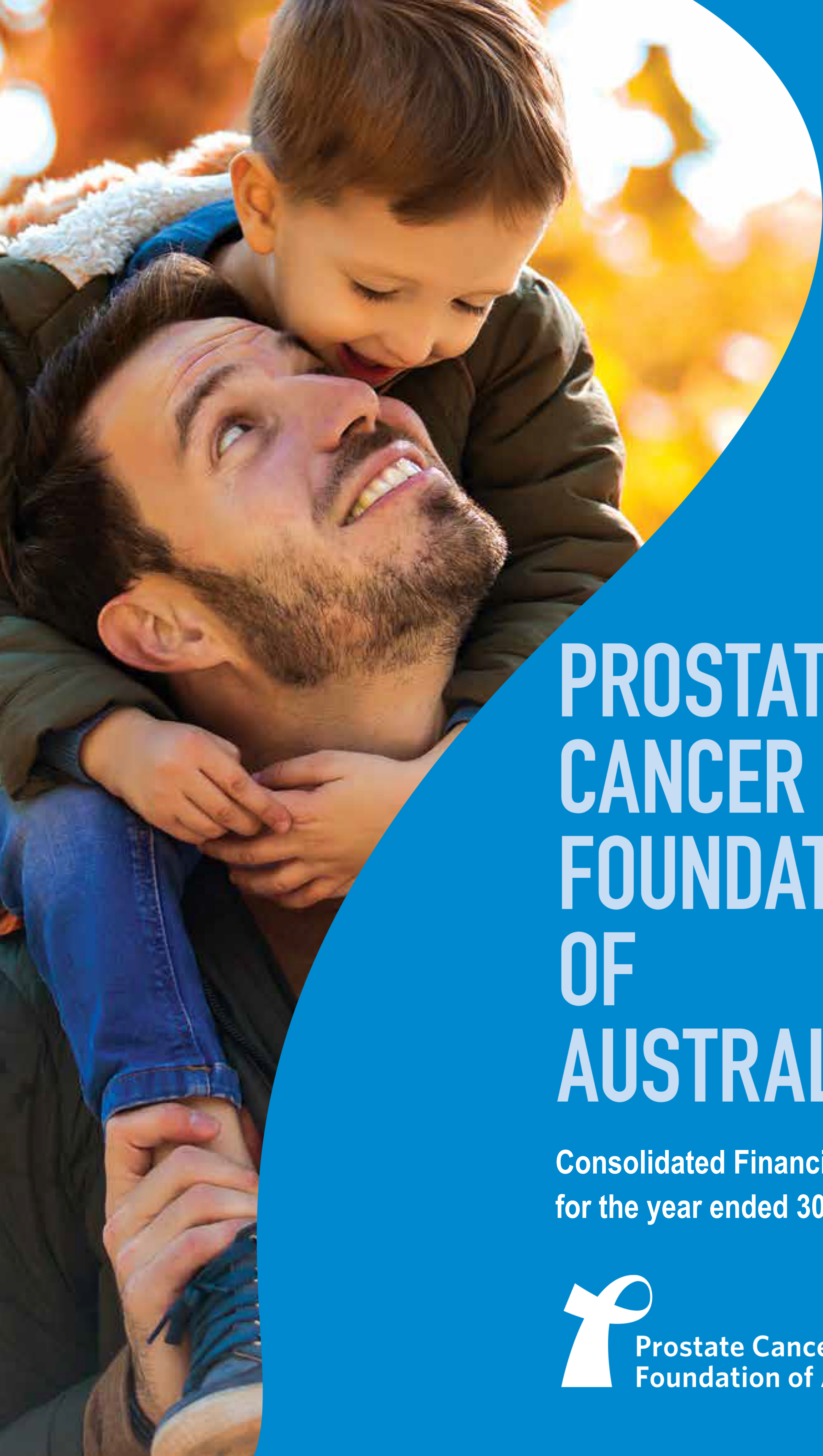

PROSTATE CANCER FOUNDATION OF AUSTRALIA

Consolidated Financial Report for the year ended 30 June 2019

Prostate Cancer Foundation of Australia

Prostate Cancer
Foundation of Australia

PROSTATE CANCER FOUNDATION OF AUSTRALIA LIMITED

ABN 42 073 253 924

As Trustee for Prostate Cancer Foundation of Australia ABN 31 521 774 656

CONSOLIDATED ANNUAL REPORT
FOR THE YEAR ENDED
30 JUNE 2019

CONTENTS

DIRECTORS' REPORT

Your directors present their report together with the consolidated financial statements of the Group, which comprises Prostate Cancer Foundation of Australia Limited and its controlled entity Prostate Cancer Foundation of Australia ("PCFA") for the year ended 30 June 2019.

Directors

The names of each person who has been a director during the year and to the date of this report are:

Mr Steve Callister	
Mr Chris Hall	
Emeritus Professor Bruce Armstrong AM	
Mr Michael Brock	Resigned 22 November 2018
Distinguished Professor Judith Clements AC	
Ms Helen Dundon	Appointed 22 November 2018
Professor Mark Frydenberg AM	
Mr Peter Haylen	
Mr Jim Hughes AM	
Associate Professor Andrew Kneebone	
Mr William Munro	
Mr John Palmer	
Mr Geoff Underwood	
Associate Professor Anthony Walker ASM	

Directors have been in office since the start of the year to the date of this report unless otherwise stated.

Company Secretary

Malcolm Freame BEc FCA GAICD held the position of Company Secretary for the financial year. Professor Jeff Dunn AO was a Company Secretary from 30 May 2019.

Principal Activities

The principal activities of PCFA during the 2018/19 financial year:

- Promoting and funding world leading, innovative research into Prostate Cancer
- Implementing awareness campaigns and education programs for the Australian community, health professionals and Government; and
- Supporting men and their families affected by prostate cancer through evidence-based information and resources, support groups and Prostate Cancer Specialist Nurses.

PCFA continued the Specialist Nursing Program with funds provided from the Commonwealth of Australia as represented by the Department of Health and other donors.

Members Guarantee

In accordance with the company's constitution, each member is liable to contribute $10 in the event the company is wound up. The total amount members would contribute is $460.

