BreastScreen Victoria Inc.

Financial Report

For the year ended 30 June 2008

TREASURER'S REPORT

It is with pleasure that I present my first report as Treasurer of BreastScreen Victoria.

The 2007–08 financial year can best be described as a year with two distinct parts: the first six months were a continuation of the financial challenges of the past two years, whilst the second brought a more optimistic outlook for the future.

The financial operations of BreastScreen Victoria continued to be subjected to close scrutiny throughout the year. The Board's concern over the significant decline in the program's financial position resulted in two Department of Human Services commissioned funding reviews which sought to address the funding pressures confronting the program. The Board was reassured with the Department of Human Services' acknowledgement that the program faced legitimate cost pressure and this was confirmed by the allocation of additional funding.

The total level of recurrent funding provided by the Department of Human Services for the year to 30 June 2008 was $27.6 million, an increase of $0.7 million or 2.6% over that provided in 2006–07. In addition, the Department provided a one-off injection of funds totaling $3.0 million.

Funding confirmation and concurrent funding conditions imposed by the Department of Human Services were approved by the BreastScreen Board of Management. The conditions sought, in part, a commitment to strengthen the relationship between the two organisations and for the Board of Management to commission a financial review. The review, being undertaken by HLB Mann Judd, will be completed in two phases. Phase 1 will analyse the 2007–08 budget and plan for the 2008–09 budget. Phase 2 will identify the actual costs of service delivery and develop an appropriate funding model.

Preliminary findings of Phase 1 identified a number of areas where savings could be made or funds could be deployed more effectively and appropriate steps have been taken to address these. The review is progressing well and we look forward to seeing the formal recommendations.

Undergoing one review requires significant commitment. To have three in a financial year is particularly challenging and I would like to acknowledge the support and expertise of the Board of Management and the Management Team which has so capably steered the organisation through this period. In particular, thanks to the Finance Team for preparing the data for each review and for preparing timely and accurate reports for the Board.

The forthcoming year will be one in which the anticipated income and expenditure of the organisation will be more balanced than has been the case in recent years. However the program will face more challenges – notably the continued shortage of radiologists and the set up costs associated with the conversion of service sites to digital technology.

Finally, I wish to acknowledge the work of my predecessor, Ms Margaret Crossley, who held the position of Treasurer for fifteen years.

I am confident that the current strategies will provide a strong financial base and ensure that the financial position remains sound and healthy for the future, despite the challenges of the year.

Anne Cronin

Anne Cronin
Treasurer

INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2008

	Note	2008	2007
		$	$
REVENUE FROM CONTINUING OPERATIONS			
Revenue from operating activities			
Government Grants		30,906,786	28,767,632
Other Revenue		128,713	115,817
Revenue from non-operating activities			
Interest received		311,456	302,265
Profit/(loss) from disposal of non-current assets		(4,033)	(7,110)
Total revenue from continuing operations		**31,342,922**	**29,178,604**
EXPENSE FROM CONTINUING OPERATIONS			
Employment expenses		3,752,597	4,083,870
Depreciation and amortisation	2	1,177,357	943,862
Program Grants	14,15,16,17	23,712,310	21,626,090
Other expenses		2,439,118	2,730,569
Total expense from continuing operations		**31,081,382**	**29,384,391**
Net result for the year	2	**261,540**	**(205,787)**

BALANCE SHEET
AS AT 30 JUNE 2008

	Note	2008 $	2007 $
CURRENT ASSETS			
Cash and cash equivalents	3	3,377,727	2,325,820
Receivables	4	28,133	76,623
Prepayments		331,547	199,282
Total current assets		**3,737,407**	**2,601,725**
NON-CURRENT ASSETS			
Furniture, equipment and vehicles	5	2,104,964	2,599,980
Intangible assets	6	277,573	401,714
Total non-current assets		**2,382,537**	**3,001,694**
Total assets		**6,119,944**	**5,603,419**
CURRENT LIABILITIES			
Payables	7	422,917	383,095
Funds received in advance	8	843,035	570,127
Employee benefits liabilities	9	714,856	778,706
Total current liabilities		**1,980,808**	**1,731,928**
NON-CURRENT LIABILITIES			
Employee benefits liabilities	9	163,804	157,699
Total non-current liabilities		**163,804**	**157,699**
Total liabilities		**2,144,612**	**1,889,627**
Net assets		**3,975,332**	**3,713,792**
EQUITY			
Reserves	10	3,919,579	3,919,579
Accumulated surplus/(deficit)	11	55,753	(205,787)
Total equity		**3,975,332**	**3,713,792**

