

BreastScreen Victoria Inc.

Registration Number: A0025878W ABN: 54 505 206 361

Financial Report

For the year ended 30 June 2010





It gives me great pleasure to present the Treasurer's Report for 2009/10. The activities of BreastScreen Victoria resulted in an operating surplus of \$791,548 and an overall surplus of \$436,830, after expenses relating to special projects and the Digital Mammography Project.

The 2009/10 financial year saw significant changes in the management of business and finance at BreastScreen Victoria. I take this opportunity to thank Barry Ingate who was in the caretaker's role of Acting Finance Director for eight months. Doris Camilleri commenced with BreastScreen Victoria in September 2009 in the role of Director Corporate Services with finance, business, payroll, human resources, facilities, strategy and corporate policy included in the portfolio. In addition to senior staffing changes, we saw the appointment of PricewaterhouseCoopers as auditors of BreastScreen Victoria, effective from 1 July 2009.

Financial management initiatives introduced during the year include the implementation of *SAP Business One*, an accounting business software solution. This has proven to be invaluable in streamlining the process of authorising payments electronically, as well as providing diverse and comprehensive reporting. A newly developed Reserves Policy was instigated in recognition of a Board of Management decision that excess reserves be used to progress strategic direction. The new policy identifies the need to meet contractual liabilities, to replace capital not funded by the

Department of Health and to designate funds towards special projects that are in line with strategy.

With a sustained focus on strengthening governance, many activities have been completed during 2009/10 and more are planned for 2010/11. Examples include: a review of financial delegations, refreshed business plans that parallel the organisation's 2010 to 2013 Strategic Plan and a review of basic finance operations.

BreastScreen Victoria's relationship with the Department of Health continues to reflect a mutual commitment to delivering quality screening and assessment services to more Victorian women. Working towards this goal, several reviews were initiated during the year. In particular, a review driven by BreastScreen Victoria will identify and evaluate the operations of the Screening and Assessment Services. Departmental reviews on management, service funding and capital ownership are also currently underway.

Of note in 2009/10, \$0.248m in capital funds was made available to screening and assessment services at St Vincent's and Maroondah to purchase plant and equipment and to upgrade facilities. \$1.3m of funds received for the delivery of screens under the Victorian Cancer Action Plan have been deferred to 2010/11.

A summary of the year includes:

- Funding provided by the Department of Health to 30 June 2010 was \$32.45m, including \$0.764m from the Victorian Cancer Action Plan.
- Expenditure of \$3.77m for Coordination Unit services was delivered through Mobile Screening and Assessment Services, Registry and Information Management, Communications, Information Technology, Quality and Research and Planning.
- BreastScreen Victoria management expenditure included depreciation expenses relating to the Digital Mammography Project and consultancies relating to media relations and Program promotion, strategy and workflow projects.

- Income received for the Digital Mammography Project was \$2.5m. Project management expenses were \$0.344m and capital expenditure was \$0.463m.

The net result has increased BreastScreen Victoria's reserves which comprise: capital reserves of \$6.4m, \$1.11m special purpose reserves and accumulated surpluses of \$1.67m. This is represented by cash and investments of \$8.6m included in net assets of \$7.59m. BreastScreen Victoria will use excess reserves to progress strategic direction including: Aboriginal and Torres Strait Islander recruitment, Culturally and Linguistically Diverse recruitment, an Operations Model Review, radiology registrar training, a statewide signage upgrade, a participation campaign suite and an organisational policy review.

In conclusion, good governance and robust planning by BreastScreen Victoria are fundamental to 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 now and into the future.

I am pleased to recommend this report to all stakeholders of BreastScreen Victoria.

Anne Cronin
Treasurer

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These financial statements cover BreastScreen Victoria Inc. as an individual entity. The financial statements are presented in Australian currency.

BreastScreen Victoria Inc. is an Association incorporated and domiciled in Victoria under the *Associations Incorporation Act (Vic) 1981*. Its registered office and principal place of business is:

BreastScreen Victoria Inc.
15-31 Pelham Street
Carlton South Vic 3053

The financial statements were authorised for issue by a resolution of the Board of Management on 14 September 2010. The Board of Management have the power to amend and reissue the financial statements.

