



INDEPENDENT AUDITOR'S REPORT

Cancer Institute New South Wales

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of the Cancer Institute New South Wales (the Institute), which comprise the statement of financial position as at 30 June 2014, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and service group statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information of the Institute and the consolidated entity. The consolidated entity comprises the Institute and the entities it controlled at the year's end or from time to time during the financial year.

Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Institute and the consolidated entity as at 30 June 2014, and of their financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 45E of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010.

My opinion does not extend to the budget information. I have not audited the budget figures disclosed in the statement of comprehensive income, the statement of financial position and the statement of cash flows.

My opinion should be read in conjunction with the rest of this report.

The Board's Responsibility for the Financial Statements

The members of the Board are responsible for the preparation of the financial statements that give a true and fair view in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the members of the Board determine is necessary to enable the preparation of financial statements that give a true and fair view and that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the members of the Board, as well as evaluating the overall presentation of the financial statements.

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


My opinion does *not* provide assurance:

- about the future viability of the Institute or the consolidated entity
- that they have carried out their activities effectively, efficiently and economically
- about the effectiveness of their internal control
- about the assumptions used in formulating the budget figures disclosed in the financial statements
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about other information that may have been hyperlinked to/from the financial statements.

Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and relevant ethical pronouncements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies, but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by the possibility of losing clients or income.



Steven Martin
Assistant Auditor General, Financial Audit Services

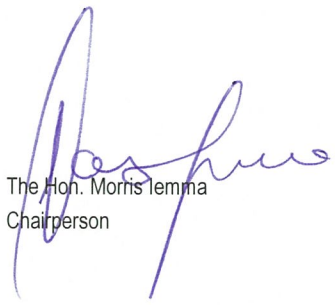
26 September 2014
SYDNEY

Cancer Institute NSW
Certification of the Financial Statements
for the year ended 30 June 2014

I state pursuant to section 45F of the *Public Finance and Audit Act 1983*:

- 1) The financial statements of the Cancer Institute NSW for the year ended 30 June 2014 have been prepared in accordance with:
 - a) Australian Accounting Standards (which include Australian Accounting Interpretations)
 - b) the requirements of the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulations 2010* and the Treasurer's Directions;
 - c) the Financial Reporting Code for NSW General Government Sector Entities.
- 2) The financial statements exhibit a true and fair view of the financial position and the financial performance of the Cancer Institute NSW; and
- 3) I am not aware of any circumstances which would render any particulars in the accounts to be misleading or inaccurate.


Prof. David Currow
Chief Cancer Officer and CEO
25 September 2014


The Hon. Morris Iemma
Chairperson

Cancer Institute NSW
Statement of Comprehensive Income for the year ended 30 June 2014

| PARENT | | | CONSOLIDATION | | | |
|-----------------------------------|----------------|----------------|---------------|----------------|----------------|----------------|
| Actual | Budget | Actual | Notes | Actual | Budget | Actual |
| | Unaudited | | | | Unaudited | |
| 2014 | 2014 | 2013 | | 2014 | 2014 | 2013 |
| \$000 | \$000 | \$000 | | \$000 | \$000 | \$000 |
| Expenses excluding losses | | | | | | |
| Operating Expenses | | | | | | |
| — | — | — | | | | |
| 19,944 | 24,708 | 19,172 | 3 | 20,373 | 24,708 | 19,394 |
| 32,132 | 35,806 | 40,255 | 4 | — | — | — |
| 1,416 | 1,435 | 1,548 | 5 | 32,132 | 35,806 | 40,255 |
| 93,281 | 101,335 | 96,038 | 2(h), 6 | 1,416 | 1,435 | 1,548 |
| 32 | 30 | 48 | 7 | 93,281 | 101,335 | 96,038 |
| | | | 8 | 32 | 30 | 48 |
| 146,805 | 163,314 | 157,061 | | 147,234 | 163,314 | 157,283 |
| Revenue | | | | | | |
| 151,138 | 153,727 | 156,269 | 2(d) | 151,138 | 153,727 | 156,269 |
| 579 | 1,151 | 742 | 2(d) | 579 | 1,151 | 742 |
| — | — | — | 2(a)(ii), 11 | 429 | — | — |
| 1,400 | 2,000 | 1,822 | 9 | 1,400 | 2,000 | 1,822 |
| 1,677 | 764 | 2,636 | 10 | 1,677 | 764 | 2,636 |
| 2,534 | 259 | 726 | 12 | 2,534 | 259 | 726 |
| 157,328 | 157,901 | 162,195 | | 157,757 | 157,901 | 162,195 |
| (16) | — | — | 13 | (16) | — | — |
| 10,507 | (5,413) | 5,134 | 26 | 10,507 | (5,413) | 4,912 |
| Other Comprehensive Income | | | | | | |
| — | — | — | | — | — | 222 |
| — | — | — | | — | — | 222 |
| 10,507 | (5,413) | 5,134 | | 10,507 | (5,413) | 5,134 |

The accompanying notes form part of these financial statements.

Cancer Institute NSW
Statement of Financial Position as at 30 June 2014

| PARENT | | | CONSOLIDATION | | | |
|----------------------------------|---------------------|---------------|---------------|---------------|---------------------|---------------|
| Actual | Budget Unaudited | Actual | Notes | Actual | Budget Unaudited | Actual |
| 2014 \$000 | 2014 \$000 | 2013 \$000 | | 2014 \$000 | 2014 \$000 | 2013 \$000 |
| ASSETS | | | | | | |
| Current Assets | | | | | | |
| 35,145 | 32,281 | 49,712 | | 35,286 | 32,281 | 49,835 |
| 16,624 | 8,026 | 10,011 | 16 | 16,629 | 8,026 | 10,019 |
| <u>51,769</u> | <u>40,307</u> | <u>59,723</u> | | <u>51,915</u> | <u>40,307</u> | <u>59,854</u> |
| 51,769 | 40,307 | 59,723 | | 51,915 | 40,307 | 59,854 |
| Total Current Assets | | | | | | |
| Non-Current Assets | | | | | | |
| 938 | — | 1,092 | | 938 | — | 1,092 |
| 2,104 | 3,277 | 2,672 | 18 | 2,104 | 3,277 | 2,672 |
| <u>3,042</u> | <u>3,277</u> | <u>3,764</u> | | <u>3,042</u> | <u>3,277</u> | <u>3,764</u> |
| 2,277 | 2,721 | 2,518 | 18 | 2,277 | 2,721 | 2,518 |
| <u>5,319</u> | <u>5,998</u> | <u>6,282</u> | | <u>5,319</u> | <u>5,998</u> | <u>6,282</u> |
| 57,088 | 46,305 | 66,005 | | 57,234 | 46,305 | 66,136 |
| LIABILITIES | | | | | | |
| Current Liabilities | | | | | | |
| 1,711 | 4,443 | 16,293 | | 1,857 | 4,443 | 16,424 |
| 1,726 | 3,445 | 5,255 | 21 | 1,726 | 3,445 | 5,255 |
| 413 | 413 | 413 | 22 | 413 | 413 | 413 |
| <u>3,850</u> | <u>8,301</u> | <u>21,961</u> | | <u>3,996</u> | <u>8,301</u> | <u>22,092</u> |
| 3,850 | 8,301 | 21,961 | | 3,996 | 8,301 | 22,092 |
| Total Current Liabilities | | | | | | |
| Non-Current Liabilities | | | | | | |
| 529 | 1,215 | 1,182 | | 529 | 1,215 | 1,182 |
| 1,378 | 1,378 | 1,791 | 22 | 1,378 | 1,378 | 1,791 |
| <u>1,907</u> | <u>2,593</u> | <u>2,973</u> | | <u>1,907</u> | <u>2,593</u> | <u>2,973</u> |
| <u>5,757</u> | <u>10,894</u> | <u>24,934</u> | | <u>5,903</u> | <u>10,894</u> | <u>25,065</u> |
| 51,331 | 35,411 | 41,071 | | 51,331 | 35,411 | 41,071 |
| Net Assets | | | | | | |
| EQUITY | | | | | | |
| 51,331 | 35,411 | 41,071 | | 51,331 | 35,411 | 41,071 |
| <u>51,331</u> | <u>35,411</u> | <u>41,071</u> | | <u>51,331</u> | <u>35,411</u> | <u>41,071</u> |
| 51,331 | 35,411 | 41,071 | | 51,331 | 35,411 | 41,071 |
| Total Equity | | | | | | |

The accompanying notes form part of these financial statements.

Cancer Institute NSW
Statement of Changes in Equity for the year ended 30 June 2014

| PARENT | Notes | Accumulated Funds \$000 | Total \$000 |
|---|--------------|--|------------------------|
| Balance at 1 July 2013 | | 41,071 | 41,071 |
| Net Result for the year | | 10,507 | 10,507 |
| Total Comprehensive Income for the year | | <u>10,507</u> | <u>10,507</u> |
| Transactions With Owners In Their Capacity As Owners | | | |
| Increase/(Decrease) in Net Assets From Equity Transfers | 28 | (247) | (247) |
| Balance at 30 June 2014 | | <u><u>51,331</u></u> | <u><u>51,331</u></u> |
| Balance at 1 July 2012 | | 35,937 | 35,937 |
| Net Result for the year | | 5,134 | 5,134 |
| Other Comprehensive Income: | | | |
| Actuarial gain on superannuation | | ---- | ---- |
| Total Other Comprehensive Income | | ---- | ---- |
| Total Comprehensive Income for the year | | <u>5,134</u> | <u>5,134</u> |
| Transactions With Owners In Their Capacity As Owners | | | |
| Increase/(Decrease) in Net Assets From Equity Transfers | 28 | ---- | ---- |
| Balance at 30 June 2013 | | <u><u>41,071</u></u> | <u><u>41,071</u></u> |

The accompanying notes form part of these financial statements.

Cancer Institute NSW
Statement of Changes in Equity for the year ended 30 June 2014

| CONSOLIDATION | Notes | Accumulated Funds \$000 | Total \$000 |
|---|-------|-------------------------------|----------------------|
| Balance at 1 July 2013 | | 41,071 | 41,071 |
| Net Result for the year | | 10,507 | 10,507 |
| Total Other Comprehensive Income | | ---- | ---- |
| Total Comprehensive Income for the year | | <u>10,507</u> | <u>10,507</u> |
| Transactions With Owners In Their Capacity As Owners | | | |
| Increase/(Decrease) in Net Assets From Equity Transfers | 28 | (247) | (247) |
| Balance at 30 June 2014 | | <u>51,331</u> | <u>51,331</u> |
| Balance at 1 July 2012 | | 35,937 | 35,937 |
| Net Result for the year | | 4,912 | 4,912 |
| Other Comprehensive Income: | | | |
| Actuarial gain on superannuation | | 222 | 222 |
| Total Other Comprehensive Income | | <u>222</u> | <u>222</u> |
| Total Comprehensive Income for the year | | <u>5,134</u> | <u>5,134</u> |
| Transactions With Owners In Their Capacity As Owners | | | |
| Increase/(Decrease) in Net Assets From Equity Transfers | 28 | ---- | ---- |
| Balance at 30 June 2013 | | <u>41,071</u> | <u>41,071</u> |

The accompanying notes form part of these financial statements.

