

# Financial Report for the year ended 30 June 2015

Vision Australia Limited  
ACN 108 391 831

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### Accessibility

Our Financial Report is available in standard print text, large print text, braille, audio and DAISY formats, and accessible digital formats. Contact us on 1300 84 74 66 to order a copy in your preferred format or visit our website

<http://www.visionaustralia.org>

# **Vision Australia Limited**

## **Corporate Directory**

### **Directors**

Kevin Murfitt (Chair)  
Ron McCallum  
Nick Carter (Deputy Chair)  
Theresa Smith-Ruig (Deputy Chair)  
Don Fraser  
Lyn Allison  
Andrew Moffat  
Caroline Waldron  
Heith Mackay-Cruise  
Sara Watts  
Bill Jolley  
Sharon Bentley (appointed 6/5/15)  
Jan Lovie-Kitchin (resigned 11/12/14)

### **Chief Executive Officer**

Ron Hooton

### **Company Secretary**

David Speyer  
Stephen Crook

### **Principal and Registered Office**

454 Glenferrie Road  
Kooyong Vic 3144

### **Incorporation**

Vision Australia Limited ABN 67 108 391 831, incorporated on 11 May 2004 as a public company limited by guarantee.

### **Charitable Status, tax concessions and fundraising**

Vision Australia Limited is a Public Benevolent Institution (PBI). It is endorsed as an Income Tax Exempt Charity and receives certain other tax concessions and exemptions consistent with its status of a PBI which relates to Goods and Services Tax and Fringe Benefits Tax. Vision Australia Limited has been endorsed by the Australian Tax Office as a Deductible Gift Recipient (DGR).

### **External Auditors**

Deloitte Touche Tohmatsu  
550 Bourke Street  
Melbourne Vic 3000

### **Internal Auditors**

Ernst and Young  
8 Exhibition Street  
Melbourne Vic 3000

### **Bankers**

National Australia Bank  
500 Bourke Street  
Melbourne Vic 3000

### **Investment Advisors**

Strategic Capital Management Ltd

## **Vision Australia Limited**

Level 11, 1 Chifley Square  
Sydney, NSW 2000

### **Fundraising**

Vision Australia Limited is registered under applicable fundraising legislation in each State where it raises funds as follows: New South Wales 18187 / Queensland CH1578 / Victoria 8033 / South Australia CCP1702 / Western Australia 21190.

### **Website**

[www.visionaustralia.org](http://www.visionaustralia.org)

## Vision Australia Limited

### Directors' Report

The directors of Vision Australia Limited submit herewith the annual report of the company for the financial year ended 30 June 2015.

#### 1. Information about the directors

The names and particulars of the directors of the Company during or since the end of the financial year are:

Directors Name	Particulars	Special Responsibilities
Kevin Murfitt, PhD, BA (Hons), Chair	Lecturer	Audit, Finance and Business Risk Committee, Property Committee, People and Culture Committee, Client Services Committee, Board Development and Nominations Committee Strategic Program Committee
Lyn Allison, BEd, AAICD	Former Senator	Client Services Committee (ceased in November 2014) Property Committee Strategic Program Committee
Nick Carter, FRICS, FAPI, FAICD, Deputy chair	Business Owner	Property Committee Board Development and Nominations Committee
Donald Fraser, BSc (Hons), Dip Ed, MBA, M.Comm.Law, DBA, FACS, FAICD	Business Manager	People and Culture Committee, Board Development and Nominations Committee Strategic Program Committee
Professor Emeritus Ron McCallum AO, BJuris, LLB,(Hons) (Monash), LLM Qu	Professor of Law, Deputy Chair United Nations Committee on the Rights of Persons with Disabilities, Senior Australian of the year 2011	People and Culture Committee, Board Development and Nominations Committee
Andrew Moffat BCom, LLB	Accredited Mediator	Audit, Finance and Business Risk Committee, Vision Australia Trust Board
Theresa Smith-Ruig, PhD, B Com (Hons), Deputy Chair	Senior Lecturer	People and Culture Committee
Caroline Waldron, LLB (Hons) London, FCIS, MAICD	Senior Professional with legal and commercial experience in technology, retail, healthcare and professional services sectors	Client Services Committee
Sara Watts, BSc, MBA, FCPA, GAICD	Vice-Principal (Operations), University of Sydney, Chair Audit Committee - Victorian Auditor General's Office	Vision Australia Trust Board Audit, Finance and Business Risk Committee Strategic Program Committee
Heith Mackay-Cruise, BEc, GAICD	Professional Director Non Executive Director, Intrepica Pty Ltd, Bailador Technology Investments Ltd, hipages Group Pty Ltd	Strategic Program Committee People and Culture Committee Property Committee
Bill Jolley, BA Hons (Math and Statistics), MAICD	Retired Public Servant	Audit, Finance and Business Risk Committee Client Services Committee
Associate Professor Sharon Bentley BScOptom, MOptom, PhD, MPH, FAAO, FACO	Director of Clinical Services, Australian College of Optometry Honorary Principal Fellow, University of Melbourne	Client Services Committee
Professor Jan Lovie-Kitchin, PhD (QUT), MSc (Optom) (Melb), Grad Dip (Rehab Stud) (La Trobe)	Adjunct Professor and Chair of the Queensland University of Technology Human Research Ethics Committee	Client Services Committee

