



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

Financial Statements for the year ended  
30 June 2017

# Skin & Cancer Foundation Inc.

ABN: 58 895 584 259

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For the Year Ended 30 June 2017

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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 2017

	Note	2017 \$	2016 \$
Revenue	4	6,804,187	6,955,437
Employment Costs		(5,171,356)	(4,883,067)
Centre Expenses		(414,047)	(421,226)
Occupancy Costs		(276,924)	(257,598)
Finance costs	5	(162,419)	(222,139)
Depreciation	5	(146,569)	(166,958)
Office Expenses		(128,398)	(120,358)
Professional Fees		(90,650)	(97,327)
Insurance		(59,937)	(57,183)
Leasing Charges		(42,979)	(61,939)
Bank Charges		(17,457)	(17,119)
Other Expenses		(374,956)	(498,666)
<b>Surplus (deficit) for the year</b>		<b>(81,505)</b>	<b>151,857</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified subsequently to profit or loss		260,860	-
Items that will be reclassified to profit or loss when specific conditions are met		-	-
<b>Total comprehensive income for the year</b>		<b>179,355</b>	<b>151,857</b>

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 2017

	Note	2017 \$	2016 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	533,159	914,684
Trade and other receivables	7	602,177	493,035
Other financial assets	8	1,639,118	1,434,721
Prepayments		133,096	143,062
<b>TOTAL CURRENT ASSETS</b>		<b>2,907,550</b>	<b>2,985,502</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	9	10,807,492	10,564,782
Investment in joint venture		10	10
<b>TOTAL NON-CURRENT ASSETS</b>		<b>10,807,502</b>	<b>10,564,792</b>
<b>TOTAL ASSETS</b>		<b>13,715,052</b>	<b>13,550,294</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	792,230	617,677
Borrowings	11	3,329,249	3,377,640
Short-term provisions	12	499,997	458,514
Other liabilities	13	318,970	498,499
<b>TOTAL CURRENT LIABILITIES</b>		<b>4,940,446</b>	<b>4,952,330</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	11	199,437	202,150
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>199,437</b>	<b>202,150</b>
<b>TOTAL LIABILITIES</b>		<b>5,139,883</b>	<b>5,154,480</b>
<b>NET ASSETS</b>		<b>8,575,169</b>	<b>8,395,814</b>
<b>EQUITY</b>			
Reserves		4,749,885	4,489,025
Accumulated surpluses		3,825,284	3,906,789
<b>TOTAL EQUITY</b>		<b>8,575,169</b>	<b>8,395,814</b>

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 2017

2017

	Special Purpose Funds - Bequests	Special Purpose Funds - Dept of Dermatology	Accumulated Surpluses	Asset Revaluation Reserve	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2016	950,567	488,458	3,906,789	3,050,000	8,395,814
Property valuation increment	-	-	-	260,860	260,860
Deficit for the year	-	-	(81,505)	-	(81,505)
Balance at 30 June 2017	950,567	488,458	3,825,284	3,310,860	8,575,169

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

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 2017

	2017	2016
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers and grants	6,434,785	6,810,640
Payments to suppliers and employees	(6,664,805)	(6,575,254)
Interest and investment income	378,248	388,258
Finance costs	(162,419)	(222,139)
Net cash provided by/(used in) operating activities	<u>(14,191)</u>	<u>401,505</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Payment for investments	(273,366)	(745,397)
Purchase of property, plant and equipment	(128,414)	(82,214)
Placement of term deposits	(173,259)	(119,615)
Proceeds on sale of investment securities	258,809	724,947
Net cash used by investing activities	<u>(316,230)</u>	<u>(222,279)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Repayment of borrowings	(50,859)	(70,723)
Net cash used by financing activities	<u>(50,859)</u>	<u>(70,723)</u>
Net increase/(decrease) in cash and cash equivalents held	(381,280)	108,503
Cash and cash equivalents at beginning of year	914,439	805,936
Cash and cash equivalents at end of financial year	6 <u>533,159</u>	<u>914,439</u>

The accompanying notes form part of these financial statements.

# Skin & Cancer Foundation Inc.

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## Notes to the Financial Statements

For the Year Ended 30 June 2017

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

Skin and Cancer Foundation Inc is an association incorporated and domiciled in Victoria. The committee members' have prepared the financial statements on the basis that the association is a nonreporting entity because there are no users dependent on a general purpose financial report. The financial report is therefore a special purpose financial report that has been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the *Associations Incorporation Reform Act (Vic) 2012* and the *Australian Charities and Not-for-profits Commission Act 2012*.

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.

The following significant accounting policies, which are consistent with the previous period unless stated otherwise, have been adopted in the preparation of these financial statements.

