

VICTORIAN COMPREHENSIVE CANCER CENTRE
JOINT VENTURE

Financial Report
for the year ended
30 June 2018

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Introduction

This is the Financial Report of the Victorian Comprehensive Cancer Centre joint venture for 2017/18. The Victorian Comprehensive Cancer Centre is an unincorporated entity which was formed when the Member Entities entered into a Joint Venture Agreement on 11 November 2009 for the purpose of establishing a comprehensive cancer centre in Victoria.

A description of the nature of the joint venture operation and its principal activities is included in the Review of Operations.

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Glossary

VCCC	Victorian Comprehensive Cancer Centre joint venture
VCCC Ltd, or The Company	Victorian Comprehensive Cancer Centre Ltd
AASB	Australian Accounting Standards Board
DHHS	Department of Health & Human Services, Victoria
GST	Goods and Services Tax
VAGO	Victorian Auditor-General's Office
State	The Crown in the right of the State of Victoria
ICT	Information & Communications Technology

Joint Venture Information

The Member Entities entered into a Joint Venture Agreement on 11 November 2009 for the purposes of establishing a world leading comprehensive cancer centre in Victoria. The Member Entities in Clause 8 of the Joint Venture Agreement agreed to appoint the Victorian Comprehensive Cancer Centre Ltd (the Company) to manage the joint venture. Clause 8 of the Joint Venture Agreement provides authority to the Company to exercise all the powers and rights of the Member Entities in respect of joint venture assets. Further, Clause 8 of the Joint Venture Agreement provides for the Company to hold all joint venture assets as bare trustee for the Member Entities and their respective beneficial interests.

Member Entities

Melbourne Health
Peter MacCallum Cancer Institute (trading as the Peter MacCallum Cancer Centre)
The Royal Women's Hospital
The University of Melbourne
St Vincent's Hospital Melbourne
The Walter and Eliza Hall Institute of Medical Research
The Royal Children's Hospital
Western Health
Austin Health
Murdoch Childrens Research Institute

Principal Place of Business

Level 10
305 Grattan Street
Melbourne, Victoria, 3000
Phone: + 61 3 9035 4505

Mailing Address

PO Box 2148
Royal Melbourne Hospital
Victoria, 3050

Auditors

Victorian Auditor-General's Office
Level 31, 35 Collins Street
Melbourne, Victoria, 3000

Review of Operations

The manager of the joint venture submits the financial report for the year ended 30 June 2018.

The year-ended 30 June 2018 has seen important progress to delivering on the objectives of the VCCC and the deliverables of our four-year funding agreement with the Department of Health and Human Services (DHHS). The initial focus was on our draft Strategic Research Plan (SRP) which was further developed and refined with input from DHHS and our members. It represents the shared vision and purpose of people and organisations committed to working together in new and better ways towards optimising outcomes for cancer patients. The final version incorporating clinical trials programs was submitted in October 2017 and approved by DHHS in November 2017.

The programs in the SRP are grouped into four broad themes: Leadership and Collaboration; An Outstanding Cancer Workforce; Research Capability and Capacity, and Clinical Trials Expansion. Just as 'the whole is greater than the sum of its parts', the 19 programs that form the SRP cannot be considered in isolation - each is intrinsically linked and connected to the others.

At the end of three years, success will mean:

- more clinical trials covering more cancer disciplines, and more patients getting the opportunity to participate in trials and clinical research
- greater capacity and capability of the cancer workforce
- new collaborative programs in cutting-edge areas of cancer research, such as immunotherapy, targeted therapies, precision prevention and tailored screening
- effective leadership across the alliance and a culture of collaboration embedded at an organisation level

Significant milestone payments from DHHS were received post-approval of the SRP which has resulted in a significant increase in revenue (up \$9m on 2016/17) to allow for the implementation of the plan.

Once approved, implementation of the SRP became the focus of the organisation. This has seen the formation of steering groups and/or working parties to support each program, plus recruitment of staff with expertise to support the delivery of the programs. Recruitment has resulted in significant increases in employee benefits expense (up \$1m on 2016/17). These costs along with project expenditure will increase significantly in the coming years as the programs move through delivery phases. The development and implementation of the SRP has provided an effective mechanism for engagement and collaboration across the alliance.

Review of Operations (continued)

The strong focus on supporting education of the cancer workforce continued over the year with a suite of offerings from leadership development through to regular lunchtime seminars from local and visiting research and clinical leaders. These programs saw over 6,700 people attend more than 60 educational activities developed and/or coordinated by the VCCC. The ongoing development of the Masters of Cancer Science continues with a start date for delivery of early 2019.

The cornerstone Research & Education Lead program expanded under the SRP with five new appointees in Genito-Urinary, Gynae, Head & Neck, Sarcoma and Central Nervous System & Brain cancers. These senior leadership appointments, drawn from across the alliance partners, join six existing R&E Leads to fill gaps and capitalise on opportunities to integrate and amplify research, education and multi-site clinical trials in tumour streams or cancer themes. The final appointment in this program will be an R&E Lead in breast cancer.


A highlight of early SRP clinical trials activity was the launch of the Investigator-Initiated Cancer Clinical Trials program with a first call for support for investigators to bring forward new ways of improving the outcomes of cancer patients in Victoria. In the research development portfolio, Precision Prevention and Tailored Screening (PPTS) program provided an exemplar of consensus decision-making in selecting three priorities for development under the scheme: i) progressing tailored breast screening, ii) building capacity in implementation science applied to Cancer Council Australia /NHMRC Practice Guidelines for Aspirin Chemoprevention and iii) a genomic platform for predicting risk of multiple common cancers. Each of these has the potential to progress translation of best practice research evidence on cancer prevention and early detection closer to routine clinical practice.

Overall progress on all 19 programs of the SRP and other ongoing VCCC activity is tracking on schedule and within budget expectations.

Significant Events after Balance Date

There have been no significant events or changes after Balance Date.

Signed in accordance with a resolution of the Board of the Victorian Comprehensive Cancer Centre Ltd, the manager of the joint venture.



