



## **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 2012, 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 and Contingencies; Administered Schedule of Comprehensive Income; Administered Schedule of Assets and Liabilities; Administered Reconciliation Schedule; Administered Cash Flow Statement; Schedule of Administered Commitments; Schedule of Administered Contingencies; 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 Chief Executive of the National Blood Authority 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 is necessary to enable the preparation of the financial statements that give a true and fair view and 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 have 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 valuating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Chief Executive of the National Blood Authority, 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 2012 and of its financial performance and cash flows for the year then ended.

Australian National Audit Office

A handwritten signature in black ink, appearing to read 'K. Gage', with a horizontal line extending to the left.

Kristian Gage  
Audit Principal

Delegate of the Auditor-General

Canberra

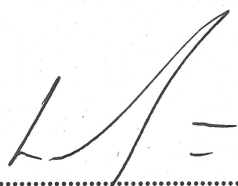
7 August 2012

**NATIONAL BLOOD AUTHORITY**  
**FINANCIAL STATEMENTS**  
*For the year ended 30 June 2012*

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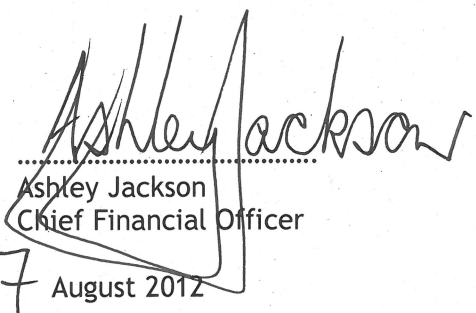
**Statement by the Chief Executive and Chief Financial Officer**

In our opinion, the attached financial statements for the year ended 30 June 2012 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.



.....  
Leigh McJames  
Chief Executive Officer

7 August 2012



.....  
Ashley Jackson  
Chief Financial Officer

7 August 2012

**NATIONAL BLOOD AUTHORITY**  
**STATEMENT OF COMPREHENSIVE INCOME**  
*for the year ended 30 June 2012*

	Notes	2012 \$'000	2011 \$'000
<b>EXPENSES</b>			
Employee benefits	3A	6 776	5 869
Suppliers	3B	2 840	3 114
Depreciation and amortisation	3C	751	795
Losses from asset sales	3D	13	6
<i>Total expenses</i>		<u>10 380</u>	<u>9 784</u>
<b>LESS:</b>			
<b>OWN-SOURCE INCOME</b>			
Own-source revenue			
Sale of goods and rendering of services	4A	232	487
Other revenue	4B	3 704	3 493
<i>Total own-source revenue</i>		<u>3 936</u>	<u>3 980</u>
Gains			
Other gains	4C	94	94
<i>Total gains</i>		<u>94</u>	<u>94</u>
<i>Total own-source income</i>		<u>4 030</u>	<u>4 074</u>
Net cost of services		<u>6 350</u>	<u>5 710</u>
Revenue from Government	4D	<u>5 686</u>	<u>5 948</u>
Surplus (Deficit)		<u>( 664)</u>	<u>238</u>
<b>Total comprehensive income (loss)</b>		<u><b>( 664)</b></u>	<u><b>238</b></u>

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

**NATIONAL BLOOD AUTHORITY**  
**BALANCE SHEET**  
*as at 30 June 2012*

	Notes	2012 \$'000	2011 \$'000
<b>ASSETS</b>			
<b>Financial Assets</b>			
Cash and cash equivalents	5A, 9	30	36
Trade and other receivables	5B	7 993	8 769
<i>Total financial assets</i>		<u>8 023</u>	<u>8 805</u>
<b>Non-Financial Assets</b>			
Leasehold improvements	6A, 6C	-	37
Property, plant and equipment	6B, 6C	353	334
Intangibles	6D, 6E	837	1 295
Other non-financial assets	6F	87	64
<i>Total non-financial assets</i>		<u>1 277</u>	<u>1 730</u>
<b>Total assets</b>		<u>9 300</u>	<u>10 535</u>
<b>LIABILITIES</b>			
<b>Payables</b>			
Suppliers	7A	572	427
Other payables	7B	150	1 424
<i>Total payables</i>		<u>722</u>	<u>1 851</u>
<b>Provisions</b>			
Employee provisions	8A	1 217	1 213
<i>Total provisions</i>		<u>1 217</u>	<u>1 213</u>
<b>Total liabilities</b>		<u>1 939</u>	<u>3 064</u>
<b>Net assets</b>		<u>7 361</u>	<u>7 471</u>
<b>EQUITY</b>			
Contributed equity		1 366	812
Reserves		206	206
Retained surplus		5 789	6 453
<b>Total equity</b>		<u>7 361</u>	<u>7 471</u>

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 2012*

	Retained earnings		Asset revaluation surplus		Contributed equity/capital		Total equity	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
<b>Opening balance</b>								
Balance carried forward from previous period	6 453	6 215	206	206	812	812	7 471	7 233
<b>Adjusted opening balance</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>Comprehensive Income</b>								
Surplus (Deficit) for the period	( 664)	238	-	-	-	-	( 664)	238
<b>Total comprehensive income</b>	<b>( 664)</b>	<b>238</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>( 664)</b>	<b>238</b>
<b>Transactions with owners</b>								
<i>Contributions by owners</i>								
Departmental capital budget	-	-	-	-	554	-	554	-
<b>Sub-total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>554</b>	<b>-</b>	<b>554</b>	<b>-</b>
<b>Closing balance as at 30 June</b>	<b>5 789</b>	<b>6 453</b>	<b>206</b>	<b>206</b>	<b>1 366</b>	<b>812</b>	<b>7 361</b>	<b>7 471</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 2012*

	Notes	2012 \$'000	2011 \$'000
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Appropriations		4 940	5 608
Sales of goods and rendering of services		3 314	3 933
Net GST received		295	366
Cash transferred from the Official Public Account		1 314	-
<i>Total cash received</i>		<u>9 863</u>	<u>9 907</u>
<b>Cash used</b>			
Employees		6 298	5 626
Suppliers		3 421	3 353
Section 31 receipts transferred to OPA		47	640
<i>Total cash used</i>		<u>9 766</u>	<u>9 619</u>
<b>Net cash from operating activities</b>	9	<u>97</u>	<u>288</u>
<b>INVESTING ACTIVITIES</b>			
<b>Cash received</b>			
Proceeds from sales of property, plant and equipment		2	-
Proceeds from sales of intangibles		-	24
<i>Total cash received</i>		<u>2</u>	<u>24</u>
<b>Cash used</b>			
Purchase of property, plant and equipment		161	188
Purchase of intangibles		123	298
<i>Total cash used</i>		<u>284</u>	<u>486</u>
<b>Net cash (used by) investing activities</b>		<u>( 282)</u>	<u>( 462)</u>
<b>FINANCING ACTIVITIES</b>			
<b>Cash received</b>			
Contributed equity - Departmental capital budget		179	-
<i>Total cash received</i>		<u>179</u>	<u>-</u>
<b>Net cash from financing activities</b>		<u>179</u>	<u>-</u>
<i>Net increase (decrease) in cash held</i>		<u>( 6)</u>	<u>( 174)</u>
Cash and cash equivalents at the beginning of the reporting period		36	210
Cash and cash equivalents at the end of the reporting period	5A	<u>30</u>	<u>36</u>

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

**NATIONAL BLOOD AUTHORITY**  
**SCHEDULE OF COMMITMENTS AND CONTINGENCIES**  
*as at 30 June 2012*

	2012 \$'000	2011 \$'000
<b>BY TYPE</b>		
Commitments receivable		
Net GST recoverable on commitments	167	67
<i>Total commitments receivable</i>	<u>167</u>	<u>67</u>
Commitments payable		
Capital commitments		
Property, plant and equipment	253	-
Intangibles	-	1
<i>Total capital commitments<sup>1</sup></i>	<u>253</u>	<u>1</u>
Other commitments		
Operating leases	545	164
Other	1 043	576
<i>Total other commitments<sup>2</sup></i>	<u>1 588</u>	<u>740</u>
<i>Net commitments by type</i>	<u>1 674</u>	<u>674</u>
<b>BY MATURITY</b>		
Commitments receivable		
Other commitments receivable		
One year or less	107	67
From one to five years	60	-
<i>Total other commitments receivable</i>	<u>167</u>	<u>67</u>
Commitments payable		
Capital commitments		
One year or less	253	1
<i>Total capital commitments<sup>1</sup></i>	<u>253</u>	<u>1</u>
Operating lease commitments		
One year or less	414	164
From one to five years	131	-
<i>Total operating lease commitments</i>	<u>545</u>	<u>164</u>
Other commitments		
One year or less	514	576
From one to five years	529	-
<i>Total other commitments<sup>2</sup></i>	<u>1 043</u>	<u>576</u>
<i>Net commitments by maturity</i>	<u>1 674</u>	<u>674</u>

Note: Commitments are GST inclusive where relevant.