Operating Result

The operating surplus of PCFA for the year ended 30 June 2019 amounted to a surplus of $185,383 (*2018: surplus $435,495).*

Dividends

PCFA is limited by guarantee and is not permitted to pay dividends.

Review of Operations

PCFA's operations for the year resulted in a surplus of $185,383 (*2018: surplus $435,495)* after the approval of research grants and specialist nursing program totalling $6.66 million (*2018 $6.63 million*).

Significant Changes in State of Affairs

No significant changes to PCFA's state of affairs occurred during the financial year.

After Balance Date Events

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

Future Developments

PCFA expects to maintain the present status and level of operations and hence there are no likely significant developments in PCFA's operations.

Environmental Issues

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

Objective

PCFA's objective is to reduce the impact of prostate cancer on Australian men, their partners and families, recognising the diversity of the Australian community.

To achieve this aim PCFA has continued to fund high quality research through its national grants programme, as noted above, promoted and supported the establishment of additional support groups which, nationally, now number in excess of 150, raised awareness of prostate cancer through the production of several new publications and our regular newsletter, all of which are accessible via the PCFA website and support men and their families affected by prostate cancer through the Prostate Cancer Specialist Nurses service.

Options

No options over issued shares or interests in PCFA were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

Information on Directors

Mr Steve Callister – National Chairman **BBus, MBA FCPA, FAICD, FAIM**

Steve is Managing Director and Partner of an import wholesale company, dealing with all major retailers in Australia. His first role in 2005 was as Convenor of St Vincent's Prostate Cancer Support Group. Subsequent roles have been as Chairman of the NSW SAC, delegate to the National Support and Advocacy Committee and Chairman of the NSW Board. In May 2009 he became Chairman of PCFA's Marketing and Fundraising Committee of the National Board, Deputy National Chairman in 2015 and National Chairman in November 2018.

Mr Chris Hall – Deputy National Chairman **BComm. (Hons), FCA**

Chris joined the Board of PCFA in May 2007 as Finance Director. He is a former partner of KPMG and has been a member of the firms National Executive Committee and a board member. He was also a member of the Australian Auditing and Assurance Standards board until January 2011. Chris was appointed Deputy National Chairman in November 2018.

Emeritus Professor Bruce Armstrong AM FAA, **BMedSc(Hons), MBBS(Hons), DPhil, FRACP, FFAPHM**

Bruce Armstrong was formerly a Professor of Public Health at the University of Sydney and the University of Western Australia. He is internationally recognised for his research into the causes and prevention of cancer, having published over 600 papers in scientific books and journals. His research has included work into trends in PSA testing in Australia and their effects on prostate cancer incidence and mortality, and the effects of diagnosis and treatment of prostate cancer on men's quality of life

He contributed extensively to the new Australian guidelines for PSA testing and early management of PSA detected prostate cancer developed by Prostate Cancer Foundation of Australia and Cancer Council Australia. Bruce was made a Member of the Order of Australia in 1998 for his work in cancer epidemiology, a Fellow of the Australian Academy of Science in 2000 and awarded an honorary MD by the University of Western Australia in 2017.

Mr Michael Brock

Michael Brock is a real estate veteran of over 40 years. He has owned his own business since 1982 and is the largest shareholder of Harcourts SA.

He has twice been President of The Real Estate Institute of South Australia, served on the National Board, has conducted over 8000 residential auctions and was the inaugural Auctioneering Champion of the Australian Auctioneering Competition (the only South Australian to win this award).

He has also presented at The National Association of Realtors at a 20,000 delegate Conference in Atlanta USA, and still does presentations around Australia.

His service to the community includes being SA/NT Chairman of PCFA, Chair of the Burnside Hospital Major Fundraising Committee, Chair Sir Donald Bradman Collection Appeal; a Former Board Member of South Australian Housing Trust (now Housing SA), a former Board Member of The Australian Formula One Grand Prix Board (S.A.) and The Motor Sport Board (S.A.), a Life Member of St. Peters Old Collegians Football and Cricket Clubs and Life Member of Real Estate Institute of South Australia.

Distinguished Professor Judith Clements AC **BAppSc, MAppSc, PhD (Endocrinology)**

Judith has been a member of the PCFA Queensland Board since its inception in 2008 and Chair since 2012. She has also served on the governing Councils of QIMR Berghofer (2002-2014) and Queensland University of Technology (2009-2012, 2014-2016).

She co-founded, and was Chair (2001-2017), of the Australian Prostate Cancer BioResource - a key national resource that underpins prostate cancer research nationally and co-led the Queensland node of the international genetics consortium for prostate cancer, PRACTICAL. She also co-founded the Australian Prostate Cancer Research Centre – Queensland (APCRC-Q) in Brisbane. She was awarded the Companion of the Order of Australia in 2015 for her work in the cancer field, education and as an advocate for the development of biomedical research facilities.

Ms Helen Dundon **B.Acc CPA(FPS)**

Helen is an equity partner and financial adviser with EL&C Baillieu and provides strategic and investment solutions for a broad range of clients on an ongoing basis. Helen joined the Prostate Cancer Foundation of Australia's National Board in November 2018, having been an active participant in the SA/NT State Board since May 2010. Helen is a passionate advocate for PCFA, encouraging men to become more aware and attentive to their health

Professor Mark Frydenberg **AM MBBS FRACS**

Professor Mark Frydenberg is a fellowship trained Urologic Oncologist and is a Professor in the Department of Surgery, Faculty of Medicine, Monash University. He was the Chairman of the Department of Urology, Monash Health between 1997-2017, is the immediate past president of the Urological Society of Australia and New Zealand and is the Urology councillor of the Royal Australasian College of Surgeons.

He sits on several government committees, as well as on the Editorial Boards of 2 major Urological journals. He has published 170 peer reviewed publications and has attracted significant competitive funding for Urological research predominantly in the area of prostate cancer.

Mr Peter Haylen

Peter established the law firm, Haylen McKenzie in 1987 and remains a senior partner. He continues to practise, frequently as an advocate in the field of industrial law, succession and insolvency. Peter was diagnosed with prostate cancer in 2010.

