

SAWARD / DAWSON

chartered accountants

Skin & Cancer Foundation Inc.

ABN: 58 895 584 259

Financial Statements

For the Year Ended 30 June 2016

Skin & Cancer Foundation Inc.

ABN: 58 895 584 259

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For the Year Ended 30 June 2016

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Skin & Cancer Foundation Inc.

ABN: 58 895 584 259

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2016

	Note	2016 \$	2015 \$
Revenue	4	6,955,437	6,967,894
Bank Charges		(17,119)	(21,195)
Centre Expenses		(421,226)	(593,038)
Depreciation	5	(166,958)	(204,033)
Employment Costs		(4,883,067)	(4,608,221)
Finance Costs	5	(222,139)	(223,246)
Insurance		(57,183)	(57,285)
Leasing Charges		(61,939)	(45,802)
Occupancy Costs		(257,598)	(248,641)
Office Expenses		(120,358)	(133,836)
Other Expenses		(498,666)	(448,884)
Professional Fees		(97,327)	(92,132)
Surplus for the year		151,857	291,581
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that will be reclassified to profit or loss when specific conditions are met		-	-
Total comprehensive income for the year		151,857	291,581

The accompanying notes form part of these financial statements.

Skin & Cancer Foundation Inc.

ABN: 58 895 584 259

Statement of Financial Position

As at 30 June 2016

	Note	2016 \$	2015 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	914,684	806,181
Trade and other receivables	7	493,035	442,544
Other financial assets	8	1,434,721	1,342,361
Prepayments		143,062	208,350
TOTAL CURRENT ASSETS		2,985,502	2,799,436
NON-CURRENT ASSETS			
Property, plant and equipment	9	10,564,782	10,649,769
Investment in joint venture		10	10
TOTAL NON-CURRENT ASSETS		10,564,792	10,649,779
TOTAL ASSETS		13,550,294	13,449,215
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	617,677	600,820
Borrowings	11	3,377,640	13,849
Short-term provisions	12	458,514	361,907
Other liabilities	13	498,499	592,018
TOTAL CURRENT LIABILITIES		4,952,330	1,568,594
NON-CURRENT LIABILITIES			
Borrowings	11	202,150	3,636,664
TOTAL NON-CURRENT LIABILITIES		202,150	3,636,664
TOTAL LIABILITIES		5,154,480	5,205,258
NET ASSETS		8,395,814	8,243,957
EQUITY			
Reserves		4,489,025	4,498,226
Accumulated surpluses		3,906,789	3,745,731
TOTAL EQUITY		8,395,814	8,243,957

The accompanying notes form part of these financial statements.

Skin & Cancer Foundation Inc.
ABN: 58 895 584 259

Statement of Changes in Equity
For the Year Ended 30 June 2016

2016

	Special Purpose Funds - Bequests	Special Purpose Funds - Dept of Dermatology	Accumulated Surpluses	Asset Revaluation Reserve	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2015	972,631	475,595	3,745,731	3,050,000	8,243,957
Surplus for the year	-	-	151,857	-	151,857
Transfers to and from reserves	(22,064)	12,863	9,201	-	-
Balance at 30 June 2016	950,567	488,458	3,906,789	3,050,000	8,395,814

2015

	Special Purpose Funds - Bequests	Special Purpose Funds - Dept of Dermatology	Accumulated Surpluses	Asset Revaluation Reserve	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2014	887,345	460,432	3,554,600	3,050,000	7,952,377
Surplus for the year	-	-	291,580	-	291,580
Transfers to and from reserves	85,286	15,163	(100,449)	-	-
Balance at 30 June 2015	972,631	475,595	3,745,731	3,050,000	8,243,957

The accompanying notes form part of these financial statements.

Skin & Cancer Foundation Inc.