### 2 Summary of Significant Accounting Policies

#### (a) 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.

#### (b) 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.

##### 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.

# Skin & Cancer Foundation Inc.

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## Notes to the Financial Statements

For the Year Ended 30 June 2017

### 2 Summary of Significant Accounting Policies

#### (b) Property, Plant and Equipment

##### 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:

<b>Fixed asset class</b>	<b>Depreciation rate</b>
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 2017

### 2 Summary of Significant Accounting Policies

#### (c) 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.

#### (d) 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.

#### (e) 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.

#### (f) 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 2017

### 2 Summary of Significant Accounting Policies

Interest income is recognised on an accrual basis using the effective interest method. Dividend income are recognised at the time the right to receive payment is established.

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).

#### (g) 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.

#### (h) 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 Foundation Inc's profit or loss includes the share of Melbourne Skin Pathology's profit or loss. This income share of profits earned are recognised on receipt.

### 3 Critical Accounting Estimates and Judgments

The committee members 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.

# Skin & Cancer Foundation Inc.

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## Notes to the Financial Statements

For the Year Ended 30 June 2017

### 3 Critical Accounting Estimates and Judgments

#### Property held at fair value

An independent valuation of property (land and buildings) carried at fair value was carried out on 5 October 2016. The valuation approach adopted was the Income Capitalisation Approach. 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 2017.

The Board noted that a formal valuation was undertaken by Mr Sam Lipshut of Charter Keck Cramer and his report was issued on 21 October 2016. 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 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 2017.

# Skin & Cancer Foundation Inc.

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## Notes to the Financial Statements

For the Year Ended 30 June 2017

### 4 Revenue and Other Income

	2017	2016
	\$	\$
Revenue from operating activities		
- Revenue from services	3,298,334	3,093,944
- Government and other education grants	1,248,937	1,378,136
- Rental income	319,528	322,267
- Joint venture share of profit and licence fee income	1,259,126	1,271,097
- Interest income	58,720	65,991
- Donation income	35,349	55,678
- Trials income	563,892	633,018
- Other income	20,301	135,306
	<u>6,804,187</u>	<u>6,955,437</u>

### 5 Result for the Year

#### Significant Expenses

Depreciation	146,569	166,958
Finance costs	162,419	222,139
Auditor remuneration	16,250	15,950

### 6 Cash and cash equivalents

Cash on hand	119	97
Cash at bank	533,040	914,587
	<u>533,159</u>	<u>914,684</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		533,159	914,684
Bank overdrafts	11	-	(245)
<b>Balance as per statement of cash flows</b>		<u>533,159</u>	<u>914,439</u>

# Skin & Cancer Foundation Inc.

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## Notes to the Financial Statements

For the Year Ended 30 June 2017

### 7 Trade and other receivables

	2017	2016
	\$	\$
CURRENT		
Trade receivables	550,598	444,993
Licence fee receivable	51,579	48,042
	<u>602,177</u>	<u>493,035</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	862,583	689,324
Managed investments	776,535	745,397
Total financial assets	<u>1,639,118</u>	<u>1,434,721</u>

### 9 Property, plant and equipment

#### LAND AND BUILDINGS

##### Freehold land

At fair value	7,910,861	7,650,000
Total Land	<u>7,910,861</u>	<u>7,650,000</u>

##### Buildings

At fair value	2,611,751	2,611,751
Accumulated depreciation	(126,050)	(100,237)

Total buildings	<u>2,485,701</u>	<u>2,511,514</u>
Total land and buildings	<u>10,396,562</u>	<u>10,161,514</u>

#### PLANT AND EQUIPMENT

##### Plant and equipment

At cost	1,325,303	1,196,884
Accumulated depreciation	(914,373)	(793,616)

Total plant and equipment	<u>410,930</u>	<u>403,268</u>
<b>Total property, plant and equipment</b>	<u><b>10,807,492</b></u>	<u><b>10,564,782</b></u>

The land and buildings were revalued during the year ended 30 June 2017. The fair value adjustment resulted in an increase to the carrying value of land and buildings and the asset revaluation reserve of \$260,860.

# Skin & Cancer Foundation Inc.

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## Notes to the Financial Statements

For the Year Ended 30 June 2017

### 10 Trade and other payables

	Note	2017 \$	2016 \$
CURRENT			
GST payable		15,987	16,987
Other accruals		50,732	61,329
Trade payables		715,261	524,119
Sundry payables and accrued expenses		10,250	15,242
		<u>792,230</u>	<u>617,677</u>

### 11 Borrowings

CURRENT			
Bank overdraft	6	-	245
Lease liability	14	33,061	14,390
Bank loans		3,296,188	3,363,005
		<u>3,329,249</u>	<u>3,377,640</u>
<b>Total current borrowings</b>		<u>3,329,249</u>	<u>3,377,640</u>
NON-CURRENT			
Lease liability	14	199,437	202,150
		<u>199,437</u>	<u>202,150</u>
<b>Total non-current borrowings</b>		<u>199,437</u>	<u>202,150</u>

### Commercial Bill

The commercial bill held with Bank of Melbourne is secured by a registered mortgage over the freehold property of the association. The commercial bill is due to expire on 29 October 2021. The total facility available is \$3,500,000 of which \$3,296,188 is drawdown as at 30 June 2017.