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2008

	Note	2008 $	2007 $
ACCUMULATED SURPLUS/(DEFICIT)			
Opening accumulated surplus/(deficit)		(205,787)	-
Net result for the year		261,540	(205,787)
Accumulated surplus/(deficit) at year end	11	**55,753**	**(205,787)**
RESERVES			
Opening reserves		3,919,579	3,919,579
Reserves at year end	10	**3,919,579**	**3,919,579**
Total equity at year end		**3,975,332**	**3,713,792**

CASH FLOWS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2008

	Note	2008 $	2007 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from government grants and others		34,216,096	31,366,624
Interest received		311,456	302,265
Payments to suppliers and employees		(32,913,412)	(31,924,312)
Net cash provided by (used in) operating activities	12(ii)	**1,614,140**	**(255,423)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchases of furniture, equipment and vehicles		(562,233)	(2,016,258)
Net cash used in investing activities		**(562,233)**	**(2,016,258)**
Net increase (decrease) in cash held		1,051,907	(2,271,681)
Cash at beginning of year		2,325,820	4,597,501
Cash at end of year	12(i)	**3,377,727**	**2,325,820**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report of BreastScreen Victoria Inc. is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards (AASs) interpretations and other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the requirements of the Associations Incorporation Act (Vic) 1981.

BreastScreen Victoria Inc. is a not-for-profit entity and therefore applies the additional Australian Accounting Standards paragraphs applicable to 'not-for-profit' entities under the AASs.

The financial report covers BreastScreen Victoria Inc. as an individual entity. BreastScreen Victoria Inc. is an association incorporated in Victoria under the *Associations Incorporation Act (Vic) 1981.*

The financial report for the year ended 30 June 2008 was authorised for issue by a resolution of the directors on 8 October 2008.

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

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

(a) Rounding off

All amounts shown in the financial report are expressed to the nearest dollar.

(b) Cash

For the purposes of the Statement of Cash Flows, cash includes cash on hand, deposits at call with banks or financial institutions and term deposits with banks or financial institutions maturing within twelve months.

(c) Furniture, equipment and vehicles

Fixed assets, with exception of capital works in progress, valued at $1,000 or above are measured on the cost basis. The carrying amount is assessed on the basis of expected net cash flows which will be received from the assets' employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining the recoverable amounts. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Income Statement.

Impairment

At each reporting date, the carrying values of fixed assets are reviewed to determine whether there is any indication that those assets have been impaired. If such an indication exists and where the carrying values exceed the recoverable amount, the asset is written down to the recoverable amount. Renewable amount is measured at the higher of depreciated replacement cost and fair value less cost to sell.

Depreciation

The depreciable amounts of all furniture, equipment and vehicles are depreciated on a straight line basis over their estimated useful life to the program. Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of assets are:

CLASS	DEPRECIATION RATE
Computer Equipment	33%
Furniture and Fittings	10%
Leasehold Improvements	20%
Motor Vehicles	33%
Office Equipment	20%
Mobile Van Screening Equipment	20%
Digital Equipment	33%
Medical Equipment	20%

Depreciation rates used during the year are consistent with those used in the prior year.

(d) Intangible assets

IT development and software

Costs incurred in developing systems and costs incurred in acquiring software licenses that will contribute to future periodical financial benefits through revenue generation and/or cost reduction or service potential are capitals to software systems and databases. Costs capitalised include external direct costs of materials and service, direct payroll and payroll related costs of employees' time spent on the project. Amortisation is calculated on a straight line basis over periods generally ranging from three to seven years.

Currently BreastScreen Victoria Inc. has developed a database which is amortised on a straight line basis at 14% (2007: 14%) being a seven year period.

IT development costs include only those costs directly attributable to the development phase and are only recognised following completion of technical feasibility and where the association has an intention and ability to use the asset.

(e) Employee benefits

Provision is made for the program's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and sick leave which will be settled after one year have been measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Other employee entitlements payable later than one year have been measured at the present value of the estimated cash outflows to be made for those entitlements.

