocacy and research into the needs of people and families coping with complex mental illness, is the Chair of the Board of the DAX Center in Melbourne and is the Director of the Refugee and Immigration Legal Service QLD (RAILS). She has chaired a range of NFP, University and Government boards, including Breast Cancer Network Australia, Legal Aid QLD and Griffith Law School Visiting Committee and Griffith University. (Brisbane, QLD, Australia).

2. Principal activities and significant changes in nature of activities

The principal activities of ANZ Breast Cancer Trials Group Limited (trading as Breast Cancer Trials) during the financial year were the design, conduct, analysis and publication of clinical trials in breast cancer, the development and furtherance of the scientific basis of trials and the collaboration with people, groups and bodies as appropriate to pursue these activities. These activities involve laboratory and clinical research, treatment and prevention research, and fund raising and education.

There were no significant changes in the nature of ANZ Breast Cancer Trials Group Limited's principal activities during the financial year.

3. Operating results

The surplus of the Company for the year ended 31 March 2019 amounted to \$ 1,296,211 (2018: \$1,113,265).

ANZ Breast Cancer Trials Group Limited (trading as Breast Cancer Trials)

Directors' Report

31 March 2019

4. Review of operations

BCT National and International Clinical Trials Program

BCT conducts investigator initiated, academic clinical trials for the treatment of all stages of breast cancer and for the prevention of breast cancer. BCT's clinical trials program rigorously and scientifically tests the efficacy of new breast cancer treatments and prevention interventions through the conduct of multi-centre clinical trials. BCT collaborates extensively with institutions and researchers in Australia and New Zealand, and also with other national and international Cancer Cooperative Clinical Trials Groups.

BCT breast cancer trials are conducted in collaboration with a number of international research groups, including:

- The International Breast Cancer Study Group (IBCSG), located in Bern, Switzerland; Amherst and Boston, USA;
- The German Breast Group, located in Neu-Isenburg, Germany;
- The Breast International Group (BIG), located in Brussels, Belgium;
- Translational Research In Oncology (TRIO), located in Paris, France and in Edmonton, Canada;
- Cancer Research UK (CRUK), located in London, UK;
- The Austrian Breast Cancer Study Group, located in Vienna, Austria; and;
- Alliance Foundation Trials (AFT), located in Boston, United States of America.

BCT Education Activities

In July 2018, BCT held its annual scientific meeting for its members in Sydney, New South Wales. The meeting focused on new research opportunities and discussion of scientific data from breast cancer clinical trials for the prevention and treatment of early and advanced breast cancer.

Members of BCT continued their extensive education activities, nationally and internationally, with presentations of scientific papers, guest lecturers, and contributions to workshops. BCT remains Australia's major national source of important up to date research data and new breast cancer clinical trials protocols.

BCT also continues the IMPACT (Improving Participation and Advocacy for Clinical Trials) Program. This initiative acknowledges women who have participated in BCT clinical trials and aims to increase awareness and understanding of breast cancer clinical trials in the wider community.

BCT Publications

Members of BCT have contributed to 50 papers published in scientific journals in the year ending March 2019, bringing the total number of published papers to 1,142.

Fundraising

The need for sustainable, long term funding is imperative to the BCT research program and thus fundraising activities are very important to supporting current and future research activities.

For more information on fundraising activities, please refer to the fundraising section of the financial statements on page 30.

ANZ Breast Cancer Trials Group Limited (trading as Breast Cancer Trials)

Directors' Report

31 March 2019

5. Dividends

As the company is limited by guarantee it is prohibited from paying dividends.

6. Significant changes

In the opinion of the directors there were no significant changes in the state of affairs of the company that occurred during the financial year.

7. Matters subsequent to the end of the financial year

No other matter or circumstance has arisen since 31 March 2019 that has significantly affected or may significantly affect the operations of the Company, the results of those operations, or the Company's state of affairs.

8. Director's benefits

During or since the end of the financial year no Director of the Company has received or become entitled to receive a benefit because of a contract made by the Company with the Director, or with a firm of which the Director is a member, or with an entity in which the Director has a substantial financial interest.