<sup>1</sup> The nature of capital commitments is procurement of IT hardware.

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

    Canberra office - The current lease for office accommodation expires on 31 October 2013.

    Melbourne office - The current lease for office accommodation expires on 30 November 2012.

**QUANTIFIABLE CONTINGENCIES**

None

Information on significant remote contingencies and contingencies that cannot be quantified is disclosed in Note 10: Contingent Assets and Liabilities.

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



**NATIONAL BLOOD AUTHORITY**  
**ADMINISTERED SCHEDULE OF COMPREHENSIVE INCOME**  
*for the year ended 30 June 2012*

	Notes	2012 \$'000	2011 \$'000
<b>EXPENSES</b>			
Suppliers	15A	947 820	937 954
Grants	15B	7 773	-
Depreciation and amortisation	15C	291	310
<i>Total expenses administered on behalf of Government</i>		<u>955 884</u>	<u>938 264</u>
<b>LESS:</b>			
<b>OWN-SOURCE INCOME</b>			
Own-source revenue			
Non-taxation revenue			
Funding from governments	16A	1 015 586	939 212
Interest	16B	4 801	1 629
Other revenue	16C	14 523	175
<i>Total own-source revenue administered on behalf of Government</i>		<u>1 034 910</u>	<u>941 016</u>
<i>Total own-source income administered on behalf of Government</i>		<u>1 034 910</u>	<u>941 016</u>
Net (contribution by) services		<u>( 79 026)</u>	<u>( 2 752)</u>
Surplus		<u>79 026</u>	<u>2 752</u>
<b>Total comprehensive income</b>		<u>79 026</u>	<u>2 752</u>

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

**NATIONAL BLOOD AUTHORITY**  
**ADMINISTERED SCHEDULE OF ASSETS AND LIABILITIES**  
*as at 30 June 2012*

	Notes	2012 \$'000	2011 \$'000
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash and cash equivalents	17A, 20	5 340	41 157
Trade and other receivables	17B	208 383	147 848
Other investments	17C	88 335	40 611
<i>Total financial assets</i>		<b>302 058</b>	<b>229 616</b>
<b>Non-financial assets</b>			
Inventories	18A	60 173	55 024
Property, plant and equipment	18B	404	30
Intangibles	18D	1 061	371
Other non-financial assets	18F	76 068	75 401
<i>Total non-financial assets</i>		<b>137 706</b>	<b>130 826</b>
<b>Total assets administered on behalf of Government</b>		<b>439 764</b>	<b>360 442</b>
<b>LIABILITIES</b>			
<b>Payables</b>			
Suppliers	19A	61 551	68 934
<i>Total payables</i>		<b>61 551</b>	<b>68 934</b>
<b>Total liabilities administered on behalf of Government</b>		<b>61 551</b>	<b>68 934</b>
<b>Net assets</b>		<b>378 213</b>	<b>291 508</b>

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

**NATIONAL BLOOD AUTHORITY**  
**ADMINISTERED RECONCILIATION SCHEDULE**  
*as at 30 June 2012*

	2012 \$'000	2011 \$'000
<i>Opening administered assets less administered liabilities as at 1 July</i>	291 508	283 006
Surplus (deficit) items:		
Plus: Administered income	1 034 910	941 016
Less: Administered expenses (non CAC)	( 955 884)	( 938 264)
Administered transfers to/from Australian Government:		
Appropriation transfers from OPA:		
Annual appropriations for administered expenses (non CAC)	7 679	5 750
<i>Closing administered assets less administered liabilities as at 30 June</i>	378 213	291 508

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

**NATIONAL BLOOD AUTHORITY**  
**ADMINISTERED CASHFLOW STATEMENT**  
*for the year ended 30 June 2012*

	Notes	2012 \$'000	2011 \$'000
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Commonwealth contributions		640 176	591 889
State and territory contributions		376 213	347 323
Interest		3 067	546
Net GST received		94 517	96 682
Other		15 975	198
<i>Total cash received</i>		<b>1 129 948</b>	<b>1 036 638</b>
<b>Cash used</b>			
Grants		8 551	-
Suppliers		1 058 418	1 071 831
<i>Total cash used</i>		<b>1 066 969</b>	<b>1 071 831</b>
<b>Net cash flows from (used by) operating activities</b>	20	<b>62 979</b>	<b>(35 193)</b>
<b>INVESTING ACTIVITIES</b>			
<b>Cash received</b>			
Investments		46 535	-
<i>Total cash received</i>		<b>46 535</b>	<b>-</b>
<b>Cash used</b>			
Purchase of property, plant & equipment		336	36
Purchase of intangibles		147	230
Investments		94 259	40 611
<i>Total cash used</i>		<b>94 742</b>	<b>40 877</b>
<b>Net cash flows (used by) investing activities</b>		<b>( 48 207)</b>	<b>( 40 877)</b>
<i>Net increase (decrease) in Cash Held</i>		<b>14 772</b>	<b>(76 070)</b>
Cash and cash equivalents at the beginning of the reporting period		41 157	389
Cash from Official Public Account for:			
- Appropriations		7 679	5 750
- Special accounts		1 176 715	1 163 441
		<b>1 184 394</b>	<b>1 169 191</b>
Cash to Official Public Account for:			
- Special accounts		1 234 983	1 052 353
<b>Cash and cash equivalents at the end of the reporting period</b>	17A	<b>5,340</b>	<b>41 157</b>

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

**NATIONAL BLOOD AUTHORITY**  
**SCHEDULE OF ADMINISTERED COMMITMENTS**  
*as at 30 June 2012*

	2012 \$'000	2011 \$'000
<b>BY TYPE</b>		
Commitments receivable		
Net GST recoverable on commitments	278 569	275 254
<i>Total commitments receivable</i>	278 569	275 254
Commitments payable		
Capital commitments		
Intangibles	-	261
<i>Total capital commitments<sup>1</sup></i>	-	261
Other commitments		
Other	3 064 260	3 027 529
<i>Total other commitments<sup>2</sup></i>	3 064 260	3 027 529
<i>Net commitments by type</i>	2 785 691	2 752 536
<b>BY MATURITY</b>		
Commitments receivable		
Other commitments receivable		
One year or less	106 635	84 519
From one to five years	150 500	128 601
Over five years	21 434	62 134
<i>Total other commitments receivable</i>	278 569	275 254
Commitments payable		
Capital commitments		
One year or less	-	261
<i>Total capital commitments<sup>1</sup></i>	-	261
Other commitments		
One year or less	1 172 987	929 449
From one to five years	1 655 502	1 414 610
Over five years	235 771	683 470
<i>Total other commitments<sup>2</sup></i>	3 064 260	3 027 529
<i>Net commitments by maturity</i>	2 785 691	2 752 536

Note: 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 CONTINGENCIES**

*as at 30 June 2012*

	2012	2011
	\$'000	\$'000
<b>Contingent assets</b>		
Guarantees	-	-
Indemnities	-	-
Claims for damages or costs	-	-
<b>Total contingent assets</b>	<b>-</b>	<b>-</b>
<b>Contingent liabilities</b>		
Guarantees	-	-
Indemnities	285 481	-
Claims for damages or costs	-	-
<b>Total contingent liabilities</b>	<b>285 481</b>	<b>-</b>

The Deed of Indemnity between the Red Cross and the NBA indemnifies the Red Cross in relation to the Sydney Processing Centre (SPC) and the Melbourne Processing Centre (MPC) funding arrangements. If the SPC or MPC funding arrangements cease in respect of an SPC or MPC 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 SPC or MPC contract after the date when the Red Cross no longer has sufficient SPC or MPC funding to meet the funded obligations as a result of the cessation of the SPC or MPC funding.

Information on significant remote contingencies and contingencies that cannot be quantified is disclosed in Note 21: Administered - Contingent Assets and Liabilities.

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 2012*

**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 funding 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 and the governments of the states and territories. Under this agreement, the Australian Government contributes 63 per cent of blood supply funding and state and territory governments 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.

