

**CANCER COUNCIL VICTORIA (“Company”)**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

**ACN 608 530 972**

# CANCER COUNCIL VICTORIA

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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**CANCER COUNCIL VICTORIA  
DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2018**

Your Directors present this report on Cancer Council Victoria for the financial year ended 31 December 2018.

**Directors**

Subject to the general control of the members, the Board may determine the measures to be taken to carry out the objectives of the organisation. The names of each person who has been a member of the Board during the financial year and to the date of this report are:

Ms Stephanie Bansemer-Brown  
Ms Jacinda de Witts <sup>1</sup>  
Mr Andrew Dyer  
Mr David Gibbs  
Ms Fiona Green <sup>2</sup>  
Dr Mukesh Haikerwal AC

Prof Jeremy Millar <sup>3</sup>  
Prof Gail Risbridger <sup>4</sup>  
Prof Joseph Trapani <sup>5</sup>  
Ms Maria Trinci <sup>6</sup>  
Prof Jane Visvader  
Ms Michèle Williams <sup>7</sup>

Members have been in office since the start of the financial year to the date of this report unless otherwise stated. Information regarding our Directors can be found at

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

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

**Principal Activities**

The principal activities of Cancer Council Victoria are to fund and provide:

Prevention programs which strive to reduce the incidence of cancers attributable to tobacco, UV radiation, alcohol, obesity 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 prevention and support and generate the knowledge required to continue to drive improvements in cancer survival.

**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.

<sup>1</sup> Resignation 30 June 2018

<sup>2</sup> Appointment 18 October 2018

<sup>3</sup> Deputy Chair to 31 October 2018, Chair from 31 October 2018

<sup>4</sup> Appointment 6 December 2018

<sup>5</sup> Deputy Chair from 31 October 2018

<sup>6</sup> Resignation 31 October 2018, Chair to 31 October 2018

<sup>7</sup> Appointment 18 October 2018

**CANCER COUNCIL VICTORIA  
DIRECTORS' REPORT (CONT'D)  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**Short-term Objectives**

**Organisation wide key performance measures**

	2014 Base	2017 Actual	2018 Actual	2021 Target
Cancers prevented in Victoria	6,140	6,540	4,650*	6,500
Lives saved in Victoria through prevention, screening and treatment of cancer	4,660	6,141	6,280	5,000

\* This number is affected by the incidence trends for more common cancers (breast, prostate, bowel, lung, melanoma). For example, there are fluctuations in the prostate cancer incidence for men as a result of PSA testing, while lung cancer in women continues to rise but decline in men.

**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	2014 Base	2018 Actual	2021 Target
Adoption by government of law and policy reforms recommended by Cancer Council Victoria	2	4	7
Proportion of Victorians aged between 18-69 years using SPF15+ sunscreen	37.0%	44.0%	41.0%

**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	2014 Base	2017 Actual	2018 Actual	2021 Target
Improve National Bowel Cancer Screening Program participation rates for age-eligible Victorians	37.0%	39.9%	41.9%	50.0%
Increase rates of HPV vaccination in the Victorian adolescent population (12-13 years)	73.0%	76.9%	78.0%	80.0%
Improve cervical screening participation rates for age-eligible Victorian females	83.9%	83.4%	83.9%	88.0%

**CANCER COUNCIL VICTORIA  
DIRECTORS' REPORT (CONT'D)  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**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		2015 Base	2017 Actual	2018 Actual	2021 Target
Increase contacts with support services by patients and those affected by cancer	- 13 11 20 phone & email contacts	12,480	11,515	10,902*	15,306
	- Electronic Direct Mail (EDM) opened	4,395	4,467	3,939	5,390
Improve uptake of support services	- Patients and people affected by cancer	4,370	3,958	3,649	5,312
	- Health Professionals	865	1,040	2,440	1,052

\* There has been a national decrease in calls to 13 11 20 due to a number of factors which we continue to investigate, including how those affected by cancer prefer to access information and support. In 2019 we will be implementing strategies to improve awareness and uptake of our services, including 13 11 20.

