

BreastScreen Victoria Inc.
Registration Number: A0025878W
ABN: 54 505 206 361



FINANCIAL REPORT

For the year ended 30 June 2015

TREASURER'S REPORT



It is my pleasure to present to you the 2014/15 Annual Audited Accounts of BreastScreen Victoria Inc.

BreastScreen Victoria Inc. continues to deliver outstanding results with a performance to screening target in 2014/15 of 99.53% or 241,122 women screened (230,157 women screened in 2013/14). In 2014/15 BreastScreen Victoria conducted more screens than ever before.

The Program was expanded to invite women in the 70-74 age group and therefore the result was particularly pleasing as the organisation recalibrated its efforts to engage the women of this age group. The result reflects the commitment of the BreastScreen team in delivering a quality service to an ever increasing and diverse number of Victorian women.

In what is becoming an increasingly technology-reliant (and costly) environment, the financial statements reflect how BreastScreen Victoria has managed an operating surplus of \$485,206. After taking into account investment activities, including the Electronic Records Management project, the cost of the mass media campaign and the projects commissioned by the Board of Management to progress BreastScreen Victoria Inc.'s strategic direction, the overall deficit for 2014/15 is (\$2,102,470).

The deficit result is largely due to a mismatch of income to expenses where grant income of \$1.64m was recognised in prior years, while related expenditure appears in the 2014/15 financial accounts.

Total reserves of \$10.69m have increased by \$0.85m and comprise a contractual liabilities reserve of \$1.95m, capital replacement reserve of \$1.71m, special purpose reserve of \$4.73m, base reserves of \$2m and general reserve of \$0.30m. The purpose of the special purpose reserve is to provide funds for Board-approved activities that progress strategic direction. The base reserve continues to generate additional interest revenue to fund strategic initiatives including research projects.

2014/15 continued to find BreastScreen Victoria Inc. meeting the challenge of operating in a digital environment. With stages 1 and 2 of the Electronic Records Management project now completed BreastScreen Victoria Inc. has transitioned screening, reading and registration activities to online operations. Commencement of stage 3 is imminent, which will realise the benefits of operating electronically in terms of distributed reading and storing assessment records.

The benefits and opportunities of a digitised environment are significant, although finding operational funds within the current funding base is becoming a challenge as screening volumes delivered via resource-hungry technology requires an increasing proportion of funding.

In 2014/15 the Corporate Services team completed a review of the 2012-2015 service provider contracts which expired on 30 June 2015. Through a consultative and transparent process, new contracts for the 2015-2018 period were successfully rolled out to 33 service providers who provide services across 39 fixed sites. The maturing relationship was evident through this process and I take this opportunity to thank the service providers for providing invaluable input into the development of the new contracts.

In 2015/16 the major focus for the Corporate Services team will be to ensure financial sustainability in a digital environment, and to finalise accommodation needs consequent to the expiry of the Carlton premises lease in 2016.

BreastScreen Victoria Inc.'s relationship with the Department of Health and Human Services continues to support quality service delivery to the women of Victoria and we thank them for their support.

A summary of the year includes:

- Funding provided by the Department of Health and Human Services for screening and assessment activity to 30 June 2015 was \$40.66m.
- Expenditure relating to service delivery was \$35.82m (an increase of 7.26% from 2013/14) and was incurred by screening providers, Reading and Assessment Services and the Coordination Unit.

Screening providers and Reading and Assessment Services provided direct services to women while the Coordination Unit provided mobile screening services and support via the Service Delivery, Information Management, Communications and Client Recruitment, Information and Communication Technology and Quality units.

- BreastScreen Victoria Management expenditure of \$4.82m (no change from 2013/14) includes depreciation expenses relating to the Digital Mammography project, Coordination Unit infrastructure and governance costs.

In conclusion I would like to thank BreastScreen Victoria's wonderful staff for their diligence and dedication to the task of delivering an effective and efficient service.



Anne Cronin
Treasurer

BREASTSCREEN VICTORIA INC. ANNUAL FINANCIAL REPORT – 30 JUNE 2015

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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 directors on 1 September 2015. The Board of Management have the power to amend and reissue the financial statements.