Cancer Institute NSW
Statement of Cash Flows for the year ended 30 June 2014

| PARENT | | | CONSOLIDATION | | | |
|---|------------------|------------------|---------------|------------------|------------------|------------------|
| Actual | Budget | Actual | Notes | Actual | Budget | Actual |
| 2014 | Unaudited | 2013 | | 2014 | Unaudited | 2013 |
| \$000 | \$000 | \$000 | | \$000 | \$000 | \$000 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | |
| Payments | | | | | | |
| — | — | — | | (23,967) | (24,569) | (19,521) |
| (101,289) | (109,343) | (113,093) | | (101,289) | (109,343) | (113,093) |
| — | — | — | | — | — | — |
| (80,128) | (74,909) | (49,601) | | (56,143) | (50,463) | (30,064) |
| <u>(181,417)</u> | <u>(184,252)</u> | <u>(162,694)</u> | | <u>(181,399)</u> | <u>(184,375)</u> | <u>(162,678)</u> |
| Receipts | | | | | | |
| 151,138 | 153,727 | 156,269 | | 151,138 | 153,727 | 156,269 |
| 579 | 1,151 | 742 | | 579 | 1,151 | 742 |
| 203 | 203 | — | | 203 | 203 | — |
| 230 | 495 | — | | 230 | 495 | — |
| 1,536 | 1,815 | 2,046 | | 1,536 | 1,815 | 2,046 |
| 1,749 | 837 | 2,636 | | 1,749 | 837 | 2,636 |
| 12,329 | 10,188 | 16,286 | | 12,329 | 10,188 | 16,280 |
| <u>167,764</u> | <u>168,416</u> | <u>177,979</u> | | <u>167,764</u> | <u>168,416</u> | <u>177,973</u> |
| NET CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | |
| <u>(13,653)</u> | <u>(15,836)</u> | <u>15,285</u> | 26 | <u>(13,635)</u> | <u>(15,959)</u> | <u>15,295</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | |
| (573) | (1,254) | (762) | | (573) | (1,254) | (762) |
| <u>(573)</u> | <u>(1,254)</u> | <u>(762)</u> | | <u>(573)</u> | <u>(1,254)</u> | <u>(762)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | |
| — | — | — | | — | — | — |
| — | — | — | | — | — | — |
| <u>—</u> | <u>—</u> | <u>—</u> | | <u>—</u> | <u>—</u> | <u>—</u> |
| NET INCREASE / (DECREASE) IN CASH | | | | | | |
| (14,226) | (17,090) | 14,523 | | (14,208) | (17,213) | 14,533 |
| 49,712 | 49,712 | 35,189 | | 49,835 | 49,835 | 35,302 |
| (341) | (341) | — | 28 | (341) | (341) | — |
| <u>35,145</u> | <u>32,281</u> | <u>49,712</u> | 16 | <u>35,286</u> | <u>32,281</u> | <u>49,835</u> |

The accompanying notes form part of these financial statements.

Cancer Institute NSW
Service Group Statements
for the year ended 30 June 2014

| CANCER INSTITUTE NSW EXPENSES AND INCOME | Service Group 1.2 * Aboriginal Health Services | | Service Group 2.2 * Inpatient Hospital Services | | Service Group 5.1 * Population Health Services | | Service Group 6.1 * Teaching And Research | | Not Attributable | | Total | |
|---|---|--------------|--|-----------------|---|-----------------|--|-----------------|------------------|----------------|----------------|----------------|
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| Expenses excluding losses | | | | | | | | | | | | |
| Operating Expenses | | | | | | | | | | | | |
| Employee Related | 102 | 97 | 3,830 | 3,646 | 11,837 | 11,268 | 4,604 | 4,383 | — | — | 20,373 | 19,394 |
| Other Operating Expenses | 161 | 201 | 6,041 | 7,568 | 18,669 | 23,388 | 7,262 | 9,098 | — | — | 32,132 | 40,255 |
| Depreciation and Amortisation | 7 | 8 | 286 | 291 | 823 | 899 | 320 | 350 | — | — | 1,416 | 1,548 |
| Grants and Subsidies | 466 | 480 | 17,537 | 18,055 | 54,196 | 55,798 | 21,082 | 21,705 | — | — | 93,281 | 96,038 |
| Finance Costs | — | — | 6 | 9 | 19 | 28 | 7 | 11 | — | — | 32 | 48 |
| Total Expenses excluding losses | 736 | 786 | 27,680 | 29,569 | 85,544 | 91,381 | 33,275 | 35,547 | — | — | 147,234 | 157,283 |
| Revenue | | | | | | | | | | | | |
| NSW Ministry of Health Recurrent Allocations ** | | | | | | | | | | | | |
| NSW Ministry of Health Capital Allocations ** | | | | | | | | | | | | |
| Acceptance by the Crown Entity | | | | | | | | | | | | |
| of Employee Benefits and Other Liabilities | 2 | — | 81 | — | 249 | — | 97 | — | — | — | 429 | — |
| Investment Revenue | 7 | 9 | 263 | 343 | 813 | 1,059 | 316 | 412 | — | — | 1,400 | 1,822 |
| Grants and Contributions | 8 | 13 | 315 | 496 | 974 | 1,532 | 379 | 596 | — | — | 1,677 | 2,636 |
| Other Revenue | 13 | 4 | 476 | 136 | 1,472 | 422 | 573 | 164 | — | — | 2,534 | 726 |
| Total Revenue | 30 | 26 | 1,135 | 975 | 3,508 | 3,013 | 1,365 | 1,172 | 151,717 | 157,011 | 157,757 | 162,185 |
| Gain / (Loss) on Disposal | — | — | (3) | — | (3) | — | (4) | — | — | — | (16) | — |
| Net Result | (706) | (760) | (26,548) | (28,594) | (82,045) | (88,368) | (31,914) | (34,375) | 151,717 | 157,011 | 10,507 | 4,912 |
| Other Comprehensive Income | | | | | | | | | | | | |
| Actuarial Gain on Superannuation | — | 1 | — | 42 | — | 129 | — | 50 | — | — | — | 222 |
| Total Other Comprehensive Income | 0 | 1 | 0 | 42 | 0 | 129 | 0 | 50 | 0 | 0 | 0 | 222 |
| Total Comprehensive Income | (706) | (759) | (26,548) | (28,552) | (82,045) | (88,239) | (31,914) | (34,325) | 151,717 | 157,011 | 10,507 | 5,134 |

* The name and purpose of each service group is summarised in Note 15

** Allocations are made on an entity basis and not to individual Service Groups. Consequently, allocations must be included in "Not Attributable" column.

Cancer Institute NSW
Service Group Statements (Continued)
for the year ended 30 June 2014

| CANCER INSTITUTE NSW ASSETS AND LIABILITIES | Service Group 1.2 * Aboriginal Health Services | | Service Group 2.2 * Inpatient Hospital Services | | Service Group 5.1 * Population Health Services | | Service Group 6.1 * Teaching And Research | | Not Attributable | | | Total | | |
|---|---|------------|--|---------------|---|---------------|--|---------------|------------------|-------|-------|-------|---------------|---------------|
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| ASSETS | | | | | | | | | | | | | | |
| Current Assets | | | | | | | | | | | | | | |
| Cash and Cash Equivalents | 176 | 249 | 6,634 | 9,369 | 20,501 | 28,954 | 7,975 | 11,263 | | | | | 35,286 | 49,835 |
| Receivables | 83 | 50 | 3,126 | 1,884 | 9,661 | 5,821 | 3,758 | 2,264 | | | | | 16,829 | 10,019 |
| Total Current Assets | 259 | 299 | 9,760 | 11,253 | 30,162 | 34,775 | 11,733 | 13,527 | | | | | 51,915 | 59,854 |
| Non-Current Assets | | | | | | | | | | | | | | |
| - Plant and Equipment | 5 | 5 | 176 | 205 | 545 | 634 | 212 | 247 | | | | | 938 | 1,092 |
| - Leasehold Improvements | 11 | 13 | 396 | 502 | 1,222 | 1,552 | 476 | 604 | | | | | 2,104 | 2,672 |
| Intangible Assets | 11 | 13 | 428 | 473 | 1,323 | 1,463 | 515 | 569 | | | | | 2,277 | 2,518 |
| Total Non-Current Assets | 27 | 31 | 1,000 | 1,180 | 3,090 | 3,649 | 1,203 | 1,420 | | | | | 5,319 | 6,282 |
| TOTAL ASSETS | 286 | 330 | 10,760 | 12,433 | 33,252 | 38,424 | 12,936 | 14,947 | | | | | 57,234 | 66,136 |
| LIABILITIES | | | | | | | | | | | | | | |
| Current Liabilities | | | | | | | | | | | | | | |
| Payables | 9 | 82 | 349 | 3,088 | 1,079 | 9,542 | 420 | 3,712 | | | | | 1,857 | 16,424 |
| Provisions | 9 | 26 | 324 | 988 | 1,003 | 3,053 | 390 | 1,188 | | | | | 1,726 | 5,255 |
| Other | 2 | 2 | 78 | 78 | 240 | 240 | 93 | 93 | | | | | 413 | 413 |
| Total Current Liabilities | 20 | 110 | 751 | 4,154 | 2,322 | 12,835 | 903 | 4,993 | | | | | 3,996 | 22,092 |
| Non-Current Liabilities | | | | | | | | | | | | | | |
| Provisions | 3 | 6 | 99 | 222 | 307 | 687 | 120 | 267 | | | | | 529 | 1,182 |
| Other | 7 | 9 | 259 | 337 | 801 | 1,041 | 311 | 405 | | | | | 1,378 | 1,791 |
| Total Non-Current Liabilities | 10 | 15 | 358 | 559 | 1,108 | 1,728 | 431 | 672 | | | | | 1,907 | 2,973 |
| TOTAL LIABILITIES | 30 | 125 | 1,109 | 4,713 | 3,430 | 14,563 | 1,334 | 5,665 | | | | | 5,903 | 25,065 |
| NET ASSETS | 256 | 205 | 9,651 | 7,720 | 29,822 | 23,861 | 11,602 | 9,282 | | | | | 51,331 | 41,071 |

* The name and purpose of each service group is summarised in Note 15

Cancer Institute NSW
Notes to and forming part of the Financial Statements
for the year ended 30 June 2014

1. The Reporting Entity

The Cancer Institute NSW was established under the Cancer Institute NSW Act 2003 to address the increasing incidence of cancer and the unacceptable rate of cancer deaths, to relieve suffering and to improve the quality of life of cancer patients and to provide key information to the government and the community thus accelerating the control and cure of cancer.

Following the assenting of the Cancer Institute Amendment Act 2012, the Cancer Institute NSW became subject to the administration of the public health system under the Health Services Act 1997 effective from the 1st of April 2013.

The Cancer Institute NSW as a reporting entity, comprises all the entities under its control, namely:

The Cancer Institute NSW Special Purpose Service Entity (previously known as the Cancer Institute NSW Division) was established as a Division of the Government service on 17 March 2006 in accordance with the Public Sector Employment and Management Act 2002. As a result of the Cancer Institute (NSW) Amendment Act 2012, the Division was abolished as a Division of the Government Service from 1 July 2013 and re-established as a Division of the NSW Health Service under the Health Services Act 1997. The division provides personnel services to enable the Cancer Institute NSW to exercise its functions.

As a consequence the values in the annual financial statements presented herein consist of the parent entity and the consolidated entity which comprises the parent and special purpose service entity. In the process of preparing the consolidated financial statements consisting of the controlling and controlled entities, all inter-entity transactions and balances have been eliminated.

The reporting entity is a NSW Government entity which is consolidated as part of the NSW Ministry of Health and NSW Total State Sector Accounts. The Cancer Institute NSW is a not-for-profit entity (as profit is not its principal objective).

These consolidated financial statements for the year ended 30 June 2014 have been authorised for issue by the Chief Cancer Officer and CEO on 25 September 2014.

2. Summary of Significant Accounting Policies

Basis of Preparation

The Cancer Institute NSW's financial statements are general purpose financial statements which have been prepared on an accrual basis and in accordance with applicable Australian Accounting Standards (which include Australian Accounting Interpretations), the requirements of the Health Services Act 1997 and its regulations (including observation of the Accounts and Audit Determination for Public Health Organisations), the Public Finance and Audit Act 1983 and Public Finance and Audit Regulation 2010, and the Treasurers' Directions. Apart from the basis for the Cancer Institute NSW's budget figures, the financial statements comply with the Financial Reporting Code for NSW General Government Sector Entities. Further information on the budget figures can be found at Note 2(w).