Professor Linda Kristjanson
Chairperson
Victorian Comprehensive Cancer Centre Ltd

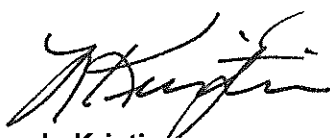
Dated: 16.8.18.
Melbourne

Declaration by the manager of VCCC Joint Venture - Victorian Comprehensive Cancer Centre Ltd

In the opinion of the manager of the joint venture:

- (i) The Comprehensive Operating Statement is drawn up so as to present fairly the results of the joint venture for the financial year ended 30 June 2018;
- (ii) The Balance Sheet is drawn up so as to present fairly the state of affairs of the joint venture as at 30 June 2018;
- (iii) The Statement of Changes in Equity is drawn up so as to present fairly the results of the joint venture for the financial year ended 30 June 2018;
- (iv) The Cash Flow Statement is drawn up so as to present fairly the cash flows of the joint venture for the financial year ended 30 June 2018;
- (v) At the date of this statement there are reasonable grounds to believe that the joint venture will be able to pay its debts as and when they become due and payable.

This statement is made in accordance with a resolution of the Board of the Victorian Comprehensive Cancer Centre Ltd, the manager of the joint venture.



L. Kristjanson
Chairperson



G. McArthur
Executive Director



C. Zanker
Chief Operating Officer

Melbourne

Dated: 16.8.18

Comprehensive Operating Statement for the year ended 30 June 2018

	Note	2018 \$	2017 \$
Income from transactions			
Contributions from Member Entities	2(a)	1,471,750	1,450,000
Contributions from Department of Health & Human Services	2(a)	13,971,750	5,124,167
Other income	2(a)	127,277	215,038
Interest income	2(b)	208,366	92,711
Total income from transactions		15,779,143	6,881,916
Expenses from transactions			
Project Expenditure			
Living with Cancer		-	(118,035)
Leaders in Cancer Strategy		-	(21,190)
Research Projects		(615,044)	(509,154)
Education and Training Projects		(254,316)	(387,590)
Clinical Research Focus Projects		(358,425)	(112,978)
Other expenses			
Employee benefit expense	3(a)	(2,527,980)	(1,415,723)
Supplies and services	3(b)	(879,879)	(620,826)
Depreciation expense	3(c)	(19,160)	(13,671)
Total expenses from transactions		(4,654,804)	(3,199,167)
Net result from transactions (net operating balance)		11,124,339	3,682,749
Comprehensive result		11,124,339	3,682,749

This Comprehensive Operating Statement should be read in conjunction with the accompanying notes included on pages 12 to 33.

Balance Sheet

as at 30 June 2018

	Notes	2018 \$	2017 \$
Assets			
Current assets			
Cash and cash equivalents	4	6,361,032	2,664,218
Other financial assets	5	9,500,000	3,000,000
Trade and other receivables	6	79,486	27,101
Prepayments	7	1,008,159	-
Total Current assets		16,948,677	5,691,319
Non-Current assets			
Investment in Cancer Therapeutics CRC		9,596	9,596
Property, plant and equipment	8	175,545	27,628
Total non-current assets		185,141	37,224
Total assets		17,133,818	5,728,543
Liabilities			
Current liabilities			
Trade and other payables	9	435,549	224,010
Provisions	10	108,958	76,288
Total Current liabilities		544,507	300,298
Non-Current liabilities			
Provisions	10	97,621	60,893
Total Non-Current liabilities		97,621	60,893
Total liabilities		642,128	361,191
Net assets		16,491,690	5,367,352
Equity			
Accumulated Surplus		16,491,690	5,367,352
Total equity		16,491,690	5,367,352
Contingent assets and contingent liabilities	18		
Commitments for expenditure	19		

This Balance Sheet should be read in conjunction with the accompanying notes included on pages 12 to 33.

Statement of Changes in Equity for the year ended 30 June 2018

	Note	Equity at 1 July 2017	Total comprehen- sive result	Equity at 30 June 2018
2018		\$	\$	\$
Accumulated surplus		5,367,351	11,124,339	16,491,690
Total equity at end of financial year		5,367,351	11,124,339	16,491,690

	Note	Equity at 1 July 2016	Total comprehen- sive result	Equity at 30 June 2017
2017		\$	\$	\$
Accumulated surplus		1,684,602	3,682,749	5,367,351
Total equity at end of financial year		1,684,602	3,682,749	5,367,351

This Statement of Changes in Equity should be read in conjunction with the accompanying notes included on pages 12 to 33.

Cash Flow Statement for the year ended 30 June 2018

	Note	2018 \$	2017 \$
Cash flows from operating activities			
Receipts			
Receipts from Members		1,471,750	1,450,000
Receipts from Department of Health & Human Services		15,368,925	5,234,169
Receipts from Customers		131,967	246,628
Goods and Services Tax received from (payed to) the ATO		(1,103,581)	(320,374)
Interest received		184,236	93,738
Total receipts		16,053,297	6,704,161
Payments			
Payments to suppliers and employees		(5,754,431)	(3,588,879)
Total payments		(5,754,431)	(3,588,879)
Net cash flows from operating activities	12	10,298,866	3,115,282
Cash flows from investing activities			
Proceeds from sale of assets		-	7,500
Payments for non-financial assets		(102,052)	(24,131)
Payments for financial assets		(6,500,000)	(1,406,025)
Net cash flows used in investing activities		(6,602,052)	(1,422,656)
Net increase in cash and cash equivalents		3,696,814	1,692,626
Cash and cash equivalents at the beginning of financial year		2,664,218	971,592
Cash and cash equivalents at the end of financial year	4	6,361,032	2,664,218

This cash flow statement should be read in conjunction with the accompanying notes included on pages 12 to 33.

Notes to and Forming Part of the Financial Statements for the year ended 30 June 2018

Note 1. Summary of Significant Accounting Policies

(a) Basis of preparation of Financial Report

This general purpose financial report has been prepared in accordance with Australian Accounting Standards and Australian Accounting Interpretations and other mandatory requirements.

The Victorian Comprehensive Cancer Centre is a not for profit entity and therefore applies the additional paragraphs applicable to "not for profit" entities under Australian Accounting Standards.

The reporting period is from 1 July 2017 to 30 June 2018. The reporting period for the 2017 comparative period is from 1 July 2016 to 30 June 2017.