He joined Prostate Cancer Foundation of Australia's NSW/ACT State Board in 2011 and was appointed a National Director in 2015. Peter is also a foundation member of Medicins Sans Frontiers, a cricket umpire, former manager of women's cricket teams and is a member of Flags Australia.

Mr Jim Hughes AM GAICD, Snr Assoc, ANZIF

Jim has had an eleven-year involvement with PCFA. He has held senior positions in the insurance industry throughout Australia over many years and is actively involved in community activities.

He is a Senior Associate of the Australian and New Zealand Institute of Insurance and Finance and a graduate of the Australian Institute of Company Directors.

He is a past lecturer on corporate risk management and business strategy formulation on behalf of the Australian Institute of Company Directors. Jim is a Director of Youi Insurance, Ambooriny Burru Charitable Foundation and KRED Enterprises Charitable Trust. He is also a patron of the Apex Foundation of Australia and a Life Governor of the Apex Clubs of Australia. Jim was National Chairman of PCFA from 2015 to 2018.

Associate Professor Andrew Kneebone MBBS

A/Professor Andrew Kneebone is a senior staff specialist in radiation oncology at the Royal North Shore and Gosford Hospitals as well as Genesis Cancer Care. He has nearly 20 years of experience as a prostate cancer specialist and is current co-chair of the national Radiation Oncology Genitourinary executive and has been an author on multiple National guidelines for definitive and post prostatectomy radiotherapy.

He has been a Chief investigator in trials attracting nearly $8 million dollars in competitive grants and is leading a major multi-centre randomised trial evaluating the optimal timing for post prostatectomy radiotherapy. A/Prof Kneebone has also been listed as an author on more than 100 peer reviewed publications and has been invited speaker at more than 90 conferences or meetings

Mr William Munro MAICD

Bill Munro has recently retired from a business career as a company director and merchant banker. He is a director and committee member of a number of not-for-profit organisations, chairman of PCFA in Western Australia and in the past, has been Chairman of the Royal West Australian Institute for the Blind, a Director of Homeswest, and a Board member of the WA Theatre Company.

Bill is a Vietnam veteran and maintains his ex-service links through the Returned and Services League and the Royal Australian Regiment Association. He joined the Board of PCFA in Western Australia in 2011 and was appointed Chairman in 2014.

Mr John Palmer BA, BScApp (Building) Class 1 Hons, FAIM, FAIB, MIAA, Chartered Builder, JP.

John is a Past President of the Rotary Club of Lane Cove and a Rotarian of 35 years. In 1997 he was the second Chairman of PCFA.

He is a retired Associate Lecturer University of Technology Sydney. John is a Chartered Builder and the owner and sole director of Building Durability Pty Ltd, T A Taylor (Aust) Pty Ltd and Research & Applied Technologies Pty Ltd.

In 1991 John established a joint venture with and was a Board Member of the TIANAO Building Repair Materials Institute in Tianjin China until 2002.

Mr Geoff Underwood Certificate of Business Studies (Real Estate)

Geoff Underwood joined the Victoria/Tasmania Board of PCFA in 2011 and became chairman in 2015. He is a prostate cancer survivor keen to assist others with their understanding and personal experiences with prostate cancer.

Geoff is Managing Director of Underwood & Hume Pty Ltd, a town planning consultancy providing specialist services to government and private clients since 1981. He has expertise in policy formulation and administration having participated on policy committees for the Federal Government and chaired inquiries and policy reviews for the Victorian Government.

Associate Professor Anthony Walker **ASM BParamedicSc, GradDipEmergHlth, MEd**

Tony Walker ASM is the Chief Executive Officer of Ambulance Victoria. He has over 30 years' experience working in a range of senior clinical governance, education and operational roles and is also an adjunct Associate Professor in the College of Health and Biomedicine at Victoria University.

Tony's academic qualifications include a Bachelor of Paramedic Studies, Graduate Diploma in Emergency Health and Master of Education and he is published in an extensive range of literature relating to advancements in paramedic care.

In 2010 Tony was diagnosed with Prostate Cancer at the age of 47 which was successfully treated with a radical prostatectomy and he has been an Ambassador with the Prostate Cancer Foundation of Australia since 2014.

Meetings of Directors

During the year, 4 meetings of directors were held. Attendances by each director were as follows:

	Directors Meetings	
	Eligible to attend	Number attended
Mr Steve Callister	4	4
Mr Chris Hall	4	4
Emeritus Professor Bruce Armstrong AM	4	4
Mr Michael Brock	2	2
Distinguished Professor Judith Clements AC	4	4
Ms Helen Dundon	2	2
Professor Mark Frydenberg AM	4	2
Mr Peter Haylen	4	4
Mr Jim Hughes AM	4	4
Associate Professor Andrew Kneebone	4	4
Mr William Munro	4	3
Mr John Palmer	4	4
Mr Geoff Underwood	4	3
Associate Professor Anthony Walker ASM	4	4

Indemnifying Officers or Auditor

During the financial year, PCFA paid a premium of $11,730(2018: $10,200) to insure the directors and secretaries of the company and its controlled entities.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the Group, and any other payments arising from liabilities incurred by the officers about such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

DIRECTORS' REPORT (Continued)

Proceedings on Behalf of PCFA

No person has applied for leave of Court to bring proceedings on behalf of PCFA or intervene in any proceedings to which PCFA is a party for the purpose of taking responsibility on behalf of PCFA for all or any part of those proceedings. PCFA was not party to any such proceedings during the year.

Auditor's Independence Declaration

A copy of the Auditor's independence declaration as required under Section 60-40 of the Australian Charities and Not-for-Profit Commission (ACNC) Act 2012 is set out on page 8 and forms part of the Directors' Report.

Auditor

PricewaterhouseCoopers continues in office in accordance with section 327 of the Corporations Act 2001.

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

Chris Hall
Director
Dated this 28th day of October, 2019

Sydney, NSW

Auditor's Independence Declaration

As lead auditor for the audit of Prostate Cancer Foundation of Australia Limited for the year ended 30 June 2019, I declare that to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Prostate Cancer Foundation of Australia Limited and the entities it controlled during the period.

