Cancer Research Trust

Special Purpose Financial Report
for the period ended
30 June 2020

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TRUSTEE'S REPORT

DIRECTORS

The names of the directors of Cancer Research Fund Pty Ltd, the Trustee of the Cancer Research Trust, in office during the period and until the date of this report are:

Peter Leonhardt
Peter Mansell
Willem Lesterhuis
Ruth Ganss
Peter Klinken (resigned 19 July 2019)

The directors submit the Trustee's report for the period ended 30 June 2020.

PRINCIPAL ACTIVITY, REVIEW AND RESULTS OF OPERATIONS OF THE TRUST

Cancer Research Fund Pty Ltd (CRF or the Trustee) acts as Trustee of the Cancer Research Trust (the Trust).

The Trust is endorsed as a Health Promotion Charity and has Deductible Gift Recipient status and is established:

1. To support and promote cancer research and education at a state, national and international level, and

2. To establish, maintain and administer a public fund or funds for any charitable purposes in relation to cancer research.

Pursuant to the Constitution of CRF and the Trust Deed:

1. The Trust is managed by the board of directors of the Trustee (Board).

2. The Board is to appoint an external national/international scientific committee to advise and assist the Board and facilitate and oversee the peer review process.

3. The Trust Deed includes provisions:

    a. To ensure proper corporate governance;

    b. For the utilisation of an international peer review process for the assessment and allocation of grants from the Trust;

    c. That all research conducted pursuant to grants from the Trust be conducted in accordance with the Joint NHMRC/AVCC Statement and Guidelines on Research Practice (1991) or such other guidelines as may replace those guidelines;

    d. For the establishment of a nominations committee to call for and assess suitable appointees to the board to replace retirees;

    e. That the assets transferred to the Trust on settlement be invested prudently with the intention that the capital not be distributed as grants for at least 10 years of the Trust's existence. This date was passed on 28 April 2019;

    f. For the income to be applied towards the objects of the Trust; and

    g. Part of the income be used to establish and maintain an annual post-doctoral fellowship for a Western Australian based person to undertake cancer research and education at WEHI, with that person selected in accordance with the protocols published by the NHMRC

TRUSTEE'S REPORT

PRINCIPAL ACTIVITY, REVIEW AND RESULTS OF OPERATIONS OF THE TRUST (continued)

The Trust Fund is made up of:

1. The CRI Fund being that part of the Trust Fund represented by the proceeds from realisation of the initial Trust Assets:

2. The Gift Fund (that part made up of public gifts of money or property made for Trust Purposes);

3. Public funds from donations, gifts, endowments, trust distributions, and any form of financial assistance from the public;

4. All money, investments and assets accepted by the Trustee; and

5. All accreditations and accumulations of income.

The investment policy of the Trust is that the CRI Fund is to be invested prudently and responsibly. The current policy of the CRT Board is to maintain the Trust capital intact in real terms.

The distribution policy of the Trust is that any person or body corporate can apply to receive funding for an eligible project (a project that advances the Trust purposes). The current policy is to call for applications which are assessed on a competitive review basis. The applications are to be assessed by the scientific committee in accordance with the NHMRC Project Grants Peer Review Process for Funding 2009. The scientific committee is to advise the Trustee in writing of approved funding. The Trustee has the absolute discretion to decline funding.

During 2020, grants, scholarships and honorariums to a value of $1,950,000 (2019: $1,900,0000) were funded.

The Board appointed JB Were as the investment advisor and portfolio manager after having considered:

1. Qualifications and Perth presence;
2. Governance;
3. Portfolio construction and investment allocation;
4. Forecast returns and risk profile;
5. Timing; and
6. Fees.

JB Were has presented periodic reports and recommendations to the Investment Committee and the Board for consideration and acceptance or otherwise.

For the year ended 30 June 2020, the CRI Fund:

1. generated a net loss of $637,981 before realised and unrealised profits on investments and after grants, scholarships and honorariums of $1,925,000 (2019: $124,430 profit after grants, scholarships and honorariums of $1,900,000) from the available capital base of $21,247,732 (2019: $21,247,732);

2. realised profits on the investments sold during the year of $1,218,187 (2019: profit $137,923); and

3. had unrealised losses on the investment portfolio at 30 June 2020 of $2,048,524 (2019: profit $317,613).

TRUSTEE'S REPORT

CORPORATE GOVERNANCE

The board of directors of the Trustee ("Board") is responsible for corporate governance of the Trust.

All directors appointed to CRF must comply with the terms of the Settlement and the Constitution of CRF, which require that the Trustee must ensure that the principles of good governance are applied to all deliberations which occur under the Trust and by all advisory committees established under the Trust.

The Board established the Investments Committee to determine the strategies for realisation of the Shares and Property and the investment strategy for the monies realised from those assets.

The Board, following recent changes in membership, has moved to reconstitute the Scientific Committee that provides advice in relation to applications for grants and approvals of funding.

