



Australian Red Cross
THE POWER OF HUMANITY



Financials 2009–2010

Introduction to financial statements

We are pleased to present the audited financial accounts for the financial year ended 30 June, 2010.

The following consolidated financial accounts are intended to provide complete and reliable information as a means of demonstrating responsible stewardship of funds contributed by donors and confirming compliance with legislative and legal provisions.

Result overview

The past year has seen a continued strong demand for our programs and services. This has put increased pressure on fundraising and commercial activities to ensure the effective ongoing delivery of services to those who are most in need. The impact on the most vulnerable from natural and man-made disasters, as well as the global financial crisis, has continued to grow.

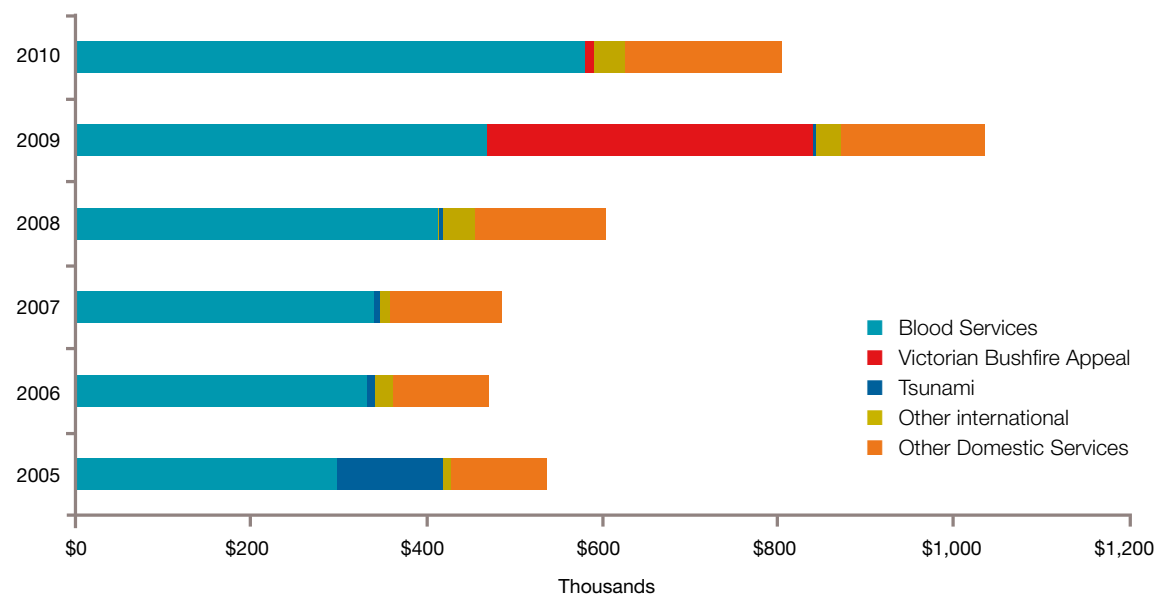
On reviewing the statement of comprehensive income, it is noted that the Society recorded a surplus of \$93.3 million compared to a deficit of \$7.4 million for the year ended 30 June 2009. This surplus result is primarily caused by the

receipt of government funding of \$90.0 million for Australian Red Cross Blood Service's principal site developments. Under accounting standards, such contributions are required to be recorded in the statement of comprehensive income upon receipt, however the expenditure will be recorded over the useful life of the assets. The Australian Red Cross Blood Service is fully funded by the Governments of Australia.

Total income for 2010 was \$797.5 million. This represents 9% compound growth since financial year 2005 but a decrease in income of 22% on 2009. The decrease in income over last financial year is largely due to the one-off generosity of donors in response to the 2009 Victorian Bushfire Appeal. However, when 2009 Victorian Bushfire Appeal results of \$5.8 million (2009: \$373 million) and the \$90.0 million for Australian Red Cross Blood Service's principal site developments are excluded, income has increased 8% in 2010. This is due to government funding received for the Australian Red Cross Blood Service.

Specific details of the 2009 Victorian Bushfire Appeal are shown in note 3(b) of the financial statements.

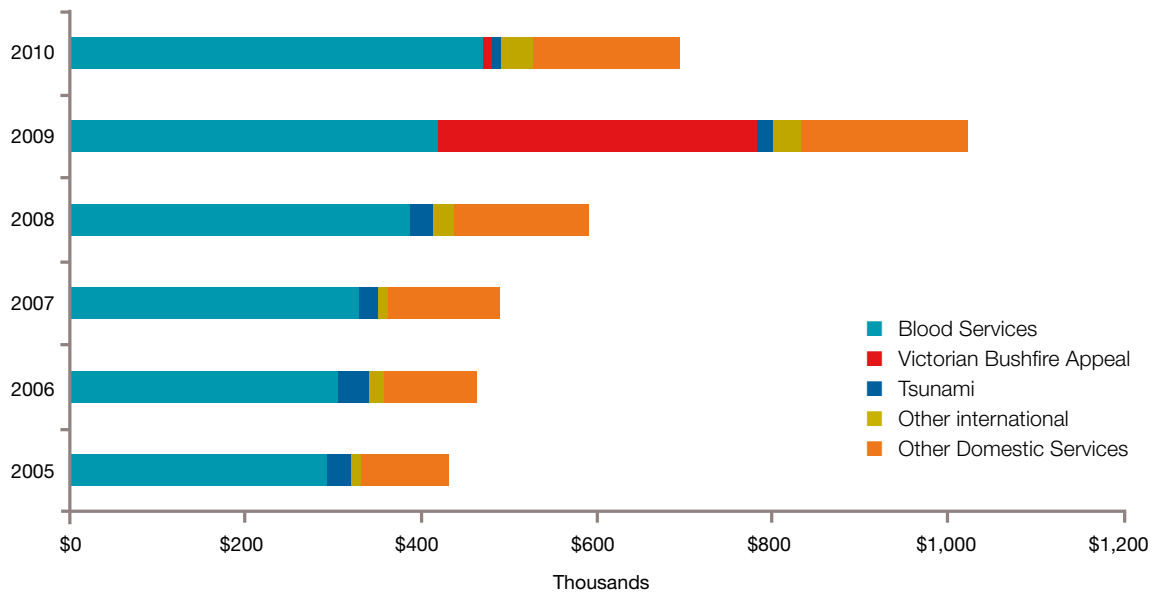
Income



Expenditure for 2010 was \$704.2 million. This represents a decrease of 32% on 2009 and 10% compound growth since financial year 2005. This is due principally to the completion of the disbursements to the 2009 Victorian Bushfire Appeal Fund Trust Account of \$5.8 million (2009: \$373 million).

When the 2009 Victorian Bushfire Appeal disbursements are excluded, this represents a 6% increase on expenditure in 2010 over 2009. This increase is due to a growth in demand for Blood related services.

Expenditure

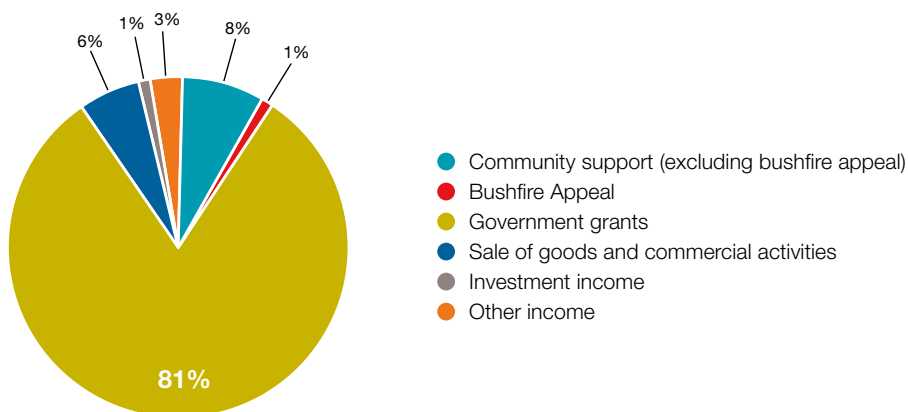


Further details on these results can be found in notes 3 (a) to 3 (f) and 4 (a) to 4 (b) of the consolidated financial accounts.

Income by source

As illustrated in the chart below, our funding is received predominately from government grants for specific programs both in Australia and overseas. Government funding income in 2010 increased to 81% compared to 54% in financial year 2009. This is primarily attributable to the Australian Red Cross Blood Service receiving funds in advance of capital programs. When Bushfire Appeal results are excluded from total income received, government funding represents 81% of funding compared to 83% in financial year 2009.

Community support income of 8% (2009: 4%) represents money received from public donations, bequests and third party community fundraising. Exclusive of the Bushfire Appeal this represents an increase of 3% on prior year (2009: 6% to 2010: 9%).



Statement of Financial Position (Balance Sheet)

Over the past year, we have made considerable progress in responding to people who are vulnerable, without causing Australian Red Cross to assume significant increase in debt.

Cash held has increased by \$33.8 million. This is attributable to government funding received for the Australian Red Cross Blood Service which reported a \$24.4 million increase in cash for the period and the remainder for non Blood Humanitarian Services funds raised and yet to be disbursed for International Disaster Appeals.

There has also been an increase in property, plant and equipment of \$77.5 million. This relates to the Australian Red Cross Blood Service undertaking capital programs for the purchase and refurbishment of infrastructure assets, including the development of key principal sites, as well as the continual replacement of the collection and testing equipment.

Please refer to the Statement of Cash Flows in the financial accounts for further details.

Strategic horizon

As the demand for our services has been steadily increasing and the world continues to face significant challenges, our understanding and practical experience confirms the need for Australian Red Cross to be more effective than ever as we strive to address the needs of vulnerable people and communities.

In 2009 the Board embraced the need for change and adopted a new Charter and Rules, providing a modern set of governing rules to equip Australian Red Cross to be a contemporary and effective organisation.

At the same time we have reviewed our support functions to ensure structures and practices are efficient and effective and refocused our fundraising and commercial activities to ensure sustainable income for our services and programs.

Our strategy commits us to deliver the benefits of these reforms and to strengthen the organisation for the future through further improvements to our systems, what we do and the way in which we work.

Acknowledgements

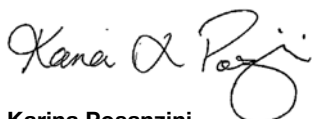
We would like to take this opportunity to thank our donors, members, volunteers, staff and governments for their significant assistance, which enable us to continue to deliver a vast array of services to vulnerable people and communities. This human element, which doesn't reflect in any one financial line item, makes the work of Australian Red Cross Society possible.

A specific note of thanks to the volunteer members of the Board and sub committees of the Board for their expertise, dedication and support from which we are able to benefit.

We would also like to express our appreciation to John O'Connor for his contribution and support as the inaugural Chief Financial Officer from January 2005 until September 2010 and the late John Fries for his commitment and contribution to Australian Red Cross over the years, including time as NSW Divisional Chairman and member of the National Board.



Robert Tickner
CEO



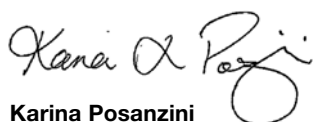
Karina Posanzini
Acting CFO

Statement by the CEO and Acting CFO

We, Robert Tickner and Karina Posanzini, being the Chief Executive Officer and Acting Chief Financial Officer respectively of Australian Red Cross Society, do hereby declare that in our opinion the accompanying Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Statement of Cash Flows for the year ended 30 June 2010, as set out in these financial statements, are properly drawn up so as to present fairly the financial position of Australian Red Cross Society as at 30 June 2010 and the results of its operations for the year ended on that date, and comply with the provisions of the Royal Charters and the Rules of the Society which was endorsed by resolution of Australian Red Cross Board.



Robert Tickner
CEO



Karina Posanzini
Acting CFO

Melbourne
30th October 2010

Statement of comprehensive income

	Notes	2010			2009		
		Revenue \$'000	Expense \$'000	Net Revenue/ (Expense) \$'000	Revenue \$'000	Expense \$'000	Net Revenue/ (Expense) \$'000
CONTINUING OPERATIONS SOCIETY							
General Activities*		139,635	(134,739)	4,896	137,922	(165,600)	(27,678)
Specific Purpose Funds:							
– Victorian Bushfire Appeal	3 (b)	5,797	(5,797)	-	373,142	(373,142)	-
– Tsunami Appeal	3 (c)	1,427	(10,612)	(9,185)	1,576	(13,107)	(11,531)
– International Projects	3 (d)	35,325	(29,109)	6,216	21,602	(29,449)	(7,847)
– Domestic Services		41,082	(46,709)	(5,627)	36,778	(33,354)	3,424
Total Non Blood Humanitarian Services		223,266	(226,966)	(3,700)	571,020	(614,652)	(43,632)
Blood Service	3 (e)	574,207	(474,248)	99,959	456,491	(418,658)	37,833
Total before Finance Costs		797,473	(701,214)	96,259	1,027,511	(1,033,310)	(5,799)
Finance Costs	5		(2,972)	(2,972)		(1,635)	(1,635)
NET SURPLUS / (DEFICIT) FOR THE YEAR	4	797,473	(704,186)	93,287	1,027,511	(1,034,945)	(7,434)

* After eliminating inter group transactions

OTHER COMPREHENSIVE INCOME SOCIETY

Net gain arising on investment revaluations		-	1,110	1,110	-	-	-
Actuarial losses on retirement benefit obligations	17	-	(424)	(424)	-	(8,360)	(8,360)
Other comprehensive for the year				686			(8,360)
TOTAL COMPREHENSIVE INCOME/ (DEFICIT) FOR THE YEAR				93,973			(15,794)

NON BLOOD HUMANITARIAN SERVICES

General Activities	3 (a)	142,803	(134,739)	8,064	140,803	(165,600)	(24,797)
Specific Purpose Funds :							
- Victorian Bushfire Appeal	3 (b)	5,797	(5,797)	-	373,142	(373,142)	-
- Tsunami Appeal	3 (c)	1,427	(10,612)	(9,185)	1,576	(13,107)	(11,531)
- International Projects	3 (d)	35,325	(29,109)	6,216	21,602	(29,449)	(7,847)
- Domestic Services	3 (a)	41,082	(46,709)	(5,627)	36,778	(33,354)	3,424
Total Non Blood Humanitarian Services		226,434	(226,966)	(532)	573,901	(614,652)	(40,751)
Finance Costs	5		(1,010)	(1,010)		(217)	(217)
NET DEFICIT FOR THE YEAR	4	226,434	(227,976)	(1,542)	573,901	(614,869)	(40,968)

OTHER COMPREHENSIVE INCOME NON BLOOD HUMANITARIAN SERVICES

Net gain arising on investment revaluations		-	1,110	1,110	-	-	-
Actuarial gains / (losses) on retirement benefit obligations	17	-	23	23	-	(279)	(279)
Other comprehensive income for the year				1,133			(279)
TOTAL COMPREHENSIVE DEFICIT FOR THE YEAR				(409)			(41,247)

The accompanying notes on pages 11 to 44 form part of these financial statements.

