

ANTI-CANCER COUNCIL OF VICTORIA
(Operating as CANCER COUNCIL VICTORIA)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

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COMPREHENSIVE OPERATING STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	2010 \$'000s	2009 \$'000s
INCOME FROM TRANSACTIONS			
Charitable support		25,288	26,567
External program funding		24,295	25,085
Dividends, distributions & interest from investments	2 (a)	1,795	1,390
Interest	2 (b)	37	47
Royalties, fees for service and others	2 (c)	2,659	3,557
Retail operations:			
- Sales of goods		2,113	1,924
- Cost of goods sold		(762)	(668)
Gross profit on retail operations		1,351	1,256
Total income from transactions		55,426	57,902
EXPENSES FROM TRANSACTIONS			
Program services:			
- Research	3 (a)	20,116	22,442
- Cancer prevention & early detection	3 (b)	27,008	22,406
Charitable support		8,048	7,462
Royalties, fees for services and other		171	142
Expenses on retail operations		678	664
Administrative support		911	224
Total expenses from transactions		56,933	53,340
Net result from transactions/ (net operating balance)		(1,507)	4,562
OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT			
Net gain/(loss) on financial assets at fair value through profit or loss	4 (a)	170	5,335
Other gains/(losses) from other economic flows	4 (b)	-	(1)
Total other economic flows included in net result		170	5,334
Net result from continuing operations		(1,337)	9,896
Net result for the financial year		(1,337)	9,896
OTHER ECONOMIC FLOWS – OTHER CHANGES IN EQUITY			
Transfers to (from) special funds reserves	12.1 (a)	18	(33)
Transfers from accumulated funds	12.2	(18)	(48)
Changes in asset revaluation reserve	12.1 (d)	-	2,940
Total other economic flows – Other changes in equity		-	2,859
Comprehensive result		(1,337)	12,755

The above comprehensive operating statement should be read in conjunction with the accompanying notes included on pages 7- 43

BALANCE SHEET
AS AT 31 DECEMBER 2010

	Note	2010 \$'000s	2009 \$'000s
CURRENT ASSETS			
Cash and cash equivalents	5	5,257	3,052
Receivables	6	2,494	2,453
Inventories		213	212
Other financial assets	7	31,013	34,170
Other assets		152	61
Total current assets		39,129	39,947
NON-CURRENT ASSETS			
Property, plant and equipment	8	19,557	20,030
Intangible assets	9	48	142
Total Non-current assets		19,605	20,172
Total assets		58,734	60,119
CURRENT LIABILITIES			
Payables		3,716	1,630
Administered program funding	10	1,797	3,505
Employee benefits	11	3,793	3,598
Provision for research grants		4,334	4,704
Total current liabilities		13,640	13,437
NON-CURRENT LIABILITIES			
Employee benefits	11	578	463
Provision for research grants		3,340	3,707
Total Non-current liabilities		3,918	4,170
Total liabilities		17,558	17,607
Net assets		41,175	42,512
EQUITY			
Reserves	12.1	28,041	25,832
Accumulated surplus	12.2	13,134	16,680
Total equity		41,175	42,512

The above balance sheet should be read in conjunction with the accompanying notes included pages 7 - 43

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2010

2010	Note	Equity at 1	Total	Transfer in/ (out) to the	External	Equity at 31
		January 2010	comprehensive	Accumulated	contributions	December 2010
		\$'000s	result	surplus	received	\$'000s
			\$'000s	\$'000s	\$'000s	\$'000s
Accumulated surplus	12.2	16,680	(1,337)	(2,209)	-	13,134
Reserves	12.1	25,832	-	2,209	-	28,041
Total equity at end of the financial year		42,512	(1,337)	-	-	41,175

2009	Note	Equity at 1	Total	Transfer in/ (out) to the	External	Equity at 31
		January 2009	comprehensive	Accumulated	contributions	December 2009
		\$'000s	result	surplus	received	\$'000s
			\$'000s	\$'000s	\$'000s	\$'000s
Accumulated surplus	12.2	7,176	9,896	(392)	-	16,680
Reserves	12.1	22,538	2,859	392	43	25,832
Total equity at end of the financial year		29,714	12,755	-	43	42,512

The above statement of changes in equity should be read in conjunction with the accompanying notes included on pages 7 - 43

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	2010 \$'000s	2009 \$'000s
CASH FLOWS FROM OPERATING ACTIVITIES			
<i>Receipts:</i>			
Receipts from charitable support, retail, royalties and fees for service		32,890	30,894
Funding for external projects		24,295	25,085
Interest		37	47
Net dividends, distributions & interest from financial assets at fair value through profit or loss		1,795	1,390
Goods and Services Tax recovered		850	1,067
Total receipts		59,868	58,482
<i>Payments:</i>			
Payments to suppliers and employees		(60,628)	(52,078)
Goods and Services Tax paid		(353)	(831)
Total payments		(60,981)	(52,909)
Net cash (used in)/ provided by operating activities	13	(1,113)	5,574
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment and intangible assets	8 & 9	(9)	(58)
Net (paid)/ proceeds from sales and purchases of financial assets		3,327	(3,116)
Net cash provided by/ (used in) investing activities		3,319	(3,173)
CASH FLOWS FROM FINANCING ACTIVITIES			
Special funds received		-	43
Net cash provided by financing activities		-	43
Net (decrease)/ increase in cash and cash equivalents held		2,206	2,444
Cash and cash equivalents at the beginning of the financial year		3,052	608
Cash and cash equivalents at the end of the financial year	5	5,257	3,052

The above cash flow statement should be read in conjunction with the accompanying notes included on pages 7 - 43

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

The annual financial statements represent the audited general purpose financial statements for the Anti-Cancer Council of Victoria (the Council).

a) Statement of compliance

These financial statements have been prepared in accordance with the *Financial Management Act 1994*, and applicable Australian Accounting Standards (AASs), including interpretations and other mandatory professional reporting requirements. AASs includes Australian equivalent to International Financial Reporting Standards.

Where applicable, those paragraphs of the AASs applicable to not-for-profit entities have been applied.

The financial statements were approved by the Finance Committee and Board and authorised for issue by David Fogarty, Business Manager of the Council.

The following is a summary of the accounting policies adopted by the Council in the preparation of the financial statements.

b) Basis of preparation

The accrual basis of accounting has been applied in the preparation of these financial statements whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid except for financial assets which are included at fair value.

These financial statements are presented in Australian dollars, the functional and presentation currency of the Council.

Critical accounting estimates and judgments

In the application of AASs, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision, and future periods if the revision affects both current and future periods. Judgements made by management in the application of AASs that have significant effects on the financial statements and estimates, with a risk of material adjustments in the subsequent reporting period, are disclosed throughout the notes to the financial statements.

Reporting basis and conventions

The financial statements have been prepared in accordance with the historical cost convention except for:

- non-current physical assets which, subsequent to acquisition, are measured at a revalued amount being their fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent impairment losses. Revaluations are made with sufficient regularity to ensure that the carrying amounts do not materially differ from their fair value; and
- the fair value of an asset other than land is generally based on its depreciated replacement value;
- derivative financial instruments, managed investment schemes, certain debt securities, which are measured at fair value through profit or loss.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Basis of preparation (continued)

Historical cost is based on the fair values of the consideration given in exchange for assets.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 31 December 2010 and the comparative information presented for the year ended 31 December 2009.

c) Reporting entity

The financial statements cover the Anti-Cancer Council of Victoria (the Council) as an individual reporting entity. The Council is a not for profit charity incorporated in Victoria under the *Cancer Act 1958*.

Its principal address is:
Cancer Council Victoria
1 Rathdowne Street
Carlton Victoria 3053
Australia

d) Scope and presentation of financial statements

Comprehensive operating statement

Income and expenses in the comprehensive operating statement are classified according to whether or not they arise from 'transactions' or 'other economic flows' (refer to Note 1 (x)). This classification is allowed under AASB 101 *Presentation of financial statements*.