#### 2. Company Secretary

David Speyer, ACA

Stephen Crook, CA, AGIA

## Vision Australia Limited Directors' Report

### 3. Directors' meetings

The following table sets out the number of Directors' meetings held during the financial year and the number of meetings attended by each director (while they were a director). During the financial year there were six Board meetings, eight Audit, Finance and Business Risk Committee meetings, six Property Committee meetings, four People and Culture Committee meetings, four Client Service Committee meetings, six Board Development and Nominations Committee meetings, six Vision Australia Trust (VAT) Board meetings and six Strategic Program Committee meetings.

The table describes the number of meetings attended by each director out of the total amount of meetings held.

Board Member	Date Appointed	Board	Audit, Finance & Business Risk Committee	Property Committee	People and Culture Committee	Client Services Committee	Board Development & Nominations Committee	VAT Board	Strategic Program Committee
Kevin Murfitt (Chair)	11 May 04	6 of 6	6 of 8	6 of 6	4 of 4	4 of 4	6 of 6	5 of 6	5 of 6
Lyn Allison	31 Jul 08	6 of 6	NA	6 of 6	NA	NA	NA	NA	6 of 6
Nick Carter	15 Dec 06	6 of 6	NA	5 of 6	NA	NA	4 of 6	0 of 1	NA
Don Fraser	31 Jul 08	6 of 6	NA	NA	4 of 4	NA	6 of 6	NA	6 of 6
Ron McCallum AO	09 Jan 06	6 of 6	NA	NA	2 of 4	NA	2 of 3	NA	NA
Andrew Moffat	26 Aug 11	6 of 6	8 of 8	NA	NA	NA	NA	6 of 6	NA
Theresa Smith-Ruig	26 Jun 07	6 of 6	NA	NA	4 of 4	NA	3 of 3	NA	NA
Caroline Waldron	08 Nov 13	6 of 6	NA	NA	NA	4 of 4	NA	NA	NA
Sara Watts	08 Nov 13	6 of 6	6 of 8	NA	NA	NA	NA	6 of 6	5 of 6
Heith Mackay-Cruise	08 Nov 13	6 of 6	NA	2 of 3	4 of 4	NA	NA	NA	5 of 6
Bill Jolley	01 Jul 14	6 of 6	8 of 8	NA	NA	2 of 2	NA	NA	NA
Sharon Bentley	06 May 15	2 of 2	NA	NA	NA	NA	NA	NA	NA
Jan Lovie-Kitchin	29 Jun 07	2 of 3	NA	NA	NA	2 of 2	NA	NA	NA

## Vision Australia Limited

### 4. Corporate governance

The Board supports the corporate governance principles and recommendations established by the Australian Stock Exchange (ASX) Corporate Governance Council and has prepared these general purpose financial statements in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and Australian Accounting Standards - Reduced Disclosure Requirements. Vision Australia Limited is not a listed company and has no obligation to adopt the ASX principles, however it has applied the principles insofar as it is sensible and realistic to do so in the context of a large, not-for-profit organisation and with due regard to the scope of its operations and level of client, donor, and other stakeholder interest. In 2015 the ASX Principles have been applied in the following ways:

#### 4.1 Foundations for management and oversight

The role of the Board is to direct the activities of Vision Australia Limited towards ensuring the achievement of its vision, mission and objectives. The Board operates under a charter that details its functions and responsibilities and can be viewed on the Vision Australia website at [this link](#).

