



BreastScreen Victoria Inc.

Regd No: A0025878W ABN: 54 505 206 361

Financial Report
For the year ended 30 June 2009

TREASURER'S REPORT



It gives me great pleasure to present the Treasurer's Report 2008–2009 for BreastScreen Victoria and to report a surplus for the year of \$3.2m, of which \$2.5m is to fund the deployment of the Digital Mammography Program, and an operating surplus of \$0.674m.

The 2008–09 financial year commenced with the challenge of an expected deficit forecast for the period, amid a continued commitment to the development and further roll-out of the digital mammography program, a target assessment of 190,000 women to be screened and quality assurance of screening and assessment standards to be maintained across Victoria consistent with National Accreditation Standards.

The financial management of BreastScreen Victoria was effective in a turnaround of the anticipated budget deficit of \$0.392m to an operating surplus of \$0.674m – an improvement of \$1m. The turnaround resulted from the Coordination Unit's review of registry operations, introduction of the centralised mailing system and capitalisation of digital development, which in total contributed \$0.8m savings to the surplus for the year of \$0.674m.

BreastScreen Victoria's relationship with the Department of Health continues to support a shared commitment to deliver screening and assessment services to the women of Victoria. Of note was the provision of \$0.750m in capital funds made available to screening and assessment services at Monash, North Western and St Vincent's to purchase plant and equipment and

the receipt of \$2.5m in government funds in advance for 2009–2010.

A summary for the year includes:

- State budget announcement of \$10m for digital deployment.
- Commonwealth budget announcement of \$120m across Australia.
- Funding provided by the Department of Health to 30 June 2009 was \$32.5m, an increase of \$1.6m on 2007–2008.
- Expenditure of \$24.8m directed to delivery of screening and assessment services; and
- Expenditure of \$3.97m for Coordination Unit services delivered through Mobile Screening and Assessment Services, Registry and Information, Communications, Information Technology, Quality, Research and Planning.
- BreastScreen Victoria Management was \$3.47m – an increase of \$0.02m on 2007–2008.

The net result has increased BreastScreen Victoria reserves which comprises capital reserves of \$3.9m, \$2.5m special purpose reserve and accumulated surpluses of \$0.7m. This is represented by cash and investments of \$5.0m included in net assets of \$7.1m.

The better than expected result is an indication of the diligence applied by management and staff to improve delivery of screening and assessment services for 2008–2009 and to ensure

the uninterrupted delivery of breast screening to the women of Victoria most effectively and economically and I take this opportunity to thank them.

Looking to the future, in 2009–2010, the Department of Health has approved funding of \$31.7m for BreastScreen Victoria to deliver screening and assessment services, which includes a CPI increase of \$0.965m. Screening and Assessment Services budget discussions for 2009–2010 are being finalised and 210,000 screens, an increase of 20,000 on 2008–2009, are planned.

In conclusion, good governance and safe steerage of BreastScreen Victoria are the cornerstone of the most effective and efficient delivery of breast screening services across the state, enabling continued improvement in the rates of early detection of breast cancer among Victorian women into the future. I am pleased to recommend this report to all stakeholders of BreastScreen Victoria.



Anne Cronin
Treasurer

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009 \$	2008 \$
REVENUE FROM CONTINUING OPERATIONS			
Revenue from operating activities			
Government grants		34,962,368	30,906,786
Other revenue	3	443,365	436,136
Total revenue from continuing operations		35,405,733	31,342,922
EXPENSE FROM CONTINUING OPERATIONS			
Screening and Assessment Services	14	24,791,489	23,098,576
BreastScreen Coordination Unit (SAS Activity)	15	3,973,735	4,537,896
BreastScreen Victoria Management	16 & 17	3,466,407	3,444,910
Total cost of service delivery		32,231,631	31,081,382
Net result for the year	11	3,174,102	261,540

BALANCE SHEET AS AT 30 JUNE 2009

	Note	2009 \$	2008 \$
CURRENT ASSETS			
Cash and cash equivalents	4	5,197,442	3,377,727
Receivables	5	882,616	359,680
Total current assets		6,080,058	3,737,407
NON-CURRENT ASSETS			
Furniture, equipment and vehicles	6	1,514,014	2,104,964
Intangible assets	7	599,228	277,573
Total non-current assets		2,113,242	2,382,537
Total assets		8,193,300	6,119,944
CURRENT LIABILITIES			
Payables and accruals	8	332,259	1,265,952
Employee benefits liabilities	9	591,130	714,856
Total current liabilities		923,389	1,980,808
NON-CURRENT LIABILITIES			
Employee benefits liabilities	9	120,477	163,804
Total non-current liabilities		120,477	163,804
Total liabilities		1,043,866	2,144,612
Net assets		7,149,434	3,975,332
EQUITY			
Reserves	10	6,419,579	3,919,579
Accumulated surplus/(deficit)	11	729,855	55,753
Total equity		7,149,434	3,975,332

