

Cancer Council Victoria

ACN 608 530 972

Financial Statements - 31 December 2020

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General information

The financial statements cover Cancer Council Victoria as an individual entity. The financial statements are presented in Australian dollars, which is Cancer Council Victoria's functional and presentation currency.

Cancer Council Victoria is a not-for-profit unlisted public company limited by guarantee. Its principal address is:

615 St Kilda Road
Melbourne VIC 3004
Australia

The financial statements were authorised for issue, in accordance with a resolution of directors, on 4 March 2021. The directors have the power to amend and reissue the financial statements.

The directors present their report, together with the financial statements, on the company for the year ended 31 December 2020.

Directors

The following persons were directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Prof Jeremy Millar – Chair	Ms Fiona Green
Dr Mukesh Haikerwal AC – Deputy Chair ¹	Prof Joseph Trapani ²
Prof Gail Risbridger	Prof Ben Solomon ³
Prof Jane Visvader	Ms Jayne Dullard ⁴
Ms Michèle Williams	Prof Jon Emery ⁵
Mr Andrew Dyer	Ms Stephanie Bansemer-Brown ⁶
Mr David Gibbs	

¹ Deputy Chair from 16 July 2020

² Resignation 16 July 2020, Deputy Chair to 16 July 2020

³ Appointment 23 April 2020

⁴ Appointment 20 August 2020

⁵ Appointment 17 November 2020

⁶ Resignation 27 February 2020

Information regarding our directors can be found at:

<https://www.cancervic.org.au/about/governance/executive-committee>

All members of the Board, Finance, Risk, Audit & Compliance Committee, Investment Committee, and Medical & Scientific Committee volunteer their services to Cancer Council Victoria and receive no remuneration.

Principal activities

During the financial year the principal continuing activities of Cancer Council Victoria were to fund and provide:

- Prevention programs which strive to reduce the incidence of cancers attributable to tobacco, UV radiation, alcohol, obesity, diet and infection;
- Support programs to reduce the impact of cancer by providing reliable information and compassionate support to people living with cancer, their family and friends; and
- Research programs in cancer to generate the knowledge required to continue to drive improvements in cancer survival, prevention, treatment and quality of life.

Long-term objectives

Cancer Council Victoria's long-term objectives are:

- To reduce the impact of all cancers for all Victorians;
- The promotion of the understanding of the causes of cancer and its prevention, early detection, diagnosis and treatment;
- The collection, synthesis and distribution of information to improve knowledge of cancer and cancer outcomes;
- The funding and conduct of research activities directed at causes, prevention, detection, diagnosis and treatment of cancer and dissemination of the results of such research;
- The promotion and delivery of programs directed to prevention of cancer;
- The provision of support, education and information to people with cancer, their families, carers and communities;
- Advocacy for improvements in treatment and care of people with cancer and for public health initiatives to prevent and to reduce the impact of cancer in Victoria; and
- The fostering of cooperation with and between other organisations involved in cancer care, control and prevention.

Cancer Council Victoria is committed to evaluating progress against the achievement of the 2017-2021 strategic plan and this has been facilitated by reporting on key performance measures. These measures are derived from the four strategic objectives within the plan and comprise targets both organisation-wide and goal specific.

During the year Cancer Council Victoria undertook a refresh of the strategic plan to ensure the goals and priorities of the organisation continue to align with both the Victorian Government's Cancer Plan and challenges emerging from the COVID-19 pandemic. The refreshed strategy for the next three years (2021-2023) has been endorsed by the Board and the performance against the updated targets will form part of the 2021 financial statements.

Definitions

BASE: Metric assessed prior to commencement of 2017 - 2021 strategic plan.

2021 TARGET: Target metric in final year of strategic plan, this is not cumulative. Targets have not been allocated against individual years within the Cancer Council Victoria 2017-2021 strategic plan and instead reflect the aspired state at the completion of the full five-year period.

Short-term objectives

Organisation wide key performance measures

	Base	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Target
Lives saved in Victoria through prevention, screening and treatment of cancer* ¹	4,660	6,141	6,280	6,742	6,424	5,000

*1 Annual data collection. Source: cancer mortality data per Victorian Cancer Register and population data per Australian Bureau of Statistics. There has been an upward trend in lives saved that spiked in 2019, and now has begun to flatten. In 2020 lives saved has exceeded the 2021 target.

1. Implement powerful cancer prevention programs for major risk factors: tobacco, UV, diet, obesity and alcohol.

Strategies for achieving this are to:

- Defend tobacco plain packaging litigation;
- Advocate for policy reform in tobacco, UV, diet, obesity & alcohol;
- Lead implementation and evaluation of UV, tobacco and obesity cancer prevention community campaigns;
- Investigate and evaluate policies and programs that prevent cancer; and
- Build economic evaluation to identify and implement high value policies and programs.