# Skin & Cancer Foundation Inc.

ABN: 58 895 584 259

## Notes to the Financial Statements

For the Year Ended 30 June 2017

### 12 Provisions

	2017	2016
	\$	\$
CURRENT		
Annual leave	265,431	232,244
Long service leave	234,566	226,270
	<u>499,997</u>	<u>458,514</u>

### 13 Other liabilities

CURRENT		
Unearned grant funding	217,535	398,069
Licence fee unearned income	90,948	89,788
Other income received in advance	10,487	10,642
	<u>318,970</u>	<u>498,499</u>

### 14 Capital and Leasing Commitments

#### (a) Finance Leases

Minimum lease payments:

- not later than one year	45,423	22,498
- between one year and five years	231,771	166,863
Minimum lease payments	<u>277,194</u>	<u>189,361</u>
Less: finance charges	<u>(44,696)</u>	<u>(38,821)</u>
Present value of minimum lease payments	<u>232,498</u>	<u>150,540</u>

Finance leases are in place for the following:

- Air conditioning system which has a term of 10 years. This lease is due to expire on 15 November 2024.
- Clintel software has a lease term of 5 years. This lease is due to expire in April 2022.

#### (b) Operating Leases

##### Operating lease commitments payable

Minimum lease payments under non-cancellable operating leases:

- not later than one year	37,765	28,887
- between one year and five years	46,178	33,676
	<u>83,943</u>	<u>62,563</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.

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## Notes to the Financial Statements

For the Year Ended 30 June 2017

### 14 Capital and Leasing Commitments

#### (b) Operating Leases

##### 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:

	2017	2016
	\$	\$
- no later than 1 year	228,788	312,497
- between 1 year and 5 years	655,644	715,980
- greater than 5 years	163,911	324,588
Total minimum lease payments	<u>1,048,343</u>	<u>1,353,065</u>

#### (c) Contracted Commitments

Clintel - Clinical software implementation	-	25,700
	<u>-</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 \$99,700, which has been set up as a hire purchase arrangement through Capital Finance and is included in Note 14 (a)..

### 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 derived from the joint venture is recognised in the statement of profit or loss when distributions are received.

### 16 Events Occurring After the Reporting Date

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 2017

### **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.

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### Statement by Members of the Committee

The committee members declare that:

- the financial statements and notes are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and the *Associations Incorporation Reform Act 2012*; and
- there are reasonable grounds to believe that the association will be able to pay all of its debts as and when they become due and payable.

Signed in accordance with subsection 60.15(2) of the Australian Charities and Not-for-profits Commission Regulation 2013.



Mr Jim Power  
Committee Member



Mr Chris Arnold  
Committee Member

Dated: 17 October 2017

## Skin & Cancer Foundation Inc.

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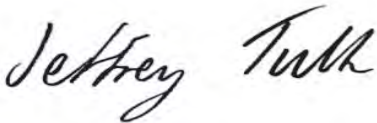
### Auditors Independence Declaration under Section 60.40 of the Australian Charities and Not-for-profits Commission Act 2012

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2017, 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



Jeffrey Tulk  
Partner

Blackburn  
Dated: 17 October 2017

## Skin & Cancer Foundation Inc.

ABN: 58 895 584 259

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

#### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Skin & Cancer Foundation Inc. (the Association), which comprises the statement of financial position as at 30 June 2017, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the statement by members of the committee.

In our opinion, the accompanying financial report presents fairly, in all material respects, including:

- (i) giving a true and fair view of the Association's financial position as at 30 June 2017 and of its financial performance and its cash flows for the year ended; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 2, the Associations Incorporation Reform Act (Vic) 2012 and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Association in accordance with the auditor independence requirements of the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

#### Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Association's financial reporting responsibilities under the ACNC Act. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

#### Responsibilities of Management and Those Charged with Governance

The committee is responsible for the preparation and fair presentation of the financial report in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and the *Associations Incorporation Reform Act 2012*, and for such internal control as the committee determines is necessary to enable the preparation of the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the committee is responsible for assessing the the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

The committee members are responsible for overseeing the Association's financial reporting process.

## Skin & Cancer Foundation Inc.

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

#### 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 this financial report.

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

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

We communicate with those charged with the Committee, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Saward Dawson*

Saward Dawson

*Jeffrey Tulk*

Jeffrey Tulk  
Partner

Blackburn  
Dated: 17 October 2017