A Nominations Committee will be formed if and when required to assist the Board in reviewing the selection and appointment of directors and to regularly review and evaluate the performance of the Board.

Signed in accordance with a resolution of the directors of the Trustee.

Peter Leonhardt
Director
Perth

27 January 2021

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AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 60-40 OF THE AUSTRALIAN CHARITIES
AND NOT-FOR-PROFITS COMMISSION ACT 2012
TO THE TRUSTEE OF THE
CANCER RESEARCH TRUST
ABN: 33 906 785 987

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2020 we have complied with the independence requirements of the Australian Charities and Not-For-Profits Commission Act 2012 and any applicable code of professional conduct in relation to the audit

ACCRU+ PERTH
Chartered Accountants

GRAEME ROBERT JENNINGS
Partner

Date: 27th JANUARY, 2021
West Perth, WA

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2020

	2020 $	2019 $
Income		
Interest earned on funds at bank and on term deposits	22,235	1,139
Donations	37,197	500
Distributions received or receivable from monies invested in managed funds	1,060,487	1,188,592
Dividends received or receivable from investments in listed securities	268,270	718,252
Realised profits/(losses) on investments	1,218,187	137,923
Unrealised profits/(losses) on investments	(2,048,524)	317,613
	557,852	**2,364,019**
Expenses		
Bank charges	120	120
Accounting and secretarial fees	14,500	16,650
Audit fees	3,850	3,700
ASIC fees	267	263
Consultants	42,494	11,975
Insurance	5,456	5,201
Investment management fees	137,258	136,329
Promotion	730	9,821
Legal fees	-	1,600
Grants, scholarships and honorariums	1,925,000	1,900,000
Travel and entertainment	1,697	1,274
Total expenses	**2,131,372**	**2,086,933**
Net (loss)/income before income tax	**(1,573,520)**	**277,086**
Income tax (expense) credit	105,201	302,881
Net income/(loss) after tax	**(1,468,319)**	**579,967**
On income account	(637,982)	124,430
On capital account	(830,337)	455,537
	(1,468,319)	**579,967**
Other Comprehensive Income	-	-
Total Other Comprehensive Income for the year	-	-
Total Comprehensive Income for the year	**(1,468,319)**	**579,967**

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Note	2020 $	2019 $
ASSETS			
Current Assets			
Cash and cash equivalents	3	2,966,019	820,116
Receivables	4	856,865	4,094,063
Prepayments		147,603	2,503
Current tax asset		105,201	302,881
Total Current assets		**4,075,688**	**5,219,563**
Non-current Assets			
Investments	5	33,130,877	33,440,652
Total Non-current Assets		**33,130,877**	**33,440,652**
TOTAL ASSETS		**37,206,565**	**38,660,215**
LIABILITIES			
Current Assets			
Trade and other payables		63,034	48,365
Total Current Assets		**63,034**	**48,365**
TOTAL LIABILITIES		**63,034**	**48,365**
NET ASSETS		**37,143,531**	**38,611,850**
EQUITY			
Contributed capital	6	21,247,732	21,247,732
Retained income		15,895,799	17,364,118
TOTAL EQUITY		**37,143,531**	**38,611,850**

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2020

	Contributed Capital $	Accumulated Profits $	Total Equity $
Balance 30 June 2018	21,247,732	16,784,151	38,031,883
Profit for the year	-	579,967	579,967
Balance 30 June 2019	**21,247,732**	**17,364,118**	**38,611,850**
Loss for the year	-	(1,468,319)	(1,468,319)
Balance 30 June 2020	**21,247,732**	**15,895,799**	**37,143,5301**

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2020

	2020 $	2019 $
Cash flows from operating activities		
Interest & Trust Distributions	1,173,938	1,765,733
Dividends	308,576	755,250
Donations	37,197	500
Refund of franking credits	303,148	166,747
Grants, research and scholarships	(2,025,000)	(2,275,000)
Payments to suppliers	(178,884)	(208,787)
Net cash flows from/(used in) operating activities	**(381,025)**	**204,443**
Cash flows from investing activities		
Investments	2,526,928	(688,858)
Net cash flows from/(used in) investing activities	**2,526,928**	**(688,858)**
Cash flows from financing activities	-	-
Net cash flows from/(used in) financing activities	**-**	**-**
Net increase/(decrease) in cash and cash equivalents	2,145,903	(484,415)
Cash and cash equivalents at beginning of period	820,116	1,304,531
Cash and cash equivalents at end of period	**2,966,019**	**820,116**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2020

1 AUTHORITY

The financial report of Cancer Research Trust for the period ended 30 June 2020 was authorised for issue in accordance with a resolution of the directors of the Trustee on 27 January 2021.

