

# Financial Report

For the year ended 30 June 2020

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



**BreastScreen  
Victoria**



## TREASURER'S REPORT



I am pleased to present BreastScreen Victoria's annual financial statements for the year ended 30 June 2020.

The impact of COVID-19 made this a difficult year for BreastScreen Victoria, particularly when it was necessary to suspend our screening services. I would like to thank the Department of Health and Human Services for providing grant funding during that time to ensure financial viability of BSV and its Service Providers.

The financial statements for the year report that the activities of BreastScreen Victoria resulted in an overall surplus of \$200,300, a good result and one that represents sound financial management.

BreastScreen Victoria continues to identify operational efficiencies to ensure the program continues to be sustainable into the future. So far, over \$1.0 million of efficiencies have been achieved over a two-year efficiency drive without compromising service delivery or quality. We have re-invested these savings into service delivery, strengthening our cyber security posture and data management.

2019-20 highlights include:

- Funding provided by the Department of Health and Human Services to 30 June 2020 was \$47.8 million.
- Expenditure relating to direct service delivery was \$43.3 million (a decrease of 1.2% from 2018-19) and was incurred by Screening Service Providers, Reading and Assessment Service providers and the BreastScreen Coordination Unit. Screening Service Providers and Reading and Assessment Services provided direct services to clients, while the BreastScreen Coordination Unit provided mobile screening services and support via the Service Delivery, Contact Centre, Communications and Client Recruitment, Information and Communication Technology, and Quality Units.
- BreastScreen Victoria's management expenditure of \$3.6 million (a 1.2% increase from 2018-19) includes depreciation expenses, governance costs and BreastScreen Coordination Unit management and infrastructure costs. This increase is attributable to the adoption of AASB 16 Leases.

BreastScreen Victoria continues to be challenged to meet demand for its services caused by strong population growth. This is why the Board has agreed to use some of BreastScreen Victoria's cash balance to fund additional screening in 2020-21 to meet demand.

I would like to thank the Victorian Government for their ongoing support of the program and thank all those who continue to work diligently to deliver an effective, efficient and high quality service for Victoria.

A handwritten signature in black ink that reads "Sue Madden". The signature is written in a cursive, flowing style.

**Sue Madden**  
Treasurer

# BREASTSCREEN VICTORIA INC.

## ANNUAL FINANCIAL REPORT – 30 JUNE 2020

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

BreastScreen Victoria Inc. is an Association incorporated and domiciled in Victoria under the *Associations Incorporation Act (Vic) 1981*, which was subsequently superseded by *Associations Incorporation Reform Act 2012*. Its registered office and principal place of business is:

15–31, Pelham Street,  
Carlton South, VIC 3053.

The financial statements were authorised for issue by a resolution of the directors on 29 October 2020. The Board of Management have the power to amend and reissue the financial statements.

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
<b>REVENUE</b>			
Revenue from Contract with Customers	6	48,547,946	49,008,279
Other Income	7	254,994	315,413
<b>Total revenue from operating activities</b>		<b>48,802,940</b>	<b>49,323,692</b>
<b>EXPENDITURE</b>			
Screening Service Providers	20	12,314,597	12,826,829
Mobile Screening Services	20	720,030	710,388
Reading and Assessment Services	21	21,267,552	21,541,284
BreastScreen Coordination Unit			
Service Providers Support			
Service Delivery	22	1,144,115	1,093,157
Contact Centre	22	1,224,407	1,190,729
Quality	22	1,030,939	761,274
Communications and Client Recruitment	22	1,314,043	1,280,500
Information and Communication Technology	22	4,332,863	4,469,070
BreastScreen Victoria Management			
Executive	22	672,107	762,529
Corporate Services	22	2,917,674	2,784,312
Specific Projects			
Electronic Records Management	22	-	223,461
Less: Electronic Records Management Capitalised		-	(223,461)
Other Special Projects	22	1,664,313	1,889,000
<b>Total expenses</b>		<b>48,602,640</b>	<b>49,309,072</b>
<b>Net surplus/(deficit) for the year</b>		<b>200,300</b>	<b>14,620</b>
Other comprehensive income		-	-
<b>Total comprehensive surplus/(deficit) for the year</b>		<b>200,300</b>	<b>14,620</b>