Statement of financial position

	Notes	SOCIETY		NON BLOOD HUMANITARIAN SERVICES	
		2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	21 (a)	115,729	81,920	29,442	20,063
Trade and other receivables	6	20,004	18,023	11,631	15,729
Inventories	7	48,858	44,794	1,732	2,141
Other financial assets	8	2,589	3,691	2,589	3,691
Other	9	6,392	3,507	1,466	1,360
Assets classified as held for sale	10	2,445	-	1,995	-
TOTAL CURRENT ASSETS		196,017	151,935	48,855	42,984
NON-CURRENT ASSETS					
Other financial assets	8	39,148	41,574	39,148	41,574
Property, plant and equipment	11	283,718	206,234	74,650	82,137
TOTAL NON-CURRENT ASSETS		322,866	247,808	113,798	123,711
TOTAL ASSETS		518,883	399,743	162,653	166,695
LIABILITIES					
CURRENT LIABILITIES					
Trade and other payables	13	81,462	60,108	12,860	17,007
Borrowings	14	9,228	6,814	-	5,000
Provisions	15	43,480	39,824	8,376	7,880
Other	16	1,389	2,232	-	-
TOTAL CURRENT LIABILITIES		135,559	108,978	21,236	29,887
NON-CURRENT LIABILITIES					
Borrowings	14	36,165	37,998	13,000	13,000
Provisions	15	13,993	12,773	825	864
Defined benefit superannuation plans	17	6,515	7,635	152	191
Other	16	2,840	2,522	-	-
TOTAL NON-CURRENT LIABILITIES		59,513	60,928	13,977	14,055
TOTAL LIABILITIES		195,072	169,906	35,213	43,942
NET ASSETS		323,811	229,837	127,440	122,753
EQUITY					
Reserves	18	12,907	15,895	1,210	4,969
Specific purpose funds	19	39,374	48,947	39,374	48,947
Accumulated funds	20	271,530	164,995	86,856	68,837
TOTAL EQUITY		323,811	229,837	127,440	122,753

The accompanying notes on pages 11 to 44 form part of these financial statements.

Statement of changes in equity

	Notes	Accumulated funds \$'000	Specific purpose funds \$'000	Property fund reserve \$'000	Asset replacement reserve \$'000	ARCBS special reserve \$'000	Investment revaluation reserve \$'000	Total \$'000
SOCIETY								
YEAR ENDED 30 JUNE 2009								
Balance as at 1 July 2008		163,273	66,889	2,971	1,998	10,500	-	245,631
Net deficit for the year		(7,434)	-	-	-	-	-	(7,434)
Other comprehensive loss for the year		(8,360)	-	-	-	-	-	(8,360)
Transfer (to) / from special reserve	18, 20	(426)	-	-	-	426	-	-
Transfers to / (from) specific purpose funds	19, 20	17,942	(17,942)	-	-	-	-	-
Balance as at 30 June 2009		164,995	48,947	2,971	1,998	10,926	-	229,837
YEAR ENDED 30 JUNE 2010								
Net surplus for the year		93,287	-	-	-	-	-	93,287
Other comprehensive (loss) / gain for the year		(424)	-	-	-	-	1,110	686
Transfers to / (from) fair value reserves	18, 20	4,869	-	(2,871)	(1,998)	-	-	-
Transfer (to) / from special reserve	18, 20	(5,866)	-	-	-	5,866	-	-
Transfers to / (from) specific purpose funds	19, 20	11,573	(9,573)	-	-	-	-	2,000
Transfers to / (from) other reserves	20	3,096	-	-	-	(5,095)	-	(1,999)
BALANCE AS AT 30 June 2010		271,530	39,374	100	-	11,697	1,110	323,811
NON BLOOD HUMANITARIAN SERVICES								
YEAR ENDED 30 JUNE 2009								
Balance as at 1 July 2008		92,142	66,889	2,971	1,998	-	-	164,000
Net deficit for the year		(40,968)	-	-	-	-	-	(40,968)
Other comprehensive loss for the year		(279)	-	-	-	-	-	(279)
Transfers to / (from) specific purpose funds	19, 20	17,942	(17,942)	-	-	-	-	-
Balance as at 30 June 2009		68,837	48,947	2,971	1,998	-	-	122,753
YEAR ENDED 30 JUNE 2010								
Net deficit for the year		(1,542)	-	-	-	-	-	(1,542)
Other comprehensive gains for the year		23	-	-	-	-	1,110	1,133
Transfers to / (from) fair value reserves	18, 20	4,869	-	(2,871)	(1,998)	-	-	-
Transfer from / (to) special reserve	20	3,096	-	-	-	-	-	3,096
Transfers to / (from) specific purpose funds	19, 20	11,573	(9,573)	-	-	-	-	2,000
BALANCE AS AT 30 June 2010		86,856	39,374	100	-	-	1,110	127,440

The accompanying notes on pages 11 to 44 form part of these financial statements.

Statement of cash flows

	Notes	SOCIETY		NON BLOOD HUMANITARIAN SERVICES	
		2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from donors, government and other sources		848,693	1,068,082	226,391	568,250
Payments to suppliers and employees		(719,888)	(1,052,580)	(234,631)	(605,854)
Interest and other costs of finance paid		(3,592)	(2,042)	(1,629)	(624)
Net cash provided / (used in) by operating activities	21 (b)	125,213	13,460	(9,869)	(38,228)
CASH FLOWS FROM INVESTING ACTIVITIES					
Payments for property, plant and equipment		(114,998)	(56,666)	(4,519)	(14,445)
Payment for investment securities		(6,040)	(5,241)	(945)	(5,241)
Proceeds from sale of property, plant and equipment		12,393	941	12,311	804
Proceeds on sale of investment securities		8,102	17,488	8,102	17,488
Dividends received		1,146	2,157	1,146	2,157
Interest received		6,771	6,303	2,075	3,156
Transfer from special reserve	18	-	-	5,095	-
Net cash provided / (used in) by investing activities		(92,626)	(35,018)	23,265	3,919
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from borrowings		3,977	34,117	-	18,000
Repayment of borrowings		(3,395)	(1,193)	(5,000)	-
Net cash provided / (used in) by financing activities		582	32,924	(5,000)	18,000
Net increase / (decrease) in cash and cash equivalents		33,169	11,366	8,396	(16,309)
Cash and cash equivalents at the beginning of the financial year		81,920	71,284	20,063	36,522
Effects of exchange rate changes on the balance of cash held in foreign currencies		640	(730)	983	(150)
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	21 (a)	115,729	81,920	29,442	20,063

The accompanying notes on pages 11 to 44 form part of these financial statements.

Notes to the financial statements

1. Principal activities and registered office in Australia

Australian Red Cross Society undertakes a wide range of activities to improve the lives of vulnerable people by pursuing its humanitarian goals and objectives in Australia and overseas.

Australian Red Cross Society is an organisation incorporated by Royal Charter and is a member of the International Federation of Red Cross and Red Crescent Societies. Australian Red Cross Society operates as two key divisions being Non Blood Humanitarian Services and Australian Red Cross Blood Service (Blood Service).

Non Blood Humanitarian Services maintains principal places of business in each of the capital cities of all Australian States and Territories. The principal activity of Non Blood Humanitarian Services is providing relief in times of crisis and care for the most vulnerable in Australia and around the world.

Australian Red Cross Society is domiciled in Australia and its registered office and principal place of business is:

Australian Red Cross Society

155 Pelham Street
CARLTON VIC 3053
Tel: (03) 9345 1800
ABN 501 69 561 394

Blood Service's corporate office is at 464 St Kilda Road, Melbourne, Victoria and principal places of business in the capital cities of all States and Territories. The principal activity of Blood Service is the provision of quality blood products, tissues and related services for the benefit of the community. Blood Service operates five main processing and testing facilities, five other processing facilities plus a network of collection centres in metropolitan and regional areas across Australia. Blood Service is funded for this activity by the Commonwealth, State and Territory governments under a Deed of Agreement (Deed) administered by the National Blood Authority (NBA).

2. Summary of significant accounting policies

Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with Accounting Standards and Interpretations, and complies with other requirements of the law.

The financial report includes the separate financial statements of the Society inclusive of Blood Service and Non Blood Humanitarian Service divisions. For disclosure purposes the Non Blood Humanitarian Service division has also been separately disclosed.

Accounting Standards include Australian equivalents to International Financial Reporting Standards (A-IFRS). Compliance with A-IFRS ensures that the financial statements and notes of the Society comply with International Financial Reporting Standards (IFRS), except for the requirements applicable to not-for-profit organisations.

The financial report of Australian Red Cross Society for the year ended 30 June 2010 was authorised for issue in accordance with a resolution of the Board on 30 October 2010.

2.1 Adoption of new and revised Accounting Standards

The following new and revised Standards and Interpretations have been adopted by the Society in the current period and have affected the amounts reported in these financial

statements. Details of other Standards and Interpretations adopted in these financial statements but that have had no effect on the amounts reported are set out in section 2.2.

AASB 101 <i>Presentation of Financial Statements</i> (revised September 2007), AASB 2007-8 <i>Amendments to Australian Accounting Standards arising from AASB 101</i> , AASB 2007-10 <i>Further Amendments to Australian Accounting Standards arising from AASB 101</i>	AASB 101 (September 2007) has introduced terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements.
AASB 2009-2 <i>Amendments to Australian Accounting Standards – Improving Disclosures about Financial Instruments</i>	The amendments to AASB 7 expand the disclosures required in respect of fair value measurements and liquidity risk. The Society has elected not to provide comparative information for these expanded disclosures in the current year in accordance with the transitional reliefs offered in these amendments.
Amendments to AASB 5 <i>Non-current Assets Held for Sale and Discontinued Operations</i> (adopted in advance of effective date 1 January 2010)	Disclosures in these financial statements have been modified to reflect the clarification in AASB 2009-5 <i>Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project</i> that the disclosure requirements in Standards other than AASB 5 do not generally apply to non-current assets classified as held for sale and discontinued operations.
Amendments to AASB 107 <i>Statement of Cash Flows</i> (adopted in advance of effective date 1 January 2010)	The amendments (part of AASB 2009-5 <i>Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project</i>) specify that only expenditures that result in a recognised asset in the statement of financial position can be classified as investing activities in the statement of cash flows. Consequently, cash flows in respect of development costs that do not meet the criteria in AASB 138 <i>Intangible Assets</i> for capitalisation as part of an internally generated intangible asset (and, therefore, are recognised in profit or loss as incurred) have been reclassified from investing to operating activities in the statement of cash flows. Prior year amounts have been restated for consistent presentation.

2.2 Standards and Interpretations adopted with no effect on financial statements

The following new and revised Standards and Interpretations have also been adopted in these financial statements. Their adoption has not had any significant impact on the amounts

reported in these financial statements but may affect the accounting for future transactions or arrangements.

AASB 123 <i>Borrowing Costs</i> (as revised in 2007) and AASB 2007-6 <i>Amendments to Australian Accounting Standards arising from AASB 123</i>	The principal change to AASB 123 was to eliminate the option to expense all borrowing costs when incurred. This change has had no impact on these financial statements because it has always been the Society's accounting policy to capitalise borrowing costs incurred on qualifying assets.
AASB 2009-4 <i>Amendments to Australian Accounting Standards arising from the Annual Improvements Project</i> and AASB 2009-5 <i>Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project</i>	In addition to the amendments to AASB 5 and AASB 107 described earlier in this section, and the amendments to AASB 117 discussed in section 2.3 below, the amendments have led to a number of changes in the detail of the Society's accounting policies - some of which are changes in terminology only, and some of which are substantive but have had no material effect on amounts reported. Except as noted in 2.3 below, the changes in AASB 2009-5 have been adopted in advance of their effective dates of 1 January 2010.

2.3 Standards and Interpretations in issue not yet adopted

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective.

AASB 2009-5 <i>Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project</i>	*Effective for annual reporting periods beginning on or after 1 January 2010 Expected to be initially applied in financial year ending 30 June 2011
AASB 124 <i>Related Party Disclosures (revised December 2009)</i> , AASB 2009-12 <i>Amendments to Australian Accounting Standards</i>	Effective for annual reporting periods beginning on or after 1 January 2011 Expected to be initially applied in financial year ending 30 June 2012
AASB 9 <i>Financial Instruments</i> , AASB 2009-11 <i>Amendments to Australian Accounting Standards arising from AASB 9</i>	Effective for annual reporting periods beginning on or after 1 January 2013 Expected to be initially applied in financial year ending 30 June 2014

* AASB 2009-5 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project* specify amendments resulting from the IASB's annual improvement project to various Australian accounting standards and interpretations. As permitted, the Society has early adopted most of the amendments in AASB 2009-5 (refer note 2.2). However, the amendments to AASB 117 Leases have not been early adopted.

