

## 6.4 FINANCIAL STATEMENTS



### INDEPENDENT AUDITOR'S REPORT

#### To the Minister for Health and Ageing

I have audited the accompanying financial statements of the National Blood Authority for the year ended 30 June 2011, which comprise: a Statement by the Chief Executive and Chief Financial Officer; Statement of Comprehensive Income; Balance Sheet; Statement of Changes in Equity; Cash Flow Statement; Schedule of Commitments; Schedule of Contingencies; Schedule of Asset Additions; Schedule of Administered Items and Notes to and forming part of the financial statements, including a Summary of Significant Accounting Policies.

#### *Chief Executive's Responsibility for the Financial Statements*

The National Blood Authority's Chief Executive is responsible for the preparation of financial statements that give a true and fair view in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, including the Australian Accounting Standards, and for such internal control as the Chief Executive determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. These auditing standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the National Blood Authority's preparation of the financial statements that give a true and fair view 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 National Blood Authority's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the National Blood Authority's Chief Executive, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

**Independence**

In conducting my audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the requirements of the Australian accounting profession.

**Opinion**

In my opinion, the financial statements of the National Blood Authority:

- (a) have been prepared in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, including the Australian Accounting Standards; and
- (b) give a true and fair view of the matters required by the Finance Minister's Orders including the National Blood Authority's financial position as at 30 June 2011 and of its financial performance and cash flows for the year then ended.

Australian National Audit Office



Kristian Gage  
Audit Principal

Delegate of the Auditor-General

Canberra

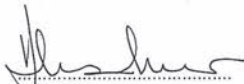
8 August 2011

**National Blood Authority**  
**Financial Statements**  
For the year ended 30 June 2011

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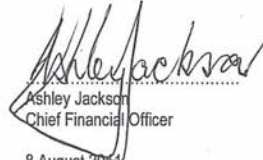
**Statement by the Chief Executive and Chief Financial Officer**

In our opinion, the attached financial statements for the year ended 30 June 2011 are based on properly maintained financial records and give a true and fair view of the matters required by the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, as amended.



A. J. Turner  
Chief Executive Officer

8 August 2011



Ashley Jackson  
Chief Financial Officer

8 August 2011

**NATIONAL BLOOD AUTHORITY**  
**STATEMENT OF COMPREHENSIVE INCOME**  
*for the year ended 30 June 2011*

	Notes	2011 \$'000	2010 \$'000
<b>EXPENSES</b>			
Employee benefits	3A	5 869	5 636
Supplier expenses	3B	3 114	2 677
Depreciation and amortisation	3C	795	973
Write-down and impairment of assets	3D	-	188
Losses from asset sales	3E	6	1
<b>Total expenses</b>		<b>9 784</b>	<b>9 475</b>
<b>LESS:</b>			
<b>OWN-SOURCE INCOME</b>			
<b>Own-source revenue</b>			
Sale of goods and rendering of services	4A	487	193
Other	4B	3 493	3 539
<b>Total own-source revenue</b>		<b>3 980</b>	<b>3 732</b>
<b>Gains</b>			
Other	4C	94	80
<b>Total gains</b>		<b>94</b>	<b>80</b>
<b>Total own source income</b>		<b>4 074</b>	<b>3 812</b>
<b>Net cost of services</b>		<b>5 710</b>	<b>5 663</b>
Revenue from Government	4D	5 948	5 712
<b>Surplus attributable to the Australian Government</b>		<b>238</b>	<b>49</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Changes in asset revaluation reserves		-	191
<b>Total other comprehensive income</b>		<b>-</b>	<b>191</b>
<b>Total comprehensive income</b>		<b>238</b>	<b>240</b>
<b>Total comprehensive income attributable to the Australian Government</b>		<b>238</b>	<b>240</b>

The above statement should be read in conjunction with the accompanying notes

NATIONAL BLOOD AUTHORITY  
BALANCE SHEET  
as at 30 June 2011

	Notes	2011 \$'000	2010 \$'000
<b>ASSETS</b>			
<b>Financial Assets</b>			
Cash and cash equivalents	5A, 9	36	210
Trade and other receivables	5B	8 769	8 622
<b>Total financial assets</b>		<b>8 805</b>	<b>8 832</b>
<b>Non-Financial Assets</b>			
Leasehold improvements	6A, 6C	37	141
Property, plant and equipment	6B, 6C	334	254
Intangibles	6D, 6E	1 295	1 610
Other	6F	64	57
<b>Total non-financial assets</b>		<b>1 730</b>	<b>2 062</b>
<b>Total Assets</b>		<b>10 535</b>	<b>10 894</b>
<b>LIABILITIES</b>			
<b>Payables</b>			
Suppliers	7A	427	644
Other	7B	1 424	1 823
<b>Total payables</b>		<b>1 851</b>	<b>2 467</b>
<b>Provisions</b>			
Employee provisions	8A	1 213	1 194
<b>Total provisions</b>		<b>1 213</b>	<b>1 194</b>
<b>Total Liabilities</b>		<b>3 064</b>	<b>3 661</b>
<b>Net Assets</b>		<b>7 471</b>	<b>7 233</b>
<b>EQUITY</b>			
Contributed equity		812	812
Reserves		206	206
Retained surplus		6 453	6 215
<b>Total Equity</b>		<b>7 471</b>	<b>7 233</b>

The above statement should be read in conjunction with the accompanying notes

NATIONAL BLOOD AUTHORITY  
STATEMENT OF CHANGES IN EQUITY  
for the year ended 30 June 2011

Item	Retained Earnings		Asset revaluation reserve		Contributed equity/capital		Total equity	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
<b>Opening balance</b>								
Balance carried forward from previous period	6 215	6 166	206	15	812	812	7 233	6 993
<b>Adjusted opening balance</b>	<b>6 215</b>	<b>6 166</b>	<b>206</b>	<b>15</b>	<b>812</b>	<b>812</b>	<b>7 233</b>	<b>6 993</b>
<b>Comprehensive income</b>								
Other comprehensive income	-	-	-	191	-	-	-	191
Surplus for the period	238	49	-	-	-	-	238	49
<b>Total comprehensive income</b>	<b>238</b>	<b>49</b>	<b>-</b>	<b>191</b>	<b>-</b>	<b>-</b>	<b>238</b>	<b>240</b>
of which:								
Attributable to Australian Government	238	49	-	191	-	-	238	240
<b>Closing balance as at 30 June</b>	<b>6 453</b>	<b>6 215</b>	<b>206</b>	<b>206</b>	<b>812</b>	<b>812</b>	<b>7 471</b>	<b>7 233</b>
<b>Closing balance attributable to the Australian Government</b>	<b>6 453</b>	<b>6 215</b>	<b>206</b>	<b>206</b>	<b>812</b>	<b>812</b>	<b>7 471</b>	<b>7 233</b>

The above statement should be read in conjunction with the accompanying notes

**NATIONAL BLOOD AUTHORITY**  
**CASH FLOW STATEMENT**  
*for the year ended 30 June 2011*

	Notes	2011 \$'000	2010 \$'000
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Appropriations		5 608	5 523
Goods and services		3 933	3 577
Net GST received		366	263
<b>Total cash received</b>		<u>9 907</u>	<u>9 363</u>
<b>Cash used</b>			
Employees		5 626	5 441
Suppliers		3 353	2 888
Section 31 receipts transferred to OPA		640	162
<b>Total cash used</b>		<u>9 619</u>	<u>8 491</u>
<b>Net cash flows from (used by) operating activities</b>	9	<u>288</u>	<u>872</u>
<b>INVESTING ACTIVITIES</b>			
<b>Cash received</b>			
Proceeds from sales of intangibles		24	-
<b>Total cash received</b>		<u>24</u>	<u>-</u>
<b>Cash used</b>			
Purchase of property, plant and equipment		188	32
Purchase of intangibles		298	652
<b>Total cash used</b>		<u>486</u>	<u>684</u>
<b>Net cash flows used by investing activities</b>		<u>( 462)</u>	<u>( 684)</u>
<b>Net increase (decrease) in cash held</b>		<u>( 174)</u>	<u>188</u>
Cash and cash equivalents at the beginning of the reporting period		210	22
<b>Cash and cash equivalents at the end of the reporting period</b>	5A	<u>36</u>	<u>210</u>

The above statement should be read in conjunction with the accompanying notes

NATIONAL BLOOD AUTHORITY  
SCHEDULE OF COMMITMENTS  
as at 30 June 2011

	2011 \$'000	2010 \$'000
<b>BY TYPE</b>		
<b>Commitments receivable</b>		
Net GST recoverable on commitments	67	145
<b>Total commitments receivable</b>	<u>67</u>	<u>145</u>
<b>Commitments payable</b>		
<b>Capital commitments</b>		
Intangibles <sup>1</sup>	1	209
<b>Total capital commitments</b>	<u>1</u>	<u>209</u>
<b>Other commitments</b>		
Operating leases <sup>2</sup>	164	671
Other	576	716
<b>Total other commitments</b>	<u>740</u>	<u>1 387</u>
<b>Net commitments by type</b>	<u><u>674</u></u>	<u><u>1 451</u></u>
<b>BY MATURITY</b>		
<b>Commitments receivable</b>		
<b>Other commitments receivable</b>		
One year or less	67	118
From one to five years	-	27
<b>Total other commitments receivable</b>	<u>67</u>	<u>145</u>
<b>Commitments payable</b>		
<b>Capital commitments</b>		
One year or less	1	209
<b>Total capital commitments</b>	<u>1</u>	<u>209</u>
<b>Operating lease commitments</b>		
One year or less	164	503
From one to five years	-	168
<b>Total operating lease commitments</b>	<u>164</u>	<u>671</u>
<b>Other commitments</b>		
One year or less	576	584
From one to five years	-	132
<b>Total other commitments</b>	<u>576</u>	<u>716</u>
<b>Net commitments by maturity</b>	<u><u>674</u></u>	<u><u>1 451</u></u>

NB: Commitments are GST inclusive where relevant.

<sup>1</sup> The nature of capital commitments is further deployment of internally developed software.

<sup>2</sup> Operating leases included are effectively non cancellable and comprise:

<b>Nature of lease</b>	<b>General description of leasing arrangement</b>
Lease for Canberra office accommodation	The current lease for office accommodation expires on 31 October 2011.
Lease for Melbourne office accommodation	The current lease for office accommodation expires on 31 October 2011.