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009 \$	2008 \$
ACCUMULATED SURPLUS/(DEFICIT)			
Opening accumulated surplus/(deficit)		55,753	(205,787)
Net surplus/(deficit) for the year		3,174,102	261,540
Less: Transfers to reserves		(2,500,000)	-
Accumulated surplus at year end	11	729,855	55,753
RESERVES			
Opening reserves		3,919,579	3,919,579
Add: Transfers from accumulated surplus		2,500,000	-
Reserves at year end	10	6,419,579	3,919,579
Total equity at year end		7,149,434	3,975,332

CASH FLOWS STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009 \$	2008 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from government grants and others		33,512,832	34,216,096
Interest received		287,300	311,456
Payments to suppliers and employees		(31,101,217)	(32,913,412)
Net cash provided by (used in) operating activities	12(ii)	2,698,915	1,614,140
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of furniture, equipment and vehicles		(915,810)	(562,233)
Proceeds from sale of fixed assets		36,610	-
Net cash used in investing activities		(879,200)	(562,233)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		-	-
Net cash used in financing activities		-	-
Net increase/(decrease) in cash and cash equivalents held		1,819,715	1,051,907
Cash and cash equivalents at beginning of year		3,377,727	2,325,820
Cash and cash equivalents at end of year	12(i)	5,197,442	3,377,727

The accompanying notes form part of these financial statements.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

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 2009 was authorised for issue by a resolution of the directors on 15 September 2009.

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 and cash equivalents

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

For the purpose of the cash flow statement, cash and cash equivalents consists of cash and cash equivalents as

defined above, net of outstanding bank overdrafts. Bank overdrafts, if any, are shown within short-term borrowings in current liabilities on the balance sheet.

(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. Recoverable 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 Association. 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 as %
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 identified as capital 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 two to seven years.

Currently BreastScreen Victoria Inc. has developed a database which is amortised on a straight-line basis at 14% (2008:14%) being a seven year period. Further, BreastScreen Victoria Inc. acquired software licenses that are amortised on a straight-line basis at 50% (2008: nil) being a two 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 Association's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year, which include wages and salaries, annual leave and sick leave, 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 included in employee benefits and the total recognised as a liability.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

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

(f) Incorporation

BreastScreen Victoria Inc. was incorporated on 2 September 1992 under the *Association's 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 Health 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, unless it is immaterial to be disclosed separately.

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, as this

approximates the time pattern of consumption of the benefit derived.

(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 judgments

In the application of AAS, management is required to make judgments, 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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

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

Judgments made by management in the application of AASs that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements.

Management has identified the following critical accounting policies for which significant judgments, estimates and assumptions are made.

I. Impairment of non-financial assets

The Association assesses impairment of all assets at each reporting date by evaluating conditions specific to

the Association and to the particular asset that may lead to impairment. These include product performance, technology, economic and political environments and future product expectations. If an impairment trigger exists, the recoverable amount of the asset is determined. Management does not consider that the triggers for impairment testing have been significant enough and as such these assets have not been tested for impairment in this financial year.

II. Estimation of useful lives of assets

The estimation of the useful lives of assets has been based on historical

experience. In addition, the condition of the asset is assessed at least annually and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary.

(r) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2009 reporting period. BreastScreen Victoria Inc.'s assessment of the impact of these new standards and interpretations is set out below.