Key Performance Measures	Base	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Target
Adoption by government of law and policy reforms recommended by Cancer Council Victoria* ¹	2	n/a	4	4	6	7
Proportion of Victorians aged between 18-69 years using SPF15+ sunscreen* ²	37.0%	n/a	44.0%	n/a	n/a	41.0%

*1 Semi-annual data collection. Source: recommendations made to improve State Government policy & programs as part of Cancer Council Victoria 2018 election priorities.

*2 Triennial data collection. Source: Cancer Council Victoria National Sun Protection Survey 2013/14 and 2016/17.

2. Mobilise community participation in cancer screening and immunisation programs:

Strategies for achieving this are:

- Develop, implement and evaluate bowel cancer screening campaigns to increase participation; and
- Encourage participation in evidence-based screening and immunisation programs, including among Aboriginal and culturally and linguistically diverse communities.

Key Performance Measures	Base	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Target
Improve National Bowel Cancer Screening Program participation rates for age-eligible Victorians* ¹	37.0%	39.9%	41.9%	43.2%	46.3%	50.0%

*1 Annual data collection. Source: data extracted from the National Cancer Screening Program: Monitoring Report by the Australian Institute of Health and Welfare. Latest figure released in Dec 2020 in relation to the period 2018-19.

3. Empower patients by delivering dynamic, credible information and compassionate support:

Strategies for achieving this are:

- Provide dynamic personalised support services;
- Promote optimal care pathways to improve the patient experience;
- Develop and advocate for legal policy and changes to improve cancer outcomes; and
- Investigate and evaluate policies and programs for people with cancer.

Key Performance Measures		Base	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Target
Increase contacts with support services by patients and those affected by cancer* ¹	- 13 11 20 phone & email contacts	12,480	11,515	10,902	9,465* ¹	9,398* ¹	15,306
	- Electronic Direct Mail (EDM) opened	4,395	4,467	3,939	2,491	8,877	5,390
Improve uptake of support services* ¹	- Patients and people affected by cancer	4,370	3,958	3,649	4,022	2,241* ²	5,312
	- Health Professionals	865	1,040	2,440	1,267	1,884	1,052

*¹ Reduction in calls to 13 11 20 continues to be a national trend. The bowel screening campaign is no longer managed by 131120 (circa 500 calls) and growth in emails has been greater than anticipated. A planned IT project to deliver additional functionality including real-time chat and chatbot, social media, messaging and SMS as well as conventional voice and menu driven features has commenced in 2020 with completion delayed until 2021 as a result of the pandemic.

*² The COVID-19 pandemic has resulted in a reduced number of "face to face" programs during 2020. While "virtual" interactions were implemented as replacements where possible, these were limited in number and remain an area for further development.

4. Maximise the impact of cancer research and cancer data:

Strategies for achieving this are:

- Conduct and fund quality cancer research;
- Generate accessible high quality cancer data through the Victorian Cancer Registry and linkages with other datasets;
- Increase investment for research into cancers with a high mortality rate; and
- Build a high quality cancer research resource through the Australian Breakthrough Cancer cohort study.

Key Performance Measures	Base	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Target
Increase annual new investment received for research and Victorian Cancer Registry* ¹	\$5.9m	\$6.1m	\$7.3m	\$6.7m	\$4.2m	\$6.5m
Increase number of requests to access the Victorian Cancer Registry (VCR) database to improve outcomes for cancer patients and their families* ²	5,435	6,114	6,138	9,705	8,309	6,080

*¹ Quarterly data collection. Based on income data extracted from Cancer Council Victoria financial reporting systems. 2020 research investment fell following the end of a four year NHMRC research program grant worth \$8m over 4 years. This is an extraordinarily large grant, on average grants are up to \$400k per annum.

*² Semi-annual data collection. Based on data primarily extracted from Victorian Cancer Registry on-line data kiosk.

Review of financial position

This financial year Cancer Council Victoria recorded a net surplus of \$4.3 million including other comprehensive income (\$8.6 million surplus in 2019). Total reserves of \$90.9 million include an accumulated surplus balance of \$47.4 million. Total revenue of \$68.2 million reduced by \$9.7 million or 12% in 2020, largely driven by reduced charitable support from face to face events impacted by pandemic. Bequest income of \$17.9 million was higher than the five-year rolling average of \$15 million but down on prior year result of \$26.1 million when a number of high-value gifts were received. Philanthropic partnerships and digital fundraising through peer-to-peer campaigns have shown resilience in a challenging year and both are expected to provide future growth opportunities for the organisation.

External program funding of \$22.6 million reduced by \$1.1 million or 5% in 2020. Investment income from interest, dividends and franking credits for 2020 was \$2.7 million (\$4.4 million in 2019). A net loss of \$0.2 million (\$5.3 million gain in 2019) was recorded in other comprehensive income to reflect both the change in fair-value of financial assets held and gains of \$0.7 million realised during the year. Long-term portfolio returns continue to perform above industry benchmarks.