The financial statements of the Cancer Institute NSW have been prepared on a going concern basis.

Property, plant and equipment and financial assets at 'fair value through profit and loss' are measured at fair value. Other financial statement items are prepared in accordance with the historical cost convention.

Judgements, key assumptions and estimations management has made are disclosed in the relevant notes to the financial statements.

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency.

Comparative Information

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is disclosed in respect of the previous period for all amounts reported in the financial statements. The comparative period is a twelve month period.

Cancer Institute NSW
Notes to and forming part of the Financial Statements
for the year ended 30 June 2014

Statement of Compliance

The financial statements and notes comply with Australian Accounting Standards which include Australian Accounting Interpretations.

Significant accounting policies used in the preparation of these financial statements are as follows:

a) Employee Benefits and Other Provisions

i) Salaries & Wages, Annual Leave, Sick Leave and On-Costs

Salaries and wages (including non-monetary benefits) and paid sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the service are recognised and measured at the undiscounted amounts of the benefits.

Annual leave is not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. As such, it is required to be measured at present value in accordance with AASB 119 Employee Benefits (although short-cut methods are permitted).

Actuarial advice obtained by Treasury has confirmed that the use of a nominal approach plus the annual leave on annual leave liability can be used to approximate the present value of the annual leave liability. On-costs of 21.55% are applied to the value of leave payable at 30 June 2014, (Comparable on-costs for 30 June 2013 were 16.8%) The Cancer Institute NSW has assessed the actuarial advice based on the Cancer Institute NSW's circumstances and has determined that the effect of discounting is immaterial to annual leave.

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

ii) Long Service Leave and Superannuation

From 1 July 2013 the Cancer Institute NSW's liability for Long Service Leave and defined benefit superannuation (State Authorities Superannuation Scheme and State Superannuation Scheme) are assumed by the Crown Entity.

The Cancer Institute NSW accounts for the liability as having been extinguished resulting in the amount assumed being shown as part of the non-monetary revenue item described as 'Acceptance by the Crown Entity of employee benefits'.

Long Service Leave is measured at present value in accordance with AASB 119, Employee Benefits. This is based on the application of certain factors (specified in NSW Treasury Circular 14/04) to employees with five or more years of service, using current rates of pay. These factors were determined based on an actuarial review to approximate present value.

The superannuation expense for the reporting period is determined by using the formulae specified in the Treasurer's Directions. The expense for certain superannuation schemes (i.e. Basic Benefit and First State Super) is calculated as a percentage of the employees' salary. For other superannuation schemes (i.e. State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employees' superannuation contributions.

Cancer Institute NSW
Notes to and forming part of the Financial Statements
for the year ended 30 June 2014

iii) Consequential On-Costs

Consequential costs to employment are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised. This includes outstanding amounts of workers' compensation insurance premiums and fringe benefits tax.

iv) Other Provisions

Other provisions exist when the Cancer Institute NSW has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

b) Insurance

The Cancer Institute NSW's insurance activities are conducted through the NSW Treasury Managed Fund Scheme of self insurance for Government Entities. The expense (premium) is determined by the Fund Manager based on past claims experience.

c) Finance Costs

Finance costs are recognised as expenses in the period in which they are incurred, in accordance with Treasury's Mandate to not-for-profit general government sector entities.

d) Income Recognition

Income is measured at the fair value of the consideration or contribution received or receivable. Additional comments regarding the accounting policies for the recognition of revenue are discussed below.

Sale of Goods

Revenue from the sale of goods is recognised as revenue when the Cancer Institute NSW transfers the significant risks and rewards of ownership of the assets.

Rendering of Services

Revenue is recognised when the service is provided or by reference to the stage of completion (based on labour hours incurred to date).

Investment Revenue

Interest revenue is recognised using the effective interest method as set out in AASB 139, Financial Instruments: Recognition and Measurement.

Cancer Institute NSW
Notes to and forming part of the Financial Statements
for the year ended 30 June 2014

Grants and Contributions

Grants and contributions are recognised as revenues when the Cancer Institute NSW obtains control over the assets comprising the contributions. Control over contributions is normally obtained upon the receipt of cash.

NSW Ministry of Health Allocations

Payments are made by the NSW Ministry of Health on the basis of the allocation for the Cancer Institute NSW as adjusted for approved supplementations mostly for salary agreements and approved enhancement projects.

This allocation is included in the Statement of Comprehensive Income before arriving at the "Net Result" on the basis that the allocation is earned in return for the health services provided on behalf of the Ministry. Allocations are normally recognised upon the receipt of cash.

e) Accounting for the Goods & Services Tax (GST)

Income, expenses and assets are recognised net of the amount of GST, except that the:

- * amount of GST incurred by the Cancer Institute NSW as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of an asset's cost of acquisition or as part of an item of expense; and
- * receivables and payables are stated with the amount of GST included.

Cash flows are included in the Statement of Cash Flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the Australian Taxation Office are classified as operating cash flows.

f) Acquisition of Assets

Assets acquired are initially recognised at cost. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other Australian Accounting Standards.

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition (See also assets transferred as a result of an equity transfer Note 2(u)).

Fair value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.

Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent, i.e. the deferred payment amount is effectively discounted at an asset-specific rate.

g) Capitalisation Thresholds

Individual items of Property, Plant & Equipment and Intangibles are capitalised where their cost is \$10,000 or above.

Capitalisation threshold was changed from \$5,000 in 2012/13 to \$10,000 in line with the Ministry of Health policy. The policy is applied prospectively.

Cancer Institute NSW
Notes to and forming part of the Financial Statements
for the year ended 30 June 2014

h) Depreciation of Property, Plant and Equipment

Depreciation is provided for on a straight-line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the Cancer Institute NSW. All material separately identifiable components of assets are depreciated over their shorter useful lives.

Details of depreciation rates initially applied for major asset categories are as follows:

| | |
|------------------------|-------|
| Computer Equipment | 25.0% |
| Office Equipment | 14.0% |
| Leasehold Improvements | 12.5% |

Depreciation rates are subsequently varied where changes occur in the assessment of the remaining useful life of the assets reported.

i) Revaluation of Non-Current Assets

Physical non-current assets are valued in accordance with the 'Valuation of Physical Non-Current Assets at Fair Value' Policy and Guidelines Paper (TPP 14-01). This policy adopts fair value in accordance with AASB 13 Fair Value Measurement, AASB 116 Property, Plant and Equipment and AASB 140 Investment Property.

Non-specialised assets with short useful lives are measured at depreciated historical cost, as a surrogate for fair value.

j) Impairment of Property, Plant and Equipment

As a not-for-profit entity with no cash generating units, impairment under AASB 136 Impairment of Assets is unlikely to arise. As property, plant and equipment is carried at fair value, impairment can only arise in the rare circumstances where the costs of disposal are material. Specifically, impairment is unlikely for not-for-profit entities given that AASB 136 modifies the recoverable amount test for non-cash generating assets of not-for-profit entities to the higher of fair value less costs of disposal and depreciated replacement cost, where depreciated replacement cost is also fair value.

k) Restoration Costs

The estimated cost of dismantling and removing an asset and restoring the site is included in the cost of an asset, to the extent it is recognised as a liability.

l) Maintenance

Day-to-day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement of a part or component of an asset, in which case the costs are capitalised and depreciated.

m) Leased Assets

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of the leased assets, and operating leases under which the lessor effectively retains all such risks and benefits.

Where a non-current asset is acquired by means of a finance lease, at the commencement of the lease term, the asset is recognised at its fair value or, if lower, the present value of the minimum lease payments, at the inception of the lease. The corresponding liability is established at the same amount. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are charged to the Statement of Comprehensive Income in the periods in which they are incurred.

Cancer Institute NSW
Notes to and forming part of the Financial Statements
for the year ended 30 June 2014

n) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method, less an allowance for any impairment of receivables. Any changes are recognised in the net result when impaired, derecognised or through the amortisation process.

Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

o) Investments

Investments are initially recognised at fair value plus, in the case of investments not at fair value through profit or loss, transaction costs. The Institute determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this at each financial year end.

Fair value through profit or loss - The Institute subsequently measures investments designated upon initial recognition 'at fair value through profit or loss' at fair value. Gains or losses on these assets are recognised in the net result for the year.

The movement in the fair value of the Hour-Glass Investment Facilities incorporates distributions received as well as unrealised movements in fair value and is reported in the line item 'investment revenue'.

p) Impairment of financial assets

All financial assets, except those measured at fair value through profit and loss, are subject to an annual review for impairment. An allowance for impairment is established when there is objective evidence that the entity will not be able to collect all amounts due.

For financial assets carried at amortised cost, the amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the impairment loss is recognised in the net result for the year.

Any reversals of impairment losses are reversed through the net result for the year, where there is objective evidence, except reversals of impairment losses on an investment in an equity instrument classified as "available for sale", must be made through the reserve. Reversals of impairment losses of financial assets carried at amortised cost cannot result in a carrying amount that exceeds what the carrying amount would have been had there not been an impairment loss.

q) De-recognition of financial assets and financial liabilities

A financial asset is derecognised when the contractual rights to the cash flows from the financial assets expire; or if the Cancer Institute NSW transfers the financial asset:

- * where substantially all the risks and rewards have been transferred; or
- * where the Cancer Institute NSW has not transferred substantially all the risks and rewards, if the Cancer Institute NSW has not retained control.

Where the Cancer Institute NSW has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the Cancer Institute NSW's continuing involvement in the asset.

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires.

Cancer Institute NSW
Notes to and forming part of the Financial Statements
for the year ended 30 June 2014

r) Payables

These amounts represent liabilities for goods and services provided to the Cancer Institute NSW and other amounts. Payables are recognised initially at fair value, usually based on the transaction cost or face value.

Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

Payables are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Cancer Institute NSW.

s) Fair Value Hierarchy

A number of the Cancer Institute NSW's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. When measuring fair value, the valuation technique used maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Under AASB 13, the Cancer Institute NSW categorises, for disclosure purposes, the valuation techniques based on the inputs used in the valuation techniques as follows:

For non-specialised assets with short useful lives, AASB 13 allows recognition at depreciated historical cost as an acceptable surrogate for fair value as differences are considered immaterial. Thus the values for Plant & Equipment and Leasehold Improvements are not required to be reported under the fair value hierarchy.

t) Reclassification of Expenses and Liabilities

Certain amounts in 2012/13 financial statements have been reclassified to conform to the current Ministry of Health presentation. These reclassifications have no effect on previously reported comprehensive income, net assets or cashflows.

Sponsorships and donations and Community Grants in 2012/13 has been reclassified from Other Operating Expenses to Grants and Subsidies (\$538K).

Fringe Benefit Tax Payable has been reclassified from Current Provisions to Current Payables (\$71K).

Current Liabilities Annual Leave, Long Service Leave and Superannuation in Cancer Institute NSW (parent) have been reclassified from Payables to Provisions.

Non-Current Long Service Leave Provision in Cancer Institute NSW (parent) has been reclassified from Current Payables to Non-Current Provisions.

Cancer Institute NSW
Notes to and forming part of the Financial Statements
for the year ended 30 June 2014

u) Equity Transfers

The transfer of net assets between entities as a result of an administrative restructure, transfers of programs/functions and parts thereof between NSW public sector entities is designated or required by Accounting Standards to be treated as contributions by owners and is recognised as an adjustment to "Accumulated Funds". This treatment is consistent with AASB 1004, Contributions and Australian Interpretation 1038, Contributions by Owners Made to Wholly-Owned Public Sector Entities.