In addition to the matters required by law, the directors are responsible for:

- setting objectives, goals and strategic direction for Vision Australia Limited;
- monitoring financial performance including approving business plans, the annual operating and capital expenditure budgets and financial statements;
- monitoring and evaluating the effectiveness of internal controls, risk management and compliance systems;
- appointing and reviewing the performance of the CEO;
- monitoring areas of significant business risk and ensuring arrangements are in place to manage those risks;
- ensuring compliance with laws and policies;
- ensuring stakeholders receive regular reports, including financial reports;
- appointing Board committees to assist in effective governance;
- approving and monitoring the progress of major capital expenditure, capital management, acquisitions and divestments;
- liaising with the Company's external auditor through the Audit, Finance and Business Risk Committee;
- decisions relating to the purchase, sale or lease of real estate;
- other matters referred to in the Board Committee charters;
- advocating for Vision Australia Limited whenever and wherever necessary; and
- other matters required to be dealt with by the Board from time to time depending upon circumstances of the Company.

The Board formally delegates responsibility for Vision Australia Limited's day-to-day operations and administration to the CEO and executive management. A delegated authority policy sets out staff decision making responsibilities and appropriate financial contractual thresholds. Regular reviews are conducted on the appropriateness of the delegated authorities, and any material breaches are reported to the Board.

The Board annually reviews its charter and performance.

## **Vision Australia Limited**

### **4.2 Board structure**

Directors, including the Chair, are independent Non-Executive Directors. Vision Australia Limited's constitution requires no fewer than six and no more than twelve directors. There are twelve directors at 30 June 2015.

At each general meeting one-third of the Directors must retire from office. They are eligible for re-election subject to the maximum tenure of nine years with the exception of the Chair who has a maximum tenure of twelve years. The Board Renewal and Director Appointment Policy can be viewed on the Vision Australia website at: [this link](#).

No employee of Vision Australia Limited, including the CEO can be a director of Vision Australia Limited, though they may be directors of subsidiaries of Vision Australia Limited. Directors act in a voluntary capacity except for the Chair who may be remunerated.

Profiles of the directors are provided on the Vision Australia website.

### **4.3 Ethical and responsible decision making**

#### Code of Professional Conduct

Vision Australia Limited's objective is to conduct its business with the highest standards of personal and corporate integrity. To assist employees in achieving this objective, the Company has developed a comprehensive Code of Professional Conduct. It reinforces the need for directors, employees, consultants and all other representatives of the Company to always act in good faith, in Vision Australia Limited's best interests and in accordance with all applicable policies, procedures, laws and regulations.

The Code states the values and policies of Vision Australia Limited and complements the Company's risk management and internal control practices. The Code is reviewed and updated to ensure that it reflects current good practice, and to promote the ethical behaviour of all employees.

Vision Australia Limited has policies and procedures in place including a whistle-blower policy and a Workplace Behaviour Policy ensuring that any form of discrimination, harassment, bullying or occupational violence is dealt with appropriately.

### **4.4 Safeguarding integrity and financial reporting**

In addition to the Code of Professional Conduct as a support to ethical and responsible decision making, the Board undertakes the responsibility for safeguarding integrity and financial reporting through the structured program of Board governance and compliance program and the committees of the Board.

### **4.5 Timely and balanced disclosure**

Vision Australia Limited has media policies, vetting and authorisation processes designed to ensure that announcements and communications:

- are made in a timely manner and are factual;
- do not omit material information whether positive or negative; and
- are expressed in a clear and objective manner.



## **Vision Australia Limited**

### **4.6 Respecting rights of members**

Vision Australia Limited does not have shareholders but has members and stakeholders. Vision Australia Limited provides open, regular and timely information to members using electronic and other means. This includes providing the Annual Report to members prior to the Annual General Meeting.

The Board actively seeks feedback and information from a range of sources including client surveys, information sessions and focus groups. In addition to this, clients of Vision Australia Limited were formally consulted through a highly structured client consultative framework consisting of local client groups feeding into regional client committees who in turn feed into the Client Representative Council (CRC).

In June the board approved a new model of engagement with clients that includes a revised Charter which establishes a Client Reference Group. The members of this group will be recruited in the next financial year and will come from diverse backgrounds, live across the country and have skills or experience in matters related to blindness and low vision. The information they share with us will guide meaningful and relevant services and supports over the long term.

The Client Reference Group will be complemented by a Program of Engagement that will connect with a more diverse range of clients using a broader range of communications that suit their needs.

Vision Australia Limited has many stakeholders, including members, clients and their families, donors, benefactors, staff, volunteers, the broader community, suppliers and government agencies who provide us with funding and regulate our operations. We adopt a consultative approach with our stakeholders.