The above schedule should be read in conjunction with the accompanying notes



NATIONAL BLOOD AUTHORITY  
SCHEDULE OF CONTINGENCIES  
as at 30 June 2011

Quantifiable Contingencies  
None

Unquantifiable but material contingencies are disclosed in Note 10: Contingent Liabilities and Assets

**SCHEDULE OF ASSET ADDITIONS**  
for the year ended 30 June 2011

**The following non-financial non-current assets were added in 2010-11:**

	Other property, plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000
<b>Additions funded in the current year</b>			
By purchase - appropriation ordinary annual services			
Ordinary operating costs	119	188	307
By purchase - other	69	110	179
<b>Total funded additions funded in the current year</b>	<b>188</b>	<b>298</b>	<b>486</b>
<b>Total additions</b>	<b>188</b>	<b>298</b>	<b>486</b>

**The following non-financial non-current assets were added in 2009-10:**

	Other property, plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000
<b>Additions funded in the current year</b>			
By purchase - appropriation ordinary annual services			
Ordinary operating costs	20	452	472
By purchase - other	12	266	278
<b>Total funded additions funded in the current year</b>	<b>32</b>	<b>718</b>	<b>750</b>
<b>Total additions</b>	<b>32</b>	<b>718</b>	<b>750</b>

The above schedule should be read in conjunction with the accompanying notes

**NATIONAL BLOOD AUTHORITY**  
**SCHEDULE OF ADMINISTERED ITEMS**  
*for the year ended 30 June 2011*

	Notes	2011 \$'000	2010 \$'000
<b>Income administered on behalf of Government</b>			
<i>for the year ended 30 June 2011</i>			
<b>Revenue</b>			
<b>Non-taxation revenue</b>			
Funding from governments	14A	939 212	871 195
Interest	14B	1 629	-
Other	14C	175	1 354
<b>Total income administered on behalf of Government</b>		<b>941 016</b>	<b>872 549</b>
<b>Expenses administered on behalf of Government</b>			
<i>for the year ended 30 June 2011</i>			
Grants	15A	-	456 881
Supplier expenses	15B	937 954	402 143
Depreciation and amortisation	15C	310	128
<b>Total expenses administered on behalf of Government</b>		<b>938 264</b>	<b>859 152</b>

The above schedule should be read in conjunction with the accompanying notes

NATIONAL BLOOD AUTHORITY  
SCHEDULE OF ADMINISTERED ITEMS (continued)

	Notes	2011 \$'000	2010 \$'000
<b>Assets administered on behalf of Government</b>			
<i>as at 30 June 2011</i>			
<b>Financial assets</b>			
Cash and cash equivalents	16A	41 157	389
Trade and other receivables	16B	14 702	10 210
Other investments	16C	40 611	-
<b>Total financial assets</b>		<b>96 470</b>	<b>10 599</b>
<b>Non-financial assets</b>			
Inventories	16D	55 024	67 212
Property, plant and equipment	16E	30	-
Intangibles	16F	371	445
Other	16G	75 401	12
<b>Total non-financial assets</b>		<b>130 826</b>	<b>67 669</b>
<b>Total assets administered on behalf of Government</b>		<b>227 296</b>	<b>78 268</b>
<b>Liabilities administered on behalf of Government</b>			
<i>as at 30 June 2011</i>			
<b>Payables</b>			
Suppliers	17A	68 934	39 496
<b>Total payables</b>		<b>68 934</b>	<b>39 496</b>
<b>Total liabilities administered on behalf of Government</b>		<b>68 934</b>	<b>39 496</b>

The above schedule should be read in conjunction with the accompanying notes

NATIONAL BLOOD AUTHORITY  
SCHEDULE OF ADMINISTERED ITEMS (continued)

	Notes	2011 \$'000	2010 \$'000
<b>Administered Cash Flows</b>			
<i>for the year ended 30 June 2011</i>			
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Commonwealth contributions		591 889	548 057
State and territory contributions		347 323	323 138
Interest		546	-
Net GST received		96 682	85 464
Other		198	410
<b>Total cash received</b>		<b>1 036 638</b>	<b>957 069</b>
<b>Cash used</b>			
Grant payments		-	501 150
Suppliers		1 071 831	441 797
<b>Total cash used</b>		<b>1 071 831</b>	<b>942 947</b>
<b>Net cash flows from (used by) operating activities</b>		<b>(35 193)</b>	<b>14 122</b>
<b>INVESTING ACTIVITIES</b>			
<b>Cash used</b>			
Purchase of property, plant & equipment		36	-
Purchase of intangibles		230	75
Investments		40 611	-
<b>Total cash used</b>		<b>40 877</b>	<b>75</b>
<b>Net cash flows (used by) investing activities</b>		<b>( 40 877)</b>	<b>( 75)</b>
<b>Net Increase (Decrease) in Cash Held</b>		<b>(76 070)</b>	<b>14 047</b>
Cash and cash equivalents at the beginning of the reporting period		389	-
Cash from Official Public Account for:			
- Appropriations		5 750	7 707
- Special accounts		1 163 441	943 037
		<b>1 169 191</b>	<b>950 744</b>
Cash to Official Public Account for:			
- Special accounts		1 052 353	964 402
		<b>1 052 353</b>	<b>964 402</b>
<b>Cash and cash equivalents at the end of the reporting period</b>	20A	<b>41,157</b>	<b>389</b>

The above schedule should be read in conjunction with the accompanying notes

NATIONAL BLOOD AUTHORITY  
SCHEDULE OF ADMINISTERED ITEMS (continued)

	2011 \$'000	2010 \$'000
<b>Administered Commitments</b> <i>as at 30 June 2011</i>		
<b>BY TYPE</b>		
<b>Commitments receivable</b>		
Net GST recoverable on commitments	275 254	287 342
<b>Total commitments receivable</b>	<u>275 254</u>	<u>287 342</u>
<b>Commitments payable</b>		
<b>Capital commitments</b>		
Intangibles <sup>1</sup>	261	157
<b>Total capital commitments</b>	<u>261</u>	<u>157</u>
<b>Other commitments</b>		
Other <sup>2</sup>	3 027 529	3 160 602
<b>Total other commitments</b>	<u>3 027 529</u>	<u>3 160 602</u>
<b>Net commitments by type</b>	<u><u>2 752 536</u></u>	<u><u>2 873 417</u></u>
<b>BY MATURITY</b>		
<b>Commitments receivable</b>		
<b>Other commitments receivable</b>		
One year or less	84 519	94 201
From one to five years	128 601	107 651
Over five years	62 134	85 490
<b>Total other commitments receivable</b>	<u>275 254</u>	<u>287 342</u>
<b>Commitments payable</b>		
<b>Capital commitments</b>		
One year or less	261	127
From one to five years	-	30
<b>Total capital commitments <sup>1</sup></b>	<u>261</u>	<u>157</u>
<b>Other commitments</b>		
One year or less	929 449	1 036 079
From one to five years	1 414 610	1 184 133
Over five years	683 470	940 390
<b>Total other commitments <sup>2</sup></b>	<u>3 027 529</u>	<u>3 160 602</u>
<b>Net commitments by maturity</b>	<u><u>2 752 536</u></u>	<u><u>2 873 417</u></u>

NB: All commitments are GST inclusive where relevant.

<sup>1</sup> Capital commitments relate to amounts payable under agreements or contracts for the development and maintenance of internally generated software in respect of which the supplier has yet to provide goods or services.

<sup>2</sup> Other commitments relate to amounts payable under agreements or contracts in respect of which the grantee or supplier has yet to provide goods or services for blood or blood related products required under the agreement or contract to meet demand under the National Supply Plan and Budget.

The above schedule should be read in conjunction with the accompanying notes

**NATIONAL BLOOD AUTHORITY**  
**SCHEDULE OF ADMINISTERED ITEMS (continued)**

**Administered Contingencies**

as at 30 June 2011

There were no quantifiable administered contingent liabilities as at 30 June 2011.

Unquantifiable but material contingencies are disclosed in Note 19.

**Statement of Activities Administered on Behalf of Government**

The major activities of the NBA are directed towards managing national blood arrangements, ensuring sufficient supply and to provide a new focus on the safety and quality of blood products and services.

The NBA manages and coordinates Australia's blood supply in accordance with the National Blood Agreement agreed by the Commonwealth, States and Territories. Under this agreement, the Commonwealth contributes 63 per cent of blood supply funding and the States and Territories provide 37 per cent. The funding for blood and blood products is funded from a special account established under the National Blood Authority Act 2003.

Details of planned activities for the year can be found in the Agency Portfolio Budget Statements for 2010 - 11 which have been tabled in Parliament.

**Administered Asset Additions**

for the year ended 30 June 2011

The following non-financial non-current assets were added in 2010-11:

	Property, plant & equipment	Intangibles	Total
	\$'000	\$'000	\$'000
<b>Additions funded in the current year</b>			
By purchase - other	36	230	266
<b>Total funded additions funded in the current year</b>	<b>36</b>	<b>230</b>	<b>266</b>
<b>Total additions</b>	<b>36</b>	<b>230</b>	<b>266</b>

The following non-financial non-current assets were added in 2009-10:

	Property, plant & equipment	Intangibles	Total
	\$'000	\$'000	\$'000
By purchase - other	-	75	75
<b>Total funded additions funded in the current year</b>	<b>-</b>	<b>75</b>	<b>75</b>
<b>Total additions</b>	<b>-</b>	<b>75</b>	<b>75</b>

The above schedule should be read in conjunction with the accompanying notes

**NATIONAL BLOOD AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
*for the year ended 30 June 2011*

**NOTE 1 Summary of Significant Accounting Policies**

**1.1 Objectives of the National Blood Authority**

The National Blood Authority (NBA) is an Australian Government statutory authority which was established on 1 July 2003 with the principal role of managing national blood arrangements, ensuring sufficient supply and providing a new focus on the quality and appropriateness of blood products.

The NBA is structured to meet one outcome:

Outcome 1: Access to a secure supply of safe and affordable blood products, including through national supply arrangements and coordination of best practice standards within agreed funding policies under the national blood arrangements.

The continued existence of the NBA in its present form, and with its present programs, is dependent on Government policy, the enabling legislation *National Blood Authority Act 2003*, and on continuing appropriations by Parliament and contributions from States and Territories for the NBA's administration and programs.