Transactions are those economic flows that are considered to arise as a result of policy decisions, usually an interaction between two entities by mutual agreement. They also include flows within an entity such as depreciation where the owner is simultaneously acting as the owner of the depreciating asset and as the consumer of the service provided by the asset. Transactions can be in kind (e.g. assets provided/given free of charge or for nominal consideration) or where the final consideration is cash.

The net result is equivalent to profit or loss derived in accordance with AASs.

Balance sheet

Assets and liabilities are presented classifying current and non-current assets, and current and non-current liabilities.

The Council has classified as current asset, assets that are expected to be realised, or intends to sell or consume within twelve months after the end of the financial year; are held primarily for the purpose of trading; and those that are cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the end of the financial year. All other assets are classified as non-current.

Liabilities have been classified as current liabilities, when the liability is due to be settled within twelve months after the end of the financial year; it maintains the liability primarily for the purpose of trading; or the Council does not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the financial year. All other liabilities are classified as non-current.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Scope and presentation of financial statements (continued)

Statement of changes in equity

The statement of changes in equity presents reconciliations of each non-owner and owner equity account opening balance at the beginning of the financial year to the closing balance at the end of the financial year. It also shows separately changes due to amounts recognised in the comprehensive result and amounts recognised in other comprehensive income related to other non-owner changes in equity.

Cash flow statement

The cash flow statement classifies cash flows by operating, investing and financing activities in accordance with AASB 107 *Statement of cash flows*.

e) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, normally when it has a maturity of three months or less from the date of acquisition. The fair value at the reporting date of cash and cash equivalents is the same as its carrying amount.

f) Receivables

Trade and other receivables are stated at their cost less impairment losses (see Note 1 k). Credit revenues should be recovered in no more than 30 days for all debtors.

A provision is made for doubtful debts (if there are any) based on a review of all outstanding amounts at reporting date. Bad debts are written off in the period in which they are identified.

Trade receivables are reported at their carrying amount, where this is a reasonable approximation of their fair value.

g) Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The cost of inventories is based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Other financial assets

The Council classifies its other financial assets at fair value through profit or loss.

Investments in debt and equity securities

Financial instruments held for trading are classified as current assets and are stated at fair value, with any resultant gain or loss recognised in the comprehensive operating statement as other economic flows. The fair value of financial instruments is their quoted bid price at the balance sheet date.

Where these investments are interest bearing, interest calculated using the effective interest method is recognised in the comprehensive operating statement.

Financial instruments classified as held for trading are recognised / derecognised by the Council on the date it commits to purchase / sell the investments.

i) Property plant and equipment

(i) Owned assets

Both Land and Buildings are measured at their fair value and measured at the amounts for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction and taking into account any impairment.

Land and Buildings are measured at fair value with regard to the properties' highest and best use after due consideration is made for any legal or constructive restrictions imposed on the land, public announcements or commitments made in relation to their intended use. Theoretical opportunities that may be available in relation to the asset are not taken into account until it is virtually certain that the restrictions will no longer apply.

The Council recognises as plant and equipment items that meet AASB 116 recognition criteria. Plant and equipment are initially measured at cost and subsequently revalued at fair value less accumulated depreciation and impairment.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Plant and equipment with a cost exceeding \$5,000 are capitalised (2009: \$5,000).

(ii) Revaluation

Assets other than those that are carried at cost are assessed annually to ensure that the carrying amount of each asset does not differ materially from its fair value. However, an independent valuation is commissioned normally every three years. Revaluation increments or decrements arise from differences between an asset's depreciated cost or deemed cost, and fair value.

Revaluation increments are credited directly to the asset revaluation reserve, except, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in determining net result, the increment is recognised as income in determining the net result.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Property plant and equipment (continued)

(ii) Revaluation (continued)

Revaluation decrements are recognised immediately as expenses in the net result, except that, to the extent that a credit balance exists in the asset revaluation reserve in respect of the same class of assets, the decrement is debited directly to the asset revaluation reserve.

Revaluation increases and decreases relating to individual assets within a class of property, plant and equipment are offset against one another within class but are not offset in respect of assets in different classes. Revaluation reserves are not transferred to accumulated funds on derecognition of the relevant asset.

(iii) Depreciation

Depreciation is charged to the comprehensive operating statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. The estimated useful lives in the current and comparative periods are as follows:

Class of asset	Depreciation Rates	
	2010	2009
Building & Improvements	2.5%	2.5%
Freehold improvements	20.0%	20.0%
Computer Equipment	33.3%	33.3%
Office equipment	20.0%	20.0%
Furniture & fittings and Telephone Equipment	20.0%	20.0%
Research Equipment and other	20.0%	20.0%

The estimated useful lives, residual values and depreciation method are reassessed annually.

j) Intangible assets

Computer software

Computer software represents identifiable non-monetary assets without physical substance. In accordance with the Council's policy computer software with a cost over \$5,000 (2009: \$5,000) is recognised as an asset at cost. Costs incurred subsequent to initial acquisition are capitalised when it is expected that additional future economic benefits will flow to the Council.

Intangible assets with finite useful lives are amortised on a straight-line basis over the asset's useful life estimate. Amortisation begins when the asset is available for use, that is, when it is in the condition necessary for it to be capable of operating in the manner intended by management. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each annual reporting period. In addition, an assessment is made at each reporting date to determine whether there are indicators that the intangible asset concerned is impaired. If so, the assets concerned are tested as to whether their carrying value exceeds their recoverable amount. Computer software is amortised over a 5-year period (2009: 5-year period).

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

j) Intangible assets (continued)

Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the comprehensive operating statement as an expense as incurred.

Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalised if the product or process is commercially feasible and the Council has sufficient resources to complete the development. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads. Other development expenditure is recognised in the comprehensive operating statement as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and impairment losses (see Note 1 k)).

k) Impairment

The carrying amounts of the Council's assets, other than inventories (see Note 1 g)) are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated (see (i) below).

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the comprehensive operating statement, unless an asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through profit or loss.

(i) Calculation of recoverable amount

The recoverable amount of other assets is the greater of their net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

(ii) Reversals of impairment

In respect of assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

l) Trade and other payables

Trade and other payables are stated at cost. They are related to the amounts to be paid in the future for goods and services received.

Trade payables are reported at their carrying amount, where this is a reasonable approximation of their fair value.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

m) Administered Program Funding

The Administered Program Funding is related to grants received to finance special programs, which are administered by the Council. These programs do not form part of the operations of the Anti-Cancer Council of Victoria, therefore details of receipts and payments are not included in the comprehensive operating statement; however the corresponding movements of cash are included in the cash flow statement.

Any grants unspent at balance date are recorded as a current liability in the balance sheet. These funds are invested in accordance with the grant terms and are included as part of managed funds (refer to Note 7 and Note 10).

n) Employee benefits

The calculation of employee benefits includes all relevant on-costs and is calculated as follows at the reporting date.

(i) Wages and Salaries, Annual Leave and Long service leave

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits are measured based on their expected settlement. Provisions that are expected to be settled within 12 months are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Provisions that are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Council in respect of services provided by employees up to reporting date. Consideration is given to the expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date to estimate the future cash flows at a pre-tax rate that reflects current market assessments of the time value of money.

Regardless of the expected timing of settlement, provisions made in respect of employee benefits are classified as a current liability unless there is an unconditional right to defer the settlement of the liability for at least 12 months after the reporting date, in which case it would be classified as a non-current liability. Provisions made for annual leave and unconditional long service leave are classified as a current liability where the employee has a present entitlement to the benefit. A non-current liability would include long service leave entitlements accrued for employees with less than 7 years of continuous service who do not yet have a present entitlement.