9. Future developments

The Directors consider that there are no likely developments, which will significantly affect the operations of the Company.

10. Environmental regulations

The Company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a State or Territory.

11. Meetings of directors

During the financial year, 4 full meetings, 1 electronic meetings of directors were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Prof Bruce Mann	5	5
Dr Richard Isaacs	5	4
Ms Jennifer Horrigan	5	4
Prof Christobel Saunders	5	3
A/Prof Nicholas Wilcken	5	5
Prof Rik Thomson	5	5
Prof Sunil Lakhani	5	5
Ms Margaret O'Donnell	5	4

ANZ Breast Cancer Trials Group Limited (trading as Breast Cancer Trials)

Directors' Report

31 March 2019

12. Indemnifying officers or auditor

The Company has paid insurance premiums to insure each of the directors against liabilities for the costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the Company, other than conduct resulting in a willful breach of duty in relation to the Company. Disclosure of the amount of the premium is prohibited by the insurance contract.

The Company has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability as such an officer or auditor.

13. Auditor's Independence Declaration

The lead auditor's independence declaration in accordance with Division 60.40 of the *Australian Charities and Not-for-Profit Commission Act 2012*, for the year ended 31 March 2019 has been received and can be found on page 24 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

Director:
Bruce Mann

Director:
Jennifer Horrigan

Dated 17.5.2019

ANZ Breast Cancer Trials Group Limited (trading as Breast Cancer Trials)

Statement of Profit or Loss and Other Comprehensive Income for the Financial Year Ended 31 March 2019

	Note	2019 \$	2018 \$
Revenue from ordinary activities	2	12,022,659	13,156,626
Labour costs		(4,004,584)	(3,826,481)
Trial site funding expenses		(3,122,711)	(3,648,356)
Trial protocol administration expenses		(353,496)	(420,367)
Advertising and promotion costs		(718,950)	(947,220)
IT expenses		(850,247)	(1,009,490)
Depreciation expense		(267,980)	(259,488)
Distribution and postage expenses		(340,513)	(328,268)
Grants and discretionary funding costs		(262,737)	(296,968)
Meetings and travel expenses		(620,410)	(665,702)
Printing and office supplies		(90,128)	(174,112)
Professional fees		(283,982)	(595,421)
Property expenses		(214,166)	(186,812)
Community activity expenses		(467,714)	(384,434)
Other operating expenses		(295,009)	(205,318)
Operating surplus		130,032	208,189
Income tax expense	1(j)	-	-
Unrealised and realised gains on invested funds		474,942	240,358
Investment expenses		(94,087)	(126,630)
Income from invested funds		680,407	755,127
Interest received		104,917	36,221
Surplus from investing activities		1,166,179	905,076
Surplus for the year		1,296,211	1,113,265

The accompanying notes form part of these financial statements.

ANZ Breast Cancer Trials Group Limited (trading as Breast Cancer Trials)

Statement of Financial Position As At 31 March 2019

	Note	2019 \$	2018 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	1,176,686	1,371,471
Trade and other receivables	6	3,323,977	4,715,196
Other financial assets	7	6,463,620	6,426,475
Other assets	8	191,129	105,410
TOTAL CURRENT ASSETS		11,155,412	12,618,552
NON-CURRENT ASSETS			
Other financial assets	7	20,215,270	16,198,922
Property, plant and equipment	9	3,531,208	3,739,181
TOTAL NON-CURRENT ASSETS		23,746,478	19,938,103
TOTAL ASSETS		34,901,890	32,556,655
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	1,775,461	1,952,498
Provisions	11	620,284	570,018
Other financial liabilities	12	1,426,822	267,091
TOTAL CURRENT LIABILITIES		3,822,567	2,789,607
NON-CURRENT LIABILITIES			
Provisions	11	195,982	179,918
TOTAL NON-CURRENT LIABILITIES		195,982	179,918
TOTAL LIABILITIES		4,018,549	2,969,525
NET ASSETS		30,883,341	29,587,130
EQUITY			
Research program reserve		25,884,000	14,768,000
Retained earnings		4,999,341	14,819,130
TOTAL EQUITY		30,883,341	29,587,130

The accompanying notes form part of these financial statements.