## BALANCE SHEET AS AT 30 JUNE 2020

	Note	2020 \$	2019 \$
<b>CURRENT ASSETS</b>			
Cash and short term deposits	9	16,727,913	12,034,864
Receivables	10	1,095,597	1,323,551
<b>Total current assets</b>		<b>17,823,510</b>	<b>13,358,415</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	11	1,195,052	663,209
Intangible assets	12	406,211	580,146
Right of use assets	13(a)	3,118,349	–
<b>Total non-current assets</b>		<b>4,719,612</b>	<b>1,243,355</b>
<b>Total assets</b>		<b>22,543,122</b>	<b>14,601,770</b>
<b>CURRENT LIABILITIES</b>			
Payables	14	9,499,768	5,030,232
Provisions	15	1,207,579	1,288,296
Lease liabilities	13(b)	453,610	–
<b>Total current liabilities</b>		<b>11,160,957</b>	<b>6,318,528</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	15	292,883	256,553
Lease liabilities	13(b)	2,862,293	–
<b>Total non-current liabilities</b>		<b>3,155,176</b>	<b>256,553</b>
<b>Total liabilities</b>		<b>14,316,133</b>	<b>6,575,081</b>
<b>Net assets</b>		<b>8,226,989</b>	<b>8,026,689</b>
<b>EQUITY</b>			
Reserves	16	8,673,835	9,446,942
Accumulated (deficit)	17	(446,847)	(1,420,253)
<b>Total equity</b>		<b>8,226,989</b>	<b>8,026,689</b>

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
<b>ACCUMULATED SURPLUS</b>			
Opening accumulated surplus/(deficit)		(1,420,253)	(1,555,266)
Total comprehensive surplus/(deficit) for the year		200,300	14,620
Transfers (to)/from Reserves		773,106	120,393
<b>Accumulated (deficit)/surplus at year end</b>	<b>12</b>	<b>(446,847)</b>	<b>(1,420,253)</b>
<b>RESERVES</b>			
Opening reserves		9,446,942	9,567,335
Transfer from/(to) to accumulated surplus		(773,106)	(120,393)
<b>Reserves at year end</b>	<b>11</b>	<b>8,673,836</b>	<b>9,446,942</b>
<b>Total equity at year end</b>		<b>8,226,989</b>	<b>8,026,689</b>

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from government grants and others		59,461,607	54,357,551
Interest received		200,752	332,780
Payments to suppliers and employees		(53,157,251)	(53,778,575)
Interest on leases	13(b)	(157,900)	-
<b>Cash (outflow)/inflow from operating activities</b>	<b>18</b>	<b>6,347,208</b>	<b>911,756</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for purchases of property, plant and equipment and intangible assets	11 & 12	(1,240,628)	(482,057)
<b>Cash (outflow) from investing activities</b>		<b>(1,240,628)</b>	<b>(482,057)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payment of lease liabilities	13(b)	(413,531)	-
<b>Cash (outflow)/inflow from financing activities</b>		<b>(413,531)</b>	<b>-</b>
Net increase / (decrease) in cash held		4,693,049	429,699
Cash and short term deposits at beginning of year		12,034,864	11,605,165
<b>Cash and short term deposits at end of year</b>	<b>9</b>	<b>16,727,913</b>	<b>12,034,864</b>

# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

## NOTE 1: OPERATIONS AND PRINCIPAL ACTIVITIES

BreastScreen Victoria Inc. (BSV) 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.

BSV 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 Contact 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 centers 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.

## NOTE 2: ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

BreastScreen Victoria Inc. (BSV) adopts all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to the operations and effective for the current annual reporting period.

In the current year, BSV adopted the following new Australian Accounting Standards, Interpretations and Amendments issued by the AASB, which were mandatorily effective for accounting periods on or after 1 July 2019.

**AASB 15: Revenue from Contracts with Customers** is a principles-based standard that will supersede numerous existing revenue standards and interpretations including AASB118: Revenue.

Revenue recognition under AASB 15 is based on when control of the goods or services transfer to the customer. Compared to the existing standards, revenue recognition may be accelerated or deferred. Depending on whether certain criteria are met, revenue is recognised either over time (in a manner that best reflects the entity's performance) or at a point in time (when control of the goods or services is transferred to the customer).

**AASB 16: Leases** replaces AASB 117 Leases and some lease-related interpretations, providing a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. The accounting model for lessees requires lessees to recognise all leases on the balance sheet, except for short-term leases and leases of low value assets.

The impact of the changes due to the adoption of AASB 15 and AASB 16 Leases is outlined in Note 4 Changes in significant accounting policies.

## Standards issued but not yet effective

A number of Australian Accounting Standards, Interpretations and Amendments are in issue but are not yet effective and have not been applied in preparing these financial statements. These are not expected to have a material impact on the BSV's financial statements when applied.

## NOTE 3: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial report covers BreastScreen Victoria Inc. as an individual entity. BreastScreen Victoria Inc. is an Association incorporated and domiciled in Victoria under the *Associations Incorporation Act (Vic) 1981*, which was subsequently superseded by *Associations Incorporation Reform Act 2012*. BreastScreen Victoria Inc. is a public entity under the *Public Administration Act 2004* and gained charitable status on 22 April 2016 under the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*.