**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		2015 Base	2017 Actual	2018 Actual	2021 Target
Increase annual new investment received for research and Victorian Cancer Registry		\$5.9m	\$6.1m	\$7.3m	\$6.5m
Increase number of requests to access the Victorian Cancer Registry (VCR) database to improve outcomes for cancer patients and their families		5,435	6,114	6,138	6,080
Progress recruitment to the Australian Breakthrough Cancer Cohort Study in 2017 and complete in 2018	- Participants	30,000	55,890	80,296	65,000
	- Completed Data	18,000	34,021	51,507	45,000

**CANCER COUNCIL VICTORIA  
DIRECTORS' REPORT (CONT'D)  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**Review of Financial Position**

This financial year Cancer Council Victoria continued to deliver against our strategic plan in an increasingly competitive charity environment. The recorded net deficit including other comprehensive income of \$8.6 million follows consecutive organisational surpluses of \$13.1 million and \$3.9 million in 2017 and 2016 respectively. The result reflected \$7.7 million of spend allocated against balance sheet reserves as part of strategic priority commitments in the key areas of research, prevention, support and advocacy. A subdued year in core fundraising and unrealised investment asset losses was partially offset by positive movements in external grants received. The accumulated surplus balance of \$31.7 million highlights a strong financial position that will allow us to seek future investment opportunities in our mission to prevent cancer, empower patients and save lives.

Total income decreased by \$14.7 million or 19% in 2018, largely driven by reduced charitable support. Bequest income of \$10.3 million was lower than both the five-year rolling average of \$15 million and the prior year (\$26.4 million in 2017), reflecting the small number of high value gifts that were received late in 2017 and a historical dip in bequests every 5-7 years. One of the strategic priorities for the organisation in 2018 was the stabilisation of revenue levels through a focus on cost control within mature programs and investment in innovative new funding programs. This approach has been reflected in the rationalisation of some mature programs which, combined with early positive financial indicators, has us well placed for the coming year.

External program funding has increased overall, particularly for work funded by the Department of Health and Human Services, which funded an additional \$4.3 million in 2018. These gains have been partially offset by \$1.5 million in reduced funding from other government sources. We continue to be successful in securing research funding through organisations such as the National Health and Medical Research Council.

Investment income from interest, dividends and franking credits for 2018 was \$3.5 million (\$3.1 million in 2017). A net loss of \$1.6 million (\$2.5 million gain in 2017) was recorded in other comprehensive income to reflect both the change in fair-value of financial assets held and gains of \$1.0 million realised during the year. Long-term portfolio returns continue to perform above industry benchmarks.

Total expenditure increased by \$2.9m to \$69.3 million in 2018, which represented a slight underspend against internal targets. Research, Prevention & Support programs increased by \$2.4 million to \$52.6 million and Cancer Council Victoria continued investment in the strategic initiatives of bowel cancer screening, obesity prevention programs, as well as research grants for low survival cancers.

Cancer Council Victoria is committed to ensuring that government and donor funds are utilised to deliver our mission and strategy in a responsible and sustainable manner. In a competitive fundraising environment, it is critical that we continue to identify and invest in new and innovative initiatives such as Direct Response TV to identify sustainable future income streams. While these and other initiatives will take time to generate the anticipated returns, the organisation will continue to prioritise the achievement of our strategic goals within our existing supporter base while looking to retain the world-class expertise within our workforce.

**CANCER COUNCIL VICTORIA  
DIRECTORS' REPORT (CONT'D)  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**Meetings of Directors**

During the financial year, 6 meetings of Directors were held. Attendances by each Director were as follows:

<b>Directors Meetings</b>		
	<b>Number eligible to attend</b>	<b>Number attended</b>
Ms Stephanie Bansemer-Brown	6	6
Ms Jacinda de Witts	3	3
Mr Andrew Dyer	6	5
Mr David Gibbs	6	5
Ms Fiona Green	1	1
Dr Mukesh Haikerwal AC	6	4
Prof Jeremy Millar	6	6
Prof Gail Risbridger	0	0
Prof Joseph Trapani	6	5
Ms Maria Trinci <sup>8</sup>	3	3
Prof Jane Visvader	6	4
Ms Michèle Williams	1	1

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). If Cancer Council Victoria is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the entity. At 31 December 2018, the total amount that members are liable to contribute if Cancer Council Victoria is wound up is \$390.

This Directors report is signed in accordance with a resolution of the Board.



Signature of Prof. Jeremy Millar  
Chair of the Board

Melbourne, 28 February 2019

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<sup>8</sup> Leave of absence during 2018

## AUDITOR'S INDEPENDENCE DECLARATION

[1 page]



