

Financial report

For the year ended 30 June 2023





Treasurer's report



I am pleased to present BreastScreen Victoria Inc. (BreastScreen Victoria)'s annual financial statements for the year ended 30 June 2023.

Although meeting our screening targets continues to be a challenge, I am pleased to report that we achieved 99.8% of our Victorian Government Budget Paper target of 267,000 screens. This is an incredible accomplishment and a testament to the hard work of everyone involved in delivering our service.

Our goal for 2023-24 is to screen even more clients, while maintaining COVID-19 safety measures to ensure the safety of both our clients and staff.

The financial statements for the year report that the activities of BreastScreen Victoria resulted in an overall surplus of \$2.4 million (2021-22 surplus of \$1.4 million). This surplus is mainly attributable to capital income recognition. BreastScreen Victoria recognises income for the full cost of purchased assets; however, the associated depreciation expense of the assets is phased over a number of years depending on the asset class.

2022-23 financial highlights include:

- Funding recognised by the Department of Health for core operations to 30 June 2023 was \$53.6 million (an increase of 7.6% from 2021-22).
- Direct service delivery expenditure was \$48.7 million (an increase of 6.7% from 2021-22). This was incurred by Screening, Reading and Assessment Service providers and the BreastScreen Coordination Unit. Screening, Reading and Assessment Services provided direct services to clients, while the BreastScreen Coordination Unit provided Mobile Screening Services and supported service delivery, the client contact centre, client engagement, communications and information technology.
- BreastScreen Victoria's management expenditure was \$4.3 million (10.7% increase over 2021-22, mainly attributable to depreciation).

We continued to invest substantial funds in priority projects to:

- Open two new screening clinics, convert three clinics from temporary to permanent facilities and support multiple relocations.
- Improve our cyber security posture and IT disaster recovery.
- Improve screening rates of culturally and linguistically diverse and Aboriginal and Torres Strait Islander clients.
- Automate systems and processes to reduce risk and improve quality outcomes for clients.

BreastScreen Victoria continues to hold funds on its balance sheet to deliver key future strategic projects to deliver on Government commitments. These projects will improve the availability of appointments and improve the client experience.

I would like to thank the Victorian Government for their continued support of the program and acknowledge our workforce, whose passion and diligence mean we continue to deliver an effective, efficient and high-quality service for Victorians.

A handwritten signature in black ink that reads "Sue Madden".

Sue Madden
Treasurer

BreastScreen Victoria Inc.

Annual financial report – 30 June 2023

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

BreastScreen Victoria 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 3 October 2023. The Board have the power to amend and reissue the financial statements.

Statement of profit or loss and other comprehensive income for the year ended 30 June 2023

| | Note | 2023 \$ | 2022 \$ |
|---|------|-------------------|-------------------|
| Revenue | | | |
| Revenue from Contract with Customers | 5 | 57,510,041 | 52,688,895 |
| Other Income | 6 | 932,237 | 323,446 |
| Total revenue from operating activities | | 58,442,278 | 53,012,341 |
| Expenditure | | | |
| Screening Service Providers | 21 | 14,767,322 | 13,885,179 |
| Reading and Assessment Services | 22 | 23,713,391 | 22,321,329 |
| BreastScreen Coordination Unit | | | |
| Service Providers Support | | | |
| Quality and Clinical Care | 23 | 1,112,108 | 1,520,592 |
| Communications and Client Engagement | 23 | 3,496,121 | 2,927,296 |
| Information and Technology | 23 | 5,638,241 | 5,020,310 |
| BreastScreen Victoria Management | | | |
| CEO Office | 23 | 538,209 | 628,409 |
| Operations and Innovation | 23 | 3,712,880 | 3,211,454 |
| Specific Projects | | | |
| Special Projects | 23 | 3,148,503 | 2,078,205 |
| Total expenses | | 56,126,775 | 51,592,774 |
| Net surplus/(deficit) for the year from operation activities | | 2,315,503 | 1,419,567 |
| Investment activities | | | |
| Net gain/(loss) from investments at fair value through profit or loss | | 63,593 | - |
| Dividend and trust distributions | | 57,075 | - |
| Investment management fees | | (27,330) | - |
| Net surplus from investment activities | | 93,338 | - |
| Net surplus/(deficit) for the year | | 2,408,841 | 1,419,567 |
| Other comprehensive income | | - | - |
| Total comprehensive surplus/(deficit) for the year | | 2,408,841 | 1,419,567 |