Employee benefit on-costs are recognised and included in employee benefits to which those related are recognised as liabilities.

Contributions are made by the program to employees' superannuation funds and are charged as expenses when incurred.

(f) Incorporation

BreastScreen Victoria Inc. was incorporated on 2 September 1992 under the Association Incorporation Act 1981. BreastScreen Victoria Inc. was formerly called Victorian Breast Screening Coordination Unit Inc., and the name was changed on 19 October 1998.

(g) Public liability/ General insurance

BreastScreen Victoria Inc. is included under the Department of Human Services Master Insurance Policies.

(h) Tax status

The activities of BreastScreen Victoria Inc. are exempt from payment of income tax and payroll tax. Accordingly no provision for income tax and payroll tax has been made in the accounts. Payments for fringe benefit tax are made in accordance with the relevant legislation.

(i) Goods and services tax

Revenues, expenses and assets are recognised net of amount of goods and services tax (GST). Receivables and payables are stated with the amount of GST inclusive. The net amount of GST recoverable from, or payable to, the Australian Tax Office is included as a current liability in the Balance Sheet.

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

(j) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the period in which they are incurred.

(k) Impairment of assets

The association reviews the carrying values of its tangible assets at each reporting date to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and depreciated replacement cost, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the association estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(l) Revenue

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

Revenue from rendering of a service is recognised upon the delivery of the service to the customers.

Grants are recognised as income when BreastScreen Victoria Inc. gains control of the underlying assets in accordance with AASB 1004 *Contributions.* Where grants are reciprocal, revenue is recognised as performance occurs under the grant. Non-reciprocal grants are recognised as income when the grant is received or receivable. Conditional grants may be reciprocal or non-reciprocal depending on the terms of the grant.

(m) Functional and presentation currency

The presentation currency of BreastScreen Victoria Inc. is the Australian dollar, which has also been identified as the functional currency of BreastScreen Victoria Inc.

(n) Receivables

Receivables consist predominantly of debtors in relation to goods and services, accrued investment income and GST input tax credits recoverable.

Receivables are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest rate method, less any accumulated impairment.

A provision for doubtful receivables is made when there is objective evidence that the debts will not be collected. Bad debts are written off when identified.

(o) Payables

Payables consist predominantly of creditors and other sundry liabilities.

Payables are carried at amortised cost and represent liabilities for goods and services provided to BreastScreen Victoria Inc. prior to the end of financial year that are unpaid, and arise when BreastScreen Victoria Inc. becomes obliged to make future payments in respect of the purchase of these goods and services.

(p) Comparative figures

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

(q) Critical accounting estimates and judgements

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects current and future periods.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(r) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2008 reporting period. BreastScreen Victoria Inc.'s assessment of the impact of these new standards and interpretations is set below.

Standards/ Interpretation	Name	Summary	Impact on financial statements	Issue date	Operative date
2007-8	Amendments to Australian Accounting Standards arising from AASB 101	The revision of AASB 101 necessitates consequential amendments to Australian Accounting Standards (including Interpretations). This Amending Standard also changes the term 'general purpose financial report' to 'general purpose financial statements' and the term 'financial report' to 'financial statements' in application paragraphs, where relevant, of Australian Accounting Standards (including Interpretations) to better align with IFRS terminology.	Impact not expected to be significant.	Sep 2007	1 Jan 2009
AASB 1004 (Revised)	Contributions	Relocation of requirements on contributions from AASs 27, 29 and 31, into AASB 1004	No impact expected.	Dec 2007	1 Jul 2008
2008-5	Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 7, 101, 102, 107, 108, 110, 116, 118, 119, 120, 123, 127, 128, 129, 131, 132, 134, 136, 138, 139, 140, 141, 1023 & 1038]	The amendments to some Standards result in accounting changes for presentation, recognition or measurement purposes, while some amendments that relate to terminology and editorial changes are expected to have no or minimal effect on accounting.	Impact not expected to be significant.	Jul 2008	1 Jan 2009
2008-6	Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1 & AASB 5]	This Standard amends AASB 1 and AASB 5 to include requirements relating to a sale plan involving the loss of control of a subsidiary. The amendments require all the assets and liabilities of such a subsidiary to be classified as held for sale and clarify the disclosures required when the subsidiary is part of a disposal group that meets the definition of a discontinued operation.	Impact not expected to be significant.	Jul 2008	1 Jul 2009

(s) Reclassifications

Reclassification of data development costs

The association has reclassified data development costs from furniture, equipment and vehicles to intangible assets in order to allow disclosure in the financial report to be consistent with AASB 116 "Property, plant and equipment" and AASB 138 "Intangible assets". The comparatives have been amended to be consistent with the current year classification.