ANZ Breast Cancer Trials Group Limited (trading as Breast Cancer Trials)

Statement of Changes in Equity for the Financial Year Ended 31 March 2019

2019

	Note	Retained Earnings \$	Research Program Reserve \$	Total \$
Balance at 1 April 2018		14,819,130	14,768,000	29,587,130
Surplus for the year		1,296,211	-	1,296,211
Transfer to reserve		(11,116,000)	11,116,000	-
Balance at 31 March 2019		<u>4,999,341</u>	<u>25,884,000</u>	<u>30,883,341</u>

2018

	Note	Retained Earnings \$	Research Program Reserve \$	Total \$
Balance at 1 April 2017		28,473,865	-	28,473,865
Surplus for the year		1,113,265	-	1,113,265
Transfer to reserve		(14,768,000)	14,768,000	-
Balance at 31 March 2018		<u>14,819,130</u>	<u>14,768,000</u>	<u>29,587,130</u>

The accompanying notes form part of these financial statements.

ANZ Breast Cancer Trials Group Limited (trading as Breast Cancer Trials)

Statement of Cash Flows for the Financial Year Ended 31 March 2019

	2019	2018	
Note	\$	\$	
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers, donors and external funding bodies	15,416,707	12,502,359	
Payments to suppliers and employees	(12,664,171)	(12,120,789)	
Interest received	104,917	36,221	
Net cash provided by operating activities	2,857,453	417,791	13(a)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment	(60,007)	(73,143)	
Investment in other financial assets	(2,992,231)	(1,429,947)	
Net cash used in investing activities	(3,052,238)	(1,503,090)	
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net cash used in financing activities	-	-	
Net increase/(decrease) in cash and cash equivalents held	(194,785)	(1,085,299)	
Cash and cash equivalents at beginning of year	1,371,471	2,456,770	
Cash and cash equivalents at end of financial year	1,176,686	1,371,471	5

The accompanying notes form part of these financial statements.

ANZ Breast Cancer Trials Group Limited (trading as Breast Cancer Trials)

Notes to the Financial Statements for the Financial Year Ended 31 March 2019

1 Summary of Significant Accounting Policies

(a) General information

The financial report covers ANZ Breast Cancer Trials Group Limited as an individual entity. ANZ Breast Cancer Trials Group Limited is a public Company limited by guarantee, incorporated and domiciled in Australia.

(b) Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Australian Charities and Not-for-Profit Commission Act (ACNC) 2012.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

These financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

These financial statements are presented in Australian dollars, rounded to the nearest dollar, which is the functional currency of the company. This is the currency of the primary economic environment in which the Company operates.

(c) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment.

Property

Land and buildings are measured at cost less accumulated depreciation and impairment losses.

Property, plant and equipment

Plant and equipment are measured on the costs basis. Cost includes expenditure that is directly attributable to the asset.

Plant and equipment that have been contributed at no cost, or for nominal cost are valued and recognised at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets including buildings, is depreciated on a straight line basis over the assets useful life to the Company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

ANZ Breast Cancer Trials Group Limited (trading as Breast Cancer Trials)

Notes to the Financial Statements for the Financial Year Ended 31 March 2019

1 Summary of Significant Accounting Policies (cont'd)

(c) Property, Plant and Equipment (cont'd)

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

Class of Fixed Asset	Depreciation rate
Buildings	2.5%
Plant and Equipment	6.66% - 27%
IT Systems	14%
Computer Equipment	27%

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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

(d) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(e) Impairment of assets

At the end of each reporting year, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Value in use is either the discounted cash flows relating to the asset or depreciated replacement cost if the criteria in AASB 136 'Impairment of Assets' are met. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

(f) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the entity commits itself to either the purchase or sale of the asset.

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit and loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component.