Statement of financial position as at 30 June 2023

| | Note | 2023 \$ | 2022 \$ |
|--------------------------------------|-------|-------------------|-------------------|
| Current assets | | | |
| Cash and short term deposits | 8 | 26,147,124 | 26,097,785 |
| Investments | 9 | 6,105,680 | - |
| Receivables and other assets | 10 | 1,987,349 | 835,056 |
| Total current assets | | 34,240,153 | 26,932,841 |
| Non-current assets | | | |
| Property, plant and equipment | 11 | 2,645,748 | 2,309,319 |
| Intangible assets | 12 | 333,620 | 331,181 |
| Right of use assets | 13(a) | 2,781,477 | 3,035,094 |
| Total non-current assets | | 5,760,845 | 5,675,594 |
| Total assets | | 40,000,998 | 32,608,435 |
| Current liabilities | | | |
| Payables | 14 | 5,321,661 | 4,933,011 |
| Other liabilities | 15 | 17,966,240 | 13,068,883 |
| Provisions | 16 | 1,131,273 | 1,254,492 |
| Lease liabilities | 13(b) | 334,174 | 231,992 |
| Total current liabilities | | 24,753,348 | 19,488,378 |
| Non-current liabilities | | | |
| Provisions | 16 | 534,163 | 554,766 |
| Lease liabilities | 13(b) | 2,583,356 | 2,844,003 |
| Total non-current liabilities | | 3,117,519 | 3,398,769 |
| Total liabilities | | 27,870,867 | 22,887,147 |
| Net assets | | 12,130,131 | 9,721,288 |
| Equity | | | |
| Reserves | 17 | 26,453,155 | 22,084,818 |
| Accumulated (deficit) | 18 | (14,323,024) | (12,363,529) |
| Total equity | | 12,130,131 | 9,721,288 |

Statement of changes in equity for the year ended 30 June 2023

| | Note | 2023 \$ | 2022 \$ |
|--|------|---------------------|---------------------|
| Accumulated surplus | | | |
| Opening accumulated surplus/(deficit) | | (12,363,530) | (9,016,993) |
| Total comprehensive surplus/(deficit) for the year | | 2,408,841 | 1,419,567 |
| Transfers (to)/from Reserves | | (4,368,337) | (4,766,104) |
| Accumulated (deficit)/surplus at year end | 18 | (14,323,024) | (12,363,530) |
| Reserves | | | |
| Opening reserves | | 22,084,818 | 17,318,714 |
| Transfer from/(to) to accumulated surplus | | 4,368,337 | 4,766,104 |
| Reserves at year end | 17 | 26,453,155 | 22,084,818 |
| Total equity at year end | | 12,130,131 | 9,721,288 |

Statement of cash flow for the year ended 30 June 2023

| | Note | 2023 \$ | 2022 \$ |
|--|-------|--------------------|--------------------|
| Cash flows from operating activities | | | |
| Receipts from government grants | | 67,333,503 | 62,020,173 |
| Other receipts | | 731,108 | 992,713 |
| Interest received | | 640,699 | 52,015 |
| Payments to suppliers and employees | | (60,504,383) | (56,684,165) |
| Interest on leases | 13(b) | (225,788) | (223,530) |
| Cash inflow from operating activities | 19 | 7,975,139 | 6,157,206 |
| Cash flows from investing activities | | | |
| Payment for purchases of property, plant and equipment and intangible assets | | (1,669,823) | (1,830,170) |
| Investment in Managed Funds | | (6,002,500) | - |
| Cash (outflow) from investing activities | | (7,672,323) | (1,830,170) |
| Cash flows from financing activities | | | |
| Payment of lease liabilities | 13(b) | (253,478) | (305,407) |
| Cash (outflow) from financing activities | | (253,478) | (305,407) |
| Net increase in cash held | | 49,338 | 4,021,629 |
| Cash and short term deposits at beginning of year | | 26,097,785 | 22,076,156 |
| Cash and short term deposits at end of year | 8 | 26,147,123 | 26,097,785 |

Notes to financial statements for the year ended 30 June 2023

Note 1: Operations and principal activities

BreastScreen Victoria is part of a national breast cancer screening program offering eligible clients aged 50 to 74 free screening mammograms every two years. BreastScreen Victoria aims to reduce deaths from breast cancer through early detection of the disease.