	Application Date of Standard:	Impact on Financial Statements:	Application Date for Association:
<p>Reference: AASB123 (Revised) and AASB 2007-6 Title: Borrowing costs and consequential amendments to other Australian Accounting Standards Summary: The amendments to AASB123 require that all borrowing costs associated with a qualifying asset be capitalised.</p>	1 January 2009	Impact not expected to be significant	1 July 2009
<p>Reference: AASB 101 (Revised), AASB 2007-8 and AASB 2007-10 Title: Presentation of Financial Statements and consequential amendments to other Australian Accounting Standards Summary: Introduces a statement of comprehensive income. Other revisions include impacts on the presentation of items in the statement of changes in equity, new presentation requirements for restatements or reclassifications of items in the financial statements, changes in the presentation requirements for dividends and changes to the titles of the financial statements.</p>	1 January 2009	Impact not expected to be significant	1 July 2009
<p>Reference: AASB 2008-5 Title: Amendments to Australian Accounting Standards arising from the Annual Improvements Project. Summary: The improvements project is an annual project that provides a mechanism for making non-urgent, but necessary, amendments to the Australian Accounting Standards which arise from amendments to IFRSs. 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 by the company.</p>	1 January 2009	Impact not expected to be significant	1 July 2009
<p>Reference: AASB 2009-5 Title: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB5,8,101,107,117,118,136 & 139] Summary: 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. The main amendment of relevance to Australian entities is that made to AASB 117 by removing the specific guidance on classifying land as a lease so that only the general guidance remains. Assessing land leases based on the general criteria may result in more land leases being classified as finance leases and if so, the type of asset which is to be recorded (intangible v property, plant and equipment) needs to be determined. These amendments arise from the issuance of the IASB's <i>Improvements to IFRSs</i>. The AASB has issued the amendments to IFRS 2, IAS 38, IFRIC 9 as AASB 2009-4.</p>	1 January 2010	Impact not expected to be significant.	1 July 2010

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009	2008
	\$	\$
NOTE 2: NET RESULT FROM CONTINUING OPERATIONS		
Surplus/(deficit) from continuing operations has been arrived at after charging the following items:		
Depreciation of furniture, equipment and vehicles	1,063,465	1,053,216
Amortisation of intangible assets	117,740	124,141
Provision for employee entitlements	(167,053)	(57,745)
Rental expenses on operating leases – minimum lease payments	306,224	294,416
Auditors remuneration	12,970	8,580
NOTE 3: OTHER REVENUE		
Other	123,356	128,713
Interest received	287,300	311,456
Profit/(loss) from disposal of non-current assets	32,709	(4,033)
Total	443,365	436,136
NOTE 4: CASH AND CASH EQUIVALENTS		
Cash on hand	600	600
Cash at bank	2,320,845	673,851
Investments	2,875,997	2,703,276
Total	5,197,442	3,377,727
NOTE 5: RECEIVABLES		
CURRENT		
Debtors	28,213	762
Accrued revenue	744,984	27,371
Prepayments	109,419	331,547
Total	882,616	359,680

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009 \$	2008 \$
NOTE 6: FURNITURE, EQUIPMENT AND VEHICLES		
Computer equipment – at cost	1,132,676	1,037,105
Accumulated depreciation	(853,128)	(913,481)
Written down value	279,548	123,624
Motor vehicles – at cost	255,398	330,081
Accumulated depreciation	(209,431)	(277,743)
Written down value	45,967	52,338
Office equipment – at cost	181,548	181,548
Accumulated depreciation	(144,729)	(127,003)
Written down value	36,819	54,545
Furniture and fittings – at cost	83,630	83,630
Accumulated depreciation	(59,771)	(51,683)
Written down value	23,859	31,947
Leasehold improvement – at cost	738,739	738,739
Accumulated depreciation	(406,307)	(258,559)
Written down value	332,432	480,180
Mobile van equipment – at cost	764,965	798,965
Accumulated depreciation	(750,358)	(721,557)
Written down value	14,607	77,408
Digital project equipment – at cost	1,990,196	1,990,196
Accumulated depreciation	(1,537,287)	(922,952)
Written down value	452,909	1,067,244
Equipment – medical – at cost	531,586	341,000
Accumulated depreciation	(203,713)	(123,322)
Written down value	327,873	217,678
Total written down value furniture, equipment and vehicles	1,514,014	2,104,964

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

(a) Movement in carrying amounts

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

2009	Opening balance	Additions	Disposals	Depreciation	Closing balance
Computer equipment	123,624	252,942	-	(97,018)	279,548
Motor vehicles	52,338	27,887	-	(34,258)	45,967
Office equipment	54,545	-	-	(17,726)	36,819
Furniture and fittings	31,947	-	-	(8,088)	23,859
Leasehold improvement	480,180	-	-	(147,748)	332,432
Mobile van equipment	77,408	5,000	(3,900)	(63,901)	14,607
Digital project equipment	1,067,244	-	-	(614,335)	452,909
Equipment – medical	217,678	190,586	-	(80,391)	327,873
Total	2,104,964	476,415	(3,900)	(1,063,465)	1,514,014
2008	Opening balance	Additions	Disposals	Depreciation	Closing balance
Computer equipment	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
Leasehold improvement	627,928	-	-	(147,748)	480,180
Mobile van equipment	177,944	2,629	-	(103,165)	77,408
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