Transfers arising from an administrative restructure involving not-for-profit government entities and for-profit government entities are recognised at the amount at which the asset was recognised by the transferor immediately prior to the restructure. Subject to below, in most instances this will approximate fair value.

All other equity transfers are recognised at fair value, except for intangibles. Where an intangible has been recognised at (amortised) cost by the transferor because there is no active market, the agency recognises the asset at the transferor's carrying amount. Where the transferor is prohibited from recognising internally generated intangibles, the entity does not recognise that asset.

v) Equity and Reserves

(i) Accumulated Funds

The category "accumulated funds" includes all current and prior period retained funds.

(ii) Superannuation Actuarial Gains and Losses

Superannuation actuarial gains and losses are recognised in the statement of changes in equity as required by AASB 119 Employee Benefits.

w) Budgeted Amounts

The budgeted amounts are drawn from the budgets agreed with the NSW Ministry of Health at the beginning of the financial year and with any adjustments for the effects of additional supplementation provided. The budget amounts are not subject to audit review and, accordingly, the relevant column entries in the financial statements are denoted as "Unaudited".

x) Service Group Statements Allocation Methodology

Using the statistical data for twelve months ending 30 June 2013, the data is then adjusted for any material change in service delivery or funding distribution, occurring in the 2013-14 year.

In respect of assets and liabilities the Ministry requires the Cancer Institute NSW take action to identify those components that can be specifically identified and reported by service groups.

Remaining values are attributed to service groups in accordance with values advised by the NSW Ministry of Health, e.g. depreciation/amortisation charges form the basis of apportioning the values for intangibles and Property, Plant & Equipment.

Cancer Institute NSW
Notes to and forming part of the Financial Statements
for the year ended 30 June 2014

y) Changes in Accounting Policy, including new or revised Australian Accounting Standards

(i) Effective for the first time in 2013-14

The accounting policies applied in 2013-14 are consistent with those of the previous financial year except as a result of the following new or revised Australian Accounting Standards that have impacted in 2013-14 and have been applied for the first time as follows:

AASB 13, AASB 2011-8 and AASB 2012-1, Fair Value Measurement have mandatory application from 1 January 2013 and address, inter alia, the assumptions that market participants would use when pricing the asset or liability. No impact to prior year values, increased note disclosures.

AASB 119, AASB 2011-10 and AASB 2011-11, regarding employee entitlements, have mandatory application from 1 January 2013 and cover the recognition and measurement of short term and long term employee benefits. Refer Note 3 and 22.

AASB 2012-2, Amendments to Australian Accounting Standard - Offsetting Financial Assets and Financial Liabilities, has application for reporting periods starting on or after 1 January 2013 and seeks to address some of the offsetting criteria of AASB 7. Minor Adjustment has been made to note 29.

(ii) Issued but not yet effective

NSW public sector entities are not permitted to early adopt new Australian Accounting Standards, unless Treasury determines otherwise. The following new Australian Accounting Standards have not been applied and are not yet effective. The possible impact of these Standards in the period of initial application includes:

AASB 2010-7, regarding Financial Instruments has mandatory application from 1 July 2015 and comprise changes to improve and simplify the approach for classification and measurement of financial assets. The change is not expected to materially impact the financial statements.

AASB 2011-7, Amendments to Australian Accounting Standards for the consolidation and joint arrangement standards, arise from the issuance of AASB 10, AASB 11, AASB 12, AASB 127, and AASB 128. For not for profit entities, the changes have application from 1 July 2014. Based on the initial high level assessment performed by the Ministry of Health, this standard has been assessed as having no material effect. The Cancer Institute NSW in conjunction with the Ministry will be performing a detailed review of the impact of the standard to assess if any small foundations, trust or any other type of entities are controlled, noting if such relationship exists, it is still likely to be immaterial.

AASB 1055 and AASB 2013-1, regarding Budgetary Reporting has application from 1 July 2014. Any changes in future disclosures will be determined by the policies adopted for whole of government reporting.

AASB 9, Financial Instruments, has application from 1 Jan 2017. Standard is to establish principles for the financial reporting of financial assets and financial liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows.

AASB 1031, Materiality, is applicable to annual reporting periods beginning on or after 1 January 2014. This Standard provides references to other Standards and the Framework that contain guidance on materiality.

Cancer Institute NSW
Notes to and forming part of the Financial Statements
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AASB 2012-3, Amendments to Australian Accounting Standard - Offsetting Financial Assets and Financial Liabilities, has application from 1 January 2014 and seeks to address inconsistencies identified in applying some of the offsetting criteria of AASB 132.

AASB 2013-3, Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets, has application from 1 July 2014.

AASB 2013-6, Amendments to AASB 136 arising from Reduced Disclosure Requirements, has application from 1 July 2014.

AASB 2013-8, Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities – Control and Structured Entities, has application from 1 July 2014.

AASB 2013-9, Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments has application from 1 July 2014.

AASB 2014-1, Amendments to Australian Accounting Standards is a summary of changes and impacts on wording arising from changes in other standards issued by the Australian Accounting Standards Board which have been already assessed above. This standard has application from 1 July 2014.

AASB 2014-2, Amendments to AASB 1053 – Transition to and between Tiers, and related Tier 2 Disclosure Requirements which should have minimal impact due to exemptions not applying to General Government Sector Entities. This standard has application from 1 July 2014.

Cancer Institute NSW
Notes to and forming part of the Financial Statements
for the year ended 30 June 2014

| PARENT | | | CONSOLIDATION | |
|--|---------------|--|---------------|---------------|
| 2014 \$000 | 2013 \$000 | | 2014 \$000 | 2013 \$000 |
| 3. Employee Related | | | | |
| Employee related expenses comprise the following: | | | | |
| --- | --- | Salaries and Wages | 15,884 | 15,212 |
| --- | --- | Superannuation - Defined Benefit Plans | 35 | 25 |
| --- | --- | Superannuation - Defined Contribution Plans | 1,355 | 1,229 |
| --- | --- | Long Service Leave | 318 | 196 |
| --- | --- | Annual Leave | 1,473 | 1,492 |
| --- | --- | Redundancies | 242 | 189 |
| --- | --- | Workers' Compensation Insurance | 124 | 94 |
| --- | --- | Fringe Benefits Tax and Payroll Tax | 942 | 957 |
| --- | --- | | 20,373 | 19,394 |
| 4. Personnel Services | | | | |
| Personnel Services comprise the purchase of the following: | | | | |
| 15,884 | 15,212 | Salaries and Wages | --- | --- |
| --- | (197) | Superannuation - Defined Benefit Plans | --- | --- |
| 1,355 | 1,229 | Superannuation - Defined Contribution Plans | --- | --- |
| (76) | 196 | Long Service Leave | --- | --- |
| 1,473 | 1,492 | Annual Leave | --- | --- |
| 242 | 189 | Redundancies | --- | --- |
| 124 | 94 | Workers' Compensation Insurance | --- | --- |
| 942 | 957 | Fringe Benefits Tax | --- | --- |
| 19,944 | 19,172 | | --- | --- |
| 5. Other Operating Expenses | | | | |
| 10,364 | 12,514 | Advertising | 10,364 | 12,514 |
| 46 | 45 | Auditor's Remuneration - Audit of Financial Statements | 46 | 45 |
| 448 | 223 | Consultancies | 448 | 223 |
| 13,683 | 19,652 | Contractors | 13,683 | 19,652 |
| 79 | 90 | Domestic Supplies and Services | 79 | 90 |
| 92 | 95 | Food Supplies | 92 | 95 |
| 54 | 82 | Fuel, Light and Power | 54 | 82 |
| 1,634 | 1,792 | Other (See (a) below) | 1,634 | 1,792 |
| 2,022 | 1,961 | Information Management Expenses | 2,022 | 1,961 |
| 383 | 416 | Maintenance (See (b) below) | 383 | 416 |
| 764 | 705 | Postal and Telephone Costs | 764 | 705 |
| 429 | 382 | Printing and Stationery | 429 | 382 |
| 1,425 | 1,670 | Rental | 1,425 | 1,670 |
| 472 | 382 | Staff Related Costs | 472 | 382 |
| 237 | 246 | Travel Related Costs | 237 | 246 |
| 32,132 | 40,255 | | 32,132 | 40,255 |

Cancer Institute NSW
Notes to and forming part of the Financial Statements
for the year ended 30 June 2014

| PARENT | | | CONSOLIDATION | |
|---------------|---------------|--|---------------|---------------|
| 2014 \$000 | 2013 \$000 | | 2014 \$000 | 2013 \$000 |
| | | (a) Other Includes: | | |
| 15 | 22 | Courier and Freight | 15 | 22 |
| 113 | 25 | Legal Services | 113 | 25 |
| 13 | 31 | Membership/Professional Fees | 13 | 31 |
| — | 2 | Motor Vehicle Operating Lease Expense - Minimum Lease Payments | — | 2 |
| 6 | — | Other Operating Lease Expense - Minimum Lease Payments | 6 | — |
| 1,487 | 1,712 | Other Miscellaneous | 1,487 | 1,712 |
| 1,634 | 1,792 | | 1,634 | 1,792 |
| | | (b) Reconciliation of Total Maintenance | | |
| 81 | 24 | Maintenance Contracts | 81 | 24 |
| 281 | 308 | New/Replacement Equipment under \$10,000 | 281 | 308 |
| 3 | 6 | Repairs Maintenance/Non Contract | 3 | 6 |
| 18 | 78 | Other | 18 | 78 |
| 383 | 416 | Maintenance Expense - Contracted Labour and Other (Non-Employee Related in Note 5) | 383 | 416 |
| 383 | 416 | Total Maintenance Expenses | 383 | 416 |

Cancer Institute NSW
Notes to and forming part of the Financial Statements
for the year ended 30 June 2014

| PARENT | | | CONSOLIDATION | |
|---------------|---------------|---|---------------|---------------|
| 2014 \$000 | 2013 \$000 | | 2014 \$000 | 2013 \$000 |
| | | 6. Depreciation and Amortisation | | |
| 320 | 299 | Depreciation - Plant and Equipment | 320 | 299 |
| 568 | 787 | Amortisation - Leasehold Improvements | 568 | 787 |
| 528 | 462 | Amortisation - Intangible Assets | 528 | 462 |
| <u>1,416</u> | <u>1,548</u> | | <u>1,416</u> | <u>1,548</u> |
| | | 7. Grants and Subsidies | | |
| 25,799 | 26,981 | Grants to Research Organisations | 25,799 | 26,981 |
| 67,285 | 68,519 | Grant Payments to Other NSW Health Entities | 67,285 | 68,519 |
| 197 | 538 | Other Grants | 197 | 538 |
| <u>93,281</u> | <u>96,038</u> | | <u>93,281</u> | <u>96,038</u> |
| | | 8. Finance Costs | | |
| 32 | 48 | Unwinding of Present Value Discount | 32 | 48 |
| <u>32</u> | <u>48</u> | Total Finance Costs | <u>32</u> | <u>48</u> |

Cancer Institute NSW
Notes to and forming part of the Financial Statements
for the year ended 30 June 2014

| PARENT | | | CONSOLIDATION | |
|------------------------------|---------------|--|---------------|---------------|
| 2014 \$000 | 2013 \$000 | | 2014 \$000 | 2013 \$000 |
| 9. Investment Revenue | | | | |
| 768 | 1,065 | Interest | 768 | 1,065 |
| 632 | 757 | T Corp Hour Glass Investment Facilities Designated at Fair Value through Profit or Loss | 632 | 757 |
| 1,400 | 1,822 | | 1,400 | 1,822 |