Total expenditure of \$63.7 million reduced by \$10.7 million or 14% in 2020. While overall Research, Prevention & Support program expenditure decreased by \$10.2 million to \$45.9 million to protect reserves, the organisation continued to invest in the strategic initiatives of bowel cancer screening, obesity prevention programs, support for cancer patients, as well as research grants for low survival cancers.

COVID-19

The COVID-19 pandemic has had a material effect on the generation of fundraising income and operating conditions in the financial year. The strong financial position of the organisation combined with the government JobKeeper program has allowed Cancer Council Victoria to develop a measured response to the changing operating conditions. Some of the initiatives implemented during the year included the reduction of employee hours commensurate with business activity, reduced scope of prevention advertising campaigns and deferral of select work programs. Significant fundraising events such as Daffodil Day, Australia's Biggest Morning Tea and Relay for Life were all converted to virtual offerings during the year as a result of the social distancing requirements imposed on the community.

COVID-19 has not affected the measurement or recognition of material income or expenditure items. Financial assets are recorded at the market value. Valuations have not changed materially with unrealised losses resulting from the pandemic regained by the end of the year and reflected in the financial statements. Cancer Council Victoria's receivables are not material and we do not believe the recovery of those receivables will be affected by the pandemic. Cancer Council Victoria received support from the Commonwealth Government through JobKeeper support payments totalling \$9.6 million during the year. This income is recognised in the period it is claimed.

Overall charitable support was 33% lower than the previous year's level reflecting the impact of COVID-19 on event-based fundraising. Relay For Life was 57% lower than prior year with cancellation of a number of events in both seasons. Australia's Biggest Morning Tea, Walking Stars and Daffodil Day were 81%, 72% and 59% lower than prior year results respectively.

Cancer Council Victoria expects fundraising conditions to remain difficult and an operating loss is anticipated for the coming financial year. Our strong balance sheet, the COVID-19 response measures implemented and the roll-out of a new fundraising strategy will allow us to protect our core mission activity and continue the investment in new technology that will be essential in delivering on our refreshed strategic plan.

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') held during the year ended 31 December 2020, and the number of meetings attended by each director were:

	Full Board	
	Attended	Eligible to attend
Prof Jeremy Millar – Chair	6	6
Dr Mukesh Haikerwal AC – Deputy Chair	6	6
Prof Gail Risbridger	5	6
Prof Jane Visvader	5	6
Ms Michèle Williams	4	6
Mr Andrew Dyer	5	6
Mr David Gibbs	5	6
Ms Fiona Green	6	6
Prof Joseph Trapani	2	3
Prof Ben Solomon	3	4
Ms Jayne Dullard	2	2
Prof Jon Emery	1	1
Ms Stephanie Bansemer-Brown	0	1

Contributions on winding up

Cancer Council Victoria is a company limited by guarantee registered under the *Corporations Act 2001 (Cth)*. Cancer Council Victoria is also registered as a charity under the *Australian Charities and Not-for-profits Commission Act 2012 (Cth)*.

In the event of the company being wound up, ordinary members are required to contribute a maximum of \$10 each. Honorary members are not required to contribute.

The total amount that members of the company are liable to contribute if the company is wound up is \$380, based on 38 current ordinary members.

Rounding of amounts

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under Australian Charities and Not-for-profits Commission Act 2012 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to Australian Charities and Not-for-profits Commission Act 2012.

On behalf of the directors

Jeremy Millar

Prof Jeremy Millar
Chair of the Board

4 March 2021



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DECLARATION OF INDEPENDENCE BY JAMES MOONEY TO THE DIRECTORS OF CANCER COUNCIL VICTORIA

As lead auditor of Cancer Council Victoria for the year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of section 60-40 of the *Australian Charities and Not-for-profit Commission Act 2012* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in cursive script, appearing to read 'James Mooney', written in black ink.

James Mooney
Director

BDO Audit Pty Ltd

Melbourne, 4 March 2021

Cancer Council Victoria
Statement of profit or loss and other comprehensive income
For the year ended 31 December 2020



	Note	2020 \$'000	2019 \$'000
Income			
Charitable support income	3	29,692	44,588
External program funding income	4	22,555	23,717
Dividends, distributions, interest and imputation credits from financial assets		2,660	4,395
Royalties, fees for service and others		1,036	2,082
Sale of retail goods		2,625	3,079
Government JobKeeper support	5	9,633	-
Total income		<u>68,201</u>	<u>77,861</u>
Expenses			
Program services expenses - research	6	(23,714)	(29,132)
Program services expenses - cancer prevention and early detection	7	(16,594)	(20,134)
Program services expenses - support	8	(5,626)	(6,854)
Charitable support expenses	9	(12,446)	(13,378)
Administration expenses	10	(3,371)	(3,018)
Expenses on retail operations (including cost of goods sold)		(1,990)	(2,010)
Total expenses		<u>(63,741)</u>	<u>(74,526)</u>
Surplus for the year attributable to the members of Cancer Council Victoria		4,460	3,335
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Gain/(loss) on the revaluation of equity instruments at fair value through other comprehensive income	11	(165)	5,291
Other comprehensive income for the year		(165)	5,291
Total comprehensive income for the year attributable to the members of Cancer Council Victoria		<u><u>4,295</u></u>	<u><u>8,626</u></u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Cancer Council Victoria
Statement of financial position
As at 31 December 2020