**CANCER COUNCIL VICTORIA  
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Note	2018 \$'000s	2017 \$'000s
<b>CONTINUING OPERATIONS</b>			
<b>INCOME</b>			
Charitable support	2 (a)	26,791	45,539
External program funding	2 (b)	26,868	24,088
Dividends, distributions, interest and imputation credits from financial assets	2 (c)	3,529	3,138
Royalties, fees for service and others		1,752	1,305
Sales of retail goods		3,334	2,898
<b>Total income</b>		<b>62,274</b>	<b>76,968</b>
<b>EXPENSES</b>			
Program services:			
- Research	3 (a)	26,153	28,194
- Cancer prevention and early detection	3 (b)	19,505	16,070
- Support	3 (c)	6,954	5,934
Charitable support	3 (d)	12,913	12,646
Expenses on retail operations (including cost of goods sold)		2,021	1,831
Administrative support		1,725	1,736
<b>Total expenses</b>		<b>69,271</b>	<b>66,411</b>
<b>Net result for the year</b>		<b>(6,997)</b>	<b>10,557</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<i>Items that will not be reclassified to profit or loss:</i>			
Change in fair value of investments at fair value through other comprehensive income (FVOCI)	4	(1,641)	2,507
<b>Total other comprehensive income included in net result</b>		<b>(1,641)</b>	<b>2,507</b>
<b>Net result for the year</b>		<b>(8,638)</b>	<b>13,064</b>

*The statement of profit or loss and other comprehensive income should be read in conjunction with the notes to the financial statements*

**CANCER COUNCIL VICTORIA  
STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2018**

	Note	2018 \$'000s	2017 \$'000s
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	1,442	3,028
Receivables	6	2,774	2,891
Inventories		492	496
Other financial assets	7	89,587	92,945
Other assets		534	630
<b>Total current assets</b>		<b>94,829</b>	<b>99,990</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	4,147	4,598
Intangible assets	9	1,880	1,707
<b>Total non-current assets</b>		<b>6,027</b>	<b>6,305</b>
<b>Total assets</b>		<b>100,856</b>	<b>106,295</b>
<b>CURRENT LIABILITIES</b>			
Payables		4,876	2,865
Administered program funding	10	323	347
Employee benefits provisions	11	4,201	4,015
Provision for research grants		5,134	5,534
Deferred revenue		1,713	1,189
Lease incentive		543	543
<b>Total current liabilities</b>		<b>16,790</b>	<b>14,493</b>
<b>NON-CURRENT LIABILITIES</b>			
Employee benefits provisions	11	702	566
Provision for research grants		5,097	3,786
Lease incentive		1,969	2,514
<b>Total non-current liabilities</b>		<b>7,768</b>	<b>6,866</b>
<b>Total liabilities</b>		<b>24,558</b>	<b>21,359</b>
<b>Net assets</b>		<b>76,298</b>	<b>84,936</b>
<b>EQUITY</b>			
Reserves	12	44,597	48,921
Accumulated surplus		31,701	36,015
<b>Total equity</b>		<b>76,298</b>	<b>84,936</b>

*The statement of financial position should be read in conjunction with the notes to the financial statements*

**CANCER COUNCIL VICTORIA  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Note	Reserves \$'000s	Accumulated Surplus \$'000s	Total Equity \$'000s
<b>Balance at 31 December 2016</b>		<b>48,543</b>	<b>23,329</b>	<b>71,872</b>
Net result for the year		-	10,557	10,557
Other comprehensive income	4	2,507	-	2,507
Total comprehensive income for the year		2,507	10,557	13,064
Transfer (to)/from Accumulated surplus		1,026	(1,026)	-
Transfer of realised (gain)/loss of investments at fair value through other comprehensive income (FVOCI) to accumulated surplus		(3,155)	3,155	-
<b>Balance as at 31 December 2017</b>		<b>48,921</b>	<b>36,015</b>	<b>84,936</b>
Net result for the year		-	(6,997)	(6,997)
Other comprehensive income	4	(1,641)	-	(1,641)
Total comprehensive income for the year		(1,641)	(6,997)	(8,638)
Transfer (to)/from Accumulated surplus		(1,675)	1,675	-
Transfer of realised (gain)/loss of investments at fair value through other comprehensive income (FVOCI) to accumulated surplus		(1,008)	1,008	-
<b>Balance as at 31 December 2018</b>		<b>44,597</b>	<b>31,701</b>	<b>76,298</b>

*The statement of changes in equity should be read in conjunction with the notes to the financial statements*

**CANCER COUNCIL VICTORIA  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Note	2018 \$'000s	2017 \$'000s
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from charitable support, retail, royalties and fees for service		32,613	51,445
Funding for external projects		26,773	24,088
Net dividends, distributions, interest and imputation credits from financial assets		3,529	3,138
Payments to suppliers and employees		(65,203)	(68,606)
<b>Net cash (used in)/provided by operating activities</b>		<u>(2,288)</u>	<u>10,065</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of property, plant and equipment		(499)	(228)
Purchases of software		(516)	(707)
Net proceeds from/(purchases of) investments in financial assets		1,717	(8,957)
<b>Net cash provided by/(used in) investing activities</b>		<u>702</u>	<u>(9,892)</u>
<b>Net (decrease)/increase in cash and cash equivalents held</b>		<b>(1,586)</b>	<b>173</b>
Cash and cash equivalents at the beginning of the year		3,028	2,855
<b>Cash and cash equivalents at the end of the year</b>	5	<u>1,442</u>	<u>3,028</u>