Adoption of these amendments will potentially result in the reclassification of several leases as finance leases. The amendments, which apply retrospectively to unexpired leases from 1 July 2010, remove the guidance from AASB 117 which effectively prohibited the classification of leases over land as finance leases. It is not practical to provide a reasonable estimate of the impact of this amendment until a detailed review of existing leases has been completed.

Basis of preparation

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets and financial assets and liabilities, including derivatives, for which the fair value basis of accounting has been applied. Cost is based on the fair values of the consideration given in exchange for assets.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$'000), unless otherwise stated.

In the application of the Society's accounting policies management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are considered to be relevant. Actual results may differ from these estimates.

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

The Society's financial statements are prepared by combining the financial statements of the Non Blood Humanitarian Services and Australian Red Cross Blood Service that comprise the entity. Consistent accounting policies are employed in the preparation of and presentation of the financial statements across the divisions.

The financial statements include the information and results of both divisions.

In preparing the financial statements, all inter divisions balances and transactions, and unrealised profits arising within the entity are eliminated in full.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(a) Foreign currency

The functional and presentation currency of Australian Red Cross Society is Australian dollars (\$AUD).

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All foreign currency differences in the financial report are taken to the profit and loss. As at the reporting date, the assets and liabilities of foreign operations whose functional currency is not \$AUD, are translated into the presentation currency of Australian Red Cross Society at the rate of exchange ruling at the balance sheet date. Exchange differences arising, if any, are taken to profit or loss.

(b) Income tax

The Society being a charitable organisation is exempt from income tax under subsection 50-5 of the Income Tax Assessment Act 1997.

(c) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense;
- or
- ii. for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified within operating cash flows.

(d) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Society and the revenue can be reliably measured.

Rendering of services

Revenue is recognised when the contract outcome can be measured reliably, control of the right to be compensated for the service determined, and the stage of completion can be measured reliably.

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and it can be measured reliably. Risks and rewards are considered passed to the buyer at the time of delivery of the goods to the customer.

Interest

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset. Interest accruing on funds held for a special purpose is credited to that special purpose fund within equity after first being recorded in the profit or loss. (refer note 19).

Dividends

Dividend revenue is recognised on a receivable basis.

Rental income

Rental income received from properties owned by the Society is accounted for on a straight-line basis over the lease term. Contingent rental income is recognised as income in the periods in which it is earned.

Blood Service – operating grant funding

From 1 July 2003, the National Blood Authority (NBA) coordinates, on behalf of the Commonwealth, State and Territory governments, national arrangements between the Blood Service and Governments for the supply of blood and blood related products and services. These arrangements were to be formalised under a Deed of Agreement (the 'Deed'). Under these terms, the NBA remitted funds to

the Blood Service for its Main Operating Programme and other NBA-approved programmes. The Deed was signed by the Society and the NBA on 21 August 2006, and sets out the relationship between the parties, and the funding arrangements for the Blood Service over the next 3 years to 30 June 2009. The Deed has been extended for a further two 12 month periods to 30 June 2011 while a new Deed is being negotiated.

Blood Service also receives grants from the Commonwealth and State Governments for the provision of the National Transplantation Service of tissue typing, organ donor program and the bone marrow registry.

Blood Service - capital income

The arrangement with the NBA provides for capital funding up to 10% of the funding for the Main Operating Programme for the financial year. During the year, the Blood Service received capital funding from the NBA based on the cash flow commitments relating to capital expenditure.

Government grants are recognised as revenue when the Blood Service obtains control of the contribution, or the right to receive the contribution, and it is probable that the economic benefits of the contribution will flow to the Blood Service.

Society - other grants and contributions

Grants income and other contributions are recognised when the Society obtains control of the contribution or right to receive the contribution and it is probable that the economic benefits comprising the contributions will flow to the Society.

Society - donations

The Society receives part of its income from donations, as cash or in kind. Amounts donated can be recognised as revenue only when the Society gains control, economic benefits are probable and the amounts can be measured reliably. The Society establishes controls to ensure that donations are recorded in the financial records, however at times it is impractical to maintain effective controls over the collection of such revenue prior to its initial entry into the financial records. Therefore, donations are recognised as revenue when they are recorded in the books and records of the Society. Donations received for specific purposes are transferred to a separate fund within equity after being first recorded in the profit or loss (refer note 19).

(e) Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

(f) Non-derivative financial instruments

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out on the next page:

Financial assets

Financial assets are recognised and derecognised on trade date where purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value.

Subsequent to initial recognition, financial assets are classified into the following categories depending on the nature and purpose of the financial asset and is determined at the time of initial recognition:

Held-to-maturity investments

These investments have fixed maturities, and it is the Society's intention to hold these investments to maturity. This category includes government bonds and fixed interest securities. Any held-to-maturity investments held by the Society are stated at amortised cost using the effective interest method less impairment, with revenue recognised on an effective-yield basis.

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.

Available for sale financial assets

Available-for-sale financial assets include financial assets not included in the above category. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from the changes in fair value are taken direct to equity, except for impairment losses which are recognised in profit or loss.

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 income is recognised by applying the effective interest rate.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arms length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the Society assess whether there is objective evidence that a financial instrument has been impaired. In the case of 'available-for-sale' financial assets, a prolonged or significant decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the profit and loss. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of financial assets including uncollectible trade receivables is reduced by the impairment loss through the use of an allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the allowance account are

recognised in profit or loss.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

With the exception of available-for-sale for equity instruments, if in a subsequent period the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity instruments, any subsequent increase in fair value after an impairment loss is recognised directly in equity.

Financial liabilities

Non-derivative financial liabilities, including loans and borrowings, are recognised at amortised cost, comprising original debt less principal payments and amortisation.

g) Inventories

Inventories held for sale are valued at the lower of cost and net realisable value. Where inventories are held for distribution or are to be consumed by the Society in providing service or aid at no nominal charge, they are valued at the lower of cost and net replacement cost.

The Blood Service has the following categories of inventories:

Consumables

Consumables are used by the Blood Service in providing products and services, and are measured at the lower of cost and current replacement cost.

Inventories held for distribution

The Blood Service provides products and services in accordance with the Deed (refer note 2(d)). In the discharge of this agreement, the Blood Service is responsible for a range of activities, including collection, testing, processing, inventory management and distribution of blood and blood products. In this context, the Blood Service recognises blood and blood products as current assets, to be measured at lower of cost and current replacement cost. Cost comprises direct materials and direct labour of the operating units incurred in the collection and processing of blood. Inventories include blood and blood products at the Blood Service, and plasma stocks and fractionated products by the fractionator, CSL Ltd. Additionally, in relation to inventories held for distribution, the Blood Service has received legal advice that the ownership of blood and blood products produced by Blood Service rests with the Blood Service.

(h) Trade and other receivables

Trade receivables, which generally have 30 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

(i) Non current assets held for sale

Non current assets classified as assets held for sale are measured at the lower of carrying amount and fair value less costs to sell. Non current assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. The sale of the asset is expected to be completed within one year from the date of classification.

(j) Property, plant and equipment

Property, plant and equipment are stated at cost, less any subsequent accumulated depreciation and any impairment in value. Cost includes expenditure that is directly attributable to the item.

Depreciation is calculated on a straight-line basis so as to write off the net cost of each asset over its expected useful life to its estimated residual value. The estimated useful lives, residual values and depreciation method is reviewed at the end of each annual reporting period.

The following estimated useful lives are used in the calculation of depreciation:

	NON BLOOD HUMANITARIAN SERVICES		BLOOD SERVICE	
	40 yrs	2.5%	40 yrs	2.5%
Freehold buildings and renovations	40 yrs	2.5%	40 yrs	2.5%
Leasehold improvements	Shorter of lease period or useful life		Shorter of lease period or useful life	
Shop fit-outs	5.7 yrs	17.5%	-	-
Plant and equipment				
- Motor vehicles	5 yrs	20.0%	4 yrs	25.0%
- Computer equipment	3 yrs	33.3%	4 yrs	25.0%
- Plant and machinery	5 yrs	20.0%	10 yrs	10.0%
- Administrative equipment	-	-	5 yrs	20.0%
- Furniture and fittings	-	-	10 yrs	10.0%
- Laboratory equipment	-	-	8 yrs	12.5%
- Mobile collection equipment	-	-	10 yrs	10.0%
- Static collection equipment	-	-	8 yrs	12.5%

(k) Borrowings

All borrowings are initially recognised at cost, being the fair value of the consideration received net of issue costs associated with the borrowing. After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the effective interest rate method. Amortised cost is calculated by taking into account any issue costs, and any discount or premium on settlement.

Gains and losses are recognised in the statement of comprehensive income when the liabilities are derecognised, as well as through the amortisation process.

(l) Payables

Liabilities for trade creditors and other amounts are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Society.

Payables to related parties are carried at the principal amount. Interest, when charged by the lender, is recognised as an expense on an accrual basis.

(m) Impairment

At each reporting date, the Society reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from the other assets, the Society estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. As the future economic benefits of the Society's assets are not primarily dependent on their ability to generate net cash inflows, and if deprived of the asset, the Society would replace the asset's remaining future economic benefits. The 'value in use' is determined as the depreciated replacement cost of the asset, rather than by using discounted future cash flows.

Depreciated replacement cost is defined as the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset. The current replacement cost of an asset is its cost measured by reference to the lowest cost at which the gross future economic benefits of that asset could currently be obtained in the normal course of business.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amounts of the asset (cash-generating unit) in prior years. A reversal is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(n) Finance costs

Finance costs are recognised as an expense when incurred.

(o) Leases

Finance leases

Finance leases, which transfer to the Society substantially all the risks and benefits incidental to ownership of the leased item and are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and the finance cost. The finance cost is charged to the profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Operating leases

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as the lease income.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

Lease incentives

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefits of incentives are recognised as a reduction of rental expense on a straight line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

(p) Employee benefits

Short-term employee provisions

Provision is made for the Society's liability for employee benefits occurring to employees in respect of wages and salaries, annual leave and long service leave, when it is probable that settlement will be required and they are capable of being measured reliably. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

Long-term employee provisions

The Society's net obligation in respect of long-term service benefits, other than defined benefit superannuation plans, is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using the projected unit credit method and is discounted to its present value and the fair value of any related assets is deducted. The discount rate is the yield at the balance sheet date on government bonds that have maturity dates approximating to the terms of the Society's obligations.

Defined benefit superannuation funds

The Society contributes to various staff retirement funds, both defined benefit and accumulation schemes, to provide members with benefits on death or retirement. The defined benefit funds operated by the Society are the Local Government Superannuation Scheme ("LGSS") in New South Wales, Australian Red Cross Staff Superannuation Plan and the Australian Red Cross Queensland Staff Retirement Fund.

The cost of providing benefits is determined by a qualified actuary using the projected unit credit method, with actuarial valuations being carried out each reporting date. Actuarial gains and losses are recognised in full in the statement of comprehensive income in the period in which they occur.

Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

The Society's net obligation in respect of defined benefit pension plans is calculated separately for each plan. The defined benefit obligations recognised in the balance sheet represent the present value of defined benefits obligations and assets, adjusted for unrecognised past service cost, net of the fair value of plan assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the plans.

The discount rate used in the calculation is the yield at the balance sheet date on government bonds that have maturity dates approximating to the terms of the Society's obligations.

Defined contribution superannuation funds

Obligations for contributions to defined contribution pension plans are recognised as an expense in profit or loss as incurred.

The Society contributes to the defined benefit fund of Health Super, a multi-employer fund, and some employees will receive defined benefit post-employment benefits from this fund. Sufficient information is not available to account for Health Super as a defined benefit plan as each employer is exposed to actuarial risks associated with current and former employees of other entities. As a result there is no consistent and reliable basis for allocating the obligation, assets and costs to individual entities. Therefore the Society has adopted defined contribution accounting for these employees.

(q) Provisions

Provisions are recognised when the Society has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense. Provisions include provisions for make good of property leases and annual leave and long service leave.

(r) Derivative financial instruments

The Society uses derivative financial instruments, being foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations.

Derivatives are initially recorded at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in the profit and loss immediately unless the derivative is designated and effective as a hedging instrument, in which event, the timing and recognition in the profit and loss depends on the nature of the hedge relationship.

All foreign currency forward contracts existing during the financial year were not designated as hedges and therefore the changes in fair value of these contracts were recognised immediately in profit or loss.

(s) Comparative amounts

Where necessary, the comparative figures have been adjusted to conform to changes in presentation in the current financial year.