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2010**

	Note	2010 \$	2009 \$
REVENUES			
Revenue from operating activities			
Government grants		32,695,562	34,962,368
Other revenue	4	733,454	443,365
Total revenue from ordinary activities		33,429,016	35,405,733
EXPENDITURE FROM SERVICES			
Screening and Assessment Services	15	24,362,099	24,791,489
BreastScreen Coordination Unit (SAS Services)			
– Registry and Information Services	16	1,914,135	1,510,548
– Communication	16	561,001	483,160
– Mobile Screening Vans Activity	16	724,411	643,433
– Information Technology and Digital	16	1,926,114	1,769,862
– Quality, Research and Planning	16	184,661	128,537
BreastScreen Victoria Management			
– Executive	16	467,170	415,093
– Finance and Corporate Services	16	2,387,674	2,302,915
– Business and People	16	120,203	186,594
Specific Projects			
– Digital Mammography Project	16	344,718	-
Total expenses		32,992,186	32,231,631
Surplus/(deficit) of revenue after expenses		436,830	3,174,102
Other comprehensive income		-	-
Total comprehensive income for the year		436,830	3,174,102

**BALANCE SHEET
AS AT 30 JUNE 2010**

	Note	2010 \$	2009 \$
CURRENT ASSETS			
Cash and cash equivalents	5	8,644,720	5,197,442
Receivables	6	179,488	882,616
Total current assets		8,824,208	6,080,058
NON-CURRENT ASSETS			
Property, plant and equipment	7	1,545,400	1,514,014
Intangible assets	8	561,608	599,228
Total non-current assets		2,107,008	2,113,242
Total assets		10,931,216	8,193,300
CURRENT LIABILITIES			
Payables and accruals	9	2,537,370	332,259
Employee benefits liabilities	10	697,504	591,130
Total current liabilities		3,234,874	923,389
NON-CURRENT LIABILITIES			
Employee benefits liabilities	10	110,078	120,477
Total non-current liabilities		110,078	120,477
Total liabilities		3,344,952	1,043,866
Net assets		7,586,264	7,149,434
EQUITY			
Reserves	11	5,912,009	6,419,579
Accumulated surplus	12	1,674,255	729,855
Total equity		7,586,264	7,149,434

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2010

	Note	2010 \$	2009 \$
ACCUMULATED SURPLUS			
Opening accumulated surplus		729,855	55,753
Total comprehensive income for the year		436,830	3,174,102
Transfers to reserves		(300,000)	(2,500,000)
Transfer from reserves – Digital Mammography Project		807,570	-
Accumulated surplus at year end	12	1,674,255	729,855
RESERVES			
Opening reserves		6,419,579	3,919,579
Transfers from accumulated surplus		300,000	2,500,000
Transfer to accumulated surplus – Digital Mammography Project		(807,570)	-
Reserves at year end	11	5,912,009	6,419,579
Total equity at year end		7,586,264	7,149,434

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 30 JUNE 2010

	Note	2010 \$	2009 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from government grants and others		38,461,083	33,512,832
Interest received		374,505	287,300
Payments to suppliers and employees		(34,351,729)	(31,101,217)
Cash inflow/(outflow) from operating activities		4,483,859	2,698,915
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchases of property, plant and equipment		(1,128,379)	(915,810)
Proceeds from sale of fixed assets		91,798	36,610
Cash (outflow)/inflow from investing activities		(1,036,581)	(879,200)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		-	-
Cash inflow/(outflow) from financing activities		-	-
Net increase (decrease) in cash held		3,447,278	1,819,715
Cash and cash equivalents at beginning of year		5,197,442	3,377,727
Cash at end of year	5	8,644,720	5,197,442

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

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), Urgent Issues Group, Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the requirements of the *Associations Incorporation Act (Vic) 1981*. Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial statements and notes comply with International Financial Reporting Standards (IFRS). A statement of full compliance with IFRS cannot be made due to the entity applying the not-for-profit sector requirements contained in AIFRS.

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 2010 was authorised for issue by a resolution of the Board of Management on 14 September 2010.

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.

Operations and principal activities

BreastScreen Victoria Inc. is part of a national breast cancer screening program offering women aged 50-69 free screening mammograms every two years. BreastScreen Victoria Inc. aims

to reduce deaths from breast cancer through early detection of the disease.

The BreastScreen Victoria Coordination Unit (BCU) is an independently incorporated association responsible for the ongoing delivery and management of the Victorian Program. BCU develops and reviews program policy, monitors service provision, coordinates special projects and administers the funding for a network of accredited screening and assessment centres located in both the public and private sectors.