James McElvogue
Partner
PricewaterhouseCoopers

Sydney
28 October 2019

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 $	2018 $
Revenue and other income	4	13,717,610	14,120,716
Administration employee benefit expenses		(1,591,492)	(1,562,856)
Direct fundraising expenses		(2,333,304)	(2,404,864)
Direct support group expenses		(568,166)	(412,810)
Research grants		(2,187,833)	(3,772,413)
Specialist Nursing Program		(4,468,180)	(2,854,931)
Direct awareness activity expenses		(521,322)	(712,488)
Other operating expenses		(1,861,930)	(1,964,859)
Surplus before income tax		185,383	435,495
Income tax expense		-	-
Net Surplus		185,383	435,495
Other Comprehensive Income *Items that will be reclassified subsequently to profit and loss when specific conditions are met:*		-	-
Total comprehensive income for the year		185,383	435,495

The accompanying notes form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	Note	2019 $	2018 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	10,619,643	6,417,539
Accounts receivable and other debtors	7	287,139	2,658,600
Other current assets	8	118,818	234,741
TOTAL CURRENT ASSETS		11,025,600	9,310,880
NON-CURRENT ASSETS			
Financial assets	9	5,656	5,656
Plant and equipment	10	163,883	109,353
Leasehold Improvements	10	7,931	11,062
TOTAL NON-CURRENT ASSETS		177,470	126,071
TOTAL ASSETS		11,203,070	9,436,951
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	1,061,678	958,508
Research grants payable	12	572,959	3,291,126
Specialist Nursing Program payable	12	5,374,539	1,619,491
Provisions	13	19,022	63,963
Contract Liabilities	14	522,850	-
TOTAL CURRENT LIABILITIES		7,551,048	5,933,088
NON-CURRENT LIABILITIES			
Trade and other payables	11	1,681	1,681
Research grants payable	12	-	499,234
Provisions	13	60,813	93,280
Contract Liabilities	14	1,372,556	-
TOTAL NON-CURRENT LIABILITIES		1,435,050	594,195
TOTAL LIABILITIES		8,986,098	6,527,283
NET ASSETS		2,216,972	2,909,668
EQUITY			
Retained earnings		2,216,972	2,909,668
TOTAL EQUITY		2,216,972	2,909,668

The accompanying notes form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019

	Note	Retained Earnings $	Total $
Balance at 30 June 2017		**2,474,173**	**2,474,173**
Total comprehensive income		435,495	435,495
Balance at 30 June 2018		**2,909,668**	**2,909,668**
Adjustment for AASB 15	2 (w)	(878,079)	(878,079)
Restated total equity at the beginning of the financial year		**2,031,589**	**2,031,589**
Total comprehensive income		185,383	185,383
Balance at 30 June 2019		**2,216,972**	**2,216,972**

The accompanying notes form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 $	2018 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts and contributions from the public and government		16,696,716	12,959,538
Payments to suppliers and employees		(6,421,022)	(6,588,615)
Research grants and Specialist Nursing Program paid		(6,337,393)	(8,096,529)
Interest and other income received		359,537	535,074
Net cash generated from/ (used in) operating activities	19	4,297,838	(1,190,532)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant and equipment		(95,734)	(11,215)
Net cash generated from/ (used in) investing activities		(95,734)	(11,215)
Net increase / (decrease) in cash held		4,202,104	(1,201,747)
Cash at the beginning of the financial year		6,417,539	7,619,286
Cash at the end of the financial year	6	10,619,643	6,417,539

The accompanying notes form part of these consolidated financial statements.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 1: CORPORATE INFORMATION

The financial report of Prostate Cancer Foundation of Australia for the year ended 30 June 2019 was authorised for issue in accordance with a resolution of the directors.

Prostate Cancer Foundation of Australia Limited (the Company) is a company domiciled in Australia, the sole activity of which is to act as the corporate trustee of Prostate Cancer Foundation of Australia (the Trust). The consolidated financial statements as at and for the year ended 30 June 2019 comprise the Company and the Trust, collectively referred to as PCFA. PCFA is a not-for-profit entity.

The nature of the operations and principal activities of PCFA are described in the Directors' Report.

NOTE 2: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards-Reduced Disclosure Requirements (including Australian Accounting Interpretations), the *Australian Charities and Not-for-Profits Commission Act 2012* and its associated regulations.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions.

Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets and financial assets.

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollar ($), which is PCFA's functional and presentation currency and are rounded to the nearest dollar.

(a) Revenue

Fundraising proceeds, bequests and donations are accounted for when received or when PCFA is legally entitled to the income.

Interest revenue is recognised on a proportional basis considering the interest rates applicable to the financial assets.

All revenue is stated net of the amount of goods and services tax (GST) payable to the Australian Taxation Office.

Revenue from the sale of goods is recognised when control passes to the buyer.

Revenue from Contracts with Customers will only be recognised as the obligations under the contract are satisfied.

(b) Government Contributions

PCFA will recognise government grants in the Statement of Comprehensive Income on a systematic basis over the period in which PCFA recognises, as expenses, the related costs for which the grants are intended to compensate, provided the condition that specified services are delivered or conditions fulfilled as stated in the funding agreements. These contributions are received on the condition that specified services are delivered or conditions fulfilled. These contributions are recognised at the fair value upon receipt at which time an asset is taken up in the Statement of Financial Position and the revenue recognised in the Statement of Comprehensive Income.

(c) Donations in Kind

Items donated for use are included at the fair value to PCFA where this value can be quantified, and a third party is bearing the cost.

No amounts are included in the financial statements for services donated by volunteers.

(d) Expenditure

Expenditure is accounted on an accrual basis and has been classified under headings that aggregate all costs relating to that category. The categories in the consolidated statement of comprehensive income reflect PCFA activities.

(e) Plant and Equipment

Plant and equipment are measured on the cost basis, less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present value in determining their recoverable amounts.

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

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life to PCFA commencing from the time the asset is held ready for use.

Leasehold improvements are depreciated over the unexpired period of the lease.