Details of planned activities for the year can be found in the Agency Portfolio Budget Statements for 2011-12 which have been tabled in Parliament.

**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 2011; 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.

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

**NATIONAL BLOOD AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
*for the year ended 30 June 2012*

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

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.

## **1.3 Significant Accounting Judgments and Estimates**

In the process of applying the accounting policies listed in this note, the NBA has made no judgements that have a significant impact on the amounts recorded in the financial statements.

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 reporting 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.

All new standards, revised standards, interpretations and amending standards that were issued prior to the signing of the statement by the chief executive and chief financial officer and are applicable to the current reporting period did not have a material 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 or amending standards were issued by the Australian Accounting Standards Board prior to the signing of the statement by the chief executive and chief financial officer, which are expected to have a financial impact on the NBA for future reporting periods.

## **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.



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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.

**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.

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 the 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.

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The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied 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 2012. The estimate of the present value of the liability takes into account 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 in the Department of Finance and Deregulation's administered schedules and notes.

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 recognised as at 30 June represents outstanding contributions as at 30 June 2012.

**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.

Where an asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and a liability is recognised at the same time and for the same amount.

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

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.

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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.

*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.

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**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's accounts immediately prior to the restructuring.

**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.

<i>Asset class</i>	<i>Recognition Threshold</i>
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.

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

Following initial recognition at cost, property, plant and equipment were carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Valuations were conducted with sufficient frequency to ensure that the carrying amounts of assets did not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations depended upon the volatility of movements in market values for the relevant assets.

Revaluation adjustments were made on a class basis. Any revaluation increment was credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit.

Revaluation decrements for a class of assets were recognised directly in the surplus/deficit except to the extent that they reversed 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.

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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:

Asset class	2012	2011
Infrastructure, Plant and Equipment	3 to 7 years	3 to 7 years
Leasehold improvements	Lease term	Lease term

Impairment

All assets were assessed for impairment at 30 June 2012. 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	2012	2011
Purchased software	3 years	3 years
Internally developed software	5 years	5 years

All software assets were assessed for indications of impairment at 30 June 2012.

**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 administered schedules 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 schedule of administered cash flows and in the administered reconciliation schedule.

*Revenue*

All administered revenues are revenues relating to the course of ordinary activities performed by the NBA on behalf of the Australian Government. As such, administered appropriations are not revenues of the individual agency that oversees distribution or expenditure of the funds as directed.

*Loans and Receivables*

Where loans and receivables are not subject to concessional treatments, they are carried at amortised cost using the effective interest method. Gains and losses due to impairment, derecognition and amortization are recognised through profit and loss.

*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.

*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.

*Grants*

The NBA administers a number of grant schemes on behalf of 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.

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*National Managed Fund*

The National Managed Fund was established to manage the liability risks of the Australian Red Cross Blood Service 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.

The Fund came into effect on 1 July 2000 and to date, no claims have been made against it. The balance of the fund as at 30 June 2012 is \$93,981,870 (30 June 2011: \$82,843,378) made up of a combination of cash, investments and balance of the special account.

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

**Departmental**

There were no events occurring after 30 June 2012 with the potential to significantly affect the ongoing structure and financial activities of the NBA.

**Administered**

There were no events occurring after 30 June 2012 with the potential to significantly affect the ongoing structure and financial activities of the NBA.



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	2012 \$'000	2011 \$'000
<b>NOTE 3: Expenses</b>		
<b>Note 3A: Employee Benefits</b>		
Wages and salaries	4 476	4 189
Superannuation:		
Defined contribution plans	391	344
Defined benefit plans	308	393
Leave and other entitlements	1 027	720
Separation and redundancies	104	-
Other employee benefits	470	223
<i>Total employee benefits</i>	<u>6 776</u>	<u>5 869</u>
<b>Note 3B: Suppliers</b>		
<b>Goods and services</b>		
Consultants	258	401
Contractors	185	291
Travel	297	314
Legal	213	206
IT services	706	918
Other	645	478
<b>Total goods and services</b>	<u>2 304</u>	<u>2 608</u>
<b>Goods and services are made up of:</b>		
Provision of goods - external parties	223	145
Rendering of services - related entities	215	206
Rendering of services - external parties	1 866	2 257
<b>Total goods and services</b>	<u>2 304</u>	<u>2 608</u>
<b>Other supplier expenses</b>		
Operating lease rentals - external parties:		
Minimum lease payments	470	461
Workers compensation expenses	66	45
<b>Total other supplier expenses</b>	<u>536</u>	<u>506</u>
<i>Total supplier expenses</i>	<u>2 840</u>	<u>3 114</u>
<b>Note 3C: Depreciation and Amortisation</b>		
<b>Depreciation:</b>		
Property, plant and equipment	133	102
Leasehold improvements	37	104
<b>Total depreciation</b>	<u>170</u>	<u>206</u>
<b>Amortisation:</b>		
Intangibles	581	589
<b>Total amortisation</b>	<u>581</u>	<u>589</u>
<i>Total depreciation and amortisation</i>	<u>751</u>	<u>795</u>

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	2012 \$'000	2011 \$'000
<b>NOTE 3: Expenses</b>		
<b>Note 3D: Losses from Asset Sales</b>		
Property, plant and equipment:		
Proceeds from sale	2	-
Carrying value of assets sold	15	6
Intangibles:		
Proceeds from sale	-	24
Carrying value of assets sold	-	24
<b>Total losses from asset sales</b>	<b>13</b>	<b>6</b>

**NOTE 4: Income**

**OWN-SOURCE REVENUE**

**Note 4A: Sale of Goods and Rendering of Services**

Rendering of services - related entities	194	39
Rendering of services - external parties	38	448
<b>Total sale of goods and rendering of services</b>	<b>232</b>	<b>487</b>

**Note 4B: Other Revenue**

Funding from State and Territory governments	3 704	3 493
<b>Total other revenue</b>	<b>3 704</b>	<b>3 493</b>

Funding from State and Territory governments includes \$438,408 revenue (2011: \$199,893) which had been previously received and recognised as unearned revenue.

**GAINS**

**Note 4C: Other Gains**

Resources received free of charge	94	94
<b>Total other gains</b>	<b>94</b>	<b>94</b>

**REVENUE FROM GOVERNMENT**

**Note 4D: Revenue from Government**

**Appropriations:**

Departmental appropriations	5 686	5 948
<b>Total revenue from Government</b>	<b>5 686</b>	<b>5 948</b>

Departmental appropriations include \$746,479 revenue (2011: \$340,358) which had been previously received and recognised as unearned revenue.

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	2012 \$'000	2011 \$'000
<b>NOTE 5: Financial Assets</b>		
<b>Note 5A: Cash and Cash Equivalents</b>		
Cash on hand or on deposit	30	36
<i>Total cash and cash equivalents</i>	<u>30</u>	<u>36</u>
<b>Note 5B: Trade and Other Receivables</b>		
<b>Goods and Services:</b>		
Goods and services - related entities	77	-
Goods and services - external parties	-	1
<b>Total receivables for goods and services</b>	<u>77</u>	<u>1</u>
<b>Appropriations receivable:</b>		
For existing programs	375	-
<b>Total appropriations receivable</b>	<u>375</u>	<u>-</u>
<b>Other receivables:</b>		
GST receivable from the Australian Taxation Office	89	49
Special Account - cash held in the OPA	7 452	8 719
<b>Total other receivables</b>	<u>7 541</u>	<u>8 768</u>
<i>Total trade and other receivables (gross)</i>	<u>7 993</u>	<u>8 769</u>
<i>Total trade and other receivables (net)</i>	<u>7 993</u>	<u>8 769</u>
<b>Receivables are expected to be recovered in:</b>		
No more than 12 months	7 993	8 769
<i>Total trade and other receivables (net)</i>	<u>7 993</u>	<u>8 769</u>
<b>Receivables are aged as follows:</b>		
Not overdue	7 993	8 769
<i>Total receivables (gross)</i>	<u>7 993</u>	<u>8 769</u>

Credit terms for goods and services were within 30 days (2011: 30 days)

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	2012 \$'000	2011 \$'000
<b>NOTE 6: Non-Financial Assets</b>		
<b>Note 6A: Leasehold improvements</b>		
Fair value	157	157
Accumulated depreciation	( 157)	( 120)
<b>Total leasehold improvements</b>	<u>-</u>	<u>37</u>

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	601	467
Accumulated depreciation	( 248)	( 133)
<b>Total property, plant and equipment</b>	<u>353</u>	<u>334</u>

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.