BreastScreen Victoria is responsible for the ongoing delivery and management of the BreastScreen Program in Victoria. BreastScreen Victoria 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.

BreastScreen Victoria is a multidisciplinary team, managed by the Chief Executive Officer who is accountable to a ministerial-appointed Board.

Note 2: Summary of significant accounting policies

The financial report covers BreastScreen Victoria as an individual entity. BreastScreen Victoria 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 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 2023 was authorised for issue by a resolution of the Board on 3 October 2023.

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

(a) Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with the *Associations Incorporation Reform Act 2012* and the *Australian Charities and Not-for-profits Commission Act 2012*, and Australian Accounting Standards – Simplified Disclosures, Interpretations and other applicable authoritative pronouncements of the Australian Accounting Standards Board. This includes compliance with the recognition and measurement requirements of all Australian Accounting Standards, Interpretations and

other authoritative pronouncements of the Australian Accounting Standards Board and the disclosure requirements of AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities.

BreastScreen Victoria is a not-for-profit entity and therefore applies the additional Australian Accounting Standards (AAS) 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 – Simplified disclosures

The financial report of BreastScreen Victoria complies with the Australian Accounting Standards – Simplified disclosures 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 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 judgements. Actual results may differ from these estimates.

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

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

(i) 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.

Notes to financial statements for the year ended 30 June 2023

(ii) Impairment of non-financial assets

BreastScreen Victoria assesses impairment of all assets at each reporting date by evaluating conditions specific to BreastScreen Victoria 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(h) and (i).

(iv) Make-good provisions

BreastScreen Victoria is required to make good the Carlton premises to the value of \$282,600 increased annually by 3% at the end of the lease term as specified in the lease agreement. This has been estimated at a value of \$318,000 and recognised in the financial statements. 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.

(v) Revenue and other income

The association derives revenue and other income from a range of activities and sources, including revenue from the provision of services, operating grants, and capital grants. In accordance with Australian Accounting Standards, the association is required to determine whether it is appropriate to recognise revenue and other income in the financial year in which cash or non-cash assets are received or to defer the recognition of revenue and other income until associated obligations and/or conditions (if any) are satisfied. In making this judgement, the association considers the guidance outlined in AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities and, in particular, whether the arrangement contains enforceable and sufficiently specific performance obligations. Where the association identifies the existence of enforceable and sufficiently specific performance obligations, or the arrangement requires the association to use the funds received to acquire or construct items of property, plant, and equipment to identified specifications, the recognition of revenue and other income is deferred until the identified obligations are satisfied.

(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 three months or less from acquisition date.

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) Investments

Investments in managed funds are initially measured at fair value and classified as financial assets at fair value through profit or loss.

(h) 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 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.

Notes to financial statements for the year ended 30 June 2023

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 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% |

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. The 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.

(i) 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 has developed a database and had a brand refresh that are being amortised on a straight-line basis. Further, BreastScreen Victoria acquired perpetual 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 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.

(j) 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 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 wage 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.

Notes to financial statements for the year ended 30 June 2023

(k) Incorporation

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

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

(l) Public liability/General insurance

BreastScreen Victoria is insured through Victorian Managed Insurance Authority (VMIA) under the auspices of the Department of Health and Human Services.

(m) Tax status

BreastScreen Victoria 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 was also endorsed as a deductible gift recipient on 22 April 2016.

(n) Goods and services tax

Revenues, expenses and assets are recognised net 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.

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.

(o) Functional and presentation currency

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

(p) 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.

(q) Payables

Payables are carried at amortised cost and represent liabilities for goods and services provided to BreastScreen Victoria prior to the end of financial year, and arise when BreastScreen Victoria 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.

(r) Comparative figures

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

(s) Reserves Policy

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

(i) Contractual Liabilities Reserve

BreastScreen Victoria maintains in reserves, funds for the winding down of the organisational structure if BreastScreen Victoria 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 maintains in reserve, funds for the purpose of replacing BreastScreen Victoria owned capital equipment held on the asset register. Capital expenditure relating to public service providers is funded through the government's capital replacement programs and not by way of this reserve.