The useful life applied for each class of depreciable assets is:

Class of Fixed Asset	Useful Lives
<u>Plant and Equipment</u>	
- Computer equipment	1-5 years
- Office furniture and equipment	10-20 years
Leasehold improvement	3-5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the Statement of Comprehensive Income.

(f) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to PCFA are classified as finance leases.

Finance leases, which transfer to PCFA substantially all the risks and benefits incident to ownership of the leased item, are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that PCFA will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(g) Inventories

Inventories of goods purchased for resale are valued at the lower of cost or net realisable value.

(h) Financial Instruments

(i) Classification

From 1 July 2018, the Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income (OCI) or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.

- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iv) Impairment

From 1 July 2018, the Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(v) Accounting policies applied until 30 June 2018

The Group has applied AASB 9 retrospectively, but has elected not to restate comparative information. As a result, the comparative information provided continues to be accounted for in accordance with the Group's previous accounting policy.

Classification

Until 30 June 2018, the Group classified its financial assets in the following categories:

- financial assets at fair value through profit or loss,
- loans and receivables,
- held-to-maturity investments, and
- available-for-sale financial assets.

The classification depended on the purpose for which the investments were acquired. Management determined the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluated this designation at the end of each reporting period.

Reclassification

The Group could choose to reclassify a non-derivative trading financial asset out of the held for trading category if the financial asset was no longer held for the purpose of selling it in the near term. Financial assets other than loans and receivables were permitted to be reclassified out of the held for trading category only in rare circumstances arising from a single event that was unusual and highly unlikely to recur in the near term. In addition, the Group could choose to reclassify financial assets that would meet the definition of loans and receivables out of the held for trading or available-for-sale categories if the Group had the intention and ability to hold these financial assets for the foreseeable future or until maturity at the date of reclassification.

Reclassifications were made at fair value as of the reclassification date. Fair value became the new cost or amortised cost as applicable, and no reversals of fair value gains or losses recorded before reclassification date were subsequently made. Effective interest rates for financial assets reclassified to loans and receivables and held-to-maturity categories were determined at the reclassification date. Further increases in estimates of cash flows adjusted effective interest rates prospectively.

Subsequent measurement

The measurement at initial recognition did not change on adoption of AASB 9.

Subsequent to the initial recognition, loans and receivables and held-to-maturity investments were carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at FVPL were subsequently carried at fair value. Gains or losses arising from changes in the fair value were recognised as follows:

- for financial assets at FVPL – in profit or loss within other gains/(losses)
- for available-for-sale financial assets that are monetary securities denominated in a foreign currency – translation differences related to changes in the amortised cost of the security were recognised in profit or loss and other changes in the carrying amount were recognised in other comprehensive income
- for other monetary and non-monetary securities classified as available-for-sale – in other comprehensive income.

When securities classified as available-for-sale were sold, the accumulated fair value adjustments recognised in other comprehensive income were reclassified to profit or loss as gains and losses from investment securities.

Impairment

The Group assessed at the end of each reporting period whether there was objective evidence that a financial asset or group of financial assets was impaired. A financial asset or a group of financial assets was impaired and impairment losses were incurred only if there was objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) had an impact on the estimated future cash flows of the financial asset or group of financial assets that could be reliably estimated. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost was considered an indicator that the assets are impaired.

Assets carried at amortised cost

For loans and receivables, the amount of the loss was measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that had not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset was reduced and the amount of the loss was recognised in profit or loss. If a loan or held-to-maturity investment had a variable interest rate, the discount rate for measuring any impairment loss was the current effective interest rate determined under the contract. As a practical expedient, the Group could measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreased and the decrease could be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss was recognised in profit or loss.

Assets classified as available-for-sale

If there was objective evidence of impairment for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – was removed from equity and recognised in profit or loss.

Impairment losses on equity instruments that were recognised in profit or loss were not reversed through profit or loss in a subsequent period.

If the fair value of a debt instrument classified as available-for-sale increased in a subsequent period and the increase could be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss was reversed through profit or loss.

(i) Impairment of Assets

At each reporting date, PCFA 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. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Comprehensive Income.

Where the future economic benefits of the asset are not primarily dependent upon on the assets ability to generate net cash inflows and when PCFA would, if deprived of the asset, replace its remaining future economic benefits, value in use is depreciated cost of an asset.

Where it is not possible to estimate the recoverable amount of an assets class, PCFA estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

Where an impairment loss on a revalued asset is identified, this is debited against the revaluation reserve in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation reserve for that same class of asset.

(j) Research Grants and Specialist Nursing Program

Research grants are expensed through the Statement of Comprehensive Income and recognised as a liability when PCFA has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Specialist Nursing Program payments are expensed through the Statement of Comprehensive Income and recognised as a liability when PCFA has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

It is considered that upon PCFA National Board approval of the research grants or placement application and notification of success to the applicant organisation, PCFA is constructively obliged to fund the contract whereby an economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

(k) Employee Benefits

Employee benefits comprise wages and salaries, annual, sick and long service leave, and contributions to employee superannuation funds.

Provision is made for PCFA's liability for employee benefits arising from services rendered by employees to balance sheet date. Employee benefits, expected to be settled within one year, together with benefits arising from wages, salaries and annual leave which may be settled after one year, have been measured at the amounts expected to be paid when the liability is settled. Other employee benefits, payable later than one year, have been measured at the net present value.

Contributions are made by PCFA to employee superannuation funds and are charged as expenses when incurred. PCFA has no further obligation to pay further contributions to these funds if the funds do not hold sufficient assets to pay all employees benefits relating to employee service in current and prior periods. Liabilities for sick leave are recognised when the leave is taken and are measured at the rates paid.

(l) Cash and Cash Equivalents

Cash and cash equivalents in the consolidated statement of financial position include cash at bank, cash on hand, short-term deposits held with banks with an original maturity of six months or less that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value, other short-term highly liquid investments and bank overdrafts.

For the purposes of the statement of cash flow, cash and cash equivalents consist of cash and cash equivalents as defined above, net of any outstanding bank overdrafts.

(m) Accounts Receivable and other debtors

Accounts receivable which are expected to be collected within 12 months are classified as current assets. All other receivables are classified as non-current assets. Accounts receivable are initially recognised at fair value.