BCU consists of a small multidisciplinary staff and is managed by the Chief Executive Officer who is accountable to a ministerial appointed Board of Management.

(a) Rounding off

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

(b) Cash and cash equivalents

For the purpose of presentation in the statement of cashflows, 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. Bank overdrafts, if any, are shown within short-term borrowings in current liabilities on the balance sheet.

(c) Property, plant and equipment

Fixed assets valued at \$1,000 or above are measured at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to BreastScreen Victoria Inc. and the cost of the item can be measured reliably. All other repairs and maintenance are charged in the

statement of comprehensive income during the reporting period in which they are incurred. 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 statement of comprehensive income.

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 BreastScreen Victoria Inc. 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%
Digital Mammography Project equipment	33%

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

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

(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. These intangible assets have a finite useful life and are carried at cost less accumulated amortisation. 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 that is amortised on a straight-line basis at 20% (2009:14%). Further, BreastScreen Victoria Inc. acquired software licenses that are amortised on a straight-line basis at 50% (2009: 50%) 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 BreastScreen Victoria Inc. has an intention and ability to use the asset.

(e) Employee benefits

(i) Short-term obligations

Liabilities for salaries and wages, including non-monetary benefits and annual leave expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

The liability for annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables. Contributions to employees' superannuation funds are made by BreastScreen Victoria Inc. and charged as expense when incurred.

(ii) Other long-term employee benefit obligations

The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future salary and wages levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows. Employee benefit on-costs are included in employee benefits and the total recognised as a liability.

(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 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 asset or 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 to the statement of comprehensive income on a straight-line basis over the period of the lease.

(k) Impairment of assets

BreastScreen Victoria Inc. 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 statement of comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, BreastScreen Victoria Inc. 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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

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

Collectability of receivables is reviewed on an ongoing basis. 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 are carried at amortised cost and represent unpaid liabilities for goods and services provided to BreastScreen Victoria Inc. prior to the end of the financial year and arise when BreastScreen Victoria Inc. becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are paid within 30 days of recognition.

(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 judgements. 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.

Estimates and judgements made by management in the application of AASs that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the next financial year are discussed below.

(i) Impairment of non-financial assets

BreastScreen Victoria Inc. assesses impairment of all assets at each reporting date by evaluating conditions specific to BreastScreen Victoria Inc. 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 arisen.

(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. The estimation of useful lives adopted in the current financial year are set out in note 1(c) and (d).

(iii) Deferred income

In 2009–10, 20,000 screens were funded by Victorian Cancer Action Plan. Funding for the undelivered portion of these screens will be deferred to screens delivered in 2010–11. This amount is estimated to be \$1,103,107 at 30 June 2010.

(r) Deferred income

As identified in Note 1(l) grants received are recognised in the relevant reporting year it relates to. The timing of the receipt of payments for work undertaken is typically set out in the project contract. Payments received and amounts due and receivable up to 30 June 2010 which have not been earned are recognised as deferred income at 30 June 2010 and will only be recognised as income when BreastScreen Victoria Inc. has met the conditions set out in the project contract.

In particular, and as identified in Note 1(q) (iii), grants provided for undelivered screens funded through the Victorian Cancer Action Plan are recognised as deferred income.

(s) Reserves policy

In accordance with the BreastScreen Victoria Inc. policy on Reserves, the following Reserves are held:

(i) Contractual liabilities reserve

BreastScreen Victoria Inc. shall maintain in reserve, funds for the winding down of the organisational structure in the event that BreastScreen Victoria Inc. is dissolved. In addition, the Contractual Liabilities Reserve will provide for leave liabilities.

(ii) Capital replacement reserves

BreastScreen Victoria Inc. shall maintain in reserve, funds equivalent to the current year budgeted depreciation expense for the purposes of replacing capital equipment used by the BreastScreen Coordination Unit. Capital expenditure relating to screening services is funded through the Targeted Equipment Program and not by way of this reserve.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

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

(iii) Special Projects Reserve

BreastScreen Victoria Inc. shall maintain in reserve, funds designated for special projects that progress strategic directions.

(t) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2010 reporting period. BreastScreen Victoria Inc.'s assessment of the impact of these new standards and interpretations is set out below.