	2009	2008
	\$	\$
NOTE 7: INTANGIBLE ASSETS		
Data development – at cost	1,251,140	886,721
Accumulated amortisation	(726,888)	(609,148)
Written down value	524,252	277,573
Software licenses	74,976	-
Accumulated amortisation	-	-
Written down value	74,976	-
Total written down value of intangible assets	599,228	277,573

(a) Movement in carrying amounts

2009	Opening balance	Additions	Disposals	Amortisation	Closing balance
Data development	277,573	364,419	-	(117,740)	524,252
Software licenses	-	74,976	-	-	74,976
Total	277,573	439,395	-	(117,740)	599,228
2008	Opening balance	Additions	Disposals	Amortisation	Closing balance
Data development	401,714	-	-	(124,141)	277,573
Total	401,714	-	-	(124,141)	277,573

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009 \$	2008 \$
NOTE 8: PAYABLES		
CURRENT		
Unsecured trade creditors and accruals	317,052	422,917
Funds in advance – DoH	15,207	843,035
Total	332,259	1,265,952
The average credit period is 30 days. No interest is charged.		
NOTE 9: EMPLOYEE BENEFITS LIABILITIES		
CURRENT		
Annual leave	258,275	269,364
Long service leave	332,855	358,420
Sick leave	-	87,072
Total	591,130	714,856
NON-CURRENT		
Long service leave	120,477	163,804
Total	120,477	163,804
a. Aggregate employee benefits liability	711,607	878,660
NOTE 10: RESERVES		
General Reserve	3,919,579	3,919,579
Special Purpose Reserve	2,500,000	-
Total	6,419,579	3,919,579
General Reserve at the beginning of the financial year	3,919,579	3,919,579
General Reserve at the end of the financial year	3,919,579	3,919,579
The General Reserve records funds set aside for committed activities.		
Special Purpose Reserve at the beginning of the year	-	-
Add: Transfers from accumulated surplus	2,500,000	-
Special Purpose Reserve at the end of the year	2,500,000	-
The Special Purpose Reserve Records the funds received in advance for the Digital Mammography Project.		
NOTE 11: ACCUMULATED SURPLUS/(DEFICIT)		
Accumulated surplus/(deficit) at the beginning of the financial year	55,753	(205,787)
Surplus for the year	3,174,102	261,540
Less: Transfers to reserves	(2,500,000)	-
Accumulated surplus at the end of the financial year	729,855	55,753

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009 \$	2008 \$
NOTE 12: CASH FLOW INFORMATION		
(i) Reconciliation of cash		
Cash and cash equivalents (note 4)	5,197,442	3,377,727
Total	5,197,442	3,377,727
(ii) Reconciliation of cash flow from operations with net result for the year		
Net result for the year	3,174,102	261,540
Non-cash flows in surplus from ordinary activities		
Depreciation and amortisation	1,181,205	1,177,357
Net (gain)/loss on disposal of assets	(32,709)	4,033
Changes in assets and liabilities		
Decrease/(increase) in receivables	(745,064)	48,489
Decrease/(increase) in other current assets	222,128	(132,266)
Increase/(decrease) in payables	(120,866)	39,824
Increase/(decrease) in funds in advance	(812,828)	272,908
Increase/(decrease) in employee benefits liabilities	(167,053)	(57,745)
Net cash provided by operating activities	2,698,915	1,614,140
(iii) Non-cash financing and investment activities		
The following non-cash financing and investment activities are not reflected in the cash flow statement:		
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	354,866	360,517
later than one year but not later than five years	1,734,324	1,530,385
later than five years	285,989	686,658
Total	2,375,179	2,577,560
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 Inc. leased office accommodation on behalf of Central Highlands and Wimmera BreastScreen for a term of 18 months, which commenced on 29 January 2008, and terminated on 29 July 2009.		
Other commitments		
Service delivery funding within the next twelve months will be:	31,683,716	30,719,135