The financial report for the year ended 30 June 2020 was authorised for issue by a resolution of the Board of Management on 29 October 2020.

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

## (a) Basis of preparation

These general purpose financial statements have been prepared in accordance with the requirements of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*, Australian Accounting Standards – Reduced Disclosure Requirements, accounting interpretations, other authoritative pronouncements of the Australian Accounting Standards Board 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.

## (b) Statement of compliance

### 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.

## (c) Significant accounting estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, 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) Employee entitlements

Management judgement is applied in determining the following key assumptions used in the calculation of annual and long service leave at balance date:

- Future increases in wages and salaries
- Future on-cost rates
- Experience of employee departures and period of service.

### (ii) 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.

### (iii) 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(g) and (h).

### (iv) Make-good provisions

Provisions for future costs to return certain leased premises to their original condition are based on the estimates of likely restoration costs determined by expert consultants. These estimates may vary from the actual costs incurred as a result of conditions existing at the date the premises are vacated.

### (d) Rounding off

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

### (e) Cash on hand and at bank

Cash on hand and at bank refers to cash held in operating account and term deposits with maturity periods of less than three months from acquisition.

### (f) Short term deposits

Short term deposits refers to term deposits with maturity periods of greater than three months from acquisition.

For the purpose of presentation in the statement of cash flows, cash and short term deposits include cash at bank and on hand, deposits held at call with banks or financial institutions and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### (g) Property, plant and equipment

#### Bases of measurement of carrying amount

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:

ASSET 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%
Medical Equipment	20%
Digital Mammography Project Equipment	16%

# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

## 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.

## (h) 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 development and enhancement of the assets. 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 six years.

Currently BreastScreen Victoria Inc. has developed a database that is amortised on a straight-line basis. Further, BreastScreen Victoria Inc. acquired software licenses that are also amortised on a straight-line basis.

ASSET CLASS	Amortisation Rate as %
Database Development	20%
Software & Licenses	16.67% – 50%

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.

## (i) 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 period of high quality corporate 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.

## (j) 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.

BreastScreen Victoria Inc. was registered by the Australian Charities and Not for Profit Commission on 22 April 2016 as a Health Promotion Charity.

## (k) Public liability/General insurance

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

## (l) Tax status

BreastScreen Victoria Inc. is a charitable institution for the purposes of Australian taxation legislation and from 22 April 2016 has been endorsed to access charity tax concessions including income tax, GST and FBT exemptions. BreastScreen Victoria Inc. was also endorsed as a deductible gift recipient on 22 April 2016.

## (m) 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.

## (n) 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.

# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

## (o) 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.

## (p) 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.

## (q) Comparative figures

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

## (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. maintains in reserves, 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 and any contractual liabilities.

### (ii) Capital Replacement Reserves

BreastScreen Victoria Inc. maintains in reserve, funds for the purpose of replacing BSV-owned 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 this reserve.

### (iii) Special Project Reserve

BreastScreen Victoria Inc. maintains in reserve, funds designated for special projects that progress strategic directions, as endorsed by the Finance and Audit Committee and approved in line with the Delegations Manual. This includes projects that are externally funded, as well as those funded internally from accumulated cash reserves.

### (iv) Reading and Assessment Services contingency fund

BreastScreen Victoria Inc. maintains 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. maintains 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.

### (vi) For any other agreed purpose

BreastScreen Victoria Inc. maintains in reserve, for a specific purpose as agreed from time-to-time by Finance and Audit Standing Committee. Examples include to address anticipated shortfalls in government funding or to respond to a specific future issue.

## NOTE 4: CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

### (a) AASB 16 Leases

BSV has applied AASB 16 from 1 July 2019 using the cumulative effect approach. Under the simplified (cumulative effect) approach the lease liability is recognised as the present value of the remaining lease payments, discounted by the BSV's incremental borrowing rate at the date of initial application. The right-of-use asset can be recognised using a retrospective calculation, or

alternatively as the same amount as the lease liability.

BreastScreen Victoria will adopt the simplified (cumulative effect) approach, and the right-of-use asset will be recognised as the same amount as the lease liability, as adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application. This allows BSV to transition to the new standard using only information about future lease payments – i.e. payments payable after the date of initial application. No adjustment to retained earnings is required under the cumulative approach on date of adoption.

BSV discounted lease payments using its incremental borrowing rate at 1 July 2019 of 5 percent.

### On initial application, the following has been recognised:

- A lease liability measured at the present value of the remaining lease payments, discounted using the incremental borrowing rate as at 1 July 2019
- A right-of-use asset adjusted by balance of straight lining of lease at the date of adoption using the incremental borrowing rate as at 1 July 2019.