	Note	2020 \$'000	2019 \$'000
Assets			
Current assets			
Cash and cash equivalents	12	8,094	7,980
Trade and other receivables	13	2,622	2,592
Inventories		299	383
Financial assets	14	99,470	94,168
Other assets		604	607
Total current assets		<u>111,089</u>	<u>105,730</u>
Non-current assets			
Property, plant and equipment	15	2,554	3,355
Right-of-use assets	16	7,453	9,803
Intangibles	17	1,175	1,458
Total non-current assets		<u>11,182</u>	<u>14,616</u>
Total assets		<u>122,271</u>	<u>120,346</u>
Liabilities			
Current liabilities			
Trade and other payables		2,199	3,431
Lease liabilities	18	3,525	3,293
Employee benefits	19	3,824	3,710
Provision for research grants	20	6,698	7,090
Administered program funding		-	323
Deferred revenue		2,029	395
Total current liabilities		<u>18,275</u>	<u>18,242</u>
Non-current liabilities			
Lease liabilities	18	5,557	8,638
Employee benefits	19	1,060	845
Provision for research grants	20	6,459	5,996
Total non-current liabilities		<u>13,076</u>	<u>15,479</u>
Total liabilities		<u>31,351</u>	<u>33,721</u>
Net assets		<u>90,920</u>	<u>86,625</u>
Equity			
Reserves	21	43,553	45,138
Accumulated surplus		47,367	41,487
Total equity		<u>90,920</u>	<u>86,625</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Cancer Council Victoria
Statement of changes in equity
For the year ended 31 December 2020



	Reserves \$'000	Accumulated surplus \$'000	Total equity \$'000
Balance at 1 January 2019	44,597	31,701	76,298
Adjustment for adoption of AASB 15	-	1,701	1,701
Balance at 1 January 2019 - restated	44,597	33,402	77,999
Surplus for the year	-	3,335	3,335
Other comprehensive income for the year	5,291	-	5,291
Total comprehensive income for the year	5,291	3,335	8,626
Transfer to/(from) reserves	(4,508)	4,508	-
Transfer of realised gain of investments at fair value through other comprehensive income (FVOCI) to accumulated surplus	(242)	242	-
Balance at 31 December 2019	<u>45,138</u>	<u>41,487</u>	<u>86,625</u>
	Reserves \$'000	Accumulated surplus \$'000	Total equity \$'000
Balance at 1 January 2020	45,138	41,487	86,625
Surplus for the year	-	4,460	4,460
Other comprehensive income for the year	(165)	-	(165)
Total comprehensive income for the year	(165)	4,460	4,295
Transfer to/(from) reserves	(725)	725	-
Transfer of realised gain of investments at fair value through other comprehensive income (FVOCI) to accumulated surplus	(695)	695	-
Balance at 31 December 2020	<u>43,553</u>	<u>47,367</u>	<u>90,920</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Cancer Council Victoria
Statement of cash flows
For the year ended 31 December 2020



	Note	2020 \$'000	2019 \$'000
Cash flows from operating activities			
Receipts from charitable support, retail, royalties and fees for service		26,835	50,352
Funding received for external projects		29,691	23,717
Government subsidy		9,633	-
Net dividends, distributions, interest and imputation credits from financial assets		2,660	4,395
Lease interest paid		(405)	(504)
Payments to suppliers and employees		<u>(60,419)</u>	<u>(68,635)</u>
Net cash from operating activities		<u>7,995</u>	<u>9,325</u>
Cash flows from investing activities			
Payments for property, plant and equipment	15	(185)	(322)
Payments for intangibles	17	(236)	(71)
Net proceeds from sales/(purchases) of investments in financial assets		<u>(4,166)</u>	<u>710</u>
Net cash from/(used in) investing activities		<u>(4,587)</u>	<u>317</u>
Cash flows from financing activities			
Repayment of lease liabilities		<u>(3,294)</u>	<u>(3,104)</u>
Net cash used in financing activities		<u>(3,294)</u>	<u>(3,104)</u>
Net increase in cash and cash equivalents		114	6,538
Cash and cash equivalents at the beginning of the financial year		<u>7,980</u>	<u>1,442</u>
Cash and cash equivalents at the end of the financial year	12	<u><u>8,094</u></u>	<u><u>7,980</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out either in the respective notes or below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting standards and Interpretations did not have any significant impact on the financial performance or position of Cancer Council Victoria.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB'), the *Australian Charities and Not-for-profits Commission Act 2012* as appropriate for not-for profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Accounting policy for inventories