NBA activities contributing to this outcome are classified as either departmental or administered. Departmental activities involve the use of assets, liabilities, income and expenses controlled or incurred by the NBA in its own right. Administered activities involve the management or oversight by the NBA, on behalf of the Government, of items controlled or incurred by the Government.

The NBA conducts the following administered activities on behalf of the Government:

Management and coordination of Australia's blood supply in accordance with the National Blood Agreement agreed by the Australian Government, States and Territories. Under this agreement, the Australian Government contributes 63 per cent of blood supply funding and the States and Territories provide 37 per cent.

The NBA operates under a special account – the National Blood Account. Revenues and expenses associated with the funding and supply of blood and blood products, as well as the operations of the NBA are recorded in this special account.

The NBA also operates a special account – the National Managed Fund (Blood and Blood Products) Special Account which is intended to meet potential blood and blood products liability claims against the Australian Red Cross Blood Service.

**1.2 Basis of Preparation of the Financial Statements**

The financial statements are general purpose financial statements and are required by Section 49 of the *Financial Management and Accountability Act 1997*.

The financial statements have been prepared in accordance with:

- Finance Minister's Orders (FMOs) for reporting periods ending on or after 1 July 2010; and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets and liabilities at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

**NATIONAL BLOOD AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
*for the year ended 30 June 2011*

**1.2 Basis of Preparation of the Financial Statements (cont..)**

The financial statements are presented in Australian dollars and values are rounded to the nearest thousand dollars unless otherwise specified.

Unless an alternative treatment is specifically required by an accounting standard or the FMOs, assets and liabilities are recognised in the balance sheet when and only when it is probable that future economic benefits will flow to the NBA or a future sacrifice of economic benefits will be required and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under executor contracts are not recognised unless required by an accounting standard. Liabilities and assets that are unrecognised are reported in the schedule of commitments or the schedule of contingencies.

Unless alternative treatment is specifically required by an accounting standard, income and expenses are recognised in the statement of comprehensive income when and only when the flow, consumption or loss of economic benefits has occurred and can be reliably measured.

Administered revenues, expenses, assets and liabilities and cash flows reported in the Schedule of Administered Items and related notes are accounted for on the same basis and using the same policies as for departmental items, except where otherwise stated at Note 1.18.

**1.3 Significant Accounting Judgments and Estimates**

No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next accounting period.

**1.4 New Australian Accounting Standards**

*Adoption of New Australian Accounting Standard Requirements*

No accounting standard has been adopted earlier than the application date as stated in the standard.

The following new standards (including reissued standards) were issued prior to the sign-off date, were applicable to the current reporting period and had a financial impact on the NBA:

- AASB 7                      Financial Instruments: Disclosures
- AASB 132                  Financial Instruments: Presentation

Other new standards, revised standards, interpretations and amending standards that were issued prior to the sign-off date and are applicable to the current reporting period did not have a financial impact, and are not expected to have a future financial impact on the NBA.

*Future Australian Accounting Standard Requirements*

No new standards, revised standards, interpretations and amending standards were issued by the Australian Accounting Standards Board prior to the sign-off date, which are expected to have a financial impact on the NBA for future reporting periods.

Other new standards, revised standards, interpretations and amending standards that were issued prior to the sign-off date and are applicable to the future reporting period are not expected to have a future financial impact on the NBA.



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**1.5 Revenue**

Revenue from the sale of goods is recognised when:

- a) the risks and rewards of ownership have been transferred to the buyer;
- b) the NBA retains no managerial involvement or effective control over the goods;
- c) the revenue and transaction costs incurred can be reliably measured; and
- d) it is probable that the economic benefits associated with the transaction will flow to the NBA.

Revenue from rendering of services is recognised by reference to the stage of completion of contracts at the reporting date. The revenue is recognised when:

- a) the amount of revenue, stage of completion and transaction costs incurred can be reliably measured; and
- b) the probable economic benefits associated with the transaction will flow to the NBA.

Funding from State and Territory governments is recognised by reference to the stage of completion of contracts at the reporting date. The revenue is recognised when:

- a) the amount of revenue, stage of completion and transaction costs incurred can be reliably measured; and
- b) the probable economic benefits with the transaction will flow to the NBA.

The stage of completion of contracts at the reporting date is determined by reference to services performed to date as a percentage of total services to be performed.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at end of reporting period. Allowances are made when collectability of the debt is no longer probable.

Interest revenue is recognised using the effective interest method as set out in AASB 139 *Financial Instruments: Recognition and Measurement*.

Revenue from Government

Amounts appropriated for departmental appropriations for the year (adjusted for any formal additions and reductions) are recognised as Revenue from Government when the NBA gains control of the appropriation, except for certain amounts that relate to activities that are reciprocal in nature, in which case, revenue is recognised only when it has been earned. Appropriations receivable are recognised at their nominal amounts.

**1.6 Gains**

Resources Received Free of Charge

Resources received free of charge are recognised as gains when and only when a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense.

Resources received free of charge are recorded as either revenue or gains depending on their nature.

Contributions of assets at no cost of acquisition or for nominal consideration are recognised as gains at their fair value when the asset qualifies for recognition, unless received from another Government entity as a consequence of a restructuring of administrative arrangements. (Refer to Note 1.7)

Sale of Assets

Gains from the disposal of assets are recognised when control of the asset has passed to the buyer.

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### 1.7 Transactions with the Government as Owner

#### Equity Injections

Amounts appropriated which are designated as 'equity injections' for a year (less any formal reductions) and Departmental Capital Budgets (DCBs) are recognised directly in contributed equity in that year.

#### Restructuring of Administrative Arrangements

Net assets received from or relinquished to another Australian Government entity under a restructuring of administrative arrangements are adjusted at their book value directly against contributed equity.

### 1.8 Employee Benefits

Liabilities for 'short term employee benefits' (as defined in AASB 119 *Employee Benefits*) and termination benefits due within twelve months of end of reporting period are measured at their nominal amounts.

The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits are measured as net total of the present value of the defined benefit obligation at the end of the reporting period minus the fair value at the end of the reporting period of plan assets (if any) out of which the obligations are to be settled directly.

#### Leave

The liability for employee entitlements includes provision for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of the NBA is estimated to be less than the annual entitlement for sick leave.

The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will apply at the time the leave is taken, including the NBA's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

The liability for long service leave has been determined by reference to the work of an actuary as at 30 June 2011. The estimate of the present value of the liability takes into account expected attrition rates and pay increases through promotion and inflation.

#### Superannuation

The NBA's staff are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), the PSS Accumulation Plan (PSSap), the Australian Government Employee Superannuation Trust (AGEST) or other non-government superannuation funds.

The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap, AGEST and the non-government superannuation funds are defined contribution schemes.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported by the Department of Finance and Deregulation as an administered item.

The NBA makes employer contributions to the employees' superannuation scheme at rates determined by an actuary to be sufficient to meet the current cost to the Government. The NBA accounts for the contributions as if they were contributions to defined contribution plans.

The liability for superannuation represents outstanding contributions as at 30 June 2011.

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**1.9 Leases**

A distinction is made between finance leases and operating leases. Finance leases effectively transfer from the lessor to the lessee substantially all the risks and rewards incidental to ownership of leased assets. An operating lease is a lease that is not a finance lease. In operating leases, the lessor effectively retains substantially all such risks and benefits.

Operating lease payments are expensed on a straight line basis which is representative of the pattern of benefits derived from the leased assets.

**1.10 Cash**

Cash is recognised at its nominal amount. Cash and cash equivalents includes:

- a) cash on hand;
- b) demand deposits in bank accounts with an original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value;
- c) cash held by outsiders; and
- d) cash in special accounts.

**1.11 Financial Assets**

The NBA classifies its financial assets in the following categories:

- a) held-to-maturity investments; and
- b) loans and receivables.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets are recognised and derecognised upon trade date.

*Effective Interest Method*

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

Income is recognised on an effective interest rate basis.

*Held-to-Maturity Investments*

Non derivative financial assets with fixed or determinable payments and fixed maturity dates that the NBA has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are recorded at amortised cost using the effective interest method less impairment, with revenue recognised on an effective yield basis.

*Loans and Receivables*

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

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### **1.11 Financial Assets (cont..)**

#### Impairment of Financial Assets

Financial assets are assessed for impairment at each balance date.

- *Financial assets held at amortised cost* - if there is objective evidence that an impairment loss has been incurred for loans and receivables or held-to-maturity investments held at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount is reduced by way of an allowance account. The loss is recognised in the statement of comprehensive income.

### **1.12 Financial Liabilities**

Financial liabilities are classified as other financial liabilities.

Financial liabilities are recognised and derecognised upon 'trade date'.

#### Other Financial Liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. These liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

### **1.13 Contingent Liabilities and Contingent Assets**

Contingent liabilities and contingent assets are not recognised in the balance sheet but are reported in the relevant schedules and notes. They may arise from uncertainty as to the existence of a liability or asset or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

### **1.14 Acquisition of Assets**

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor agency's accounts immediately prior to the restructuring.

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**1.15 Property, Plant and Equipment**

Asset Recognition Threshold

Purchases of property, plant and equipment are recognised initially at cost in the balance sheet, except for purchases costing less than the thresholds listed below for each class of asset, which are expensed in the year of acquisition.

<b>Asset class</b>	<b>Recognition Threshold</b>
Infrastructure, Plant and Equipment	\$2,000
Purchased Software	\$5,000
Leasehold improvements	\$10,000
Internally Developed Software	\$50,000

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. This is particularly relevant to 'make good' provisions in property leases taken up by the NBA where there exists an obligation to restore the property to its original condition. These costs are included in the value of the NBA's leasehold improvements with a corresponding provision for the 'make good' recognised.

Revaluations

Fair values for each class of asset are determined as shown below.

<b>Asset class</b>	<b>Fair value measured at:</b>
Leasehold improvements	Depreciated replacement cost
Infrastructure, plant & equipment	Market selling price

Following initial recognition at cost, property, plant and equipment are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets. All valuations are conducted by an independent qualified valuer and are undertaken by the Australian Valuation Office.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reverses a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the surplus/deficit except to the extent that they reverse a previous revaluation increment for that class.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to the NBA using, in all cases, the straight-line method of depreciation.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

<b>Asset class</b>	<b>2010-11</b>	<b>2009-10</b>
Infrastructure, Plant and Equipment	<b>3 to 7 years</b>	3 to 7 years
Leasehold improvements	<b>Lease term</b>	Lease term

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**1.15 Property, Plant and Equipment (cont..)**

Impairment

All assets were assessed for impairment at 30 June 2011. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the NBA were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further economic benefits are expected from its use or disposal.