### **4.7 Recognising and managing risk**

The Board is responsible for ensuring the adequacy of Vision Australia Limited's risk management and is assisted by the Audit, Finance and Business Risk Committee. This includes ensuring the establishment, implementation and annual review of Vision Australia Limited's risk management system designed to protect the reputation and manage key business and finance risks which could prevent Vision Australia Limited from achieving its objectives.

The Audit, Finance and Business Risk Committee reviews the Strategic Risk Register, the Business Continuity Plan and the Disaster Recovery Plan on a regular basis and satisfies itself that management has appropriate systems in place for managing risk and maintaining internal controls.

The CEO and senior management team are responsible for identifying, evaluating and monitoring risk in accordance with the risk management framework. Senior management are responsible for the accuracy and validity of risk information reported to the Board and also for ensuring clear communication of the Board and senior management's position on risk throughout the Company.

In particular, at the Board and senior management strategy planning sessions held throughout the year, the CEO and management team reviews and reports key business and financial risks.

## Vision Australia Limited

### 4.8 Remunerating fairly and responsibly

Directors serve on a voluntary basis and do not receive remuneration with the exception of the Chair who is remunerated as approved by members under clause 6.10 of the Constitution. Reimbursement is made to directors for reasonable expenses directly related to board activities such as travel, accommodation and meals.

### 4.9 Committees

Details of the Committee, their charters and main functions are summarised.

#### **Audit Finance and Business Risk Committee**

An Audit Finance and Business Risk Committee is established and governed by a charter which outlines the Committee's role and responsibilities, composition, structure and membership requirements. The charter is regularly reviewed to ensure it remains consistent with the Board's objectives and responsibilities.

The Committee may extend an invitation to any person to attend all or part of any meeting of the Committee which it considers appropriate.

The main functions of the Committee are to:

- provide strategic financial advice to management
- assess the financial reports and other information prepared by management
- oversee the Company's discharge of its responsibilities with respect to:
  - the financial statements, financial report and annual report
  - legal/regulatory compliance
  - protection of the company's capital; and
  - risk management systems
- review financial statements and external financial reporting;
- assess the management processes supporting external reporting;
- assess whether the external reporting is adequate to meet the information needs for stakeholders;
- monitor performance against budget and plans;
- make recommendations on the appointment and removal of the external and internal auditors;
- review and monitor the performance and independence of the external audit;
- review tax compliance systems and processes;
- review and monitor risk management and internal compliance and control systems;
- assess the performance and objectivity of the internal audit function; and
- report to the Board on the Committee's role and responsibilities covering all the functions in its charter.

In fulfilling its responsibilities, the Audit, Finance and Business Risk Committee:

- receives regular reports from management and the internal and external auditors;
- meets separately with the external auditors without the presence of management.

The performance of the external auditor is reviewed annually. An analysis of fees paid to the external auditors, including a break-down of fees for non-audit services, is provided in the notes to the financial statements. The external auditor is required to attend the Annual General Meeting and be available to answer member questions about the conduct of the audit and the preparation and content of the audit report.

## Vision Australia Limited

The CEO and the Chief Financial Officer state in writing to the Board each reporting period that in their opinion Vision Australia Limited's financial reports present a true and fair view of its financial position and performance, and are in accordance with relevant Accounting Standards.

Internal audit is undertaken to review Vision Australia Limited's systems, policies, processes, practices and procedures. The internal audit function is conducted by Ernst and Young and their independence and objectivity is safeguarded by a direct access to the Chair of the Audit Finance and Business Risk Committee.

The Audit Finance and Business Risk Committee has authority, within the scope of its responsibilities, to seek any information it requires from any employee or external party. The Audit Finance and Business Risk Committee Charter can be viewed on the Vision Australia website via [this link](#).

Committee members during the year were:

Andrew Moffat (Chair)  
Kevin Murfitt  
Sara Watts  
Bill Jolley  
Roger Zimmerman (Co-opted member)  
Tim Boyle (Co-opted member)

### **Vision Australia Foundation, Trustee of the Vision Australia Trust**

Vision Australia Limited has appointed Directors to the Trustee Company ("the Foundation") that manages the Vision Australia Trust. The primary role of the Foundation is to act as trustee of the Trust in a fiduciary role, and in accordance with the deed which establishes the Trust.

The Foundation reviews the composition and performance of Vision Australia Trust's investment portfolio and also the performance of the investment managers managing the fund.