Stock on hand is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Accounting policy for trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Note 1. Significant accounting policies (continued)

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Income tax

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

Rounding of amounts

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the company based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the company operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the company's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The company reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the company estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Employee benefits provision

As discussed in note 19, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Note 3. Charitable support income

	2020	2019
	\$'000	\$'000
Bequests	17,872	26,135
Donations	6,567	6,835
Community and other fundraising activities	5,253	11,618
	<u>29,692</u>	<u>44,588</u>

Accounting policy for charitable support income

Cancer Council Victoria receives income from bequests, donations and other fundraising. Bequests are recognised at the fair value of the benefit received when the organisation has control of the contribution. Where required, bequests are recognised in accordance with the express terms of the will. Donations and Community and other fundraising activities income is recognised as revenue only when Cancer Council Victoria gains control, economic benefits are probable and the amounts can be measured reliably.

Amounts received from community and other fundraising activities include both transactions where:

- a single payment is made directly from an individual supporter to Cancer Council Victoria on their own behalf; or
- donations from multiple supporters are received by a volunteer or host acting on behalf of Cancer Council Victoria and then subsequently transferred to Cancer Council Victoria.

Controls are established to ensure that donations in the second category are recorded in the financial records, however at times it is impractical to maintain effective controls over the collection of such revenue prior to its initial entry into the financial records. As a result such donations are recognised as revenue when they are recorded in the books and records of Cancer Council Victoria. Donations received for specific purposes are transferred to a separate fund within equity after being first recorded in profit or loss.

Note 4. External program funding income

	2020	2019
	\$'000	\$'000
Victorian State Government (DHHS)	9,993	11,592
VicHealth (a State Government statutory authority)	5,740	5,290
Federal Government	3,648	5,117
Other foundations	3,174	1,718
	<u>22,555</u>	<u>23,717</u>

Note 4. External program funding income (continued)

Accounting policy for external program funding income

A number of the Cancer Council Victoria programs are supported by grants received from Commonwealth and State governments. The terms and conditions of each grant are reviewed to determine if the requirements of AASB 15 Revenue from Contracts with Customers are met. If AASB 15 applies to a transaction or part of a transaction, Cancer Council Victoria applies the general principles of this standard to determine the appropriate revenue recognition. Under AASB 15, revenue is recognised when (or as) the performance obligation is satisfied. Any income received where the performance obligation is not yet satisfied as at reporting date, is recorded as deferred income.

Where a grant or other income does not meet the requirements of AASB 15, Cancer Council Victoria considers the application of AASB 1058 *Income of Not-for-Profit Entities*. Under AASB 1058, the asset received will be recognised and measured at fair value in accordance with other applicable Australian Accounting Standards. Upon initial recognition of the asset, this Standard requires Cancer Council Victoria to consider whether any other financial statement elements (called 'related amounts') should be recognised.

Under AASB 1058, Cancer Council Victoria recognises revenue immediately in the profit and loss for the excess of the initial carrying amount of the asset and the consideration to acquire it after recognising any other related amounts.

Note 5. Government JobKeeper support

	2020	2019
	\$'000	\$'000
Government JobKeeper support	9,633	-

Note 6. Program services expenses - research

	2020	2019
	\$'000	\$'000
Research grants to Victorian universities, hospitals and medical research institutes included in research expenditure	6,222	8,319
Clinical Trials Support	1,054	2,195
Victorian Cancer Biobank	1,820	1,875
Victorian Cancer Registry - registers all cancer cases in Victoria and provides statistical analysis	4,260	4,030
Behavioural research into behavioural aspects of cancer prevention, screening and management	3,127	4,146
Cancer Epidemiology and Intelligence research into the occurrence, distribution and determinants of disease	5,177	7,340
ABC Cohort Study into how genes and lifestyle impact cancer risk	1,364	596
Other research including Supportive Care research	690	631
	<u>23,714</u>	<u>29,132</u>

Research grants to Victorian universities, hospitals and medical research institutes are accrued as an expense for the full term for which they are awarded. Any grant monies outstanding at the date of the balance sheet are recorded as current or non-current liabilities, as applicable. Cancer Council Victoria approves new grants for research activities in December of each year; therefore, the above research expenditure for the period ended 31 December 2020 is \$5,330,690 (2019: \$6,999,393).

Note 7. Program services expenses - cancer prevention and early detection

	2020 \$'000	2019 \$'000
Prevention - programs to create awareness about prevention and early detection	2,727	2,299
Obesity prevention programs	1,974	2,835
Quit - public education program to reduce tobacco consumption and prevent the uptake of smoking	6,540	9,761
Sun Smart - public education program related to skin cancer prevention and early detection	1,511	2,429
Screening Programs - public education and engagement to increase participation	3,842	2,810
	<u>16,594</u>	<u>20,134</u>

The above table includes social marketing expenditure of \$2,732,950 (2019: \$5,776,091).