The impact on the reported balance on the prior year financial report was as follows:

	Reported balance $	Increase (decrease) $	Revised balance $
Furniture, equipment and vehicles	3,001,694	(401,714)	2,599,980
Intangible assets	-	401,714	401,714

	2008 $	2007 $
NOTE 2: NET RESULT FROM CONTINUING OPERATIONS		
Surplus/(deficit) from continuing operations has been arrived after charging the following items:		
Depreciation of furniture, equipment and vehicles	1,053,216	819,721
Amortisation of intangible assets	124,141	124,141
Provisions for employee entitlements	(57,745)	273,898
Rental expenses on operating leases – minimum lease payments	294,416	281,265
Auditor's Remuneration for audit of financial report	8,580	9,210
NOTE 3: CASH AND CASH EQUIVALENTS		
Cash on hand	600	600
Cash at bank	673,851	212,300
Short term deposit	2,703,276	2,112,920
Total	3,377,727	2,325,820
NOTE 4: RECEIVABLES		
CURRENT		
Debtors	762	-
Accrued revenue	27,371	76,623
Total	28,133	76,623

The average credit period for the provision of services is 30 days. No interest is charged.

NOTE 5: FURNITURE, EQUIPMENT AND VEHICLES

	2008 $	2007 $
Computer equipment – at cost	1,037,105	1,029,314
Accumulated depreciation	(913,482)	(834,822)
Written down value	**123,623**	**194,492**
Motor vehicles – at cost	330,081	293,006
Accumulated depreciation	(277,743)	(223,262)
Written down value	**52,338**	**69,744**
Office equipment – at cost	181,548	181,548
Accumulated depreciation	(127,003)	(108,733)
Written down value	**54,545**	**72,815**
Furniture and fittings – at cost	83,630	83,630
Accumulated depreciation	(51,683)	(43,367)
Written down value	**31,947**	**40,263**
Leasehold improvement – at cost	738,739	738,739
Accumulated depreciation	(258,559)	(110,811)
Written down value	**480,180**	**627,928**
Mobile van equipment – at cost	798,965	800,708
Accumulated depreciation	(721,557)	(622,764)
Written down value	**77,408**	**177,944**
Digital project equipment – at cost	1,990,196	1,513,863
Accumulated depreciation	(922,952)	(382,002)
Written down value	**1,067,244**	**1,131,861**
Equipment – Geelong – at cost	341,000	341,000
Accumulated depreciation	(123,322)	(56,067)
Written down value	**217,678**	**284,933**
Total written down value furniture, equipment and vehicles	**2,104,964**	**2,599,980**

(a) Movements in carrying amounts

Movement in carrying amounts for each class of fixed assets between the beginning and the end of the financial year

2008	Opening balance	Additions	Disposals	Depreciation	Closing balance
Computers	194,492	40,998	(1,965)	(109,901)	123,624
Motor vehicles	69,744	37,075	-	(54,481)	52,338
Office equipment	72,815	-	-	(18,270)	54,545
Furniture and fittings	40,263	-	-	(8,316)	31,947
Mobile van equipment	177,944	2,629	-	(103,165)	77,408
Leasehold improvement	627,928	-	-	(147,748)	480,180
Digital project equipment	1,131,861	481,699	(2,236)	(544,080)	1,067,244
Equipment – Medical	284,933	-	-	(67,255)	217,678
Total	2,599,980	562,401	(4,201)	(1,053,216)	2,104,964

2007	Opening balance	Additions	Disposals	Depreciation	Closing balance
Computers	166,477	151,966	-	(123,951)	194,492
Motor vehicles	121,078	18,182	-	(69,516)	69,744
Office equipment	22,232	70,173	(4,120)	(15,470)	72,815
Furniture and fittings	44,348	7,238	(2,990)	(8,333)	40,263
Mobile van equipment	281,334	-	-	(103,390)	177,944
Leasehold improvement	-	738,739	-	(110,811)	627,928
Digital project equipment	775,084	688,960	-	(332,183)	1,131,861
Equipment – Medical	-	341,000	-	(56,067)	284,933
Total	1,410,553	2,016,258	(7,110)	(819,721)	2,599,980