ANZ Breast Cancer Trials Group Limited (trading as Breast Cancer Trials)

Notes to the Financial Statements for the Financial Year Ended 31 March 2019

1 Summary of Significant Accounting Policies (cont'd)

(f) Financial instruments (cont'd)

Classification and subsequent measurement

Financial liabilities at amortised cost

All financial liabilities are measured at subsequently measured at amortised cost using the effective interest rate method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost when the financial assets are managed solely to collect contractual cash flows and the contractual terms within the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

Financial assets at fair value

Financial assets that do not meet the criteria to be designated as financial assets at amortised cost are subsequently measured fair value through profit and loss.

(g) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less which are convertible to a known amount of cash and subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(h) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Changes in the measurement of the liability are recognised in profit or loss.

(i) Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

ANZ Breast Cancer Trials Group Limited (trading as Breast Cancer Trials)

Notes to the Financial Statements for the Financial Year Ended 31 March 2019

1 Summary of Significant Accounting Policies (cont'd)

(j) Income tax

The company is exempt from Income Tax pursuant to section 50-10 of the ITAA 1997.

(k) Revenue and other income

Grant revenue is recognised in the statement of profit or loss and other comprehensive income when the entity obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Trials and pharmaceutical income is recognised on the attainment of milestones as stipulated in the agreements with funding providers.

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

Grant income is recognised at fair value when there is a reasonable assurance that the grant will be received and the entity will comply with the attached conditions.

(l) Goods and services tax (GST)

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

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(m) Foreign Currency Transactions and Balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

ANZ Breast Cancer Trials Group Limited (trading as Breast Cancer Trials)

Notes to the Financial Statements for the Financial Year Ended 31 March 2019

1 Summary of Significant Accounting Policies (cont'd)

(m) Foreign Currency Transactions and Balances (cont'd)

Exchange differences arising on the translation of monetary items are recognised in the statement of comprehensive income, except where deferred in equity as a qualifying cash flow or net investment hedge.

(n) Critical accounting estimates and judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Estimation of useful lives

The Company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Long service leave provision

As discussed in Note 1(h), 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.

Outstanding diary income

The Company assesses outstanding diary income and expenses based on an estimation of amounts to be received and paid as at year end date.

ANZ Breast Cancer Trials Group Limited (trading as Breast Cancer Trials)

Notes to the Financial Statements for the Financial Year Ended 31 March 2019

1 Summary of Significant Accounting Policies (cont'd)

(o) New accounting standards for application in future periods

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Company has decided not to early adopt these Standards. The following summarises those future requirements, and their impact on the Company.

Standard Name	Effective date for entity	Requirements	Impact
AASB 15: Revenue from Contracts with Customers	1 April 2019	AASB 15 introduces a five step process for revenue recognition with the core principle of the new Standard being for entities to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the entity expects to be entitled in exchange for those goods or services. Accounting policy changes will arise in timing of revenue recognition, treatment of contracts costs and contracts which contain a financing element. AASB 15 will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements.	Management's yet to perform a detailed assessment, however considers the impact will not be material due to revenues currently being recorded largely in line with performance obligations.
AASB 16: Leases	1 April 2019	AASB 16 will replace the current accounting requirements applicable to leases with a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with terms of more than 12 months, unless the underlying asset is of low value. AASB 16 will result in the Company recognising their operating leases in the statement of financial position.	Management has assessed the impact to be largely immaterial due to the low value of existing operating leases.

ANZ Breast Cancer Trials Group Limited (trading as Breast Cancer Trials)

Notes to the Financial Statements for the Financial Year Ended 31 March 2019

1 Summary of Significant Accounting Policies (cont'd)

(o) New accounting standards for application in future periods (cont'd)

Standard Name	Effective date for entity	Requirements	Impact
AASB 1058: Income for Not-for-Profit Entities	1 April 2019	AASB 1058 applies when an NFP entity receives volunteer services or enters into other transactions where the consideration to acquire an asset is significantly less than the fair value of the asset, principally to enable the entity to further its objectives. In the latter case, the entity recognises and measures the asset at fair value in accordance with the applicable Australian Accounting Standard (eg AASB 116 Property, Plant and Equipment). Upon initial recognition of the asset, this Standard requires the entity to consider whether any other financial statement elements (called 'related amounts') should be recognised in accordance with the applicable Accounting Standard.	The nature of the Company's operations mean that it does not engage services or acquire assets in this manner. As such, it is not expected that the implementation of this standard will impact upon the Company's operations.