Cancer Institute NSW
Notes to and forming part of the Financial Statements
for the year ended 30 June 2014

| PARENT | | | CONSOLIDATION | |
|---------------|---------------|---|---------------|---------------|
| 2014 \$000 | 2013 \$000 | | 2014 \$000 | 2013 \$000 |
| | | 10. Grants and Contributions | | |
| 1,185 | 2,409 | Commonwealth Government Grants | 1,185 | 2,409 |
| 387 | --- | NSW Government Grants | 387 | --- |
| 105 | 227 | Other Grants | 105 | 227 |
| 1,677 | 2,636 | | 1,677 | 2,636 |
| | | 11. Acceptance by the Crown Entity of employee benefits | | |
| | | The following liabilities and expenses have been assumed by the Crown Entity: | | |
| --- | --- | Superannuation-defined benefit | 35 | --- |
| --- | --- | Long Service Leave | 394 | --- |
| --- | --- | | 429 | --- |
| | | 12. Other Revenue | | |
| | | Other Revenue comprises the following:- | | |
| 2,534 | 726 | Recoveries and Superannuation Transferred to Crown Entity | 2,534 | 726 |
| 2,534 | 726 | | 2,534 | 726 |

Cancer Institute NSW
Notes to and forming part of the Financial Statements
for the year ended 30 June 2014

| PARENT | | | CONSOLIDATION | |
|--------------------|-------------------|---|--------------------|-------------------|
| 2014 \$000 | 2013 \$000 | | 2014 \$000 | 2013 \$000 |
| | | 13. Gain / (Loss) on Disposal | | |
| 1,776 | 180 | Property, Plant and Equipment | 1,776 | 180 |
| 1,760 | 180 | Less: Accumulated Depreciation | 1,760 | 180 |
| <u>16</u> | <u>---</u> | Written Down Value | <u>16</u> | <u>---</u> |
| <u>---</u> | <u>---</u> | Less: Proceeds from Disposal | <u>---</u> | <u>---</u> |
| <u>(16)</u> | <u>---</u> | Gain/(Loss) on Disposal of Property, Plant and Equipment | <u>(16)</u> | <u>---</u> |
| <u>(16)</u> | <u>---</u> | Total Gain/(Loss) on Disposal | <u>(16)</u> | <u>---</u> |

Cancer Institute NSW
Notes to and forming part of the Financial Statements
for the year ended 30 June 2014

PARENT & CONSOLIDATION

14. Conditions on Contributions

| | Purchase of Assets | Health Promotion, Education and Research | Other | Total |
|--|-----------------------------------|---|--------------|---------------|
| | \$000 | \$000 | \$000 | \$000 |
| Contributions recognised in previous years which were not expended in the current reporting period | 11,192 | --- | --- | 11,192 |
| Total amount of unexpended contributions as at balance date | <u>11,192</u> | <u>---</u> | <u>---</u> | <u>11,192</u> |

Comment on restricted assets appears in Note 20

Cancer Institute NSW
Notes to and forming part of the Financial Statements
for the year ended 30 June 2014

15. Service Groups of the Cancer Institute NSW

Service Group 1.2 - Aboriginal Health Services

Service Description: This service group covers the provision of supplementary health services to Aboriginal people, particularly in the areas of health promotion, health education and disease prevention. (Note: This program excludes most services for Aboriginal people provided directly by Local Health Districts and other general health services that are used by all members of the community).

Objective: This service group contributes to ensuring a fair and sustainable health system by working towards a range of intermediate results that include the following:

- the building of regional partnerships for the provision of health services
- raising the health status of Aboriginal people and
- promoting a healthy lifestyle.

Service Group 2.2 - Inpatient Hospital Services

Service Description: This service group covers the provision of health care to patients admitted to hospitals, including elective surgery and maternity services.

Objective: This service group contributes to creating better experiences for people using the health system by working towards a range of intermediate results that include the following:

- timely treatment of booked surgical patients, resulting in improved clinical outcomes, quality of life and patient satisfaction and
- reduced rate of unplanned and unexpected hospital readmissions.

Cancer Institute NSW
Notes to and forming part of the Financial Statements
for the year ended 30 June 2014

Service Group 5.1 - Population Health Services

Service Description: This service group covers the provision of health services targeted at broad population groups including environmental health protection, food and poisons regulation and monitoring of communicable diseases.

Objective: This service group contributes to making prevention everybody's business by working towards a range of intermediate results that include the following:

- reduced incidence of preventable disease and disability and
- improved access to opportunities and prerequisites for good health.

Service Group 6.1 - Teaching and Research

Service Description: This service group covers the provision of professional training for the needs of the New South Wales health system. It also includes strategic investment in research and development to improve the health and wellbeing of the people of New South Wales.

Objective: This service group contributes to ensuring a fair and sustainable health system by working towards a range of intermediate results that include the following:

- developing the skills and knowledge of the health workforce to support patient care and population health and
- extending knowledge through scientific enquiry and applied research aimed at improving the health and wellbeing of the people of New South Wales.

Cancer Institute NSW
Notes to and forming part of the Financial Statements
for the year ended 30 June 2014

| PARENT | | | CONSOLIDATION | |
|---------------|---------------|--|---------------|---------------|
| 2014 \$000 | 2013 \$000 | | 2014 \$000 | 2013 \$000 |
| | | 16. Cash and Cash Equivalents | | |
| 13,056 | 28,256 | Cash at Bank and On Hand | 13,197 | 28,379 |
| 22,089 | 21,456 | Short Term Deposits | 22,089 | 21,456 |
| 35,145 | 49,712 | | 35,286 | 49,835 |
| | | For the purposes of the statement of cash flows, cash and cash equivalents include cash at bank, cash on hand and short-term deposits. | | |
| | | Cash & cash equivalent assets recognised in the Statement of Financial Position are reconciled at the end of the financial year to the Statement of Cash Flows as follows: | | |
| 35,145 | 49,712 | Cash and Cash Equivalents (per Statement of Financial Position) | 35,286 | 49,835 |
| 35,145 | 49,712 | Closing Cash and Cash Equivalents (per Statement of Cash Flows) | 35,286 | 49,835 |

Refer to Note 29 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

Cancer Institute NSW
Notes to and forming part of the Financial Statements
for the year ended 30 June 2014

| PARENT | | | CONSOLIDATION | |
|---------------|---------------|----------------------------|---------------|---------------|
| 2014 \$000 | 2013 \$000 | | 2014 \$000 | 2013 \$000 |
| | | 17. Receivables | | |
| | | Current | | |
| 2 | 50 | Sale of Goods and Services | 7 | 58 |
| 348 | 532 | Intra Health Receivables | 348 | 532 |
| 2,561 | 4,157 | Goods and Services Tax | 2,561 | 4,157 |
| 1,321 | 684 | Other Debtors | 1,321 | 684 |
| <hr/> | <hr/> | | <hr/> | <hr/> |
| 4,232 | 5,423 | Sub Total | 4,237 | 5,431 |
| 12,392 | 4,588 | Prepayments | 12,392 | 4,588 |
| <hr/> | <hr/> | | <hr/> | <hr/> |
| 16,624 | 10,011 | | 16,629 | 10,019 |

*Details regarding credit risk, liquidity risk and market risk,
including financial assets that are either past due or impaired
are disclosed in Note 29.*

Cancer Institute NSW
Notes to and forming part of the Financial Statements
for the year ended 30 June 2014

| PARENT | | | CONSOLIDATION | |
|--|---------------|---|----------------------|---------------|
| 2014 \$000 | 2013 \$000 | | 2014 \$000 | 2013 \$000 |
| 18. Property, Plant and Equipment | | | | |
| Plant and Equipment - Fair Value | | | | |
| 1,796 | 1,903 | Gross Carrying Amount | 1,796 | 1,903 |
| 858 | 811 | Less: Accumulated Depreciation and Impairment | 858 | 811 |
| <u>938</u> | <u>1,092</u> | Net Carrying Amount | <u>938</u> | <u>1,092</u> |
| Leasehold Improvements - Fair Value | | | | |
| 3,832 | 5,362 | Gross Carrying Amount | 3,832 | 5,362 |
| 1,728 | 2,690 | Less: Accumulated Depreciation and Impairment | 1,728 | 2,690 |
| <u>2,104</u> | <u>2,672</u> | Net Carrying Amount | <u>2,104</u> | <u>2,672</u> |
| <u>3,042</u> | <u>3,764</u> | Total Property, Plant and Equipment At Net Carrying Amount | <u>3,042</u> | <u>3,764</u> |

Cancer Institute NSW
Notes to and forming part of the Financial Statements
for the year ended 30 June 2014

PARENT & CONSOLIDATION

18. Property, Plant and Equipment - Reconciliation

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the current reporting period is set out below:

| | Plant and Equipment | Leasehold Improvements | Total |
|---|------------------------|---------------------------|--------------|
| | \$000 | \$000 | \$000 |
| 2014 | | | |
| Net Carrying Amount at Start of Year | 1,092 | 2,672 | 3,764 |
| Additions | 285 | --- | 285 |
| Disposals | (16) | --- | (16) |
| Administrative Restructures - Transfers | | | |
| In/(Out) | (103) | --- | (103) |
| Depreciation Expense | (320) | (568) | (888) |
| Net Carrying Amount at End of Year | 938 | 2,104 | 3,042 |

| | Plant and Equipment | Leased Improvements | Total |
|---|------------------------|------------------------|--------------|
| | \$000 | \$000 | \$000 |
| 2013 | | | |
| Net Carrying Amount at Start of Year | 955 | 3,343 | 4,298 |
| Additions | 436 | 116 | 552 |
| Disposals | --- | --- | --- |
| Administrative Restructures - Transfers | | | |
| In/(Out) | --- | --- | --- |
| Depreciation Expense | (299) | (787) | (1,086) |
| Net Carrying Amount at End of Year | 1,092 | 2,672 | 3,764 |

Cancer Institute NSW
Notes to and forming part of the Financial Statements
for the year ended 30 June 2014

| PARENT | | | CONSOLIDATION | |
|---------------|---------------|---|---------------|---------------|
| 2014 \$000 | 2013 \$000 | | 2014 \$000 | 2013 \$000 |
| | | 19. Intangible Assets | | |
| | | Intangibles | | |
| 3,645 | 3,363 | Cost (Gross Carrying Amount) | 3,645 | 3,363 |
| 1,368 | 845 | Less Accumulated Amortisation and Impairment | 1,368 | 845 |
| <u>2,277</u> | <u>2,518</u> | Net Carrying Amount | <u>2,277</u> | <u>2,518</u> |
| <u>2,277</u> | <u>2,518</u> | Total Intangible Assets at Net Carrying Amount | <u>2,277</u> | <u>2,518</u> |

Cancer Institute NSW
Notes to and forming part of the Financial Statements
for the year ended 30 June 2014

PARENT & CONSOLIDATION

19. Intangibles - Reconciliation

| | Intangibles \$000 |
|--|----------------------|
| 2014 | |
| Net Carrying Amount at Start of Year | 2,518 |
| Additions (From Internal Development or Acquired Separately) | 287 |
| Amortisation (Recognised in Depreciation and Amortisation) | (528) |
| Net Carrying Amount at End of Year | 2,277 |

| | Intangibles \$000 |
|--|----------------------|
| 2013 | |
| Net Carrying Amount at Start of Year | 2,770 |
| Additions (From Internal Development or Acquired Separately) | 210 |
| Amortisation (Recognised in Depreciation and Amortisation) | (462) |
| Net Carrying Amount at End of Year | 2,518 |

Cancer Institute NSW
Notes to and forming part of the Financial Statements
for the year ended 30 June 2014

PARENT

CONSOLIDATION

2014
\$000

2013
\$000

2014
\$000

2013
\$000

20. Restricted Assets

The Cancer Institute NSW's financial statements include the following assets which are restricted by externally imposed conditions, eg. donor requirements. The assets are only available for application in accordance with the terms of the donor restrictions.