NOTE 6: INTANGIBLE ASSETS

	2008 $	2007 $
Data development – at cost	886,721	886,721
Accumulated amortisation	(609,148)	(485,007)
Total	277,573	401,714

(a) Movement in carrying amounts

	Opening balance	Additions	Disposals	Amortisation	Closing balance
2008 Data development	401,714	-	-	(124,141)	277,573
2007 Data development	525,855	-	-	(124,141)	401,714

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008 $	2007 $
NOTE 7: PAYABLES		
CURRENT		
Unsecured trade creditors and accruals	422,841	383,095
Net GST payable	76	-
Total	**422,917**	**383,095**
The average credit period is 30 days. No interest is charged.		
NOTE 8: FUNDS RECEIVED IN ADVANCE		
CURRENT		
Victorian Department of Human Services	843,035	420,127
Digital project	-	150,000
Total	**843,035**	**570,127**
NOTE 9: EMPLOYEE BENEFITS LIABILITIES		
CURRENT		
Annual leave	269,364	284,160
Long service leave	358,420	418,952
Sick leave	87,072	75,594
Total	**714,856**	**778,706**
NON-CURRENT		
Long service leave	163,804	157,699
Total	**163,804**	**157,699**
a. Aggregate employee benefits liabilities	878,660	936,405
NOTE 10: RESERVES		
General reserve at the beginning of the financial year	3,919,579	3,919,579
Total	**3,919,579**	**3,919,579**
The general reserve records funds set aside for committed activities.		
NOTE 11: ACCUMULATED SURPLUS/(DEFICIT)		
Accumulated surplus/(deficit) at the beginning of the financial year	(205,787)	-
Surplus/(deficit) for the year	261,540	(205,787)
Total	**55,753**	**(205,787)**

	2008 $	2007 $
NOTE 12: CASH FLOW INFORMATION		
(i) Reconciliation of cash		
Cash and cash equivalents	3,377,727	2,325,820
Total cash	3,377,727	2,325,820
(ii) Reconciliation of cash flow from operations with net result for the year		
Net result for the year	261,540	(205,787)
Non-cash flows in deficit from ordinary activities		
Depreciation and amortisation	1,177,357	943,862
Net (gain)/loss on disposal of assets	4,033	7,110
Changes in assets and liabilities		
Decrease/(Increase) in receivables	48,489	(5,742)
Decrease/(Increase) in other current assets	(132,266)	(123,255)
(Decrease)/Increase in payables	39,824	(775,227)
(Decrease)/Increase in funds in advance	272,908	(370,282)
(Decrease)/Increase in employee benefits liabilities	(57,745)	273,898
Net cash provided by operating activities	1,614,140	(255,423)
(iii) Non-cash financing and investment activities		
The following non-cash financing and investment activities are not reflected in the statement of cash flows:		
Acquisition of plant and equipment by means of hire purchase agreements	-	-
Proceeds of sale of plant and equipment applied directly to acquisition of plant and equipment	-	-
NOTE 13: COMMITMENTS		
Operating lease commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements		
Payable		
not later than one year	360,517	317,504
later than one year but not later than two years	614,841	602,450
later than two years but not later than five years	915,544	876,805
later than five years	686,658	949,872
Total	2,577,560	2,746,631

The property lease is a non-cancellable lease with a ten-year term, with rent payable monthly in advance. Contingent rental provisions within the lease agreement require that the minimum lease payments shall be adjusted annually in accordance with movements in the Consumer Price Index. An option exists on the lease to renew the term for an additional term of ten years. The lease only allows for subletting of the lease area with the landlord's written consent.

BreastScreen Victoria has signed a lease for office accommodation on behalf of Central Highlands and Wimmera BreastScreen. The term of the lease is for 18 months and commenced on the 29 January 2008.