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 \$	2014 \$
REVENUES			
Revenue from operating activities			
Government grants			
Screening and Cancer Prevention		40,657,246	38,471,770
Digital Mammography Project		-	1,919,567
Electronic Records Management		-	256,890
Other revenue	4	476,463	1,768,324
Total revenue from ordinary activities		41,133,709	42,416,551
EXPENDITURE			
Screening Service Providers	15	10,384,957	9,741,725
Mobile Screening Services	15	852,117	854,917
Reading and Assessment Services (RAS)	16	18,050,575	17,044,279
BreastScreen Coordination Unit			
Service Providers support			
Service Delivery and Information Services	17	1,759,413	1,658,053
Call Centre	17	1,083,383	1,022,485
Quality	17	292,612	115,823
Communications and Client Recruitment	17	1,243,997	1,081,880
Information and Communication Technology – External	17	2,156,943	1,884,405
BreastScreen Victoria Management			
Executive	17	663,165	622,618
Corporate Services	17	3,167,406	3,233,366
Information and Communication Technology – Internal	17	993,936	964,563
Specific Projects			
Digital Mammography Project	17	8,372	491,775
Electronic Records Management	17	780,180	590,860
Other Special Projects	17	1,799,123	1,873,702
Total expenses		43,236,179	41,180,451
Loss on transfer of assets	18	-	695,517
Net (deficit)/surplus for the year		(2,102,470)	540,583
Other comprehensive income		-	-
Total comprehensive (loss)/income for the year		(2,102,470)	540,583

BALANCE SHEET AS AT 30 JUNE 2015

	Note	2015 \$	2014 \$
CURRENT ASSETS			
Cash and cash equivalents	5	10,642,191	10,542,215
Receivables	6	1,017,589	394,849
Total current assets		11,659,780	10,937,064
NON-CURRENT ASSETS			
Property, plant and equipment	7	3,241,973	3,863,442
Intangible assets	8	1,016,711	1,187,759
Receivables	6	-	443,888
Total non-current assets		4,258,684	5,495,089
Total assets		15,918,464	16,432,153
CURRENT LIABILITIES			
Payables	9	5,172,699	3,627,318
Provisions	10	1,045,189	1,075,714
Total current liabilities		6,217,888	4,703,032
NON-CURRENT LIABILITIES			
Provisions	10	314,378	240,453
Total non-current liabilities		314,378	240,453
Total liabilities		6,532,266	4,943,485
Net assets		9,386,198	11,488,668
EQUITY			
Reserves	11	10,694,827	9,841,341
Accumulated (deficit)/surplus	12	(1,308,629)	1,647,327
Total equity		9,386,198	11,488,668

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 \$	2014 \$
ACCUMULATED SURPLUS			
Opening accumulated surplus		1,647,327	3,290,354
Total comprehensive (loss)/income for the year		(2,102,470)	540,583
Transfers (to)/from reserves		(853,486)	(2,183,610)
Accumulated (deficit)/surplus at year end	12	(1,308,629)	1,647,327
RESERVES			
Opening reserves		9,841,341	7,657,731
Transfer from/(to) accumulated surplus		853,486	2,183,610
Reserves at year end	11	10,694,827	9,841,341
Total equity at year end		9,386,198	11,488,668

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 \$	2014 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from government grants and others		46,347,267	42,318,947
Interest received		394,462	452,315
Payments to suppliers and employees		(45,895,807)	(43,125,620)
Cash inflow/(outflow) from operating activities	13	845,922	(354,358)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchases of property, plant and equipment and intangible assets		(747,706)	(1,150,039)
Proceeds from sale of property, plant and equipment and intangible assets		1,760	31,364
Loans to Reading and Assessment Services		-	(443,888)
Cash (outflow) from investing activities		(745,946)	(1,562,563)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net increase/(decrease) in cash held		99,976	(1,916,921)
Cash and cash equivalents at beginning of year		10,542,215	12,459,136
Cash and Cash equivalent at end of year	5	10,642,191	10,542,215

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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 2015 was authorised for issue by a resolution of the Board of Management on 1st September 2015.

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 50-74 free screening mammograms every two years. BreastScreen Victoria Inc. aims to reduce deaths from breast cancer through early detection of the disease.