(ii) Accumulated superannuation contribution plans

Obligations for contributions to accumulated superannuation contribution plans are recognised as an expense in the comprehensive operating statement as incurred.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

o) Provisions

A provision is recognised in the balance sheet when the Council has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and the amount can be reliably measured. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Liabilities relating to Research Grants are provided for in order to recognise the Council's obligation to pay grants to external agencies in accordance with funding agreements that commit the Council to pay these funds per agreed timeframes.

p) Leases

A lease is a right to use an asset for an agreed period of time in exchange for payment. Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and rewards incidental to ownership. Leases of property, plant and equipment are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership from the lessor to the lessee. All other leases are classified as operating leases.

Operating leases

Council as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

All incentives for the agreement of a new or renewed operating lease are recognised as an integral part of the net consideration agreed for the use of the leased asset, irrespective of the incentive's nature or form or the timing of payments.

In the event that lease incentives are given to the lessee, the aggregate cost of incentives are recognised as a reduction of rental income over the lease term, on a straight line basis unless another systematic basis is more representative of the time pattern over which the economic benefit of the leased asset is diminished.

Council as lessee

Operating lease payments, including any contingent rentals, are recognised as an expense in the comprehensive operating statement on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset. The leased asset is not recognised in the balance sheet.

All incentives for the agreement of a new or renewed operating lease are recognised as an integral part of the net consideration agreed for the use of the leased asset, irrespective of the incentive's nature or form or the timing of payments.

In the event that lease incentives are received to enter into operating leases, the aggregate cost of incentives are recognised as a reduction of rental expense over the lease term on a straight-line basis, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

q) Share capital

The Anti-Cancer Council is a not for profit charity incorporated in Victoria under the *Cancer Act 1958*. As such there is no share capital recorded in the financial statements. The Council does not pay any dividends.

r) Commitments

Commitments are disclosed at their nominal value and inclusive of the goods and services tax (GST) payable. In addition, where it is considered appropriate and provides additional relevant information to users, the net present values of significant individual projects are stated.

s) Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet, but are disclosed by way of a note and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

t) Revenue

(i) Charitable support

Charitable support is recognised in the comprehensive operating statement on a cash basis, when the Council has the control of the contributions.

(ii) External program funding

External program funding is recognised in the comprehensive operating statement as operating income when the following conditions have been satisfied:

- a. The entity obtains control of the contribution or the right to receive the contribution;
- b. It is probable that the economic benefits comprising the contribution will flow to the Council; and
- c. The amount of the contribution can be measured reliably.

(iii) Goods sold and services rendered

Revenue from the sale of goods is recognised in the comprehensive operating statement when the significant risks and rewards of ownership have been transferred to the buyer. Revenue from services rendered is recognised in the comprehensive operating statement when the services have been provided.

(iv) Royalties

Revenue arising from royalties is recognised on an accrual basis in accordance with the substance of the relevant agreement when:

- a. It is probable that the economic benefits associated with the transaction will flow to the Council; and
- b. The amount of the revenue can be measured reliably.

(v) Dividends

Dividend income is recognised in the comprehensive operating statement on the date the Council's right to receive payments is established which in the case of quoted securities is the date received.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

t) Revenue (continued)

(vi) Interest income

Interest income is recognised in the comprehensive operating statement as it accrues, using the effective interest method.

u) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as a current asset or liability in the balance sheet.

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

v) Other economic flows included in net result

Other economic flows measure the change in volume or value of assets or liabilities that do not result from transactions.

Net gain/(loss) on non-financial assets

Net gain/(loss) on non-financial assets and liabilities includes realised and unrealised gains and losses from revaluations, impairments and disposals of all physical assets and intangible assets.

Disposal of non-financial assets

Any gain or loss on the sale of non-financial assets is recognised at the date that control of the asset is passed to the buyer and is determined after deducting from the proceeds the carrying value of the asset at that time.

Revaluations of financial instruments at fair value

The revaluation gain/(loss) on financial instruments at fair value excludes dividends or interest earned on financial assets, which is reported as part of income from transactions.

Impairment of financial assets

Bad and doubtful debts are assessed on a regular basis. Those bad debts considered as written off by mutual consent are classified as a transaction expenses. The allowance for doubtful receivables and bad debts not written off by mutual consent are adjusted as 'other economic flows'.

Other gains/(losses) from other economic flows

Other gains/(losses) from other economic flows include the gains or losses from reclassifications of amounts from reserves and/or accumulated surplus to net result, and from the revaluation of the present value of the long service leave liability due to changes in the bond interest rates.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

w) Income tax

The Council is a not-for-profit charitable organisation and is exempt from income tax under the *Income Tax Assessment Act 1997*. The Council is also exempt from other government levies such as payroll tax. Donations of \$2 or more made to the Council are income tax deductible to donors.

x) Events after reporting date

Assets, liabilities, income or expenses arise from past transactions or other past events. Where the transactions result from an agreement between the Council and other parties, the transactions are only recognised when the agreement is irrevocable at or before balance date. Adjustments are made to amounts recognised in the financial statements for events which occur after the reporting date and before the date the statements are authorised for issue, where those events provide information about conditions which existed at the reporting date. Note disclosure is made about events between the reporting date and the date the statements are authorised for issue where the events relate to condition which arose after the reporting date and which may have a material impact on the results of subsequent years.

y) Rounding of amounts

Amounts in the financial statements have been rounded to the nearest thousand dollars, unless otherwise stated.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

z) AASs issued that are not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for the 31 December 2010 reporting period. The Council's management assess the impact of these new standards, their applicability to the Council and early adoption where applicable.

As at 31 December 2010, the following standards and interpretations had been issued but were not mandatory for financial year ended 31 December 2010. The Council has not, and does not intend to, adopt these standards early.

Standard / Interpretation	Summary	Standard applicable for annual reporting periods beginning on	Impact on Council financial statements
AASB 124 Related party disclosures (December 2009)	This Standard is to ensure that an entity's financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and profit or loss may have been affected by the existence of related parties and by transactions and outstanding balances, including commitments, with such parties.	Beginning 1 January 2011	Preliminary assessment suggests that impact is not significant. However, the Council is still assessing the detailed impact.
AASB 2009-12 Amendments to AASs [AASB 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 and 1031 and Interpretations 2, 4, 16, 1039 and 1052]	Amends AASB 8 to require an entity to exercise judgement in assessing whether entities known to be under the control of that government are considered a single customer for purposes of certain operating segment.	Beginning 1 January 2011	AASB 8 does not apply to not-for-profit entities, therefore is not applicable to the Council's financial statements.
AASB 2009-14 Amendments to Australian Interpretation – Prepayments of a minimum funding requirement [AASB Interpretation 14]	Amendments to Interpretation 14 arising from the issuance of <i>Prepayments of a minimum funding requirement</i> .	Beginning 1 January 2011	Preliminary assessment suggests that impact is not significant. However, the Council is still assessing the detailed impact.
AASB 9 Financial instruments	Simplifies requirements for the classification and measurement of financial assets resulting from Phase 1 of the IASB's project to replace IAS 39 <i>Financial instruments: recognition and measurement</i> (AASB 139 <i>financial Instruments: recognition and measurement</i>).	Beginning 1 January 2013	Detail of impact is still being assessed.
AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 and 1038 and Interpretations 10 and 12]	This gives effect to consequential changes arising from the issuance of AASB 9.	Beginning 1 January 2013	Detail of impact is still being assessed.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

z) AASs issued that are not yet effective (continued)

<i>Standard / Interpretation</i>	<i>Summary</i>	<i>Standard applicable for annual reporting periods beginning on</i>	<i>Impact on Council financial statements</i>
AASB 1053 Application of Tiers of Australian Accounting Standards	This standard establishes a differential financial reporting framework consisting of two Tiers of reporting requirements for preparing general purpose financial statements.	Beginning 1 July 2013	Detail of impact is still being assessed.
AASB 2009-12 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements	This Standard gives effect to Australian Accounting Standards – Reduced Disclosure Requirements and amends AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 & 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129 & 1052.	Beginning 1 July 2013	Detail of impact is still being assessed.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