The objectives of the Foundation are to:

- ensure the assets of the Trust are protected and preserved to the maximum extent achievable;
- invest the assets of the Trust in accordance with the investment policy determined from time to time by the Board of Vision Australia ("VA Board") and the Audit, Finance and Business Risk Committee of Vision Australia;
- strike an appropriate balance between the maximisation of return on investments and safeguarding the assets of the Trust by determining and implementing appropriate risk management systems;
- to select an Investment Manager;
- to oversee the discharge of responsibilities with respect to:
- the financial statements, financial report and annual reporting
- compliance with regulatory requirements
- protection of the Trust's Capital and
- appropriate risk management systems.

The Charter of the Vision Australia Foundation as Trustee of the Vision Australia Trust can be found on the Vision Australia website via [this link](#).

## **Vision Australia Limited**

Directors of the Foundation during the year were:

Andrew Moffat (Chair)  
Roger Zimmerman  
Kevin Murfitt  
Ron Hooton  
Sara Watts  
David Speyer (Secretary)  
Tim Boyle  
David Hodgson (appointed 18 June 2015)  
Nick Carter (appointed 18 June 2015)

### **Property Committee**

A Property Committee is established to provide strategic property advice to management and to monitor and review Vision Australia Limited's property planning, development and maintenance policies.

Members of the Committee during the year were:

Nick Carter (Chair)  
Kevin Murfitt  
Lyn Allison  
Heith Mackay-Cruise  
David Hodgson (Co-opted member)  
Mark Williams (Co-opted member)

The Property Committee charter can be viewed on the Vision Australia website via [this link](#).

### **People and Culture Committee**

The Board has established a People and Culture Committee governed by a charter which outlines the Committee's roles and responsibilities, composition, structure and membership requirements. The charter is regularly reviewed to ensure it remains consistent with the Board's objectives and responsibilities.

The main functions are to:

- monitor the culture of the organisation and management strategies to develop the culture consistent with the mission of the organisation, in particular compliance with values and workforce engagement;
- recommend to the Board the appointment and the terms of engagement of a CEO;
- agree recommendations from the CEO on the appointment and terms of engagement of members of the senior executive who report directly to the CEO;
- the oversight of the general remuneration strategy (including superannuation and other benefits);
- monitor employment diversity, ensuring that the organisation's policies regarding employment of staff who are blind or have low vision is implemented to the fullest extent possible;
- review policy recommendations and guidelines related to significant human resource issues; and

## Vision Australia Limited

- review major human resources processes including, but not limited to:
  - a. Succession planning;
  - b. Industrial relations;
  - c. Workplace health and safety; and
  - d. Professional development.

Committee members during the year were:

Theresa Smith-Ruig (Chair)  
Kevin Murfitt  
Ron McCallum  
Don Fraser  
Heith Mackay-Cruise

Note that all policies and charters mentioned above are posted on our website at [this link](#).

### Client Services Committee

The role of the Client Services Committee is to provide strategic advice to management and to provide a mechanism to review, assess and recommend client services policies and procedures to the Board. The Committee has strong client participation to ensure that services are designed to meet client needs.

The role of the Committee is to provide governance oversight of:

- the Organisation's engagement with clients where this identifies emerging trends in service delivery need or issues with current services;
- the quality of services provided to Vision Australia clients, particularly to ensure that evidence-based services are delivered; and
- clinical and service delivery risk management, in particular with respect to professional registration, accreditation and legislation.

The main functions of the Committee include:

- oversee strategies and plans for quality improvement, clinical governance, evaluate client and volunteer participation and client based research activities;
- receive and review all audits or reviews pertaining to service delivery, quality and clinical governance and monitor management responses;
- receive and review reports on the management of complaints, outcome measures, client satisfaction results and monitor management responses; and
- report to the Board on the matters listed above.

Committee members during the year were:

Caroline Waldron (Chair)  
Kevin Murfitt  
Sharon Bentley  
Jan Lovie-Kitchin (resigned 11 November 2014)  
Bill Jolley  
Clinton Herd (Co-Opted member, appointed August 2014)

The Client Services Committee charter can be viewed on the Vision Australia website at [this link](#).

## Vision Australia Limited

### Board Development and Nominations Committee

The Board appointed a Board Development and Nominations Committee to oversee selection for appointment and the induction process for Board and Committee members.