**1.16 Intangibles**

The NBA's intangibles comprise internally developed software and purchased software for internal use. These assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Software is amortised on a straight-line basis over its anticipated useful life. The useful lives of the NBA's software are:

Type	2010-11	2009-10
Purchased software	<b>3 years</b>	3 years
Internally developed software	<b>5 years</b>	5 years

All software assets were assessed for indications of impairment at 30 June 2011.

**1.17 Taxation**

The NBA is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses, liabilities and assets are recognised net of GST except:

- a) where the amount of the GST incurred is not recoverable from the Australian Taxation Office; and
- b) for receivables and payables.

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**1.18 Reporting of Administered Activities**

Administered revenues, expenses, assets, liabilities and cash flows are disclosed in the schedule of administered items and related notes.

Except where otherwise stated below, administered items are accounted for on the same basis and using the same policies as for departmental items, including the application of Australian Accounting Standards.

Administered Cash Transfers to and from the Official Public Account

Revenue collected by the NBA for use by the Government rather than the NBA is administered revenue. Collections are transferred to the Official Public Account (OPA) maintained by the Department of Finance and Deregulation. Conversely, cash is drawn from the OPA to make payments under Parliamentary appropriation on behalf of Government. These transfers to and from the OPA are adjustments to the administered cash held by the NBA on behalf of the Government and reported as such in the statement of cash flows in the schedule of administered items and in the administered reconciliation table in Note 18.

Revenue

All administered revenues are revenues relating to the course of ordinary activities performed by the NBA on behalf of the Australian Government.

All administered revenues are recognised on the basis of cash received.

Collectability of debts is reviewed at balance date. Allowances are made when collection of the debt is judged to be less rather than more likely.

Amounts appropriated during the year for administered interest are recognised in the balance sheet.

Grants

The NBA administers a number of grant schemes on behalf of the Government. Grant liabilities are recognised to the extent that (i) the services required to be performed by the grantee have been performed or (ii) the grant eligibility criteria have been satisfied, but payments due have not been made. A commitment is recorded when the Government enters into an agreement to make these grants but services have not been performed or criteria satisfied.

Inventories

Inventories held for distribution are valued at cost, adjusted for any loss of service potential.

Costs incurred in bringing each item of inventory to its present location and condition are assigned as follows:

- a) raw materials and stores – purchase cost on a first-in-first-out basis; and
- b) finished goods and work-in-progress – cost of direct materials and labour plus attributable costs that can be allocated on a reasonable basis.

Inventories acquired at no cost or nominal consideration are initially measured at current replacement cost at the date of acquisition.

National Managed Fund

The National Managed Fund was established to manage the liability risks of the ARCBS in relation to the provision of blood and blood products. The National Managed Fund was reported in 2003-04 by the Department of Health and Ageing under "Services for Other Governments and Non-Departmental Bodies Special Account". The NBA now manages this fund on behalf of the Australian Government and States and Territories. To facilitate the transfer of the fund to the NBA a special account under Section 20 of the *Financial Management and Accountability (FMA) Act 1997* was established, and this fund was transferred to the NBA for reporting.

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**1.18 Reporting of Administered Activities (cont..)**

The Fund came into effect on 1 July 2000 and to date, no claims have been made against the fund. The balance of the fund as at 30 June 2011 is \$82,843,378 (30 June 2010: \$74,448,609). Refer to Note 22.

Indemnities

The maximum amounts payable under the indemnities given is disclosed in the schedule of administered items – contingencies. At the time of completion of the financial statements, there was no reason to believe that the indemnities would be called upon, and no recognition of any liability was therefore required.



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**NOTE 2: Events after the Reporting Period**

There were no significant events occurring after 30 June 2011.

NATIONAL BLOOD AUTHORITY  
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
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	2011 \$'000	2010 \$'000
<b>NOTE 3: Expenses</b>		
<b>Note 3A: Employee Benefits</b>		
Wages and salaries	4 189	3 822
Superannuation:		
Defined contribution plans	344	267
Defined benefit plans	393	410
Leave and other entitlements	720	898
Separation and redundancies	-	50
Other employee expenses	223	189
<b>Total employee benefits</b>	<b>5 869</b>	<b>5 636</b>
<b>Note 3B: Suppliers</b>		
<b>Goods and services</b>		
Consultants	401	317
Contractors	291	202
Stationery	22	17
Travel	314	294
Committees, board and conferences	37	40
Audit and legal	360	221
IT and communications	918	699
Property expenses	97	123
Other expenses	168	241
<b>Total goods and services</b>	<b>2 608</b>	<b>2 154</b>
Goods and services are made up of:		
Provision of goods - external parties	145	193
Rendering of services - related entities	206	503
Rendering of services - external parties	2 257	1 458
<b>Total goods and services</b>	<b>2 608</b>	<b>2 154</b>
<b>Other supplier expenses</b>		
Operating lease rentals - external parties:		
Minimum lease payments	461	465
Workers compensation expenses	45	58
<b>Total other supplier expenses</b>	<b>506</b>	<b>523</b>
<b>Total supplier expenses</b>	<b>3 114</b>	<b>2 677</b>
<b>Note 3C: Depreciation and Amortisation</b>		
Depreciation:		
Property, plant and equipment	102	321
Leasehold improvements	104	63
<b>Total depreciation</b>	<b>206</b>	<b>384</b>
Intangibles:		
Computer Software	589	589
<b>Total amortisation</b>	<b>589</b>	<b>589</b>
<b>Total depreciation and amortisation</b>	<b>795</b>	<b>973</b>

NATIONAL BLOOD AUTHORITY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
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	2011 \$'000	2010 \$'000
<b>NOTE 3: Expenses (cont.)</b>		
<b>Note 3D: Write-Down and Impairment of Assets</b>		
Asset write-downs and impairments from:		
Impairment on intangible assets	-	166
Revaluation decrements:		
Property, plant and equipment	-	22
<b>Total write-down and impairment of assets</b>	<u>-</u>	<u>188</u>
<b>Note 3E: Losses from Asset Sales</b>		
Property, plant and equipment:		
Proceeds from sale	-	-
Carrying value of assets sold	6	1
Intangibles:		
Proceeds from sale	24	-
Carrying value of assets sold	24	-
<b>Total losses from asset sales</b>	<u>6</u>	<u>1</u>
<b>NOTE 4: Income</b>		
<b>REVENUE</b>		
<b>Note 4A: Sale of Goods and Rendering of Services</b>		
Rendering of services - related entities	39	160
Rendering of services - external parties	448	33
<b>Total sale of goods and rendering of services</b>	<u>487</u>	<u>193</u>
<b>Note 4B: Other Revenue</b>		
Funding from State and Territory governments	3 493	3 539
<b>Total funding from State and Territory governments</b>	<u>3 493</u>	<u>3 539</u>
Funding from State and Territory governments includes \$199,893 revenue (2010: \$111,000) which had been previously received and recognised as unearned revenue.		
<b>Gains</b>		
<b>Note 4C: Other Gains</b>		
Resources received free of charge	94	80
<b>Total other gains</b>	<u>94</u>	<u>80</u>
<b>REVENUE FROM GOVERNMENT</b>		
<b>Note 4D: Revenue from Government</b>		
Appropriations:		
Departmental appropriation	5 948	5 712
<b>Total revenue from Government</b>	<u>5 948</u>	<u>5 712</u>
Departmental outputs includes \$340,358 revenue (2010: \$189,000) which had been previously received and recognised as unearned revenue.		

	2011 \$'000	2010 \$'000
<b>NOTE 5: Financial Assets</b>		
<b>Note 5A: Cash and Cash Equivalents</b>		
Cash on hand or on deposit	36	210
<b>Total cash and cash equivalents</b>	<b>36</b>	<b>210</b>
<b>Note 5B: Trade and Other Receivables</b>		
<b>Goods and Services:</b>		
Goods and services - related entities	-	31
Goods and services - external parties	1	-
<b>Total receivables for goods and services</b>	<b>1</b>	<b>31</b>
<b>Other receivables:</b>		
GST receivable from the Australian Taxation Office	49	85
Special Account - cash held in the OPA	8 719	8 506
<b>Total other receivables</b>	<b>8 768</b>	<b>8 591</b>
<b>Total trade and other receivables (gross)</b>	<b>8 769</b>	<b>8 622</b>
<b>Total trade and other receivables (net)</b>	<b>8 769</b>	<b>8 622</b>
Receivables are expected to be recovered in:		
Less than 12 months	8 769	8 622
<b>Total trade and other receivables (net)</b>	<b>8 769</b>	<b>8 622</b>
Receivables are aged as follows:		
Not overdue	8 769	8 622
<b>Total receivables (gross)</b>	<b>8 769</b>	<b>8 622</b>

NATIONAL BLOOD AUTHORITY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
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	2011 \$'000	2010 \$'000
<b>NOTE 6: Non-Financial Assets</b>		
<b>Note 6A: Leasehold improvements</b>		
Fair value	157	157
Accumulated depreciation	( 120)	( 16)
<b>Total leasehold improvements</b>	<b>37</b>	<b>141</b>

No indicators of impairment were found for leasehold improvements.

No leasehold improvements are expected to be sold or disposed of within the next 12 months.

**Note 6B: Property, Plant and Equipment**

Other property, plant and equipment:

Fair Value	467	293
Accumulated depreciation	( 133)	( 39)
<b>Total property, plant and equipment</b>	<b>334</b>	<b>254</b>

All revaluations were conducted in accordance with the revaluation policy stated at Note 1. On 30/06/10, an independent valuer, the Australian Valuation Office, conducted the revaluations.

No revaluation increments for leasehold improvements (2010: \$108,005) and no increments for plant and equipment (2010: \$83,668) were credited to the asset revaluation reserve by asset class and included in the equity section of the balance sheet. No Decrements were expensed (2010: \$21,540).

No indicators of impairment were found for property, plant and equipment.

No property, plant or equipment is expected to be sold or disposed of within the next 12 months.

