



Financial Report

Year Ended 30 June 2011

research



prevention

support



Financial Report

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Anti-Cancer Foundation of South Australia (ACN: 053 873 822)
as Trustee for Cancer Council SA (ABN: 31 469 615 538)

Corporate information

Patrons	J Roberts AO D Klingberg AO
Directors	JH Brown, LLB, FAICD (Chairman) P Vaughan, Bcom, TSTC (Deputy Chairman) SD Abraham BEc, FCA RG Buchecker JM Dwyer, BA, MBA, FAICD, FCHSM M Hosking FCA FCPA FAICD FFIN B.Comm MBA B Koczwarra BMBS, FRACP, MBioethics C Michalakis BSc(Ma) MSc (appointed 24/3/11) S Neuhaus, CSC MBBS, PhD, FRACS IG Yates AM, BA, MAICD (retired 24/3/11) DMK Keefe MBBS MD FRACP FRCP (retired 24/03/11)
Chief Executive	B Wilson RN, Dip App Sc, B Bus (Health), MBA, FCHSE, FRCNA, GAICD
Company Secretary	S Faulkner GradDipMgt, AIMM, CPMgr
Auditors	KPMG 151 Pirie Street Adelaide SA 5000
Bankers	Bank of South Australia 121 Glen Osmond Road PARKSIDE SA 5063
Registered Office	202 Greenhill Road Eastwood SA 5063
Postal address	PO Box 929 Unley BC SA 5061

Directors' Report for the six month period ended 30 June 2011

The Directors of Cancer Council SA present their report with respect to the results for the six month period ended 30 June 2011.

Short and long term objectives

Our short term objectives are directed to funding and delivering programs that have a tangible impact on:

- the lives of cancer patients, their carers and families
- research and knowledge of cancer
- community understanding and behaviour in relation to cancer
- advancing cancer prevention and control.

In the longer term our strategic priorities are:

- reducing cancer risk, increasing cancer prevention
- improving the rates of survival when cancer does occur
- optimising cancer care
- improving the quality of life of people with cancer, cancer survivors and carers
- addressing inequalities in cancer risk and cancer outcomes between more and less advantaged sectors of the community, by addressing the causes
- building for the future through investment in infrastructure and strong cancer research
- providing and improving information for cancer control.

Strategies for achieving our objectives

Research - fostering and building South Australian cancer research capacity

- work towards 40% of our research funds being applied to clinical care and population health development
- ensure cancer registries data will be universally available and meet national data specifications
- ensure biospecimen database is available statewide, linkable to cancer registries/databases for ethics approved projects
- increase in access to cancer evidence via scientific reports, journals and conferences, Cancer Council SA website and to local and international studies
- work towards increasing NHMRC funds awarded for South Australian cancer research.

Prevention - improving well being and preventing cancer

- reduce smoking rates in adults
- increase population participation in colorectal cancer screening
- increase participation in sun protection behaviours
- increase awareness of risk factors of overweight and obesity
- increase early screening to detect breast and cervix cancer.

Support - supporting people with cancer, their families and carers

- measure and monitor support care needs to ensure evidence based support is available
- increase established online services and helpline supportive care resources
- increase funding to focussed research on supportive care needs of South Australians
- establish Aboriginal and Torres Strait Islander support plan in collaboration with Cancer Clinical Network.

Directors' Report (continued) for the six month period ended 30 June 2011

Building Capacity - ensuring we have the capacity to deliver on our vision

- achieve financial sustainability
- increase net annual revenue of retail operations
- raise brand awareness of Cancer Council SA
- increase number of regular donors and maximise donor value
- increase net fundraising revenue
- ensure community engagement
- work towards organisational health and being an employer of choice
- ensure work practices are environmentally sound

Principal Activities during the year:

The principal activities of Cancer Council SA during the six month period consisted of furthering research into methods of treatment and the causation and prevention of the disease of cancer; education and promotion of the interests of the public in respect of cancer; providing community support services; and promoting any anti-cancer purpose.

Review of operations:

The operations of Cancer Council SA have been carried out so as to achieve the set objectives. Fundraising, although difficult in the current competitive climate has achieved targeted levels. Expenditure on prevention and support programs during the six months to June 2011 exceeded \$4.0 million with a further \$2.6 million directed to cancer research.

Likely developments and expected results of operations

Competition for the charitable and recreational dollar continues to present challenges in raising funds to support the programs of Cancer Council SA, although donor support remains high. Ongoing review of all programs is undertaken to ensure the continuing financial viability of Cancer Council SA.

Significant changes in the state of affairs

In the opinion of the Directors, there were no significant changes in the state of affairs that occurred during the six month period to 30 June 2011.