Note 8. Program services expenses - support

	2020 \$'000	2019 \$'000
Provision of cancer information and practical and emotional support services to patients, their carer's and cancer survivors	4,333	4,773
McCabe Centre for Law and Cancer	1,293	2,081
	<u>5,626</u>	<u>6,854</u>

Note 9. Charitable support expenses

	2020 \$'000	2019 \$'000
Bequests	539	377
Donations	4,014	4,270
Community fundraising activities	3,345	4,447
Administration	3,805	3,491
Communications	743	793
	<u>12,446</u>	<u>13,378</u>

Charitable administration expenses include investment in systems and processes to enable charitable support work programs at Cancer Council Victoria and maintain high standards of governance, transparency and effectiveness. In 2020 administration expenses increased as Cancer Council Victoria accelerated its investment in digital transformation and transitioned to remote working in response to the pandemic.

Accounting policy for charitable support expenses

Expenses from transactions are recognised as they are incurred, and reported in the financial period to which they relate. These expenses are presented using a classification by their function, which management believe provides information that is reliable and more relevant.

Refer to notes 15, 16 and 17 regarding depreciation and amortisation expense and note 19 for employee benefits, respectively.

Note 10. Administration expenses

	2020 \$'000	2019 \$'000
Administration expenses	2,765	3,018
Job-Keeper top-up payments	606	-
	<u>3,371</u>	<u>3,018</u>

Organisational administration expenses include investment in systems and processes to enable work programs at Cancer Council Victoria and maintain high standards of governance, transparency and effectiveness.

Accounting policy for administration expenses

Expenses from transactions are recognised as they are incurred, and reported in the financial period to which they relate. These expenses are presented using a classification by their function, which management believe provides information that is reliable and more relevant.

Refer to notes 15, 16 and 17 regarding depreciation and amortisation expense and note 19 for employee benefits, respectively.

Note 11. Other comprehensive income

Change in fair value of investments at fair value through other comprehensive income (FVOCI):

	2020 \$'000	2019 \$'000
Realised gain	694	242
Unrealised gain/(loss)	(859)	5,049
	<u>(165)</u>	<u>5,291</u>

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.

Note 12. Cash and cash equivalents

	2020 \$'000	2019 \$'000
<i>Current assets</i>		
Cash on hand and at bank	6,704	1,578
Cash managed by investment bank	1,390	6,402
	<u>8,094</u>	<u>7,980</u>

Cash on hand and at bank

The cash at bank generated an average interest rate of 0.25% (2019: 1.00%).

Cash managed by investment bank

These funds are part of the portfolio managed by Crestone Wealth Management. The average interest rate earned by these funds was approximately 0.0625% (2019: 0.25%).

Financing facilities

Financing facilities available at the reporting date were \$100,000 (2019: \$100,000). This facility was unused at the reporting date (2019: unused).

Note 12. Cash and cash equivalents (continued)

Accounting policy for cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Note 13. Trade and other receivables

	2020 \$'000	2019 \$'000
<i>Current assets</i>		
Trade receivables	281	1,215
Other receivables	2,341	1,381
Less: Allowance for expected credit losses	-	(4)
	<u>2,622</u>	<u>2,592</u>

Accounting policy for trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

Note 14. Financial assets

	2020 \$'000	2019 \$'000
<i>Financial assets at fair value through other comprehensive income</i>		
Australian equities	24,911	22,598
International equities	11,285	12,342
Australian fixed interest	27,014	27,609
International fixed interest	783	855
Australian real estate	2,449	2,353
International real estate	-	4
	<u>66,442</u>	<u>65,761</u>
<i>Financial assets at amortised cost</i>		
Australian term deposits, bank bills and promissory notes (maturity < 1 year)	30,816	26,195
Security deposit	2,212	2,212
	<u>33,028</u>	<u>28,407</u>
	<u>99,470</u>	<u>94,168</u>

Accounting policy for investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Note 14. Financial assets (continued)

Financial assets at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the company intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Note 15. Property, plant and equipment

	2020	2019
	\$'000	\$'000
<i>Non-current assets</i>		
Leasehold improvements - at cost	7,465	7,465
Less: Accumulated depreciation	<u>(5,434)</u>	<u>(4,664)</u>
	2,031	2,801
Plant and equipment - at cost	481	481
Less: Accumulated depreciation	<u>(481)</u>	<u>(477)</u>
	-	4
Motor vehicles - at cost	39	39
Less: Accumulated depreciation	<u>(39)</u>	<u>(39)</u>
	-	-
Computer equipment - at cost	1,539	1,386
Less: Accumulated depreciation	<u>(1,016)</u>	<u>(836)</u>
	523	550
	<u>2,554</u>	<u>3,355</u>