BreastScreen Victoria Inc. is an independently incorporated association responsible for the ongoing delivery and management of the Victorian Program. The BreastScreen Coordination Unit (BCU) develops and reviews program policy, manages the centralised Call Centre, coordinates the Mobile Screening service, manages client information, coordinates the state-wide communications and recruitment, monitors service provision, manages quality, coordinates special projects and administers the funding for a network of accredited screening and reading 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 ministerially appointed Board of Management.

(a) Basis of preparation

The financial report of BreastScreen Victoria Inc. is a general purpose financial report that has been prepared in accordance with Australian

Accounting Standards – Reduced Disclosures Requirements (AASs), Urgent Issues Group Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the requirements of the *Associations Incorporation Reform Act 2012*.

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

(i) Compliance with the Australian Accounting Standards – Reduced Disclosures Requirements

The financial report of BreastScreen Victoria Inc. complies with the Australian Accounting Standards – Reduced Disclosures Requirements as issued by the Australian Accounting Standards Board.

(ii) New and amended standards adopted

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2014 affected any of the amounts recognised in the current period and are not likely to affect future periods.

(iii) 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.

Estimates and judgments 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(d) & (e).

(b) Rounding off

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

(c) Cash and cash equivalents

For the purpose of presentation in the statement of cashflows, cash and cash equivalents include cash at bank and on hand, deposits held at call with banks or financial institutions and other short term highly liquid investments

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

with original maturities of six months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(d) 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.

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 Pilot Equipment	33%
Medical Equipment	20%
Digital Mammography Project Equipment	16%

Make Good Provisions

Provision for make good obligation is recognised when a legal or constructive obligation as a result of past events exists, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provision is measured at the present value of management's best estimate of the expenditure required to settle the obligation at the end of the reporting period.

(e) 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% (2014: 20%). Further, BreastScreen Victoria Inc. acquired software licenses that are amortised on a straight-line basis at 50% (2014: 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.

Impairment

At each reporting date, the carrying values of intangible 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.

(f) 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 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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

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

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.

(g) 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.

(h) Public liability/General insurance

BreastScreen Victoria Inc. is insured through VMIA under the direction of the Department of Health and Human Services.

(i) 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.

(j) Goods and services tax

Revenues, expenses and assets are recognised net of amount of goods and services tax (GST). Receivables and payables are stated 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.

(k) 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.

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 interest earnings may support operating activities.

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

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 liabilities for

goods and services provided to BreastScreen Victoria Inc. prior to the end of 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) Deferred Income

As identified in Note 1(l) grants received are recognised in the relevant reporting year they relate 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 2015 which have not been earned are recognised as deferred income at 30 June 2015 and will only be recognised as income when BreastScreen Victoria Inc. has met the conditions set out in the project contract.

(r) Reserves Policy

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

(i) Contractual Liabilities Reserve

BreastScreen Victoria Inc. may 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 meeting other liabilities including employee entitlements.

(ii) Capital Replacement Reserves

BreastScreen Victoria Inc. may maintain in reserve, funds for the purpose of replacing capital equipment held on the asset register. Capital expenditure relating to service providers is funded through the governments capital replacement programs and not by way of reserve.

(iii) Special Project Reserve

BreastScreen Victoria Inc. may maintain in reserve, funds designated for special projects that progress

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

strategic directions, as endorsed by the Finance and Audit Committee and approved in line with the Delegations Manual.

(iv) General Reserve

BreastScreen Victoria Inc. may maintain in reserve, funds for the winding down of Reading and Assessment Services. The amount

of these reserves provides for an allocation of \$50,000 for each metropolitan service and \$25,000 for each rural service.

(v) Base Reserve

BreastScreen Victoria Inc. may maintain in reserve, funds to protect BreastScreen Victoria Inc. against unforeseen expenditure and to

generate additional interest revenue to fund strategic initiatives including research projects. BreastScreen Victoria Inc. may hold a minimum of \$500,000 up to a maximum of \$2 million in this Reserve.

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) 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 rate will only impact on revenue.

Interest rate risk exposure of financial statements

	Weighted average effective interest rate		Carrying amount*		Floating interest rate**	
	2015 %	2014 %	2015 \$	2014 \$	2015 \$	2014 \$
Financial assets						
Cash and cash equivalents	2.75	3.34	10,642,191	10,542,215	1,268,249	1,472,558
Total financial assets			10,642,191	10,542,215	1,268,249	1,472,558

* Total Cash held in operating account and term deposits.