(p) Research Program Reserve

During the current financial year the Company has decided to create a reserve to separately reflect the amount of funding forecast for the agreed research programs. Refer to note 15 for details around the effect of the change in accounting policy.

The directors assess the Company's long term requirements to fund cancer research programs at the end of each financial year. An estimate is made of the next 10 year period based on the expected net outflows for required research funded for by the Company.

The net present value of the expected net outflows are determined at the end of each financial year and any changes recognised directly to equity.

ANZ Breast Cancer Trials Group Limited (trading as Breast Cancer Trials)

Notes to the Financial Statements for the Financial Year Ended 31 March 2019

2 Revenue and Other Income

Revenue from ordinary operations

	2019	2018
	\$	\$
- Fundraising	5,041,198	6,007,072
- Trial and pharmaceutical income	4,492,060	5,207,422
- Grants and external income	2,235,326	1,694,748
- Annual scientific meeting	200,127	203,817
- Other income	53,948	43,567
	12,022,659	13,156,626

3 Expenses for the Year

(a) Expenses

Depreciation

Buildings	50,186	8,364
Plant & equipment	117,931	17,144
Computers	50,926	42,561
IT Systems	40,445	31,109
	259,488	99,178

4 Auditor's Remuneration

Audit of the financial report	14,480	14,185
Assistance with grant acquittals	2,660	2,660
	17,140	16,845

5 Cash and Cash Equivalents

Cash on hand	275	83
Cash at bank	1,176,411	1,371,388
	1,176,686	1,371,471

ANZ Breast Cancer Trials Group Limited (trading as Breast Cancer Trials)

Notes to the Financial Statements for the Financial Year Ended 31 March 2019

6 Trade and Other Receivables

	2019	2018
	\$	\$
Trade receivables	3,294,031	4,685,721
GST receivable	29,946	29,475
	3,323,977	4,715,196

7 Other Financial Assets

CURRENT		
Financial assets - at amortised cost	6,463,620	6,426,475
NON-CURRENT		
Financial assets - at fair value through profit or loss	20,215,270	16,198,922
	26,678,890	22,625,397

(a) Movement in the Carrying Amounts of Total Financial Assets

Movement in the carrying amount for total other financial assets between the beginning and the end of the current financial year:

	2019	2018
	\$	\$
Balance at the beginning of the financial year	22,625,397	20,423,197
Change in fair value	474,942	19,539
Investment Income	680,407	883,232
Advisor Fees	(94,087)	(130,518)
Contributions	2,992,231	1,429,947
Carrying amount at the end of the financial year	26,678,890	22,625,397

8 Other Assets

CURRENT		
Prepayments	191,129	105,410
	191,129	105,410

ANZ Breast Cancer Trials Group Limited (trading as Breast Cancer Trials)

Notes to the Financial Statements for the Financial Year Ended 31 March 2019

9 Property, Plant and Equipment

	2019	2018
	\$	\$
Buildings - at cost	2,007,425	2,007,425
Accumulated depreciation	(108,736)	(58,550)
Total buildings	1,898,689	1,948,875
Plant and equipment - at cost	1,638,874	1,627,664
Accumulated depreciation	(255,233)	(135,790)
	1,383,641	1,491,874
IT Systems - at cost	308,895	308,895
Accumulated depreciation	(127,030)	(83,784)
	181,865	225,111
Computer Equipment - at cost	245,227	196,430
Accumulated depreciation	(178,214)	(123,109)
	67,013	73,321
Total property, plant and equipment	3,531,208	3,739,181