Note 15. Property, plant and equipment (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Computer and office equipment \$'000	Plant and other equipment \$'000	Motor vehicles \$'000	Leasehold improve- ments \$'000	Total \$'000
Balance at 1 January 2019	565	11	39	3,571	4,186
Additions	322	-	-	-	322
Depreciation expense	(337)	(7)	(39)	(770)	(1,153)
Balance at 31 December 2019	550	4	-	2,801	3,355
Additions	185	-	-	-	185
Depreciation expense	(212)	(4)	-	(770)	(986)
Balance at 31 December 2020	<u>523</u>	<u>-</u>	<u>-</u>	<u>2,031</u>	<u>2,554</u>

Accounting policy for property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Plant and equipment with a cost exceeding \$5,000 are capitalised (2019: \$5,000). Plant and equipment that have been contributed at no cost, or for nominal cost, are valued and recognised at the fair value of the asset at the date it is acquired.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives using the following depreciation rates:

Computer equipment	20% - 33%
Other plant and equipment	20%
Leasehold improvements	10% - 33%

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Note 16. Right-of-use assets

	2020 \$'000	2019 \$'000
<i>Non-current assets</i>		
Land and buildings - right-of-use	12,860	12,386
Less: Accumulated depreciation	(5,434)	(2,660)
	<u>7,426</u>	<u>9,726</u>
Motor vehicles - right-of-use	69	137
Less: Accumulated depreciation	(42)	(60)
	<u>27</u>	<u>77</u>
	<u>7,453</u>	<u>9,803</u>

Note 16. Right-of-use assets (continued)

Additions to the right-of-use assets during the year were \$614,450 (2019: \$627,128).

The company leases land and buildings for its offices and warehouses under agreements of between three to ten years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

The company leases motor vehicles under agreements of less than 2 years. Any leases identified as short term or low-value are expensed as incurred and not capitalised as right-of-use assets.

Accounting policy for right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Depreciation of \$2,773,498 (2019: \$2,659,242) on land and buildings and \$65,519 (2019: \$59,883) on motor vehicles was charged during the year.

Interest expense charged to the profit and loss on lease liabilities amounted to \$404,793 (2019: \$504,159).

Note 17. Intangibles

	2020	2019
	\$'000	\$'000
<i>Non-current assets</i>		
Software - at cost	3,843	3,606
Less: Accumulated amortisation	(2,668)	(2,148)
	<u>1,175</u>	<u>1,458</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	\$'000
Balance at 1 January 2019	1,880
Additions	71
Amortisation expense	(493)
Balance at 31 December 2019	1,458
Additions	236
Amortisation expense	(519)
Balance at 31 December 2020	<u>1,175</u>

Note 17. Intangibles (continued)

Accounting policy for intangible assets

Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Software

Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of five years. In accordance with Cancer Council's policy computer software with a cost over \$5,000 (2019: \$5,000) is recognised as an asset at cost.

Note 18. Lease liabilities

	2020	2019
	\$'000	\$'000
<i>Current liabilities</i>		
Lease liability	<u>3,525</u>	<u>3,293</u>
<i>Non-current liabilities</i>		
Lease liability	<u>5,557</u>	<u>8,638</u>
	<u><u>9,082</u></u>	<u><u>11,931</u></u>

Accounting policy for lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Note 19. Employee benefits

	2020	2019
	\$'000	\$'000
<i>Current liabilities</i>		
Annual leave	1,746	1,654
Long service leave	<u>2,078</u>	<u>2,056</u>
	<u>3,824</u>	<u>3,710</u>
<i>Non-current liabilities</i>		
Long service leave	<u>1,060</u>	<u>845</u>
	<u><u>4,884</u></u>	<u><u>4,555</u></u>

Note 19. Employee benefits (continued)

The number of full time equivalent employees at 31 December 2020 was 365 (2019: 313).

The total employee benefits expense during the period ended 31 December 2020 was \$29,298,057 (2019: \$28,034,465).

Accounting policy for employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to 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 on national corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

The company's obligations for long-term employee benefits are presented as non-current liabilities in the statement of financial position, except where the company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current liabilities.

Accumulated superannuation contribution plans

Obligations for contributions to accumulated superannuation contribution plans are recognised as an expense as incurred. The total superannuation expense for the year was \$2,604,168 (2019: \$2,557,571).

Note 20. Provision for research grants

	2020	2019
	\$'000	\$'000
<i>Current liabilities</i>		
Provision for research grants	6,698	7,090
<i>Non-current liabilities</i>		
Provision for research grants	6,459	5,996
	<u>13,157</u>	<u>13,086</u>
		2020
		\$'000
Carrying amount at the start of the year		13,086
New grants committed		6,173
Grants paid		<u>(6,102)</u>
Carrying amount at the end of the year		<u>13,157</u>

Accounting policy for provisions

Provisions are recognised when the company has a present (legal or constructive) obligation as a result of a past event, it is probable the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