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

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2018, and the comparative information presented in these financial statements for the year ended 30 June 2017.

The financial report is prepared in accordance with the historical cost convention and on the going concern basis.

These financial statements are presented in Australian dollars, the functional and presentation currency of the Victorian Comprehensive Cancer Centre.

The financial statements, except for cash flow information, have been prepared using the accrual basis of accounting. Under the accrual basis, items are recognised as assets, liabilities, equity, income or expenses when they satisfy the definitions and recognition criteria for those items, that is they are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

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

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

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

The nature of significant judgments, estimates and assumptions are described throughout the Notes to the Financial Statements.

Notes to and Forming Part of the Financial Statements for the year ended 30 June 2018 (continued)

Note 1. Summary of Significant Accounting Policies (Continued)

The following is a summary of the material accounting policies adopted by the economic entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(b) Income Recognition

Income from sale of goods

Income from the sale of goods is recognised by the joint venture when:

- the significant risks and rewards of ownership of the goods have transferred to the buyer;
- the joint venture retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of the Income can be reliably measured;
- it is probable that the economic benefits associated with the transaction will flow to the joint venture; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Income from the rendering of services

Income arising from the provision of services is recognised when the following conditions have been satisfied:

- the amount of the income and transaction costs incurred can be reliably measured; and
- it is probable that the economic benefits associated with the transaction will flow to the joint venture.

Government Grants & Venturer Contributions

In accordance with AASB 1004 *Contributions*, government grants and other transfers of income are recognised as income when the Joint Venture gains control of the underlying assets irrespective of whether conditions are imposed on the Joint Venture's use of the contributions.

Contributions are deferred as income in advance when the Joint Venture has a present obligation to repay them and the present obligation can be reliably measured.

Fair value of assets and services received free of charge or for nominal consideration

Contributions of resources received free of charge or for nominal consideration are recognised at their fair value when the transferee obtains control over them, irrespective of whether restrictions or conditions are imposed over the use of the contributions. Contributions in the form of services are only recognised when a fair value can be reliably determined and the services would have been purchased if not donated.

Other income

Amounts disclosed as income are, where applicable, net of returns, allowances and duties and taxes. Income is recognised for each of the joint venture's major activities.

(c) Interest Income

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

Notes to and Forming Part of the Financial Statements for the year ended 30 June 2018 (continued)

Note 1. Summary of Significant Accounting Policies (Continued)

(d) **Expenses**

Expenses are recognised as they are incurred and reported in the financial year to which they relate.

(e) **Employee Expenses**

Employee Expenses include wages and salaries, annual leave, sick leave, long service leave and superannuation expenses.

Employees of the Victorian Comprehensive Cancer Centre are entitled to receive superannuation benefits and contributions are made to defined contribution superannuation plans which are expensed when incurred.

The name and details of the major employee superannuation funds and contributions made by the Victorian Comprehensive Cancer Centre are disclosed in Note 15: Superannuation.

(f) **Depreciation**

Assets with a cost in excess of \$1,000 are capitalised and depreciation has been provided on depreciable assets so as to allocate their cost, or valuation, over their estimated useful lives using the straight-line method. Estimates of remaining lives and depreciation method for all assets are reviewed at least annually.

The following table indicates the expected useful lives of non-current assets on which the depreciation charges are based.

	2018	2017
Office Equipment	10 years	10 years
Computer Equipment (including software)	3-5 years	3-5 years
Leasehold Improvements	10 years	N/A

(g) **Cash and Cash Equivalents**

For cash flow statement presentation purposes, 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, and bank overdrafts.

(h) **Other financial assets**

Investments and other financial assets are recognised and derecognised on trade date where purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs. The VCCC classifies its other financial assets between current and non-current assets based on the purpose for which the assets were acquired. VCCC assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

(i) **Trade and Other Receivables**

All trade debtors are recognised at the amounts receivable as they are due for settlement no more than 30 days from the date of statement.

Collectability of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful debts is raised when some doubt as to collection exists.

Notes to and Forming Part of the Financial Statements for the year ended 30 June 2018 (continued)

Note 1. Summary of Significant Accounting Policies (Continued)

(j) Property, Plant and Equipment

Items of property, plant and equipment (PPE) are measured initially at cost, and subsequently revalued at fair value less accumulated depreciation and impairment. Fair value is determined with regard to the asset's highest and best use (considering legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset).

Fair value for PPE that is specialised in use (such that it is rarely sold other than as part of a going concern) is determined using the current replacement cost method. All of VCCC's PPE is considered specialised, and fair value for all non-current physical assets is determined using the current replacement cost method.

(k) Impairment of Assets

All non financial assets are assessed annually for indications of impairment.

If there is an indication of impairment, the assets concerned are tested as to whether their carrying value exceeds their possible recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written-off as an expense except to the extent that the write-down can be debited to an asset revaluation surplus amount applicable to that same class of asset.

If there is an indication that there has been a change in the estimate of an asset's recoverable amount since the last impairment loss was recognised, the carrying amount shall be increased to its recoverable amount. This reversal of the impairment loss occurs 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 in prior years.

It is deemed that, in the event of the loss or destruction of an asset, the future economic benefits arising from the use of the asset will be replaced unless a specific decision to the contrary has been made. The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell. Recoverable amount for assets held primarily to generate net cash inflows is measured at the higher of the present value of future cash flows expected to be obtained from the asset and fair value less costs to sell.

(l) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the joint venture prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(m) Provisions

Provisions are recognised when the Victorian Comprehensive Cancer Centre has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be received from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

Notes to and Forming Part of the Financial Statements for the year ended 30 June 2018 (continued)

Note 1. Summary of Significant Accounting Policies (Continued)

(n) Employee Benefits

i. Wages and Salaries and Annual Leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave which are wholly expected to be settled within 12 months of the reporting date are recognised in the provision for employee benefits in respect of employee's services up to the reporting date, and are classified as current liabilities and measured at their nominal values because the entity does not have an unconditional right to defer settlement of these liabilities.