** Money held in operating bank account.

(d) 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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	\$	\$
NOTE 3: NET RESULT FROM CONTINUING OPERATIONS		
Surplus from ordinary activities has been arrived at after charging the following items:		
Depreciation of property, plant and equipment	1,230,646	1,273,957
Amortisation of intangible assets	309,577	361,288
Provisions	43,400	117,908
Rental expenses on operating leases – minimum lease payments	258,239	292,197
NOTE 4: OTHER REVENUE		
Funding for Special Projects	-	1,177,158
Other	129,537	142,973
Interest received	345,166	423,600
Profit from disposal of non-current assets	1,760	24,593
Total	476,463	1,768,324
NOTE 5: CASH AND CASH EQUIVALENTS		
Cash on hand	600	600
Cash at bank	1,268,249	1,472,310
Deposits at call	9,373,342	9,069,305
Total	10,642,191	10,542,215
BreastScreen Victoria Inc.'s exposure to interest rate risk is discussed in Note 2.		
NOTE 6: RECEIVABLES		
CURRENT		
Trade receivables	61,239	38,956
Accrued revenue	60,386	71,434
Sundry debtors	7,000	111,354
Prepayments	445,076	173,105
Loan to Bendigo Health	443,888	-
Total	1,017,589	394,849
NON-CURRENT		
Loan to Bendigo Health	-	443,888
Total	-	443,888

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	2015 \$	2014 \$
NOTE 7: PROPERTY, PLANT AND EQUIPMENT		
Computer equipment – at cost	3,976,792	4,476,447
Accumulated depreciation	(2,250,212)	(2,637,854)
Written down value	1,726,580	1,838,593
Motor Vehicles – at cost	184,714	203,249
Accumulated depreciation	(130,929)	(77,596)
Written down value	53,785	125,653
Office equipment – at cost	446,174	575,328
Accumulated depreciation	(346,688)	(428,189)
Written down value	99,486	147,139
Furniture and fittings – at cost	130,358	134,728
Accumulated depreciation	(106,401)	(102,026)
Written down value	23,957	32,702
Leasehold improvement – at cost	1,107,873	1,107,873
Make good cost (i)	50,000	50,000
Accumulated depreciation	(1,073,526)	(983,578)
Written down value	84,347	174,295
Mobile screening van equipment – at cost	838,564	1,122,542
Accumulated depreciation	(683,717)	(911,693)
Written down value	154,847	210,849
Digital project equipment (pilot) – at cost	1,136,221	1,390,575
Accumulated depreciation	(1,136,221)	(1,390,575)
Written down value	-	-
Medical equipment – at cost	2,399,123	2,292,457
Accumulated depreciation	(1,300,151)	(958,246)
Written down value	1,098,972	1,334,211
Total written down value property, plant and equipment	3,241,974	3,863,442

(i) As per premises agreement expiring on April 30, 2016, BreastScreen Victoria is required to restore the premises occupied at Carlton South to the original condition at the end of the lease term. The cost of \$50,000 has been capitalised and a corresponding provision can be found in Note 10. The cost is amortised over the remainder of the lease period.

Movements in carrying amounts

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

2015	Opening net book amount	Additions	Disposals	Depreciation	Closing net book amount
Computer equipment	1,838,593	471,187	-	(583,200)	1,726,580
Motor vehicles	125,653		(7,723)	(64,145)	53,785
Office equipment	147,139	38,014	(3,317)	(82,350)	99,486
Furniture and fittings	32,702			(8,745)	23,957
Leasehold improvement	174,295			(89,948)	84,347
Mobile screening van equipment	210,849	4,350		(60,352)	154,847
Medical equipment	1,334,211	106,667		(341,906)	1,098,972
Total	3,863,442	620,218	(11,040)	(1,230,646)	3,241,974

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	2015 \$	2014 \$
NOTE 8: INTANGIBLE ASSETS		
Data development – at cost	1,251,140	1,251,140
Accumulated amortisation	(1,251,140)	(1,251,141)
Written down value	0	(1)
Software and licenses	2,085,479	2,058,070
Accumulated amortisation	(1,068,768)	(870,310)
Written down value	1,016,711	1,187,760
Total written down value intangible assets	1,016,711	1,187,759