	2008 $	2007 $
Other commitments		
Service delivery funding within the next twelve months will be:	30,719,135	27,664,450

	2008 $	2007 $
NOTE 14: PROGRAM GRANTS		
Melbourne Health	3,887,049	3,230,292
St. Vincent's Hospital	4,389,579	4,391,048
Southern Health	4,454,018	4,596,563
Eastern Health	3,275,077	2,785,306
St. John of God Health Care – Ballarat	1,309,837	1,166,700
Latrobe Regional Hospital	1,497,926	1,561,847
St. John of God Health Care – Bendigo	1,363,679	1,124,873
Cancer Institute NSW	225,129	142,309
Lake Imaging Pty Ltd	2,180,523	1,852,139
Koori Community	0	(66,285)
Total	22,582,817	20,784,792
NOTE 15: TRAINING GRANTS		
Melbourne Health	120,123	87,455
Southern Health	283,415	207,629
St. Vincent's Hospital	126,050	91,050
Eastern Health	0	6,000
Total	529,588	392,134
NOTE 16: DATA MANAGEMENT		
Melbourne Health	40,641	25,586
Southern Health	50,122	34,012
St. Vincent's Hospital	20,090	16,435
Eastern Health	17,442	31,620
St. John of God Health Care – Ballarat	55,751	15,295
Latrobe Regional Hospital	62,778	27,069
St. John of God Health Care – Bendigo	13,803	14,918
Lake Imaging Pty Ltd	84,114	96,596
Total	344,741	261,531
NOTE 17: RESOURCES MATERIAL AND OTHER		
Melbourne Health	55,747	47,695
Southern Health	47,691	37,569
St. Vincent's Hospital	65,333	26,817
Eastern Health	45,459	37,953
St. John of God Health Care – Ballarat	10,047	8,772
Latrobe Regional Hospital	9,269	13,326
St. John of God Health Care – Bendigo	11,305	6,721
Lake Imaging Pty Ltd	10,313	8,780
Total	255,164	187,633

NOTE 18: COORDINATION UNIT OPERATING EXPENSES

	2008 $	2007 $
Salaries and on-costs	567,715	529,606
Operating expenses	330,693	280,463
Occupancy costs	416,171	381,401
Capital expenses	37,075	791,275
Total	**1,351,654**	**1,982,745**

NOTE 19: SEGMENT REPORTING

The association operates in the health sector providing breast screening services to the public within Victoria.

NOTE 20: FINANCIAL INSTRUMENTS

(a) Financial risk management objectives

The association's activities expose it primarily to the financial risks of changes in interest rates. The association does not enter into derivative financial instruments to manage its exposure to interest risk.

The association does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

(b) Significant accounting policies

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

(c) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the association. The association has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The association's exposure is continuously monitored and this risk is reviewed periodically. Receivables consist predominately of the one counterparty, however, the extent of the association's exposure is not significant relative to its net asset holdings.

(d) Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Board of Management, who has built an appropriate liquidity risk management framework for the management of the association's short, medium and long term funding and liquidity management. The association manages the liquidity risk by maintaining adequate cash reserves and by continuously monitoring forecast and actual cash flows while matching maturity profiles of financial assets and liabilities. Given the current surplus in cash assets, liquidity risk is minimal as the association can alter the extent of its activities in accordance with available funds.

(e) Interest rate risk

The association's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates is detailed below. The association's interest rate exposure is limited to its cash and cash equivalents and in this respect fluctuations in interest rate will only impact on revenue.

NOTE 20: FINANCIAL INSTRUMENTS (CONT.)

(f) Credit and interest rate risk exposure of financial assets

	Weighted average effective interest rate		Carrying amount		Floating interest rate	
	2008	2007	2008	2007	2008	2007
	%	%	$	$	$	$
Financial assets						
Cash and cash equivalents	7.17	5.96	3,377,727	2,325,820	673,851	212,300
Receivables	-	-	28,133	76,623	-	-
Total financial assets			3,405,860	2,402,443	673,851	212,300

	Fixed interest rate		Non-interest bearing		Assets not overdue and not impaired	
	2008	2007	2008	2007	2008	2007
	$	$	$	$	$	$
Financial assets						
Cash and cash equivalents	2,703,276	2,112,920	600	600	3,377,727	2,325,820
Receivables	-	-	28,133	76,623	28,133	76,623
Total financial assets	2,703,276	2,112,920	28,733	77,223	3,405,860	2,402,443