	2010 \$'000s	2009 \$'000s
NOTE 2 - INCOME FROM TRANSACTIONS		
(a) Dividends, distributions & interest from investments in financial assets at fair value through profit or loss:		
- Net dividends, interest & distributions from investments held for trading	1,795	1,390
Total dividends, distributions & interest from investments in financial assets at fair value through profit or loss	1,795	1,390
(b) Interest from financial assets not at fair value through profit or loss	37	47
(c) Royalties, fees for service and others	2,659	3,557

NOTE 3 - EXPENSES FROM TRANSACTIONS

(a) RESEARCH

Support of basic scientific studies, clinical investigations and programs.	9,735	10,762
Victorian Cancer Registry - registers all cancer cases in Victoria and provides statistical analysis.	2,450	2,558
Centre for Behavioural Research in Cancer - a centre for research into behavioural aspects of cancer prevention, detection and rehabilitation.	2,325	2,712
Cancer Epidemiology Centre - a centre for research into the occurrence, distribution and determinants of disease.	3,792	4,036
Health 2020 - a study to ascertain the effect of lifestyle factors (especially diet) on the incidence of a range of diseases.	999	1,139
VicHealth Centre for Tobacco Control - a centre to investigate new ways to reduce tobacco usage.	815	1,235
Total research	20,116	22,442

The above research expenditure includes \$4,423,674 (2009: \$4,108,403) of grants awarded to research conducted in Victorian universities, hospitals and medical research institutes.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

	2010	2009
	\$'000s	\$'000s
(b) CANCER PREVENTION & EARLY DETECTION		
Prevention - programs to create awareness about prevention, early detection and treatment.	5,890	5,377
Quit - public education program to reduce tobacco consumption and prevent the uptake of smoking.	11,209	8,685
Aid to patients - in the form of welfare grants, cancer support groups, Cancer Information and Support Service.	4,915	4,423
External subscriptions - relates to Victoria's involvement in national and international cancer programs.	788	782
Sun Smart - public education program related to skin cancer prevention and early detection.	2,026	1,641
PapScreen Victoria - the promotion of regular screening for cervical cancer.	2,179	1,498
Total cancer prevention & early detection	27,008	22,406

The above table includes social marketing expenditure of \$8,957,651 (2009: \$5,872,718).

NOTE 4 - OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT

(a) Net gain/(loss) on financial instruments at fair value through profit or loss		
- Realised gain/ (loss)	901	(1,200)
- Unrealised gain/ (loss)	(731)	6,535
Total gain/ (loss) on financial instruments and statutory receivables/ payables	170	5,335

(b) Other gains/(losses) from other economic flows

Net gain/(loss) arising from revaluation of long service leave liability	-	(1)
Total other gains/(losses) from other economic flows	-	(1)

NOTE 5 - CASH AND CASH EQUIVALENTS

Cash on hand and at bank	1,413	810
Cash Managed by Investment Bank	3,845	2,242
Total cash and cash equivalents	5,257	3,052

a) Cash on hand and at bank

The cash at bank generated an average interest rate of 2.9% (2009: 2.8%). Refer to Note 21(a) for the nature and extent of credit risks associated with cash and cash equivalents.

b) Cash Managed by Investment Bank

These funds are part of the portfolio managed by the Investment Bank (UBS Wealth Management). The average interest rate earned by these funds was approximately 3.4% (2009: 2.4%). Refer note 7 & 21 (a).

c) Financing Facilities

Financing facilities available at the reporting date were \$100,000 (2009: \$100,000). Facilities in use at that date were Nil (2009: Nil).

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

	2010 \$'000s	2009 \$'000s
NOTE 6 - RECEIVABLES		
Trade receivables	1,609	1,115
Other debtors	885	1,338
	2,494	2,453
Provision for doubtful debts	-	-
Total receivables	2,494	2,453

The Council's management have identified no doubtful debts; therefore no allowance for doubtful debts has been raised (2009: Nil). As no movement has occurred for the balance of provision for doubtful debts, a reconciliation of opening and closing balance is not deemed necessary.

Refer to Note 21 (a) for the nature and extent of risks arising from receivables, and the ageing analysis of receivables.

NOTE 7 - OTHER FINANCIAL ASSETS

(a) At fair value through profit or loss

Australian Equities	20,162	20,844
International Equities	2,029	1,609
Australian Bank Bills & Promissory Notes (maturity < 30 days)	1,995	4,011
Australian Fixed Interest	6,306	7,198
Other	521	508
Total other financial assets	31,013	34,170

(b) Reconciliation of total available funds

Cash Managed by Investment Bank (refer Notes 5 & 21)	3,845	2,242
Total Other Financial Assets	31,013	34,170
Total available funds	34,858	36,412

All investments are managed by UBS Wealth Management.

Refer to Note 21 (a) & Note 21 (c) for the nature and extent of the credit and market risks arising from other financial assets.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

NOTE 8 - PROPERTY, PLANT & EQUIPMENT

(a) Classification by 'Health, welfare and community' (FRD 103D):

2010	Land \$'000s	Buildings & Freehold improvements \$'000s	Computer & Office equipment \$'000s	Furniture & fittings & Telephone equipment \$'000s	Research Equipment & other \$'000s	Total \$'000s
- at fair value	-	-	1,991	880	53	2,924
- at valuation 2009	12,000	7,625	-	-	-	19,625
- accumulated depreciation	-	(285)	(1,940)	(714)	(53)	(2,992)
Closing balance at fair value	12,000	7,340	51	166	-	19,557

Movements in property, plant & equipment for 2010

Opening balance as at 1 January

	12,000	7,625	132	268	4	20,030
Additions	-	-	-	-	-	-
Revaluation increments/(decrements)	-	-	-	-	-	-
Depreciation	-	(285)	(99)	(103)	(4)	(491)
Disposals and transfers	-	-	17	-	-	17
Closing balance as at 31 December	12,000	7,340	51	166	-	19,557

2009	Land \$'000s	Buildings & Freehold improvements \$'000s	Computer & Office equipment \$'000s	Furniture & fittings & Telephone equipment \$'000s	Research Equipment & other \$'000s	Total \$'000s
- at fair value	-	-	2,841	879	54	3,775
- at valuation 2009	12,000	7,625	-	-	-	19,625
- accumulated depreciation	-	-	(2,709)	(611)	(50)	(3,370)
Closing balance at fair value	12,000	7,625	132	268	4	20,030

Movements in property, plant & equipment for 2009

Opening balance as at 1 January

	9,200	7,747	305	371	9	17,632
Additions	-	50	8	-	-	58
Revaluation increments/(decrements)	2,800	140	-	-	-	2,940
Depreciation	-	(311)	(181)	(103)	(5)	(600)
Disposals and transfers	-	-	-	-	-	0
Closing balance as at 31 December	12,000	7,625	132	268	4	20,030

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

(b) The basis of valuation for land and buildings is fair market value.

In September 2009 an independent valuation of land and buildings at Rathdowne, Victoria and Drummond Streets was undertaken (Previous - October 2006). The carrying amounts for the land and buildings have been determined in accordance with this independent valuation. The valuation estimated a market value of \$10.1M (2006 – \$9M) for the land and buildings at Rathdowne and Victoria Streets and \$9.5M (2006 - \$8.7M) for Drummond Street.

The valuer was Fitzroys Pty Ltd (ACN 078 941 107), Licensed Estate Agents, Level 29, 367 Collins Street, Melbourne, Victoria, 3000. The valuation of market value of the properties was based on the judgment, interpretation and detailed analysis of the relevant sales evidence done by the valuers and was assessed using the capitalisation of income and the direct comparison approach methods of valuation. The valuation was made on the basis of the properties' highest and best use which has regard to their locations, physical, economic and legal attributes.

As per the requirements of FRD 103D, each class of non-current physical assets are carried at its fair value as at reporting date.

Additionally, during the three-year period the impact of changes in the market value of land and buildings is assessed. The assessment as at December 2010 is that the current valuation represents the fair value of these assets.