NON BLOOD HUMANITARIAN SERVICES	2010			2009		
	Revenue \$'000	Expense \$'000	Net Revenue / (Expense) \$'000	Revenue \$'000	Expense \$'000	Net Revenue / (Expense) \$'000
Note 3. - REVENUE AND EXPENSES						
3 (a) GENERAL ACTIVITIES AND DOMESTIC (excluding Bushfire Appeal)						
Fundraising:						
– Appeals, donations and sponsorships	35,299	(17,253)	18,046	26,719	(15,066)	11,653
– Legacies	12,230	(1,144)	11,086	13,431	(1,416)	12,015
Total Fundraising*	47,529	(18,397)	29,132	40,150	(16,482)	23,668
Membership and volunteers	989	(5,490)	(4,501)	1,524	(7,596)	(6,072)
Services	63,479	(85,089)	(21,610)	82,513	(109,576)	(27,063)
Retail	46,222	(43,404)	2,818	29,714	(27,586)	2,128
	158,219	(152,380)	5,839	153,901	(161,240)	(7,339)
Investments	4,832	(4,786)	46	3,174	(910)	2,264
Rental properties	-	-	-	3,303	(2,747)	556
Communications	-	(3,692)	(3,692)	1	(5,789)	(5,788)
Marketing	5,150	(6,170)	(1,020)	5,008	(5,041)	(33)
Administration	5,803	(8,356)	(2,553)	11,330	(8,940)	2,390
Gain / (loss) on disposal of fixed assets	9,283	-	9,283	660	(130)	530
Gain / (loss) on disposal of investments	598	(32)	566	204	(1,985)	(1,781)
Depreciation	-	(6,749)	(6,749)	-	(6,171)	(6,171)
Unrealised impairment loss on fair value of available-for-sale investments	-	-	-	-	(3,610)	(3,610)
Unrealised impairment gain / (loss) on held-to-maturity investments	-	717	717	-	(2,391)	(2,391)
	25,666	(29,068)	(3,402)	23,680	(37,714)	(14,034)
Total General and Domestic Activities (excluding Bushfire Appeal)	183,885	(181,448)	2,437	177,581	(198,954)	(21,373)

* Total Fundraising revenue for the financial year of \$47.5m (2009:\$40.1m) excludes amounts raised from the Victorian Bushfire Appeal (2010: \$5.8m, 2009:\$373.1m) and Appeals specific to International projects (2010: \$36.8m, 2009:\$2.9m). Amounts raised for these activities are separately disclosed in notes 3 (b), (c) and (d) below.

Notes to the financial statements for the financial year ended 30 June 2010

	SOCIETY		NON BLOOD HUMANITARIAN SERVICES	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
3 (b) VICTORIAN BUSHFIRE APPEAL				
Donations	5,796	373,096	5,796	373,096
Interest revenue	1	46	1	46
Total Revenue	5,797	373,142	5,797	373,142
Funds disbursed to the 2009 Victorian Bushfire Appeal Fund Trust Account	(5,797)	(373,142)	(5,797)	(373,142)
Funds yet to be disbursed to the 2009 Victorian Bushfire Appeal Fund Trust Account	-	-	-	-

Australian Red Cross Society (Red Cross) in partnership with the Victorian Government and Australian Government on 08 February 2009 launched an appeal conducted by Red Cross called the Victorian Bushfire Appeal 2009 (the Appeal).

All monies received from the Appeal are transferred by Red Cross into the 2009 Victorian Bushfire Appeal Fund Trust Account established by the Department of Human Services pursuant to section 19(1) of the Financial Management Act 1994 for the disbursement in accordance with the stated Appeal Intent: "Funds raised will be used to provide assistance to individuals and communities in towns and suburbs affected by the 2009 Victorian bushfires. Red Cross will not deduct any costs from public donations to cover Appeal costs. All interest earned on donations will be invested back into the Appeal. Should the funds raised exceed the amount required to meet these needs, any excess funds will be used to assist in future disasters in Victoria."

The 2009 Victorian Bushfire Appeal Fund Advisory Panel (the Panel) jointly appointed by the Victorian Government and Red Cross, has been established to disburse funds in accordance with the Appeal Intent.

At 30 June 2010 \$8.0m (2009: \$2.9m) in interest was earned and invested back into the 2009 Victorian Bushfire Appeal Fund Trust Account. At this time, \$375.0m (2009: \$301.0m) was approved by the Panel for disbursement in accordance with the Appeal Intent of which \$262.0m (2009: \$141.0m) has been distributed.

	SOCIETY		NON BLOOD HUMANITARIAN SERVICES	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
3 (c) TSUNAMI APPEAL				
Donations	2	3	2	3
Non-government grants	279	-	279	-
Interest revenue	1,146	1,573	1,146	1,573
Total Revenue	1,427	1,576	1,427	1,576
Rehabilitation and construction	(7,264)	(11,406)	(7,264)	(11,406)
Program management and co-ordination	14	(77)	14	(77)
Australian service delivery (i)	(427)	(323)	(427)	(323)
Support to non-government organisations	(253)	-	(253)	-
Health	(1,705)	-	(1,705)	-
Depreciation	(3)	(8)	(3)	(8)
Administration costs (ii)	(974)	(1,293)	(974)	(1,293)
Total Expenses	(10,612)	(13,107)	(10,612)	(13,107)
Net deficit for the year	(9,185)	(11,531)	(9,185)	(11,531)
Funds carried forward from previous year	14,236	25,767	14,236	25,767
Net deficit for the year	(9,185)	(11,531)	(9,185)	(11,531)
Unspent Funds at 30 June	5,051	14,236	5,051	14,236

(i) Australian service delivery of \$0.4m (2009: \$0.3m) includes Australian based program support.

(ii) Administration costs of \$1.0m (2009: \$1.3m) include accounting and administration activities. At 30 June 2010 administration costs represented 6.5% (2009: 5.9%) of total revenues received to date.

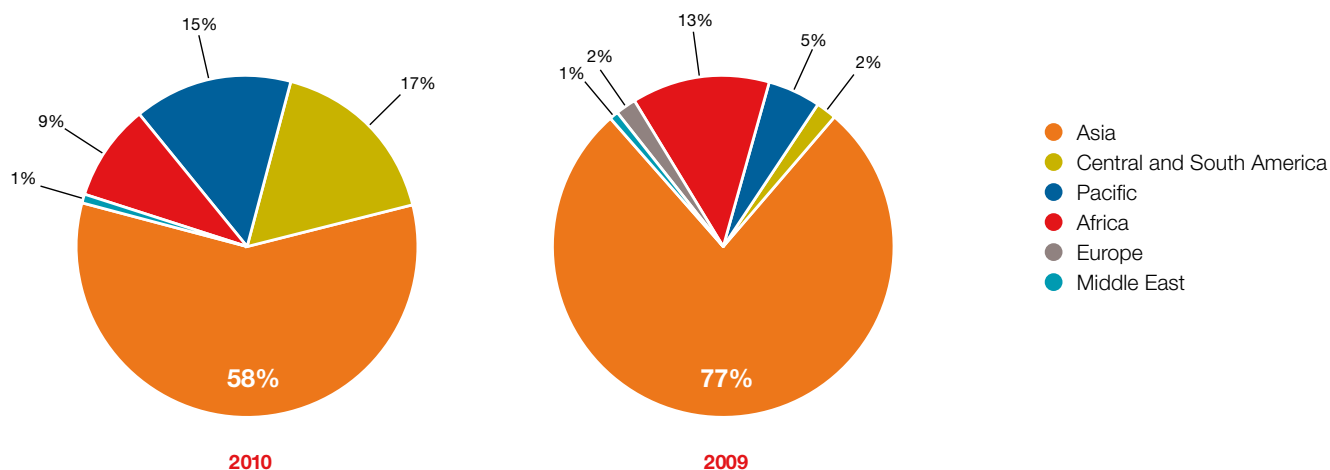
Overarching test: Australian Red Cross Society (Red Cross) has used an overarching test in relation to expenditure. This requires that in order for a cost to be classed as administration to the Asia Quake and Tsunamis Appeal the cost in its entirety must be a new cost incurred as a result of the tsunami occurring. Hence Red Cross has not, and will not, claim any portion of general overheads incurred in normal, non-tsunami, operations.

Notes to the financial statements for the financial year ended 30 June 2010

SOCIETY and NON BLOOD HUMANITARIAN SERVICES	2010				2009			
	Developing Countries Aid Fund Projects \$'000	AusAid Funded Projects \$'000	Overseas Projects Funded by Other Sources \$'000	Total International Projects (excluding Tsunami Appeal) \$'000	Developing Countries Aid Fund Projects \$'000	AusAid Funded Projects \$'000	Overseas Projects Funded by Other Sources \$'000	Total International Projects (excluding Tsunami Appeal) \$'000
3 (d) INTERNATIONAL (excluding Tsunami Appeal)								
Donations	15,374	-	-	15,374	2,926	24	1	2,951
Government grants:								
– AusAid	-	17,362	-	17,362	-	17,988	-	17,988
Non-government grants	-	79	2,004	2,083	-	-	288	288
Interest revenue	303	200	3	506	125	242	8	375
Total Revenue	15,677	17,641	2,007	35,325	3,051	18,254	297	21,602
Humanitarian aid	(9,806)	(11,000)	(376)	(21,182)	(8,792)	(14,035)	(654)	(23,481)
Health	(171)	(4,993)	(512)	(5,676)	(78)	(4,791)	(82)	(4,951)
Water supply and sanitation	(4)	(1,032)	(126)	(1,162)	(41)	(964)	-	(1,005)
Support to non-government organisations	(336)	(433)	(320)	(1,089)	(6)	(6)	-	(12)
Total Expenses	(10,317)	(17,458)	(1,334)	(29,109)	(8,917)	(19,796)	(736)	(29,449)
Net surplus / (deficit) for the year	5,360	183	673	6,216	(5,866)	(1,542)	(439)	(7,847)
Funds carried forward from previous year	5,800	9,126	(251)	14,675	11,666	10,668	188	22,522
Net surplus / (deficit) for the year	5,360	183	673	6,216	(5,866)	(1,542)	(439)	(7,847)
Unspent Funds at 30 June	11,160	9,309	422	20,891	5,800	9,126	(251)	14,675

SOCIETY and NON BLOOD HUMANITARIAN SERVICES	Notes	2010 \$'000	2009 \$'000
INTERNATIONAL PROJECTS EXPENDITURE BY REGION			
Asia		22,911	32,817
Central and South America		6,798	1,044
Pacific		6,184	2,034
Africa		3,615	5,357
Europe		26	831
Middle East		187	473
Total	3 (c) & 3 (d)	39,721	42,556

EXPENDITURE BY REGION



Notes to the financial statements for the financial year ended 30 June 2010

	2010 \$'000	2009 \$'000
3 (e) BLOOD SERVICES		
Government grants	562,126	444,909
Interest revenue	4,696	3,147
Other	7,385	8,435
Total Revenue	574,207	456,491
Operating expenses	(449,272)	(402,740)
Depreciation	(20,036)	(18,768)
Reclassification of special reserves from special purpose funds	-	2,840
Gain / (loss) on disposal of fixed assets	(4,940)	10
Total Expenses	(474,248)	(418,658)
Total Blood Services	99,959	37,833

	SOCIETY		NON BLOOD HUMANITARIAN SERVICES	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
3 (f) REVENUE				
Revenue from the sale of goods	37,245	36,352	37,413	36,381
Revenue from the rendering of services	6,583	6,081	6,583	6,101
Government grants	651,031	543,519	88,905	98,610
Non-government grants	3,448	2,743	3,448	2,743
Donations, legacies and sponsorships	68,798	414,876	68,798	414,876
Interest revenue:				
– Bank deposits	5,636	4,036	940	889
– Available-for-sale investments	-	556	-	556
– Held-to-maturity investments	1,137	1,632	1,137	1,632
Dividends from other entities	986	2,228	986	2,228
Rental revenue:				
– Investment properties	3,477	3,298	3,477	3,298
– Other rental revenue	1,669	1,381	4,669	4,213
Other revenue	17,463	10,809	10,078	2,374
Total Revenue	797,473	1,027,511	226,434	573,901

Notes to the financial statements for the financial year ended 30 June 2010

	SOCIETY		NON BLOOD HUMANITARIAN SERVICES	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Note 4. - GAINS, (LOSSES) AND OTHER EXPENSES				
4 (a) GAINS AND LOSSES				
Surplus / (deficit) for the year has been arrived at after crediting / (charging) the following gains and losses:				
Gain on disposal of property, plant and equipment	9,283	670	9,283	660
Gain on disposal of investments	598	204	598	204
	9,881	874	9,881	864
Unrealised impairment loss on fair value of available-for-sale investments	-	(3,610)	-	(3,610)
Unrealised impairment gain / loss on held-to-maturity investments	717	(2,391)	717	(2,391)
Loss on disposal of property, plant and equipment	(4,940)	(130)	-	(130)
Loss on disposal of investments	(32)	(1,985)	(32)	(1,985)
Foreign exchange gains / (losses)	640	(730)	983	(150)
	(3,615)	(8,846)	1,668	(8,266)
Total Gains / (Losses)	6,266	(7,972)	11,549	(7,402)

	SOCIETY		NON BLOOD HUMANITARIAN SERVICES	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
4 (b) OTHER EXPENSES				
Surplus / (deficit) for the year includes the following expenses:				
Cost of sales	(103,202)	(89,800)	(6,839)	(7,053)
Inventory:				
– Write-down of inventory to net realisable value	(122)	(96)	(122)	(96)
Impairment of trade receivables	(224)	(44)	(224)	(44)
Depreciation of non-current assets	(26,788)	(24,947)	(6,752)	(6,179)
Operating lease rental expenses:				
– Minimum lease payments	(18,705)	(17,133)	(7,646)	(7,182)
Employee benefits expense:				
– Wages and Salaries	(289,892)	(288,875)	(77,926)	(77,178)
– Post employment benefits:				
– Defined benefit plans	(1,306)	(940)	(36)	(8)
– Defined contribution plans	(25,105)	(23,027)	(7,075)	(7,091)
– Termination benefits	(5,514)	(2,752)	(1,406)	(967)
	(31,925)	(26,719)	(8,517)	(8,066)

	SOCIETY		NON BLOOD HUMANITARIAN SERVICES	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Note 5. - FINANCE COSTS				
Interest on bank overdrafts and loans	1,010	217	1,010	217
Interest on obligations under finance leases	1,962	1,418	-	-
	2,972	1,635	1,010	217

Notes to the financial statements for the financial year ended 30 June 2010

	SOCIETY		NON BLOOD HUMANITARIAN SERVICES	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Note 6. - TRADE AND OTHER RECEIVABLES				
Trade receivables	14,864	17,704	11,661	15,233
Allowance for doubtful debts	(270)	(50)	(270)	(50)
	14,594	17,654	11,391	15,183
Goods and services tax recoverable	-	-	-	251
Other receivables	5,410	369	240	295
	20,004	18,023	11,631	15,729

Trade receivables are non-interest bearing and are generally on 30 day terms. Where debts are assessed to be non-recoverable, these are written off.