Collectability of accounts receivable is reviewed on an ongoing basis. Amounts that are known to be uncollectible are written off when identified.

(n) Goods and Services Tax

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 of the asset or as part of an item of the expense. Receivables and payables in the Balance Sheet are shown inclusive of GST. The amount of GST recoverable from or payable to the ATO is included with other receivables or payables in the Statement of Financial Position. 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.

(o) Income Tax

No provision for income tax has been made as PCFA is a charitable institution for the purposes of Australian taxation legislation and therefore exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(p) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when PCFA has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation.

Any reimbursement that PCFA is certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognised if an outflow of economic resources as a result of present obligation is not probable. Such situations are disclosed as contingent liabilities unless the outflow of resources is remote in which case no liability is recognised.

(q) Comparative Figures

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

(r) Accounts payable and other payables

Accounts payable and other payables represent liabilities outstanding at the end of the reporting period for goods and services received by PCFA during the financial year which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability. The carrying amount of the payables is deemed to reflect fair value.

(s) Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within PCFA.

Key Estimates – Impairment

PCFA assesses impairment at each reporting date by evaluating conditions specific to PCFA that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

(t) Basis of Consolidation

Subsidiaries are entities controlled by the Group. The consolidated financial statements incorporate the assets and liabilities of all subsidiaries as at 30 June 2019 and results for the year then ended. Intragroup balances and transactions, and any unrealized income and expenses arising, are eliminated in preparing the consolidated financial statements.

(u) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2019 reporting period and have not been early adopted by the Group. These include:

- AASB 16 Leases (effective for the year ending 30 June 2020)

The Directors' are yet to determine the impact of these new standards (to the extent applicable to the Group) on the Group's financial statements in future reporting periods.

(v) New and amended standards adopted by the Group

The following new and amended accounting standards have been applied from 1 July 2018.

(i) AASB 15 Revenue from Contracts with Customers

The Group has elected early adoption AASB 15 Revenue from Contracts with Customers. In accordance with the transition provisions in AASB 15 the standard has been adopted using the modified retrospective approach which means that the cumulative impact of the adoption will be recognised in retained earnings as of 1 July 2018 and that comparatives will not be restated. Note 2 (w) below further details on the impact of the change in accounting policy.

(ii) AASB 1058 Income of Not-for-profit Entities

The Group has elected early adoption of AASB 1058 Income of Not-for-profit Entities. The income recognition requirements have been applied in conjunction with AASB 15 Revenue from Contracts with Customers outlined in (i) above. The Group has elected not to recognise amounts for volunteer services in the financial statements for services which is an option under this standard.

(iii) AASB 9 Financial Instruments

AASB 9 Financial Instruments replaces AASB 139 Financial Instruments: Recognition and Measurement. It introduces changes to the previous guidance on the classification and measurement of financial assets and introduces an 'expected credit loss' model for impairment of financial assets.

Given the nature of the Group's financial assets and liabilities and its limited exposure to credit risk the adoption of AASB 9 has had no material impact on the classification and measurement of balances in the Group's financial statements.

(w) Impact of the change in accounting policy

AASB 15 Revenue from Contracts with Customers

As indicated in note 2(v) above, the Group has early adopted AASB 15 which resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements.

The main changes are explained below:

(i) Revenue from Contracts with Customers

Programs undertaken by PCFA to provide services to customers. Where the PCFA has an enforceable contract to provide services with a customer under AASB 15 the Group will recognise the revenue as each performance obligation is satisfied.

Revenue from Contracts with Customers is separately disclosed in the financial statements.

(ii) Presentation of contract assets and contract liabilities

The Group changed the presentation of certain amounts in the balance sheet to reflect the terminology of AASB 15.

Contract liabilities recognised represents the Group's obligation to customers to either deliver services in the future or refund the consideration received. Contract liabilities were previously presented as retained earnings ($878,079 at 30 June 2018)

The following adjustments were made to the amounts recognised in the balance sheet at the date of initial application (1 July 2018)

	Notes	Carrying amount 30 June 2018 $	Reclassification $	Remeasurements $	AASB 15 carrying amount 1 July 2018 $	Retained earnings effect 1 July 2018 $
Contract Liability		-	878,079	-	878,079	(878,079)

NOTE 3: FUNDRAISING APPEALS CONDUCTED DURING THE FINANCIAL YEAR

The following disclosures for the current period are included to comply with the *Australian Charities and Not-for-Profit Commission Act 2012.*

During the financial year PCFA raised funds primarily through:

- Solicited corporate and general donations;
- Gifts and bequests; and
- Charity events.

Results from fundraising appeals

	2019 $	%	2018 $	%
Gross proceeds from fundraising and donations	14,263,506		13,243,195	
Total cost of fundraising	(2,333,304)	16%	(2,404,864)	18%
Net proceeds after fundraising costs	11,930,202	84%	10,838,331	82%
Gross proceeds include $1,855,400 of deferred revenue not included in income in 2019.				
Total income	13,717,610		14,120,716	
Total expenditure	13,532,227		13,685,221	
Total payments to support services, research grants and specialist nursing service program, awareness activities, plus projects	8,099,402		8,217,962	
Payments to support services, research grants and specialist nursing service program, awareness activities, plus projects as a percentage of total income	59%		58%	
Payments to support services, research grants and specialist nursing service program, awareness activities, plus projects as a percentage of total expenditure	60%		60%	

Further information on the application of the net surplus from fundraising and other income is contained in the Statement of Comprehensive Income and the Statement of Cash Flows.

NOTE 4: REVENUE AND OTHER INCOME

	2019 $	2018 $
Revenue from contracts with customers		
- Government grants for Specialist Nursing Program	3,931,500	2,444,962
- Other grants and revenue	938,074	-
Total revenue from contracts with customers	4,869,574	2,444,962
Fundraising revenue:		
- Donations	908,192	522,741
- Corporate donations	1,286,500	1,368,097
- Major gifts	178,000	666,278
- Direct mail	1,230,678	1,085,269
- Community fundraising	3,096,494	2,803,475
- Major events	1,386,230	3,726,586
- Trusts and foundations	388,114	623,586
- Merchandise sales	2,397	2,201
Total fundraising revenue	8,476,605	10,798,233
Other revenue	205,108	419,637
- Interest and dividends	116,179	115,437
- Donations in kind	50,144	342,447
Total other income	371,431	877,521
Total revenue	13,717,610	14,120,716

Revenue from contracts with customers over a period of time for the year ended 30 June 2019 included $464,740 which was included in the contract liability balance at 1 July 2018.