Events subsequent to the end of balance date

No matters or circumstances have arisen since the end of financial year that could significantly affect the operations of Cancer Council SA in future financial years.

Member's liability

The Anti-Cancer Foundation of South Australia is a Company limited by guarantee. Pursuant to the Constitution, each member undertakes to contribute to the property of the Company in the event of it being wound up. The maximum contribution per member in accordance with the guarantee is \$100.

Directors' Report (continued) for the six month period ended 30 June 2011

Information on Directors

The following persons were Directors of Cancer Council SA during the six month period and to the date of this report.

Ms Juliet Brown, LLB, FAICD

Appointed Director 24/05/02

Chair, Board Cancer Council SA - appointed 24/03/11

Chairman, Nomination and Remuneration Committee

Member, Investment Committee

Member, Audit and Risk Committee

Ms Brown has over 30 years experience in the law and business. She was for more than 10 years a partner of Finlaysons Lawyers and prior to concentrating on her directorships, was Chief Executive of Thomson Playford, Lawyers. Ms Brown is currently the Chairman of Local Super and is a past President of the RAA of SA Inc. Her current board roles include the Motor Accident Commission, SAFA, Bio Innovation SA, RAA Insurance Ltd and Business SA.

Mr Peter Vaughan, BCom

Appointed Director 25/08/00

Deputy Chairman, Board Cancer Council SA - appointed 24/03/11

Deputy Chairman, Nomination and Remuneration Committee

Deputy Chairman, Audit and Risk Committee

Chief Executive Officer of Business SA. Business SA is South Australia's leading business organisation, representing thousands of businesses through direct membership and affiliated industry groups. Mr Vaughan was appointed Chief Executive Officer of Business SA in July 1999 and immediately implemented a radical change management program for the organisation. This included the development of a new corporate identity, a strategy to increase membership numbers, and the strengthening of Business SA's lobbying and advocacy role.

Mr Vaughan is also Chairman of the JamFactory, State Councillor of the Committee for Economic Development of Australia (CEDA) and a Board member of WorkCover Corporation and the Training and Skills Commission. He is strongly committed to sharing his skills and experiences to support the State's community sector.

Mr Simon Abraham BEc, FCA

Appointed Director 19/03/10

Chairman, Audit and Risk Committee

Mr Abraham is a Chartered Accountant and partner in the Adelaide office of BDO, an international network of chartered accounting firms. Specialising in providing taxation and business advice to family businesses and the SME sector, Mr Abraham's experience spans professional services, aged care, retail, and building and construction. Mr Abraham is currently on the Finance Committee of St Ignatius College and was previously a member of Cancer Council SA Finance Committee.

Directors' Report (continued) for the six month period ended 30 June 2011

Mr Rod Buchecker

Appointed Director 08/12/06

Mr Buchecker is an independent business consultant specialising in brand management, marketing communications and advertising. His experience includes 15 years as a Director of Clemenger BBDO Adelaide, part of Clemenger Group Limited, the largest and most successful Marketing Communications company in Australasia. He also served almost seven years with Young and Rubicam, Adelaide and Melbourne plus a year with DDB Needham in Melbourne following 13 years with Berrivale Orchards.

Mr Buchecker is a graduate of Harvard Business School's Strategic Marketing Management programme and the prestigious Young and Rubicam Ad Skills Workshop in New York. He is also an active member of the Australian Institute of Company Directors and a lecturer for the Communications Council of Australia's Ad School.

Mr Buchecker is a Board Director of Regional Development Australia – Metropolitan Adelaide, and a member of several community based organisations including the Legacy Marketing Committee, Legacy Kokoda Trekkers committee and the Kokoda Track Foundation.

Professor Judith Dwyer BA, MBA, FAICD, FCHSM

Appointed Director 10/11/10

Member, Nomination and Remuneration Committee

Professor Dwyer is a health care management academic at the Flinders University School of Medicine, and a former CEO of Southern Health Care Network in Melbourne, and of Flinders Medical Centre in Adelaide, having worked in the Australian health system for more than 20 years. She is currently a Research Program Leader in the Cooperative Research Centre for Aboriginal and Torres Strait Islander Health. She teaches in the Flinders' Masters of Health Administration in Adelaide and in China, and conducts research focused on health system governance and design.

Mr Mark Hosking FCA FCPA FAICD FFIN B.Comm MBA

Appointed Director 4/11/10

Deputy Chairman - Investment Committee

Mr Hosking has over 20 years in accounting and financial services and is currently the Chief Financial Officer of Elders Ltd. He has previously worked at NAB Ltd (10 years) where he was CFO of the Bank of New Zealand. Mr Hosking also worked at AWB Ltd where he was responsible for the total financial function globally and moved Australia's largest agribusiness from a monopolistic wheat exporter to a commercially driven diversified global agribusiness.