**Note 6C: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment (2010-11)**

	Leasehold improvements \$'000	Other property, plant and equipment \$'000	Total \$'000
<b>As at 1 July 2010</b>			
Gross book value	157	293	450
Accumulated depreciation and impairment	( 16)	( 39)	( 55)
<b>Net book value 1 July 2010</b>	<b>141</b>	<b>254</b>	<b>395</b>
Additions *	-	188	188
Depreciation expense	( 104)	( 102)	( 206)
Disposals:			
Other		( 6)	( 6)
<b>Net book value 30 June 2011</b>	<b>37</b>	<b>334</b>	<b>371</b>
<b>Net book value as of 30 June 2011 represented by:</b>			
Gross book value	157	467	624
Accumulated depreciation and impairment	( 120)	( 133)	( 253)
	<b>37</b>	<b>334</b>	<b>371</b>

\* Disaggregated additions information are disclosed in the Schedule of Asset Additions.

NOTE 6: Non-Financial Assets (cont..)

**Note 6C: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment (2009-10) (cont..)**

	Leasehold improvements \$'000	Infrastructure plant and equipment \$'000	Total Property, Plant and Equipment \$'000
<b>As at 1 July 2009</b>			
Gross book value	265	1 135	1 400
Accumulated depreciation and impairment	( 169)	( 652)	( 821)
<b>Net book value 1 July 2009</b>	<b>96</b>	<b>483</b>	<b>579</b>
Additions *	-	32	32
Revaluations and impairments recognised in other comprehensive income	108	83	191
Revaluations recognised in the operating result	-	( 22)	( 22)
Depreciation expense	( 63)	( 321)	( 384)
Disposals:			
Other disposals	-	( 1)	( 1)
<b>Net book value 30 June 2010</b>	<b>141</b>	<b>254</b>	<b>395</b>
<b>Net book value as of 30 June 2010 represented by:</b>			
Gross book value	157	293	450
Accumulated depreciation and impairment	( 16)	( 39)	( 55)
	<b>141</b>	<b>254</b>	<b>395</b>

\* Disaggregated additions information are disclosed in the Schedule of Asset Additions.

	2011 \$'000	2010 \$'000
<b>Note 6D: Intangibles</b>		
Computer software		
Internally developed - in use	2 566	2 453
Purchased	527	660
<b>Total computer software (gross)</b>	<b>3 093</b>	<b>3 113</b>
Accumulated amortisation	(1 798)	(1 503)
<b>Total computer software (net)</b>	<b>1 295</b>	<b>1 610</b>
<b>Total intangibles</b>	<b>1 295</b>	<b>1 610</b>

Apart from the matter referred to in Note 3D, no indicators of impairment were found for intangible assets.

No intangibles are expected to be sold or disposed of within the next 12 months.

NATIONAL BLOOD AUTHORITY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
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NOTE 6: Non-Financial Assets (cont..)

**Note 6E: Reconciliation of the Opening and Closing Balances of Intangibles (2010-11)**

Item	Computer software internally developed \$'000	Computer software purchased \$'000	Total \$'000
<b>As at 1 July 2010</b>			
Gross book value	2 453	660	3 113
Accumulated amortisation and impairment	( 971)	( 532)	( 1 503)
<b>Net book value 1 July 2010</b>	<b>1 482</b>	<b>128</b>	<b>1 610</b>
Additions *	142	156	298
Amortisation	( 518)	( 71)	( 589)
Disposals:			
Other disposals	( 24)	-	( 24)
<b>Net book value 30 June 2011</b>	<b>1 082</b>	<b>213</b>	<b>1 295</b>
<b>Net book value as of 30 June 2011 represented by:</b>			
Gross book value	2 566	527	3 093
Accumulated amortisation and impairment	( 1 484)	( 314)	( 1 798)
	<b>1 082</b>	<b>213</b>	<b>1 295</b>

\* Disaggregated additions information are disclosed in the Schedule of Asset Additions.

**Note 6E (Cont.): Reconciliation of the Opening and Closing Balances of Intangibles (2009-10)**

Item	Computer software internally developed \$'000	Computer software purchased \$'000	Total \$'000
<b>As at 1 July 2009</b>			
Gross book value	1 839	555	2 394
Accumulated amortisation and impairment	( 337)	( 410)	( 747)
<b>Net book value 1 July 2009</b>	<b>1 502</b>	<b>145</b>	<b>1 647</b>
Additions *	613	105	718
Impairments recognised in the operating result	( 166)	-	( 166)
Amortisation	( 467)	( 122)	( 589)
<b>Net book value 30 June 2010</b>	<b>1 482</b>	<b>128</b>	<b>1 610</b>
<b>Net book value as of 30 June 2010 represented by:</b>			
Gross book value	2 453	660	3 113
Accumulated amortisation and impairment	( 971)	( 532)	( 1 503)
	<b>1 482</b>	<b>128</b>	<b>1 610</b>

\* Disaggregated additions information are disclosed in the Schedule of Asset Additions.

	2011 \$'000	2010 \$'000
<b>NOTE 6: Non-Financial Assets (cont..)</b>		
<b>Note 6F: Other Non-Financial Assets</b>		
Prepayments	64	57
<b>Total other non-financial assets</b>	<b>64</b>	<b>57</b>
Total other non-financial assets are expected to be recovered in :		
No more than 12 months	64	57
<b>Total other non-financial assets</b>	<b>64</b>	<b>57</b>
No indicators of impairment were found for other non-financial assets.		
<b>NOTE 7: Payables</b>		
<b>Note 7A: Suppliers</b>		
Trade creditors and accruals	427	644
<b>Total supplier payables</b>	<b>427</b>	<b>644</b>
Supplier payables expected to be settled within 12 months:		
Related entities	38	23
External parties	389	621
<b>Total supplier payables</b>	<b>427</b>	<b>644</b>
Settlement is usually made within 30 days.		
<b>Note 7B: Other Payables</b>		
Salaries and wages	130	98
Unearned income from States and Territories	438	638
Unearned income from Commonwealth	856	1 087
<b>Total other payables</b>	<b>1 424</b>	<b>1 823</b>
Total other payables are expected to be settled in:		
No more than 12 months	1 424	1 823
<b>Total other payables</b>	<b>1 424</b>	<b>1 823</b>
<b>NOTE 8: Provisions</b>		
<b>Note 8A: Employee Provisions</b>		
Leave	1 213	1 194
<b>Total employee provisions</b>	<b>1 213</b>	<b>1 194</b>
Employee provisions are expected to be settled in:		
No more than 12 months	498	559
More than 12 months	715	635
<b>Total employee provisions</b>	<b>1 213</b>	<b>1 194</b>



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2011  
 \$'000

2010  
 \$'000

**NOTE 9: Cash Flow Reconciliation**

**Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement**

**Cash and cash equivalents as per:**

Cash flow statement	36	210
Balance sheet	36	210
<b>Difference</b>	<b>-</b>	<b>-</b>

**Reconciliation of net cost of services to net cash from operating activities:**

Net cost of services	( 5 710)	( 5 663)
Add revenue from Government	5 948	5 712

**Adjustments for non-cash items**

Depreciation / amortisation	796	973
Net write-down of non-financial assets	-	188
Loss on disposal of assets	6	1

**Changes in assets and liabilities:**

(Increase) / decrease in net receivables	( 147)	( 86)
(Increase) / decrease in non-financial assets	( 5)	18
Increase in employee provisions	16	10
Increase / (decrease) in supplier payables	( 51)	195
(Decrease) in other payables	( 565)	( 476)

**Net cash from operating activities**

**288**

**872**

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**NOTE 10: Contingent Liabilities and Assets**

Quantifiable Contingencies

There were no quantifiable contingent assets or liabilities in this reporting period.

Unquantifiable Contingencies

There were no unquantifiable contingent assets or liabilities in this reporting period.

Significant Remote Contingencies

The Australian Government has indemnified the lessor of the National Blood Authority's premises for negligent acts committed by the National Blood Authority up to the value of \$1,000,000.

**NOTE 11: Senior Executive Remuneration**

**Note 11A: Senior Executive Remuneration Expense for the Reporting Period**

	2011	2010
	\$	\$
Short-term employee benefits:		
Salary	983 219	831 523
Annual leave accrued	40 119	8 921
Performance bonuses	-	34 819
Vehicle allowances	64 050	55 322
Retention bonuses	-	35 000
Total short-term employee benefits	<u>1 087 388</u>	<u>965 585</u>
Post-employment benefits:		
Superannuation	153 984	139 266
Total post-employment benefits	<u>153 984</u>	<u>139 266</u>
Other long-term benefits:		
Long-service leave accrued	36 423	37 806
Long-service leave taken	24 902	14 256
Total other long-term benefits	<u>11 521</u>	<u>23 550</u>
<b>Total</b>	<u>1 252 893</u>	<u>1 128 401</u>

**Notes**

Note 11A was prepared on an accrual basis and excludes acting arrangements and part-year service where remuneration expensed was less than \$150,000.

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Note 11B: Average Annual Remuneration Packages and Bonus Paid for Substantive Senior Executives as at the end of the Reporting Period

	as at 30 June 2011				as at 30 June 2010			
	Senior Executives No.	Salary \$	Fixed Elements Allowances \$	Total Bonus Paid <sup>2</sup> \$	Senior Executives No.	Salary \$	Fixed Elements Allowances \$	Total Bonus Paid <sup>2</sup> \$
Total remuneration (including part-time arrangements):								
\$150,000 to \$179,999	2	161,357	30,423	191,780	2	143,891	29,680	173,571
\$180,000 to \$209,999	2	201,120	15,836	216,956	1	206,700	-	206,700
\$210,000 to \$239,999	1	285,202	-	285,202	1	180,000	31,000	211,000
\$240,000 to \$269,999					1	256,209	-	256,209
<b>Total</b>	<b>5</b>				<b>5</b>			<b>34,819</b>

Notes

1. This table reports on substantive senior executives who are employed by the entity as at the end of the reporting period. Fixed elements are based on the employment agreement of each individual - each row represents an average annualised figure (based on headcount) for the individuals in that remuneration package band (i.e. the 'Total' column).

2. Represents average actual bonuses paid during the reporting period. The 'Bonus paid' is excluded from the 'Total' calculation, (for the purpose of determining remuneration package bands). The 'Bonus paid' within a particular band may vary between financial years due to factors such as individuals commencing with or leaving the entity during the financial year.