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

Note 21. Reserves

Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

	Special funds reserve	External grants reserve	Research fund reserve	Other restricted funds reserve	General reserve	FVOCI reserve	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2019	3,558	14,828	2,251	7,461	14,301	2,198	44,597
Other comprehensive income	-	-	-	-	-	5,291	5,291
Transfer (to)/from the accumulated surplus	48	(2,097)	(212)	435	(2,682)	(242)	(4,750)
Balance at 31 December 2019	3,606	12,731	2,039	7,896	11,619	7,247	45,138
Other comprehensive income	-	-	-	-	-	(165)	(165)
Transfer (to)/from the accumulated surplus	13	2,119	(679)	(392)	(1,786)	(695)	(1,420)
Balance at 31 December 2020	<u>3,619</u>	<u>14,850</u>	<u>1,360</u>	<u>7,504</u>	<u>9,833</u>	<u>6,387</u>	<u>43,553</u>

Special funds reserve

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 Victoria programs, at which time it is transferred to accumulated surpluses. Other funds are required to be invested in perpetuity.

External grants reserve

Cancer Council Victoria 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.

Research fund reserve

The research fund reserve was created as a result of bequest funding restricted in application to the purposes of research; the restriction applies to both capital and income.

Other restricted funds reserve

Donor funds received for specific projects which have not yet completed.

General reserve

Capital profits arose as a result of the sale of land and buildings and are being applied over time to build capability of the organisation.

Financial assets at fair value through other comprehensive income (FVOCI) reserve

The reserve is used to recognise increments and decrements in the fair value of financial assets at fair value through other comprehensive income.

Note 22. Key management personnel disclosures

Compensation

The aggregate compensation made to members of key management personnel of the company is set out below:

	2020	2019
	\$	\$
Aggregate compensation	<u>2,413,031</u>	<u>2,317,178</u>

All members of Cancer Council Victoria, the Board and the Finance, Risk, Audit and Compliance Committee and the Medical & Scientific Committee volunteer their services to Cancer Council Victoria and receive no remuneration. An independent sub-committee of the Board sets Senior Executive salaries at levels that the committee believes are sufficient to attract and retain executives who perform at the required level.

The following table discloses Senior Executive salaries by annual salary band:

	2020	2019
Number of Senior Executives in the following annual salary bands ('000):		
<\$150	1	4
\$150 - 200	1	2
\$200 - 250	2	2
\$250 - 300	4	2
>\$300	2	2
	<u>10</u>	<u>12</u>

There was one executive vacancy during 2020 and both the original and newly appointed executives have been included in the above table.

Note 23. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 22.

Transactions with related parties

There were no transactions with related parties during the current and previous financial year.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Note 24. Contingent assets and liabilities

Contingent assets

Cancer Council Victoria is an equal co-beneficiary (50%) of a residuary Estate, which is to be received on the death of the last Estate income beneficiary. The Estate has been involved in significant Supreme Court actions where resolution has been in favour of the Estate. Cancer Council Victoria has not recognised the beneficiary assets of the Estate as at 31 December 2020, because receipt of them is dependent on the outcome of any future potential claim while these assets are not within the control of Cancer Council Victoria.

Note 24. Contingent assets and liabilities (continued)

Contingent liabilities

Cancer Council's current Enterprise Agreement does not recognise prior Long Service Leave commitments from the Public Sector. At the expiration of the current Agreement under the current provisions of the *Fair Work Act s113*, Cancer Council Victoria would be required to recognise prior service for any entitled employees. This potential liability is uncertain, as it is unclear when this current Agreement will expire, as is the employee base that will be entitled to prior service recognition at the time of expiry. Assessment of liability will require detailed review at an employee level and this has not occurred. Cancer Council Victoria has not recognised the potential liability for additional Long Service Leave as a provision at this time as the value cannot be reliably measured.

There were no other contingent liabilities at the reporting date.

Note 25. Events after the reporting period

The impact of the Coronavirus (COVID-19) pandemic is ongoing and up to 31 December 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

In the directors' opinion:

- the attached financial statements and notes comply with the Australian Accounting Standards - Reduced Disclosure Requirements, the *Australian Charities and Not-for-profits Commission Act 2012*, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 31 December 2020 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to *Australian Charities and Not-for-profits Commission Act 2012*.

On behalf of the directors

Jeremy Millar

Prof Jeremy Millar
Chair of the Board

4 March 2021

INDEPENDENT AUDITOR'S REPORT

To the members of Cancer Council Victoria

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Cancer Council Victoria (the company), which comprises the statement of financial position as at 31 December 2020, 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 report, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of Cancer Council Victoria, is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) Giving a true and fair view of the company's financial position as at 31 December 2020 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards - Reduced Disclosure Requirements 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 company in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other information

Those charged with governance are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the company's directors report, but does not include the financial report and our auditor's report thereon.



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

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

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

Responsibilities of directors for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the ACNC Act, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the company's financial reporting process.

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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

BDO Audit Pty Ltd

A handwritten signature in black ink that reads 'James Mooney'. Above the signature, the letters 'BDO' are written in a stylized, outlined font.

James Mooney
Director

Melbourne, 4 March 2021