Directors' Report (continued) for the six month period ended 30 June 2011

Professor Bogda Koczwara BMBS FRACP MBioethics

Appointed Director 20/6/06

Member, Nomination and Remuneration Committee

Professor Koczwara is a medical oncologist, an ethicist and the Director of Cancer Services for Southern Adelaide Health Service. Professor Koczwara completed her oncology training at the Roswell Park Cancer Institute in Buffalo, New York, where she refined her interests in research ethics and patient decision-making. Her clinical interests revolve around management of breast and gynaecological malignancies, psycho oncology and supportive care and she is an active member of collaborative research groups in these areas.

Professor Koczwara is the President of the Clinical Oncological Society of Australia, the past Chairman of the Medical Oncology Group of Australia, and the immediate past Chairman of the Australia Asia Pacific Clinical Oncology Research Development (ACORD) - an initiative of the Medical Oncology Group of Australia to share the wealth of knowledge and research skills of its members and use them to benefit our region. Professor Koczwara also serves on the Board of Cancer Council Australia.

Mr Con Michalakis BSc(Ma) MSc

Appointed Director 24/3/11

Chairman, Investment Committee

Mr Michalakis is Head of Investments at Statewide Super, one of South Australia's leading financial services groups and is responsible for managing, with the investment committee, the fund's \$2.4 billion in assets. He is also on the advisory board of the International Centre for Financial Services at the University of Adelaide

Prior to this, Con was Director of Marketing and Client Services for Pzena Investment Management based in New York where he was responsible for marketing the firm's strategies in Australia, New Zealand, Singapore and Hong Kong. He was previously Director, Head of Institutional Business for Merrill Lynch Investment Managers based in Sydney. Con has also worked in London with Alliance Capital Management and was the first Australian practice leader of investment consulting for Watson Wyatt.

Directors' Report (continued) for the six month period ended 30 June 2011

Associate Professor Susan Neuhaus CSC MBBS PhD FRACS

Appointed Director 27/10/10

Associate Professor Neuhaus is a General Surgeon and Fellow of the Royal Australasian College of Surgeons (RACS). In 2004 she was awarded the Lumley Exchange Scholarship and undertook a Fellowship in Surgical Oncology Royal at the Royal Marsden Hospital in the United Kingdom. She has a Doctorate of Philosophy (PhD) in mechanisms of tumour spread during laparoscopy.

As Clinical Associate Professor of Surgery, Susan works in private and public practice with special interests in melanoma and sarcoma. She chairs the Surgical Oncology Group of the Clinical Oncological Society of Australia (COSA), is a Director of the Australasian Sarcoma Study Group (ASSG), member of the Australian Melanoma Trials Group (ANTMTG) and on the Royal Australasian College of Surgeons Court of Examiners in General Surgery. She is actively involved in teaching, research and clinical trials and has published extensively on a broad range of topics, served as a journal editor and reviewer and authored a textbook 'Radiology in Surgical Practice'.

Associate Professor Neuhaus has also completed an Army career spanning over 20 years. During this time she served in Cambodia, Bougainville and most recently in Afghanistan. In 2009 she was awarded the Conspicuous Service Cross in the Queen's Birthday Honours List in recognition of her leadership in Army Health. She remains actively involved in Veterans health issues, and has published extensively on strategic defence health issues. She is appointed to the Veterans Health Advisory Council (SA), is on the Board of Directors of Foundation Daw Park and is an Ambassador for Defence Reserves.

Mr Ian Yates AM, BA, MAICD

Appointed Director 15/11/96 - Retired 24/03/11

Mr Yates is Chief Executive of COTA Australia Ltd and of the Council on the Ageing (SA) Inc, Chairman of COTA Member Services Pty Ltd, a Director and Company Secretary of the Australian Council on the Ageing, a Director of Insurance & Membership Services Ltd, Director and Chairman of the Australasian Journal on Ageing Inc, and a Board member of the Aged Rights Advocacy Service Inc. Mr Yates is Deputy Chancellor of the Flinders University of South Australia, Chairman of the University's Resources Committee and Executive member of the University Alumni Association. He is a member of the SA Government's Health Performance Council and serves on a significant number of Federal and State Government advisory committees.

Professor Dorothy M K Keefe MBBS MD FRACP FRCP

Appointed Director 28/02/03 - Retired 24/3/11

Regional Clinical Director, AHS Cancer Services, Cancer Council SA Chair in Cancer Medicine in the Department of Medicine, Faculty of Health Sciences, University of Adelaide. Chair State-wide Cancer Clinical Network. President of the Multinational Association for Supportive Care in Cancer (MASCC). Head, Mucositis Research Group, University of Adelaide.