NOTE 5: NET SURPLUS FOR THE YEAR

	2019 $	2018 $
Net surplus for the year has been determined after the following expenses:		
Strategic Projects Administration		
- Specialist Nursing Program administration	541,172	450,124
- Pathfinder Registry	44,904	39,457
- PSA Testing Guidelines/Decision Aid	45,781	31,273
- Prostate Cancer Survivorship Research Centre	225,715	273,124
Other Operating Expense		
- Rent	457,528	451,330
Depreciation		
- Plant and equipment	34,396	35,577
- Leasehold improvements	9,939	22,523
Employee benefits expense	3,201,068	2,941,223
- Including Key management personnel compensation	277,262	283,331
Auditor Remuneration		
- Audit services	56,350	55,000

NOTE 6: CASH AND CASH EQUIVALENTS

	2019 $	2018 $
CURRENT		
Cash at bank	5,803,877	1,792,088
Cash on hand	1,365	875
Term deposits	4,814,401	4,624,576
	10,619,643	6,417,539

NOTE 7: ACCOUNTS RECEIVABLE AND OTHER DEBTORS

	2019 $	2018 $
CURRENT		
Accounts receivable	280,890	56,299
Movember income receivable	-	2,586,836
Interest receivable	6,249	15,465
	287,139	2,658,600

NOTE 8: OTHER CURRENT ASSETS

	2019 $	2018 $
Prepayments	118,818	134,741
Other deposits	-	100,000
	118,818	234,741

NOTE 9: FINANCIAL ASSETS

	2019 $	2018 $
NON-CURRENT		
Rental deposits	5,656	5,656
	5,656	5,656

The above investments have been reclassified to financial assets at amortised cost on adoption of AASB 9 Financial Instruments.

NOTE 10: PLANT AND EQUIPMENT AND LEASEHOLD IMPROVEMENTS

	2019 $	2018 $
Plant and equipment		
At cost	577,164	488,238
Less accumulated depreciation	(413,281)	(378,885)
Carrying amount of plant and equipment	163,883	109,353

	2019 $	2018 $
Leasehold improvements		
At cost	231,404	224,596
Less accumulated depreciation	(223,473)	(213,534)
Carrying amount of leasehold improvements	7,931	11,062

Movements in Carrying Amounts

2018	Plant and equipment $	Leasehold improvement $
Balance at the beginning of the year	137,020	28,850
Additions at cost	7,910	4,735
Depreciation expense	(35,577)	(22,523)
Carrying amount at end of year	109,353	11,062
2019		
Balance at the beginning of the year	109,353	11,062
Additions at cost	88,926	6,808
Depreciation expense	(34,396)	(9,939)
Carrying amount at end of year	163,883	7,931

NOTE 11: TRADE AND OTHER PAYABLES

	2019 $	**2018 $**
Accounts payable and accruals	490,437	678,969
GST payable	290,275	96,295
Short-term employee benefits (Annual Leave)	247,647	184,925
Deferred Revenue	35,000	-
	1,063,359	960,189

Financial liabilities at amortised cost classified as trade and other payables.

	2019 $	**2018 $**
Accounts payable and other payables		
- Total current	1,061,678	958,508
- Total non-current	1,681	1,681
	1,063,359	960,189
Less short term employee benefits	(247,647)	(184,924)
Financial liabilities as trade and other payables	815,712	775,265

NOTE 12: RESEARCH GRANTS AND SPECIALIST NURSING PROGRAM PAYABLE

	2019 $	2018 $
CURRENT		
Research grants payable	572,959	3,291,126
Specialist Nursing Program – Unearned Revenue	1,132,343	864,032
Specialist Nursing Program – Revenue Received in Advance	4,242,196	755,459
	5,374,539	1,619,491
NON-CURRENT		
Research grants payable	-	499,234
	5,947,498	5,409,851

Research grants payable relate to 23 (2018: 26) approved applications to which PCFA are presently committed. These will be paid over the next 3 financial years according to the agreed letters of offer.

Specialist Nursing Program payable is based on funds received from or committed by the Federal Government via the Department of Health. Contracts have been awarded to provide nurses in hospitals at various locations around Australia and funds will be set aside for evaluation of the program. These funds are to be expended over three years.

NOTE 13: PROVISIONS

	2019 $	2018 $
Long service leave	60,813	95,962
Nursing education	19,022	58,600
Lease incentive	-	2,681
	79,835	157,243

Provisions	2019 $	2018 $
- Current	19,022	63,963
- Non-current	60,813	93,280
	79,835	157,243

2019 **Analysis of Total Provisions**	Long service leave $	Nursing education $	Lease incentive $
Opening balance at 1 July	95,962	58,600	2,681
Additional provisions raised during year	5,450	-	-
Amounts used	(40,599)	(39,578)	(2,681)
Balance at 30 June	60,813	19,022	-

Provision for long-term employee benefits

A provision has been recognised for employee entitlements relating to long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits have been included in Note 2(k) to this report.

Provision for Nursing education

A provision has been recognised for amounts provided for education purposes for nurses. These claims are expected to be settled in the next financial year. The provision is based on funds received from an endowment.

Provision for Lease incentive

The company entered into a new operating lease for PCFA's Melbourne office on 6 January 2014 for a period of 5 years. PCFA received a rent-free incentive of $26,812 in the form of rent, outgoings and parking. This incentive was amortised over the life of the lease.

NOTE 14: CONTRACT LIABILITIES

Contract liabilities recognised represents the Group's obligation to customers to either deliver services in the future or refund the consideration received. Contract liabilities were previously presented as retained earnings ($878,079 at 30 June 2018). 2018 figures are included for comparison only.