(iii) Special Project Reserve

BreastScreen Victoria maintains in reserve, funds designated for special projects that progress strategic directions, as endorsed by the Finance and Audit Standing Committee and approved in line with the Delegations Matrix. 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 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 maintains in reserve, funds to protect BreastScreen Victoria against unforeseen expenditure and to generate additional interest revenue to fund strategic initiatives including research projects. BreastScreen Victoria 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 maintains in reserve, for a specific purpose as agreed from time-to-time by Finance and Audit Standing Committee.

Notes to financial statements for the year ended 30 June 2023

Note 3: Changes in significant accounting policies

BreastScreen Victoria has not applied any new accounting policies in 2023 Financial Year.

Note 4: Financial instruments

(a) Financial risk management objectives

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

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

BreastScreen Victoria is exposed to equity risk and foreign currency risk through its investment in managed investment schemes and such investments are allocated and traded in line with the organisation's investment objectives.

(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 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 5: Revenue

| | 2023 \$ | 2022 \$ |
|---|-------------------|-------------------|
| Revenue from contract with customers | | |
| DH - Screening and Cancer Prevention | | |
| DH Funding – Screening component | 40,132,264 | 37,896,533 |
| DH Funding – BreastScreen Coordination Unit component | 13,494,044 | 11,948,428 |
| Funding for Special Projects | 3,316,135 | 1,826,352 |
| Funding for Special Projects - Capital Income | 416,668 | 866,782 |
| NSW Screens | 150,930 | 150,800 |
| Total | 57,510,041 | 52,688,895 |

DH Funding – Screening

The Victorian Department of Health contract requires BreastScreen Victoria to provide screening, reading and assessment services to the target population in the BreastScreen Australia Program.

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

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

Under AASB 15 Revenue from Contracts with Customers, 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.

Given the ongoing challenges and collective impact of COVID-19 on services, \$1.9 million has been carried forward as unearned income into 2023-2024. The unspent screening funds are to only be allocated in 2023-2024 with Department of Health approval.

Notes to financial statements for the year ended 30 June 2023

DH Funding – BreastScreen Coordination Unit

The Victorian Department of Health contract requires BreastScreen Victoria 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) BreastScreen Victoria has a separately identifiable obligation from other promises in the contract.
- b) BreastScreen Victoria's obligation to report against agreed deliverables.

Under AASB 15 Revenue from Contracts with Customers, 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 2023.

Funding for Special Projects

BreastScreen Victoria 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) BreastScreen Victoria 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.

BreastScreen Victoria's performance obligation is satisfied when a deliverable is met.

NSW Screens

BreastScreen Victoria is required to provide screening services to the women of NSW (from listed post codes) close to the Victorian border.

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

- a) BreastScreen Victoria can deliver screening services on its own accord or via screening and reading and assessment service providers
- b) BreastScreen Victoria'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.

BreastScreen Victoria's performance obligation is satisfied when screening is performed for clients with NSW postcodes. Cumulative revenue of number of screens performed should be recognised as revenue up to 30 June 2023.

Note 6: Other income

| | 2023 \$ | 2022 \$ |
|---|----------------|----------------|
| Interest received | 758,133 | 72,109 |
| Other Income | 176,823 | 245,507 |
| Donation | 19 | - |
| Profit/(Loss) from disposal of non-current assets | (2,738) | 5,830 |
| Total | 932,237 | 323,446 |

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.

Notes to financial statements for the year ended 30 June 2023

| | 2023 \$ | 2022 \$ |
|--|-------------------|-------------------|
| Note 7: Net result from continuing operations | | |
| Surplus/(deficit) for the year has been arrived at after charging the following items: | | |
| Depreciation of property, plant and equipment | 1,011,609 | 689,807 |
| Amortisation of intangible assets | 95,821 | 69,274 |
| Depreciation on right of use assets | 348,788 | 346,308 |
| Interest on lease payments | 225,788 | 223,530 |
| Note 8: Cash and short term deposits | | |
| Cash at bank | 7,147,124 | 8,097,785 |
| Short term deposits | 19,000,000 | 18,000,000 |
| Total | 26,147,124 | 26,097,785 |
| Short term deposits refers to term deposits with maturity periods of three months or less from acquisition date. | | |
| BreastScreen Victoria's exposure to interest rate risk is discussed in Note 4. | | |
| Note 9: Investments | | |
| Managed investment funds | 6,105,680 | - |
| Total | 6,105,680 | - |
| BreastScreen Victoria's exposure to equity and currency risk is discussed in Note 4. | | |
| Note 10: Receivables and other assets | | |
| CURRENT | | |
| Trade receivables | 34,949 | 27,483 |
| Accrued revenue | 212,952 | 46,041 |
| Sundry debtors | 23,150 | 7,000 |
| Prepayments | 1,195,085 | 353,478 |
| GST receivable | 521,213 | 401,054 |
| Total | 1,987,349 | 835,056 |