Professor Keefe is an active researcher in the field of mucositis (the oral and gastrointestinal tract damage following chemotherapy and radiotherapy). Her knowledge of oncology, service planning, safety and quality, supportive care research, and allocation of research funding inform her activity on the Board of Cancer Council SA.

Directors' Report (continued) for the six month period ended 30 June 2011

Directors' benefits

No Director of Cancer Council SA has received or has become entitled to receive a benefit in respect of their role as Directors.

Meetings of Directors

The number of Directors' meetings and number of meetings attended by each of the Directors of Cancer Council SA during the six month period was:

	Directors' meetings	
	No of Meetings Attended	No of Meetings Eligible to Attend
JH Brown	3	3
P Vaughan	2	3
SD Abraham	3	3
RG Buchecker	3	3
JM Dwyer	2	3
M Hosking	3	3
B Koczwar	2	3
C Michalakakis (appointed 24/3/11)	1	2
S Neuhaus	2	3
IG Yates (retired 24/3/11)	1	2
DMK Keefe (retired 24/3/11)	2	2

Indemnification and insurance of officers and auditors

To the extent permitted by law, Cancer Council SA has entered into an agreement indemnifying all Directors and Officers against all liabilities to another person, other than Cancer Council SA or a related body corporate that may arise from their position as Directors of Cancer Council SA or in the capacity of an outside Director for a non-profit outside organisation, except when the liability arises out of conduct involving a lack of good faith.

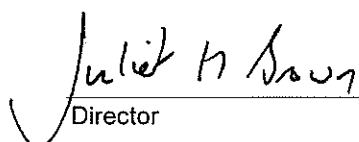
Since the end of the previous financial year, Cancer Council SA has paid insurance premiums in respect of the Association Liability Insurance contract for current and former Directors and Officers.

The contract of insurance prohibits disclosure of the nature of the liability covered and the amount of the premium paid.

Lead auditor's independence declaration

The lead auditor's independence declaration is set out on page 10 and forms part of the Directors' report.

This report is made with a resolution of the Directors:


Director


Director

Dated this 13TH day of OCTOBER 2011



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of Anti-Cancer Council Foundation of South Australia

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial period ended 30 June 2011 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.

KPMG

KPMG

A handwritten signature in black ink, appearing to read 'Paul Cenko'.

Paul Cenko
Partner

Adelaide

13 October 2011

Statement of financial position as at 30 June 2011

	Note	30 June 2011 \$	31 December 2010 \$
Current assets			
Cash and cash equivalents	7	8,781,414	9,982,571
Trade and other receivables	8	2,254,496	2,133,144
Inventories		365,392	416,412
Total current assets		<u>11,401,302</u>	<u>12,532,127</u>
Non current assets			
Other financial assets	9	19,187,399	20,330,187
Property, plant and equipment	10	11,992,348	11,843,759
Intangible assets	11	234,544	284,413
Total non-current assets		<u>31,414,291</u>	<u>32,458,359</u>
Total assets		<u>42,815,593</u>	<u>44,990,485</u>
Current liabilities			
Trade and other payables	12	1,690,216	2,315,895
Administered program funding received in advance	13	510,257	1,170,988
Interest free borrowings		112,787	112,787
Employee benefits	14	831,630	827,613
Total current liabilities		<u>3,144,890</u>	<u>4,427,283</u>
Non current liabilities			
Employee benefits	14	57,329	137,484
Total non-current liabilities		<u>57,329</u>	<u>137,484</u>
Total liabilities		<u>3,202,219</u>	<u>4,564,767</u>
Net assets		<u>39,613,374</u>	<u>40,425,718</u>
Equity			
Reserves		3,450,972	5,141,942
Retained earnings		36,162,402	35,283,776
Total equity attributable to equity holder		<u>39,613,374</u>	<u>40,425,718</u>

The above statement of financial position should be read in conjunction with the accompanying notes set out on pages 15 to 22.