### In applying the simplified (cumulative effect) approach, BSV has taken advantage of the following practical expedients:

- A single discount rate has been applied to portfolios of leases with reasonably similar characteristics.
- Leases with a remaining term of 12 months or less from the date of application have been accounted for as short-term leases (i.e. not recognised on balance sheet) even though the initial term of the leases from lease commencement date may have been more than 12 months
- Initial direct costs have not been included in the measurement of the right-of-use asset as at the date of initial application.

# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

## RECONCILIATION OF LEASE LIABILITIES AT 1 JULY 2019

	2019
Operating lease commitments at 30 June 2019 as disclosed under AASB 117	\$1,612,268
Add: Adjustment as a result of different treatment of extension options on existing lease agreements	\$2,248,701
Less: Recognition exemption for leases of low-value assets	\$100,853
Less: Recognition exemption for leases short term lease	\$30,682
<b>Lease liability recognised as at 1 July 2019</b>	<b>\$3,729,434</b>
<b>Of which are:</b>	
Current Lease Liabilities	\$413,531
Non-Current Lease Liabilities	\$3,315,903
<b>TOTAL</b>	<b>\$3,729,434</b>

## ADJUSTMENTS RECOGNISED IN THE BALANCE SHEET ON 1 JULY 2019

The change in accounting policy affected the following items in the balance sheet on 1 July 2019:

	2019
Right-of-use assets	increase by \$3,561,910
Accrued expenses	decrease by \$167,524
Lease liabilities	increase by \$3,729,434
There is no impact on retained earnings on 1 July 2019.	
Below is a breakdown of liabilities upon adoption of the new standard. All leases are property leases in nature.	
Current liability	413,531
Non-current liability	3,315,903
<b>TOTAL</b>	<b>\$3,729,434</b>

As a result of adopting the new standard, both assets and liabilities will increase as a result of recognising the right-of-use asset and the lease liability as adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application.

The new standard will remove rental costs of the operating leases from the income statement. Instead the right-of-use asset is depreciated, and an interest expense is incurred on the lease liability. Because greater interest expense is calculated at the beginning of the lease, the impact of the new standard will be an increase in lease related expenses incurred in the initial years.

### (b) AASB 15 Revenue from Contracts with Customers

BSV has applied AASB 15 from 1 July 2019. BSV has performed a review

of all revenue and income streams including assessment of significant services provided under various contracts to identify any potential pricing or performance obligations which would be accounted for differently under the new standard. Based on this review, revenue from key uncompleted revenue contracts that fall within the scope of the new standard has been deferred to match the completion of implicit performance obligations within the contract.

BSV has applied the cumulative effect method in FY20. Under this approach, BSV has considered all revenue contracts with customers that are not complete at 1 July 2019, and how the new revenue standard applies to those contracts.

Adoption of AASB 15 has not had any material impact on the profit or loss, nor is there any adjustment to the opening retained earnings as at 1 July 2019.

## NOTE 5: 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

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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 3 to the financial statements.

### (c) Net fair value

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

### NOTE 6: REVENUE

*(Please note: Revenue from contract with customers can be found on page 14.)*

The Australian Accounting Standards Board (AASB) has published AASB 15: Revenue from Contracts with Customers. Under AASB 15 revenue is recognised based on when control of the goods or services transfer to the customer. BreastScreen Victoria (BSV) intends to apply the cumulative effect method in FY20. Under this approach, BSV will consider all revenue contracts with customers that are not complete at 1 July 2019, and how the new revenue standard applies to those contracts.

A detailed assessment was undertaken and the conclusion of this assessment is that the adoption of AASB 15 is not expected to have any material impact on BSV's profit or loss and therefore result in any adjustment to opening retained earnings as at 1 July 2019.

### DHHS Funding – Screening

DHHS contract requires BSV to provide screening tests and assessments to the target population under the screening program.

Screening of clients is a distinct performance obligation in the contract as both of the following criteria are met:

- a) BSV can deliver screening services on its own accord or via screening and reading and assessment service providers
- b) BSV's promise to deliver number of screens is separately identifiable from other promises in the contract.

Under the new standard, the performance obligation (or promise) is the provision of minimum number of screens in any given year. The obligation is satisfied when the screening is performed. The transfer of service also occurs when the screening is performed.

Screening funding is recognised as revenue based on number of screens performed during the financial year up to 30 June 2020.

### DHHS Funding – BreastScreen Coordination Unit (BCU)

DHHS contract requires BSV to undertake specific activities to improve service delivery, capacity and program effectiveness.