(a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Buildings	Plant and Equipment	IT Systems	Computer Equipment	Total
	\$	\$	\$	\$	\$
2019					
Balance at the beginning of the financial year	1,948,875	1,491,874	225,111	73,321	3,739,181
Additions	-	11,210	-	48,797	60,007
Disposals / impairment	-	-	-	-	-
Depreciation expense	(50,186)	(119,445)	(43,245)	(55,104)	(267,980)
Carrying amount at the end of the financial year	1,898,689	1,383,639	181,866	67,014	3,531,208

ANZ Breast Cancer Trials Group Limited (trading as Breast Cancer Trials)

Notes to the Financial Statements for the Financial Year Ended 31 March 2019

	2019	2018
	\$	\$
10 Trade and Other Payables		
Trade payables	<u>1,775,461</u>	<u>1,952,498</u>
11 Provisions		
Current employee entitlements	620,284	570,018
Non-current employee entitlements	<u>195,982</u>	<u>179,918</u>
	<u>816,266</u>	<u>749,936</u>
12 Other Financial Liabilities		
Unearned income	<u>1,426,822</u>	<u>267,091</u>
This relates to unspent Trial and Pharmaceutical and other funding income received before year end.		
13 Cash Flow Information		
(a) Reconciliation of Cash Flow from Operations with Surplus		
Net surplus for the year	1,296,211	1,113,265
Non-cash flows in surplus:		
- Depreciation	267,980	259,488
- Net investment income from other financial assets	<u>(1,061,262)</u>	<u>(772,253)</u>
Changes in assets and liabilities		
- Increase in receivables	1,355,765	(1,237,334)
- Increase in other assets	<u>(85,719)</u>	<u>(19,023)</u>
- Increase in payables and other financial liabilities	1,018,148	1,066,709
- Increase in employee benefits	66,330	6,939
Cashflow from operations	<u>2,857,453</u>	<u>417,791</u>
(b) Financing Facilities		
Secured banking facility		
Amount unused	<u>50,000</u>	<u>50,000</u>
(c) Reconciliation of cash		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:		
Cash and cash equivalents	<u>1,176,686</u>	<u>1,371,471</u>

ANZ Breast Cancer Trials Group Limited (trading as Breast Cancer Trials)

Notes to the Financial Statements for the Financial Year Ended 31 March 2019

14 Financial Risk Management

The Company's financial instruments consist mainly of deposits with banks, short-term investments, and accounts receivable and payable.

Specific Financial Risk Exposures and Management

The main risks the Company is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk, foreign currency risk and equity price risk.

(a) Interest Rate Risk

Exposure to interest rate risk arises on financial assets recognised at reporting date whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Company is also exposed to earnings volatility on floating rate instruments.

The net effective variable interest rate borrowings (i.e. unhedged debt) exposes the Company to interest rate risk which will impact future cash flows and interest charges.

At reporting date, if interest rates had been 50 basis points higher or lower and all other variables were held constant, the Company's net surplus would have increased/decreased by \$15,411 (2018: \$19,015). This is mainly attributable to the Company's exposure to interest rates on its variable rate cash reserves.

(b) Liquidity risk

Liquidity risk arises from the possibility that the company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Company manages this risk through the following mechanisms:

- preparing forward-looking cash flow analysis in relation to its operational, investing and financial activities;
- monitoring undrawn credit facilities;
- obtaining funding from a variety of sources;
- maintaining a reputable credit risk profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

Cash flow realised from financial assets reflect management's expectations as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward.

ANZ Breast Cancer Trials Group Limited

(trading as Breast Cancer Trials)

Notes to the Financial Statements

for the Financial Year Ended 31 March 2019

14 Financial Risk Management (cont'd)

(c) Foreign Currency Risk

Exposure to foreign exchange risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the Company receives revenues holds financial instruments which are other than the AUD functional currency of the Company.

(d) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counter parties of contract obligations that could lead to a financial loss to the Company.

Credit Risk Exposures

The maximum exposure to credit risk by class of recognised financial assets at balance date, excluding the value of any collateral or other security held, is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the Statement of Financial Position. The Company has no significant concentration of credit risk with any single counterparty or group of counterparties.