*The statement of cash flows should be read in conjunction with the notes to the financial statements*

**CANCER COUNCIL VICTORIA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES**

**(a) Reporting entity**

These financial statements represent the general purpose financial statements for Cancer Council Victoria, as an individual reporting entity, for the year ended 31 December 2018. Cancer Council Victoria is a not-for-profit charity registered as a company limited by guarantee in Victoria under the Australian Securities and Investments Commission and is an entity registered under the *Australian Charities and Not-for-profits Commission Act 2012* (Cth). As such there is no share capital recorded in the financial statements. Cancer Council Victoria does not pay any dividends.

Cancer Council Victoria's principal address is:

Cancer Council Victoria  
615 St Kilda Road  
Melbourne Victoria 3004  
Australia

**(b) Statement of compliance**

Cancer Council Victoria applies Australian Accounting Standards - Reduced Disclosure Requirements as set out in AASB 1053: *Application of Tiers of Australian Accounting Standards*.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the *Australian Charities and Not-for-profits Commission Act 2012* (Cth). The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

These financial statements were recommended by the Finance, Risk and Audit Committee and subsequently approved by the Board.

**(c) Basis of accounting preparation and measurement**

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

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 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. The financial statements have been prepared in accordance with the historical cost convention, unless otherwise modified to be measured at fair value.

These financial statements are presented in Australian dollars, the functional and presentation currency of Cancer Council Victoria. Where necessary, comparatives have been reclassified and repositioned for consistency with current period disclosure. Amounts in the financial statements (including the notes) have been rounded to the nearest thousand dollars, unless otherwise stated. Figures in the financial statements may not equate due to rounding.

**(d) Rounding of amounts**

Cancer Council Victoria has applied the relief available to it under ASIC Legislative Instrument 2016/191. Accordingly, amounts in the financial statements have been rounded off to the nearest \$1,000.

**CANCER COUNCIL VICTORIA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(e) Comparatives**

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

**(f) Critical accounting estimates and judgments**

In the application of AASB's, 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 professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and associated assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision.

The following critical judgements and assumptions made by management that have significant effects on the financial statements can be found in the following notes to the financial statements:

	<b>Note</b>
Provision for doubtful debts	6
Useful lives of assets	8 & 9
Employee entitlements/benefits	11

**NOTE 2 - INCOME**

**(a) Charitable support**

	<b>2018 \$'000s</b>	<b>2017 \$'000s</b>
Bequests	10,296	26,441
Donations	6,255	8,238
Community and other fundraising activities	10,240	10,860
<b>Total charitable support</b>	<b>26,791</b>	<b>45,539</b>

**(b) External program funding**

Victorian State Government (DHHS)	15,748	11,478
VicHealth ( <i>a State Government statutory authority</i> )	5,118	5,811
Federal Government	4,752	5,119
Other Foundations	1,250	1,680
<b>Total external program funding</b>	<b>26,868</b>	<b>24,088</b>

**(c) Dividends, distributions, interest and imputation credits**

Dividends, distributions, interest and imputation credits from financial assets	3,439	3,069
Interest from Cash and cash equivalents	90	69
<b>Total dividends, distributions, interest and imputation credits</b>	<b>3,529</b>	<b>3,138</b>

**CANCER COUNCIL VICTORIA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**NOTE 2 - INCOME (CONT'D)**

*Recognition and measurement*

*Charitable support*

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. a single payment is made directly from an individual supporter to Cancer Council Victoria on their own behalf; or
- b. 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.

*External program funding*

External program funding is recognised 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 Cancer Council Victoria; and
- c. the amount of the contribution can be measured reliably.

If conditions are attached to the external program funding and grants which must be satisfied before the entity is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When external funding and grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor; otherwise the funding and grants are recognised when the above conditions are met.

*Dividends*

Dividend income is recognised on the date Cancer Council Victoria's right to receive payments is established, which in the case of quoted securities is the date received.

*Interest income*

Interest income is recognised as it accrues, using the effective interest method.

*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 Cancer Council Victoria; and
- b. the amount of the revenue can be measured reliably.

*Goods sold and services rendered*

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer. Revenue from services rendered is recognised when the services have been provided and is stated net of goods and services tax.