Variable Elements:

With the exception of performance bonuses, variable elements are not included in the 'Fixed Elements and Bonus Paid' table above. The following variable elements are available as part of senior executives' remuneration package:

- (a) On average senior executives are entitled to the following leave entitlements:
  - Annual Leave (AL): entitled to 20 days (2010: 20 days) each full year worked (pro-rata for part-time SES);
  - Personal Leave (PL): entitled to 18 days (2010: 18 days) or part-time equivalent;
  - Long Service Leave (LSL): in accordance with Long Service Leave (Commonwealth Employees) Act 1976;
- (b) Senior executives are members of one of the following superannuation funds:
  - Commonwealth Superannuation Scheme (CSS): this scheme is closed to new members, and employer contributions currently average 28.3 per cent (2010: 24 per cent) (including productivity component). More information on CSS can be found at <http://www.css.gov.au>;
  - Health Super: More information on Health Super can be found at <http://www.healthsuper.com.au>;
  - UniSuper: More information on UniSuper can be found at <http://www.unisuper.com.au>.
- (c) Various salary sacrifice arrangements are available to senior executives including superannuation, motor vehicle and expense payment fringe benefits.

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**Note 11C: Other Highly Paid Staff**

During the reporting period, apart from the senior executives disclosed in Note 11A and Note 11B, there were no employees whose salary plus performance bonus was \$150,000 or more.

2011	2010
\$'000	\$'000

**NOTE 12: Remuneration of Auditors**

Financial statement audit services were provided free of charge to the NBA.

The fair value of the services provided was

94	80
<u>94</u>	<u>80</u>

No other services were provided by the auditors of the financial statements.

**NOTE 13: Financial Instruments**

**NOTE 13A: Categories of Financial Instruments**

**Financial Assets**

Loans and receivables:

Cash and cash equivalents	36	210
Trade and other receivables	1	31

**Carrying amount of financial assets**

<u>37</u>	<u>241</u>
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**Financial Liabilities**

At amortised cost:

Trade and other creditors	427	644
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**Carrying amount of financial liabilities**

<u>427</u>	<u>644</u>
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**Note 13B: Fair Value of Financial Instruments**

**Financial assets**

The fair values of all monetary financial assets approximate their carrying amounts.

**Financial liabilities**

The fair values of all monetary financial liabilities approximate their carrying amounts. All financial liabilities are current, therefore a maturity analysis is not required.

**Note 13C: Credit Risk**

The NBA is exposed to minimal credit risk as loans and receivables are cash and trade receivables. The maximum exposure to credit risk at reporting date in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the Balance Sheet.

The NBA has no significant exposures to any concentrations of credit risk.

**Note 13D: Liquidity Risk**

The NBA's financial liabilities are trade and other creditors. The exposure to liquidity risk is based on the notion that the NBA will encounter difficulty in meeting its obligations associated with financial liabilities. This is highly unlikely due to appropriation funding and mechanisms available to the NBA (e.g. Advance to the Finance Minister) and internal policies and procedures put in place to ensure there are appropriate resources to meet its financial obligations.

**Note 13E: Market Risk**

The NBA holds basic financial instruments that do not expose it to certain market risks. The NBA is not exposed to 'interest rate risk', 'currency risk' or 'other price risk'.

NATIONAL BLOOD AUTHORITY  
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
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NOTES TO THE SCHEDULE OF ADMINISTERED ITEMS

	2011 \$'000	2010 \$'000
<b>NOTE 14: Income Administered on Behalf of Government</b>		
<b><u>Revenue</u></b>		
<b>Non-Taxation Revenue</b>		
<b><u>Note 14A: Funding from Governments</u></b>		
Commonwealth contributions	591 889	548 057
State & Territory contributions	347 323	323 138
<b>Total funding from governments</b>	<b>939 212</b>	<b>871 195</b>
<b><u>Note 14B: Interest</u></b>		
Deposits	1 629	-
<b>Total interest</b>	<b>1 629</b>	<b>-</b>
<b><u>Note 14C: Other Revenue</u></b>		
Other contributions	175	1 354
<b>Total other revenue</b>	<b>175</b>	<b>1 354</b>
<b>NOTE 15: Expenses Administered on Behalf of Government</b>		
<b><u>Expenses</u></b>		
<b><u>Note 15A: Grants</u></b>		
Private sector:		
Non-profit organisations	-	456 881
<b>Total grants</b>	<b>-</b>	<b>456 881</b>
The nature of the grants in 2010 is Deeds for the provision of services relating to blood and blood related products and bleeding disorders and related activities.		
<b><u>Note 15B: Supplier Expenses</u></b>		
Purchases of blood products	936 120	400 508
Consultants	1 114	1 039
Other goods and services	720	596
<b>Total goods and services</b>	<b>937 954</b>	<b>402 143</b>
<b>Goods and services are made up of:</b>		
Provision of goods - external parties	936 195	400 536
Rendering of services - external parties	1 759	1 607
<b>Total suppliers expenses</b>	<b>937 954</b>	<b>402 143</b>
<b><u>Note 15C: Depreciation and Amortisation</u></b>		
Depreciation:		
Property, plant and equipment	6	-
Amortisation		
Intangibles	304	128
<b>Total depreciation and amortisation</b>	<b>310</b>	<b>128</b>

	2011 \$'000	2010 \$'000
<b>NOTE 16: Assets Administered on Behalf of Government</b>		
<b>Financial Assets</b>		
<b>Note 16A: Cash and Cash Equivalents</b>		
Cash on hand or on deposit	41 157	389
<b>Total cash and cash equivalents</b>	<b>41 157</b>	<b>389</b>
<b>Note 16B: Trade and other receivables</b>		
Goods and services receivable - external parties	3 037	3 037
Other receivables:		
Interest	1 083	-
GST receivable from Australian Taxation Office	13 619	10 210
<b>Total other receivables</b>	<b>14 702</b>	<b>10 210</b>
<b>Total trade and other receivables (gross)</b>	<b>17 739</b>	<b>13 247</b>
Less impairment allowance account:		
Goods and services	( 3 037)	( 3 037)
<b>Total trade and other receivables (net)</b>	<b>14 702</b>	<b>10 210</b>
Receivables are expected to be recovered in:		
No more than 12 months	14 702	10 210
<b>Total trade and other receivables (net)</b>	<b>14 702</b>	<b>10 210</b>
Receivables were aged as follows:		
Not overdue	14 702	10 210
Overdue by:		
More than 90 days	3 037	3 037
<b>Total receivables (gross)</b>	<b>17 739</b>	<b>13 247</b>
The impairment allowance account is aged as follows:		
Overdue by:		
More than 90 days	( 3 037)	( 3 037)
<b>Total impairment allowance account</b>	<b>( 3 037)</b>	<b>( 3 037)</b>
Goods and services receivables are with entities external to the Australian Government. Credit terms are within 30 days from date of invoice (2010: 30 days).		
<b>Reconciliation of the Impairment Allowance Account</b>		
<b>Movements</b>		
<b>Other Receivables</b>		
Opening balance	( 3 037)	( 3 037)
Increase / decrease recognised in net surplus	-	-
<b>Closing balance</b>	<b>( 3 037)</b>	<b>( 3 037)</b>

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	2011	2010
	\$'000	\$'000
<b>NOTE 16: Assets Administered on Behalf of Government (cont...)</b>		
<b>Note 16C: Other investments</b>		
Deposits <sup>(1)</sup>	40 611	-
<b>Total other investments</b>	<b>40 611</b>	<b>-</b>
Investments are expected to be recovered in:		
No more than 12 months	40 611	-
<b>Total other investments</b>	<b>40 611</b>	<b>-</b>
<sup>(1)</sup> Monies invested in term deposits with the Commonwealth Bank of Australia with a term exceeding 90 days.		
<b>Non-Financial Assets</b>		
<b>Note 16D: Inventories</b>		
National Reserve inventory held for distribution	37 996	40 143
Other inventory held for distribution	17 028	27 069
<b>Total inventories</b>	<b>55 024</b>	<b>67 212</b>
During 2010-11, \$475,998 of inventory held for distribution related to a net write-off of damaged and expired stock and was recognised as an expense (2010: \$1,247,277). No items of inventory were recognised at fair value less cost to sell. All inventory is expected to be distributed in the next 12 months.		
<b>Note 16E: Property, plant and equipment</b>		
Other property, plant and equipment:		
Fair value	36	-
Accumulated depreciation	( 6)	-
<b>Total property, plant and equipment</b>	<b>30</b>	<b>-</b>
No revaluation increments for plant and equipment (2010: \$nil) were credited to the asset revaluation reserve. No decrements (2010: \$nil) were expensed.		
No indicators of impairment were found for property, plant and equipment.		
No property, plant or equipment is expected to be sold or disposed of within the next 12 months.		
<b>TABLE A: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment (2010-11)</b>		
	<b>Other property, plant and equipment</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>As at 1 July 2010</b>		
Gross book value	-	-
Accumulated depreciation/amortisation and impairment	-	-
<b>Net book value 1 July 2010</b>	<b>-</b>	<b>-</b>
Additions*	36	36
Depreciation/amortisation expense	( 6)	( 6)
<b>Net book value 30 June 2011</b>	<b>30</b>	<b>30</b>
<b>Net book value as of 30 June 2011 represented by:</b>		
Gross book value	36	36
Accumulated depreciation and impairment	( 6)	( 6)
	<b>30</b>	<b>30</b>
* Disaggregated additions information are disclosed in the Schedule of Administered Asset Additions.		

	2011 \$'000	2010 \$'000
<b>NOTE 16: Assets Administered on Behalf of Government (cont...)</b>		
<b>Note 16F: Intangibles</b>		
Computer software		
Internally developed - in use	868	638
<b>Total computer software (gross)</b>	<b>868</b>	<b>638</b>
Accumulated amortisation	( 497)	( 193)
<b>Computer software (net)</b>	<b>371</b>	<b>445</b>
<b>Total intangibles (non-current)</b>	<b>371</b>	<b>445</b>

TABLE B: Reconciliation of the Opening and Closing Balances of Intangibles (2010-11)

	Computer software internally developed \$'000	Total \$'000
<b>As at 1 July 2010</b>		
Gross book value	638	638
Accumulated depreciation/amortisation and impairment	( 193)	( 193)
<b>Net book value 1 July 2010</b>	<b>445</b>	<b>445</b>
Additions*	230	230
Depreciation/amortisation expense	( 304)	( 304)
<b>Net book value 30 June 2011</b>	<b>371</b>	<b>371</b>
<b>Net book value as of 30 June 2011 represented by:</b>		
Gross book value	868	868
Accumulated depreciation and impairment	( 497)	( 497)
	<b>371</b>	<b>371</b>

\* Disaggregated additions information are disclosed in the Schedule of Administered Asset Additions.