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are detailed at Note 6.

(e) Equity Price Risk

Equity price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market price. The Company has significant managed funds. If the price of these assets had been 5% higher/lower surplus for the year would have increased/decreased by \$1,010,630 (2018: \$809,946).

(f) Net Fair Values

The directors consider that the carrying amounts of financial assets and financial liabilities, recorded at amortised cost in the financial statements, approximates their fair values as presented in the Statement of Financial Position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgment and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

ANZ Breast Cancer Trials Group Limited (trading as Breast Cancer Trials)

Notes to the Financial Statements for the Financial Year Ended 31 March 2019

15 Change in Accounting Policy

During the current year the directors have decided to change the accounting policy for the recognition and measurement of equity reserves. A reserve has been created to reflect the net present value of the expected future research programs. These are costs at the end of the financial year expected to be funded with the Company's equity.

The aggregate effect of the change in accounting policy on the annual financial statements for the year ended 31 March 2018 is as follows:

	Previously stated	31 March 2018 Adjustments	Restated
Statement of Financial Position			
Retained earnings	29,587,130	(14,768,000)	14,819,130

16 Events after the end of the Reporting Period

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

17 Company Details

The registered office of and principal place of business of the company is:

ANZ Breast Cancer Trials Group Limited
Level 4 175 Scott Street
Newcastle NSW 2300

ANZ Breast Cancer Trials Group Limited (trading as Breast Cancer Trials)

Directors' Declaration

The directors of the entity declare that:

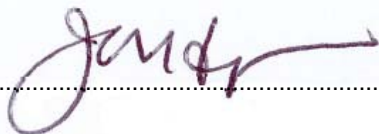
1. The financial statements and notes, as set out on pages 6 to 22, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and the *Corporations Act 2001* and:
 - (a) comply with Australian Accounting Standards; and
 - (b) give a true and fair view of the financial position as at 31 March 2019 and of the performance for the year ended on that date of the entity.
2. In the directors' opinion, there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Director

Bruce Mann



Director

Jennifer Horrigan

Dated

17.5.2019

ANZ Breast Cancer Trials Group Limited (trading as Breast Cancer Trials)

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of ANZ Breast Cancer Trials Group Limited (trading as Breast Cancer Trials)

I declare that, to the best of my knowledge and belief, during the year ended 31 March 2019, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.



PKF



MARTIN MATTHEWS
PARTNER

17 MAY 2019
NEWCASTLE, NSW

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ANZ BREAST CANCER TRIALS GROUP LIMITED (TRADING AS BREAST CANCER TRIALS)

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of ANZ Breast Cancer Trials Group Limited (trading as Breast Cancer Trials) (the Company), which comprises the statement of financial position as at 31 March 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 statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with 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 March 2019 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards and International Financial Reporting Standards to the extent described in Note 1 and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2012*.

Basis for Opinion

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 opinion.

Responsibilities of Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *ACNC Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the 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 intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance 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 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 the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



PKF



MARTIN MATTHEWS
PARTNER

17 MAY 2019
NEWCASTLE, NSW

ANZ BREAST CANCER TRIALS GROUP LIMITED
(TRADING AS BREAST CANCER TRIALS)

Disclaimer

The additional financial data presented on page 30 and 31 is in accordance with the books and records of the Company which have been subjected to the auditing procedures applied in our statutory audit of the Company for the year ended 31 March 2019. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and we give no warranty of accuracy or reliability in respect of the data provided. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than ANZ Breast Cancer Trials Group Limited (trading as Breast Cancer Trials)) in respect of such data, including any errors of omissions therein however caused.