**CANCER COUNCIL VICTORIA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

	2018 \$'000s	2017 \$'000s
<b>NOTE 3 - EXPENSES</b>		
<b>(a) Research</b>		
Research grants to Victorian universities, hospitals and medical research institutes included in research expenditure	6,553	5,926
Clinical Trials Support	1,675	1,341
Victorian Cancer Biobank	1,091	2,193
Victorian Cancer Registry - registers all cancer cases in Victoria and provides statistical analysis	4,032	3,817
Behavioural research into behavioural aspects of cancer prevention, screening and management	4,077	4,708
Cancer Epidemiology and Intelligence research into the occurrence, distribution and determinants of disease	6,475	6,619
ABC Cohort Study into how genes and lifestyle impact cancer risk	1,763	2,669
Other research including Supportive Care research	487	921
<b>Total research</b>	<b>26,153</b>	<b>28,194</b>

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 2018 is \$5,741,789 (2017: \$5,276,540).

**(b) Cancer prevention and early detection**

Prevention - programs to create awareness about prevention and early detection	1,903	1,671
Obesity prevention programs	3,626	1,501
Quit - public education program to reduce tobacco consumption and prevent the uptake of smoking	9,066	8,428
Sun Smart - public education program related to skin cancer prevention and early detection	2,368	1,888
Screening Programs - public education and engagement to increase participation	2,542	2,582
<b>Total cancer prevention and early detection</b>	<b>19,505</b>	<b>16,070</b>

The above table includes social marketing expenditure of \$5,824,722 (2017: \$3,796,492).

**(c) Support**

Provision of cancer information and practical and emotional support services to patients, their carer's and cancer survivors	4,953	4,443
McCabe Centre for Law and Cancer	2,001	1,491
<b>Total support</b>	<b>6,954</b>	<b>5,934</b>

**(d) Charitable support**

Bequests	308	284
Donations	3,608	3,117
Community fundraising activities	4,457	4,929
Administration	3,815	3,694
Communications	725	622
<b>Total charitable support</b>	<b>12,913</b>	<b>12,646</b>



**CANCER COUNCIL VICTORIA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**NOTE 3 - EXPENSES (CONT'D)**

*Recognition and measurement*

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 8 and 11 regarding depreciation expense and employee benefits, respectively.

	2018 \$'000s	2017 \$'000s
<b>NOTE 4 - OTHER COMPREHENSIVE INCOME</b>		
<b>(a) Change in fair value of equity investments at fair value through other comprehensive income (FVOCI)</b>		
Realised gain	1,008	3,156
Unrealised loss	(2,649)	(649)
<b>Total change in fair value of equity investments at fair value through other comprehensive income (FVOCI)</b>	<b>(1,641)</b>	<b>2,507</b>

*Recognition and measurement*

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 5 - CASH AND CASH EQUIVALENTS**

Cash on hand and at bank	961	1,734
Cash managed by investment bank	481	1,294
<b>Total cash and cash equivalents</b>	<b>1,442</b>	<b>3,028</b>

*Cash on hand and at bank*

The cash at bank generated an average interest rate of 1.50% (2017: 1.50%).

*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 0.5% (2017: 0.5%). Refer to note 7.

*Financing Facilities*

Financing facilities available at the reporting date were \$100,000 (2017: \$200,000). This facility was unused at the reporting date (2017: \$22,907).

*Recognition and measurement*

Cash and cash equivalents comprise cash on hand, cash at bank 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 they have 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 their carrying amount.

**CANCER COUNCIL VICTORIA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

	2018 \$'000s	2017 \$'000s
<b>NOTE 6 - RECEIVABLES</b>		
Trade receivables	405	845
Other debtors	2,377	2,086
<b>Total receivables</b>	<b>2,782</b>	<b>2,931</b>
Provision for doubtful debts	(8)	(40)
<b>Total net receivables</b>	<b>2,774</b>	<b>2,891</b>

*Recognition and measurement*

Receivables are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest method, less an allowance for impairment.

*Key estimate and judgement*

A provision is made for doubtful debts (if there are any) when there is objective evidence that the debts may not be collected and bad debts are written off when identified.

	2018 \$'000s	2017 \$'000s
<b>NOTE 7 - OTHER FINANCIAL ASSETS</b>		
<b>(a) Financial assets at fair value through other comprehensive income (FVOCI)</b>		
Australian equities	18,813	20,229
International equities	10,486	9,172
Australian fixed interest	26,819	24,289
Australian real estate	1,268	2,107
<b>Total financial assets at fair value through other comprehensive income (FVOCI)</b>	<b>57,386</b>	<b>55,797</b>
<b>(b) Amortised cost investments</b>		
Australian term deposits, bank bills and promissory notes (maturity < 1 year)	29,988	35,201
Security deposit	2,213	1,947
<b>Total amortised cost investments</b>	<b>32,201</b>	<b>37,148</b>
<b>Total other financial assets</b>	<b>89,587</b>	<b>92,945</b>

Investments classified as fair value through other comprehensive income (FVOCI) are managed by Crestone Wealth Management.