	2010	2009
	\$'000s	\$'000s
NOTE 9 - INTANGIBLE ASSETS		
Computer software	1,737	1,721
Less accumulated amortisation	(1,689)	(1,579)
Total Computer software	48	142
Movement:		
Carrying amount at 1 January	142	322
Additions and transfers	9	-
Amortisation	(102)	(164)
Disposals	-	(16)
Carrying amount at 31 December	49	142
Total amortisation expense of intangible assets charged in the net result	102	164

NOTE 10 - ADMINISTERED PROGRAM FUNDING

Victorian Breast Cancer Research Consortium	1,797	3,505
	1,797	3,505

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

	2010 \$'000s	2009 \$'000s
NOTE 11 - EMPLOYEE BENEFITS		
(a) Current		
Annual Leave	1,513	1,374
Employee on costs	227	206
	1,740	1,580
Long-Service Leave	1,786	1,755
Employee on costs	268	263
	2,054	2,018
Current employee benefits	3,793	3,598
(b) Non-Current		
Long-Service Leave	503	403
Employee on costs	75	60
Non-current employee benefits	578	463
Total Employee Benefits	4,371	4,061
(c) Expected commitments for current employee benefits		
Unconditional and expected to be settled within 12 months		
Annual Leave	1,513	1,374
Employee on costs	227	206
Long-Service Leave	304	164
Employee on costs	43	23
	2,087	1,767
Unconditional and expected to be settled after more than 12 months		
Long-Service Leave	1,482	1,591
Employee on costs	224	240
	1,706	1,831
Total expected commitments for current employee benefits	3,793	3,598
(d) Movement in Employee Benefits Provision		
Annual Leave		
Opening balance	1,580	1,620
Add provision made for during year	2,095	1,728
Less actual annual leave taken	(1,935)	(1,768)
Closing balance	1,740	1,580
Long Service Leave		
Opening balance	2,481	2,074
Add provision made for during year	429	638
Less actual long service leave taken	(278)	(231)
Closing balance	2,632	2,481

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

NOTE 11 – EMPLOYEE BENEFITS (CONTINUED)

(e) Additional information

The number of employees at 31 December 2010 was 340 (2009 - 306).

The number of employees provided is based on payroll data at the end of the reporting period and is adjusted to reflect the Full Time Equivalent of all part-time staff.

The total employee benefits expense during the year ended 31 December 2010 was \$21,609,465 (2009 - \$21,171,507). This expense relates to the 340 Full Time staff and Full Time Equivalent of part time staff, together with casual employees.

	2010	2009
	\$'000s	\$'000s

NOTE 12 - EQUITY AND MOVEMENTS IN EQUITY

12.1 Composition of Reserves

	2010	2009
	\$'000s	\$'000s
Special Funds (refer 12.1.a below)	1,649	1,687
External Grants Reserve (refer 12.1.b below)	12,413	10,166
Asset Revaluation Reserve (refer 12.1.c below)	13,979	13,979
Balance at 31 December	28,041	25,832

a) Special Funds

Balance at 1 January	1,687	2,097
Additional funds received	-	43
Transfers in/(out) of special funds:		
- (To)/from the Comprehensive operating statement	18	(33)
- (To)/from the Accumulated surplus	(56)	(420)
Balance at 31 December	1,649	1,687

Special funds are donations or bequests received with a condition that the funds be invested and only the incomes used for specific purposes.

Some funds are required to be invested for finite periods of time after which the capital may be spent by the organisation to fund Cancer Council programs. Other funds are required to be invested in perpetuity.

b) Victorian Cancer Council Research Institute Fund

Balance at 1 January	-	1,529
Net Movement	-	(1,529)
Balance at 31 December	-	-

c) External Grants Reserve

Balance at 1 January	10,166	7,874
- (To)/from the Comprehensive operating statement	-	-
- (to) / from Accumulated surplus	2,247	2,292
Balance at 31 December	12,413	10,166

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

NOTE 12 – EQUITY AND MOVEMENTS IN EQUITY (CONTINUED)

12.1 Composition of reserves (continued)

	2010	2009
	\$'000s	\$'000s
d) Asset Revaluation Reserve		
Balance at 1 January	13,979	11,039
- Revaluation of Land	-	2,800
- Revaluation of Buildings	-	140
Balance at 31 December	13,979	13,979
Total Revaluation Reserve of Land	10,149	10,149
Total Revaluation Reserve of Buildings	3,830	3,830
	13,979	13,979

The Council has a number of incomplete projects at balance date that have been funded by way of competitively won or specifically nominated grants. As these funds relate to specific projects we believe it is appropriate to allocate these funds into a separate reserve, until projects are complete.

12.2 Accumulated surplus

Balance at 1 January	16,680	7,176
Net operating result for the year	(1,337)	9,896
Transfers (to) / from:		
- Comprehensive operating statement	(18)	(48)
- Special Funds	56	420
- Victorian Cancer Council Research Institute Fund	-	1,529
- External Grants Reserve	(2,247)	(2,292)
Balance at 31 December	13,134	16,680

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

	2010 \$'000s	2009 \$'000s
NOTE 13 - CASH FLOW INFORMATION		
Reconciliation of net result to net cash provided by (used in) operating activities		
Net result for the financial year	(1,337)	9,896
Non cash movements included in net result		
Depreciation and amortisation of non current assets	593	766
(Gain)/ Loss from investment in other financial assets	(170)	(5,335)
(Gain)/ Loss from sale of property, plant and equipment	(17)	-
Transfers from special funds reserves and accumulated surplus	-	(81)
Movements in operating assets and liabilities		
(Increase)/Decrease in receivables	(41)	(1,070)
(Increase)/Decrease in inventories	(2)	29
(Increase)/Decrease in other assets	(90)	37
(Decrease)/Increase in employee benefits	310	368
(Decrease)/Increase in payables and administered program funding	378	2,207
(Decrease)/Increase in provision for research grants	(736)	(1,243)
Net cash provided by operating activities	(1,113)	5,574

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

14 - RESPONSIBLE PERSONS

In accordance with the Directions of the Minister for Finance under the *Financial Management Act 1994*, the following disclosures are made regarding responsible persons for the reporting period.

14.1 Names

Persons who held the above positions in relation to the Anti-Cancer Council of Victoria at any time during the reporting period are:

Responsible Minister: The Hon D DAVIS - Minister for Health and Ageing (from 02/12/10)
The Hon D ANDREWS - Minister for Health and Ageing (until 01/12/10)

Accountable Officer: Prof D HILL AO – Director

The Anti-Cancer Council of Victoria is governed by a Council established in accordance with the provisions of the *Cancer Act 1958*. The members of the Council during 2010 were:

Dr T F AHERN	Prof P J FULLER	Assoc Prof B E LOVELAND
Mr R R ALLEN	Mr P J GRIFFIN AM (<i>Immediate Past President</i>)	Assoc Prof P L R MITCHELL
The Hon D ANDREWS	Prof M HAMILTON AO (<i>Vice President</i>)	Mr A S MURDOCH
Assoc Prof D ASHLEY	Dr S HART	Professor M A QUINN
Mr C A BENNETT	Assoc Prof J HEIERHORST	Dr P J H READ
Prof E BYRNE AO	Prof D HILTON	Ms J R COOPER
Dr P CAMPBELL	Mr P INGHAM	Assoc Prof A ROBERTS
Prof J CEBON	Assoc Prof T W JOBLING	Prof M A ROSENTHAL
Mr J M CLARKE	Prof P JOHNSON	Mr N J RUTHERFORD
Dr M J DALLY	Dr P Y L KHAW	Prof E R SIMPSON
Prof G C DAVIS AC	Ms T A LAWLER	Assoc Prof R D SNYDER
Mr R DOYLE	Dr J D LICKLITER	Prof R J S THOMAS OAM
Mr M C EASTMAN (from 25/04/10)	Mr D LLOYD	Ms F THORN <small>Department of Health</small>
Assoc Prof H EWING	Prof J DEN HOLLANDER (from 09/07/10)	Ms M TRINCI (from 15/04/10)
Prof R M FOX AM (<i>President</i>)		Prof S WALKER (until 18/07/10)
Prof S B FOX		Ms A J WILLIAMS