Reference	Title	Summary	Application Date of Standard	Impact on Financial Statements	Application Date for BreastScreen Victoria Inc.
AASB 124 (Revised) and AASB 2009-12	Related Party Disclosures and Amendments to Australian Accounting Standards	The amendment clarifies and simplifies the definition of a related party and removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities.	1 January 2011	Impact not expected to be significant	1 July 2011
AASB 107	Cash flow statements	Clarifies that only expenditure resulting in a recognised asset can be categorised as a cash flow from investing activities.	1 January 2010	Impact not expected to be significant	1 July 2010
AASB 118	Revenue	Clarifies the distinction between when an entity is acting as a 'principal' and an 'agent'.	No specific date	Impact not expected to be significant	n/a

NOTE 2: FINANCIAL INSTRUMENTS

(a) Financial risk management objectives

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

BreastScreen Victoria Inc. does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

BreastScreen Victoria Inc. is not exposed to any foreign currency risk.

(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 a counterparty will default on its contractual obligations resulting in a financial loss to the association. BreastScreen Victoria Inc. has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. BreastScreen Victoria Inc.'s exposure is continuously monitored and this risk is reviewed periodically. Receivables consists predominately of the one counterparty, however, the extent of BreastScreen Victoria Inc.'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, which has built an appropriate liquidity risk management

framework for the management of BreastScreen Victoria Inc.'s short, medium and long term funding and liquidity management. BreastScreen Victoria Inc. 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 BreastScreen Victoria Inc. can alter the extent of its activities in accordance with available funds.

(e) Interest rate risk

BreastScreen Victoria Inc.'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. BreastScreen Victoria Inc.'s interest rate exposure is limited to its cash and cash equivalents and in this respect, fluctuations in interest rates will only impact on revenue.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

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

	Weighted average effective interest rate		Carrying amount		Floating interest rate	
	2010	2009	2010	2009	2010	2009
	%	%	\$	\$	\$	\$
Financial assets						
Cash and cash equivalents	5.00	3.32	8,644,720	5,197,442	2,253,374	2,320,845
Receivables	-	-	6,308	773,197	-	-
Total financial assets			8,651,028	5,970,639	2,253,374	2,320,845

	Fixed interest rate		Non-interest bearing		Assets not overdue and not impaired	
	2010	2009	2010	2009	2010	2009
	\$	\$	\$	\$	\$	\$
Financial assets						
Cash and cash equivalents	6,390,746	2,875,997	600	600	8,644,720	5,197,442
Receivables	-	-	6,308	773,197	6,308	773,197
Total financial assets	6,390,746	2,875,997	6,908	773,797	8,651,028	5,970,639

(g) Liquidity and interest risk exposure of financial liabilities

	Weighted average effective interest rate		Carrying amount		Floating interest rate	
	2010	2009	2010	2009	2010	2009
	%	%	\$	\$	\$	\$
Financial liabilities						
Payables	-	-	2,537,370	332,259	-	-
Total financial liabilities			2,537,370	332,259	-	-

	Fixed interest rate		Non-interest bearing		Maturing within 0-30 days	
	2010	2009	2010	2009	2010	2009
	\$	\$	\$	\$	\$	\$
Financial liabilities						
Payables	-	-	2,537,370	332,259	2,537,370	332,259
Total financial liabilities	-	-	2,537,370	332,259	2,537,370	332,259

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 2: FINANCIAL INSTRUMENTS (CONT.)

(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 BreastScreen Victoria Inc. if changes in the relevant risk occur.

	Interest rate risk			
	Net result	-1% Equity	Net result	+1% Equity
2010	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	(86,441)	-	86,441	-
Receivables	-	-	-	-
Financial liabilities				
Payables	-	-	-	-
Net impact	(86,441)	-	86,441	-
2009				
Financial assets				
Cash and cash equivalents	(51,968)	-	51,968	-
Receivables	-	-	-	-
Financial liabilities				
Payables	-	-	-	-
Net impact	(51,968)	-	51,968	-

(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.