*Investments and other financial assets*

Investments and other financial assets are initially measured at fair value. They are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on the purpose of the acquisition and subsequent reclassification to other categories is restricted. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and Cancer Council Victoria has transferred substantially all the risks and rewards of ownership.

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

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

*Amortised cost investments*

Amortised cost investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is Cancer Council Victoria's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

**CANCER COUNCIL VICTORIA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**NOTE 8 - PROPERTY, PLANT AND EQUIPMENT**

31 December 2018	Computer and office equipment \$'000s	Plant and other equipment \$'000s	Leasehold improvements \$'000s	Total \$'000s
- at cost	1,258	520	7,466	9,244
- accumulated depreciation	(693)	(509)	(3,895)	(5,097)
<b>Closing balance at fair value</b>	<b>565</b>	<b>11</b>	<b>3,571</b>	<b>4,147</b>
<b>Movements in property, plant and equipment</b>				
Opening balance as at 1 January 2018	180	77	4,341	4,598
Additions	499	-	-	499
Depreciation	(114)	(66)	(770)	(950)
<b>Closing balance as at 31 December 2018</b>	<b>565</b>	<b>11</b>	<b>3,571</b>	<b>4,147</b>
<b>31 December 2017</b>				
	Computer and office equipment \$'000s	Plant and other equipment \$'000s	Leasehold improvements \$'000s	Total \$'000s
- at cost	774	520	7,466	8,760
- accumulated depreciation	(594)	(443)	(3,125)	(4,162)
<b>Closing balance at fair value</b>	<b>180</b>	<b>77</b>	<b>4,341</b>	<b>4,598</b>
<b>Movements in property, plant and equipment</b>				
Opening balance as at 1 January 2017	120	154	4,994	5,268
Additions	127	-	101	228
Depreciation	(67)	(77)	(754)	(898)
<b>Closing balance as at 31 December 2017</b>	<b>180</b>	<b>77</b>	<b>4,341</b>	<b>4,598</b>

*Recognition and measurement*

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

Plant and equipment with a cost exceeding \$5,000 are capitalised (2017: \$5,000).

*Plant and equipment*

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset.

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.

*Key estimate and judgement*

*Depreciation*

Depreciation is expensed on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The depreciation rates in the current and comparative period are as follows:

Asset class	Depreciation Rates
Computer equipment	20 - 33.3%
Other plant and equipment	20.0%
Leasehold improvements	10 - 33%

**CANCER COUNCIL VICTORIA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**NOTE 8 - PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments made where appropriate.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

	2018 \$'000s	2017 \$'000s
<b>NOTE 9 - INTANGIBLE ASSETS</b>		
Computer software	2,625	2,312
Less accumulated amortisation	(1,655)	(1,312)
Software development - work in progress	910	707
<b>Total Computer software</b>	<b>1,880</b>	<b>1,707</b>
<b>Movement:</b>		
Opening carrying amount	1,707	1,301
Additions, disposals and transfers	516	707
Amortisation	(343)	(301)
<b>Closing carrying amount</b>	<b>1,880</b>	<b>1,707</b>

*Recognition and measurement*

Computer software represents identifiable non-monetary assets without physical substance. In accordance with Cancer Council Victoria's policy computer software with a cost over \$5,000 (2017: \$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 Cancer Council Victoria.

*Key estimate and judgement*

Intangible assets with finite useful lives are amortised on a straight-line basis over the asset's estimated useful life. 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 (2017: 5 year period).

	2018 \$'000s	2017 \$'000s
<b>NOTE 10 - ADMINISTERED PROGRAM FUNDING</b>		
Victorian Cancer Survivorship Program	323	347
<b>Total Administered Program Funding</b>	<b>323</b>	<b>347</b>

*Recognition and measurement*

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

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.

**CANCER COUNCIL VICTORIA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

	2018 \$'000s	2017 \$'000s
<b>NOTE 11 - EMPLOYEE BENEFITS</b>		
<b>(a) Current</b>		
Annual Leave	1,950	1,968
Long-Service Leave	2,251	2,047
<b>Current employee benefits</b>	<b>4,201</b>	<b>4,015</b>
<b>(b) Non-Current</b>		
Long-Service Leave	702	566
<b>Non-Current employee benefits</b>	<b>702</b>	<b>566</b>
<b>Total employee benefits</b>	<b>4,903</b>	<b>4,581</b>

The number of full time equivalent employees at 31 December 2018 was 290 (2017: 308).