Screening services development or BreastScreen Coordination Unit funding is a distinct performance obligation in the contract as both of the following criteria are met:

- a) BSV has a separately identifiable obligation from other promises in the contract.
- b) BSV's obligation to report against agreed deliverables.

Under the new standard, the performance obligation (or promise) is the provision of specific activities to improve service delivery, capacity and program effectiveness. The obligation is satisfied when the agreed deliverables are performed/met. The transfer of service also occurs when coordination of the program activities is performed.

Coordination unit funding is recognised as revenue progressively during the financial year up to 30 June 2020.

### Funding for Special Projects

BSV enters into contracts to deliver special projects. All performance obligations are distinctly listed in the contract as both of the following criteria are met:

- a) BSV to deliver on each deliverable
- b) Each deliverable is separately identifiable from other promises in the contract.

In the contracts performance obligation (or promise) is listed by

milestones to be achieved by due date. The obligation is satisfied when these deliverables are achieved. The transfer of service also occurs when these activities listed are performed and are reported in the agreed form.

BSV's performance obligation is satisfied when a deliverable is met.

### NSW Screens

BSV is required to provide screening services to the women of NSW (from listed post codes).

Screening of NSW clients is a distinct performance obligation in the contract as both of the following criteria are met:

- a) BSV can deliver screening services on its own accord or via screening and reading and assessment service providers
- b) BSV's promise to deliver screens to clients with NSW postcodes is separately identifiable from other promises in the contract.

In the contract performance obligation (or promise) is the provision of minimum number of screens in any given year. The obligation is satisfied when the screening is performed. The transfer of service also occurs when the screening is performed.

BSV's performance obligation is satisfied when screening is performed for clients with NSW postcode. Cumulative revenue of number of screens performed should be recognised as revenue up to 30 June 2020.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$
<b>NOTE 6: REVENUE</b>		
<b>REVENUE FROM CONTRACT WITH CUSTOMERS</b>		
<b>DHHS – Screening and Cancer Prevention</b>		
DHHS Funding – Screening component	36,296,526	37,020,938
DHHS Funding – BreastScreen Coordination Unit (BCU) component	11,484,444	11,259,259
Funding for Special Projects	636,650	616,082
NSW Screens	130,326	112,000
<b>Total</b>	<b>48,547,946</b>	<b>49,008,279</b>
<b>NOTE 7: OTHER INCOME</b>		
Interest received	179,316	311,642
Other Income	61,458	3,771
Profit/(loss) from disposal of non-current assets	14,220	-
<b>Total</b>	<b>254,994</b>	<b>315,413</b>
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.		
<b>NOTE 8: NET RESULT FROM CONTINUING OPERATIONS</b>		
Surplus/(deficit) for the year has been arrived at after charging the following items:		
Depreciation of property, plant and equipment	472,694	673,323
Amortisation of intangible assets	269,572	263,601
Depreciation on right of use assets	443,561	-
Rental expenses on operating leases – minimum lease payments	-	444,733
Interest on lease payments	157,900	-
<b>NOTE 9: CASH AND SHORT TERM DEPOSITS</b>		
Cash on hand	300	600
Cash at bank	6,227,613	1,034,264
Short term deposits	10,500,000	11,000,000
<b>Total</b>	<b>16,727,913</b>	<b>12,034,864</b>
Short term deposits refers to term deposits with maturity periods of greater than three months from acquisition. BreastScreen Victoria Inc.'s exposure to interest rate risk is discussed in Note 2.		
<b>NOTE 10: RECEIVABLES AND OTHER ASSETS</b>		
<b>CURRENT</b>		
Trade receivables	90,886	82,881
Accrued revenue	47,649	813,242
Sundry debtors	7,000	7,000
Prepayments	607,174	420,427
GST receivable	342,888	-
<b>Total</b>	<b>1,095,597</b>	<b>1,323,550</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020 \$	2019 \$
<b>NOTE 11: PROPERTY, PLANT AND EQUIPMENT</b>		
Computer equipment – at cost	5,476,266	4,876,189
Accumulated depreciation	(4,781,635)	(4,556,006)
<b>Written down value</b>	<b>694,631</b>	<b>320,183</b>
Motor Vehicles – at cost	84,940	165,189
Accumulated depreciation	(84,940)	(130,472)
<b>Written down value</b>	<b>–</b>	<b>34,717</b>
Office equipment – at cost	508,761	458,523
Accumulated depreciation	(401,603)	(438,271)
<b>Written down value</b>	<b>107,158</b>	<b>20,252</b>
Furniture and fittings – at cost	177,920	172,392
Accumulated depreciation	(145,832)	(137,996)
<b>Written down value</b>	<b>32,088</b>	<b>34,396</b>
Leasehold improvement – at cost	1,296,953	1,296,953
Make good cost (i)	78,000	78,000
Accumulated depreciation	(1,291,020)	(1,253,203)
<b>Written down value</b>	<b>83,933</b>	<b>121,750</b>
Mobile screening van equipment – at cost	830,467	851,638
Accumulated depreciation	(639,419)	(839,017)
<b>Written down value</b>	<b>191,048</b>	<b>12,621</b>
Digital project equipment (pilot) – at cost	739,716	1,136,221
Accumulated depreciation	(739,716)	(1,136,221)
<b>Written down value</b>	<b>–</b>	<b>–</b>
Medical equipment – at cost	2,517,978	2,519,874
Accumulated depreciation	(2,431,784)	(2,400,584)
<b>Written down value</b>	<b>86,194</b>	<b>119,290</b>
<b>Total written down value property, plant and equipment</b>	<b>1,195,052</b>	<b>663,209</b>