Subject to the general control of the Council, the Executive Committee may determine the measures to be taken to carry out the objectives of the organisation. The members of the Executive Committee during 2010 were:

Dr M J DALLY	Ms L MILNE-ROCH
Ms S DIMASI (until 15/04/10)	Mr S MURDOCH
Prof R M FOX AM (from 15/04/10)	Mr M O'BRYAN
Prof P J FULLER	Assoc Prof A ROBERTS
Mr P J GRIFFIN AM	Ms O STAGOLL OAM (from 15/04/10)
Dr S A HART (<i>Chair</i>)	Prof J TRAPANI
Prof M HAMILTON AO	Ms M TRINCI (from 15/04/10)
Mr P INGHAM	Ms A WATERS (until 15/04/10)
Ms A MACPHEE AM	Mr B WARD (from 01/08/10)

Subject to the general control of the Council, the Finance Committee manages the property, investments and funds of the organisation with responsibility to report to the Executive Committee on matters considered by it. The Finance Committee also advises the Executive Committee on all relevant matters pertaining to the administration and management of the property, investment and funds of the Council.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

14 - RESPONSIBLE PERSONS (CONTINUED)

14.1 Names (continued)

The members of the Finance Committee during 2010 were:

Mr P R FUHRMANN *PSM*
Prof M HAMILTON *AO* (until 15/04/10)
Mr P INGHAM (Chair)
Mr S MURDOCH
Ms M PERIL
Ms D STEVIC-WAGES (from 15/4/10 until 17/6/10)
Ms M TRINCI (from 15/04/10)
Ms A WATERS (until 15/04/10)

14.2 Remuneration

The Responsible Minister does not receive any remuneration from the Anti-Cancer Council of Victoria. Amounts relating to Ministers are reported in the financial statements of the Department of Premier and Cabinet.

All members of the Council and the Executive Committee volunteer their services to the Council and receive no remuneration. Total remuneration received or due and receivable by Responsible persons from the Council in connection with the management of Council amounted to \$345,299 (2009: \$312,356).

14.3 Retirement benefits of responsible persons

Retirement benefits paid by the Council in connection with the retirement of responsible persons amounted to Nil (2009: Nil).

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

14 - RESPONSIBLE PERSONS (CONTINUED)

14.4 Other Related Party Transactions

Related Party Transactions	Member	Nature of relationship	2010	2009
			\$'000s	\$'000s
Amounts received from:				
Cancer Council Australia	Prof D Hill AO, Dr S Hart	Directors	2,508	1,926
International Union Against Cancer (UICC)	Prof D Hill AO	President	-	52
Lord Mayor's Charitable Fund	Ms A Waters	Director	4	5
Nurses Board of Victoria	Ms L Milne-Roch	Director	-	1
VicHealth	Prof D Hill AO	Director	7,261	6,324
Victorian Breast Cancer Research Consortium (VBCRC)	Ms S Dimasi, Mr P Griffin, Prof M Hamilton AO, Dr S Hart, Ms A Macphee AM, Prof D Hill AO	Directors	170	206
Victorian Cancer Agency	Mr P Fuller	Consultative Council member	261	51
			10,205	8,565
Amounts paid to:				
Cancer Council Australia	Prof D Hill AO, Dr S Hart	Directors	2,446	2,363
International Union Against Cancer (UICC)	Prof D Hill AO	President	200	-
Murdoch Childrens Research Institute	Mr P Griffin	Director	1	32
Cancer Therapeutics CRC (CTX)	Prof R M FOX AM	Director	163	-
Victorian Breast Cancer Research Consortium (VBCRC)	Ms S Dimasi, Mr P Griffin, Prof M Hamilton AO, Dr S Hart, Ms A Macphee AM, Prof D Hill AO	Directors	0	171
			2,811	2,566
Amounts payable to:				
VBCRC - Administered Program Funding			1,797	3,508
			1,797	3,508

The Council received grants and fees for service from organisations with which certain Committee members are associated. The Council also made payments to organisations with which certain committee members are associated. All such transactions were at arms length from the relevant members and were made in accordance with the Council's normal policies and procedures.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

NOTE 15 - EXECUTIVE REMUNERATION

It is the policy of the Anti-Cancer Council of Victoria that the operations of the organisation be performed at an internationally competitive level. An independent sub-committee of the Executive Committee sets Senior Executive salaries at levels that the committee believes are sufficient to attract and retain executives who perform at the required level.

The numbers of executive officers, other than Ministers and accountable officers, and their total remuneration during the reporting period are shown in the first two columns in the table below in their relevant income bands. The base remuneration of executive officers is shown in the third and fourth columns. Base remuneration is exclusive of bonus payments, long-service leave payments, redundancy payments and retirement benefits.

Several factors have affected total remuneration payable to executives over the year. One executive received a bonus payment during the year (2009: Nil).

	Total Remuneration		Base Remuneration	
	2010 No.	2009 No.	2010 No.	2009 No.
\$100,000 - 109,999	-	-	-	-
\$110,000 - 119,999	-	-	-	-
\$120,000 - 129,999	-	-	-	-
\$130,000 - 139,999	1	1	1	1
\$140,000 - 149,999	1	2	-	2
\$150,000 - 159,999	2	-	2	-
\$160,000 - 169,999	1	2	1	2
\$170,000 - 179,999	1	1	1	1
\$180,000 - 189,999	-	1	-	1
\$190,000 - 199,999	1	2	1	2
\$200,000 - 209,999	1	-	2	-
\$210,000 - 219,999	1	-	-	-
\$220,000 - 229,999	-	1	-	1
\$230,000 - 239,999	1	-	1	-
Total numbers	10	10	9	10
Total remuneration	\$ 1,773,859	\$ 1,722,348	\$ 1,633,318	\$ 1,722,348

The total income received or due and receivable from the Council by executive officers whose income exceeded \$100,000 is presented in the above table. This does not include the amounts listed under Note 14.2.

	2010 \$'000s	2009 \$'000s
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NOTE 16 - LEASES

Future operating lease rentals not provided for in the financial statements and payable:

Non-cancellable operating leases payable

- Not longer than one year	248	257
- Longer than one year and not longer than five years	196	383
	444	640

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

NOTE 17 - COMMITMENTS FOR EXPENDITURE

There were no capital commitments at the reporting date.

NOTE 18 - CONTINGENT ASSETS AND CONTINGENT LIABILITIES

There were no contingent assets or contingent liabilities at the reporting date.

	2010	2009
	\$'000s	\$'000s

NOTE 19 - REMUNERATION OF AUDITORS

The Victorian Auditor-General Office for the audit of the financial statements of the Anti-Cancer Council of Victoria.

Audit of the financial statements	35	34
	35	34

NOTE 20 – SUPERANNUATION

The Council contributes to superannuation funds nominated by employees in accordance with the Choice of Super Legislation.

The statutory amount of 9% is contributed for all eligible employees.

The total contribution paid to the Funds by the Council was \$1,837,985 (2009: \$1,830,606). All employees are entitled to benefits on retirement, disability or death in accordance with the appropriate legislation and the terms of the Trust Deed of the funds. All the funds are accumulation funds.

At the reporting date there were \$229,197 (2009 - \$192,229) outstanding contributions payable to the superannuation funds, which is included in payables in the balance sheet.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

NOTE 21 - FINANCIAL INSTRUMENTS

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset, financial liabilities and equity instruments are disclosed in Note 1 to the financial statements.

Categorisation of financial assets and financial liabilities

Note	Category	Carrying amount	
		2010 \$000's	2009 \$000's
FINANCIAL ASSETS			
Cash and cash equivalents	Cash	5,257	3,052
Receivables	Loans and receivables (at amortised cost)	2,494	2,453
Other Financial Assets	Financial assets at fair value through profit or loss	31,013	34,170
	Total financial assets	38,764	39,675
FINANCIAL LIABILITIES			
Trade payables	Financial liabilities (at amortised cost)	2,743	1,630
	Total financial liabilities	2,743	1,630

(a) Credit risk

Credit risk arises from the financial assets of the Council, which comprise cash and cash equivalents, receivables and other financial assets. The Council exposure to credit risk arises from the potential default of counter parties on their contractual obligations resulting in financial loss to the Council. Credit risk is measured at fair value and is monitored on a regular basis.