Category

11,192

10,872 Specific Purposes

11,192

10,872

11,192

10,872

11,192

10,872

Cancer Institute NSW
Notes to and forming part of the Financial Statements
for the year ended 30 June 2014

| PARENT | | | CONSOLIDATION | |
|---------------|---------------|--|---------------|---------------|
| 2014 \$000 | 2013 \$000 | | 2014 \$000 | 2013 \$000 |
| | | 21. Payables | | |
| | | Current | | |
| — | — | Accrued Salaries, Wages and On-Costs | 439 | 405 |
| — | — | Taxation and Payroll Deductions | 105 | 75 |
| 398 | 349 | Accrued Liability - Purchase of Personnel Services | — | — |
| 42 | 7,380 | Creditors | 42 | 7,380 |
| | | Other Creditors | | |
| | | - Intra Health Liability | 657 | 3,023 |
| 657 | 3,023 | - Other | 614 | 5,541 |
| 614 | 5,541 | | | |
| <u>1,711</u> | <u>16,293</u> | | <u>1,857</u> | <u>16,424</u> |

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables are disclosed in Note 29.

Cancer Institute NSW
Notes to and forming part of the Financial Statements
for the year ended 30 June 2014

| PARENT | | CONSOLIDATION | |
|---|---------------|---------------|---------------|
| 2014 \$000 | 2013 \$000 | 2014 \$000 | 2013 \$000 |
| 22. Provisions | | | |
| Current | | | |
| --- | --- | 1,409 | 1,631 |
| --- | --- | 74 | --- |
| --- | --- | --- | 1,693 |
| --- | --- | 243 | 243 |
| --- | --- | --- | 1,550 |
| --- | 138 | --- | 138 |
| 1,726 | 5,117 | --- | --- |
| 1,726 | 5,255 | 1,726 | 5,255 |
| Total Current Provisions | | | |
| Non-Current | | | |
| --- | --- | --- | 610 |
| --- | --- | 13 | 88 |
| 516 | 484 | 516 | 484 |
| 13 | 698 | --- | --- |
| 529 | 1,182 | 529 | 1,182 |
| Total Non-Current Provisions | | | |
| Aggregate Employee Benefits and Related On-Costs | | | |
| --- | --- | 1,726 | 5,117 |
| --- | --- | 13 | 698 |
| --- | --- | 544 | 480 |
| 2,283 | 6,295 | --- | --- |
| 2,283 | 6,295 | 2,283 | 6,295 |
| Liability - Purchase of Personnel Services | | | |

Other Current Provisions for 2013 include Superannuation Defined Benefits of \$1,550,200.

Other Non-Current Liabilities are for makegood of leased premises as required in the conditions of the lease. Expected outflow in November 2018, \$516,000 (2013: 484,000) dependent upon extension of current lease.

Cancer Institute NSW
Notes to and forming part of the Financial Statements
for the year ended 30 June 2014

22 Provisions - Current (Contd.)

Superannuation Funds as at 30 June 2013

Basis —AASB 119

| | SASS | SANCS | SSS | TOTAL |
|---|------------------|------------------|------------------|------------------|
| | 30-Jun-13 | 30-Jun-13 | 30-Jun-13 | 30-Jun-13 |
| Member Numbers | | | | |
| Contributors | 4 | 4 | 0 | |
| Deferred benefits | 0 | 0 | 1 | |
| Pensioners | 0 | 0 | 1 | |
| Pensions fully commuted | 0 | 0 | 0 | |
| Superannuation Position for AASB 119 purposes | A\$ | A\$ | A\$ | A\$ |
| Accrued liability | 1,489,458 | 235,826 | 1,967,466 | 3,692,750 |
| Estimated reserve account balance | (1,064,766) | (103,418) | (974,366) | (2,142,550) |
| | 424,692 | 132,408 | 993,100 | 1,550,200 |
| Future Service Liability (Note 1) | (343,827) | (95,220) | 0 | (439,047) |
| Surplus in excess of recovery available from schemes | 0 | 0 | 0 | 0 |
| Net (asset)/liability to be recognised in statement of financial position | 424,692 | 132,408 | 993,100 | 1,550,200 |

Note 1:

The Future Service Liability (FSL) does not have to be recognised by an employer. It is only used to determine if an asset ceiling limit should be imposed (AASB 119, para 58). Under AASB 119, any prepaid superannuation asset recognised cannot exceed the total of any unrecognised past service cost and the present value of any economic benefits that may be available in the form of refunds from the plan or reductions in future contributions to the plan. Where the "surplus in excess of recovery" is zero, no asset ceiling limit is imposed.

Cancer Institute NSW
Notes to and forming part of the Financial Statements
for the year ended 30 June 2014

22 Provisions - Current (Contd.)

Superannuation Funds as at 30 June 2013 (Contd.)

Disclosure Items 30 June 2013

Accounting policy (AASB 119 — paragraph 120A(a))

Actuarial gains and losses are recognised immediately in other comprehensive income in the year in which they occur.

Fund information (AASB 119— paragraph 120A(b))

The Pooled Fund holds in trust the investments of the closed NSW public sector superannuation schemes:

State Authorities Superannuation Scheme (SASS)

State Superannuation Scheme (SSS)

Police Superannuation Scheme (PSS)

State Authorities Non-contributory Superannuation Scheme (SANCS).

These schemes are all defined benefit schemes — at least a component of the final benefit is derived from a multiple of member salary and years of membership. All the Schemes are closed to new members.

Reconciliation of the present value of the defined benefit obligation (AASB 119 — paragraph 120A(c))

| | SASS Financial Year to 30 June 2013 A\$ | SANCS Financial Year to 30 June 2013 A\$ | SSS Financial Year to 30 June 2013 A\$ |
|--|--|---|---|
| Present value of partly funded defined benefit obligation at beginning of the year | 1,835,084 | 359,781 | 2,179,655 |
| Current service cost | 88,147 | 15,587 | 0 |
| Interest cost | 53,877 | 10,387 | 64,768 |
| Contributions by Fund participants | 48,322 | 0 | 0 |
| Actuarial (gains)/losses | 53,473 | 28,810 | (251,890) |
| Benefits paid | (589,445) | (178,739) | (25,067) |
| Past service cost | 0 | 0 | 0 |
| Curtailments | 0 | 0 | 0 |
| Settlements | 0 | 0 | 0 |
| Business Combinations | 0 | 0 | 0 |
| Exchange rate changes | 0 | 0 | 0 |
| Present value of partly funded defined benefit obligation at end of the year | 1,489,458 | 235,826 | 1,967,466 |

Cancer Institute NSW
Notes to and forming part of the Financial Statements
for the year ended 30 June 2014

22 Provisions - Current (Contd.)

Superannuation Funds as at 30 June 2013 (Contd.)

Reconciliation of the fair value of Fund assets {AASB 119- paragraph 120A(e)}

| | SASS Financial Year to 30 June 2013 A\$ | SANCS Financial Year to 30 June 2013 A\$ | SSS Financial Year to 30 June 2013 A\$ |
|--|--|---|---|
| Fair value of Fund assets at beginning of the year | 1,430,441 | 243,630 | 855,967 |
| Expected return on Fund assets | 120,295 | 19,694 | 68,190 |
| Actuarial gains/(losses) | (30,299) | 7,405 | 75,276 |
| Employer contributions | 85,452 | 11,429 | 0 |
| Contributions by Fund participants | 48,322 | 0 | 0 |
| Benefits paid | (589,445) | (178,739) | (25,067) |
| Settlements | 0 | 0 | 0 |
| Business combinations | 0 | 0 | 0 |
| Exchange rate changes | 0 | 0 | 0 |
| Fair value of Fund assets at end of the year | 1,064,766 | 103,418 | 974,366 |

Reconciliation of the assets and liabilities recognised in Statement of Financial position {AASB 119 - paragraphs 120A(d) and (f)}

| | SASS Financial Year to 30 June 2013 A\$ | SANCS Financial Year to 30 June 2013 A\$ | SSS Financial Year to 30 June 2013 A\$ |
|--|--|---|---|
| Present value of partly funded defined benefit obligation at end of year | 1,489,458 | 235,826 | 1,967,466 |
| Fair value of Fund assets at end of year | (1,064,766) | (103,418) | (974,366) |
| Subtotal | 424,692 | 132,408 | 993,100 |
| Unrecognised past service cost | 0 | 0 | 0 |
| Unrecognised gain/(loss) | 0 | 0 | 0 |
| Adjustment for limitation on net asset | 0 | 0 | 0 |
| Net Liability/(Asset) recognised in statement of financial position at end of year | 424,692 | 132,408 | 993,100 |

Cancer Institute NSW
Notes to and forming part of the Financial Statements
for the year ended 30 June 2014

22 Provisions - Current (Contd.)

Superannuation Funds as at 30 June 2013 (Contd.)

Expense recognised in income statement (AASB 119— paragraph 46 & 120A(g))

| | SASS Financial Year to 30 June 2013 A\$ | SANCS Financial Year to 30 June 2013 A\$ | SSS Financial Year to 30 June 2013 A\$ |
|--|--|---|---|
| Components Recognised in Statement of Comprehensive Income | | | |
| Current service cost | 88,147 | 15,587 | 0 |
| Interest cost | 53,877 | 10,387 | 64,768 |
| Expected return on Fund assets (net of expenses) | (120,295) | (19,694) | (68,190) |
| Actuarial losses/(gains) recognised in year | 0 | 0 | 0 |
| Past service cost | 0 | 0 | 0 |
| Movement in adjustment for limitation on net asset | 0 | 0 | 0 |
| Curtailment or settlement (gain)/loss | 0 | 0 | 0 |
| Rounding adjustment | 1 | 0 | 0 |
| Expense/(income) recognised | 21,730 | 6,280 | (3,422) |

Cancer Institute NSW
Notes to and forming part of the Financial Statements
for the year ended 30 June 2014

22 Provisions - Current (Contd.)

Superannuation Funds as at 30 June 2013 (Contd.)

Amounts recognised in other comprehensive income (AASB 119— paragraph 120A(h))

| | SASS Financial Year to 30 June 2013 A\$ | SANCS Financial Year to 30 June 2013 A\$ | SSS Financial Year to 30 June 2013 A\$ |
|-----------------------------------|--|---|---|
| Actuarial (gains)/losses | 83,771 | 21,405 | (327,165) |
| Adjustment for limit on net asset | 0 | 0 | 0 |

Fund assets (AASB 119— paragraph 120A(j))

The percentage invested in each asset class at the balance sheet date:

| | 30 June 2013 |
|--------------------------------------|--------------|
| Australian equities | 30% |
| Overseas equities | 26% |
| Australian fixed interest securities | 0% |
| Overseas fixed interest securities | 2% |
| Property | 8% |
| Cash | 13% |
| Other | 13% |

Fair value of Fund assets (AASB 119— paragraph 120A(k))

All Fund assets are invested by STC at arm's length through independent fund managers.

Expected rate of return on assets (AASB119 — paragraph 120A(l))

The expected return on assets assumption is determined by weighting the expected long-term return for each asset class by the target allocation of assets to each class. The returns used for each class are net of investment tax and investment fees.

Actual Return on Fund Assets (AASB 119— paragraph 120A(m))

| | SASS Financial Year to 30 June 2013 A\$ | SANCS Financial Year to 30 June 2013 A\$ | SSS Financial Year to 30 June 2013 A\$ |
|------------------------------|--|---|---|
| Actual return on Fund assets | 206,364 | 27,099 | 143,465 |

Cancer Institute NSW
Notes to and forming part of the Financial Statements
for the year ended 30 June 2014

22 Provisions - Current (Contd.)

Superannuation Funds as at 30 June 2013 (Contd.)