The total employee benefits expense during the period ended 31 December 2018 was \$27,118,842 (2017: \$27,003,696).

*Recognition and measurement*

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

*Key estimate and judgement*

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

*Long service leave*

The provision made in respect of employee benefits is measured based on an assessment of the existing benefits to determine the appropriate classification under the definition of short term and long term benefits, placing emphasis on when the benefit is expected to be settled.

The short term benefits provision is expected to be settled within 12 months, and is measured at nominal values using the remuneration rate expected to apply at the time of settlement.

The long term benefits provision is not expected to be settled within 12 months, and is measured as the present value of the estimated future cash outflows to be made by Cancer Council Victoria in respect of services provided by employees up to the reporting date. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on corporate bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss classified under employee benefits expense.

The company's obligations for long-term employee benefits are presented as non-current liabilities in its 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 \$2,402,962 (2017: \$2,247,221).

**CANCER COUNCIL VICTORIA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**NOTE 12 - RESERVES**

	Special Funds \$'000s	External Grants Reserve \$'000s	Research Fund Reserve \$'000s	Other Restricted Funds \$'000s	General Reserve \$'000s	FVOCI Reserve \$'000s	Total \$'000s
Opening balance at 1 January 2017	3,538	12,901	6,660	4,634	15,315	5,495	48,543
Other comprehensive income	-	-	-	-	-	2,507	2,507
Transfer (to)/from the Accumulated surplus	8	164	(2,690)	2,438	1,106	(3,155)	(2,129)
<b>Closing balance at 31 December 2017</b>	<b>3,546</b>	<b>13,065</b>	<b>3,970</b>	<b>7,072</b>	<b>16,421</b>	<b>4,847</b>	<b>48,921</b>
Opening balance at 1 January 2018	3,546	13,065	3,970	7,072	16,421	4,847	48,921
Other comprehensive income	-	-	-	-	-	(1,641)	(1,641)
Transfer (to)/from the Accumulated surplus	12	1,763	(1,719)	389	(2,120)	(1,008)	(2,683)
<b>Closing balance at 31 December 2018</b>	<b>3,558</b>	<b>14,828</b>	<b>2,251</b>	<b>7,461</b>	<b>14,301</b>	<b>2,198</b>	<b>44,597</b>

*Special Funds*

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*

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.

*FVOCI Reserve*

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

**CANCER COUNCIL VICTORIA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

	2018 \$'000s	2017 \$'000s
<b>NOTE 13 - EXECUTIVE REMUNERATION</b>		
Total remuneration	2,064,135	2,356,611

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:

	2018	2017
<b>Salary Band ('000s)</b>		
<\$150	2	3
\$150 - 200	3	2
\$200 - 250	2	3
\$250 - 300	2	1
>\$300	1	2
<b>Total numbers</b>	10	11

There was one executive vacancy during 2018 and both the original and newly appointed executives have been included in the above table.

	2018 \$'000s	2017 \$'000s
<b>NOTE 14 - LEASE COMMITMENTS</b>		
Future operating lease rentals not provided for in the financial statements and payable:		
Non-cancellable operating leases payable		
- Not longer than one year	3,589	3,485
- Longer than one year and not longer than five years	13,601	14,696
- Longer than five years	-	2,456
	17,190	20,637

As at 31 December 2018, lease commitments for \$17,094,574 relate to lease rentals for both the buildings and warehouse (2017: \$20,504,573). The remaining commitments relate to motor vehicles.

**Recognition and measurement**

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

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

**NOTE 15 - CONTINGENT ASSETS AND CONTINGENT LIABILITIES**

**(a) 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 2018, 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.

**CANCER COUNCIL VICTORIA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**NOTE 15 - CONTINGENT ASSETS AND CONTINGENT LIABILITIES (CONT'D)**

**(b) Contingent liabilities**

Cancer Council Victoria'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.

*Recognition and measurement*

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.

**NOTE 16 - SUBSEQUENT EVENTS**

There are no other material events subsequent to balance date that significantly affect the operation, the results, or the state of affairs of Cancer Council Victoria.

**NOTE 17 - OTHER ACCOUNTING POLICIES**

**(a) 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.

**(b) Impairment of assets**

The carrying amounts of Cancer Council Victoria's assets, other than inventories and financial assets at fair value through other comprehensive income (FVOCI) (refer to note 7) are reviewed at the end of each reporting period to determine whether there is any indication of impairment.

When it is determined that an indication of impairment exists, the recoverable amount of the particular asset or a cash-generating unit is estimated and an impairment loss is recognised whenever the carrying amount of such asset or 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.