ABN: 58 895 584 259

Statement of Cash Flows

For the Year Ended 30 June 2016

	2016	2015
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers and grants	6,810,640	7,198,184
Payments to suppliers and employees	(6,575,254)	(6,314,228)
Interest and investment income	388,258	117,585
Finance costs	(222,139)	(223,246)
Net cash provided by/(used in) operating activities	<u>401,505</u>	<u>778,295</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payment for investments	(745,397)	(88,982)
Purchase of property, plant and equipment	(82,214)	(228,196)
Placement of term deposits	(119,615)	-
Proceeds on sale of investment securities	724,947	-
Net cash used by investing activities	<u>(222,279)</u>	<u>(317,178)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of borrowings	(70,723)	(73,039)
Net cash used by financing activities	<u>(70,723)</u>	<u>(73,039)</u>
Net increase/(decrease) in cash and cash equivalents held	108,503	388,078
Cash and cash equivalents at beginning of year	805,936	411,794
Reclassifications between cash equivalents and financial assets	-	6,064
Cash and cash equivalents at end of financial year	<u>6</u> <u>914,439</u>	<u>805,936</u>

The accompanying notes form part of these financial statements.

Skin & Cancer Foundation Inc.

ABN: 58 895 584 259

Notes to the Financial Statements

For the Year Ended 30 June 2016

The financial statements cover Skin & Cancer Foundation Inc. as an individual entity. Skin & Cancer Foundation Inc. is a not-for-profit association incorporated in Victoria under the *Associations Incorporation Reform Act (Vic) 2012*.

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the *Associations Incorporation Reform Act (Vic) 2012*. The committee has determined that the association is not a reporting entity.

1 Basis of Preparation

In the opinion of the Committee of Management, the association is not a reporting entity since there are unlikely to exist users of the financial report who are not able to command the preparation of reports tailored so as to satisfy specifically all of their information needs. These special purpose financial statements have been prepared to meet the reporting requirements of the Act.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the *Associations Incorporation Reform Act (Vic) 2012*, the *Australian Charities and Not-for-profits Commission Act 2012*, the *Australian Charities and Not-for-profits Commission Regulation 2013* and the significant accounting policies described below, which the committee have determined are appropriate to meet the needs of the members. Such accounting policies are consistent with those of previous periods unless stated otherwise.

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

2 Summary of Significant Accounting Policies

(a) Comparative Figures

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

When the association applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period must be disclosed.

(b) Income Tax

The association is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*. Skin and Cancer Foundation Inc is a registered charity with the Australian Charities and Not-for-profits Commission.

(c) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the association and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Revenue from the provision of services is recognised at the time the service is provided to patients.

Skin & Cancer Foundation Inc.

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Notes to the Financial Statements

For the Year Ended 30 June 2016

2 Summary of Significant Accounting Policies continued

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

Grants are recognised as income as they are earned. Where grants relate to activities not yet undertaken, and there is an obligation to repay those funds if they are not spent in accordance with the funding agreement then such funds are recognised as an 'income in advance' liability until such time as the funded activities are undertaken. Grants may also be recognised on a straight line basis over the funding period where there is no requirement to repay the funds.

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

(d) Leases

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

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. 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 of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of 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.

(e) 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. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

(f) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within current liabilities in the statement of financial position.

(g) Property, Plant and Equipment

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

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

Skin & Cancer Foundation Inc.

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Notes to the Financial Statements

For the Year Ended 30 June 2016

2 Summary of Significant Accounting Policies continued

(g) Property, Plant and Equipment continued

Land and buildings

Land and buildings are measured using the revaluation model, based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the statement of comprehensive income.

Plant and equipment

Plant and equipment are measured using the cost model. The carrying amount of plant and equipment is reviewed annually by the committee members 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.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the association, commencing when the asset is ready for use.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

Previously revalued buildings are not depreciated.

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

Fixed asset class	Depreciation rate
Buildings	2.5%
Plant and equipment	3.5 - 50%
Furniture, fixtures and fittings	3.5 - 50%
Computers and equipment	10 - 50%
Leasehold improvements	2.5 - 10%
Surgical equipment	10 - 33.3%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

Skin & Cancer Foundation Inc.

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Notes to the Financial Statements

For the Year Ended 30 June 2016

2 Summary of Significant Accounting Policies continued

(h) Employee benefits

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

Provision for long service leave is accrued after six years of continued service by the employee.

(i) Interests in joint arrangements

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

The investment is recorded at cost. Skin and Cancer Inc's profit or loss includes the share of Melbourne Pathology's profit or loss. This income share of profits earned are recognised on receipt.

3 Critical Accounting Estimates and Judgments

Those charged with governance make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

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

The significant estimates and judgements made have been described below.