Notes to financial statements for the year ended 30 June 2023

| | 2023 \$ | 2022 \$ |
|---|------------------|------------------|
| Note 11: Property, plant and equipment | | |
| Computer equipment – at cost | 6,294,458 | 6,306,330 |
| Accumulated depreciation | (5,311,451) | (4,665,813) |
| Written down value | 983,007 | 1,640,517 |
| Motor Vehicles – at cost | 84,940 | 84,940 |
| Accumulated depreciation | (84,940) | (84,940) |
| Written down value | - | - |
| Office equipment – at cost | 579,600 | 571,155 |
| Accumulated depreciation | (483,256) | (437,357) |
| Written down value | 96,344 | 133,798 |
| Furniture and fittings – at cost | 158,492 | 156,092 |
| Accumulated depreciation | (123,452) | (117,175) |
| Written down value | 35,040 | 38,917 |
| Leasehold improvement – at cost | 1,773,313 | 1,300,532 |
| Make-good cost (i) | 318,000 | 318,000 |
| Accumulated depreciation | (1,371,077) | (1,331,402) |
| Written down value | 720,236 | 287,130 |
| Mobile screening van equipment – at cost | 813,565 | 813,565 |
| Accumulated depreciation | (752,388) | (706,886) |
| Written down value | 61,177 | 106,679 |
| Digital project equipment (pilot) – at cost | 222,170 | 222,170 |
| Accumulated depreciation | (222,170) | (222,170) |
| Written down value | - | - |
| Medical equipment – at cost | 3,149,125 | 2,415,624 |
| Accumulated depreciation | (2,399,181) | (2,313,346) |
| Written down value | 749,944 | 102,278 |
| Total written down value property, plant and equipment | 2,645,748 | 2,309,319 |

(i) BreastScreen Victoria renegotiated the lease agreement for its Carlton South premises in May 2022 for a five year period. As per the agreement, BreastScreen Victoria is required to restore the premises to the value of \$282,600 increased annually by 3% at the end of the lease term. An amount of \$318,000 has been capitalised and a corresponding provision can be found in Note 16.

Movements in carrying amounts

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

| 2023 | Opening net book amount | Additions | Disposals | Depreciation/ (transfer) | Closing net book amount |
|--------------------------------|-------------------------|------------------|----------------|--------------------------|-------------------------|
| Computer equipment | 1,640,517 | 133,650 | (2,738) | (788,422) | 983,007 |
| Office equipment | 133,798 | 8,445 | - | (45,899) | 96,344 |
| Furniture and fittings | 38,917 | 2,400 | - | (6,277) | 35,040 |
| Leasehold improvement | 287,130 | 472,782 | - | (39,676) | 720,236 |
| Mobile screening van equipment | 106,679 | - | - | (45,502) | 61,177 |
| Medical equipment | 102,278 | 733,499 | - | (85,833) | 749,944 |
| Total | 2,309,319 | 1,350,776 | (2,738) | (1,011,609) | 2,645,748 |

Notes to financial statements for the year ended 30 June 2023

Note 12: Intangible assets

| | 2023 \$ | 2022 \$ |
|---|----------------|----------------|
| Database development - at cost | 2,031,995 | 1,933,735 |
| Accumulated amortisation | (1,896,860) | (1,848,072) |
| Written down value | 135,135 | 85,663 |
| Software and licenses | 2,507,744 | 2,507,744 |
| Accumulated amortisation | (2,309,259) | (2,262,226) |
| Written down value | 198,485 | 245,518 |
| Total written down value intangible assets | 333,620 | 331,181 |