Valuation method and principal actuarial assumptions at the balance sheet date (AASB 119— paragraph 120A(n))

a)Valuation Method

The Projected Unit Credit (PUC) valuation method was used to determine the present value of the defined benefit obligations and the related current service costs. This method sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

b)Economic Assumptions

| | 30 June 2013 |
|---|---------------------|
| Salary increase rate (excluding promotional increases) 2013/2014 (SASS, SSS and SANCS) | 2.25% (PSS 2.95%) |
| 2014/2015 | 2.25% |
| 2015/2016 to 2019/2020 | 2.0% pa |
| 2020 onwards | 2.5% pa |
| Rate of CPI Increase | 2.5% pa |
| Expected rate of return on assets | 8.60% |
| Discount rate | 3.80% pa |

c)Demographic Assumptions

The demographic assumptions at 30 June 2013 are those that were used in the 2012 triennial actuarial valuation. The triennial review report is available from the NSW Treasury website.

Historical information (AASB119 — paragraph 120A(p))

| | SASS Financial Year to 30 June 2013 A\$ | SANCS Financial Year to 30 June 2013 A\$ | SSS Financial Year to 30 June 2013 A\$ |
|---|--|---|---|
| Present value of defined benefit obligation | 1,489,458 | 235,826 | 1,967,466 |
| Fair value of Fund assets | (1,064,766) | (103,418) | (974,366) |
| (Surplus)/Deficit in Fund | 424,692 | 132,408 | 993,100 |
| Experience adjustments — Fund liabilities | 53,473 | 28,810 | (251,890) |
| Experience adjustments — Fund assets | 30,299 | (7,405) | (75,276) |

| | SASS Financial Year to 30 June 2012 A\$ | SANCS Financial Year to 30 June 2012 A\$ | SSS Financial Year to 30 June 2012 A\$ |
|---|--|---|---|
| Present value of defined benefit obligation | 1,835,084 | 359,781 | 2,179,655 |
| Fair value of Fund assets | (1,430,441) | (243,630) | (855,967) |
| (Surplus)/Deficit in Fund | 404,643 | 116,151 | 1,323,688 |
| Experience adjustments — Fund liabilities | 391,411 | 48,373 | 484,487 |
| Experience adjustments — Fund assets | (106,103) | 13,558 | 122,278 |

Cancer Institute NSW
Notes to and forming part of the Financial Statements
for the year ended 30 June 2014

22 Provisions - Current (Contd.)

Superannuation Funds as at 30 June 2013 (Contd.)

| | SASS Financial Year to 30 June 2011 A\$ | SANCS Financial Year to 30 June 2011 A\$ | SSS Financial Year to 30 June 2011 A\$ |
|---|--|---|---|
| Present value of defined benefit obligation | 1,036,569 | 251,073 | 1,548,962 |
| Fair value of Fund assets | (838,236) | (188,762) | (860,456) |
| Rounding adjustments | (1) | 0 | 0 |
| (Surplus)/Deficit in Fund | 198,332 | 62,311 | 688,506 |
| Experience adjustments — Fund liabilities | 173,088 | 3,891 | (18,028) |
| Experience adjustments — Fund assets | (140,685) | 770 | 4,180 |

Expected contributions {AASB119 — paragraph 120A(q)}

| | SASS Financial Year to 30 June 2013 A\$ | SANCS Financial Year to 30 June 2013 A\$ | SSS Financial Year to 30 June 2013 A\$ |
|---|--|---|---|
| Expected employer contributions to be paid in the next reporting period | 91,812 | 15,623 | 0 |

Funding Arrangements for Employer Contributions

(a) Surplus/deficit

The following is a summary of the 30 June 2013 financial position of the Fund calculated in accordance with AAS 25 "Financial Reporting by Superannuation Plans":

| | SASS 30 June 2013 A\$ | SANCS 30 June 2013 A\$ | SSS 30 June 2013 A\$ |
|---------------------------------|-----------------------------|------------------------------|----------------------------|
| Accrued benefits | 1,316,641 | 193,833 | 1,066,145 |
| Net market value of Fund assets | (1,064,766) | (103,418) | (974,366) |
| Net (surplus)/deficit | 251,875 | 90,415 | 91,779 |

Cancer Institute NSW
Notes to and forming part of the Financial Statements
for the year ended 30 June 2014

22 Provisions - Current (Contd.)

Superannuation Funds as at 30 June 2013 (Contd.)

(b) Contribution recommendations Recommended contribution rates for the entity are:

| | SASS | SANCS | SSS |
|------|----------------------------------|-----------------|----------------------------------|
| | multiple of member contributions | % member salary | multiple of member contributions |
| 2013 | 2 | 3 | 2 |

(c) Funding method

Contribution rates are set after discussions between the employer, STC and NSW Treasury.

(d) Economic assumptions

The economic assumptions adopted for the 2012 actuarial review of the Fund are:

Weighted-Average Assumptions

| | |
|--|---|
| Expected rate of return on Fund assets backing current pension liabilities | 8.3% pa |
| Expected rate of return on Fund assets backing other liabilities | 7.3% pa |
| Expected salary increase rate | SASS, SANCS, SSS 2.7% pa (PSS 3.5% pa) for 6 years then 4.0% pa |
| Expected rate of CPI increase | 2.5% pa |

Nature of Asset/Liability

If a surplus exists in the employer's interest in the Fund, the employer may be able to take advantage of it in the form of a reduction in the required contribution rate, depending on the advice of the Fund's actuary.

Where a deficiency exists, the employer is responsible for any difference between the employer's share of Fund assets and the defined benefit obligation.

Cancer Institute NSW
Notes to and forming part of the Financial Statements
for the year ended 30 June 2014

| PARENT | | | CONSOLIDATION | |
|--|--|------------------------------|--|--|
| 2014 \$000 | 2013 \$000 | | 2014 \$000 | 2013 \$000 |
| | | 23. Other Liabilities | | |
| | | Current | | |
| — | — | Income in Advance | — | — |
| 413 | 413 | Other | 413 | 413 |
| <hr style="border: 0; border-top: 1px solid black;"/> | <hr style="border: 0; border-top: 1px solid black;"/> | | <hr style="border: 0; border-top: 1px solid black;"/> | <hr style="border: 0; border-top: 1px solid black;"/> |
| 413 | 413 | | 413 | 413 |
| | | Non-Current | | |
| — | — | Income in Advance | — | — |
| 1,378 | 1,791 | Other | 1,378 | 1,791 |
| <hr style="border: 0; border-top: 1px solid black;"/> | <hr style="border: 0; border-top: 1px solid black;"/> | | <hr style="border: 0; border-top: 1px solid black;"/> | <hr style="border: 0; border-top: 1px solid black;"/> |
| 1,378 | 1,791 | | 1,378 | 1,791 |
| <hr style="border: 0; border-top: 3px double black;"/> | <hr style="border: 0; border-top: 3px double black;"/> | | <hr style="border: 0; border-top: 3px double black;"/> | <hr style="border: 0; border-top: 3px double black;"/> |

Cancer Institute NSW
Notes to and forming part of the Financial Statements
for the year ended 30 June 2014

| PARENT | | | CONSOLIDATION | |
|---------------|---------------|--|---------------|---------------|
| 2014 \$000 | 2013 \$000 | 24. Commitments for Expenditure | 2014 \$000 | 2013 \$000 |
| | | (a) Operating Lease Commitments | | |
| | | Future non-cancellable operating lease rentals not provided for and payable: | | |
| | | Not later than one year | 1,607 | 1,738 |
| 1,607 | 1,738 | Later than one year and not later than five years | 5,707 | 6,722 |
| 5,707 | 6,722 | Later than five years | — | 592 |
| — | 592 | | | |
| | | Total Operating Lease Commitments (Including GST) | <u>7,314</u> | <u>9,052</u> |
| <u>7,314</u> | <u>9,052</u> | | | |

The operating lease commitments above are for leased premises.

(b) **Contingent Asset Related to Commitments for Expenditure**

The total of 'Commitments for Expenditure' above, i.e. \$7.3m million as at 30 June 2014 includes input tax credits of \$0.7m that are expected to be recoverable from the Australian Taxation Office (2013 \$0.8m).

Cancer Institute NSW
Notes to and forming part of the Financial Statements
for the year ended 30 June 2014

PARENT AND CONSOLIDATED

25. Contingent Liabilities and Assets

a) Workers Compensation Hindsight Adjustment

Treasury Managed Fund normally calculates hindsight premiums each year. However, in regard to workers compensation the final hindsight adjustment for the 2007/08 fund year and an interim adjustment for the 2009/10 fund year were not calculated until 2013/14.

As a result, the 2008/09 final and 2010/11 pertaining to the hospitals and community services now forming part of the Cancer Institute NSW will be paid in 2014/15. It is not possible for the Cancer Institute NSW to reliably quantify the benefit to be received or amount payable.

Cancer Institute NSW
Notes to and forming part of the Financial Statements
for the year ended 30 June 2014

| PARENT | | | CONSOLIDATION | |
|---|---------------|---|---------------|---------------|
| 2014 \$000 | 2013 \$000 | | 2014 \$000 | 2013 \$000 |
| 26. Reconciliation of Cash Flows from Operating Activities to Net Result | | | | |
| (13,653) | 15,285 | Net Cash Flows from Operating Activities | (13,635) | 15,295 |
| (1,416) | (1,548) | Depreciation | (1,416) | (1,548) |
| 3,998 | 365 | (Increase)/ Decrease in Provisions | 3,985 | 482 |
| 6,611 | 4,449 | Increase / (Decrease) in Prepayments and Other Assets | 6,606 | 4,457 |
| 14,983 | (13,417) | (Increase)/ Decrease in Creditors | 14,983 | (13,774) |
| (16) | — | Net Gain/ (Loss) on Sale of Property, Plant and Equipment | (16) | — |
| <u>10,507</u> | <u>5,134</u> | Net Result | <u>10,507</u> | <u>4,912</u> |

Cancer Institute NSW
Notes to and forming part of the Financial Statements
for the year ended 30 June 2014

PARENT AND CONSOLIDATION

27. Budget Review - Parent and Consolidated

Net Result

The actual Net Result was higher than budget by \$15.9 million, primarily due to:

Delayed implementation of the BreastScreen Mobile Van Replacement Project - Impact \$6.6m

Release of excess provision for Superannuation Defined benefit Schemes now Crown Accepted - Impact \$1.1m

Delays in cancer information systems projects - Impact \$6.5m

Assets and Liabilities

Net Assets were higher than budget by \$15.9 million primarily due to the favourable net result of \$15.9 million.

Cash Flows

Actual Cash of \$35.3 million is \$3 million higher than budget due to lower than budgeted capital grants payments of \$6.6 million offset by \$3.6 million higher than budgeted settlement of creditors.

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28. Increase/(Decrease) in Net Assets from Equity Transfers

No equity transfers were effected in 2012/13.

Equity transfers effected in the 2013/14 year were:

A decrease in net assets of \$0.247M relating to the transfer of the Centre for Health Record Linkage (CHeReL) from the Cancer Institute NSW to the Health System Support Group (HSSG) which is a division of the Health Administration Corporation.

| | 2014 | 2013 |
|--|-------|-------|
| | \$000 | \$000 |
| Equity transfers effected comprised: | | |
| CHeReL- transferred to HSSG | (247) | ---- |
| | (247) | ---- |
| Assets and Liabilities transferred are as follows: | | |
| | 2014 | 2013 |
| | \$000 | \$000 |
| Assets | | |
| Cash | (341) | ---- |
| Computer Equipment | (103) | ---- |
| Liabilities | | |
| Long Service Leave | 110 | ---- |
| Recreation Leave | 87 | ---- |
| Increase/(Decrease) in Net Assets From Equity Transfers | (247) | ---- |

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29. Financial Instruments

The Cancer Institute NSW's principal financial instruments are outlined below. These financial instruments arise directly from the Cancer Institute NSW's operations or are required to finance its operations. The Cancer Institute NSW does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Cancer Institute NSW's main risks arising from financial instruments are outlined below, together with the Cancer Institute NSW's objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout these financial statements.