Those liabilities that are not expected to be wholly settled within 12 months are also recognised in the provision for employee benefits as current liabilities, but are measured at present value of the amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

ii. Long Service Leave

The liability for long service leave (LSL) is recognised in the provision for employee benefits.

Current Liability – unconditional LSL (representing 10 or more years of continuous service, pro-rata entitlements and classified as current after 7) is disclosed in the notes to the financial statements as a current liability even where the Victorian Comprehensive Cancer Centre does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

Non-Current Liability – conditional LSL (representing less than 10 years of continuous service) is disclosed as a non-current liability. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service.

iii. On-costs

Employee benefit on-costs, such as workers compensation and superannuation are recognised separately from provisions for employee benefits.

(o) Goods and Services Tax

Income, 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 Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables 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 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 taxation authority, are presented as an operating cash flow.

(p) Commitments for Expenditure

Commitments for future expenditure are not recognised on the balance sheet but are disclosed by way of a note at their nominal value and are inclusive of the GST payable.

In addition, where it is considered appropriate and provides additional relevant information to users, the net present values of significant individual projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised on the balance sheet.

Notes to and Forming Part of the Financial Statements for the year ended 30 June 2018 (continued)

Note 1. Summary of Significant Accounting Policies (Continued)

(q) Contingent Assets and Contingent Liabilities

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

(r) Reporting Entity

The financial statements include all the controlled activities of the Victorian Comprehensive Cancer Centre.

A description of the nature of the Victorian Comprehensive Cancer Centre's operations is included in the Review of Operations, which does not form part of these financial statements.

(s) Rounding of Amounts

All amounts shown in the financial statements are expressed to the nearest \$1. Figures in the financial statements may not equal due to rounding.

Notes to and Forming Part of the Financial Statements for the year ended 30 June 2018 (continued)

Note 1. Summary of Significant Accounting Policies (continued)

(t) New Accounting Standards and Interpretations

Certain new Australian accounting standards and interpretations have been published that are not mandatory for the 30 June 2018 reporting period. As at 30 June 2018, the following standards and interpretations had been issued but were not mandatory for the reporting period ending 30 June 2018. The joint venture has not and does not intend to adopt these standards early.

Standard / Interpretation	Summary	Applicable for Annual Reporting periods beginning on	Impact on Financial Statements
AASB 9 <i>Financial Instruments</i>	The key changes include the simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.	1-Jan-18	No material impact is expected.
AASB 2014-7 <i>Amendments to Australian Accounting Standards arising from AASB 9</i>	Amends various AASs to incorporate the consequential amendments arising from the issuance of AASB 9.	1-Jan-18	The assessment has indicated that there will be no significant impact.
AASB 15 <i>Revenue from Contracts with Customers</i>	The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer.	1-Jan-18	The changes in revenue recognition requirements in AASB 15 may result in changes to the timing and amount of revenue recorded in the financial statements. The Standard will also require additional disclosures on service revenue and contract modifications.
AASB 2015-8 <i>Amendments to Australian Accounting Standards – Effective Date of AASB 15</i>	This Standard defers the mandatory effective date of AASB 15 from 1 January 2017 to 1 January 2018.	1-Jan-18	This amending standard will defer the application period of AASB 15 to the 2018-19 reporting period in accordance with the transition requirements.
AASB 2016-7 <i>Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities</i>	This Standard defers the mandatory effective date of AASB 15 for not-for-profit entities from 1 January 2018 to 1 January 2019.	1-Jan-19	This amending standard has deferred the application period of AASB 15 for not-for-profit entities to the 2019-20 reporting period.

Notes to and Forming Part of the Financial Statements for the year ended 30 June 2018 (continued)

Note 1. Summary of Significant Accounting Policies (continued)

(t) New Accounting Standards and Interpretations (continued)

AASB 16 Leases	The key changes introduced by AASB 16 include the recognition of operating leases (which are currently not recognised) on balance sheet.	1-Jan-19	The assessment has indicated that most operating leases, with the exception of short term and low value leases, will come on to the balance sheet and will be recognised as right of use assets with a corresponding lease liability. In the operating statement, the operating lease expense will be replaced by depreciation expense of the asset and an interest charge. There is no current material impact, however the VCCC expects more activity in this area in the future.
AASB 1058 <i>Income of Not-for-Profit Entities</i>	AASB 1058 standard will replace the majority of income recognition in relation to government grants and other types of contributions requirements relating to public sector not-for-profit entities, previously in AASB 1004 <i>Contributions</i> . AASB 1058 establishes principles for transactions that are not within the scope of AASB 15, where the consideration to acquire an asset is significantly less than fair value to enable not-for-profit entities to further their objective.	1-Jan-19	The current revenue recognition for grants is to recognise revenue up front upon receipt of the funds. VCCC does not expect to receive capital grants. The revenue recognition for operating grants will need to be analysed to establish whether the requirements under other applicable standards need to be considered for recognition of liabilities (which will have the effect of deferring the income associated with these grants). Only after that analysis would it be possible to conclude whether there are any changes to operating grants. The impact on current revenue recognition of the changes is the phasing and timing of revenue recorded in the profit and loss statement.

In addition to the new standards and amendments above, the AASB has issued a list of other amending standards that are not effective for the 2017-18 reporting period (as listed below). In general, these amending standards include editorial and references changes that are expected to have insignificant impacts on public sector reporting.