**Revaluations of non-financial assets**

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 (2011: \$nil) and no increments for plant and equipment (2011: \$nil) were credited to the asset revaluation surplus by asset class and included in the equity section of the balance sheet. No decrements were expensed (2011: \$nil).

**Note 6C: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment (2011-12)**

	Leasehold improvements \$'000	Other property, plant and equipment \$'000	Total \$'000
<b>As at 1 July 2011</b>			
Gross book value	157	467	624
Accumulated depreciation and impairment	( 120)	( 133)	( 253)
<b>Net book value 1 July 2011</b>	<u>37</u>	<u>334</u>	<u>371</u>
<b>Additions:</b>			
By purchase	-	185	185
Depreciation expense	( 37)	( 133)	( 170)
Other movements	-	( 18)	( 18)
<b>Disposals:</b>			
Other	-	( 15)	( 15)
<b>Net book value 30 June 2012</b>	<u>-</u>	<u>353</u>	<u>353</u>
<b>Net book value as of 30 June 2012 represented by:</b>			
Gross book value	157	601	758
Accumulated depreciation and impairment	( 157)	( 248)	( 405)
	<u>-</u>	<u>353</u>	<u>353</u>

**NATIONAL BLOOD AUTHORITY**  
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**NOTE 6: Non-Financial Assets**

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

	Leasehold improvements \$'000	Infrastructure plant and equipment \$'000	Total Property, Plant and Equipment \$'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>
<b>Additions:</b>			
By purchase	-	188	188
Depreciation expense	( 104)	( 102)	( 206)
<b>Disposals:</b>			
Other disposals	-	( 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>

**Note 6D: Intangibles**

**Computer software:**

	2012 \$'000	2011 \$'000
Internally developed - in use	2 674	2 566
Purchased	542	527
Accumulated amortisation	(2 379)	(1 798)
<b>Total intangibles</b>	<b>837</b>	<b>1 295</b>

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**

**Note 6E: Reconciliation of the Opening and Closing Balances of Intangibles (2011-12)**

Item	Computer software internally developed \$'000	Computer software purchased \$'000	Total \$'000
<b>As at 1 July 2011</b>			
Gross book value	2 566	527	3 093
Accumulated amortisation and impairment	( 1 484)	( 314)	( 1 798)
<b>Net book value 1 July 2011</b>	<b>1 082</b>	<b>213</b>	<b>1 295</b>
Additions:			
By purchase or internally developed	108	15	123
Amortisation	( 485)	( 96)	( 581)
Disposals:			
Other disposals	-	-	-
<b>Net book value 30 June 2012</b>	<b>705</b>	<b>132</b>	<b>837</b>
Net book value as of 30 June 2012 represented by:			
Gross book value	2 674	542	3 216
Accumulated amortisation and impairment	( 1 969)	( 410)	( 2 379)
	<b>705</b>	<b>132</b>	<b>837</b>

**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:			
By purchase or internally developed	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>
Net book value as of 30 June 2011 represented by:			
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>

**NATIONAL BLOOD AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
*for the year ended 30 June 2012*

	2012 \$'000	2011 \$'000
<b>NOTE 6: Non-Financial Assets</b>		
<b>Note 6F: Other Non-Financial Assets</b>		
Prepayments	87	64
<i>Total other non-financial assets</i>	<u>87</u>	<u>64</u>
Total other non-financial assets are expected to be recovered in :		
No more than 12 months	87	64
<i>Total other non-financial assets</i>	<u>87</u>	<u>64</u>
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	572	427
<i>Total suppliers payables</i>	<u>572</u>	<u>427</u>
Supplier payables expected to be settled within 12 months:		
Related entities	13	38
External parties	559	389
<i>Total suppliers payables</i>	<u>572</u>	<u>427</u>
Settlement was usually made within 30 days.		
<b>Note 7B: Other Payables</b>		
Wages and salaries	131	112
Superannuation	19	18
Unearned income from Commonwealth	-	856
Unearned income from States and Territories	-	438
<i>Total other payables</i>	<u>150</u>	<u>1 424</u>
Total other payables are expected to be settled in:		
No more than 12 months	150	1 424
<i>Total other payables</i>	<u>150</u>	<u>1 424</u>
<b>NOTE 8: Provisions</b>		
<b>Note 8A: Employee Provisions</b>		
Leave	1 217	1 213
<i>Total employee provisions</i>	<u>1 217</u>	<u>1 213</u>
Employee provisions are expected to be settled in:		
No more than 12 months	551	498
More than 12 months	666	715
<i>Total employee provisions</i>	<u>1 217</u>	<u>1 213</u>

**NATIONAL BLOOD AUTHORITY**  
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	2012 \$'000	2011 \$'000
<b>NOTE 9: Cash Flow Reconciliation</b>		
Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement		
Cash and cash equivalents as per:		
Cash flow statement	30	36
Balance sheet	30	36
	<hr/>	<hr/>
<i>Difference</i>	-	-
	<hr/>	<hr/>
Reconciliation of net cost of services to net cash from operating activities:		
Net cost of services	( 6 350)	( 5 710)
Add revenue from Government	5 686	5 948
<b>Adjustments for non-cash items:</b>		
Depreciation / amortisation	751	796
Loss on disposal of assets	13	6
<b>Changes in assets and liabilities:</b>		
(Increase) in net receivables	1 149	( 147)
(Increase) in non-financial assets	( 25)	( 5)
Increase in employee provisions	24	16
Increase in supplier payables	145	( 51)
(Decrease) in other payables	( 1 296)	( 565)
	<hr/>	<hr/>
<i>Net cash from operating activities</i>	97	288
	<hr/>	<hr/>



**NATIONAL BLOOD AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
*for the year ended 30 June 2012*

**NOTE 10: Contingent Assets and Liabilities**

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**

	2012	2011
	\$	\$
<b>Short-term employee benefits:</b>		
Salary	709 729	983 219
Annual leave accrued	15 688	40 119
Vehicle allowances	47 115	64 050
Retention bonuses	51 000	-
<b>Total short-term employee benefits</b>	<b>823 532</b>	<b>1 087 388</b>
<b>Post-employment benefits:</b>		
Superannuation	113 948	153 984
<b>Total post-employment benefits</b>	<b>113 948</b>	<b>153 984</b>
<b>Other long-term benefits:</b>		
Long-service leave accrued	15 471	36 423
Long-service leave taken	-	24 902
<b>Total other long-term benefits</b>	<b>15 471</b>	<b>11 521</b>
<b><i>Total employment benefits</i></b>	<b>952 951</b>	<b>1 252 893</b>

**Notes**

- Note 11A is prepared on an accrual basis (so the performance bonus expenses disclosed above differ from the cash 'Bonus paid' in Note 11B).
- Note 11A excludes acting arrangements and part-year service where total remuneration expensed for a senior executive was less than \$150,000.
- During 2011-12, 3 substantive senior executives terminated their employment with the NBA and 3 staff became substantive senior executives for the first time.

NATIONAL BLOOD AUTHORITY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
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Note 11B: Average Annual Reportable Remuneration Paid to Substantive Senior Executives During the Reporting Period

Average annual reportable remuneration <sup>1</sup>	2012					Total \$
	Senior Executives No.	Reportable Salary <sup>2</sup> \$	Contributed Superannuation <sup>3</sup> \$	Reportable Allowances <sup>4</sup> \$	Bonus paid <sup>5</sup> \$	
	Total remuneration (including part-time arrangements):					
less than \$150,000	4	75 998	16 360	-	-	92 358
\$180,000 to \$209,999	1	180 461	17 127	-	-	197 588
\$210,000 to \$239,999	2	183 452	42 481	-	-	225 933
\$240,000 to \$269,999	1	236 259	35 858	-	-	272 117
<b>Total</b>	<b>8</b>					
Average annual reportable remuneration <sup>1</sup>	2011					Total \$
	Senior Executives No.	Reportable Salary <sup>2</sup> \$	Contributed Superannuation <sup>3</sup> \$	Reportable Allowances <sup>4</sup> \$	Bonus paid <sup>5</sup> \$	
	Total remuneration (including part-time arrangements):					
\$180,000 to \$209,999	2	170 582	27 264	-	-	197 846
\$210,000 to \$239,999	1	203 265	33 119	-	-	236 384
\$270,000 to \$299,999	1	265 533	23 807	-	-	289 340
\$300,000 to \$329,999	1	214 898	87 530	-	-	302 428
<b>Total</b>	<b>5</b>					