(i) BreastScreen Victoria entered into a new lease agreement for the Carlton South premises in May 2016 for a six year period. As per the agreement, BreastScreen Victoria is required to restore the premises to the original condition at the end of the lease term. The cost of \$78,000 has been capitalised and a corresponding provision can be found in Note 10.

### Movements in carrying amounts

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

2020	Opening net book amount	Additions	Disposals	Depreciation/ (transfer)	Closing net book amount
Computer equipment	320,183	669,264	(3,438)	(291,378)	694,631
Motor vehicles	34,717	–	34,717	(29,800)	–
Office equipment	20,252	107,078	–	(20,172)	107,158
Furniture and fittings	34,396	5,528	–	(7,835)	32,089
Leasehold improvement	121,750	–	–	(37,817)	83,933
Mobile screening van equipment	12,621	208,524	–	(30,097)	191,048
Medical equipment	119,290	22,500	–	(55,595)	86,195
<b>Total</b>	<b>663,209</b>	<b>1,012,894</b>	<b>(8,355)</b>	<b>(472,694)</b>	<b>1,195,052</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020 \$	2019 \$
<b>NOTE 12: INTANGIBLE ASSETS</b>		
Database development – at cost	1,933,735	1,933,735
Accumulated amortisation	(1,712,772)	(1,576,254)
<b>Written down value</b>	<b>220,963</b>	<b>357,481</b>
Software and licenses	2,380,292	2,284,655
Accumulated amortisation	(2,195,044)	(2,061,990)
<b>Written down value</b>	<b>185,248</b>	<b>222,665</b>
<b>Total written down value intangible assets</b>	<b>406,211</b>	<b>580,146</b>

### Movements in carrying amounts

2020	Opening net book amount	Additions	Disposals	Amortisation	Closing net book amount
Database development	357,481	–	–	(136,518)	220,963
Software and licenses	222,665	95,637	–	(133,054)	185,248
<b>Total</b>	<b>580,146</b>	<b>95,637</b>	<b>–</b>	<b>(269,572)</b>	<b>406,211</b>

	2020 \$	2019 \$
<b>NOTE 13: LEASES</b>		
<b>(a) Right of use Assets</b>		
BSV is party to a number of leases, the main one being, Pelham Street, Carlton South premises.		
Right of use assets – cost at recognition	3,561,910	–
Accumulated depreciation	(443,561)	–
<b>Written down value</b>	<b>3,118,349</b>	<b>–</b>

### Movements in carrying amounts

2020	Opening net book amount	Recognition of right of use assets on adoption of AASB 16	Disposals	Amortisation	Closing net book amount
Right of use assets	–	3,561,910	–	(443,561)	3,118,349
<b>Total</b>	<b>–</b>	<b>3,561,910</b>	<b>–</b>	<b>(443,561)</b>	<b>3,118,349</b>

At inception of a contract, BSV assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

All leases are accounted for by recognising a right of use asset and a lease liability except for leases of low value assets and leases with a duration of 12 months or less. Lease payments associated with these leases are recognised as an expense in the Income Statement over the lease term.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- Lease payments made at or before commencement of the lease
- Initial direct costs incurred.

Right of use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020 \$	2019 \$
<b>NOTE 13: LEASES (CONTINUED)</b>		
<b>(b) Lease liabilities</b>		
Current	453,610	–
Non-current	2,862,293	–
<b>Total</b>	<b>3,315,903</b>	<b>–</b>
<b>Reconciliation of lease liability</b>		
Balance at 1 July 2019	3,729,434	
Additions/modifications	–	
Interest expense	157,900	
Lease payments	(571,431)	
<b>Balance at 30 June 2020</b>	<b>3,315,903</b>	

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease or, if that rate cannot be readily determined, BSV's incremental borrowing rate for similar amount and term of borrowings. This rate is used as the discount rate and is obtained from BSV's financial institution. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term.