	2010 \$	2009 \$
NOTE 3: NET RESULT FROM CONTINUING OPERATIONS		
Surplus/(deficit) from ordinary activities has been arrived at after charging the following items:		
Depreciation of property, plant and equipment	841,846	1,063,465
Amortisation of intangibles assets	292,767	117,740
Provisions for employee entitlements	95,975	(167,053)
Rental expenses on operating leases – minimum lease payments	474,671	306,224
Auditor's remuneration for audit and financial report	12,843	12,970
NOTE 4: OTHER REVENUE		
Other	267,151	123,356
Interest received	374,505	287,300
Profit/(loss) from disposal of non-current assets	91,798	32,709
Total	733,454	443,365

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 5: CASH AND CASH EQUIVALENTS

	2010 \$	2009 \$
Cash on hand	600	600
Cash at bank	2,253,374	2,320,845
Deposits at call	6,390,746	2,875,997
Total	8,644,720	5,197,442

BreastScreen Victoria Inc.'s exposure to interest rate risk is discussed in note 2.

NOTE 6: RECEIVABLES

	2010	2009
Trade receivables	4,308	28,213
Accrued revenue	-	744,984
Sundry debtors	2,000	-
Prepayments	173,180	109,419
Total	179,488	882,616

a) Impaired receivables

There were no impaired receivables at 30 June 2010 or 30 June 2009.

b) Part due but not paid

There were no part due but not impaired receivables at 30 June 2010 and 30 June 2009.

c) Fair Value

Due to the short term nature of these receivables, their carrying amounts approximate their fair value.

d) Credit and interest rate exposure

BreastScreen Victoria Inc.'s exposure to credit and interest rate risk is discussed in note 2.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

	2010 \$	2009 \$
NOTE 7: PROPERTY, PLANT AND EQUIPMENT		
Computer equipment – at cost	1,400,019	1,132,676
Accumulated depreciation	(1,014,522)	(853,128)
Written down value	385,497	279,548
Motor vehicles – at cost	299,106	255,398
Accumulated depreciation	(42,371)	(209,431)
Written down value	256,735	45,967
Office equipment – at cost	188,213	181,548
Accumulated depreciation	(162,686)	(144,729)
Written down value	25,527	36,819
Furniture and fittings – at cost	90,880	83,630
Accumulated depreciation	(68,306)	(59,771)
Written down value	22,574	23,859
Leasehold improvement – at cost	830,241	738,739
Accumulated depreciation	(554,055)	(406,307)
Written down value	276,186	332,432
Mobile screening van equipment – at cost	764,965	764,965
Accumulated depreciation	(758,716)	(750,358)
Written down value	6,249	14,607
Digital project equipment – at cost	2,015,196	1,990,196
Accumulated depreciation	(1,865,261)	(1,537,287)
Written down value	149,935	452,909
Medical equipment – at cost	749,311	531,586
Accumulated depreciation	(326,614)	(203,713)
Written down value	422,697	327,873
Total written down value property, plant and equipment	1,545,400	1,514,014

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

(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

2010	Opening net book amount	Additions	Disposals	Depreciation	Closing net book amount
Computer equipment	279,548	267,343	-	(161,394)	385,497
Motor vehicles	45,967	271,219	(13,472)	(46,979)	256,735
Office equipment	36,819	6,664	-	(17,957)	25,526
Furniture and fittings	23,859	7,250	-	(8,535)	22,574
Leasehold improvement	332,432	91,502	-	(147,748)	276,186
Mobile screening van equipment	14,607	-	-	(8,358)	6,249
Digital project equipment	452,909	25,000	-	(327,974)	149,935
Medical Equipment	327,873	217,726	-	(122,901)	422,698
Total	1,514,014	886,704	(13,472)	(841,846)	1,545,400
2009	Opening net book amount	Additions	Disposals	Depreciation	Closing net book amount
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 screening van equipment	77,408	5,000	(3,900)	(63,901)	14,607
Digital project equipment	1,067,244	-	-	(614,335)	452,909
Medical equipment	217,678	190,586	-	(80,391)	327,873
Total	2,104,964	476,415	(3,900)	(1,063,465)	1,514,014

NOTE 8: INTANGIBLE ASSETS

	2010 \$	2009 \$
Data development – at cost	1,251,140	1,251,140
Accumulated amortisation	(954,455)	(726,888)
Written down value	296,685	524,252
Software licenses	330,123	74,976
Accumulated amortisation	(65,200)	-
Written down value	264,923	74,976
Total written down value intangible assets	561,608	599,228

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 8: INTANGIBLE ASSETS (CONT.)