**Statement of comprehensive income
for the six month period ended 30 June 2011**

	Note	6 months to 30 June 2011 \$	12 months to 31 December 2010 \$
Revenue from operating activities			
Community funding	4(i)	4,436,307	12,727,443
Program services			
Motel operations		1,211,297	2,626,256
Administered program funding	13	1,688,931	3,372,906
Services provided		443,213	442,748
Merchandising activities	4(ii)	256,899	669,561
		<u>8,036,647</u>	<u>19,838,914</u>
Expenses from operating activities			
Community funding		1,782,368	3,940,392
Program services			
Research	5(i)	2,561,472	6,573,842
Cancer control	5(ii)	4,008,200	8,020,846
Merchandising activities		322,339	669,851
Communication & administration		794,756	1,659,029
		<u>9,469,135</u>	<u>20,863,960</u>
Results from operating activities		<u>(1,432,488)</u>	<u>(1,025,046)</u>
Financial income	6	1,817,095	2,094,717
Profit/(loss)for the period		<u>384,607</u>	<u>1,069,671</u>
Other comprehensive income			
Net change in fair value of financial assets classified as fair value through other comprehensive income		(1,196,951)	(1,278,665)
Total comprehensive income for the period		<u>(812,344)</u>	<u>(208,994)</u>

The above statement of comprehensive income should be read in conjunction with the accompanying notes set out on pages 15 to 22.

**Statement of changes in equity
for the six month period ended 30 June 2011**

	Fair value reserve \$	Research fellowship reserve \$	Retained earnings - general \$	Retained earnings - Nelson fund \$	Total equity \$
Balance at 1 January 2010	5,926,588	494,019	32,145,175	2,068,930	40,634,712
Total comprehensive income for the period					
Profit or loss	-	-	1,069,671	-	1,069,671
Net change in fair value of financial assets classified as fair value through other comprehensive income	(1,278,665)	-	-	-	(1,278,665)
Transfer (to)/from retained earnings	-	-	2,068,930	(2,068,930)	-
Total comprehensive income for the period	(1,278,665)	-	3,138,601	(2,068,930)	(208,994)
Balance at 31 December 2010	4,647,923	494,019	35,283,776	-	40,425,718
Balance at 1 January 2011	4,647,923	494,019	35,283,776	-	40,425,718
Total comprehensive income for the period					
Profit or loss	-	-	384,607	-	384,607
Net change in fair value of financial assets classified as fair value through other comprehensive income	(1,196,951)	-	-	-	(1,196,951)
Transfer (to)/from retained earnings	-	(494,019)	494,019	-	-
Total comprehensive income for the period	(1,196,951)	(494,019)	878,626	-	(812,344)
Balance at 30 June 2011	3,450,972	-	36,162,402	-	39,613,374

The above statement of changes in equity should be read in conjunction with the accompanying notes set out on pages 15 to 22.

**Statement of cash flows
for the six month period ended 30 June 2011**

	Note	6 months to 30 June 2011 \$	12 months to 31 December 2010 \$
Cash flows from operating activities			
Cash receipts from customers		8,852,539	20,048,852
Cash paid to suppliers and employees		(10,727,008)	(20,997,253)
Interest received		162,219	565,409
Net cash used in operating activities		<u>(1,712,250)</u>	<u>(382,992)</u>
Cash flows from investing activities			
Proceeds from sale of plant and equipment		51,304	-
Acquisition of property, plant and equipment		(536,706)	(532,059)
Dividends received from investments		1,001,081	1,428,699
Proceeds from/(acquisition of) equity investments		(4,586)	(46,804)
Net cash provided by investing activities		<u>511,093</u>	<u>849,836</u>
Net increase in cash and cash equivalents		(1,201,157)	466,844
Cash and cash equivalents at 1 January		9,982,571	9,515,727
Cash and cash equivalents at 31 December	7	<u>8,781,414</u>	<u>9,982,571</u>

The above statement of cash flows should be read in conjunction with the accompanying notes set out on pages 15 to 22.

Notes to the financial statements for the six month period ended 30 June 2011

Note 1 Reporting entity

The sole object of the Company is to act as trustee of the public charitable Trust known as the Anti-Cancer Foundation of South Australia and for that purpose the consolidated entity comprising both the Company and the Trust operates as Cancer Council SA. The financial information presented in this financial report are those of the consolidated entity.

In all reports, any reference to the Company is a reference to its capacity as trustee of the Trust. The Company does not trade and has no assets and liabilities other than in its capacity as trustee.

Note 2 Basis of preparation

(a) Statement of compliance

Cancer Council SA early adopted AASB 1053 Application of Tiers of Australian Accounting Standards and AASB2010-02 Amendments to Australian Standards arising from Reduced Disclosure requirements for the financial year beginning 1 January 2011 to prepare Tier 2 general purpose financial statements.

The financial report is a Tier 2 general purpose financial report which has been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements (AASB-RDRs) (including Australian interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

This financial report has been approved by the Directors on 13th October 2011.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except equity investments classified as fair value through other comprehensive income, which are measured at fair value (see note 3(a)(ii)). Other non-current assets are stated at the lower of carrying amount and fair value less costs to sell.