Other variable lease payments such as outgoings are expensed in the period to which they relate.

Subsequent to initial measurement, lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made.

### Extension options

Some property leases contain extension options exercisable by BSV. BSV assesses at lease commencement date whether it is reasonably certain to exercise the extension options. BSV reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control. There are no leases that contain options for extension that are not included in the lease calculation as at 30 June 2020

	2020 \$	2019 \$
<b>NOTE 14: PAYABLES</b>		
Trade Creditors	3,364,640	3,027,781
Accruals and other creditors	2,028,653	742,889
GST, superannuation and other payables	718,717	145,304
Contract liability	3,387,758	1,114,258
<b>Total</b>	<b>9,499,768</b>	<b>5,030,232</b>

The average credit period on trade creditors is 30 days. No interest is charged. The contract liability balance as at 30 June 2020 relates largely to funds received from the Department of Health and Human Services and Primary Health Networks for services not yet performed.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020 \$	2019 \$
<b>NOTE 15: PROVISIONS</b>		
<b>CURRENT</b>		
Employee benefits – annual leave	609,779	587,527
Employee benefits – long service leave	597,800	700,769
<b>Total</b>	<b>1,207,579</b>	<b>1,288,296</b>
<b>NON-CURRENT</b>		
Employee benefits – long service leave	214,883	178,553
Make good provision	78,000	78,000
<b>Total</b>	<b>292,883</b>	<b>256,553</b>
<b>NOTE 16: RESERVES</b>		
Contractual liabilities reserve	2,194,196	2,093,769
Capital replacement reserve	3,200,000	3,500,000
Special purpose reserve *	979,640	1,553,173
Base reserve	2,000,000	2,000,000
Reading and Assessment Services contingency funds	300,000	300,000
<b>Total</b>	<b>8,673,835</b>	<b>9,446,942</b>
* The special purpose reserve records funds set aside for committed activities as approved by Board of Management over the next 12 months.		
In the current year, it is proposed the special purpose reserve of \$ 979,640 may be utilised to fund the following projects:-		
Externally funded projects	191,650	
Projects funded from BSV reserves	787,990	
	<b>979,640</b>	
<b>NOTE 17: ACCUMULATED SURPLUS (DEFICIT)</b>		
Accumulated surplus/(deficit) at the beginning of the financial year	(1,420,253)	(1,555,266)
Surplus/(deficit) for the year	200,300	14,620
Transfers from/(to) reserves	773,106	120,393
<b>Total</b>	<b>(446,847)</b>	<b>(1,420,253)</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$
<b>NOTE 18: CASH FLOW INFORMATION</b>		
<b>Reconciliation of cash flow from operations with net result for the year</b>		
Net result for the year	200,300	14,620
<b>Non-cash flows in surplus/(deficit) for the year</b>		
Depreciation and amortisation	1,185,827	936,925
Net Loss/(Gain) on disposal of assets	(14,220)	-
Leases adjustment	92,313	-
<b>Changes in assets and liabilities</b>		
(Increase)/Decrease in receivables	757,589	(332,058)
(Increase)/Decrease in other current assets	(529,635)	(56,871)
(Decrease)/Increase in payables and accrued expenses	2,196,035	59,540
(Decrease)/Increase in funds in advance	2,503,386	166,450
(Decrease)/Increase in provisions	(44,387)	123,151
<b>Net cash inflow from operating activities</b>	<b>6,347,208</b>	<b>911,757</b>
<b>NOTE 19: COMMITMENTS</b>		
<b>Operating lease commitments</b>		
Non-cancellable operating leases contracted for but not capitalised in the financial statements		
not later than one year	27,936	600,804
later than one year but not later than five years	33,324	1,011,465
<b>Total</b>	<b>61,260</b>	<b>1,612,269</b>
The commitments in FY 20 are in relation with low value and short term leases.		
<b>NOTE 20: SCREENING SERVICE PROVIDERS</b>		
Screening service providers are paid to provide screening services only. Detailed 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.		
Screening service providers	12,314,597	12,826,829
Mobile screening service	720,030	710,388