(a) Movement in carrying amounts

2010	Opening net book amount	Additions	Disposals	Amortisation	Closing net book amount
Data development	524,252	-	-	(227,567)	296,685
Software licenses	74,976	255,147	-	(65,200)	264,923
Total	599,228	255,147	-	(292,767)	561,608
2009	Opening net book amount	Additions	Disposals	Amortisation	Closing net book amount
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

NOTE 9: PAYABLES

	2010	2009
	\$	\$
Trade creditors	378,850	178,875
Accruals	682,558	120,616
GST and PAYG	157,855	17,561
Deferred income – Department of Health	1,318,107	15,207
Total	2,537,370	332,259

The average credit period is 30 days. No interest is charged.

NOTE 10: EMPLOYEE BENEFITS LIABILITIES

	2010	2009
CURRENT		
Annual leave	283,257	258,275
Long service leave	414,247	332,855
Total	697,504	591,130
NON-CURRENT		
Long service leave	110,078	120,477
Total	110,078	120,477
Total employee entitlements liability	807,582	711,607

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 11: RESERVES

	2010	2009
	\$	\$
Contractual liabilities reserve (Note: 1(s)(i))	2,190,588	
Capital replacement reserve (Note: 1(s)(ii))	1,250,000	
General reserve	478,991	3,919,579
Special purpose reserve (Note: 1(s)(iii))		
Surplus from Digital Mammography Project	1,692,430	2,500,000
Screening and Assessment Services contingency funds	300,000	
Total	5,912,009	6,419,579

The general reserve and accumulated surplus are set aside for committed activities. In the current year, the general reserve of \$478,991 and the accumulated surplus of \$1,674,255 (Note: 12) will be utilised to fund the following specific projects.

Aboriginal and Torres Strait Islander project	\$50,000
Culturally and Linguistically Diverse project	\$41,667
Operational strategic review	\$345,000
Participation campaign suite (media)	\$300,000
Training of radiology registrars	\$240,000
Upgrade/electronic Content Management System	\$150,000
Consumer engagement review	\$40,000
Statewide signage upgrade	\$150,000
Policy and procedure manual review	\$40,000
Participation review	\$40,000
Telephone system upgrade	\$366,900
Postcode matching software	\$31,570
Upgrade server room air conditioning system	\$220,000
Replace SAS motor vehicles	\$105,000

NOTE 12: ACCUMULATED SURPLUS/(DEFICIT)

	2010	2009
Accumulated surplus/(deficit) at the beginning of the financial year	729,855	55,753
Surplus for the year	436,830	3,174,102
Transfers to Reserves	(300,000)	(2,500,000)
Transfer from Reserves – Digital Mammography Project	807,570	-
Accumulated surplus at the end of the financial year	1,674,255	729,855

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

	2010	2009
	\$	\$
NOTE 13: CASH FLOW INFORMATION		
Reconciliation of cash flow from operations with net result for the year		
Net result for the year	436,830	3,174,102
Non-cash flows in surplus from ordinary activities		
Depreciation and amortisation	1,134,613	1,181,205
Net (gain)/loss on disposal of assets	(91,798)	(32,709)
Changes in assets and liabilities		
Decrease/(increase) in receivables	768,888	(745,064)
Decrease/(increase) in other current assets	(65,761)	222,128
Increase/(decrease) in payables	902,211	(120,866)
Increase/(decrease) in provisions	1,103,107	-
Increase/(decrease) in funds in advance	199,793	(812,828)
Increase/(decrease) in employee benefits liabilities	95,976	(167,053)
Net cash provided by operating activities	4,483,859	2,698,915
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 14: COMMITMENTS		
Operating lease commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements		
Payable		
- not later than one year	359,666	354,866
- later than one year but not later than five years	1,639,566	1,734,324
- later than five years	-	285,989
Total	1,999,232	2,375,179

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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

	2010	2009
	\$	\$
NOTE 15: SCREENING AND ASSESSMENT SERVICES		
Screening and Assessment Services are paid to provide screening, assessment and biopsy services.		
Provided below are the amounts paid to the health service providers and includes payments relating to capital expenditure funded through Targeted Equipment and Agency Asset Maintenance programs.		
Metro		
MaroonDAH	3,283,646	3,314,234
Monash	4,600,412	5,092,150
North Western	3,946,584	4,436,559
St Vincent's Hospital	5,230,676	5,092,201
Rural		
Bendigo	1,739,049	1,645,196
Gippsland	1,637,140	1,392,791
BHS Central Highlands	-	792,482
Grampians	1,516,645	649,716
Geelong	2,210,389	2,183,460
Albury/Wodonga	197,558	192,700
Total	24,362,099	24,791,489
NOTE 16: COORDINATION UNIT OPERATING EXPENSES		
Salaries and on-costs	4,628,057	3,328,518
Depreciation and amortisation expense	1,134,613	1,181,205
Travel expenses	36,228	230,370
Office expenses	963,978	984,281
Communications expenses	391,791	231,013
Motor vehicle expenses	23,220	155,980
Building expenses	699,334	475,021
Computer, furniture and equipment	491,705	348,889
Administration expenses	261,161	504,865
Total	8,630,087	7,440,142