Property held at fair value

An independent valuation of property (land and buildings) carried at fair value was obtained on 30 June 2013. The valuation approach adopted was the Direct Capitalisation Approach - Market Income method. This method involves the addition of market rent for the various components of the property, and the deductions of outgoings (where appropriate) to determine the net market income of the property.

The Board has given consideration to the fair value to be disclosed for the property situated at 80 Drummond Street Carlton ("The Property") in the financial report for the year ended 30 June 2016.

The Board noted that a formal valuation was undertaken by Mr Jacob Russell of Jones Lang LaSalle and his report was issued on 29 August 2013. The Board have accepted this valuation as still being current, relevant and reflective of the fair value of the property for the purposes of disclosure in the financial reports for the year ended 30 June 2016. A valuation is scheduled to be obtained for the year ending 30 June 2017.

Receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. No provision for impairment has been raised as at 30 June 2016.

Skin & Cancer Foundation Inc.

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Notes to the Financial Statements

For the Year Ended 30 June 2016

4 Revenue and Other Income

	2016	2015
	\$	\$
Revenue from operating activities		
- Revenue from services	3,093,944	3,271,734
- Government education grants	1,378,136	1,271,242
- Rental income	322,267	304,781
- Joint venture share of profit and licence fee income	1,271,097	1,283,654
- Interest income	65,991	117,630
- Donation income	55,678	56,389
- Trials income	633,018	652,603
- Other income	135,306	9,861
	<u>6,955,437</u>	<u>6,967,894</u>

5 Result for the Year

Significant Expenses

Depreciation	166,958	204,033
Finance Costs	222,139	223,246

6 Cash and cash equivalents

Cash on hand	97	698
Cash at bank	914,587	734,646
Short-term bank deposits	-	70,838
	<u>914,684</u>	<u>806,181</u>

Existing term deposits that have been reinvested in the current financial year have 6 month terms and hence are subsequently reclassified as financial assets (refer to Note 8).

Reconciliation of cash

Cash and Cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:

Cash and cash equivalents		914,684	806,181
Bank overdrafts	11	(245)	(245)
Balance as per statement of cash flows		<u>914,439</u>	<u>805,936</u>

Skin & Cancer Foundation Inc.

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Notes to the Financial Statements

For the Year Ended 30 June 2016

7 Trade and other receivables

	2016	2015
	\$	\$
CURRENT		
Trade receivables	444,993	394,466
Licence fee receivable	48,042	48,078
	<u>493,035</u>	<u>442,544</u>

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

8 Financial assets

Term deposits	689,324	569,709
Managed investments	745,397	772,651
Total financial assets	<u>1,434,721</u>	<u>1,342,360</u>

9 Property, plant and equipment

LAND AND BUILDINGS

Freehold land		
At fair value	7,650,000	7,650,000
Total Land	<u>7,650,000</u>	<u>7,650,000</u>

Buildings

At fair value	2,611,751	2,609,314
Accumulated depreciation	(100,237)	(88,390)
Total buildings	<u>2,511,514</u>	<u>2,520,924</u>

Total land and buildings	<u>10,161,514</u>	<u>10,170,924</u>
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PLANT AND EQUIPMENT

Plant and equipment		
At cost	1,196,884	1,341,163
Accumulated depreciation	(793,616)	(862,318)
Total plant and equipment	<u>403,268</u>	<u>478,845</u>

Total property, plant and equipment	<u>10,564,782</u>	<u>10,649,769</u>
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Skin & Cancer Foundation Inc.

ABN: 58 895 584 259

Notes to the Financial Statements

For the Year Ended 30 June 2016

10 Trade and other payables

	Note	2016 \$	2015 \$
CURRENT			
GST payable		16,987	16,987
Other accruals		61,329	49,903
Trade payables		524,119	522,581
Sundry payables and accrued expenses		15,242	11,350
		<u>617,677</u>	<u>600,821</u>

11 Borrowings

CURRENT			
Bank overdraft	6	245	245
Lease liability	14	14,390	13,604
Bank loans		3,363,005	-
		<u>3,377,640</u>	<u>13,849</u>
Total current borrowings		<u>3,377,640</u>	<u>13,849</u>

NON-CURRENT			
Lease liability	14	136,150	150,540
Commercial bill		-	3,486,124
Other financial liabilities		66,000	-
		<u>202,150</u>	<u>3,636,664</u>
Total non-current borrowings		<u>202,150</u>	<u>3,636,664</u>

Commercial Bill

The commercial bill is secured by a registered mortgage over the freehold property of the association. The commercial bill is due to expire on 29 October 2016. The total facility available is \$3,725,000 of which \$3,363,005 is drawdown as at 30 June 2016.