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020 \$	2019 \$
<b>NOTE 21: READING AND ASSESSMENT SERVICES</b>		
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.		
<b>Metro</b>		
Eastern Health	2,629,593	2,729,724
Monash Health	4,641,119	4,819,837
Melbourne Health	3,529,116	3,736,379
St Vincent's Hospital	4,129,022	4,244,493
<b>Rural</b>		
Bendigo Health	1,483,506	1,388,663
Latrobe Regional Hospital	1,727,342	1,486,300
Ballarat Health Service	1,292,000	1,185,987
Lake Imaging	1,779,922	1,895,431
<b>Total</b>	<b>21,211,620</b>	<b>21,486,814</b>
<b>NOTE 22: COORDINATION UNIT EXPENSES</b>		
<b>Operating</b>		
Salaries and on-costs	8,164,393	7,527,419
Depreciation and amortisation expense	1,185,828	936,925
Travel expenses	56,275	68,643
Office expenses	1,377,836	1,376,816
Communication expenses	326,713	353,109
Motor vehicle expenses	107,387	70,879
Rent and outgoings	271,876	717,205
Finance costs	157,900	-
Computer, equipment and support	969,477	1,212,133
Administration expenses	738,496	784,021
<b>Total – Operating</b>	<b>13,356,181</b>	<b>13,047,150</b>
<b>Special Projects</b>		
Salaries and on-costs	1,054,306	950,971
Travel expenses	5,851	1,882
Office expenses	46,629	19,517
Communication expenses	92,537	143,138
Motor vehicle expenses	33,476	23,283
Computer, equipment and support	349,597	1,633
Administration expenses	81,918	748,575
<b>Total – Special Projects</b>	<b>1,664,314</b>	<b>1,889,000</b>
<b>Total – Operating and Special Projects</b>	<b>15,020,495</b>	<b>14,936,150</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$
<b>NOTE 23: RELATED PARTIES</b>		
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 2020.		
<b>NOTE 24: KEY MANAGEMENT AND DIRECTORS REMUNERATION</b>		
Salaries – short term employee benefit	1,170,775	1,126,406
Termination payments	65,649	–
Superannuation	105,515	97,612
<b>Total</b>	<b>1,341,939</b>	<b>1,224,018</b>

### NOTE 25: ECONOMIC DEPENDENCY

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

### NOTE 26: CONTINGENCIES

BreastScreen Victoria Inc. have no contingent assets or liabilities as at 30 June 2020 (2019 : Nil).

### NOTE 27: 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 28: MAKE GOOD PROVISION

BreastScreen Victoria Inc. have a \$78,000 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.

### NOTE 29: IMPACT OF COVID-19

BSV is grateful for DHHS' continued support throughout COVID-19. A substantial proportion of BSV's revenue is activity based funding. Due to COVID-19, BSV did not deliver as many screens (activity) in 2019/20 because of a 7 week screening pause, physical distancing requirements and enhanced hygiene practices. Despite this, DHHS provided grant funding through this period to ensure BSV and its sub-contracted network of providers remained financially viable. In accordance with the agreement with DHHS, \$2.5million has been set aside to perform catch-up screening in 2020/21.

## BOARD OF MANAGEMENT DECLARATION

In the opinion of the Board of Management:

- a) the financial report as set out on pages 4 to 21 satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and:
  - (i) comply with Australian Accounting Standards- Reduced Disclosure Requirements, the *Associations Incorporation Reform Act 2012* and other mandatory professional reporting requirements,
  - (ii) give a true and fair view of BreastScreen Victoria Inc.'s financial position as at 30 June 2020 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:



**Wayne Tattersall**  
Chair, Board of Management



**Sue Madden**  
Treasurer

29 October 2020





## *Independent auditor's report*

To the members of BreastScreen Victoria Inc.

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### *Our opinion*

In our opinion:

The accompanying financial report of BreastScreen Victoria Inc. (the Association) is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*, and the *Association Incorporation Reform Act 2012*, including:

- (a) giving a true and fair view of the Association's financial position as at 30 June 2020 and of its financial performance for the year then ended
- (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

### *What we have audited*

The financial report comprises:

- the balance sheet as at 30 June 2020
- the statement of comprehensive income for the year then ended
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- the notes to the financial statements, which include a summary of significant accounting policies
- the declaration of the Board of Management.

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### *Basis for opinion*

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

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

### *Independence*

We are independent of the Association in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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### *Other information*

The Board of Management is responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

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In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### *Responsibilities of the Board of Management for the financial report*

The Board of Management of the Association is 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 *Australian Charities and Not-for-profits Commission (ACNC) Act 2012* and for such internal control as the Board of Management determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Board of Management is responsible for assessing the ability of the Association to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Management either intends to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

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#### *Auditor's responsibilities for the audit of the financial report*

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our auditor's report.

*PricewaterhouseCoopers*

PricewaterhouseCoopers

Amanda Campbell  
Partner

Melbourne  
29 September 2020



### *Auditor's Independence Declaration*

As lead auditor for the audit of BreastScreen Victoria Inc. for the year ended 30 June 2020, 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.

Amanda Campbell  
Partner  
PricewaterhouseCoopers

Melbourne  
29 September 2020

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