Note 1. Summary of Significant Accounting Policies (continued)

(t) New Accounting Standards and Interpretations (continued)

- AASB 2016-5 *Amendments to Australian Accounting Standards – Classification and Measurements of Share-based Payment Transactions*
- AASB 2016-6 *Amendments to Australian Accounting Standards – Applying AASB 9 Financial Instruments with AASB 4 Insurance Contracts*
- AASB 2017-1 *Amendments to Australian Accounting Standards – Transfers of Investment Property, Annual Improvements 2014-16 Cycle and Other Amendments*
- AASB 2017-3 *Amendments to Australian Accounting Standards - Clarifications to AASB 4*
- AASB 2017-4 *Amendments to Australian Accounting Standards - Uncertainty over Income Tax Treatments*
- AASB 2017-5 *Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections*
- AASB 2017-6 *Amendments to Australian Accounting Standards - Prepayment Features with Negative Compensation*
- AASB 2017-7 *Amendments to Australian Accounting Standards - Long-term Interests in Associates and Joint Ventures*
- AASB 2018-1 *Amendments to Australian Accounting Standards - Annual Improvements 2015-2017 Cycle*
- AASB 2018-2 *Amendments to Australian Accounting Standards - Plan Amendments, Curtailment or Settlement*

Notes to and Forming Part of the Financial Statements for the year ended 30 June 2018 (continued)

Note 2. Income from transactions

	2018 \$	2017 \$
(a) Income from transactions		
Contributions from Member Entities		
Melbourne Health	147,175	145,000
Peter MacCallum Cancer Institute (trading as the Peter MacCallum Cancer Centre)	147,175	145,000
The Royal Women's Hospital	147,175	145,000
The University of Melbourne	147,175	145,000
St Vincent's Hospital Melbourne	147,175	145,000
The Walter and Eliza Hall Institute of Medical Research	147,175	145,000
The Royal Children's Hospital	147,175	145,000
Western Health	147,175	145,000
Austin Health	147,175	145,000
Murdoch Childrens Research Institute	147,175	145,000
Total Contributions from Member Entities	1,471,750	1,450,000
Contributions from Department of Health & Human Services	13,971,750	5,124,167
Other Income	127,277	215,038
	15,570,777	6,789,205
(b) Interest income		
On bank deposits	208,366	92,711
	208,366	92,711
Total income from transactions	15,779,143	6,881,916

Note 3. Expenses from transactions

(a) Employee benefits		
Salary and wages	2,157,663	1,624,463
Seconded staff salary and wages	110,712	-
Superannuation	190,207	127,586
Movement in provision for employee entitlements	63,903	(305,488)
Movement in other on-costs - recognised in provision	5,495	(30,838)
	2,527,980	1,415,723
(b) Supplies and services		
Professional fees and consultants	136,401	92,792
ICT Conexus support costs	200,000	200,000
Insurance expense	25,316	25,316
Travel expense	124,496	27,728
Legal expense	42,047	8,576
Rent	15,310	22,700
External and internal audit fees	33,000	32,500
Communications expense	99,623	78,181
Subscriptions and memberships	96,721	32,987
Staff training	34,527	18,682
Other expenses	72,438	81,365
	879,879	620,826
(c) Depreciation		
Office equipment	102	840
Computer equipment and software	18,348	12,831
Leasehold improvements	710	-
	19,160	13,671

Notes to and Forming Part of the Financial Statements for the year ended 30 June 2018 (continued)

Note 4. Cash and cash equivalents

	2018 \$	2017 \$
Cash on hand	500	500
Cash at bank	6,360,532	2,663,718
Total cash and cash equivalents	6,361,032	2,664,218

Note 5. Other financial assets

	2018 \$	2017 \$
Funds on deposit ⁽ⁱ⁾	9,500,000	3,000,000
Total other financial assets	9,500,000	3,000,000

(i) Funds on deposit with a maturity of greater than three months are now recognised as an Other Financial Asset. Prior year cash balances have been adjusted to reflect this change.

Note 6. Trade and Other Receivables

	2018 \$	2017 \$
Contractual		
Trade receivables ⁽ⁱ⁾	7,022	4,235
Other receivables	27,850	895
	34,872	5,130
Statutory		
GST input tax credit recoverable	44,614	21,971
	44,614	21,971
Total trade and other receivables ⁽ⁱⁱ⁾	79,486	27,101

Notes:

(i) The average credit period on sales of goods is 30 days. No interest has been charged on trade receivables. No allowance for doubtful debts has been recognised as all amounts have been determined recoverable by reference to past default experience.

(ii) All receivables balances held at reporting date are classified as current.

For details of ageing analysis of contractual receivables and the nature and extent of risk arising from contractual receivables, please refer to Note 11.

Notes to and Forming Part of the Financial Statements for the year ended 30 June 2018 (continued)

Note 7. Prepayments

	2018 \$	2017 \$
Prepayments ⁽ⁱ⁾	1,008,159	-
Total prepayments	1,008,159	-

Notes:

(i) Prepayments primarily relate to project costs from members where the work will occur into the next financial year. Other minor operational costs for travel, services and training are also included.

Note 8. Property, plant and equipment

	2018 \$	2017 \$
Office equipment		
At fair value	1,020	1,020
Less accumulated depreciation	(700)	(598)
	320	422
Computer equipment - including software		
At fair value	96,404	61,191
Less accumulated depreciation	(52,332)	(33,985)
	44,072	27,206
Leasehold improvements		
At fair value	66,838	-
Less accumulated depreciation	(710)	-
	66,128	-
Assets under construction		
At cost	65,025	-
	65,025	-
Total Property, plant and equipment	175,545	27,628

	Office Equipment \$	Computer equipment - including software \$	Leasehold improve- ments \$	Assets under construction \$	Total \$
2018					
Balance at beginning of year	422	27,206	-	-	27,628
Additions	-	35,214	66,838	65,025	167,077
Depreciation Expense	(102)	(18,348)	(710)	-	(19,160)
Balance at end of year	320	44,072	66,128	65,025	175,545
2017					
Balance at beginning of year	20,277	18,016	-	-	38,293
Additions	-	24,131	-	-	24,131
Disposals	(19,015)	(2,111)	-	-	(21,126)
Depreciation Expense	(840)	(12,831)	-	-	(13,671)
Balance at end of year	422	27,206	-	-	27,628

Notes to and Forming Part of the Financial Statements for the year ended 30 June 2018 (continued)

Note 9. Trade and other Payables

	2018 \$	2017 \$
Contractual		
Unsecured liabilities		
Trade Creditors ⁽ⁱ⁾	252,987	102,386
Accruals	180,435	89,229
	433,422	191,615
Statutory		
Superannuation payable	2,381	32,395
PAYG withholding tax payable	(254)	-
	2,127	32,395
Total Trade and other Payables ⁽ⁱⁱⁱ⁾	435,549	224,010

Notes:

(i) The average credit period is 30 days. No interest is charged on late payments.

(ii) All payables balances at reporting date are classified as current.

For maturity analysis and nature and extent of risks arising from payables, refer to Note 11.