Movements in carrying amounts

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

| 2023 | Opening net book amount | Additions | Disposals | Amortisation | Closing net book amount |
|-----------------------|-------------------------|---------------|-----------|-----------------|-------------------------|
| Database development | 85,663 | 98,260 | - | (48,788) | 135,135 |
| Software and licenses | 245,518 | - | - | (47,033) | 198,485 |
| Total | 331,181 | 98,260 | - | (95,821) | 333,620 |

Note 13: Leases

| | 2023 \$ | 2022 \$ |
|---|------------------|------------------|
| (a) Right of use assets | | |
| BreastScreen Victoria is party to a number of leases, the mains one being, Pelham Street, Carlton South and Burgundy Street, Heidelberg premises. | | |
| Right of use assets - cost at recognition | 3,209,592 | 3,118,955 |
| Accumulated depreciation | (428,115) | (83,861) |
| Written down value | 2,781,477 | 3,035,094 |

| 2023 | Opening net book value | Additions to right to use assets | Derecognition of right to use assets | Depreciation | Closing net book value |
|---------------------|------------------------|----------------------------------|--------------------------------------|------------------|------------------------|
| Right of use assets | 3,035,094 | 95,013 | - | (348,630) | 2,781,477 |
| Total | 3,035,094 | 95,013 | - | (348,630) | 2,781,477 |

Notes to financial statements for the year ended 30 June 2023

At inception of a contract, BreastScreen Victoria 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.

| | 2023 \$ | 2022 \$ |
|--|------------------|------------------|
| (b) Lease liabilities | | |
| Current | 334,174 | 231,992 |
| Non-current | 2,583,356 | 2,844,003 |
| Total | 2,917,530 | 3,075,995 |
| Reconciliation of lease liability | | |
| Balance at 1 July 2022 | 3,075,995 | 2,862,292 |
| Additions | 95,012 | 2,914,533 |
| Derecognition of lease liability | - | (2,395,423) |
| Interest expense | 225,788 | 223,530 |
| Lease payments | (479,265) | (528,937) |
| Balance at 30 June 2023 | 2,917,530 | 3,075,995 |

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, BreastScreen Victoria's incremental borrowing rate for similar amount and term of borrowings. This rate is used as the discount rate and is obtained from BreastScreen Victoria'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 BreastScreen Victoria. At lease commencement date, BreastScreen Victoria assesses whether it is reasonably certain to exercise the extension options. BreastScreen Victoria 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 2023.

Notes to financial statements for the year ended 30 June 2023

| | 2023 \$ | 2022 \$ |
|---|---------------------|---------------------|
| Note 14: Payables | | |
| Trade Creditors | 4,258,542 | 3,573,001 |
| Accruals and other creditors | 520,668 | 434,345 |
| GST, superannuation and other payables | 542,451 | 925,663 |
| Total | 5,321,661 | 4,933,009 |
| The average credit period on trade creditors is 30 days. No interest is charged. | | |
| Note 15: Other liabilities | | |
| Contract liability | 17,966,240 | 13,068,883 |
| Total | 17,966,240 | 13,068,883 |
| The contract liability balance as at 30 June 2023 relates largely to funds received from the Department of Health, Victoria for services and projects not yet performed. | | |
| Note 16: Provisions | | |
| CURRENT | | |
| Employee benefits – annual leave | 625,492 | 639,597 |
| Employee benefits – long service leave | 505,781 | 614,895 |
| Total | 1,131,273 | 1,254,492 |
| NON-CURRENT | | |
| Employee benefits – long service leave | 216,163 | 236,766 |
| Make-good provision | 318,000 | 318,000 |
| Total | 534,163 | 554,766 |
| Note 17: Reserves | | |
| Contractual liabilities reserve | 2,088,465 | 2,770,756 |
| Capital replacement reserve | 5,500,000 | 4,000,000 |
| Special purpose reserve* | 16,539,690 | 13,014,062 |
| Base reserve | 2,000,000 | 2,000,000 |
| Reading and Assessment Services contingency funds | 325,000 | 300,000 |
| Total | 26,453,155 | 22,084,818 |
| * The special purpose reserve records funds set aside for committed activities as approved by BreastScreen Victoria's Board over the next 12 months. Refer to Note 1(s) for nature and purpose of each reserve. | | |
| Note 18: Accumulated surplus (deficit) | | |
| Accumulated surplus/(deficit) at the beginning of the financial year | (12,363,530) | (9,016,993) |
| Surplus/(deficit) for the year | 2,408,841 | 1,419,567 |
| Transfers from/(to) reserves | (4,368,337) | (4,766,104) |
| Total | (14,323,024) | (12,363,530) |