Ageing of past due but not impaired trade receivables				
30-60 days	2,117	631	1,522	372
60-90 days	391	438	317	425
90-120 days	222	145	217	137
120+ days	361	421	358	225
Total	3,092	1,635	2,415	1,159

Movement in the allowance for doubtful debts				
Opening balance 1 July	50	49	50	49
Impairment losses recognised on receivables	259	39	259	39
Amounts written off as uncollectible	(1)	(22)	(1)	(22)
Amounts recovered during the year	(38)	(6)	(38)	(6)
Impairment losses reversed	-	(10)	-	(10)
Closing balance 30 June	270	50	270	50

Ageing of impaired trade receivables				
60-90 days	-	6	-	6
90-120 days	-	10	-	10
120+ days	270	34	270	34
Total	270	50	270	50

Note 7. - INVENTORIES				
Consumables	4,982	4,647	-	-
Finished goods	30,934	30,039	1,732	2,141
Work in progress	12,942	10,108	-	-
	48,858	44,794	1,732	2,141

Consumables inventory has been valued at weighted average cost, plasma inventory is valued at weighted average cost, and other blood products are valued at direct costs. Inventories write-down recognised as an expense during the year was \$nil (2009: \$nil).

Notes to the financial statements for the financial year ended 30 June 2010

	Notes	SOCIETY		NON BLOOD HUMANITARIAN SERVICES	
		2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Note 8. - OTHER FINANCIAL ASSETS					
Available-for-sale financial assets					
Current					
– Cash management account		974	3,188	974	3,188
		974	3,188	974	3,188
Non-current					
– Shares		17,876	17,390	17,876	17,390
– Notes		457	1,037	457	1,037
		18,333	18,427	18,333	18,427
		19,307	21,615	19,307	21,615
Held-to-maturity financial assets					
Current					
– Amortised Cost – 1 July		503	2,264	503	2,264
– Reclassified from non-current		1,809	-	1,809	-
– Less funds received on maturity		(312)	-	(312)	-
– Less principal repayments		(482)	(1,745)	(482)	(1,745)
– Add / (less) movement in interest		(3)	(19)	(3)	(19)
– Less impairment gain	4	100	3	100	3
– Amortised cost – 30 June		1,615	503	1,615	503
Non-current					
– Amortised Cost – 1 July		23,147	25,923	23,147	25,923
– Reclassified to current		(1,809)	-	(1,809)	-
– Less principal repayments		(1,171)	(275)	(1,171)	(275)
– Add / (less) movement in interest		31	(107)	31	(107)
– Less impairment gain / (loss)	4	617	(2,394)	617	(2,394)
– Amortised cost – 30 June		20,815	23,147	20,815	23,147
		22,430	23,650	22,430	23,650
Current					
– Mortgage backed securities		1,615	503	1,615	503
Non-current					
– Mortgage backed securities		20,815	23,147	20,815	23,147
		22,430	23,650	22,430	23,650
Disclosed in the financial statements as:					
Current other financial assets		2,589	3,691	2,589	3,691
Non-current other financial assets		39,148	41,574	39,148	41,574
		41,737	45,265	41,737	45,265

Unrealised impairment losses on investments held as 'held-to-maturity' of \$0.7m (2009: \$2.4m) have been transferred to the profit and loss.

Notes to the financial statements for the financial year ended 30 June 2010

Fair value measurements recognised in the statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into levels 1 to 3 based on the degree to which the fair value is observable.

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
SOCIETY				
Year ended 30 June 2010				
Available-for-sale financial assets				
– Shares	17,876	-	-	17,876
– Notes	457	-	-	457
	18,333	-	-	18,333
Year ended 30 June 2009				
Available-for-sale financial assets				
– Shares	17,390	-	-	17,390
– Notes	1,037	-	-	1,037
	18,427	-	-	18,427
NON BLOOD HUMANITARIAN SERVICES				
Year ended 30 June 2010				
Available-for-sale financial assets				
– Shares	17,876	-	-	17,876
– Notes	457	-	-	457
	18,333	-	-	18,333
Year ended 30 June 2009				
Available-for-sale financial assets				
– Shares	17,390	-	-	17,390
– Notes	1,037	-	-	1,037
	18,427	-	-	18,427

There were no transfers between level 1 and 2 in the period.

Notes to the financial statements for the financial year ended 30 June 2010

	SOCIETY		NON BLOOD HUMANITARIAN SERVICES	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000

Note 9. - OTHER ASSETS

Current

Prepayments	6,392	3,507	1,466	1,360
-------------	-------	-------	-------	-------

Note 10. - ASSETS CLASSIFIED AS HELD FOR SALE

Land, buildings and renovations	1,911	-	1,911	-
Plant and equipment	534	-	84	-
	2,445	-	1,995	-

The assets classified as held for sale relate to a car park located in Melbourne, Victoria as well as a hostel located in Katherine, Northern Territory.

The Board has committed to the sale of both of these assets in 2010-11.

	Notes	Land, Buildings and Renovations \$'000	Shop Fit-Outs \$'000	Plant and Equipment \$'000	Work in Progress \$'000	Total \$'000
--	-------	---	-------------------------	-------------------------------	----------------------------	-----------------

Note 11. - PROPERTY, PLANT AND EQUIPMENT

SOCIETY

Year ended 30 June 2009

Gross carrying amount

Balance as at 1 July 2008		125,523	2,111	178,148	15,182	320,964
Additions		15,572	496	25,557	16,406	58,031
Disposals		(1,769)	-	(15,696)	-	(17,465)
Transfers to / (from) work in progress		6,589	7	7,096	(13,800)	(108)
Balance as at 30 June 2009		145,915	2,614	195,105	17,788	361,422

Accumulated depreciation

Balance as at 1 July 2008		(44,073)	(1,405)	(100,571)	-	(146,049)
Depreciation expense		(6,560)	(226)	(18,161)	-	(24,947)
Disposals		1,577	-	14,231	-	15,808
Balance as at 30 June 2009		(49,056)	(1,631)	(104,501)	-	(155,188)

Net Book Value as at 30 June 2009		96,859	983	90,604	17,788	206,234
--	--	---------------	------------	---------------	---------------	----------------

Year ended 30 June 2010

Gross carrying amount

Balance as at 1 July 2009		145,915	2,614	195,105	17,788	361,422
Additions		43,590	687	8,816	62,043	115,136
Disposals		(4,730)	(448)	(27,597)	(20)	(32,795)
Reclassified as held for sale	10	(3,010)	-	(354)	-	(3,364)
Transfers to / (from) work in progress		4,178	-	7,485	(11,663)	-
Transfers between asset categories		(1,881)	1,880	1	-	-
Balance as at 30 June 2010		184,062	4,733	183,456	68,148	440,399

Accumulated depreciation

Balance as at 1 July 2009		(49,056)	(1,631)	(104,501)	-	(155,188)
Depreciation expense		(8,512)	(361)	(17,915)	-	(26,788)
Disposals		1,587	439	22,349	-	24,375
Eliminated on reclassification as held for sale	9	649	-	271	-	920
Transfers between asset categories		1,435	(1,398)	(37)	-	-

Balance as at 30 June 2010		(53,897)	(2,951)	(99,833)	-	(156,681)
-----------------------------------	--	-----------------	----------------	-----------------	----------	------------------

Net Book Value as at 30 June 2010		130,165	1,782	83,623	68,148	283,718
--	--	----------------	--------------	---------------	---------------	----------------

Notes to the financial statements for the financial year ended 30 June 2010

	Land, Buildings and Renovations \$'000	Shop Fit-Outs \$'000	Plant and Equipment \$'000	Work in Progress \$'000	Total \$'000
Note 11. - PROPERTY, PLANT AND EQUIPMENT					
NON BLOOD HUMANITARIAN SERVICES					
Year ended 30 June 2009					
Gross carrying amount					
Balance as at 1 July 2008	78,477	2,111	24,384	1,935	106,907
Additions	9,365	496	5,339	610	15,810
Disposals	(214)	-	(8,915)	-	(9,129)
Transfers to / (from) work in progress	1,615	7	200	(1,930)	(108)
Balance as at 30 June 2009	89,243	2,614	21,008	615	113,480
Accumulated depreciation					
Balance as at 1 July 2008	(16,014)	(1,405)	(15,343)	-	(32,762)
Depreciation expense	(2,307)	(226)	(3,646)	-	(6,179)
Disposals	38	-	7,560	-	7,598
Balance as at 30 June 2009	(18,283)	(1,631)	(11,429)	-	(31,343)
Net Book Value as at 30 June 2009	70,960	983	9,579	615	82,137
Year ended 30 June 2010					
Gross carrying amount					
Balance as at 1 July 2009	89,243	2,614	21,008	615	113,480
Additions	612	687	1,856	1,491	4,647
Disposals	(4,314)	(448)	(2,673)	(20)	(7,454)
Reclassified as held for sale	(2,560)	-	(354)	-	(2,915)
Transfers to / (from) work in progress	553	-	44	(597)	-
Transfers between asset categories	(1,881)	1,880	1	-	-
Balance as at 30 June 2010	81,654	4,733	19,882	1,490	107,758
Accumulated depreciation					
Balance as at 1 July 2009	(18,283)	(1,631)	(11,429)	-	(31,343)
Depreciation expense	(2,362)	(361)	(4,029)	-	(6,752)
Disposals	1,327	439	2,301	-	4,067
Eliminated on reclassification held for sale	649	-	271	-	920
Transfers between asset categories	1,435	(1,398)	(37)	-	-
Balance as at 30 June 2010	(17,234)	(2,951)	(12,924)	-	(33,108)
Net Book Value as at 30 June 2010	64,420	1,782	6,958	1,490	74,650

Notes to the financial statements for the financial year ended 30 June 2010

Note 12. - CHANGES IN ACCOUNTING ESTIMATE

The estimated useful lives of property, plant and equipment are reviewed at the end of each annual reporting period. During the previous financial year it was determined that the useful life of one of the properties be revised to coincide with the length of the lease term of 20 years. The useful lives of all other assets were unchanged.

In 2008 the review of property, plant and equipment resulted in the useful lives of certain items of equipment being extended. The financial effect of this reassessment together with the effect of the above, assuming the assets are held until the end of their estimated lives, is a decrease in depreciation expense in the current and future years, as shown in the table below:

	SOCIETY		NON BLOOD HUMANITARIAN SERVICES	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Year ending 2010	2,518	2,518	-	-
Year ending 2011	1,637	1,637	-	-
Year ending 2012	450	450	-	-
Year ending 2013	1,481	1,481	-	-

	SOCIETY		NON BLOOD HUMANITARIAN SERVICES	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000

Note 13. - TRADE AND OTHER PAYABLES

	SOCIETY		NON BLOOD HUMANITARIAN SERVICES	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Current				
Trade payables	79,828	57,489	12,039	15,903
Accruals and other payables	179	1,104	179	1,104
Goods and services tax payable	1,455	1,515	642	-
	81,462	60,108	12,860	17,007

Trade payables are non interest bearing and are normally settled on 30 day terms. Other payables are non interest bearing and have average term of 30 days. The continuous monitoring of cash flow ensures payables are paid within the credit timeframe.

Notes	SOCIETY		NON BLOOD HUMANITARIAN SERVICES	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000

Note 14. - BORROWINGS

Secured – at amortised cost					
Current					
- Bank loans (i)		7,421	5,000	-	5,000
- Finance lease liabilities (ii)	23	1,807	1,814	-	-
Non-current					
- Bank loans (i)		13,000	13,000	13,000	13,000
- Finance lease liabilities (ii)	23	23,165	24,998	-	-
		45,393	44,812	13,000	18,000
Disclosed in the financial statements as:					
Current borrowings		9,228	6,814	-	5,000
Non-current borrowings		36,165	37,998	13,000	13,000
		45,393	44,812	13,000	18,000

(i) The bank loans are secured by mortgages over three properties, two located in Victoria and one in New South Wales. The interest rate applicable is equal to Bank Bill Swap Bid Rate (BBSY) plus 1.00% per annum in respect of tranche 1: \$5.0m (2009: \$10.0m) and 1.45% per annum on tranche 2: \$8.0m. Tranche 1 of the loan has a maturity date of 12 June 2012 and tranche 2, 12 June 2014.

The Society's bank loans are secured by a fixed charge of \$34.0m of chargable assets for the fit out of the Sydney NAPS development.

(ii) The lease liabilities are secured over the leased asset to which they relate. Further information about the finance lease arrangements can be found in note 23.

Notes to the financial statements for the financial year ended 30 June 2010

	SOCIETY		NON BLOOD HUMANITARIAN SERVICES	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Note 15. - PROVISIONS				
Current				
– Employee benefits	43,480	39,824	8,376	7,880
Non-current				
– Employee benefits	9,898	9,318	825	864
– Make good provisions	4,095	3,455	-	-
	57,473	52,597	9,201	8,744
Disclosed in the financial statements as:				
Current provisions	43,480	39,824	8,376	7,880
Non-current provisions	13,993	12,773	825	864
	57,473	52,597	9,201	8,744

The employee benefits provision contains provisions for annual leave, long service leave and rostered days off.

Movements in make good provisions				
Opening balance 1 July	3,455	2,008	-	-
Provision recognised during the year	640	1,447	-	-
Closing balance 30 June	4,095	3,455	-	-

The provision for costs of making good represents the present value of the management's best estimate of the future sacrifice of economic benefits that will be required to remove leasehold improvements from leasehold properties. The estimate has been made on the basis of historical make good costs, a review of leases and future rentals. The unexpired terms of the leases range from two to twenty years.