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

	2010	2009
	\$	\$
NOTE 17: DIGITAL MAMMOGRAPHY PROJECT		
Digital grant	2,500,000	-
Project management expenditure	(344,718)	-
Capital expenditure – computer equipment	(96,585)	-
– medical equipment	(217,726)	-
– software and licence	(148,541)	-
Surplus of Digital Mammography Project	1,692,430	-
The Surplus of the Digital Mammography Project of \$1,692,430 is transferred to the Special Purpose Reserve.		
NOTE 18: 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 30 June 2010.		
NOTE 19: KEY MANAGEMENT REMUNERATION		
Salaries – short-term benefits	584,455	549,454
Termination payments	-	103,458
Superannuation – post employment benefits	49,543	40,665
Total	633,998	693,577
NOTE 20: ECONOMIC DEPENDENCY		
A significant portion of income is received by way of recurrent and capital grants from the Victorian State Government.		
NOTE 21: REMUNERATION FOR AUDITORS		
During the year the following fees were paid or payable for services provided by the auditor:		
<i>Audit and other assurance service</i>		
Audit and review of financial statements		
– PricewaterhouseCoopers Australia	10,930	-
– HLB Mann Judd	130	10,590
Other assurance services		
– PricewaterhouseCoopers Australia	-	-
– HLB Mann Judd	1,783	2,380
Total remuneration for audit and other assurance services	12,843	12,970
It is BreastScreen Victoria Inc.'s policy to employ PricewaterhouseCoopers on assignments additional to their statutory duties where PricewaterhouseCoopers expertise and experience with BreastScreen Victoria Inc. are important.		

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 22: CONTINGENCIES

BreastScreen Victoria has no contingent assets or liabilities as at 30 June 2010 (2009: Nil).

NOTE 23: EVENTS OCCURRING AFTER THE REPORTING PERIOD

No other matters or circumstances have arisen since the end of the financial year that have significantly affected or may significantly affect:

- (i) the operations of BreastScreen Victoria Inc.
- (ii) the results of these operations; or
- (iii) the state of affairs of BreastScreen Victoria Inc. in subsequent financial years.

BOARD OF MANAGEMENT DECLARATION

In the opinion of the Board of Management:

- a) the financial report as set out on pages 1 to 21:
 - (i) comply with Accounting Standards, the *Associations Incorporation Act (Vic) 1981* and other mandatory professional reporting requirements,
 - (ii) give a true and fair view of BreastScreen Victoria Inc.'s financial position as at 30 June 2010 and of their performance for the financial year ended on that date.
- b) there are reasonable grounds to believe that BreastScreen Victoria Inc. will be able to pay its debts as and when they become due and payable.

This statement is made in accordance with the resolution of the Board of Management:

Dr Katherine McGrath
Chair

Ms Anne Cronin
Treasurer

14 September 2010

PricewaterhouseCoopers
ABN 52 780 433 757

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2 Southbank Boulevard
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Independent auditor's report to the Board of Management 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 2010, the statement of comprehensive income, statement of changes in equity and statement of cash flow for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the Board of Management declaration.

Board of Management's responsibility for the financial report

The Board of Management of the Association are 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 (Vic) 1981*. This responsibility includes establishing and maintaining internal controls 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. In Note 1, the Board of Management also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*.

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 judgement, 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.

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by Board of Management or management.

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

Independence

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

Auditor's opinion

In our opinion:

- (a) the financial report of the Association is in accordance with the *Associations Incorporation Act (Vic) 1981*, including:
 - (i) giving a true and fair view of the Association's financial position as at 30 June 2010 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 (Vic) 1981*.

PricewaterhouseCoopers

Peter Buchholz
Partner

14 September 2010
Melbourne

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BreastScreen
Victoria

Caring about Women