Note 10. Provisions

	2018 \$	2017 \$
Current		
Employee benefits ⁽ⁱ⁾		
Unconditional and expected to be settled within 12 months ⁽ⁱⁱ⁾	95,484	65,030
Unconditional and expected to be settled after 12 months ⁽ⁱⁱⁱ⁾	-	-
Provisions related to employee benefit on-costs		
Unconditional and expected to be settled within 12 months ⁽ⁱⁱ⁾	13,474	11,258
Unconditional and expected to be settled after 12 months ⁽ⁱⁱⁱ⁾	-	-
Total current provisions	108,958	76,288
Non-current		
Employee benefits ⁽ⁱ⁾		
Conditional and expected to be settled after 12 months ⁽ⁱⁱⁱ⁾	88,864	55,416
Provisions related to employee benefit on-costs		
Conditional and expected to be settled after 12 months ⁽ⁱⁱⁱ⁾	8,757	5,477
Total non-current provisions	97,621	60,893
Total provisions	206,579	137,181

Notes:

(i) Provisions for employee benefits consists of annual leave and long service leave accrued by employees, not including on-costs.

(ii) The amounts disclosed are nominal amounts.

(iii) The amounts disclosed are discounted to present value.

Notes to and Forming Part of the Financial Statements for the year ended 30 June 2018 (continued)

Note 10. Provisions (continued)

(a) Employee benefits and related on-costs

	2018 \$	2017 \$
Current employee benefits		
Annual leave entitlements	95,484	65,030
Long service leave entitlements	-	-
Non-current employee benefits		
Conditional long service leave entitlements	88,864	55,416
Total employee benefits	184,348	120,446
Current on-costs	13,474	11,258
Non-current on-costs	8,757	5,477
Total on-costs	22,231	16,735
Total employee benefits and related on-costs	206,579	137,181

Note 11. Financial instruments

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of VCCC's activities, certain financial assets and financial liabilities arise under statute rather than a contract. Such financial assets and financial liabilities do not meet the definition of financial instruments in AASB 132 *Financial Instruments: Presentation*.

Where relevant, for note disclosure purposes, a distinction is made between those financial assets and financial liabilities that meet the definition of financial instruments in accordance with AASB 132 and those that do not.

Categories of Financial Instruments

Loans and Receivables and Cash

Loans and receivables are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

The joint venture recognises the following assets in this category:

- cash assets including deposits (Note 4);
- receivables (excluding statutory receivables) (Note 6);
- other financial assets (Note 5).

Loans and receivables category includes cash and deposits, term deposits with maturity greater than three months, trade receivable and other receivables, but not statutory receivables.

Financial Liabilities at Amortised Cost

Financial instrument liabilities are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in the Comprehensive Operating Statement over the period of the interest-bearing liability.

Notes to and Forming Part of the Financial Statements for the year ended 30 June 2018 (continued)

Note 11. Financial Instruments (continued)

The joint venture recognises the following liabilities in this category:

- payables (excluding statutory payables) (Note 9).

Financial instrument liabilities measured at amortised cost include all of VCCC's contractual payables, deposits held and advances received, and interest-bearing arrangements other than those designated at fair value through the Comprehensive Operating Statement.

(a) Financial risk management objectives and policies

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

VCCC's main financial risks include credit risk and liquidity risk. VCCC manages these financial risks in accordance with its financial risk management policy. VCCC has minimal exposure to foreign currency risk with ad hoc supplier payments made in foreign currency. There is a relatively short timeframe between commitment and settlement, therefore risk is minimal.

VCCC uses different methods to measure and manage the different risks to which it is exposed. Primary responsibility for the identification and management of financial risks rests with management. The Board and the Finance, Audit and Risk Committee of the VCCC are responsible for ensuring the appropriate risk frameworks are in place and for overseeing the effective implementation of these frameworks.

The main purpose in holding financial instruments is to prudentially manage the joint venture's financial risks within the government policy parameters.

The carrying amounts of the joint venture's financial assets and liabilities are disclosed in the financial statements.

(b) Credit Risk

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

Credit risk associated with the joint venture's financial assets is minimal because it is the joint venture's policy to only deal with entities with high credit ratings.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the joint venture's maximum exposure to credit risk. The table below represents the joint venture's maximum exposure to credit risk.

Ageing analysis of contractual financial assets

2018	Carrying amount \$	Not past due and not impaired \$	Past due but not impaired			
			Less than 1 month \$	1- 3 months \$	3 months - 1 year \$	1 - 5 years \$
Cash at bank	6,360,532	6,360,532	-	-	-	-
Other financial assets	9,500,000	9,500,000	-	-	-	-
Trade receivables	7,022	7,022	-	-	-	-
Accrued income	27,850	27,850	-	-	-	-
Total financial assets	15,895,404	15,895,404	-	-	-	-

Notes to and Forming Part of the Financial Statements for the year ended 30 June 2018 (continued)

Note 11. Financial Instruments (continued)

2017	Carrying amount \$	Not past due and not impaired \$	Past due but not impaired			
			Less than 1 month \$	1- 3 months \$	3 months - 1 year \$	1 - 5 years \$
Cash at bank	2,663,718	2,663,718	-	-	-	-
Cash on deposit	3,000,000	3,000,000	-	-	-	-
Trade receivables	4,235	4,235	-	-	-	-
Accrued income	895	895	-	-	-	-
Total financial assets	5,668,848	5,668,848	-	-	-	-

(c) Liquidity risk

Liquidity risk arises when the joint venture is unable to meet its financial obligations as they fall due. The joint venture continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets and dealing in highly liquid markets.

The joint venture's exposure to liquidity risk is deemed insignificant based on the current assessment of risk. Cash for unexpected events is generally sourced from its cash and cash equivalents balance.

Maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed in the Balance Sheet.