**CANCER COUNCIL VICTORIA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**NOTE 17 - OTHER ACCOUNTING POLICIES (CONT'D)**

**(c) Payables**

Payables consist of:

*Contractual payables*

Including accounts payable and unearned income. Accounts payable represent liabilities for goods and services provided to Cancer Council Victoria prior to the end of the financial period that are unpaid, and arise when Cancer Council Victoria becomes obliged to make future payments in respect of the purchase of those goods and services; and

*Statutory payables*

Including goods and services tax and fringe benefits tax payables.

Contractual payables are classified as financial instruments and categorised as financial liabilities at amortised cost. Statutory payables are recognised and measured similarly to contractual payables, but are not classified as financial instruments and are not included in the category of financial liabilities at amortised cost, because they do not arise from contract.

**(d) Provisions**

A provision is recognised when Cancer Council Victoria 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 Cancer Council Victoria'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.

**(e) 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 Australian Taxation Office (ATO). 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 ATO 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 ATO, are classified as operating cash flows.

**(f) 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* (Cth). 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.

**DIRECTORS' DECLARATION  
CANCER COUNCIL VICTORIA  
FOR THE YEAR ENDED 31 DECEMBER 2018**

The directors of the registered entity declare that, in the directors' opinion:

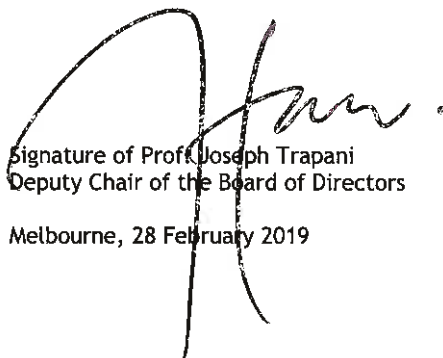
1. The financial statements and notes, as set out on pages 7 to 23, satisfy the requirement of the *Australian Charities and Not-for-profits Commission Act 2012* (Cth) and:
  - (a) comply with Australian Accounting Standards-Reduced Disclosure Requirements; and
  - (b) give a true and fair view of the financial position of the registered entity as at 31 December 2018 and of its performance for the year ended on that date.
2. There are reasonable grounds to believe that the registered entity is able to pay all of its debts as and when they become due and payable.

This declaration is signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profits Commission Regulation 2013* (Cth).



Signature of Prof. Jeremy Millar  
Chair of the Board of Directors

Melbourne, 28 February 2019



Signature of Prof. Joseph Trapani  
Deputy Chair of the Board of Directors

Melbourne, 28 February 2019

**INDEPENDENT AUDITOR'S REPORT**

[2 pages]

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## INDEPENDENT AUDITOR'S REPORT

To the members of Cancer Council Victoria

### Report on the Audit of the Financial Report

#### Qualified opinion

We have audited the financial report of Cancer Council Victoria (the registered entity), which comprises the statement of financial position as at 31 December 2018, 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 ended 31 December 2018, and notes to the financial report, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, except for the effects of the matter described in the *Basis for Qualification Opinion* section of our report, 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 registered entity's financial position as at 31 December 2018 and of its financial performance for the year ended 31 December 2018; 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 qualified opinion

Community and other fundraising activities within Charitable Support income is a significant component of revenue for Cancer Council Victoria and is derived from a range of sources including cash donations. Cancer Council Victoria has determined that it is impractical to establish control over the collection of cash prior to its receipt by the Cancer Council Victoria's office and subsequent entry into its financial records, which is common for charitable organisations and consistent with prior years.

Accordingly, as the evidence available to us regarding revenue from cash sources was limited, our audit procedures with respect to cash donations had to be restricted to the amounts recorded in the financial records. We therefore are unable to express an opinion whether cash donations from Community and other fundraising activities obtained by the Cancer Council Victoria are complete.

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the registered entity 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* (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 qualified opinion.

#### Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in 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 the directors for the Financial Report**

The directors of the registered entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012*, 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, the directors are responsible for assessing the registered entity'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 registered entity or to cease operations, or has no realistic alternative but to do so.

The directors are responsible for overseeing the registered entity's financial reporting process.

#### **Auditor's responsibilities for the audit of the Financial Report**

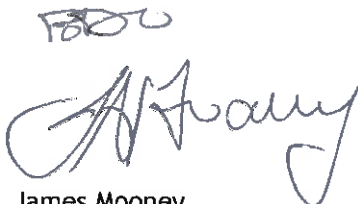
Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that 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\\_files/ar3.pdf](http://www.auasb.gov.au/auditors_files/ar3.pdf).

This description forms part of our auditor's report.

#### **BDO East Coast Partnership**



James Mooney  
Partner

Melbourne, 28 February 2019