Notes to financial statements for the year ended 30 June 2023

| | 2023 \$ | 2022 \$ |
|--|-------------------|-------------------|
| Note 19: Cash flow information | | |
| Reconciliation of cash flow from operations with net result for the year | | |
| Net result for the year | 2,408,841 | 1,419,567 |
| Non-cash flows in surplus/(deficit) for the year | | |
| Depreciation and amortisation | 1,456,060 | 1,105,389 |
| Net Loss/(Gain) on disposal of assets | 2,738 | (5,830) |
| Leases adjustment | 117,607 | (187,500) |
| Changes in assets and liabilities | | |
| (Increase)/Decrease in receivables | (174,377) | 29,867 |
| (Increase)/Decrease in other current assets | (977,916) | 290,470 |
| (Decrease)/Increase in payables and accrued expenses | 388,652 | (638,200) |
| (Decrease)/Increase in contract liabilities | 4,897,357 | 3,968,819 |
| (Decrease)/Increase in provisions | (143,823) | 174,624 |
| Net cash inflow from operating activities | 7,975,139 | 6,157,206 |
| Note 20: Commitments | | |
| Operating lease commitments | | |
| Non-cancellable operating leases contracted for but not capitalised in the financial statements | | |
| not later than one year | 15,960 | 22,200 |
| later than one year but not later than five years | 35,127 | 34,335 |
| Total | 51,087 | 56,535 |
| The commitments are in relation to low value and short term leases. | | |
| Note 21: Screening service providers | | |
| 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 BreastScreen Victoria directly operated clinics. | | |
| Screening service providers | 13,898,040 | 13,087,070 |
| Mobile and BreastScreen Victoria-operated screening services | 869,282 | 798,109 |
| Total | 14,767,322 | 13,885,179 |

Notes to financial statements for the year ended 30 June 2023

| | 2023 \$ | 2022 \$ |
|---|-------------------|-------------------|
| Note 22: 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 | 2,998,408 | 2,862,089 |
| Monash Health | 4,625,243 | 4,860,885 |
| Melbourne Health | 3,920,318 | 3,682,975 |
| St Vincent's Hospital | 4,628,085 | 4,127,943 |
| Rural | | |
| Bendigo Health | 1,417,523 | 1,688,777 |
| Latrobe Regional Hospital | 1,480,953 | 1,863,572 |
| Ballarat Health Service | 1,372,832 | 1,227,027 |
| Lake Imaging | 2,039,690 | 1,982,153 |
| Other special purpose funding | 1,230,339 | 25,908 |
| Total | 23,713,391 | 22,321,329 |
| Note 23: Coordination Unit expenses | | |
| Operating | | |
| Salaries and on-costs | 8,014,162 | 7,641,879 |
| Depreciation and amortisation expense | 1,456,062 | 1,105,389 |
| Travel expenses | 37,312 | 8,970 |
| Office expenses | 1,851,094 | 1,786,912 |
| Communication expenses | 491,833 | 384,688 |
| Motor vehicle expenses | 9,409 | 15,483 |
| Rent and outgoings | 177,678 | 303,382 |
| Finance costs | 225,788 | 223,530 |
| Computer, equipment and support | 1,168,802 | 1,044,341 |
| Administration expenses | 1,065,417 | 793,487 |
| Total - Operating | 14,497,557 | 13,308,061 |
| Special Projects | | |
| Salaries and on-costs | 768,561 | 630,029 |
| Travel expenses | 706 | 1,715 |
| Office expenses | 126,258 | 79,754 |
| Communication expenses | 238,313 | 52,876 |
| Motor vehicle expenses | - | 3,082 |
| Utilities | 3,416 | 791 |
| Computer, equipment and support | 1,001,416 | 236,578 |
| Administration expenses | 512,042 | 550,788 |
| Grants - screening and program coordination | 497,792 | 522,592 |
| Total - Special Projects | 3,148,504 | 2,078,205 |
| Total - Operating and Special Projects | 17,646,061 | 15,386,266 |

During the 2023 Financial Year, BreastScreen Victoria undertook a restructure of its Coordination Unit, as reflected in the statement of profit or loss.