	SOCIETY		NON BLOOD HUMANITARIAN SERVICES	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Note 16. - OTHER LIABILITIES				
Current				
– Lease incentive	362	215	-	-
– Government grants refundable	333	2,017	-	-
– Foreign currency contracts	694	-	-	-
Non-current				
– Foreign currency contracts	-	435	-	-
– Lease incentive	2,840	2,087	-	-
	4,229	4,754	-	-
Disclosed in the financial statements as:				
Current other liabilities	1,389	2,232	-	-
Non-current other liabilities	2,840	2,522	-	-
	4,229	4,754	-	-

Lease incentives are in relation to Blood Service entering into (i) a twenty year operating lease for the principal site at Kelvin Grove, Brisbane and (ii) a five year lease for the Parramatta property. The current amount refers to amounts to be recognised in the profit and loss within twelve months after balance date. The non-current amounts will be recognised in the profit and loss of subsequent financial years.

Notes to the financial statements for the financial year ended 30 June 2010

	SOCIETY		NON BLOOD HUMANITARIAN SERVICES	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Note 17. - DEFINED BENEFIT SUPERANNUATION PLANS				
Principal actuarial assumptions:				
Discount rate	4.86%	5.27%	5.04%	5.52%
Expected return on plan assets	6.87%	7.04%	6.50%	7.00%
Expected rate of salary increases	4.28%	4.62%	3.10%	6.00%
Amounts recognised in the statement of comprehensive income in respect of these defined benefit plans are as follows:				
Current service cost	1,390	1,400	47	32
Member contributions	(126)	(137)	(12)	(11)
Interest cost	1,207	1,226	41	27
Expected return on plan assets	(1,165)	(1,549)	(40)	(40)
	1,306	940	36	8
The amount included in the statement of financial position arising from the entity's obligations in respect of its defined benefit plans is as follows:				
Present value of funded obligations (A)	26,511	24,935	811	729
Fair value of plan assets (B)	(19,996)	(17,300)	(659)	(538)
Net (asset) / liability	6,515	7,635	152	191
Comprising:				
Net liability in the statement of financial position	6,515	7,635	152	191
Net (asset) / liability in the statement of financial position	6,515	7,635	152	191
(A) Movements in the present value of the defined benefit obligations in the current year were as follows:				
Balance 1 July	24,935	22,874	729	478
Current service cost	1,390	1,402	47	32
Past service costs				
Interest on obligation	1,207	1,226	41	27
Contributions from plan participants				
Actuarial (gain) / loss on liabilities	1,044	2,735	5	198
Benefits paid (including expenses and taxes)	(2,065)	(3,302)	(11)	(6)
Balance 30 June	26,511	24,935	811	729
(B) Movements in the present value of the plan assets in the current year were as follows:				
Balance 1 July	17,300	23,681	538	553
Expected return on plan assets	1,165	1,549	40	40
Actuarial (loss) / gain on assets	619	(5,625)	27	(81)
Employer contributions	2,851	861	53	21
Contributions from plan participants	126	136	12	11
Benefits paid (including expenses and taxes)	(2,065)	(3,302)	(11)	(6)
Balance 30 June	19,996	17,300	659	538

Notes to the financial statements for the financial year ended 30 June 2010

	SOCIETY			
	2010 \$'000	2009 \$'000	2008 \$'000	2007 \$'000
Note 17. - DEFINED BENEFIT SUPERANNUATION PLANS				
Other disclosures:				
The percentage contribution of each majority category of total plan assets comprises:				
Australian equities	27.5%	27.3%	26.6%	26.6%
International equities	25.5%	24.0%	20.9%	20.9%
Property	12.9%	15.2%	10.4%	6.4%
Australian fixed interest	5.0%	6.1%	15.3%	10.4%
International fixed interest	6.1%	7.2%	6.4%	15.3%
Cash	5.0%	4.3%	8.9%	8.9%
Other	18.1%	15.9%	11.5%	11.5%
	100.0%	100.0%	100.0%	100.0%
Historic summary				
Defined benefit plan obligations	26,511	24,935	22,874	23,895
Plan assets	(19,996)	(17,300)	(23,681)	(26,718)
(Surplus) / deficit	6,515	7,635	(807)	(2,823)
Experience adjustments arising on plan liabilities	1,009	2,572	(1,431)	256
Experience adjustments arising on plan assets	619	(5,625)	(3,572)	1,101

	NON BLOOD HUMANITARIAN SERVICES			
	2010 \$'000	2009 \$'000	2008 \$'000	2007 \$'000
Historic summary				
Defined benefit plan obligations	811	729	478	518
Plan assets	(659)	(538)	(553)	(653)
(Surplus) / deficit	152	191	(75)	(135)
Experience adjustments arising on plan liabilities	(30)	35	30	(76)
Experience adjustments arising on plan assets	27	(81)	(133)	63

	SOCIETY		NON BLOOD HUMANITARIAN SERVICES	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Actual return on assets	1,869	(3,218)	67	(41)
Amounts recognised in the other comprehensive income				
Actuarial (gains) / losses	424	8,360	(23)	279
Cumulative amount recognised in the other comprehensive income				
Cumulative amount of actuarial losses	9,137	8,713	216	239
Expected contributions and funding arrangements				
Expected employer contributions at 30 June	993	1,541	45	15

The current contributions recommendation as set out in the report of the most recent actuarial valuation of the fund as at 30 June 2010, is 11.6% (2009: 4.6%) of salaries in respect of defined benefits.

The method used to determine the employer contribution recommendations at the last actuarial review was the 'aggregate cost' funding method. This method involves determining a level contributions rate that, together with future member contributions and existing assets, is sufficient to meet the expected benefits and costs for existing members if the assumption used in the valuation are borne out of practice.

The Society has recognised an asset in the statement of financial position in respect of its defined benefit superannuation arrangements. If a surplus exists in the plans, the Society may be able to take advantage of it in the form of a reduction in the required contributions, depending on the advice of actuaries.

Notes to the financial statements for the financial year ended 30 June 2010

	Property fund reserve (i) \$'000	Asset replacement reserve (ii) \$'000	ARCBS special reserve (iii) \$'000	Investment revaluation reserve (iv) \$'000	Total \$'000
Note 18. - RESERVES					
SOCIETY					
Year ended 30 June 2009					
Balance as at 1 July 2008	2,971	1,998	10,500	-	15,469
Transfers from accumulated funds	-	-	426	-	426
Balance as at 30 June 2009	2,971	1,998	10,926	-	15,895
Year ended 30 June 2010					
Net gain arising on revaluation	-	-	-	1,110	1,110
Transfers from special reserve	-	-	(5,095)	-	(5,095)
Transfers (to) / from accumulated funds	(2,871)	(1,998)	5,866	-	997
Balance as at 30 June 2010	100	-	11,697	1,110	12,907
NON BLOOD HUMANITARIAN SERVICES					
Year ended 30 June 2009					
Balance as at 1 July 2008	2,971	1,998	-	-	4,969
Balance as at 30 June 2009	2,971	1,998	-	-	4,969
Year ended 30 June 2010					
Balance as at 1 July 2009	2,971	1,998	-	-	4,969
Net gain arising on revaluation	-	-	-	1,110	1,110
Transfers to accumulated funds	(2,871)	(1,998)	-	-	(4,869)
Balance as at 30 June 2010	100	-	-	1,110	1,210

(i) The property reserve records capital surplus made on sale of freehold land and buildings.

(ii) The asset replacement reserve records funds set aside for future asset replacement.

(iii) Blood Service 'special reserve' records net income and expenditure relating to special activities of Blood Service, including fee-for-service activities. During the current year, Blood Service transferred \$5.1m of special reserves to the Non Blood Humanitarian Services. The residual surplus funds were derived from the nucleic acid testing conducted on behalf of Hong Kong Red Cross Blood Transfusion Services between 2004 and 2007. These funds will be used to fund various joint international humanitarian blood projects and infrastructure needs. This movement in equity has been treated as a transfer from reserves in the Blood Service and a transfer to Non Blood Humanitarian Services accumulated funds of \$3.1m and \$2.0m to specific purpose funds. Upon aggregation, the balance represents a transfer between reserves.

(iv) The fair value reserve comprises the cumulative net change in the fair value of available-for-sale investments until the investment is derecognised.

Notes to the financial statements for the financial year ended 30 June 2010

	Tsunami Appeal \$'000	International Projects \$'000	Domestic Programs \$'000	Total \$'000
Note 19. - SPECIFIC PURPOSE FUNDS				
SOCIETY				
Year ended 30 June 2009				
Balance as at 1 July 2008	25,767	22,522	18,600	66,889
Transfers (to) / from accumulated funds	(11,531)	(7,847)	1,436	(17,942)
Balance as at 30 June 2009	14,236	14,675	20,036	48,947
Year ended 30 June 2010				
Transfers from special reserve	-	2,000	-	2,000
Transfers (to) / from accumulated funds	(9,185)	6,216	(8,604)	(11,573)
Balance as at 30 June 2010	5,051	22,891	11,432	39,374
NON BLOOD HUMANITARIAN SERVICES				
Year ended 30 June 2009				
Balance as at 1 July 2008	25,767	22,522	18,600	66,889
Transfers (to) / from accumulated funds	(11,531)	(7,847)	1,436	(17,942)
Balance as at 30 June 2009	14,236	14,675	20,036	48,947
Year ended 30 June 2010				
Transfers from special reserve	-	2,000	-	2,000
Transfers (to) / from accumulated funds	(9,185)	6,216	(8,604)	(11,573)
Balance as at 30 June 2010	5,051	22,891	11,432	39,374

	Notes	SOCIETY		NON BLOOD HUMANITARIAN SERVICES	
		2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Note 20. - ACCUMULATED FUNDS					
Balance at beginning of financial year		164,995	163,273	68,837	92,142
Surplus / (deficit) for the financial year		93,287	(7,434)	(1,542)	(40,968)
Actuarial (losses) / gains on defined benefit superannuation plans	17	(424)	(8,360)	23	(279)
Transfers from specific purpose funds	19	11,573	17,942	11,573	17,942
Transfers (to) special reserve	18	(5,866)	(426)	-	-
Transfers from property fund reserve	18	2,871	-	2,871	-
Transfers from asset replacement reserve	18	1,998	-	1,998	-
Transfers from other reserves		3,096	-	3,096	-
Balance at end of financial year		271,530	164,995	86,856	68,837

Notes to the financial statements for the financial year ended 30 June 2010

	SOCIETY		NON BLOOD HUMANITARIAN SERVICES	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Note 21. - RECONCILIATION OF CASH FLOWS PROVIDED BY OPERATING ACTIVITIES				
21(a) Reconciliation of cash and cash equivalents				
Cash	30,474	20,750	29,442	20,063
Bank bills	85,255	61,170	-	-
	115,729	81,920	29,442	20,063
21(b) Reconciliation of surplus / (deficit) for the period to net cash flows from operating activities				
Net surplus / (deficit)	93,287	(7,434)	(1,542)	(40,968)
Depreciation of non-current assets	26,788	24,947	6,752	6,179
Assets (from prior year) transferred to expense	231	-	231	-
Impairment loss on fair value of available-for-sale investments	-	3,610	-	3,610
Impairment (gain) / loss on fair value of held-to-maturity investments	(717)	2,391	(717)	2,391
Net foreign currency (gains) / losses	(640)	730	(983)	150
Net surplus / (deficit) on disposal of investments	(566)	1,781	(566)	1,781
Net surplus on disposal of property, plant & equipment	(4,343)	(540)	(9,283)	(530)
Interest income received and receivable	(6,773)	(6,224)	(2,077)	(3,077)
Dividends received and receivable	(986)	(2,228)	(986)	(2,228)
Non-monetary donations	(1,211)	(375)	(1,211)	(375)
Changes in assets and liabilities:				
Decrease / (increase) in trade and other receivables	237	(6,891)	3,749	(8,904)
Increase / (decrease) in inventory	(4,063)	(10,084)	410	(276)
Increase / (decrease) in trade and other payables	20,485	6,087	(3,981)	2,172
Increase in provisions	5,134	6,541	457	790
(Increase) / decrease in prepayments	(105)	1,070	(105)	1,070
(Gain) / loss on defined benefit funds	(1,546)	79	(17)	(13)
Net cash provided by / (used in) operating activities	125,213	13,460	(9,869)	(38,228)

Notes to the financial statements for the financial year ended 30 June 2010

	SOCIETY		NON BLOOD HUMANITARIAN SERVICES	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Note 21. - RECONCILIATION OF CASH FLOWS PROVIDED BY OPERATING ACTIVITIES				
21 (c) Financing facilities				
Secured bank overdraft facility:				
amount used	-	-	-	-
amount unused	3,000	3,000	3,000	3,000
	3,000	3,000	3,000	3,000
Secured bank loan facility:				
amount used	20,421	18,000	13,000	18,000
amount unused	40,079	11,000	-	11,000
	60,500	29,000	13,000	29,000
Secured leasing facility:				
amount used	25,004	26,812	-	-
amount unused	-	5,188	-	-
	25,004	32,000	-	-
Credit card facility:				
amount used	1,192	981	188	171
amount unused	1,808	2,019	812	829
	3,000	3,000	1,000	1,000

The Society is not in default of any loan agreements in relation to the above facilities nor is it in default of any principal or interest payments.

	SOCIETY		NON BLOOD HUMANITARIAN SERVICES	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Note 22. - COMMITMENTS				
Capital Commitments				
Commitments contracted for at balance date but not provided for in accounts are payable as follows:				
Not longer than 1 year	117,350	119,752	350	335
Longer than 1 year and not longer than 5 years	60,000	99,783	-	-
	177,350	219,535	350	335

Blood Service commitments for capital expenditure will be funded by the National Blood Authority (NBA) from the Capital Programme contained within the Deed of Agreement between Blood Service and NBA. In the unlikely event the Deed of Agreement is not renewed, any future non-cancellable commitments will be covered by the NBA.