The contractual maturity analysis for the joint venture's financial liabilities is as follows:

2018	Carrying amount \$	Nominal amount \$	Maturity dates ⁽ⁱ⁾			
			Less than 1 month \$	1- 3 months \$	3 months - 1 year \$	1 - 5 years \$
Trade Creditors and other payables	433,422	433,422	433,422	-	-	-
Total Financial Liabilities	433,422	433,422	433,422	-	-	-

2017	Carrying amount \$	Nominal amount \$	Maturity dates ⁽ⁱ⁾			
			Less than 1 month \$	1- 3 months \$	3 months - 1 year \$	1 - 5 years \$
Trade Creditors and other payables	198,319	198,319	198,319	-	-	-
Total Financial Liabilities	198,319	198,319	198,319	-	-	-

Notes to and Forming Part of the Financial Statements for the year ended 30 June 2018 (continued)

Note 12. Cash flow information

	2018 \$	2017 \$
Reconciliation of the net result for the year to net cash flows from operating activities		
Net result for the year	11,124,339	3,682,749
Non cash movements		
Loss on sale of property, plant and equipment	-	13,625
Depreciation	19,160	13,671
Movements in assets and liabilities		
(Increase)/decrease in current receivables	(52,385)	10,511
(Increase)/decrease in other current assets	(1,008,159)	38,794
Increase/(decrease) in current payables	146,513	(307,741)
Increase/(decrease) in current provisions	32,670	(344,362)
Increase/(decrease) in non-current provisions	36,728	8,036
Net cash flows from operating activities	10,298,866	3,115,282

Note 13. Responsible persons & Remuneration of Executive Officers

The following disclosures are made regarding responsible persons for the reporting period.

Names

The persons who held the positions of Ministers and Accountable Officers in the joint venture are also considered key management personnel of the joint venture and are as follows:

Minister

Health: The Hon. Jill Hennessy 1 July 2017 - 30 June 2018

Board of Directors

Chairperson	L. Kristjanson	1 July 2017 to 30 June 2018
Deputy Chairperson	R. Thomas	1 July 2017 to 30 June 2018
Director	A. M. Cockram	1 July 2017 to 31 August 2017
Director	D. A. Fisher	1 July 2017 to 30 June 2018
Director	R. Harrison	26 February 2018 to 30 June 2018
Director	D. J. Hilton	1 July 2017 to 30 June 2018
Director	C. J. Kilpatrick	1 July 2017 to 30 June 2018
Director	S. M. Matthews	1 July 2017 to 30 June 2018
Director	J. McCluskey	1 July 2017 to 30 June 2018
Director	A. Nolan	15 February 2018 to 30 June 2018
Director	K. North	1 July 2017 to 30 June 2018
Director	S. J. O'Neill	1 July 2017 to 17 November 2017
Director	S.F. Shilbury	1 July 2017 to 30 June 2018
Director	J.C. Stanway	1 July 2017 to 30 June 2018

Accountable Officer

Executive Director G McArthur 1 July 2017 to 30 June 2018

Notes to and Forming Part of the Financial Statements for the year ended 30 June 2018 (continued)

Note 13. Responsible persons & Remuneration of Executive Officers (continued)

Remuneration

Remuneration received or receivable by the Accountable Officer in connection with the management of the joint venture during the reporting period was in the range:

Accountable Officer 2017/18 \$350,000 - \$359,999 (\$70,000 - \$79,999 in 2016/17)

Other than the Accountable Officer, there were no other executive officers.

Note 14. Related Parties

The VCCC is a joint venture managed by the VCCC Ltd which is governed by a board of directors appointed by each of the members of the joint venture with an independent Chairperson and Deputy Chairperson appointed by the Department of Health and Human Services (Victoria).

The following entities are equal members of the joint venture at 30th June 2018:

Melbourne Health	The Walter and Eliza Hall Institute of Medical Research
Peter MacCallum Cancer Institute	The Royal Children's Hospital
The Royal Women's Hospital	Western Health
The University of Melbourne	Austin Health
St Vincent's Hospital Melbourne	Murdoch Childrens Research Institute

These entities, as well as the personnel listed in Note 13 and their close family members and personal business interests (controlled entities, joint ventures and entities they have significant influence over), are considered related parties of the joint venture.

Significant joint venture transactions

The VCCC received member contributions of \$147,175 from each of the joint venture members.

Transactions and balances with key management personnel and other related parties:

Related parties transact with the VCCC in a manner consistent with other non-related parties.

Procurement processes occur on terms and conditions consistent with the VCCC purchasing policy and procedure requirements.

The following related party transactions that involved key management personnel, their close family members and their personal business interests are noted below:

Conexus supports costs (\$200,000): Melbourne Health invoiced the VCCC for a contribution to the support costs for operating the Conexus platform. This transaction was on commercial terms.

Research & Education leads: Melbourne Health (1 - \$60,000), Western Health (1 - \$80,000), the Walter & Eliza Hall Institute (1 - \$80,000), the University of Melbourne (1 - \$80,000) and Peter MacCallum Cancer Centre (2 - \$140,000) invoiced the VCCC for costs associated with providing leadership to drive collaborative work across the members. These transactions are made on commercial terms.

The Walter & Eliza Hall Institute of Medical Research commenced two projects on behalf of the VCCC on commercial terms to the value of \$487,833.

Notes to and Forming Part of the Financial Statements for the year ended 30 June 2018 (continued)

Note 14. Related Parties (continued)

The University of Melbourne provided IT service support on a peppercorn basis (\$1) during the year. They also provided educational programs on commercial terms to the value of \$80,574 and four projects were commenced on commercial terms to the value of \$764,450.

The Peter MacCallum Cancer Centre provides office space to the VCCC on a peppercorn (\$1) basis. This arrangement is on behalf of the State Government of Victoria as a sub-landlord. They also provided seconded staff on commercial terms (\$110,712) and other purchases for occupancy related costs were made to the value of \$152,015.

Key management personnel (KMP) are those people with the authority and responsibility for planning, directing and controlling the activities of VCCC, directly or indirectly.

The personnel listed in Note 13 have been assessed to be the KMPs of VCCC. No other person has been identified as a KMP.