Movements in carrying amounts

2015	Opening net book amount	Additions	Disposals	Amortisation	Closing net book amount
Data development	(1)	-	1	-	-
Software and licenses	1,187,760	138,528	-	(309,577)	1,016,711
Total	1,187,759	138,528	1	(309,577)	1,016,711

	2015 \$	2014 \$
NOTE 9: PAYABLES		
Trade Creditors	1,113,051	539,931
Accruals	2,899,905	2,756,364
Taxes and salaries and wages	114,958	288,964
Deferred Income – Department of Health and Human Services	1,044,785	42,059
Total	5,172,699	3,627,318

The average credit period on trade creditors is 30 days. No interest is charged.
The deferred income balance as at 30 June 2015 relates to funds received for the BreastScreen Australia Conference which remains unspent (\$70,785) and funds received, which cannot yet be spent, from the Department of Health and Human Services for projects.

NOTE 10: PROVISIONS

CURRENT		
Employee Benefits – annual leave	499,101	546,391
Employee Benefits – long service leave	546,088	529,323
Total	1,045,189	1,075,714
NON-CURRENT		
Employee Benefits – long service leave	264,378	190,453
Make good provision	50,000	50,000
Total	314,378	240,453

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	2015 \$	2014 \$
NOTE 11: RESERVES		
Contractual liabilities reserve	1,947,969	1,914,081
Capital replacement reserve	1,714,340	648,280
Special purpose reserve	4,732,518	4,978,980
Base reserve	2,000,000	2,000,000
General reserve		
Reading and Assessment Services contingency funds	300,000	300,000
Total	10,694,827	9,841,341
<p>The special purpose reserve records funds set aside for committed activities as approved by Board of Management. In the current year it is proposed the special purpose reserve of \$4,732,518 may be utilised to fund the following projects:</p>		
Externally funded	833,648	
Capital projects funded by DHHS	900,000	
Business process strategies and improvements	1,054,226	
Quality improvement	603,972	
Communications and recruitment activity	235,900	
Client-centric improvement	160,000	
Mass media campaign	944,772	
Total	4,732,518	
NOTE 12: ACCUMULATED SURPLUS/(DEFICIT)		
Accumulated surplus/(deficit) at the beginning of the financial year	1,647,327	3,290,354
Surplus for the year	(2,102,470)	540,583
Transfers (to)/from reserves	(853,486)	(2,183,610)
Total	(1,308,629)	1,647,327

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	2015 \$	2014 \$
NOTE 13: CASH FLOW INFORMATION		
Reconciliation of cash flow from operations with net result for the year		
Net result for the year	(2,102,470)	540,583
Non-cash flows in surplus from ordinary activities		
Depreciation and amortisation	1,540,223	1,635,245
Net (gain)/loss on disposal of assets	(1,760)	670,924
Changes in assets and liabilities		
(Increase)/decrease in receivables	(11,235)	63,298
(Increase)/decrease in other current assets	(167,617)	98,659
Increase/(decrease) in payables	542,655	(111,226)
Increase/(decrease) in funds in advance	1,002,726	(3,369,749)
Increase in provisions	43,400	117,908
Net cash inflow/(outflow) from operating activities	845,922	(354,358)
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	386,821	443,837
– later than one year but not later than five years	55,989	473,534
– later than five years	-	-
Total	442,810	917,371
<p>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.</p>		
NOTE 15: SCREENING SERVICE PROVIDERS		
<p>Screening service providers are paid to provide screening services only. Provided below is the amount paid to all screening service providers that screen across the state of Victoria. Also included is the cost of screening by the Mobile Screening Service.</p>		
Screening service providers	10,384,957	9,741,725
Mobile Screening Service	852,117	854,917