Notes to the financial statements for the financial year ended 30 June 2010

	MINIMUM FUTURE LEASE PAYMENTS		PRESENT VALUE OF MINIMUM FUTURE LEASE PAYMENTS	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000

Note 23. - LEASES

SOCIETY

Finance lease liabilities				
Not later than 1 year	3,465	3,565	1,807	1,814
Later than 1 year and not later than 5 years	14,007	14,210	8,894	8,475
Later than 5 years	16,588	19,875	14,271	16,523
Minimum future lease payments	34,060	37,650	24,972	26,812
Less future finance charges	(9,088)	(10,838)	-	-
Present value of minimum lease payments	24,972	26,812	24,972	26,812
Included in financial statements as:				
Current borrowings			1,807	1,814
Non-current borrowings			23,165	24,998
			24,972	26,812

Blood Service leases various equipment and fit outs with a carrying value of \$32.4m (2009: \$28.0m) under finance leases expiring within three to ten years. Under the terms of the leases, Blood Service has the option to acquire the leased assets on expiry of the leases. These leases relate to:

1) **Equipment leases** - Blood Service leased one DNA analyser under finance lease, which expired July 2009. The carrying amount of the analysers is nil (2009: \$0.1m). As the lease has expired, Blood Service now own the analyser.

2) **Property fit out lease at Kelvin Grove, Brisbane** - Upon completion of the Queensland principal site at Kelvin Grove, Brisbane in 2008, the constructed asset was used to secure a \$32.0m finance lease with a financial institution. As at 30 June 2010, the residual balance of this facility was \$25.0m.

Blood Service commitments for finance leases will be funded by the National Blood Authority (NBA) from the Main Operating Programme contained within the Deed of Agreement between Blood Service and NBA. In the unlikely event the Deed of Agreement is not renewed, any future non-cancellable commitments will be covered by the NBA.

	SOCIETY		NON BLOOD HUMANITARIAN SERVICES	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Non-cancellable operating lease commitments				
Not longer than 1 year	16,992	18,432	6,354	6,366
Longer than 1 year and not longer than 5 years	72,686	65,252	7,096	8,229
Longer than 5 years	179,441	197,409	147	2
	269,119	281,093	13,597	14,597
In respect of non-cancellable operating leases the following liabilities have been recognised:				
Non-cancellable operating lease receivables				
Not longer than 1 year	-	-	-	-
	-	-	-	-

Blood Service commitments for non-cancellable operating leases will be funded by the National Blood Authority (NBA) from the Main Operating Programme contained within the Deed of Agreement between Blood Service and NBA. In the unlikely event the Deed of Agreement is not renewed, any future non-cancellable commitments will be covered by the NBA.

Note 24. - CONTINGENT LIABILITIES

There is always potential for claims to arise from viral / bacterial infections or blood-borne disease which are currently unidentified, or in circumstances where there are no test or screening procedures available to test for a virus / bacteria / disease state. In the event that commercial insurance does not cover financial exposure arising as a result of transmission of blood-borne disease occurring subsequent to 1 July 2000, a national managed fund has been established with claims covered at the discretion of the National Blood Authority.

Blood Service is entitled to seek, and the National Blood Authority may at its discretion grant, indemnities in respect of potential liabilities arising from litigation in relation to pre July 2000 transfusion-transmitted diseases.

The Society has a Bank Guarantee for contingent liabilities to the value of \$500,000. As at 30 June 2010, \$266,483 of this facility had been used.

Notes to the financial statements for the financial year ended 30 June 2010

	SOCIETY		NON BLOOD HUMANITARIAN SERVICES	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Note 25. - FINANCIAL INSTRUMENTS				
(a) Categories of Financial instruments				
Financial assets				
Cash and cash equivalents	115,729	81,920	29,442	20,063
Trade and other receivables	20,419	18,023	11,631	15,729
Available-for-sale financial assets	19,307	21,615	19,307	21,615
Held-to-maturity financial assets	22,430	23,650	22,430	23,650
Financial liabilities				
Trade and other payables	81,462	60,108	12,860	17,007
Interest bearing loans and borrowings	45,393	44,812	13,000	18,000
Foreign currency contracts	694	435	-	-

The Society's board considers the above carrying amounts of financial assets and financial liabilities to approximate their fair values.

(b) Financial risk management objectives and policies

The Society's financial instruments consist mainly of:

- deposits with banks;
- investments in equities, managed funds, bonds, debentures and other fixed interest securities;
- accounts receivable and payable, which arise directly from the Society's operations;
- derivatives, being forward foreign currency contracts, to manage currency risks.

It is, and has been throughout the financial year, the Society's policy that no trading in derivative financial instruments shall be undertaken. Similarly, it is not the Society's policy to trade in investments (i.e. to speculate and engage in short-term profit taking). All investments are held to generate income to further the Society's causes and as such are classified as 'available-for-sale' or 'held-to maturity'. Sales do occur however with selected investments which are described in the financial statements as 'available-for-sale', when the Society is advised to adjust its portfolio in relation to risk exposure and diversification as advised by its investment portfolio managers.

The Chief Financial Officer is responsible for the treasury risk management. Instruments used to hedge foreign currency risk are organised through the Society's bankers.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: market interest rates (interest rate risk), foreign exchange rates (currency risk) and market prices (price risk).

(i) Foreign currency risk management

The Society is exposed to fluctuations in foreign currencies arising from purchase of goods and supply of aid in currencies other than the Society's functional currency (\$AUD).

It is the Society's policy to negotiate the terms of hedge derivatives to match the terms of the hedged items to maximise hedge effectiveness. Hedge cover is considered on a transaction by transaction basis.

The Society accounts for these derivatives as fair value through the statement of comprehensive income. While these transactions are entered into to hedge specific contracts and are believed to be effective, the Society accounts for these derivatives as 'fair value through the statement of comprehensive income'.

The carrying amount of the Society's foreign currency denominated monetary assets and monetary liabilities at the reporting date is as follows:

	SOCIETY		NON BLOOD HUMANITARIAN SERVICES	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Assets				
Cash				
USD	1,543	1,012	1,271	885
Euro	2	1,305	-	-
Swiss Franc	85	1,392	85	1,392
Other	1,241	574	1,241	574
	2,871	4,283	2,597	2,851
Liabilities				
Forward exchange contracts				
Euro	694	435	-	-
Swiss Francs	1,196	-	1,196	-
	1,890	435	1,196	-

Notes to the financial statements for the financial year ended 30 June 2010

Foreign currency sensitivity analysis

(i) The Society is mainly exposed to movements in exchange rates relating US dollars, EURO and Swiss Franc.

The following table details the Society's sensitivity to a 10% increase and decrease in the Australian Dollar against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates.

A positive number indicates an increase in profit or loss and other equity where the Australian Dollar strengthens against the respective currency. For a weakening of the Australian Dollar against the respective currency there would be an equal and opposite impact on the profit and other equity, and the balances below would be negative.

	SOCIETY		NON BLOOD HUMANITARIAN SERVICES	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Profit or loss				
USD	154	101	127	89
EURO	-	131	-	-
Swiss Franc	9	139	9	139
Other equity				
USD	-	-	-	-
EURO	-	-	-	-
Swiss Franc	-	-	-	-

The following table details the forward foreign currency contracts outstanding as at reporting date:

	Average Exchange Rates		Foreign Currency		Contract Value		Fair Value	
	2010	2009	2010 FC'000	2009 FC'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Buy EURO								
More than 1 year	-	0.476	-	1,140	-	2,392	-	1,957
Buy Swiss Franc								
More than 1 year	0.937	-	1,114	-	1,196	-	1,160	-

(ii) Interest rate risk management

The Society is exposed to market interest rate fluctuations on its fixed and variable interest securities, as well as interest bearing borrowings. The Society accepts the risk as normal in relation to fixed interest financial assets, as they are held to generate investment on unused funds.

Financial lease liabilities are set at fixed rates for the term of the lease and are not subject to interest rate variability. Bank loan facilities are based on a variable interest rate.

Notes to the financial statements for the financial year ended 30 June 2010

Interest rate sensitivity analysis

The following table summarises how the Society's surplus or deficit and equity would have been affected by changes in interest rates at reporting date.

	Carrying amount \$'000	- 50 basis points Surplus / (deficit) \$'000	- 50 basis points Equity \$'000	+ 100 basis points Surplus / (deficit) \$'000	+ 100 basis points Equity \$'000
SOCIETY					
Financial assets					
Cash and cash equivalents	115,729	(499)	(499)	998	998
Held-to-maturity investments	22,430	(174)	(174)	349	349
Available-for-sale investment	19,307	(119)	(119)	238	238
Financial Liabilities					
Bank loans	20,421	101	101	(112)	(112)
Total increase/(decrease)		(692)	(692)	1,473	1,473
NON BLOOD HUMANITARIAN SERVICES					
Financial assets					
Cash and cash equivalents	29,442	(105)	(105)	210	210
Held-to-maturity investments	22,430	(174)	(174)	349	349
Available-for-sale investment	19,307	(119)	(119)	238	238
Financial Liabilities					
Bank loans	13,000	101	101	(112)	(112)
Total increase/(decrease)		(298)	(298)	685	685

Sensitivity analysis does not apply to finance leases as they are fixed for the term of the lease.

(iii) Price risk

Equity price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Society manages the risks associated with its investments in accordance with established and approved governance guidelines and principles set out and approved through the Board of the Society. Investments are managed at arms length by independent and fully qualified organisations under an agreed and approved mandate which stipulates, diversification criteria based on asset classes and percentages within the total investment portfolio of each approved class. In addition, part of the risk assessment criteria are benchmarks regarding expected rates of return and ethical overlay restrictions.

Equity price sensitivity

The sensitivity analysis below has been determined based on the exposure to equity price risks at year end.

At reporting date, if the equity prices had been:

- 5% p.a. higher / (lower), the net result for the year ended 30th June 2010 would have increased / (decreased) by \$894,000 as a result of changes in the fair value of the available-for-sale equities.

(d) Credit risk management

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

Credit risk for derivative financial instruments arises from the potential failure by counter parties to the contract to meet their obligations.

The Society does not have any material credit risk exposures to any single receivable or group of receivables under financial instruments.

Notes to the financial statements for the financial year ended 30 June 2010

(e) Liquidity risk management

The Society manages liquidity risk by monitoring forecast cash flows and ensuring that adequate liquid funds or unutilised borrowing facilities are maintained.

The following table detail the Society's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Society can be requested to pay. The table includes both interest and principal cash flows.

	Weighted average effective interest rate %	Less than 1 month \$'000	1-3 months \$'000	3 months to 1 year \$'000	1 Year to 5 Years \$'000	5 + years \$'000
SOCIETY						
Year ended 30 June 2010						
Non-interest bearing		81,877	-	-	-	-
Finance lease liability	7.02%	289	866	2,310	14,007	16,588
Bank loan liability	4.52%	-	-	7,421	13,000	-
		82,166	866	9,731	27,007	16,588
Year ended 30 June 2009						
Non-interest bearing		60,359	-	-	-	-
Finance lease liability	7.02%	388	707	2,470	14,210	19,875
Bank loan liability		-	-	5,000	13,000	-
		60,747	707	7,470	27,210	19,875
NON BLOOD HUMANITARIAN SERVICES						
Year ended 30 June 2010						
Non-interest bearing		12,860	-	-	-	-
Bank loan liability	4.52%	-	-	-	13,000	-
		12,860	-	-	13,000	-
Year ended 30 June 2009						
Non-interest bearing		17,007	-	-	-	-
Bank loan liability	4.52%	-	-	5,000	13,000	-
		17,007	-	5,000	13,000	-

The following table details the Society's expected maturity for its non-derivative financial assets. The table below has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the Society anticipates that the cash flow will occur in a different period.

	Weighted average effective interest rate %	Less than 1 month \$'000	1-3 months \$'000	3 months to 1 year \$'000	1 Year to 5 Years \$'000	5 + years \$'000
SOCIETY						
Year ended 30 June 2010						
Non-interest bearing		12,619	7,800	-	17,876	-
Variable interest rate instruments	3.37%	31,192	128	1,742	20,815	-
Fixed interest rate instruments	5.28%	-	85,255	-	457	-
		43,811	93,183	1,742	39,148	-
Year ended 30 June 2009						
Non-interest bearing		5,748	12,275	-	17,390	-
Variable interest rate instruments	3.94%	25,456	-	417	23,147	-
Fixed interest rate instruments	5.29%	-	59,738	-	1,037	-
		31,204	72,013	417	41,574	-
NON BLOOD HUMANITARIAN SERVICES						
Year ended 30 June 2010						
Non-interest bearing		3,831	7,800	-	17,876	-
Variable interest rate instruments	3.36%	30,161	128	1,742	20,815	-
Fixed interest rate instruments	5.68%	-	-	-	457	-
		33,992	7,928	1,742	39,148	-
Year ended 30 June 2009						
Non-interest bearing		3,454	12,275	-	17,390	-
Variable interest rate instruments	3.94%	23,337	-	417	23,147	-
Fixed interest rate instruments	5.68%	-	-	-	1,037	-
		26,791	12,275	417	41,574	-

Notes to the financial statements for the financial year ended 30 June 2010

Note 26. - EVENTS AFTER BALANCE SHEET DATE

Blood Service has a need to relocate some of its principal facilities for processing and testing laboratories to continue to accommodate the code of Good Manufacturing Practice (cGMP) and meet health and safety standards. The estimated costs of these are included in Commitments note 22 (a). The fit-out costs associated with these facilities are expected to be funded by commercial finance lease arrangements, with the annual costs being included in additional future Commonwealth, State and Territory government funding provided to Blood Service.