Notes

- This table reports substantive senior executives who received remuneration during the reporting period. Each row is an averaged figure based on headcount for individuals in the band. During 2011-12, 3 substantive senior executives terminated their employment with the NBA and 3 staff became substantive senior executives for the first time. At 30 June 2012, the NBA had 4 continuing substantive senior executives.
- 'Reportable salary' includes the following:
  - gross payments (less any bonuses paid, which are separated out and disclosed in the 'bonus paid' column);
  - reportable fringe benefits (at the net amount prior to 'grossing up' to account for tax benefits); and
  - exempt foreign employment income.
- The 'contributed superannuation' amount is the average actual superannuation contributions paid to senior executives in that reportable remuneration band during the reporting period, including any salary sacrificed amounts, as per the individuals' payslips.
- 'Reportable allowances' are the average actual allowances paid as per the 'total allowances' line on individuals' payment summaries.
- 'Bonus paid' represents average actual bonuses paid during the reporting period in that reportable remuneration band. The 'bonus paid' within a particular band may vary between financial years due to various factors such as individuals commencing with or leaving the NBA during the financial year.
- Various salary sacrifice arrangements were available to senior executives including superannuation, motor vehicle and expense payment fringe benefits. Salary sacrifice benefits are reported in the 'reportable salary' column, excluding salary sacrificed superannuation, which is reported in the 'contributed superannuation' column.

NATIONAL BLOOD AUTHORITY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
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Note 11C: Other Highly Paid Staff

Average annual reportable remuneration <sup>1</sup>	2012					Total \$
	Staff No.	Reportable Salary <sup>2</sup> \$	Contributed Superannuation <sup>3</sup> \$	Reportable Allowances <sup>4</sup> \$	Bonus paid <sup>5</sup> \$	
Total remuneration (including part-time arrangements): \$150,000 to \$179,999	1	137 475	19 502	-	-	156 977
<b>Total</b>	<b>1</b>					

Average annual reportable remuneration <sup>1</sup>	2011					Total \$
	Staff No.	Reportable Salary <sup>2</sup> \$	Contributed Superannuation <sup>3</sup> \$	Reportable Allowances <sup>4</sup> \$	Bonus paid <sup>5</sup> \$	
Total remuneration (including part-time arrangements): \$150,000 to \$179,999	1	137 741	20 445	-	-	158 186
<b>Total</b>	<b>1</b>					

**Notes**

- This table reports staff:
  - who were employed by the NBA during the reporting period;
  - whose reportable remuneration was \$150,000 or more for the financial period; and
  - were not required to be disclosed in Tables A, B or director disclosures.
Each row is an averaged figure based on headcount for individuals in the band.
- 'Reportable salary' includes the following:
  - gross payments (less any bonuses paid, which are separated out and disclosed in the 'bonus paid' column);
  - reportable fringe benefits (at the net amount prior to 'grossing up' to account for tax benefits); and
  - exempt foreign employment income.
- The 'contributed superannuation' amount is the average actual superannuation contributions paid to staff in that reportable remuneration band during the reporting period, including any salary sacrificed amounts, as per the individuals' payslips.
- 'Reportable allowances' are the average actual allowances paid as per the 'total allowances' line on individuals' payment summaries.
- 'Bonus paid' represents average actual bonuses paid during the reporting period in that reportable remuneration band. The 'bonus paid' within a particular band may vary between financial years due to various factors such as individuals commencing with or leaving the NBA during the financial year.
- Various salary sacrifice arrangements were available to other highly paid staff including superannuation, motor vehicle and expense payment fringe benefits. Salary sacrifice benefits are reported in the 'reportable salary' column, excluding salary sacrificed superannuation, which is reported in the 'contributed superannuation' column.

**NATIONAL BLOOD AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
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	2012	2011
	\$'000	\$'000

**NOTE 12: Remuneration of Auditors**

Financial statement audit services were provided free of charge to the NBA by the Australian National Audit Office (ANAO).

**Fair value of the services provided**

Financial statement audit services	94	94
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<b>Total</b>	<b>94</b>	<b>94</b>
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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	30	36
Trade and other receivables	77	1

<i>Carrying amount of financial assets</i>	<i>107</i>	<i>37</i>
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**Financial Liabilities**

At amortised cost:

Trade and other creditors	572	427
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<i>Carrying amount of financial liabilities</i>	<i>572</i>	<i>427</i>
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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'.

**NOTE 14: Financial Assets Reconciliation**

**Financial Assets**

Total financial assets as per balance sheet	8 023	8 805
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Less: non-financial instrument components:

Appropriations receivable	375	-
GST receivable from the Australian Taxation Office	89	49
Special Account - cash held in the OPA	7 452	8 719

<b>Total financial assets as per financial instruments note</b>	<b>107</b>	<b>37</b>
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**NATIONAL BLOOD AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
*for the year ended 30 June 2012*

	2012 \$'000	2011 \$'000
<b>NOTE 15: Administered - Expenses</b>		
<b>Note 15A: Suppliers</b>		
Purchases of blood and blood products	944 297	936 120
Consultants	1 582	1 114
Contractors	1 159	80
Travel	63	69
IT services	468	468
Other	251	103
<i>Total goods and services</i>	<u>947 820</u>	<u>937 954</u>
Goods and services are made up of:		
Provision of goods - external parties	944 522	936 195
Rendering of services - external parties	3 298	1 759
<i>Total goods and services</i>	<u>947 820</u>	<u>937 954</u>
<i>Total suppliers expenses</i>	<u>947 820</u>	<u>937 954</u>
<b>Note 15B: Grants</b>		
Private sector:		
Non-profit organisations	7 773	-
<i>Total grants</i>	<u>7 773</u>	<u>-</u>
<b>Note 15C: Depreciation and Amortisation</b>		
Depreciation:		
Property, plant and equipment	33	6
Amortisation:		
Intangibles	258	304
<i>Total depreciation and amortisation</i>	<u>291</u>	<u>310</u>
<b>NOTE 16: Administered - Income</b>		
<b>OWN-SOURCE REVENUE</b>		
<b>Non-Taxation Revenue</b>		
<b>Note 16A: Funding from Governments</b>		
Commonwealth contributions	640 176	591 889
State & Territory contributions	375 410	347 323
<i>Total funding from governments</i>	<u>1 015 586</u>	<u>939 212</u>
<b>Note 16B: Interest</b>		
Deposits	4 801	1 629
<i>Total interest</i>	<u>4 801</u>	<u>1 629</u>
<b>Note 16C: Other Revenue</b>		
Other contributions <sup>1</sup>	14 523	175
<i>Total other revenue</i>	<u>14 523</u>	<u>175</u>
<sup>1</sup> Other contributions relate principally to the return of the prior year Blood Service surplus under the Deed of Agreement.		

**NATIONAL BLOOD AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
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	2012 \$'000	2011 \$'000
<b>NOTE 17: Administered - Financial Assets</b>		
<b>Note 17A: Cash and Cash Equivalents</b>		
Cash on hand or on deposit	5 340	41 157
<i>Total cash and cash equivalents</i>	<u>5 340</u>	<u>41 157</u>
<b>Note 17B: Trade and Other Receivables</b>		
<b>Goods and services:</b>		
Goods and services receivable - related entities	-	-
Goods and services receivable - external parties	3 037	3 037
<i>Total receivables for goods and services</i>	<u>3 037</u>	<u>3 037</u>
<b>Other receivables:</b>		
Special Account - cash held in the OPA	191 414	133 146
Interest	2 818	1 083
GST receivable from Australian Taxation Office	14 151	13 619
<i>Total other receivables</i>	<u>208 383</u>	<u>147 848</u>
<i>Total trade and other receivables (gross)</i>	<u>211 420</u>	<u>150 885</u>
<b>Less impairment allowance account:</b>		
Goods and services	( 3 037)	( 3 037)
<i>Total trade and other receivables (net)</i>	<u>208 383</u>	<u>147 848</u>
<b>Receivables are expected to be recovered in:</b>		
No more than 12 months	208 383	147 848
<i>Total trade and other receivables (net)</i>	<u>208 383</u>	<u>147 848</u>
<b>Receivables were aged as follows:</b>		
Not overdue	208 383	147 848
<b>Overdue by:</b>		
More than 90 days	3 037	3 037
<i>Total receivables (gross)</i>	<u>211 420</u>	<u>150 885</u>
<b>The impairment allowance account is aged as follows:</b>		
<b>Overdue by:</b>		
More than 90 days	( 3 037)	( 3 037)
<i>Total impairment allowance account</i>	<u>( 3 037)</u>	<u>( 3 037)</u>
Credit terms are within 30 days from date of invoice (2011: 30 days).		
<b>Reconciliation of the Impairment Allowance Account</b>		
<i>Movements</i>		
<i>Other Receivables</i>		
Opening balance	( 3 037)	( 3 037)
Increase/decrease recognised in net surplus	-	-
Closing balance	<u>( 3 037)</u>	<u>( 3 037)</u>