The maximum exposure to credit risk, excluding the value of any collateral or other security to recognised financial assets is:

	2010 \$000's	2009 \$000's
Maximum Credit Risk		
Cash and cash equivalents	5,257	3,052
Receivables	2,494	2,453
Total Financial assets and other credit exposures	7,751	5,505

No collateral is held as security of the amount presented above.

The objective of managing credit risk is to minimise the possibility of loss from debtors defaulting on payment.

Management of the Council has assessed the credit risk associated with the cash at bank as low, with all the amounts held by banking organisations in Australia with a Standard and Poor's credit rating of at least 'A' grade.

Policy in managing the concentrations of credit risk:

The Council minimises concentrations of credit risk in relation to trade accounts receivable by undertaking transactions with a large number of customers. In addition, the majority of retail sales are in cash, therefore there is no credit risk in these transactions. The major customers relate to government departments.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

(a) Credit risk (continued)

Credit risk in trade receivables is managed in the following ways:

- Payment terms are 30 days from date of invoice for other debtors.
- The Council manages debtors that represent government departments or agencies directly with department or agency contacts.

The Council does not have any material credit risk exposure to a single debtor or group of debtors under financial arrangements entered into by the Council.

Policy in managing the borrower failing to meet obligations:

The Council manages this risk with respect to trade receivables by the assessment of new debtors via Credit Application forms with trade references, where the credit is expected to exceed \$1,000. Government bodies, Public statutory bodies and other Cancer Councils are exempt from this requirement.

Credit risk in other financial assets (investments) is managed as follows:

- The Council appoints external, professional investment managers to manage their investment portfolio;
- In appointing the investment manager, the Council applies a procedure where the applicants should comply with set criteria; including review of the risk profile adopted by the investment manager, the investment style and decision making process;
- The investment manager must be confirmed by the Finance Committee of the Council;
- The investment manager is required to operate in accordance with the Council's Investment Policy;
- The Council's Investment Policy mitigates credit risk through requiring diversification of the investment portfolio;
- The investment manager is required to report to the Finance Manager of the Council on a monthly basis; this information is reported on a monthly basis to the Director and the Finance Committee;
- On a quarterly basis the investment manager is required to provide a certification that the investment mandate has been complied with.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

(a) Credit risk (continued)

Interest rate exposure and ageing analysis of financial assets

2010	Carrying amount	Weighted average effective interest rate	Not past due and not impaired	Past due but not impaired			Impaired financial assets
				Less than 1 month	1-3 Months	3 months - 1 year	
\$'000s		%					
Cash and cash equivalents at bank:							
Cash on hand and at Bank	1,413	2.81%	-	-	-	-	-
Cash Managed by Investment Bank	3,845	3.73%	-	-	-	-	-
Receivables:							
Trade Receivables	1,609	-	1,294	296	19	-	-
Other receivables	885	-	885	-	-	-	-
Other financial assets:							
Australian Equities	20,162	-	-	-	-	-	-
Australian Fixed Interest and bank bills	8,301	4.47%	8,301	-	-	-	-
Other	2,550	-	2,550	-	-	-	-
Total financial assets:	38,765		13,030	296	19	-	-

As at the reporting date there is no event to indicate that any of the financial assets were impaired.

There are no financial assets that have had their terms renegotiated so as to prevent them from being due or impaired and they are stated at the carrying amount as indicated.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

(a) Credit risk (continued)

2009	Carrying amount	Weighted average effective interest rate	Past due but not impaired				Impaired financial assets
			Not past due and not impaired	Less than 1 month	1-3 Months	3 months - 1 year	
\$'000s		%					
Cash and Cash equivalents at bank:							
Cash on Hand and at Bank	810	2.63%	-	-	-	-	-
Cash Managed by Investment Bank	2,242	2.36%	-	-	-	-	-
Receivables:							
Trade Receivables	1,115	-	572	480	63	-	-
Other receivables	1,338	-	1,338	-	-	-	-
Other financial assets:							
Australian Equities	20,844	-	-	-	-	-	-
Australian Fixed Interest and bank bills	11,209	3.78%	11,209	-	-	-	-
Other	2,117	-	2,117	-	-	-	-
Total financial assets:	39,675		15,236	480	63	-	-

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

(b) Liquidity risk

The Council has assessed the liquidity risk as the difficulty in meeting obligations associated with financial liabilities as they fall due. Management has assessed the exposure of the Council to this risk as low considering the high volume of financial assets compared with financial liabilities (see Note 21).

The objective of managing liquidity risk is to ensure that all payments will be made as they become due and payable, while ensuring maximum funds are available for investment.

Policy in managing the liquidity risk:

The Council manages liquidity risk by monitoring cash flows to ensure sufficient funds are maintained in the transactional bank account to meet liabilities as they fall due. This is done while ensuring that surplus funds are transferred for investment. Daily monitoring occurs, with reports delivered periodically to the Finance Committee regarding the cash flow position and cash flow forecasts.

The maximum exposure to liquidity risk is the carrying amounts of financial liabilities (see Note 21 (a)).

Interest rate exposure and maturity analysis of Financial Liabilities

\$'000s	Carrying amount	Nominal amount	Maturity dates			
			Less than 1 month	1-3 Months	3 months - 1 year	1-5 years
2010						
Trade payables	2,743	2,743	2,728	15	-	-
Total Financial Liabilities	2,743	2,743	2,728	15	-	-
2009						
Trade payables	1,630	1,630	1,091	539	-	-
Total Financial Liabilities	1,630	1,630	1,091	539	-	-

The amounts disclosed above are the contractual undiscounted cash flows of each class of financial liabilities.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

(c) Market risk

The Council's exposure to market risk is through interest rate risk, currency risk and other price risk. Objectives, policies and processes used to manage each of these risks are disclosed as follows:

(i) Interest rate risk

The Council has determined its exposure to interest rate risk, as the possibility that the fair value or future cash flows of the returns from its financial instruments fluctuate as a result of changes in interest rates. The exposure to interest rate risk is insignificant as the Council does not hold interest bearing liabilities. However, the board monitors the possibility that the fair value or future cash flows of their financial instruments could fluctuate as a result of changes in market interest rates.

The objective of managing interest rate risk is to minimise and control the risks of losses due to interest rate changes and to take advantage of potential profits.

Policy in managing the interest risk:

Interest risk is managed by monitoring the outlook for interest rates and by holding cash in various bank bills and a number of banking institutions.

Sensitivity disclosure analysis - interest rate risk:

The Council has taken into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, to conclude that the following movements are 'reasonably possible' over the next 12 months:

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

(c) Market risk (continued)

INTEREST RATE EXPOSURE	Current Rate at Reporting Date	Carrying Amount	Current Approximate Return	Rates varied by X%						
				Annual return	Possible effect over Operating Statement	Annual return	Possible effect over Operating Statement	Annual return	Possible effect over net result	
\$'000s				1.00%		0.50%		-0.50%		
2010										
Cash and cash equivalents:										
Cash at bank	3.86%	0	0	0	(1)	0	0	0	1	
Cash Managed by Investment	3.88%	3,845	149	188	38	168	19	130	(19)	
Other financial assets:										
Australian Fixed Interest and bank bills	4.83%	8,301	401	484	83	442	42	359	(42)	
Investment in equities and others	-	22,712	-	-	-	-	-	-	-	
Possible increase (decrease) in comprehensive operating statement:				121		61		(60)		
2009										
Cash and cash equivalents										
Cash at bank	3.40%	0	0	0	0	0	0	0	0	
Cash Managed by Investment Bank	2.70%	2,242	61	83	22	49	(11)	38	(22)	
Other financial assets:										
Australian Fixed Interest and bank bills	4.49%	11,209	503	615	112	447	(56)	391	(112)	
Investment in equities and others	-	22,961	-	-	-	-	-	-	-	
Possible increase (decrease) in comprehensive operating statement:				135		(67)		(134)		

This sensitivity analysis has been prepared for the next 12 months. The Council's Management does not believe that it is possible to reasonably estimate the variables used (interest rates) further than for 12 months.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

(c) Market risk (continued)

(ii) Currency risk

The Council has assessed this risk as immaterial. A small dollar value of short term trading is conducted in foreign currency (see maximum investment allocation in foreign currency in table set out in Note 21 (c) (iii) below).