(c) Functional and presentation currency

The financial statements are presented in Australian dollars.

(d) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

(e) Change in accounting periods

Cancer Council SA has decided to align its financial year with the majority of Cancer Councils. These financial statements have been prepared for a period of six months ended 30 June 2011. Comparatives for the previous period cover twelve months to 31 December 2010.

Notes to the financial statements for the six month period ended 30 June 2011

Note 2 Basis of preparation (continued)

(f) Changes in accounting policies

Commencing 1 January 2011, Cancer Council SA has changed its accounting policies in the application of reduced disclosure requirements.

Note 3 Significant accounting policies

Significant accounting policies set out below have been applied consistently to all periods presented in the financial report.

(a) Financial instruments

(i) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

(ii) Financial assets

When financial assets are recognised initially, they are measured at fair value. Financial assets other than those subsequently measured at amortised cost are subsequently measured at fair value. Investments in equity instruments that are not held for trading are measured at fair value through other comprehensive income. Fair value is determined based on fair value (being the redemption value) of all investments.

Financial assets are recognised/derecognised by Cancer Council SA on the date it commits to purchase/sell the investments.

(iii) Trade and other receivables

Trade and other receivables are stated at their cost less impairment losses (see accounting policy (f)).

(b) Property, plant and equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation or impairment write-offs. The carrying amount is reviewed annually to ensure it is not in excess of the remaining service potential of these assets. All classes of property, plant and equipment are depreciated using the straight line method. The estimated useful lives are as follows:

• buildings	40 years
• motor vehicles	5 years
• plant and equipment	3 - 20 years

(c) Intangible assets

Significant items of computer software are stated at cost less accumulated amortisation and impairment write-offs. Amortisation is recognised on a straight line basis over the estimated useful lives of each item of computer software from the date it is acquired and is ready for use. Estimated useful lives are deemed to be 5 years. Remaining useful lives are reassessed annually. No residual value is assumed.

Notes to the financial statements for the six month period ended 30 June 2011

Note 3 Significant accounting policies (continued)

(d) Leases

Leases in terms of which Cancer Council SA assumes substantially all the risks and rewards of ownership are classified as finance leases. Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense.

(e) Inventories

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

(f) Impairment

At each reporting date the carrying amounts of Cancer Council SA's tangible and intangible assets are reviewed to determine whether there is any indication of impairment. If any such indication exists the recoverable amount, 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. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

(g) Employee benefits

(i) Superannuation

A defined contribution plan is a post employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions are recognised when they are due.

(ii) Wages, salaries, annual and paid maternity leave

The provisions for employee entitlements to wages, salaries, annual and paid maternity leave represent obligations resulting from employees' services provided up to reporting date, calculated at undiscounted amounts based on wage and salary rates, including related on costs, which Cancer Council SA expects to pay at each reporting date.

(iii) Long-term service benefits

Long term service benefits, plus related on costs, are measured at the present value of future cash outflows. Regardless of the expected timing of settlement, provisions made for annual leave and unconditional long service leave are classified as a current liability where the employee has a present entitlement to the benefit. A non current liability would include long service leave entitlements accrued for employees with less than 7 years of continuous service.

(h) Trade and other payables

Liabilities are recognised for amounts to be paid in the future for goods and services received. The carrying amount of accounts payable approximates fair value.

Notes to the financial statements for the six month period ended 30 June 2011

Note 3 Significant accounting policies (continued)

(i) Revenue

(i) Charitable support

Revenue is received from fundraising events, legacies and bequests and is brought to account on a cash received basis. When assets, such as investments or properties, are received from a bequest or donation, an asset is recognised at fair value, with a corresponding amount of revenue, when Cancer Council SA gains control of such assets.

(ii) Interest and dividend revenue

Interest revenue is recognised as it accrues on a daily basis, using the effective interest method. Dividend revenue is recognised when received. Where dividends are franked the dividends are recognised inclusive of imputation credits.

Distributions from managed investment funds are recognised as revenue in the period to which they relate.

(iii) Sale of goods/services

Revenue from the sale of goods is recognised when control of the goods passes to the customer. Revenue from accommodation facilities is recognised when rooms are occupied and food and beverage is sold.

(j) Administered program funding

Grants received for specific programs are recognised as income only to the extent of work completed up to the reporting date, when the terms of the grant stipulate that any unexpended funds be returned should the program not be completed.

Funds attributable to work still to be completed are recorded as a current liability in the statement of financial position.

(k) Taxation

(i) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition or as part of the expense. Receivables and payables are recognised inclusive of GST.