Contract Liabilities

	2019 $	**2018 $**
- Current	522,850	464,740
- Non-current	1,372,556	413,339
	1,895,406	878,079

NOTE 15: CAPITAL AND LEASING COMMITMENTS

(a) Operating lease commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements.	**2019 $**	**2018 $**
Payable – minimum lease payments		
- not later than 12 months	366,057	372,098
- later than 12 months but not later than 5 years	429,067	724,034
- greater than 5 years	-	162
	795,124	1,096,294

The property lease commitments are non-cancellable operating leases contracted for but not capitalised in the financial statements within a three-year term. No capital commitments exist in regards to the operating lease commitments at year-end. Increase in lease commitments are in line with the lease agreements at an average increase of 4% upon each anniversary date. PCFA can renew the term of operating leases for a further three years upon termination of the current lease period.

(b) Capital commitments

PCFA have no capital commitments that require disclosure in this report.

NOTE 16: CONTINGENT LIABILITIES AND ASSETS

PCFA has a bank guarantee at 30 June 2019 for the performance of certain office lease commitments amounting to $157,183 (2018: $163,499).

PCFA has contingent assets totalling $1,000,000 (2018: $1,000,000) in relation to funding agreement receivable from the Movember Foundation. There is a contingent liability of $1,000,000 for the payment of this grant which has been committed to a specific research project. The payment is contingent on receipt of the Movember Foundation grants.

PCFA has a contingent liability totalling $250,000 in relation to funding agreement payable for ANZUP Clinical Trial.

NOTE 17: EVENTS AFTER BALANCE SHEET DATE

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

NOTE 18: RELATED PARTIES AND RELATED PARTY TRANSACTIONS

Directors' compensation

The directors act in an honorary capacity and receive no compensation for their services.

Transactions with related entities

No amounts are payable to or receivable from director related entities at the reporting date.

NOTE 19: CASH FLOW INFORMATION

Reconciliation of cash flow from operations with surplus from ordinary activities after income tax

	2019 **$**	**2018** **$**
Surplus from ordinary activities	185,383	435,495
Non-cash flows		
Depreciation	44,335	56,671
Changes in assets and liabilities		
(Increase)/Decrease in receivables and other assets	2,371,461	(283,657)
(Increase)/Decrease in other current assets	115,923	(9,223)
Decrease in inventory	-	-
Increase/(Decrease) in nursing program & grants payable	537,648	(1,581,369)
Increase/(Decrease) in trade and other payables	103,170	198,903
Increase/(Decrease) in provisions	(77,408)	(7,352)
Increase/(Decrease) in contract liability	1,017,326	-
	4,297,838	(1,190,532)

NOTE 20: FOUNDATION DETAILS

The registered office and principal place of business of PCFA is:

Level 3,
39-41 Chandos Street
St Leonards, New South Wales, 2065

NOTE 21: PARENT ENTITY FINANCIAL INFORMATION

The individual financial statements for the parent entity show the following aggregate amounts:

	2019 $	2018 $
Balance Sheet		
Current Assets	-	-
Total Assets	-	-
Current Liabilities	-	-
Total Liabilities	-	-
Shareholders' Equity	-	-
Profit or Loss for the year	-	-
Total Comprehensive Income	-	-

Prostate Cancer Foundation of Australia Limited (ABN 42 073 253 924), a company limited by guarantee, is the corporate trustee for its only controlled entity, Prostate Cancer Foundation of Australia (ABN 31 521 774 656).

Prostate Cancer Foundation of Australia Limited is incorporated under the *Corporations Act 2001*. If it is wound up, the constitution states that each member is required to contribute a maximum of $10 each towards meeting any outstanding and obligations of PCFA. As at 30 June 2019 the number of members were 46 *(2018: 46*).

DIRECTORS' DECLARATION

The directors of PCFA declare that:

1. the consolidated financial statements and notes, as set out on pages 9 to 28, are in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012* including:

    (a) complying with Australian Accounting Standards-Reduced Disclosure Requirements and the Australian Charities and Not-for-Profit Commission Regulation 2013; and

    (b) giving a true and fair view of the financial position as at 30 June 2019 and of the performance for the year ended on that date of PCFA.

2. in the directors' opinion, there are reasonable grounds to believe that PCFA 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.

Chris Hall
Director

Dated this 28th day of October 2019
Sydney, NSW

Independent auditor's report

To the members of Prostate Cancer Foundation of Australia Limited

Our qualified opinion

In our opinion, except for the possible effects of the matter described in the *Basis for qualified opinion* section of our report, the accompanying financial report of Prostate Cancer Foundation of Australia Limited (the Company) and its controlled entities (together the Group) is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*, including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year then ended

(b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

What we have audited

The Group financial report comprises:

- the consolidated statement of financial position as at 30 June 2019
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the consolidated statement of profit or loss and other comprehensive income for the year then ended
- the notes to the consolidated financial statements, which include a summary of significant accounting policies
- the directors' declaration.

Basis for qualified opinion

Cash from donations and other fundraising activities are a significant source of revenue for the Group. The directors have determined that it is impracticable to establish control over the collection of revenue from these sources prior to entry into its financial records. Accordingly, as the evidence available to us regarding revenue from cash donations and other fundraising activities was limited, our audit procedures with respect to revenue from these sources had to be restricted to the amounts recorded in the Group's financial records. As a result, we are unable to express an opinion as to whether revenue from cash donations and other fundraising activities is complete.

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

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

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Independence

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the Directors' report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation 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 (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 ability of the Group 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 Group 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 misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf. This description forms part of our auditor's report.

Matters relating to the electronic presentation of the audited financial report

This auditor's report relates to the financial report of Prostate Cancer Foundation of Australia Limited for the year ended 30 June 2019 included on Prostate Cancer Foundation of Australia Limited's web site. The directors of the Company are responsible for the integrity of Prostate Cancer Foundation of Australia Limited's web site. We have not been engaged to report on the integrity of this web site. The auditor's report refers only to the financial report named above. It does not provide an opinion on any other information which may have been hyperlinked to/from the financial report. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

PricewaterhouseCoopers

James McElvogue
Partner

Sydney
28 October 2019

Prostate Cancer
Foundation of Australia

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