**NATIONAL BLOOD AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
*for the year ended 30 June 2012*

	2012	2011
	\$'000	\$'000
<b>NOTE 17: Administered - Financial Assets</b>		
<b>Note 17C: Other Investments</b>		
Deposits <sup>1</sup>	88 335	40 611
<i>Total other investments</i>	<u>88 335</u>	<u>40 611</u>
Other investments are expected to be recovered in:		
No more than 12 months	60 215	40 611
More than 12 months	28 120	-
<i>Total other investments</i>	<u>88 335</u>	<u>40 611</u>

<sup>1</sup> Monies invested in term deposits with various approved institutions under Section 39 of the Financial Management and Accountability Act, 1997.

**NOTE 18: Administered - Non Financial Assets**

**Note 18A: Inventories**

National Reserve inventory held for distribution	39 312	37 996
Other inventory held for distribution	20 861	17 028
<b>Total inventories</b>	<u>60 173</u>	<u>55 024</u>

During 2011-12, \$599,548 of inventory held for distribution related to a net write-off of damaged and expired stock and was recognised as an expense (2011: \$475,998). 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.

**Note 18B: Property, plant and equipment**

Other property, plant and equipment:

Fair value	443	36
Accumulated depreciation	( 39)	( 6)

<b>Total property, plant and equipment</b>	<u>404</u>	<u>30</u>
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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.

**Revaluations of non-financial assets**

No revaluation increments for plant and equipment (2011: \$nil) were credited to the asset revaluation surplus. No decrements (2011: \$nil) were expensed.

**Note 18C: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment (2011-12)**

	Other property, plant and equipment \$'000	Total \$'000
<b>As at 1 July 2011</b>		
Gross book value	36	36
Accumulated depreciation and impairment	( 6)	( 6)
<b>Net book value 1 July 2011</b>	<u>30</u>	<u>30</u>
<b>Additions:</b>		
By purchase	407	407
Depreciation expense	( 33)	( 33)
<b>Net book value 30 June 2012</b>	<u>404</u>	<u>404</u>
<b>Net book value as of 30 June 2012 represented by:</b>		
Gross book value	443	443
Accumulated depreciation and impairment	( 39)	( 39)
	<u>404</u>	<u>404</u>

**NATIONAL BLOOD AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
*for the year ended 30 June 2012*

**NOTE 18: Administered - Non Financial Assets**

**Note 18C: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment (2010-11)**

	Other property, plant and equipment \$'000	Total \$'000
<b>As at 1 July 2010</b>		
Gross book value	-	-
Accumulated depreciation and impairment	-	-
<b>Net book value 1 July 2010</b>	-	-
<b>Additions:</b>		
By purchase	36	36
Depreciation 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>

	2012 \$'000	2011 \$'000
<b>Note 18D: Intangibles</b>		
<b>Computer software:</b>		
Internally developed - in progress	801	-
Internally developed - in use	868	868
Purchased	147	-
Accumulated amortisation	( 755)	( 497)
<b>Total intangibles</b>	<b>1 061</b>	<b>371</b>

No indicators of impairment were found for intangible assets.  
No intangibles are expected to be sold or disposed of with the next 12 months.

**NOTE 18E: Reconciliation of the Opening and Closing Balances of Intangibles (2011-12)**

	Computer software internally developed \$'000	Computer software purchased \$'000	Total \$'000
<b>As at 1 July 2011</b>			
Gross book value	868	-	868
Accumulated amortisation and impairment	( 497)	-	( 497)
<b>Net book value 1 July 2011</b>	<b>371</b>	<b>-</b>	<b>371</b>
<b>Additions:</b>			
By purchase or internally developed	801	147	948
Amortisation	( 237)	( 21)	( 258)
<b>Net book value 30 June 2012</b>	<b>935</b>	<b>126</b>	<b>1 061</b>
<b>Net book value as of 30 June 2012 represented by:</b>			
Gross book value	1 669	147	1 816
Accumulated amortisation and impairment	( 734)	( 21)	( 755)
	<b>935</b>	<b>126</b>	<b>1 061</b>



**NATIONAL BLOOD AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
*for the year ended 30 June 2012*

**NOTE 18: Administered - Non Financial Assets**

**NOTE 18E: 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 amortisation and impairment	( 193)	( 193)
<b>Net book value 1 July 2010</b>	<b>445</b>	<b>445</b>
<b>Additions:</b>		
By purchase or internally developed	230	230
Amortisation	( 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 amortisation and impairment	( 497)	( 497)
	<u>371</u>	<u>371</u>
	2012	2011
	\$'000	\$'000
<b>Note 18F: Other Non-Financial Assets</b>		
Prepayments	76 068	75 401
<b><i>Total other non-financial assets</i></b>	<b>76 068</b>	<b>75 401</b>
No indicators of impairment were found for other non-financial assets.		
<b>Total other non-financial assets are expected to be recovered in:</b>		
No more than 12 months	76 068	75 401
<b><i>Total other non-financial assets</i></b>	<b>76 068</b>	<b>75 401</b>
<b>NOTE 19: Administered - Payables</b>		
<b>Note 19A: Suppliers</b>		
Trade creditors and accruals	61 551	68 934
<b><i>Total suppliers</i></b>	<b>61 551</b>	<b>68 934</b>
<b>Supplier payables expected to be settled within 12 months:</b>		
External parties	61 551	68 934
<b><i>Total suppliers</i></b>	<b>61 551</b>	<b>68 934</b>
Settlement was usually made within 30 days		

**NATIONAL BLOOD AUTHORITY**  
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	2012	2011
	\$'000	\$'000
<b>NOTE 20: Cash Flow Reconciliation</b>		
Reconciliation of cash and cash equivalents as per Administered Schedule of Assets and Liabilities to Administered Cash Flow Statement		
Cash and cash equivalents as per:		
Schedule of administered cash flows	5 340	41 157
Schedule of administered assets and liabilities	5 340	41 157
<b>Difference</b>	<b>-</b>	<b>-</b>
Reconciliation of net cost of services to net cash from operating activities:		
Net (contribution by) services	79 026	2 752
<b>Adjustments for non-cash items</b>		
Depreciation / amortisation	291	310
<b>Changes in assets and liabilities:</b>		
(Increase) in net receivables	( 2 267)	( 4 493)
(Increase) / decrease in inventories	( 5 149)	12 188
(Increase) in non-financial assets	( 1 468)	( 75 389)
Increase / (decrease) in supplier payables	( 7 454)	29 439
<b>Net cash from (used by) operating activities</b>	<b>62 979</b>	<b>( 35 193)</b>

**NATIONAL BLOOD AUTHORITY**  
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**NOTE 21: Administered - Contingent Assets and Liabilities**

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.

**NOTE 22: Administered - Investments**

The principal activities of each of the NBA's administered investments were as follows:

*Other Investments* - The NBA has funds invested in term deposits with various approved institutions under Section 39 of the Financial Management and Accountability Act 1997 for the purposes of receiving passive investment income.