(ii) Income tax

Cancer Council SA is exempt from income tax under the terms of Section 50(5) of the Income Tax Assessment Act 1997.

(l) Reserves

(i) Fair value reserve

The fair value reserve includes the cumulative net change in the fair value of equity investments until the investment is derecognised through sale.

(ii) Retained earnings - Nelson fund

On June 30 2010 Cancer Council SA agreed to take over the assets, fundraising and Peter Nelson Fellowship administration activities of Peter Nelson Leukaemia Research Fellowship Fund Inc.

(m) Changes in comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in this financial report.

Notes to the financial statements for the six month period ended 30 June 2011

Note 3 Significant accounting policies (continued)

(n) Presentation of financial statements and reduced disclosure

Cancer Council SA has elected to early adopt AASB 9 Financial Instruments, with a date of initial application of 1 January 2010. For investments in equity instruments that are not held for trading, the Council has elected at initial recognition to present gains and losses in other comprehensive income. For instruments measured at fair value through other comprehensive income, gains and losses are not reclassified to profit or loss and no impairments are recognised in profit or loss. Dividends earned are recognised in profit or loss unless the dividend clearly represent a recovery of part of the cost of the investment.

Cancer Council SA has elected to early adopt AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-02 Amendments to Australian Standards arising from Reduced Disclosure Requirements. This has resulted in a reduction of disclosures for items such as financial instruments. Comparative information has been represented or removed so that it also conforms to the new disclosure requirements. Since the change in accounting policy only impacts presentation aspects, there is no impact on comprehensive income or earnings per share.

		6 months to 30 June 2011 \$	12 months to 31 December 2010 \$
Note 4	Revenue		
	(i) Community funding		
	Bequests & legacies	1,058,107	5,988,023
	Marketing fundraising	3,378,200	6,739,420
		<u>4,436,307</u>	<u>12,727,443</u>
	(ii) Merchandising activities		
	Sale of goods	537,897	1,261,800
	Cost of goods sold	(280,998)	(592,239)
	Gross profit on retail operations	<u>256,899</u>	<u>669,561</u>
Note 5	Program services		
	(i) Research		
	Data managers (for clinical research)	140,390	195,780
	Chair in Cancer Medicine (University of Adelaide)	-	324,075
	Chair in Behavioural Research (Flinders University)	189,793	247,713
	Research fellowships (for early career scientists)	261,570	428,395
	Small grants	27,323	121,250
	External projects	439,179	1,389,140
	Flinders Centre for Innovation in Cancer	500,000	-
	Tobacco control research and evaluation	387,164	1,029,420
	Behavioural research	300,247	577,219
	Data registries infrastructure	6,375	1,355,908
	Internal research programs and strategy support	309,431	904,942
		<u>2,561,472</u>	<u>6,573,842</u>

**Notes to the financial statements
for the six month period ended 30 June 2011**

		6 months to 30 June 2011 \$	12 months to 31 December 2010 \$
Note 5	Program services (continued)		
	(ii) Cancer control		
	Prevention programs	456,842	1,308,914
	QuitSA	1,359,612	2,640,458
	Support programs	931,815	1,745,764
	Motel operations	1,259,931	2,325,710
		<u>4,008,200</u>	<u>8,020,846</u>
Note 6	Net financial income		
	Interest income	268,612	556,409
	Dividends, distributions and franking credits	1,548,483	1,546,541
	Net gain/(loss) on disposal of available for sale investments	-	(8,233)
	Net financial income	<u>1,817,095</u>	<u>2,094,717</u>
		30 June 2011 \$	31 December 2010 \$
Note 7	Cash and cash equivalents		
	Bank balances	2,781,414	1,982,571
	Term deposits	6,000,000	8,000,000
	Balance as per statement of cash flows	<u>8,781,414</u>	<u>9,982,571</u>
Note 8	Trade and other receivables		
	Trade receivables	210,423	748,448
	Sundry receivables	2,011,262	1,364,805
	Prepayments	32,811	19,891
		<u>2,254,496</u>	<u>2,133,144</u>
Note 9	Other financial assets		
	Investments in equity securities	4,625,701	4,912,870
	Investments in units in trusts	14,561,698	15,417,317
		<u>19,187,399</u>	<u>20,330,187</u>