Skin & Cancer Foundation Inc.
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Notes to the Financial Statements
For the Year Ended 30 June 2016

12 Provisions

	2016	2015
	\$	\$
CURRENT		
Annual leave	232,244	190,330
Long service leave	226,270	171,577
	<u>458,514</u>	<u>361,907</u>

13 Other liabilities

CURRENT		
Unearned grant funding	398,069	489,200
Licence fee unearned income	89,788	88,500
Other income received in advance	10,642	14,318
	<u>498,499</u>	<u>592,018</u>

14 Capital and Leasing Commitments

(a) Finance Leases

Minimum lease payments:		
- not later than one year	22,498	22,498
- between one year and five years	166,863	189,361
Minimum lease payments	189,361	211,859
Less: finance changes	(38,821)	(47,714)
Present value of minimum lease payments	<u>150,540</u>	<u>164,145</u>

Finance lease is in place for the air conditioning system and has a term of 10 years. This lease is due to expire on 15 November 2024.

(b) Operating Leases

Operating lease commitments payable

Minimum lease payments under non-cancellable operating leases:		
- not later than one year	28,887	46,879
- between one year and five years	33,676	47,541
	<u>62,563</u>	<u>94,420</u>

Operating leases have been taken out for recliner chairs, computer equipment, franking machine and photocopiers. Lease payments are fixed over the term of the lease which range between 2 and 5 years.

Skin & Cancer Foundation Inc.

ABN: 58 895 584 259

Notes to the Financial Statements

For the Year Ended 30 June 2016

14 Capital and Leasing Commitments continued

(b) Operating Leases continued

Operating lease commitments receivable

Skin & Cancer Foundation Inc. leases out its owned property under commercial leases. These non-cancellable leases have terms between 4 and 12 years. All leases include an option for Skin & Cancer Foundation Inc. to increase rent by CPI on an annual basis.

The future minimum lease receipts under non-cancellable leases are:

	2016	2015
	\$	\$
- no later than 1 year	312,497	309,689
- between 1 year and 5 years	715,980	859,489
- greater than 5 years	324,588	483,983
Total minimum lease payments	<u>1,353,065</u>	<u>1,653,161</u>

(c) Contracted Commitments

Clintel - Clinical software implementation

	<u>25,700</u>	-
	<u>25,700</u>	-

During the year, Skin & Cancer Foundation Inc contracted clinical software provider Clintel to provide services such as the installation and implementation of the software package. Additional fees outlined in the contract include license fees and support services. The total cost of the project amounted to \$91,700, of which \$66,000 has been taken up as capital finance, and the remaining amount payable is outlined in the above table.

15 Joint Venture

The Skin & Cancer Foundation Inc. has a 50% interest (through its wholly owned subsidiary Skin & Cancer Pathology Pty Ltd) in the joint venture entity Melbourne Skin Pathology, a partnership operating in Australia which is involved in derma pathology services. A new agreement was entered into for 5 years expiring on 17 April 2019 with an option for a further 5 years.

Income is recorded from the Joint Venture when distributions are received.

16 Events Occurring After the Reporting Date

The financial report was authorised for issue on the same date as the Statement by Members of the Committee by the Committee of Management.

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

Skin & Cancer Foundation Inc.

ABN: 58 895 584 259

Notes to the Financial Statements

For the Year Ended 30 June 2016

14 Capital and Leasing Commitments continued

(b) Operating Leases continued

Operating lease commitments receivable

Skin & Cancer Foundation Inc. leases out its owned property under commercial leases. These non-cancellable leases have terms between 4 and 12 years. All leases include an option for Skin & Cancer Foundation Inc. to increase rent by CPI on an annual basis.