**NATIONAL BLOOD AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
*for the year ended 30 June 2012*

	2012	2011
	\$'000	\$'000
<b>NOTE 23: Administered - Financial Instruments</b>		
<b>NOTE 23A: Categories of Financial Instruments</b>		
<b>Financial assets</b>		
<b>Held-to-maturity:</b>		
Deposits	88 335	40 611
<b>Total</b>	<b>88 335</b>	<b>40 611</b>
<b>Loans and receivables:</b>		
Cash on hand or on deposit	5 340	41 157
Trade and other receivables	2 818	1 083
<b>Total</b>	<b>8 158</b>	<b>42 240</b>
<b>Carrying amount of financial assets</b>	<b>96 493</b>	<b>82 851</b>
<b>Financial Liabilities</b>		
<b>At amortised cost:</b>		
Trade and other creditors	61 551	68 934
<b>Carrying amount of financial liabilities</b>	<b>61 551</b>	<b>68 934</b>
<b>Note 23B: Fair Value of Financial Instruments</b>		
<b>Financial assets</b>		
The fair values of all monetary financial assets approximate their carrying amounts.		
<b>Financial liabilities</b>		
The fair values of all monetary financial liabilities approximate their carrying amounts.		
<b>Note 23C: Credit Risk</b>		
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 in the Balance Sheet.		
The NBA has no significant exposures to any concentrations of credit risk.		
<b>Note 23D: Liquidity Risk</b>		
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.		
<b>Note 23E: Market Risk</b>		
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'.		
<b>NOTE 24: Administered Financial Assets Reconciliation</b>		
<b>Financial Assets</b>		
<b>Total financial assets as schedule of administered assets and liabilities</b>	<b>302 058</b>	<b>229 616</b>
Less: non-financial instrument components:		
GST receivable from Australian Taxation Office	14 151	13 619
Special Account - cash held in the OPA	191 414	133 146
<b>Total financial assets as per financial instruments note</b>	<b>96 493</b>	<b>82 851</b>

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Note 25 Appropriations

Table A: Annual Appropriations (Recoverable GST exclusive)

	2012 Appropriations						Total appropriation \$'000	Appropriation applied in 2012 (current and prior years) \$'000	Variance \$'000
	Appropriation Act			FMA Act					
	Annual Appropriation \$'000	Appropriations reduced <sup>(a)</sup> \$'000	AFM <sup>(b)</sup> \$'000	Section 30 \$'000	Section 31 \$'000	Section 32 \$'000			
<b>DEPARTMENTAL</b>									
Ordinary annual services	4 940	-	-	-	47	-	4 987	4 987	-
Other services									
Equity	-	-	-	-	n/a	-	-	-	-
Loans	-	-	-	-	n/a	-	-	-	-
<b>Total departmental</b>	<b>4 940</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>47</b>	<b>-</b>	<b>4 987</b>	<b>4 987</b>	<b>-</b>
<b>ADMINISTERED</b>									
Ordinary annual services									
Administered items	7 679	-	-	-	n/a	-	7 679	7 679	-
Payments to CAC Act bodies	-	-	-	-	n/a	-	-	-	-
<b>Total administered</b>	<b>7 679</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>n/a</b>	<b>-</b>	<b>7 679</b>	<b>7 679</b>	<b>-</b>

Notes:

(a) Appropriations reduced under Appropriation Acts (Nos. 1,3&5) 2011-12: sections 10,11 and 12 and under Appropriation Acts (Nos. 2,4&6) 2011-12: sections 12,13 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.

As with departmental appropriations, the responsible Minister may decide that part or all of an administered appropriation is not required and request that the Finance Minister reduce that appropriation. For administered appropriations reduced under section 11 of Appropriation Acts (Nos 1,3&5) 2011-12 and section 12 of Appropriation Acts (Nos 2,4,&6) 2011-12, the appropriation is taken to be reduced to the required amount specified in Table F of this note once the annual report is tabled in Parliament. All administered appropriations may be adjusted by a Finance Minister's determination, which is disallowable by Parliament.

(b) Advance to the Finance Minister (AFM) - Appropriation Acts (Nos. 1,3&5) 2011-12: section 13 and Appropriation Acts (Nos. 2,4&6) 2011-12: section 15.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
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Note 25 Appropriations

Table A: Annual Appropriations (Recoverable GST exclusive)

	2011 Appropriations						Total appropriation \$'000	Appropriation applied in 2011 (current and prior years) \$'000	Variance \$'000
	Appropriation Act			FMA Act					
	Annual Appropriation \$'000	Appropriations reduced <sup>(a)</sup> \$'000	AFM <sup>(b)</sup> \$'000	Section 30 \$'000	Section 31 \$'000	Section 32 \$'000			
<b>DEPARTMENTAL</b>									
Ordinary annual services	5 608	-	-	-	640	-	6 248	6 248	-
Other services									
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>6 248</b>	<b>-</b>
<b>ADMINISTERED</b>									
Ordinary annual services									
Administered items	5 750	-	-	-	n/a	-	5 750	5 750	-
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>5 750</b>	<b>-</b>

Notes:

(a) Appropriations reduced under Appropriation Acts (Nos. 1 & 3) 2010-11: sections 10,11,12 and 15 and under Appropriation Acts (Nos. 2 & 4) 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.

As with departmental appropriations, the responsible Minister may decide that part or all of an administered appropriation is not required and request that the Finance Minister reduce that appropriation. For administered appropriations reduced under section 11 of Appropriation Acts (Nos 1,3&5) 2010-11 and section 12 of Appropriation Acts (Nos 2,4,&6) 2010-11, the appropriation is taken to be reduced to the required amount specified in Table F of this note once the annual report is tabled in Parliament. All administered appropriations may be adjusted by a Finance Minister's determination, which is disallowable by Parliament.

(b) Advance to the Finance Minister (AFM) - Appropriation Acts (Nos. 1 & 3) 2010-11: section 13 and Appropriation Acts (Nos. 2 & 4) 2010-11: section 15.

NATIONAL BLOOD AUTHORITY  
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
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Note 25 Appropriations

Table B: Departmental and Administered Capital Budgets (Recoverable GST exclusive)

	2012 Capital Budget Appropriations				Capital Budget Appropriations applied in 2012			Variance
	Appropriation Act		FMA Act	Total Capital Budget Appropriations	(current and prior years)			
	Annual Capital Budget	Appropriations reduced <sup>(b)</sup>	Section 32		Payments for non-financial assets <sup>(c)</sup>	Payments for other purposes	Total payments	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
<b>DEPARTMENTAL</b>								
Ordinary annual services - Departmental Capital Budget <sup>(a)</sup>	554			554	179	-	179	375
<b>ADMINISTERED</b>								
Ordinary annual services - Administered Capital Budget <sup>(a)</sup>	-	-	-	-	-	-	-	-

Notes:

- (a) Departmental and Administered Capital Budgets are appropriated through Appropriation Acts (No. 1,3,5). They form part of ordinary annual services, and are not separately identified in the Appropriation Acts. For more information on ordinary annual services appropriations, please see Table A: Annual appropriations.
- (b) Appropriations reduced under Appropriation Acts (No. 1,3,5) 2011-12: sections 10,11,12 and 15 or via a determination by the Finance Minister.
- (c) Payments made on non-financial assets include purchases of assets, expenditure on assets which has been capitalised, costs incurred to make good an asset to its original condition and the and the capital repayment component of finance leases.
- (d) The NBA commenced operating under the Net Cash Funding arrangements for Departmental Capital Expenditure on 1 July 2011.

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**Note 25 Appropriations**

**Table C: Unspent Annual Appropriations (Recoverable GST exclusive)**

Authority	2012 \$'000	2011 \$'000
<b>DEPARTMENTAL</b>		
Appropriation Act (No.1) 2011-12	375	-
<b>Total</b>	<b>375</b>	<b>-</b>

**Table D: Special Appropriations (Recoverable GST exclusive)**

Table D is blank for financial years 2011 and 2012.

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

Table E is blank for financial years 2011 and 2012.

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

2012	Amount required <sup>3</sup> - by Appropriation Act				Total amount required <sup>3</sup>	Total amount appropriated <sup>4</sup>	Total reduction <sup>5</sup>
Ordinary Annual Services	Act (No.1)	Act (No.3)	Act (No.5)	Act (No. n)			
Outcome 1	\$ 7,679,000.00	-	-	-	\$ 7,679,000.00	\$ 7,679,000.00	-

**Notes:**

1. Numbers in this section are disclosed to the cent.
2. Administered items for 2012 were reduced to these amounts when these financial statements were tabled in Parliament as part of the NBA's 2012 annual report. This reduction is effective in 2013 , but the amounts are reflected in Table A in the 2012 financial statements in the column 'Appropriations reduced' as they are adjustments to 2012 appropriations.
3. Amount required as per Appropriation Act (Act 1 s. 11; Act 2 s. 12).
4. Total amount appropriated in 2012.
5. Total reduction effective in 2013.