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	\$	\$
NOTE 16: READING AND ASSESSMENT SERVICES		
Reading and assessment services are paid to provide reading, assessment and biopsy services. Provided below are the amounts paid to the reading and assessment service providers.		
Metro		
Eastern Health	2,541,965	2,264,131
Monash Health	3,723,258	3,277,202
Melbourne Health	3,215,833	2,887,514
St Vincent's Hospital	3,551,466	3,356,919
Rural		
Bendigo Health	1,042,130	1,391,519
Latrobe Regional Hospital	1,322,153	1,150,651
Ballarat Health Service	1,098,229	1,213,566
Lake Imaging	1,555,541	1,502,777
Total	18,050,575	17,044,279
NOTE 17: COORDINATION UNIT EXPENSES		
Operating		
Salaries and on-costs	5,792,145	5,488,108
Depreciation and amortisation expense	1,540,223	1,635,246
Travel expenses	48,428	36,785
Office expenses	1,864,423	1,607,262
Communication expenses	452,500	367,435
Motor vehicle expenses	(2,458)	4,500
Building expenses	520,648	570,883
Computer, furniture and equipment	779,989	606,630
Administration expenses	365,466	266,345
Special projects		
Salaries and on-costs	989,403	1,057,654
Travel expenses	5,024	11,809
Office expenses	13,856	11,220
Communication expenses	38,502	161,956
Motor vehicle expenses	3,713	-
Building expenses	2,153	436
Computer, furniture and equipment	185,112	4,625
Administration expenses*	1,341,541	1,254,133
Digital site expenses	7,862	454,503
Total	13,948,530	13,539,530

* Includes mass media campaign costs of \$855K in 2014/15 (\$478K in 2013/14).

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	\$	\$
NOTE 18: LOSS ON TRANSFER OF ASSETS		
Transfer of assets to Bendigo Health	-	695,517
Total	-	695,517
NOTE 19: DIGITAL MAMMOGRAPHY PROJECT (DMP)		
Brought forward unspent from prior year	751,156	20,285
Digital grant	-	1,919,567
Project management expenditure	(8,372)	(512,060)
Capital expenditure – computer equipment	(161,430)	(238,874)
– medical equipment	-	(129,393)
– software and licence	(111,071)	(308,369)
Surplus of DMP Grant	470,283	751,156
NOTE 20: RELATED PARTIES		
The names of persons who were Board members at any time during the year are set out in the Annual Report. There were no other transactions that require disclosure for the year ended 30 June 2015.		
NOTE 21: KEY MANAGEMENT AND DIRECTORS REMUNERATION		
Salaries – short term benefit	855,557	830,052
Termination payments	5,207	3,265
Superannuation	82,045	67,543
Total	942,809	900,860

NOTE 22: ECONOMIC DEPENDENCY

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

NOTE 23: CONTINGENCIES

BreastScreen Victoria Inc. have no contingent assets or liabilities as at 30 June 2015 (2014 : Nil).

NOTE 24: 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.

NOTE 25: MAKE GOOD PROVISION

BreastScreen Victoria Inc. have a \$50,000 provision to make good existing property at the end of the lease term. This represents the present value of costs expected to be incurred at the end of the lease.

BOARD OF MANAGEMENT DECLARATION

In the opinion of the Board of Management:

- a) the financial report as set out on pages 1 to 22:
 - (i) complies with Accounting Standards, the *Associations Incorporation Reform Act 2012* and other mandatory professional reporting requirements,
 - (ii) gives a true and fair view of BreastScreen Victoria Inc.'s financial position as at 30 June 2015 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:



Mary Hawkins
Deputy Chair



Ms Anne Cronin
Treasurer

September 1, 2015



Independent auditor's 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 2015, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the Board of Management's declaration.

Directors of the association responsibility for the financial report

The directors of the association are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Associations Incorporation Reform Act 2012*, and for such internal control as the directors of the association determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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. Those 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 directors of the association, 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.

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Auditor's opinion

In our opinion, the financial report of BreastScreen Victoria Inc. is in accordance with the *Associations Incorporation Reform Act 2012*, including:

- (a) gives a true and fair view of the association's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
- (b) complies with Australian Accounting Standards – Reduced Disclosure Requirements.

PricewaterhouseCoopers

PricewaterhouseCoopers

A handwritten signature in dark ink that reads 'Amanda Campbell'.

Amanda Campbell
Partner

Melbourne
1 September 2015



Auditor's Independence Declaration

As lead auditor for the audit of BreastScreen Victoria Inc. for the year ended 30 June 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect to BreastScreen Victoria Inc. during the period.

A handwritten signature in black ink that reads 'Amanda Campbell'.

Amanda Campbell
Partner
PricewaterhouseCoopers

Melbourne
1 September 2015

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BreastScreen
Victoria

Caring about Women

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