Cancer Research Trust is a charitable trust established by Trust Deed dated 28 April 2009. The Trustee was incorporated on 25 May 2009 for the purpose of acting as the Trustee of the Trust and is domiciled in Australia.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

This financial report is a special purpose financial report prepared for use by the directors of the Trust in order to meet the requirement of the Australian Charities and Not-For-Profits Commission Act 2012. The directors have determined that the Trustee is not a reporting entity. The trust is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the Australian Charities and Not-For-Profits Commission Act 2012 and the significant accounting policies described below. Such accounting policies are consistent with those previous periods unless stated otherwise

The financial report is presented in Australian dollars and is prepared on an accruals basis and based on historical cost basis. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

(b) Income Revenue Recognition

Revenue will be recognised as revenue as it accrues to the extent that it is probable that the economic benefits will flow to the Trust and the revenue can be reliably measured.

(c) Receivable

Receivables are initially measured at the transaction price and subsequently at amortised cost. No credit losses are expected for receivables.

(d) Shares and investments

Investments are recognised at market value at the end of the financial year. Any unrealised gain or loss on revaluation at year end is recorded in the Statement of Profit or Loss and Other Comprehensive Income.

(e) Trade and Other Payables

Trade and other payables are carried at cost and represent liabilities for goods and services provided to the Trustee prior to the reporting date that are unpaid and arise when the Trustee becomes obliged to make future payments in respect to the purchase of these goods and services.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2020

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office.

Trade payables in the Balance Sheet are shown inclusive of GST. Accruals are exclusive of GST.

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

(g) Income Tax

The Trust is a charitable trust and is exempt from Income Tax. This exemption will remain in force unless there is any change to the legislation or the activities of the Trust. The current tax asset represents a refund of imputations credits

	2020 $	2019 $
3 CASH AND CASH EQUIVALENTS (CURRENT)		
Cash at bank	2,966,019	820,116
	2,966,019	**820,116**
4 RECEIVABLE (CURRENT)		
Trust Distribution, Dividend & Interest income	801,768	938,533
Goods and services tax	55,098	83,017
Proceeds from sale of investments	-	3,072,513
	856,866	**4,094,063**
5 INVESTMENTS (NON-CURRENT)		
Opening balance net fair value	33,440,652	35,365,432
Movement in period at cost	520,562	(2,380,316)
Realised profit/(loss) on realisations	1,218,187	137,923
Revaluation/(impairment) to fair value	(2,048,524)	317,613
Closing balance net fair value	**33,130,877**	33,440,652
6 CONTRIBUTED CAPITAL		
Contributed capital is made up of:		
Opening balance	21,247,732	21,247,732
Closing balance	**21,247,732**	**21,247,732**

TRUSTEE DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Cancer Research Fund Pty Ltd as Trustee for the Cancer Research Trust, I state that:

In the opinion of the directors:

1. the financial statements and notes of the Cancer Research Trust give a true and fair view of the financial position as at 30 June 2020 and of the performance of the Cancer Research Trust for the period ended on that date;

2. the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*; and

3. there are reasonable grounds to believe that the Registered Entity will be able to pay the debts incurred on behalf of the Cancer Research Trust as and when they become due and payable.

On behalf of the Board and in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.

Peter Leonhardt
Director
Perth

Dated this 27th day of January 2021

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INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF THE CANCER RESEARCH TRUST
ABN: 33 906 785 987

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Cancer Research Trust (the Trust), which comprises the Statement of Financial Position as at 30 June 2020, the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Trustee company's Declaration.

In our opinion, the accompanying financial report of Cancer Research Trust (the Trust) has been prepared in accordance with Div 60 of the *Australian Charities and Not-for-Profits Commission Act 2012,* including:

(i) giving a true and fair view of the Trust's financial position as at 30 June 2020 and of its financial performance for the year then ended; and,

(ii) complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-For-Profits Commission Regulation 2013.*

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 Trust in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of Matter

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Trustee's financial reporting responsibilities under the Australian Charities and Not-For-Profits Commission Act 2012. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

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INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF THE CANCER RESEARCH TRUST
ABN: 33 906 785 987

Information Other than the Financial Report and Auditor's Report Thereon

The trustee of the Cancer Research Trust is responsible for the other information. The other information comprises the information included in the Trustee's Report for the year ended 30 June 2020. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially mis-stated. If, based on the work we have performed, we conclude that there is a material mis-statement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Trustee for the Financial Report

The Trustee of the Trust is 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 *Australian Charities and Not-For-Profits Commission Act 2012* and for such internal control as the trustee determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material mis-statement, whether due to fraud or error

In preparing the financial report, the trustee is responsible for assessing the Trust'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 trustee either intends to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEE OF THE
CANCER RESEARCH TRUST
ABN: 33 906 785 987

We also:

- Identify and assess the risks of material mis-statement 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 mis-statement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, mis-representations, 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 Trust's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustee.

- Conclude on the appropriateness of the trustee's 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 Trust'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 Trust 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 the trustee 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.

ACCRU+ PERTH
Chartered Accountants

G R JENNINGS
Partner

Date: 27th JANUARY, 2021
West Perth, WA

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