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009 \$	2008 \$
NOTE 14: SCREENING AND ASSESSMENT SERVICES		
Metro		
Maroondah	3,314,234	3,268,326
Monash	5,092,150	4,736,300
North Western	4,436,559	4,006,762
St. Vincent's Hospital	5,092,201	4,513,918
Rural		
Bendigo	1,645,196	1,362,927
Gippsland	1,392,791	1,497,148
BHS Central Highland	792,482	1,308,260
Grampians	649,716	-
Geelong	2,183,460	2,179,806
Albury/Wodonga	192,700	225,129
Total	24,791,489	23,098,576
NOTE 15: BREASTSCREEN COORDINATION UNIT (SAS ACTIVITY)		
Registry & Information Services	1,321,684	1,358,925
Communications	483,160	467,615
Mobile Vans	718,703	714,089
Information Technology & Digital	1,321,650	1,737,858
Quality, Research & Planning	128,538	259,409
Total	3,973,735	4,537,896
NOTE 16: BREASTSCREEN VICTORIA MANAGEMENT		
Executive	338,040	-
Finance & Corporate Services	1,580,326	2,005,175
Business & People	186,594	184,452
Information Technology	1,361,447	1,255,283
Total	3,466,407	3,444,910
NOTE 17: COORDINATION UNIT OPERATING EXPENSES		
Salaries and on-costs	1,636,678	1,466,517
Depreciation	393,774	428,308
Operating expenses	818,373	1,131,038
Occupancy costs	460,787	416,172
Capital expenses	156,795	2,875
Total	3,466,407	3,444,910
NOTE 18: SEGMENT REPORTING		
The Association operates in the health sector providing breast screening services to the public within Victoria.		

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

NOTE 19: 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 methods 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 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 consists 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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

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	
	2009 %	2008 %	2009 \$	2008 \$	2009 \$	2008 \$
Financial assets						
Cash and cash equivalents	3.32	7.17	5,197,442	3,377,727	2,320,845	673,851
Receivables	-	-	773,197	28,133	-	-
Total financial assets			5,970,639	3,405,860	2,320,845	673,851

	Fixed interest rate		Non-interest bearing		Assets not overdue and not impaired	
	2009 \$	2008 \$	2009 \$	2008 \$	2009 \$	2008 \$
Financial assets						
Cash and cash equivalents	2,875,997	2,703,276	600	600	5,197,442	3,377,727
Receivables	-	-	773,197	28,133	773,197	28,133
Total financial assets	2,875,997	2,703,276	773,797	28,733	5,970,639	3,405,860

(g) Liquidity and interest risk exposure of financial liabilities

	Weighted average effective interest rate		Carrying amount		Floating interest rate	
	2009 %	2008 %	2009 \$	2008 \$	2009 \$	2008 \$
Financial liabilities						
Payables	-	-	317,052	422,917	-	-
Total financial liabilities			317,052	422,917	-	-

	Fixed interest rate		Non-interest bearing		Maturing within 0-30 days	
	2009 \$	2008 \$	2009 \$	2008 \$	2009 \$	2008 \$
Financial liabilities						
Payables	-	-	317,052	422,917	317,052	422,917
Total financial liabilities	-	-	317,052	422,917	317,052	422,917

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

(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.

	Net result	Interest rate risk			
		-1%	Equity	Net result	+1%
2009	\$		\$	\$	\$
Financial assets					
Cash and cash equivalents	(51,968)	-		51,968	-
Receivables	-	-		-	-
Financial liabilities					
Payables	-	-		-	-
Net impact	(51,968)	-		51,968	-
2008					
Financial assets					
Cash and cash equivalents	(28,512)	-		28,512	-
Receivables	-	-		-	-
Financial liabilities					
Payables	-	-		-	-
Net impact	(28,512)	-		28,512	-

(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 20: ASSOCIATION DETAILS

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

NOTE 21: 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 2009.

NOTE 22: KEY MANAGEMENT REMUNERATION

	2009	2008
	\$	\$
Salaries – short-term benefit	549,454	479,503
Termination payments	103,458	52,117
Superannuation – post employment benefit	40,665	40,626
	693,577	572,246

NOTE 23: ECONOMIC DEPENDENCY

The majority 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 3 to 17:

1. presents a true and fair view of the financial position of BreastScreen Victoria Inc. as at 30 June 2009 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 Katherine McGrath
Chair



Ms Anne Cronin
Treasurer



Ms Vicki Pridmore
Chief Executive Officer

Melbourne, 15 September 2009

**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 2009 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 Management.

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 2009 and of its 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
HLB Mann Judd



MARK PETERS
Partner

15 September 2009
Melbourne

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BreastScreen
Victoria

Caring about Women