Reconciliation of the Opening and Closing Balances of Intangibles (2009-10)

	Computer software internally developed \$'000	Total \$'000
<b>As at 1 July 2009</b>		
Gross book value	563	563
Accumulated depreciation/amortisation and impairment	( 65)	( 65)
<b>Net book value 1 July 2009</b>	<b>498</b>	<b>498</b>
Additions*	75	75
Depreciation/amortisation expense	( 128)	( 128)
<b>Net book value 30 June 2010</b>	<b>445</b>	<b>445</b>
<b>Net book value as of 30 June 2010 represented by:</b>		
Gross book value	638	638
Accumulated depreciation and impairment	( 193)	( 193)
	<b>445</b>	<b>445</b>

\* Disaggregated additions information are disclosed in the Schedule of Administered Asset Additions.



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	2011	2010
	\$'000	\$'000
<b>NOTE 16: Assets Administered on Behalf of Government (cont...)</b>		
<b>Note 16G: Other Non-Financial Assets</b>		
Prepayments <sup>1</sup>	75 401	12
<b>Total other non-financial assets</b>	<b>75 401</b>	<b>12</b>
<sup>1</sup> In 2011, this includes a prepayment to transition the Blood Service to the Output Based Funding Model (OBFM) arrangements.		
<b>NOTE 17: Liabilities Administered on Behalf of Government</b>		
<b>Payables</b>		
<b>Note 17A: Suppliers</b>		
Trade creditors and accruals <sup>2</sup>	68 934	39 496
<b>Total suppliers</b>	<b>68 934</b>	<b>39 496</b>
<sup>2</sup> In 2011, this includes accrued invoices from the Blood Service under the OBFM arrangements.		
Supplier payables expected to be settled within 12 months:		
Related entities	-	26 615
External parties	68 934	12 881
<b>Total suppliers</b>	<b>68 934</b>	<b>39 496</b>
Settlement is usually made within 30 days		
<b>Total liabilities administered on behalf of Government</b>	<b>68 934</b>	<b>39 496</b>
<b>NOTE 18: Administered Reconciliation Table</b>		
<b>Opening administered assets less administered liabilities as at 1 July</b>	<b>38 772</b>	<b>39 033</b>
Plus: Administered income	941 016	872 549
Less: Administered expenses (non CAC)	(938 264)	(859 152)
Administered transfers to/from Australian Government:		
Appropriation transfers from OPA:		
Annual appropriations for administered expenses (non CAC)	5 750	7 707
Special account:		
Transfers from OPA	1 163 441	943 037
Transfers to OPA	(1 052 353)	(964 402)
<b>Closing administered assets less administered liabilities as at 30 June</b>	<b>158 362</b>	<b>38 772</b>

**NOTE 19: Administered Contingent Liabilities and Assets**

Unquantifiable Administered Contingencies

Under certain conditions the Australian Government and the States/Territories jointly provide indemnity for the the Australian Red Cross Blood Service (the Blood Service) through a cost sharing arrangement for claims, both current and potential, regarding personal injury and loss of damage suffered by a recipient of certain blood products. The Australian Government's share of any liability is limited to sixty three percent of any agreed net cost.

The Deed of Agreement between the Australian Red Cross Society (the Red Cross) and the NBA in relation to the operation of the Blood Service includes certain indemnities and a limit of liability in favour of the Red Cross. These cover a defined set of potential business, product and employee risks and liabilities arising from the operations of the Blood Service. The indemnities and limitation of liability only operate in the event of the expiry and non-renewal, or the earlier termination, of the Deed of Agreement, and only within a defined scope. They are also subject to appropriate limitations and conditions including in relation to mitigation, contributory fault, and the process of handling relevant claims.

The Deed of Indemnity between the Red Cross and the NBA indemnifies the Red Cross in relation to the NSW and ACT Principal Sites (NAPS) and Victoria and Tasmania Principal Site (VTPS) development funding arrangements. If the NAPS or VTPS funding arrangements cease in respect of a NAPS or VTPS contract for any reason, the NBA indemnifies the Red Cross in respect of the liability of the Red Cross to make payments of a Funded Obligation, to the extent that the payments become due and payable under the terms of the NAPS or VTPS contract after the date when the Red Cross no longer has sufficient NAPS or VTPS funding to meet the funded obligations as a result of the cessation of the NAPS or VTPS funding.

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	2011 \$'000	2010 \$'000
<b>NOTE 20: Administered Financial Instruments</b>		
<b><u>NOTE 20A: Categories of Financial Instruments</u></b>		
<b>Financial assets</b>		
Held-to-maturity:		
Deposits	40 611	-
<b>Total</b>	<b>40 611</b>	<b>-</b>
Loans and receivables:		
Cash on hand or on deposit	41 157	389
Trade and other receivables	1 083	-
<b>Total</b>	<b>42 240</b>	<b>389</b>
<b>Carrying amount of financial assets</b>	<b>82 851</b>	<b>389</b>
<b>Financial Liabilities</b>		
At amortised cost:		
Trade and other creditors	68 934	39 496
<b>Carrying amount of financial liabilities</b>	<b>68 934</b>	<b>39 496</b>

**Note 20B: Fair Value of Financial Instruments**

**Financial assets**

The fair values of all monetary financial assets approximate their carrying amounts.

**Financial liabilities**

The fair values of all monetary financial liabilities approximate their carrying amounts.

**Note 20C: Credit Risk**

The NBA is exposed to minimal credit risk as loans and receivables are cash and trade receivables. The maximum exposure to credit risk at reporting date in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the Balance Sheet.

The NBA has no significant exposures to any concentrations of credit risk.

**Note 20D: Liquidity Risk**

The NBA's financial liabilities are trade and other creditors. The exposure to liquidity risk is based on the notion that the NBA will encounter difficulty in meeting its obligations associated with financial liabilities. This is highly unlikely due to special account funding and internal policies and procedures put in place to ensure there are appropriate resources to meet its financial obligations.

**Note 20E: Market Risk**

The NBA holds basic financial instruments that do not expose it to certain market risks. The NBA is not exposed to 'interest rate risk', 'currency risk' or 'other price risk'.

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Note 21 Appropriations

Table A: Annual Appropriations (Recoverable GST exclusive<sup>1</sup>)

	2011 Appropriations						Appropriation applied in 2011 (current and prior years) <sup>3</sup> \$'000	Variance \$'000
	Appropriation Act		FMA Act					
	Annual Appropriation \$'000	Appropriations reduced <sup>1</sup> \$'000	AFM <sup>2</sup> \$'000	Section 30 \$'000	Section 31 \$'000	Section 32 \$'000		
<b>DEPARTMENTAL</b>								
Ordinary annual services	5,608	-	-	-	640	-	6,248	-
Other services	-	-	-	-	n/a	-	-	-
Equity	-	-	-	-	n/a	-	-	-
Loans	-	-	-	-	n/a	-	-	-
<b>Total departmental</b>	<b>5,608</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>640</b>	<b>-</b>	<b>6,248</b>	<b>-</b>
<b>ADMINISTERED</b>								
Ordinary annual services	5,750	-	-	-	n/a	-	5,750	-
Administered items	-	-	-	-	n/a	-	-	-
Payments to CAC Act bodies	-	-	-	-	n/a	-	-	-
<b>Total administered</b>	<b>5,750</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>n/a</b>	<b>-</b>	<b>5,750</b>	<b>-</b>

Notes:

- Appropriations reduced under Appropriation Acts (No. 1,3,5) 2010-11; sections 10,11,12 and 15 and under Appropriation Acts (No. 2,4,6) 2010-11; sections 12,13,14 and 17. Departmental appropriations do not lapse at financial year end. However, the responsible Minister may decide that part or all of a departmental appropriation is not required and request the Finance Minister to reduce that appropriation. The reduction in the appropriation is effected by the Finance Minister's determination and is disallowable by Parliament.
- Advance to the Finance Minister (AFM) - Appropriation Acts (No. 1,3,5) 2010-11; section 13 and Appropriation Acts (No. 2,4,6) 2010-11; section 15.
- Appropriation applied for administered items reflects the transfer to the Special Account which was established under the FMA Act 1997 section 21.

	2010 Appropriations						Appropriation applied in 2010 (current and prior years) <sup>3</sup> \$'000	Variance \$'000	
	Appropriation Act		FMA Act						
	Annual Appropriation \$'000	Appropriations reduced \$'000	AFM <sup>2</sup> \$'000	Section 14 (Act No. 1) \$'000	Section 30 \$'000	Section 31 \$'000			Section 32 \$'000
<b>DEPARTMENTAL</b>									
Ordinary annual services	5,523	-	-	-	-	162	-	5,685	-
Other services	-	-	-	-	-	n/a	-	-	-
Equity	-	-	-	-	-	n/a	-	-	-
Loans	-	-	-	-	-	n/a	-	-	-
Previous years' outputs	-	-	-	-	-	n/a	-	-	-
<b>Total departmental</b>	<b>5,523</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>162</b>	<b>-</b>	<b>5,685</b>	<b>-</b>
<b>ADMINISTERED</b>									
Ordinary annual services	7,707	-	-	-	-	n/a	-	7,707	-
Administered items	-	-	-	-	-	n/a	-	-	-
Payments to CAC Act bodies	-	-	-	-	-	n/a	-	-	-
<b>Total administered</b>	<b>7,707</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>n/a</b>	<b>-</b>	<b>7,707</b>	<b>-</b>

Notes:

- Appropriations reduced under Appropriation Acts (No. 1,3) 2009-10; sections 10,11 and 12 and under Appropriation Acts (No. 2,4) 2009-10; sections 13 and 14. Departmental appropriations do not lapse at financial year end. However, the responsible Minister may decide that part or all of a departmental appropriation is not required and request the Finance Minister to reduce that appropriation. The reduction in the appropriation is effected by the Finance Minister's determination and is disallowable by Parliament.
- Advance to the Finance Minister (AFM) - Appropriation Acts (No. 1,3) 2009-10; section 13 and Appropriation Acts (No. 2,4) 2009-10; section 15.
- Appropriation applied for administered items reflects the transfer to the Special Accounts which were established under the FMA Act 1997 sections 20 and 21.