2011	Amount required <sup>2</sup> - by Appropriation Act				Total amount required <sup>2</sup>	Total amount appropriated <sup>3</sup>	Total reduction <sup>4</sup>
Ordinary Annual Services	Act (No.1)	Act (No.3)	Act (No.5)	Act (No. n)			
Outcome 1	\$ 5,750,000.00	-	-	-	\$ 5,750,000.00	\$ 5,750,000.00	-

**Notes:**

1. Numbers in this section are disclosed to the cent.
2. Administered items for 2011 were reduced to these amounts when these financial statements were tabled in Parliament as part of the NBA's 2011 annual report. This reduction is effective in 2012 , but the amounts are reflected in Table A in the 2011 financial statements in the column 'Appropriations reduced' as they are adjustments to 2011 appropriations.
3. Amount required as per Appropriation Act (Act 1 s. 11; Act 2 s. 12).
4. Total amount appropriated in 2011.
5. Total reduction effective in 2012.



**NATIONAL BLOOD AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
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**NOTE 26: Special Accounts and FMA Act Section 39**

**Note 26A: Special Accounts (Recoverable GST exclusive)**

	The National Blood Account <sup>1</sup>		National Managed Fund (Blood and Blood Products) <sup>2</sup>	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Balance brought forward from previous period	148 183	185 154	1 076	74 449
<b>Increases:</b>				
Appropriation credited to special account	12 798	11 358	-	-
Costs recovered	-	-	-	-
Realised investments	-	-	182 408	41 157
Other receipts - Commonwealth contributions	635 070	586 953	5 106	4 936
Other receipts - State and territory contributions	376 479	347 716	2 999	2 899
Other receipts - External parties	14 404	679	3 231	706
<b>Total increases</b>	<b>1 038 751</b>	<b>946 706</b>	<b>193 744</b>	<b>49 698</b>
<b>Available for payments</b>				
<b>Decreases:</b>				
<b>Departmental</b>				
Payments made to employees	6 298	5 627	-	-
Payments made to suppliers	3 396	3 898	-	-
<b>Total departmental decreases</b>	<b>9 694</b>	<b>9 525</b>	<b>-</b>	<b>-</b>
<b>Administered</b>				
Payments made to suppliers	970 082	974 152	198	146
Investments made from the special account (FMA Act section 39)	-	-	194 315	122 925
<b>Total administered decreases</b>	<b>970 082</b>	<b>974 152</b>	<b>194 513</b>	<b>123 071</b>
<b>Total decreases</b>	<b>979 776</b>	<b>983 677</b>	<b>194 513</b>	<b>123 071</b>
<b>Total balance carried forward to the next period</b>	<b>207 158</b>	<b>148 183</b>	<b>307</b>	<b>1 076</b>

1 *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.

2 *Appropriation:* Financial Management and Accountability Act 1997 section 20

*Establishing Instrument:* Financial Management and Accountability Act 1997 section 20

*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.

NATIONAL BLOOD AUTHORITY  
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
 for the year ended 30 June 2012

**NOTE 26: Special Accounts and FMA Act Section 39**

**Note 26B: Investments made under section 39 of the FMA Act (Recoverable GST exclusive)**

2012	Balance brought forward from previous period \$'000	Investments made \$'000	Investment income \$'000	Transactional charges \$'000	Investments realised \$'000	Total balance carried to the next period \$'000
Financial Management and Accountability (Finance Minister to Chief Executives) Delegation 2009 - Amendment No. 2 2010	81,768	191,248	3,067	-	182,408	93,675
<b>Total</b>	<b>81,768</b>	<b>191,248</b>	<b>3,067</b>	<b>-</b>	<b>182,408</b>	<b>93,675</b>

On 28 June 2010, the Finance Minister delegated to NBA investment powers under Section 39 of the FMA Act. An analysis of the risk profile, desired investment returns and length of investment was independently performed by expert consultants in developing an approved investment strategy. During the year all investments were made in accordance with the approved investment strategy.

2011	Balance brought forward from previous period \$'000	Investments made \$'000	Investment income \$'000	Transactional charges \$'000	Investments realised \$'000	Total balance carried to the next period \$'000
Financial Management and Accountability (Finance Minister to Chief Executives) Delegation 2009 - Amendment No. 2 2010	-	122,379	546	-	41,157	81,768
<b>Total</b>	<b>-</b>	<b>122,379</b>	<b>546</b>	<b>-</b>	<b>41,157</b>	<b>81,768</b>

On 28 June 2010, the Finance Minister delegated to NBA investment powers under Section 39 of the FMA Act. An analysis of the risk profile, desired investment returns and length of investment was independently performed by expert consultants in developing an approved investment strategy. During the year all investments were made in accordance with the approved investment strategy.

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
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**NOTE 27: Compliance with Statutory Conditions for Payments from the Consolidated Revenue Fund**

Section 83 of the Constitution provides that no amount may be paid out of the Consolidated Revenue Fund except under an appropriation made by law. The Department of Finance and Deregulation provided information to all agencies in 2011 regarding the need for risk assessments in relation to compliance with statutory conditions on payments from special appropriations, including special accounts.

During 2011-12, the NBA developed a plan to review exposure to risks of not complying with statutory conditions on payments from appropriations. The plan involved:

- identifying each special account;  
determining the risk of non-compliance by assessing the difficulty of administering the statutory conditions and
- assessing the extent to which existing payment systems and processes satisfy those conditions;  
determining procedures to confirm risk assessments in medium risk cases and to quantify the extent of non-
- compliance, if any, in higher risk situations;
- obtaining legal advice as appropriate to resolve questions of potential non-compliance; and  
considering legislative or procedural changes to reduce the risk of non-compliance in the future to an
- acceptably low level.

The NBA identified 2 appropriations involving statutory conditions for payment, comprising:

- 2 special accounts

As at 30 June 2012, this work had been completed in respect of all appropriations with statutory conditions for payment.

The work conducted to date has identified no issues of compliance with Section 83.

**NOTE 28: Compensation and Debt Relief**

**Departmental**

No 'Act of Grace' payments were expensed during the reporting period (2011: 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* (2011: no waivers).

No payments were provided under the Compensation for Detriment caused by Defective Administration (CDDA) during the reporting period (2011: no payments).

No ex gratia payments were provided for during the reporting period (2011: no payments).

No payments were provided in special circumstances relating to APS employment pursuant to section 73 of the *Public Service Act 1999* (PS Act) during the reporting period (2011: no payments).

**Administered**

No 'Act of Grace' expenses were incurred during the reporting period (2011: 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* (2011: no waivers).

No payments were provided under the Compensation for Detriment caused by Defective Administration (CDDA) during the reporting period (2011: no payments).

No ex gratia payments were provided during the reporting period (2011: no payments).

No payments were provided in special circumstances relating to APS employment pursuant to section 73 of the *Public Service Act 1999* (PS Act) during the reporting period (2011: no payments).

**NATIONAL BLOOD AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
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**Note 29: Reporting of Outcomes**

**Note 29A: Net Cost of Outcome Delivery**

	Outcome 1	
	2012	2011
	\$'000	\$'000
<b>Departmental</b>		
Expenses	10 380	9 784
Own-source income	4 030	4 074
<b>Administered</b>		
Expenses	955 884	938 264
Own-source income	394 734	349 127
<b>Net cost of outcome delivery</b>	<b>567 500</b>	<b>594 847</b>

**Note 29B: Major Classes of Departmental Expense, Income, Assets and Liabilities by Outcomes**

The NBA has only one Outcome. Refer to 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 were eliminated in calculating the actual Budget Outcome.

Refer to Outcome 1 Resourcing Table in this Annual Report.

**Note 29C: Major Classes of Administered Expenses, Income, Assets and Liabilities by Outcomes**

The NBA has only one Outcome. Refer to the Administered Schedule of Comprehensive Income and the Administered Schedule of Assets and Liabilities.

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

	2012	2011
	\$'000	\$'000
<b>NOTE 30: Net Cash Appropriation Arrangements</b>		
Total comprehensive (loss) less depreciation/amortisation expenses previously funded through revenue appropriations <sup>1</sup>	( 1 415)	( 557)
Plus: depreciation/amortisation expenses previously funded through revenue appropriation	751	795
<b>Total comprehensive income (loss) - as per the Statement of Comprehensive Income</b>	<b>( 664)</b>	<b>238</b>

<sup>1</sup> From 2010-11, the Government introduced net cash appropriation arrangements, where revenue appropriations for depreciation/amortisation expenses ceased. However, the NBA was granted an exemption until the 2011-12 year. The NBA now receives a separate capital budget provided through equity appropriations. Capital budgets are to be appropriated in the period when cash payment for capital expenditure is required.