Notes to the financial statements for the six month period ended 30 June 2011

Note 10 Property, plant and equipment

	Land	Buildings	Plant & equipment	Work in progress	Total
	\$	\$	\$	\$	\$
Cost					
Balance at 1 January 2011	5,887,500	6,356,118	3,064,583	-	15,308,201
Acquisitions	-	-	534,309	2,397	536,706
Disposals	-	-	(134,649)	-	(134,649)
Balance at 30 June 2011	5,887,500	6,356,118	3,464,243	2,397	15,710,258
Depreciation and impairment losses					
Balance at 1 January 2011	-	1,458,079	2,006,363	-	3,464,442
Depreciation charge	-	58,975	284,372	-	343,347
Disposals	-	-	(89,879)	-	(89,879)
Balance at 30 June 2011	-	1,517,054	2,200,856	-	3,717,910
Carrying Amounts					
At 1 January 2011	5,887,500	4,898,039	1,058,220	-	11,843,759
At 30 June 2011	5,887,500	4,839,064	1,263,387	2,397	11,992,348

During 2010 all five properties were independently valued by CB Richard Ellis. The total fair value of these properties, being land and buildings, was determined to be \$18,900,000.

Note 11 Intangible assets

	\$
Computer software & licensing	
Cost	
Balance at 1 January 2011	502,821
Additions/disposals	-
Balance at 30 June 2011	502,821
Amortisation and impairment losses	
Balance at 1 January 2011	218,408
Amortisation charge for the year	49,869
Balance at 30 June 2011	268,277
Carrying amounts	
At 1 January 2011	284,413
At 30 June 2011	234,544

	30 June 2011	31 December 2010
	\$	\$
Note 12 Trade and other payables		
Trade payables	1,257,192	1,993,407
Other payables	264,095	116,981
Non trade payables and accrued expenses	168,929	205,507
	1,690,216	2,315,895

**Notes to the financial statements
for the six month period ended 30 June 2011**

		30 June	31 December
		2011	2010
		\$	\$
Note 13	Administered program funding received in advance		
	Balance as at 1 January	1,170,988	1,279,669
	Amounts received	1,028,200	3,264,225
	Income taken to revenue	(1,688,931)	(3,372,906)
	Balance at 30 June	<u>510,257</u>	<u>1,170,988</u>
Note 14	Employee benefits		
	Current		
	Liability for annual leave	369,773	370,051
	Liability for long service leave	461,857	457,562
		<u>831,630</u>	<u>827,613</u>
	Non-current		
	Liability for long service leave	57,329	137,484
		<u>57,329</u>	<u>137,484</u>
	Total employee benefits	<u>888,959</u>	<u>965,097</u>
Note 15	Operating leases		
	Leases as lessee		
	Non-cancellable operating lease rentals are payable as follows:		
	Not later than that of one year	25,598	63,995
		<u>25,598</u>	<u>63,995</u>

Cancer Council SA leases premises under operating leases. Leases generally provide a right of renewal at which time all terms are renegotiated. Lease payments comprise a base amount plus an incremental contingent rental. Contingent rentals are based on either movements in the Consumer Price Index or other operating criteria.

During the six month period ended 30 June 2011, \$64,369 was recognised as an expense in the Statement of Comprehensive Income (2010: \$124,935).

Note 16 Subsequent events

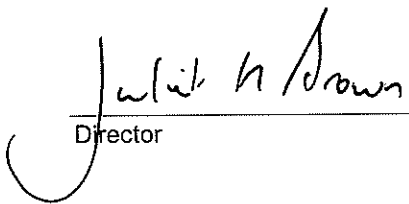
Subsequent to 30 June 2011 a decrease in global financial markets has impacted Australian equities. As a result of this, from the date of the financial report to 31 August 2011, the Council's financial assets have reduced in value by approximately \$1.3m. No allowance for this reduction in fair value has been made in the financial statements.

Directors' Declaration

In the opinion of the Directors of Cancer Council SA:

- (a) The financial statements and notes, as set out on pages 11 to 22, are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position of the Cancer Council SA as at 30 June 2011 and of its performance, as represented by the results of its operations and its cashflows, for the six month period ended on that date; and
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Cancer Council SA 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 Directors.



Director



Director

Dated this 13TH day of OCTOBER 2011



Independent auditor's report to the members of Anti-Cancer Foundation of South Australia

Report on the financial report

We have audited the accompanying financial report of the Anti-Cancer Foundation of South Australia (trading as the Cancer Council SA – “the Council”), which comprises the statement of financial position as at 30 June 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the six months ended on that date, notes 1 to 16 comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' responsibility for the financial report

The directors of the Council are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting Standards – Reduced Disclosure Requirements, a true and fair view which is consistent with our understanding of the Council's financial position and of its performance.

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



Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's opinion

In our opinion the financial report of the Anti-Cancer Foundation of South Australia is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Council's financial position as at 30 June 2011 and of its performance for the six months ended on that date; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Regulations 2001.

KPMG

KPMG

Paul Cenko
Partner

Adelaide

13 October 2011