Notes to financial statements for the year ended 30 June 2023

Note 24: 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 2023.

| | 2023 \$ | 2022 \$ |
|--|----------------|----------------|
| Note 25: Key management and Directors' remuneration | | |
| Short term employee benefit | 864,672 | 880,183 |
| Superannuation | 89,659 | 83,699 |
| Total | 954,331 | 963,882 |
| Note 26: Remuneration of Auditors | | |
| Audit of the financial statements | 42,000 | 37,800 |
| Other services - Tax consulting | - | - |
| Total | 42,000 | 37,800 |

Note 27: Economic dependency

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

Note 27: Contingencies

BreastScreen Victoria has no contingent assets or liabilities as at 30 June 2023 (2022 : Nil).

Note 28: 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
- (ii) the results of these operations; or
- (iii) the state of affairs of BreastScreen Victoria in subsequent financial years.

Note 29: Make-good provision

BreastScreen Victoria has estimated a \$318,000 commitment to make good property at the end of the lease term for its Carlton South premises. Refer Note 11 for more detail.

Note 30: Impact of COVID-19

COVID-19 continues to impact BreastScreen Victoria's operations. BreastScreen Victoria did not deliver as many screens in 2022-2023 due the ongoing impact of COVID mainly around work force shortages. BreastScreen Victoria has recognised revenue in accordance with the number of screens it has delivered. This has resulted in \$1.9 million in unspent funding from 2022-2023 being held on the balance sheet until a decision is made on its use in 2023-2024.

Board declaration

In the opinion of the Board:

- a) the financial report as set out on pages 1 to 21 satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and:
 - (i) comply with Australian Accounting Standards- Simplified disclosures, the *Associations Incorporation Reform Act 2012* and other mandatory professional reporting requirements,
 - (ii) give a true and fair view of BreastScreen Victoria's financial position as at 30 June 2023 and of their performance for the financial year ended on that date.
- b) there are reasonable grounds to believe that BreastScreen Victoria 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.



Dr Elisabeth Wreme
Chair



Sue Madden
Treasurer

3 October 2023

Breast Screen Victoria Inc
54 505 206 361

**INDEPENDENT AUDITOR'S REPORT
To the members of Breast Screen Victoria Inc.**

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Breast Screen Victoria Inc the "Association", which comprises the statement of financial position as at 30 June 2023, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration of the Board of Management.

In our opinion the financial report of Breast Screen Victoria Inc has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true and fair view of the Association's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2022*.

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 are independent of the Association in accordance with the auditor independence requirements of the *Australian Charities and Not for-profits Commission Act 2012* "ACNC Act" and 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.

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

Other Information

Those charged with governance are responsible for the other information. The other information comprises the information included in the Association's annual report for the year ended 30 June 2023 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. 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, 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.

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Adelaide Brisbane Melbourne Newcastle Sydney Perth

Responsibilities of Responsible Entities and Those Charged with Governance for the Financial Report.

The responsible entities of the Association are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *ACNC Act*, and for such internal control as the responsible entities determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, responsible entities are responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible entities either intends to liquidate the Registered Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

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 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by responsible entities.
- Conclude on the appropriateness of the Association's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink, appearing to read "B Powers".

B POWERS
Partner

A handwritten signature in black ink, appearing to read "Pitcher Partners".

PITCHER PARTNERS
Melbourne

4 October 2023

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Breast Screen Victoria Inc

ABN: 54 505 206 361

**AUDITOR'S INDEPENDENCE DECLARATION
To the members of Breast Screen Victoria Inc.**

In relation to the independent audit for the year ended 30 June 2023, to the best of my knowledge and belief there have been:

- (i) no contraventions of the auditor independence requirements of the section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*; and
- (ii) no contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.



B POWERS

Partner



PITCHER PARTNERS

Melbourne

Date: 4 October 2023



BreastScreen Victoria Inc. gratefully acknowledges the support of the Victorian Department of Health and the Australian Department of Health.