(iii) Other price risk

Exposure to other price risk arises due to the inherent risk of the possibility of unfavourable movements in the market value of the investments held for trading.

The Council's objective in managing equity market risk is to minimise negative impacts on investment value due to the volatility of the stock market.

Policy in managing other market risk:

The Council appoints an external, independent investment manager to monitor the volatility of stock market investments in light of performance benchmark set out in the investment policy.

The investment manager is expected to achieve this performance benchmark while recognising this risk, through the appropriate diversification of specific stocks. Further diversification may also be achieved through investment in different asset classes as per the mandated allocations set out in the investment policy (see table below). All investments are subject to satisfactory ethical screening.

The investment manager is required to undertake extensive analysis of the variables that may influence market prices, including economic and market cycles, currency movements and stock specific risks. The analysis performed by the investment manager is expected to reduce stock specific risks.

The following table shows the Council's allocation of assets as stated in the Investment Policy:

Investment Class Allocation	Benchmark	Control range
Liquid investments, comprising:		
• Ultra liquid Investments	25%	15% - 35%
• Other liquid investments	15%	5% - 25%
	40%	
Equities, comprising:		
• Australian listed equities	45%	35% - 60%
• Australian property trusts	5%	0% - 10%
• International equities	10%	0% - 15%
	60%	

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

(c) Market risk (continued)

The following tables show the Council's maximum exposure to equity market risk, and a sensitivity analysis of other price risk:

	Carrying Amount	Other Price Risk		
		Rates varied by		
		-10% Net Result	10% Net Result	15% Net Result
2010				
Financial Assets:				
Cash and Cash equivalents	5,257	-	-	-
Receivables	2,494	-	-	-
Other financial assets:				
Australian Fixed Interest & bank bills	8,301	-	-	-
Investment in equities (Aust & Other)	22,712	(2,271)	2,271	3,407
Financial Liabilities				
Trade payables	2,743	-	-	-
Total increase/(decrease)		(2,271)	2,271	3,407

	Carrying Amount	Other Price Risk		
		Rates varied by		
		-25% Net Result	-15% Net Result	10% Net Result
2009				
Financial Assets:				
Cash and Cash equivalents	3,052	-	-	-
Receivables	2,453	-	-	-
Other financial assets:				
Australian Fixed Interest & bank bills	11,209	-	-	-
Investment in equities (Aust & Other)	22,961	(5,740)	(3,444)	2,296
Financial Liabilities				
Trade payables	1,630	-	-	-
Total increase/(decrease)		(5,740)	(3,444)	2,296

(d) Fair Value

The Council believes that there are no differences between the fair values and the carrying amount reported for financial assets and financial liabilities as at 31 December 2010 and 31 December 2009, respectively.

The following tables illustrate the level in the fair value hierarchy in which fair value measurements are categorised for other financial assets at fair value through profit or loss on the balance sheet.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

(d) Fair Value (continued)

- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There were no transfers between level 1 and 2 during the period.

	Fair value measurement at end of the reporting period using		
	Level 1	Level 2	Level 3
	\$'000	\$'000	\$'000
Assets measured at fair value at 31 December 2010			
Australian Equities	20,162	-	-
International Equities	2,029	-	-
Australian Bank Bills & Promissory Notes (maturity < 30 days)	1,995	-	-
Australian Fixed Interest	6,306	-	-
Other	-	521	-
Total	30,492	521	-

Assets measured at fair value at 31 December 2009

Australian Equities	20,844	-	-
International Equities	1,609	-	-
Australian Bank Bills & Promissory Notes (maturity < 30 days)	4,011	-	-
Australian Fixed Interest	7,198	-	-
Other	-	508	-
Total	33,661	508	-

Anti-Cancer Council Victoria does not carry any financial liabilities classified as at fair value through profit or loss.

NOTE 22 - SUBSEQUENT EVENTS

There are no material subsequent events that affect the amounts that are reported in these financial statements.

Anti-Cancer Council of Victoria (operating as Cancer Council Victoria)

**DECLARATION BY CHAIR OF EXECUTIVE COMMITTEE,
DIRECTOR AND CHIEF FINANCE AND ACCOUNTING OFFICER
FOR THE YEAR ENDED 31 DECEMBER 2010**

We certify that the attached financial statements for the Anti-Cancer Council of Victoria have been prepared in accordance with Standing Direction 4.2 of the *Financial Management Act 1994*, applicable Financial Reporting Directions issued under that legislation, Australian Accounting Standards and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement of and notes to and forming part of the financial statements, presents fairly the financial transactions during the year ended 31 December 2010 and financial position of the Council as at 31 December 2010.

We are not aware of any circumstance that would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial report for issue on 17 February 2011.



Council Member
(Chair of Executive Committee)



Accountable Officer
(Director)



Chief Finance & Accounting Officer

17th FEBRUARY 2011

Date

Melbourne
Place

INDEPENDENT AUDITOR'S REPORT

To the Council Members of the Anti-Cancer Council of Victoria

The Financial Report

The accompanying financial report for the year ended 31 December 2010 of the Anti-Cancer Council of Victoria which comprises the comprehensive operating statement, balance sheet, statement of changes in equity and cash flow statement, notes comprising a summary of significant accounting policies and other explanatory information, and the declaration by chair of executive committee, director and chief finance and accounting officer, has been audited.

The Council Members' Responsibility for the Financial Report

The Council Members of the Anti-Cancer Council of Victoria are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, including the Australian Accounting Interpretations, and the financial reporting requirements of the *Financial Management Act 1994*, and for such internal control as the Council Members determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed 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 audit procedures selected depend on 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, consideration is given to the 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 the accounting policies used and the reasonableness of accounting estimates made by the Council Members, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

Independent Auditor's Report (continued)

Electronic Publication of the Audited Financial Report

It is our understanding that the Anti-Cancer Council of Victoria intends to electronically present the audited financial report and auditor's report on its internet website. Responsibility for the electronic presentation of the financial report on the Anti-Cancer Council of Victoria's website is that of the Council Members of the Anti-Cancer Council of Victoria. The security and controls over information on the website should be addressed by the Anti-Cancer Council of Victoria to maintain the integrity of the data presented. The examination of the controls over the electronic presentation of the audited financial report on the Anti-Cancer Council of Victoria's website is beyond the scope of the audit of the financial report.

Independence

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

Basis for Qualified Opinion

Charitable support is derived by the Anti-Cancer Council of Victoria from a range of sources and some of that support is received in cash. As is common for charitable organisations, it is impracticable for the Council to establish control over the collection of cash prior to receipt by its office or entry into its financial records. Accordingly, as the evidence available to audit regarding income from cash sources was limited, audit procedures had to be restricted to the amounts recorded in the financial records. I am therefore unable to express an opinion on whether cash obtained by the Anti-Cancer Council of Victoria is complete.

Qualified Opinion

In my opinion, except for the effect of the matter described in the Basis for Qualified Opinion paragraph, the financial report presents fairly, in all material respects, the financial position of the Anti-Cancer Council of Victoria as at 31 December 2010, its financial performance and cash flows for the year then ended in accordance with applicable Australian Accounting Standards, including the Australian Accounting Interpretations, and the financial reporting requirements of the *Financial Management Act 1994*.

MELBOURNE
3 March 2011


D D R Pearson
Auditor-General