PKF



MARTIN MATTHEWS
PARTNER

17 MAY 2019
NEWCASTLE, NSW

ANZ Breast Cancer Trials Group Limited (trading as Breast Cancer Trials)


Charitable Fundraising Act Declaration

The directors of ANZ Breast Cancer Trials Group Limited declare that:

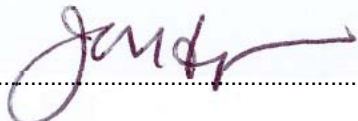
1. The Financial Statements and notes thereto give a true and fair view of all income and expenditure of ANZ Breast Cancer Trials Group Limited with respect to fundraising appeals and merchandising sales;
2. The provisions of the Charitable Fundraising Act 1991 and the regulations under that Act and the conditions attached to the fundraising registration have been complied with, along with applicable legislation in all other states; and
3. The internal controls of ANZ Breast Cancer Trials Group Limited are appropriate and effective in accounting for all income received.

This declaration is made in accordance with a resolution of the Board of Directors.

- (a) I am a committee member of the association; and
- (b) I am duly authorised by the committee to make this statement; and
- (c) The attached financial statement was submitted to the members at the annual general meeting.

Director 

Bruce Mann

Director 

Jennifer Horrigan

Dated: 17.5.2019

ANZ Breast Cancer Trials Group Limited (trading as Breast Cancer Trials)

Fundraising Activities

In 1994, the ANZBCTG established the Breast Cancer Institute of Australia (BCIA) as the fundraising department dedicated to securing ongoing funding for the ANZBCTG research program and to raise awareness in the community about the importance of this research.

In September 2017, the ANZBCTG and BCIA rebranded to one new trading name 'Breast Cancer Trials'.

Income raised via fundraising is entirely directed to the research program.

The fundraising financial sub-statements are presented to clearly summarise the income and associated costs of fundraising activities.

2018/2019 Fundraising Activities

This financial year the fundraising department has continued to develop and strengthen its long-term relationship with supporters. Thanks to their generosity, the Supporter Appeals conducted throughout the year generated over \$2.26 million with new supporter acquisition an important area of development.

Fundraising income from the corporate sector was influenced by the loss of the long-term support from the cosmetic company Avon, which ceased business in Australia in 2018. Two grants were received from the Commonwealth Bank Can4Cancer2018 activities via Tour de Cure.

Special events and projects such as The Australian Women's Health Diary and Tee Off for Breast Cancer Trials were held during the reporting period. Income from the 2019 Australian Women's Health Diary brings the total net profit raised from the diary since its inception to \$15.25 million. Tee Off raised \$167,000 and involved 151 golf clubs nationally, with other special events such as 'Race for a Cure' raising significant funds.

Bequest income declined from the previous year, however the nature of this income means that fluctuations are expected. The continued development of the Bequest Program remains a high priority.

Breast Cancer Trials
Fundraising Department - Income and Expenditure Sub-Statement

	Year Ended March 2019					Year Ended March 2018				
	Income	Direct Expense*	Net Income	Ratios		Income	Direct Expense*	Net Income	Ratios	
				Expense /Income	Net Surplus/ Income				Expense /Income	Net Surplus/ Income
Donations	2,260,478	745,482	1,514,996	33%	67%	2,464,860	884,792	1,580,068	36%	64%
Corporate	602,662	7,151	595,511	1%	99%	672,671	10,390	662,281	2%	98%
Community Activities	1,628,556	493,677	1,134,879	30%	70%	1,912,825	459,421	1,453,404	24%	76%
Total Fundraising*	4,491,696	1,246,310	3,245,386	28%	72%	5,050,356	1,354,603	3,695,753	27%	73%
Bequests	549,502	100,820	448,682	18%	82%	956,756	32,939	923,817	3%	97%
Indirect Expenses*			753,860					778,291		
Total Department	5,041,198	1,347,130	2,940,208			6,007,112	1,387,542	3,841,279		
Total Department Ratios										
- Direct Expense*				27%					23%	
- Indirect Indirect Expense*				15%					13%	
Total Costs				42%	58%				36%	64%

Note: This Sub-statement displays fundraising income and expenditure data and ratios set out in accordance with what is recommended in the Best Practice Guidelines to support the NSW Charitable Fundraising Act 1991 and the Charitable Fundraising Regulation 2015.

Total Fundraising*, Direct Expenses* and Indirect Expenses* are classified consistent with the Guidelines.