NATIONAL BLOOD AUTHORITY  
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for the year ended 30 June 2011

**Note 21 Appropriations (cont...)**

**Table B: Unspent Departmental Annual Appropriations ('Recoverable GST exclusive')**

Table B is blank for financial years 2010 and 2011.

**Table C: Special Appropriations ('Recoverable GST exclusive')**

Table C is blank for financial years 2010 and 2011.

**Table D: Disclosure by Agent in Relation to Annual and Special Appropriations ('Recoverable GST exclusive')**

Table D is blank for financial years 2010 and 2011.

**Table E: Reduction in Administered Items ('Recoverable GST exclusive')**

Table E is blank for financial years 2010 and 2011.

**NATIONAL BLOOD AUTHORITY**  
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2011  
\$

2010  
\$

**NOTE 22: Special Accounts**

**THE NATIONAL BLOOD ACCOUNT**

*Appropriation: Financial Management and Accountability Act 1997 section 21*  
*Establishing Instrument: National Blood Authority Act 2003*

*Purpose:* The National Blood Authority was established on 1 July 2003 with the principal role of managing the national blood arrangements, ensuring sufficient supply and to provide a new focus on the safety and quality of blood and blood products. The funding for blood and blood products is funded from a special account established under the *National Blood Authority Act 2003, section 40*. The NBA's activities contributing to its outcome are classified as either departmental or administered. Departmental activities involve the use of assets, liabilities, revenues and expenses controlled by the agency in its own right. Administered activities involve the management or oversight by the NBA on behalf of the Government of items controlled or incurred by the Government.

**National Blood Account - Departmental**

<b>Balance brought forward from previous period</b>	<b>8 716 068</b>	<b>8 507 242</b>
Appropriation for reporting period	5 608 000	5 523 000
Other receipts - State and Territory contributions	3 292 943	3 249 478
Other receipts	663 797	162 382
<b>Total increase</b>	<b>9 564 740</b>	<b>8 934 860</b>
<b>Available for payments</b>	<b>18 280 808</b>	<b>17 442 102</b>
Payments made to employees	5 626 351	5 441 731
Payments made to suppliers	3 898 972	3 284 303
<b>Total decrease</b>	<b>9 525 323</b>	<b>8 726 034</b>
<b>Total balance carried to the next period and represented by:</b>	<b>8,755,485</b>	<b>8 716 068</b>
Cash - held in the Official Public Account	8 719 019	8 505 743
Cash - held by the NBA	36 466	210 325
<b>Total balance carried to the next period</b>	<b>8 755 485</b>	<b>8 716 068</b>

**National Blood Account - Administered**

<b>Balance brought forward from previous period</b>	<b>170 173 030</b>	<b>159 270 493</b>
Appropriation for reporting period	5 750 000	4 746 000
Other receipts - Commonwealth contributions	586 952 925	543 120 946
Other receipts - State and Territory contributions	344 424 339	320 239 195
Other receipts - External parties	14 829	233 664
<b>Total increase</b>	<b>937 142 093</b>	<b>868 339 805</b>
<b>Available for payments</b>	<b>1 107 315 123</b>	<b>1 027 610 298</b>
Payments made to suppliers	975 244 970	857 437 268
<b>Total decrease</b>	<b>975 244 970</b>	<b>857 437 268</b>
<b>Total balance carried to the next period and represented by:</b>	<b>132 070 153</b>	<b>170 173 030</b>
Cash - held in the Official Public Account	132 070 153	169 784 434
Cash - held by the NBA	-	388 596
<b>Total balance carried to the next period</b>	<b>132 070 153</b>	<b>170 173 030</b>

**NATIONAL BLOOD AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
*for the year ended 30 June 2011*

	2011 \$	2010 \$
<b>NOTE 22: Special Accounts (cont..)</b>		
<b>NATIONAL MANAGED FUND (BLOOD AND BLOOD PRODUCTS)</b>		
<i>Appropriation: Financial Management and Accountability Act 1997 section 20</i>		
<i>Establishing Instrument: Financial Management and Accountability Act 1997 section 20</i>		
<i>Purpose: For the receipt of monies and payment of all expenditure related to the management of blood and blood products liability claims against the Australian Red Cross Society (ARCS) in relation to the activities undertaken by the operating division of the ARCS known as the Australian Red Cross Blood Service.</i>		
<b><u>National Managed Fund (Blood and Blood Products) - Administered</u></b>		
<b>Balance brought forward from previous period</b>	<b>74 448 609</b>	<b>63 597 682</b>
Appropriation for reporting period	-	2 961 000
Other receipts - Commonwealth contributions	<b>4 936 113</b>	4 936 113
Other receipts - State and Territory contributions	<b>2 898 987</b>	2 898 987
Other receipts - External parties	<b>705 645</b>	159 900
<b>Total increase</b>	<b>8 540 745</b>	<b>10 956 000</b>
<b>Available for payments</b>	<b>82 989 354</b>	<b>74 553 682</b>
Payments made to suppliers	<b>145 977</b>	105 073
Investments made from the special account (FMA Act section 39)	<b>81 767 756</b>	-
<b>Total decrease</b>	<b>81 913 733</b>	<b>105 073</b>
<b>Total balance carried to the next period and represented by:</b>	<b>1 075 621</b>	<b>74 448 609</b>
Cash - held in the Official Public Account	<b>1 075 621</b>	<b>74 448 609</b>
<b>Total balance carried to the next period</b>	<b>1 075 621</b>	<b>74 448 609</b>

**OTHER TRUST MONEY SPECIAL ACCOUNT**

On 12 October 2010, the Minister for Finance and Deregulation issued Determination 2010/13 abolishing the "Other Trust Moneys - National Blood Authority Special Account" which had been established under section 20 of the *Financial Management and Accountability Act 1997*. During the financial years 2010 and 2011, the account had a nil balance and there were no transactions debited or credited to it.

**NOTE 23: Compensation and Debt Relief**

**Administered**

No 'Act of Grace' expenses were incurred during the reporting period. (2010: no expenses)

No waivers of amounts owing to the Australian Government were made pursuant to subsection 34 (1) of the *Financial Management and Accountability Act 1997*. (2010: no waivers)

No ex gratia payments were provided during the reporting period. (2010: no payments)

**Departmental**

No payments were made under the Defective Administration Scheme during the reporting period. (2010: no payments)

No payments were made under section 73 of the *Public Service Act 1999* during the reporting period. (2010: no payments)

**Note 24: Reporting of Outcomes**

**Note 24A: Net Cost of Outcome Delivery**

Particulars	Outcome 1	
	2011 \$'000	2010 \$'000
<b>Expenses</b>		
Administered	938 264	859 152
Departmental	9 784	9 475
<b>Total expenses</b>	<b>948 048</b>	<b>868 627</b>
<b>Income from non-government sector</b>		
<b>Administered</b>		
Activities subject to cost recovery	-	-
Other	349 127	324 492
<b>Total administered</b>	<b>349 127</b>	<b>324 492</b>
<b>Departmental</b>		
Activities subject to cost recovery	-	-
Other	4 074	3 812
<b>Total departmental</b>	<b>4 074</b>	<b>3 812</b>
<b>Total</b>	<b>353 201</b>	<b>328 304</b>
<b>Other own-source income</b>		
Administered	-	-
Departmental	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>Net cost / (contribution) of outcome delivery</b>	<b>594 847</b>	<b>540 323</b>

The National Blood Authority operates under one outcome and one output. Transactions reported under this output are reported in the Statement of Comprehensive Income and the Balance Sheet.

Outcome 1 is described in Note 1.1. Net costs shown include intra-government costs that are eliminated in calculating the actual Budget Outcome. Refer to Outcome 1 Resourcing Table in this Annual Report.

Costs recovered include contributions from State and Territory governments.

**Note 24B: Major Classes of Departmental Expense, Income, Assets and Liabilities by Outcomes**

Particulars	Outcome 1	
	2011 \$'000	2010 \$'000
<b>Departmental Expenses</b>		
Employees	5 869	5 636
Suppliers	3 114	2 677
Depreciation and amortisation	795	973
Other expenses	6	189
<b>Total</b>	<b>9 784</b>	<b>9 475</b>
<b>Departmental Income</b>		
Income from government	5 948	5 712
Sales of goods and services	3 980	3 732
Other non-taxation revenue	94	80
<b>Total</b>	<b>10 022</b>	<b>9 524</b>
<b>Departmental Assets</b>		
Cash and cash equivalents	36	210
Trade and other receivables	8 769	8 622
Leasehold Improvements	37	141
Infrastructure, plant and equipment	334	254
Intangibles	1 295	1 610
Other non-financial assets	64	57
<b>Total</b>	<b>10 535</b>	<b>10 894</b>
<b>Departmental Liabilities</b>		
Suppliers	427	644
Other payables	1 424	1 823
Employee provisions	1 213	1 194
<b>Total</b>	<b>3 064</b>	<b>3 661</b>

Outcome 1 is described in Note 1.1. Net costs shown include intra-government costs that are eliminated in calculating the actual Budget Outcome.



NATIONAL BLOOD AUTHORITY  
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
 for the year ended 30 June 2011

Note 24: Reporting of Outcomes (cont...)

Note 24C: Major Classes of Administered Expenses, Income, Assets and Liabilities by Outcomes

Particulars	Outcome 1	
	2011 \$'000	2010 \$'000
<b>Administered expenses</b>		
Grants	-	456 881
Suppliers	937 954	402 143
Amortisation	310	128
<b>Total</b>	<b>938 264</b>	<b>859 152</b>
<b>Administered income</b>		
Provision of goods - related entities	591 889	548 057
Provision of goods - external parties	347 323	323 138
Interest	1 629	-
Other	175	1 354
<b>Total</b>	<b>941 016</b>	<b>872 549</b>
<b>Administered assets</b>		
Cash and cash equivalents	41 157	389
Receivables	14 702	10 210
Investments	40 611	-
Inventories	55 024	67 212
Property, plant and equipment	30	-
Intangibles	371	445
Other non-financial assets	75 401	12
<b>Total</b>	<b>227 296</b>	<b>78 268</b>
<b>Administered liabilities</b>		
Suppliers	68 934	39 496
<b>Total</b>	<b>68 934</b>	<b>39 496</b>

Outcome 1 is described in Note 1.1.