The future minimum lease receipts under non-cancellable leases are:

	2016	2015
	\$	\$
- no later than 1 year	312,497	309,689
- between 1 year and 5 years	715,980	859,489
- greater than 5 years	324,588	483,983
Total minimum lease payments	<u>1,353,065</u>	<u>1,653,161</u>
(c) Contracted Commitments		
Clintel - Clinical software implementation	<u>25,700</u>	-
	<u>25,700</u>	-

During the year, Skin & Cancer Foundation Inc contracted clinical software provider Clintel to provide services such as the installation and implementation of the software package. Additional fees outlined in the contract include license fees and support services. The total cost of the project amounted to \$91,700, of which \$66,000 has been taken up as capital finance, and the remaining amount payable is outlined in the above table.

15 Joint Venture

The Skin & Cancer Foundation Inc. has a 50% interest (through its wholly owned subsidiary Skin & Cancer Pathology Pty Ltd) in the joint venture entity Melbourne Skin Pathology, a partnership operating in Australia which is involved in derma pathology services. A new agreement was entered into for 3 years expiring on 17 April 2017.

Income is recorded from the Joint Venture when distributions are received.

16 Events Occurring After the Reporting Date

The financial report was authorised for issue on the same date as the Statement by Members of the Committee by the Committee of Management.

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

Skin & Cancer Foundation Inc.

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Notes to the Financial Statements

For the Year Ended 30 June 2016

17 Association Details

The registered office and principle place of business of the association is:

Skin & Cancer Foundation Inc.
Level 1
80 Drummond St
Carlton VIC 3053

Skin & Cancer Foundation Inc.

ABN: 58 895 584 259

Statement by Members of the Committee

The committee has determined that the association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies as outlined in Note 1 to the financial statements.

In the opinion of the committee, the financial report as set out on pages 1 - 14:

- i) give a true and fair view of the financial position and performance of Skin & Cancer Foundation Inc. during and at the end of the financial year ending on 30 June 2016; and;
- ii) at the date of this statement, there are reasonable grounds to believe that Skin & Cancer Foundation Inc. will be able to pay its debts as when they fall due; and
- iii) satisfies the requirements of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

This statement is made in accordance with a resolution of the committee and is signed for and on behalf of the committee by:



Mr Jim Power
Committee Member



Mr Chris Arnold
Committee Member

Dated: 29 September 2016

Skin & Cancer Foundation Inc.

ABN: 58 895 584 259

Auditors Independence Declaration under Section 60.40 of the Australian Charities and Not-for-profits Commission Act 2012

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2016, there have been:

- i) no contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Saward Dawson

Saward Dawson Chartered Accountants

Jeffrey Tulk

Jeffrey Tulk
Partner

Blackburn

Dated: *29 September 2016*

Skin & Cancer Foundation Inc.

ABN: 58 895 584 259

Independent Audit Report to the members of Skin & Cancer Foundation Inc.

Report on the Financial Report

We have audited the accompanying financial report being a special purpose financial report, of Skin & Cancer Foundation Inc., which comprises the statement of financial position as at 30 June 2016, the statement of income and expenditure and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the statement by members of the committee.

Committee Members' Responsibility for the Financial Report

The committee members of Skin & Cancer Foundation Inc. are responsible for the preparation of the financial report and have determined that the basis of preparation described in Note 1, is appropriate to meet the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the *Associations Incorporation Reform Act (Vic) 2012* and is appropriate to meet the needs of the members. The committee members' responsibility also includes such internal control as the officers determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Skin & Cancer Foundation Inc.

ABN: 58 895 584 259

Independent Audit Report to the members of Skin & Cancer Foundation Inc.

Opinion

In our opinion, the financial report of Skin & Cancer Foundation Inc. has been prepared in accordance with *Division 60 of the Australian Charities and Not-for-profits Commissions Act 2012*, including:

- i) giving a true and fair view of the financial position of Skin and Cancer Foundation Inc as at 30 June 2016, and of its financial performance and cash flows for the year ended on that date; and
- ii) complying with Australian Accounting Standards to the extent described in Note 1, the *Associations Incorporation Reform Act (Vic) 2012*, and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report which describes the basis of accounting. The financial report is prepared to assist Skin & Cancer Foundation Inc. to comply with the financial reporting provisions of the *Australian Charities and Not-for-profits Commissions Act 2012* and the *Associations Incorporation Reform Act 2012 (Vic)*. As a result, the financial report may not be suitable for another purpose.

Saward Dawson

Saward Dawson Chartered Accountants

Jeffrey Tulk

Jeffrey Tulk
Partner

Blackburn
Dated: *29 September 2016*