The Chief Cancer Officer and CEO has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risk faced by the Cancer Institute NSW, to set risk limits and controls and monitor risks. Compliance with policies is reviewed by the Audit & Risk Management Committee and the internal auditors on a continuous basis.

(a) Financial Instrument Categories

PARENT AND CONSOLIDATION

| Class: | Category | Carrying Amount 2014 \$000 | Carrying Amount 2013 \$000 |
|-------------------------------------|--|---|---|
| Financial Assets | | | |
| Cash and Cash Equivalents (note 16) | N/A | 35,286 | 49,835 |
| Receivables (note 17)* | Loans and receivables (at amortised cost) | 1,676 | 1,274 |
| Total Financial Assets | | <u>36,962</u> | <u>51,109</u> |
| Financial Liabilities | | | |
| Payables (note 21)** | Financial liabilities | 1,752 | 16,349 |
| Total Financial Liabilities | | <u>1,752</u> | <u>16,349</u> |

Notes

*Excludes statutory receivables and prepayments (i.e. not within scope of AASB 7)

**Excludes statutory payables and unearned revenue (i.e. not within scope of AASB 7)

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(b) Credit Risk

Credit risk arises when there is the possibility that the counterparty will default on their contractual obligations, resulting in a financial loss to the Cancer Institute NSW. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

Credit risk arises from financial assets of the Cancer Institute NSW, including cash, receivables and authority deposits. No collateral is held by the Cancer Institute NSW. The Cancer Institute NSW has not granted any financial guarantees.

Credit risk associated with the Cancer Institute NSW's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards. Authority deposits held with NSW TCorp are guaranteed by the State.

Cash

Cash comprises cash on hand and bank balances deposited within the NSW Treasury banking system. Interest is earned on daily bank balances at rates of approximately 1.31% in 2013/14 compared to 2.50% in the previous year.

The TCorp Hour-Glass cash facility is discussed in paragraph (d) below.

Receivables - trade debtors

All trade debtors are recognised as amounts receivable at Statement of Financial Position date. Collectability of trade debtors is reviewed on an ongoing basis. Procedures as established in the NSW Ministry of Health Accounting Manual for Public Health Organisations and Fee Procedures Manual are followed to recover outstanding amounts, including letters of demand. Debts which are known to be uncollectable are written off. An allowance for impairment is raised when there is objective evidence that the Cancer Institute NSW will not be able to collect all amounts due. This evidence includes past experience and current and expected changes in economic conditions and debtor credit ratings. No interest is earned on trade debtors.

The Cancer Institute NSW is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors. Based on past experience, debtors that are not past due (2014:\$598,000; 2013: \$480,000) and not more than 3 months past due (2014: \$138,000; 2013:\$4,000) are not considered impaired. Together these represent 100% of the total trade debtors.

| 2014 | Total ^{1,2} | Past due but not impaired ^{1,2} | Considered impaired ^{1,2} |
|-----------------------------|----------------------|--|------------------------------------|
| | \$000 | \$000 | \$000 |
| <3 months overdue | 138 | 138 | ---- |
| 3 months - 6 months overdue | ---- | ---- | ---- |
| > 6 months overdue | ---- | ---- | ---- |
| 2013 | | | |
| <3 months overdue | 4 | 4 | ---- |
| 3 months - 6 months overdue | ---- | ---- | ---- |
| > 6 months overdue | ---- | ---- | ---- |

Notes

1 Each column in the table reports "gross receivables".

2 The ageing analysis excludes statutory receivables, as these are not within the scope of AASB 7 and excludes receivables that are not past due and not impaired. Therefore, the "total" will not reconcile to the receivables total recognised in the statement of financial position.

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Authority Deposits

The Cancer Institute NSW has placed funds on deposit with TCorp, which has been rated 'AAA' by Standard and Poor's. These deposits are similar to money market or bank deposits and can be placed 'at call' or for a fixed term. For fixed term deposits, the interest rate payable by TCorp is negotiated initially and is fixed for the term of the deposit, while the interest rate payable on at call deposits can vary. The deposits at Statement of Financial Position date were earning an average interest rate of 2.86% (2013 - 3.66%), while over the year the weighted average interest rate was 2.90% (2013 - 3.56%) on a weighted average balance during the year of \$22m (2013 - \$21m). None of these assets are past due or impaired.

(c) Liquidity Risk

Liquidity risk is the risk that the Cancer Institute NSW will be unable to meet its payment obligations when they fall due. The Cancer Institute NSW continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through effective management of cash, investments and liquid assets and liabilities.

The Institute's exposure to liquidity risk is deemed insignificant based on prior period's data and current assessment of risk.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set by the NSW Ministry of Health in accordance with NSW Treasury Circular 11/12. For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received.

For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise.

The table below summarises the maturity profile of the Cancer Institute NSW's financial liabilities together with the interest rate exposure.

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Maturity Analysis and interest rate exposure of financial liabilities

| | Weighted Average Effective Int. Rate | Interest Rate Exposure | | | Maturity Dates | | | |
|--|---|--------------------------------|---------------------------|------------------------------|------------------------------|--------|--------|-------|
| | | Nominal Amount ¹ | Fixed Interest Rate | Variable Interest Rate | Non - Interest Bearing | < 1 Yr | 1-5 Yr | > 5Yr |
| | | | \$000 | \$000 | | | | |
| 2014 | % | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | |
| Payables: | | | | | | | | |
| - Accrued Salaries Wages, On-Costs and Payroll Deductions | | 439 | --- | --- | 439 | 439 | --- | |
| - Creditors | | 1,313 | --- | --- | 1,313 | 1,313 | --- | |
| | | 1,752 | --- | --- | 1,752 | 1,752 | --- | |
| 2013 | | | | | | | | |
| Payables: | | | | | | | | |
| - Accrued Salaries Wages, On-Costs and Payroll Deductions | | 405 | --- | --- | 405 | 405 | --- | |
| - Creditors | | 15,944 | --- | --- | 15,944 | 15,944 | --- | |
| | | 16,349 | --- | --- | 16,349 | 16,349 | --- | |

Notes:

1 The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which the Cancer Institute NSW can be required to pay.

The tables include both interest and principal cash flows and therefore will not reconcile to the Statement Of Financial Position.

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(d) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Cancer Institute NSW's exposures to market risk are primarily through price risks associated with the movement in the unit price of the Hour-Glass Investment facilities. The Cancer Institute NSW has no exposure to foreign currency risk and does not enter into commodity contracts.

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the Cancer Institute NSW operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the Statement of Financial Position date. The analysis is performed on the same basis for 2013. The analysis assumes that all other variables remain constant.

Interest rate risk

Both Treasury and NSW Ministry of Health loans are set at fixed rates and therefore are generally not affected by fluctuations in market rates. The Cancer Institute NSW does not account for any fixed rate financial instruments at fair value through profit or loss or as available-for-sale. Therefore, for these financial instruments, a change of interest rates would not affect profit or loss or equity.

A reasonably possible change of +/-1% is used consistent with current trends in interest rates (based on official RBA interest rate volatility over the last five years). The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility.

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The Cancer Institute NSW's exposure to interest rate risk is set out below.

| | Carrying Amount \$'000 | -1% Profit | Equity | +1% Profit | Equity |
|------------------------------|---------------------------|---------------|--------|---------------|--------|
| 2014 | | | | | |
| Financial Assets | | | | | |
| Cash and Cash Equivalents | 35,286 | (353) | (353) | 353 | 353 |
| Receivables | 1,676 | ---- | ---- | ---- | ---- |
| Financial Liabilities | | | | | |
| Payables | 1,752 | ---- | ---- | ---- | ---- |
| 2013 | | | | | |
| Financial Assets | | | | | |
| Cash and Cash Equivalents | 49,835 | (498) | (498) | 498 | 498 |
| Receivables | 1,274 | ---- | ---- | ---- | ---- |
| Financial Liabilities | | | | | |
| Payables | 16,349 | ---- | ---- | ---- | ---- |

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Other price risk - TCorp Hour-Glass facilities

Exposure to 'other price risk' primarily arises through the investment in the TCorp Hour-Glass Investment Facilities, which are held for strategic rather than trading purposes. The Cancer Institute NSW has no direct equity investments. The Cancer Institute NSW holds units in the following Hour-Glass investment trusts:

| Facility | Investment Sectors | Investment Horizon | 2014 | 2013 |
|---------------|-----------------------------------|--------------------|--------|--------|
| | | | \$'000 | \$'000 |
| Cash facility | Cash and money market instruments | Up to 1.5 years | 22,089 | 21,456 |

The unit price of each facility is equal to the total fair value of net assets held by the facility divided by the total number of units on issue for that facility. Unit prices are calculated and published daily.

NSW TCorp as trustee for each of the above facilities is required to act in the best interest of the unit holders and to administer the trusts in accordance with the trust deeds. As trustee, TCorp has appointed external managers to manage the performance and risk of each facility in accordance with a mandate agreed by the parties. TCorp has also leveraged off internal expertise to manage certain fixed income assets for the Hour-Glass facilities. A significant portion of the administration of the facilities is outsourced to an external custodian.

Investment in the Hour-Glass facilities limits the Cancer Institute NSW's exposure to risk, as it allows diversification across a pool of funds with different investment horizons and a mix of investments.

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NSW TCorp provides sensitivity analysis information for each of the Investment facilities, using historically based volatility information collected over a ten year period, quoted at two standard deviations (ie 95% probability). The TCorp Hour-Glass Investment facilities are designated at fair value through profit or loss and therefore any change in unit price impacts directly on profit (rather than equity).

A reasonably possible change is based on the percentage change in unit price (as advised by TCorp) multiplied by the redemption value as at 30 June each year for each facility (balance from Hour-Glass Statement).

| | Change in unit price | Impact on profit/loss | |
|--|----------------------------|-----------------------|----------------|
| | | 2014 \$'000 | 2013 \$'000 |
| Hour-Glass Investment - Cash facility | +/- 1% | 221 | 215 |

(e) Fair Value Measurement

(i) Fair value compared to carrying amount

Financial instruments are generally recognised at cost, with the exception of the TCorp Hour-Glass facilities, which are measured at fair value.

The amortised cost of financial instruments recognised in the Statement of Financial Position approximates the fair value due to the short term nature of many of the financial instruments.

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(ii) Fair Value recognised in the Statement of Financial Position

| | Level 1 \$'000 | Level 2 \$'000 | Level 3 \$'000 | 2014 Total \$'000 |
|--------------------------------|-------------------|-------------------|-------------------|----------------------|
| TCorp Hour-Glass Invt.Facility | ---- | 22,089 | ---- | 22,089 |
| | Level 1 \$'000 | Level 2 \$'000 | Level 3 \$'000 | 2013 Total \$'000 |
| TCorp Hour-Glass Invt.Facility | ---- | 21,456 | ---- | 21,456 |

(The table above only includes financial assets as no financial liabilities were measured at fair value in the Statement of Financial Position.)

There were no transfers between level 1 and 2 during the period ended 30 June 2014.

As discussed, the value of the Hour-Glass Investments is based on the Cancer Institute NSW's share of the value of the underlying assets of the facility, based on the market value. All of the Hour-Glass facilities are valued using 'redemption' pricing.

30. Events after the Reporting Period

The Institute has not identified any events or transactions that are material to require adjustments or disclosures in the financial statements.

END OF AUDITED FINANCIAL STATEMENTS