(i) New South Wales and Australian Capital Territory principal site (NAPS)

Blood Service is preparing to amalgamate and upgrade the principal facilities that service New South Wales and Australian Capital Territory. Blood Service has commenced development of a new principal site in Sydney at O'Riordan Street, Alexandria which is planned to be in operation in the middle of 2011.

(ii) Victoria and Tasmania principal site (VTPS)

Blood Service is preparing to amalgamate and upgrade the principal facilities that service Victoria and Tasmania. Blood Service has commenced development of a new principal site at Batman Street, West Melbourne which is planned to be in operation in April 2012. The Commonwealth Government has committed \$120m in capital funds to assist in the purchase and refurbishment of the identified appropriate site and building. Of this funding \$90m has been received in the current operating period and the remaining \$30m will be received upon achievement of set milestones until completion in 2012.

The Main Operating Programme will be funded on an output basis from 1 July 2010. The funding provider will continue to be the National Blood Authority and the Blood Service will receive revenue based on the volume of blood products supplied to approved health providers and plasma delivered to CSL Ltd. The financial risk in the event of an undersupply of blood products has been addressed through considerations in the output based funding model. As a result, Blood Service management does not expect the transition to output funding to adversely affect the future revenues or results of the organisation.

Note 27. - ECONOMIC DEPENDENCY

A significant portion of revenue is received by way of recurrent grants from State and Commonwealth Governments.

Note 28. - KEY MANAGEMENT PERSONNEL

Blood Service Board comprises paid external Board Members sourced from a diverse range of medical and business disciplines. Australian Red Cross Society Board comprises entirely of volunteers reflective of its national membership. No fees are paid for serving as a volunteer Board Member, but they may be reimbursed for reasonable travel and other expenses incurred in connection with the activity of the Society.

BOARD MEMBERS

AUSTRALIAN RED CROSS SOCIETY

Mr Greg Vickery AM (Chairman)
Mr Michael Legge (Vice Chairman)
Mr Ross Pinney
Mr John Fries (to August 2009)
Mr Alan Clayton
The Hon Dr David Hamill AM
Mr Ian Anson
Mr John MacLennan (from August 2009)
Mr Michael Howarth
Ms Kate Carnell AO
Mr Vinay Menon
Mr Devendra Patel
Mr John Hood
Ms Lauren Nelson
Mr Paul Shinkfield
Ms Sue Vardon AO
Ms Kay Hogan AM PSM (to November 2008)
Ms Pam Simmons (to November 2008)

BLOOD SERVICE

The Hon Dr David Hamill AM (Chairman)
Ms Jennifer Williams (Chief Executive Officer from April 2009)
Dr Robert Hetzel (Chief Executive Officer to March 2009)
Mr Graham Addison
Mr Andrew Eddy (to November 2009)
Dr Anne Fletcher
Ms Kelly Jones
Dr David Graham
Professor James Isbister
Mr Michael Legge
Mr John O'Connor (to September 2010)
Mr James Swinden
Dr Marianne Broadbent (to September 2008)

Notes to the financial statements for the financial year ended 30 June 2010

	SOCIETY	
	2010	2009
BOARD MEMBER REMUNERATION		
\$0	15	16
Less than \$10,000	-	2*
\$20,000 to \$29,999	1	1
\$40,000 to \$49,999	-	2
\$50,000 to \$59,999	7	5
\$100,000 to \$109,999	1	1
\$140,000 to \$149,999	-	1
\$450,000 to \$489,999	1	1*

* Includes part year payments

Remuneration figures are gross salary plus superannuation

KEY MANAGEMENT PERSONNEL OF THE SOCIETY BY DIVISION

NON BLOOD HUMANITARIAN SERVICES

Mr Robert Tickner Chief Executive Officer
 Mr John O'Connor Chief Financial Officer (to September 2010)
 Mr Michael Raper Director Services and International Operations
 Ms Jennifer Gibb National Director Marketing, Fundraising and Communications
 Mr John Wills Director Commercial Operations
 Mr Warren Don Director Information Technology
 Mr David Ham Director Strategy, Planning and Research
 Mr Chris Steinfort Director Human Resources
 Ms Kerry Symons Executive Director, South Australia
 Ms Di Jay Executive Director, Australia's Capital Territory
 Ms Sharon Mulholland Executive Director, Northern Territory
 Dr Ian Burke Executive Director, Tasmania
 Mr Greg Goebel Executive Director, Queensland
 Mr Toni Aslett Executive Director, Victoria (from December 2009)
 Mr Andrew Hilton Executive Director, Victoria (to July 2009)
 Mr Steve Joske Executive Director, Western Australia
 Mr Lewis Kaplan Executive Director, New South Wales

BLOOD SERVICE

Mr John Coates Chief Financial Officer
 Dr Joanne Pink Chief Medical Officer
 Mr Paul Hermecz Chief Information Officer (from May 2010)
 Mr Greg Embleton Chief Information Officer (to April 2010)
 Mr Peter McDonald Executive Director, Corporate Strategy and Performance
 Ms Anne Heyes Executive Director, Human Relations
 Dr Philippa Hetzel Executive Director, Operations
 Mr David Irving Executive Director, Research and Business Development
 Ms Janine Wilson Executive Director, Strategic Projects

Excludes Chief Executive Officer who is listed above under the heading board members.

Notes to the financial statements for the financial year ended 30 June 2010

	SOCIETY		NON BLOOD HUMANITARIAN SERVICES	
	2010	2009	2010	2009
OTHER KEY MANAGEMENT PERSONNEL				
Under \$20,000	1	-	-	-
\$ 40,000 to \$ 49,999	-	1*	-	1*
\$130,000 to \$139,999	1	1#	-	1#
\$140,000 to \$149,999	1	3*	1	2*
\$150,000 to \$159,999	2#	1	2#	1
\$160,000 to \$169,999	2	-	2	-
\$170,000 to \$179,999	2	2*	2	2*
\$180,000 to \$189,999	-	2	-	2
\$190,000 to \$199,999	2	2	2	2
\$200,000 to \$209,999	1	-	1	-
\$210,000 to \$219,999	2	1	1	1
\$220,000 to \$229,999	1	1	1	-
\$230,000 to \$239,999	2	-	2	-
\$240,000 to \$249,999	1	1	1	1
\$250,000 to \$259,999	1	2	-	-
\$280,000 to \$289,999	2	3	-	-
\$290,000 to \$299,999	1	1	1	1
\$310,000 to \$319,999	1	1	1	1
\$330,000 to \$339,999	1	-	-	-
\$340,000 to \$349,999	-	1	-	-
\$360,000 to \$369,999	-	1	-	-
\$370,000 to \$379,999	2	-	-	-

* Includes part year payments

Includes part year and termination payments

Remuneration figures are gross salary plus superannuation

The compensation of key management personnel included in the profit and loss is as follows:

	SHORT TERM		LONG TERM	
	Salaries and fees \$'000	Super-annuation contributions \$'000	Long service leave \$'000	Total \$'000
SOCIETY				
Year ended 30 June 2010				
Total compensation	6,423	482	247	7,152
Year ended 30 June 2009				
Total compensation	6,142	455	1,142	7,740
NON BLOOD HUMANITARIAN SERVICES				
Year ended 30 June 2010				
Total compensation	3,228	252	247	3,727
Year ended 30 June 2009				
Total compensation	2,645	187	210	3,043

Note 29. - AUDITORS' REMUNERATION

	SOCIETY		NON BLOOD HUMANITARIAN SERVICES	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Auditor of Australian Red Cross				
Audit of the financial report	299	290	209	206
Audit of acquittals in relation to specific purpose grants	112	89	101	89
Other non audit services; risk services and IT consulting	84	91	82	66
	495	470	392	361

The auditor of Australian Red Cross Society is Deloitte Touche Tohmatsu.

Note 30. - RELATED PARTY DISCLOSURES

(a) Board members

The Board Members are disclosed in note 28. Certain members of the Board are in the employment of, or may have a beneficial interest in, professional services firms which derive income for services provided to the Society. The Society believes the terms and conditions of these transactions would be to the advantage of the Society.

(b) Wholly-owned group

In states and territories where Blood Service is located on Australian Red Cross premises, there are contractual arrangements between the respective operating units of Blood Service and Australian Red Cross state / territory division for the sharing of facilities and outgoings. The payments to Australian Red Cross state / territory Divisions under this arrangement totalled \$3.2m (2009: \$2.9m). The effect of the above transactions has been eliminated in full in the consolidated entries.

(c) Other related parties

The Society actively solicits support and assistance of volunteers and acquires goods and services from commercial enterprises of which some members are servants or may have a beneficial interest. The Society believes that the terms and conditions of these transactions are favourable to the Society.

Supplement

Complying with ACFID Code of Conduct

The Australian Red Cross Society is a signatory to the Australian Council for International Development (ACFID) Code of Conduct, and as such has an obligation to provide the following supplementary information which demonstrates our adherence to the Code's financial standards. The Income Statement and Table of Cash Movements for Designated Purposes provided below, represent a true reflection of the financial accounts for this year.

The information contained in this supplement should be read in conjunction with the financial statements and accompanying notes on pages 7 to 44.

Income statement

For the financial year ended 30 June 2010

	SOCIETY	
	2010 \$'000	2009 \$'000
REVENUE		
Donations and gifts - monetary & non-monetary*	56,568	401,445
Legacies and bequests	12,230	13,431
Grants		
• AusAID	17,362	17,988
• other Australian	634,834	527,986
• other overseas	2,283	288
Investment income	11,236	11,750
Other income	62,960	54,623
Total revenue	797,473	1,027,511
EXPENSES		
Overseas projects		
• funds to overseas projects	36,359	40,932
• other project costs	17,155	8,574
Domestic projects	557,823	903,018
Community education	1,056	1,008
Fundraising costs		
• public	17,707	15,526
• government, multilateral and private	690	1,037
Retail activities	49,574	32,791
Administration	23,822	32,059
Total expenses	704,186	1,034,945
Excess of revenue over expenses (shortfall) from continuing operations	93,287	(7,434)

*During the financial year nil (2009: nil) was recorded as non-monetary donations and gifts.

Supplement

Complying with ACFID Code of Conduct

Table of cash movements for designated purposes

For the financial year ended 30 June 2010

	Cash available at beginning of year \$'000	Cash raised during year \$'000	Cash disbursed during year \$'000	Cash available at end of year \$'000
Designated Purpose:				
Asia Quake and Tsunami Appeal	494	12,503	(12,970)	27
Victorian Bushfire Appeal	1,178	5,797	(6,975)	-
Haiti Earthquake Appeal	-	9,273	(6,605)	2,668
Pacific Tsunami Appeal	-	4,562	(1,590)	2,972
Total for other purposes	80,248	849,586	(819,772)	110,062
TOTAL	81,920	881,721	(847,912)	115,729

Board Members' declaration

The Board Members declare that:

- (a) in the Board's opinion, there are reasonable grounds to believe that the Society will be able to pay its debts as and when they become due and payable;
- (b) in the Board's opinion, the attached financial statements and notes thereto are in compliance with accounting standards and give a true and fair view of the financial position and performance of the Society; and
- (c) the Board has been given signed declarations by the Acting Chief Financial Officer and the Chief Executive Officer regarding the integrity of the financial statements and that the Society's risk management and internal compliance and control system is operating efficiently and effectively in all material respect.

Signed in accordance with a resolution of the Board.

On behalf of the Board



Greg Vickery

Chairman of the Board

Melbourne
30th October 2010

Deloitte.

Independent Auditor's Report

to the Members of the Australian Red Cross Society

Deloitte Touche Tohmatsu
ABN 74 490 121 060
550 Bourke Street
Melbourne VIC 3000
GPO Box 78
Melbourne VIC 3001 Australia
DX: 111
Tel: +61 (03) 9671 7000
Fax: +61 (03) 9671 7001
www.deloitte.com.au

We have audited the accompanying financial report of the Australian Red Cross Society, which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of cash flows and statement of changes in equity for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the Board Member's declaration as set out on pages 7 to 47.

The financial report of the Australian Red Cross Society includes for disclosure purposes the separate disclosure of Non Blood Humanitarian Services, an operating division of the Australian Red Cross Society, as detailed in Note 2 to the financial statements.

The Responsibility of Board Members for the Financial Report

The Board Members of the entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations). This responsibility also includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board Members, as well as evaluating the overall presentation of the financial report.

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

Auditor's Independence Declaration

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

Auditor's Opinion

In our opinion, the financial report of the Australian Red Cross Society presents fairly, in all material respects, the Australian Red Cross Society's financial position as at 30 June 2010, and of its financial performance, its cash flows and its changes in equity for the year ended on that date in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations).

DELOITTE TOUCHE TOHMATSU



Rachel Smith

Partner
Chartered Accountants

Melbourne, 30th October 2010

Liability limited by a scheme approved under Professional Standards Legislation. Member of Deloitte Touche Tohmatsu.



Australian Red Cross
THE POWER OF HUMANITY

www.redcross.org.au

National Office

155 Pelham Street
Carlton VIC 3053
T 03 9345 1800

ACT

Cnr Hindmarsh Drive
and Palmer Street
Garran ACT 2605
T 02 6234 7600

NSW

159 Clarence Street
Sydney NSW 2000
T 02 9229 4111

NT

Cnr Lambell Terrace
and Schultz Street
Larrakeyah NT 0820
T 08 8924 0820

QLD

49 Park Road
Milton QLD 4064
T 07 3367 7222

SA

207-217 Wakefield Street
Adelaide SA 5000
T 08 8100 4500

TAS

40 Melville Street
Hobart TAS 7000
T 03 6235 6077

VIC

23-47 Villiers Street
North Melbourne VIC 3051
T 03 8327 7700

WA

110 Goderich Street
East Perth WA 6004
T 08 9325 5111