(g) Liquidity and interest risk exposure of financial liabilities

	Weighted average effective interest rate		Carrying amount		Floating interest rate	
	2008	2007	2008	2007	2008	2007
	%	%	$	$	$	$
Financial liabilities						
Payables	-	-	422,917	383,095	-	-
Total financial liabilities			422,917	383,095	-	-

	Fixed interest rate		Non-interest bearing		Maturing within 0-30 days	
	2008	2007	2008	2007	2008	2007
	$	$	$	$	$	$
Financial liabilities						
Payables	-	-	422,917	383,095	422,917	383,095
Total financial liabilities			422,917	383,095	422,917	383,095

(h) Sensitivity analysis

The following table discloses the impact on the net results for the year and equity for the year for each category of financial instrument held by the association if changes in the relevant risk occur.

	Interest rate risk			
	-1%		+1%	
	Net result	Equity	Net result	Equity
2008	$	$	$	$
Financial assets				
Cash and cash equivalents	(28,512)	-	28,512	-
Receivables	-	-	-	-
Financial liabilities				
Payables	-	-	-	-
Net impact	(28,512)	-	28,512	-
2007				
Financial assets				
Cash and cash equivalents	(23,252)	-	23,252	-
Receivables	-	-	-	-
Financial liabilities				
Payables	-	-	-	-
Net impact	(23,252)	-	23,252	-

(i) Net fair value

The aggregate net fair values and carrying amounts of financial assets and liabilities are disclosed in the balance sheet and in the notes to and forming part of the financial report.

NOTE 21: ASSOCIATION DETAILS

The principal place of business of the Association is: BreastScreen Victoria Inc.
15-31 Pelham Street
Carlton South, Victoria 3053

NOTE 22: RELATED PARTIES

The names of persons who were Board members at any time during the year are set out in the Annual Report. Board members do not receive remuneration for services provided. There were no other transactions that require disclosure for the year ended 30th June 2008.

NOTE 23: KEY MANAGEMENT REMUNERATION

	2008	2007
	$	$
Salaries – short-term benefit	479,503	578,305
Termination payments	52,117	-
Superannuation – post employment benefit	40,626	32,779
	572,246	611,084

NOTE 24: ECONOMIC DEPENDENCY

A significant portion of income is received by way of recurrent and capital grants from the Victorian State Government.

BOARD OF MANAGEMENT DECLARATION

In the opinion of the officers below, the financial report as set out on pages 1 to 16:

1. presents a true and fair view of the financial position of BreastScreen Victoria Inc. as at 30 June 2008 and its performance and cash flows for the year ended on that date in accordance with Australian Accounting Standards, mandatory professional reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Board.
2. Shows that there are, when this declaration is made out, reasonable grounds to believe that BreastScreen Victoria Inc. will be able to pay its debts as and when they fall due.

This statement is made in accordance with the resolution of the Board of Management and is signed for and on behalf of the Board by:

Ms Sandy Anderson
Chair

Ms Anne Cronin
Treasurer

Ms Vicki Pridmore
Chief Executive Officer

Melbourne, 8 October 2008

HLB Mann Judd

Accountants | Business and Financial Advisers

INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF BREASTSCREEN VICTORIA INC

Report on the financial report

We have audited the accompanying financial report of Breastscreen Victoria Inc ("the association") which comprises the balance sheet as at 30 June 2008 and the income statement, statement of recognised income and expenditure and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the statement by members of the Board of Committee.

Board of Management's responsibility for the financial report

The Board of Management of the association is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, including the Australian Accounting Interpretations, and the *Associations Incorporation Act 1981 (Vic)*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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

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

Independence

In conducting our audit, we have complied with the independence requirements of Australian preferred ethical pronouncements.

Audit Opinion

In our opinion:

The financial report of BreastScreen Victoria Inc is in accordance with the *Associations Incorporation Act 1981 (Vic)* including:

i. giving a true and fair view of the Association's financial position as at 30 June 2008 and of their performance for the year ended on that date; and

ii. complying with Australian Accounting Standards, including the Australian Accounting Interpretations, and the *Associations Incorporation Act 1981 (Vic)*.

HLB Mann Judd

MARK PETERS
Partner

8 October 2008
Melbourne

HLB Mann Judd (VIC Partnership)

Liability limited by a scheme approved under Professional Standards Legislation

www.breastscreen.org.au

BreastScreen Victoria

Caring about Women