Remuneration of Key Management Personnel

	2018	2017
	\$	\$
Short-term benefits	414,516	318,964
Post-employment benefits	23,082	27,440
Other long-term benefits	-	5,251
Termination benefits	-	-
Total remuneration	437,598	351,655

Note 15. Superannuation

Employees of the Company and working on behalf of the joint venture are entitled to receive

The name and details of the employee superannuation funds are as follows:

Fund Name	Paid Contribution for the		Contribution Outstanding	
	2018	2017	2018	2017
	\$	\$	\$	\$
Australian Super	31,746	16,969	1,155	6,717
G & R Morstyn Super	-	5,256	-	-
AMP	2,054	3,100	171	913
HESTA Super	27,672	22,010	810	7,424
UniSuper	57,776	63,675	2,140	10,132
Hostplus	15,110	-	-	2,856
Aon Super Fund	4,935	77	156	909
McArthur Super Fund	22,503	-	3,675	6,106
Care Super	1,560	-	378	181
First State Super	18,340	-	1,150	732
Avalee Weir Super Fund	13,206	3,998	405	2,537
BT Lifetime Super Plan	5,909	-	363	-
Plum Super	575	-	384	-
Super Directions for Business	785	-	-	-
Telstra Super	4,702	-	-	-
Vic Super	13,130	-	833	-
	220,003	115,085	11,620	38,507

Notes to and Forming Part of the Financial Statements for the year ended 30 June 2018 (continued)

Note 16. Remuneration of auditors

	2018 \$	2017 \$
Victorian Auditor-General's Office		
Audit of the financial statements	15,000	14,500
	15,000	14,500

Note 17. Significant events after Balance Date

There were no significant events after Balance Date.

Note 18. Contingent Assets and Contingent Liabilities

The Victorian Comprehensive Cancer Centre has no known contingent assets or liabilities (2017: Nil).

Note 19. Commitments for Expenditure

The Victorian CCC has no capital commitments at balance date.

The Victorian CCC has non-cancellable, contractual obligations at balance date for expenditure on projects that have been commissioned and not yet completed.

	2018 \$	2017 \$
Other expenditure commitments		
Not later than one year	2,985,279	342,619
Later than one year but not later than 5 years	199,100	-
Total expenditure commitments	3,184,379	342,619
 Total commitments (inclusive of GST)	 3,184,379	 342,619
less GST recoverable from the ATO	(289,489)	(31,147)
Total commitments (exclusive of GST)	2,894,890	311,472

All amounts shown in the commitments note are nominal amounts inclusive of GST.

Note 20. Glossary of terms

Comprehensive result

Total comprehensive result is the change in equity for the period other than changes arising from transactions with owners. It is the aggregate of net result and other non-owner changes in equity.

Commitments

Commitments include those operating, capital and other outsourcing commitments arising from non-cancellable contractual or statutory sources.

Notes to and Forming Part of the Financial Statements for the year ended 30 June 2018 (continued)

Note 20. Glossary of terms (continued)

Employee benefits expense

Employee benefits expenses include all costs related to employment including wages and salaries, leave entitlements, redundancy payments and superannuation contributions.

Financial asset

A financial asset is any asset that is:

- (a) cash;
- (b) an equity instrument of another entity;
- (c) a contractual right:
 - to receive cash or another financial asset from another entity; or
 - to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity; or
- (d) a contract that will or may be settled in the entity's own equity instruments and is:
 - a non derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments; or
 - a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

Financial statements

Depending on the context of the sentence where the term 'financial statements' is used, it may include only the main financial statements (i.e. comprehensive operating statement, balance sheet, cash flow statements, and statement of changes in equity); or it may also be used to replace the old term 'financial report' under the revised AASB 101 (Sept 2007), which means it may include the main financial statements and the notes.

Net acquisition of non-financial assets (from transactions)

Purchases (and other acquisitions) of non-financial assets less sales (or disposals) of non-financial assets less depreciation plus changes in inventories and other movements in non-financial assets. Includes only those increases or decreases in non-financial assets resulting from transactions and therefore excludes write offs, impairment write downs and revaluations.

Net result

Net result is a measure of financial performance of the operations for the period. It is the net result of items of revenue, gains and expenses (including losses) recognised for the period, excluding those that are classified as 'other non-owner changes in equity'.

Net result from transactions/net operating balance

Net result from transactions or net operating balance is a key fiscal aggregate and is revenue from transactions minus expenses from transactions. It is a summary measure of the ongoing sustainability of operations. It excludes gains and losses resulting from changes in price levels and other changes in the volume of assets. It is the component of the change in net worth that is due to transactions and can be attributed directly to government policies.

Non-financial assets

Non-financial assets are all assets that are not 'financial assets'.

Payables

Includes short and long term trade debt and accounts payable, grants and interest payable.

Receivables

Includes short and long term trade credit and accounts receivable, grants, taxes and interest receivable.

Notes to and Forming Part of the Financial Statements for the year ended 30 June 2018 (continued)

Note 20. Glossary of terms (continued)

Sales of goods and services

Refers to revenue from the direct provision of goods and services and includes fees and charges for services rendered, sales of goods and services, fees from regulatory services and work done as an agent for private enterprises. It also includes rental income under operating leases and on produced assets such as buildings and entertainment, but excludes rent income from the use of non-produced assets such as land. User charges includes sale of goods and services revenue.

Supplies and services

Supplies and services generally represent cost of goods sold and the day-to-day running costs, including maintenance costs, incurred in the normal operations of the joint venture.

Transactions

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

Independent Auditor's Report

To the Board of the Victorian Comprehensive Cancer Centre

Opinion	<p>I have audited the financial report of the Victorian Comprehensive Cancer Centre (the joint venture) which comprises the:</p> <ul style="list-style-type: none">• balance sheet as at 30 June 2018• comprehensive operating statement for the year then ended• statement of changes in equity for the year then ended• cash flow statement for the year then ended• notes to the financial statements, including significant accounting policies• declaration by the manager of VCCC joint venture - Victorian Comprehensive Cancer Centre Ltd. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the joint venture as at 30 June 2018 and their financial performance and cash flows for the year then ended in accordance with applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the joint venture in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Board's responsibilities for the financial report	<p>The Board of the joint venture is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Board is responsible for assessing the joint venture'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 it is inappropriate to do so.</p>

**Auditor's
responsibilities
for the audit
of the financial
report**

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

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

I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



MELBOURNE
5 September 2018

Ron Mak
as delegate for the Auditor-General of Victoria