The main responsibilities of the committee include:

- assess the skills required to discharge competently the Board's duties having regard to Vision Australia's performance, financial position and strategic direction, including specific qualities, skills and attributes that the Committee believes are necessary for one or more of the Directors to possess and the mix of experience, expertise and diversity that the Board desires to achieve in the membership of the Board;
- develop policy, review, assess from time to time and recommend to the Board as appropriate on Director tenure, Board composition and size;
- review annually the time required to be committed to Vision Australia business by Directors, including reviewing the other commitments of Directors and the time involved in those commitments;
- review Director appointment criteria from time to time, with eligibility criteria to have regard to a proposed candidate's broad experience, skills and attributes;
- consider and make recommendations to the Board on candidates for appointment as Directors. Such recommendations should pay particular attention to the mix of skills, experience, expertise, diversity and other qualities of existing Directors and how the candidate's attributes will balance and complement those qualities;
- consider and make recommendations to the Board on candidates for appointment as Directors as proposed by members;
- Consider and make recommendations to the Board on candidates for appointment as Directors of VA subsidiaries;
- review and, if thought fit, recommend the re-election by members of any Director under the retirement by rotation provisions or any Director who must stand for election as a result of extended tenure;
- develop and implement succession planning for Directors, taking into account the challenges and opportunities facing Vision Australia and what skills and expertise are therefore needed on the Board in future;
- develop and implement learning and development programs for Directors.
- examine ways to improve board performance;
- review and recommend to the Board a process for the orientation and education of new Directors; and
- encourage Directors to attend relevant site visits and undertake relevant external education where they wish to do so.

The Board undertakes an annual self-assessment of the performance of the Board as a whole, its Committees, the Chair, individual Directors and governance processes that support Board work. Performance of individual Directors is assessed against a range of dimensions including the ability of the Director to consistently contribute to the development of strategies and risk identification, to provide clarity of direction to senior management, to listen to the views of fellow Directors and members of management and key third party stakeholders and to provide the time commitment to ensure the discharge of duties and obligations to the Company. The Chair meets privately with each Director to discuss individual and collective performance of Directors.

Committee members during the year were:

Kevin Murfitt (Chair)  
Theresa Smith-Ruig  
Don Fraser

## **Vision Australia Limited**

Nick Carter

The Board Development and Nominations Committee charter can be viewed on the Vision Australia website at [this link](#).

### **Strategic Program Committee**

The Board has established the Strategic Program Committee which has the responsibility on behalf of the Board to provide governance oversight for the strategic change program that is being implemented as part of the Strategic Plan 2014 - 2018.

The main responsibilities of the committee include:

- Maintaining a high-level understanding of the Vision Australia strategic program of works;
- Undertaking periodic reviews of progress towards delivering on the strategic plan;
- Receiving reports on the project at periodic intervals;
- Reviewing proposals and recommendations made by management and make decisions or endorse proposals to the Vision Australia Board;
- Reviewing project risks and provide advice to management on mitigation measures; and
- Providing advice and guidance to management in support of the implementation of the strategic change program.

The Committee will exist for the duration of the implementation of the strategic change program, or such other time as determined by the Board.

Committee members during the year were:

Don Fraser (Chair)  
Kevin Murfitt  
Sara Watts  
Heith Mackay-Cruise  
Lyn Allison

The Strategic Program Committee charter can be viewed on the Vision Australia website at [this link](#).

### **5. Principal Activities**

The principal activities of Vision Australia Limited during the financial year were the provision of services, programs and goods to people who are blind or have low vision.

## Vision Australia Limited

### 6. Review of Operations

#### 6.1 Highlights

During the financial year Vision Australia has continued to fulfil its mission of providing relevant services to people who are blind or vision impaired.

Activities during the 2015 financial year returned a surplus of \$10,259,000, which after adjusting for non-operating and once off costs, provided a recurring surplus of \$6,511,000. This result, combined with a \$3,857,000 decrease in the value of investments during the year, has increased the net assets of the Vision Australia consolidated entity by \$6,402,000. This result is largely attributable to the focus on the active management of costs and fee for service income generation, combined with improvements in investment income despite the downward trend in the interest rate and general economic conditions.

By comparison to the previous financial year, the operating surplus of \$6,511,000 (refer note 6.3 below) is an improvement of \$2,554,000 from the operating surplus for the previous financial year of \$3,957,000.

#### 6.2 Revenue

In 2015 Vision Australia Limited's revenue was \$92,877,000 (2014: \$87,762,000) which was an increase of \$5,115,000 or 5.8%.

The increase in revenue of \$5,115,000 has been achieved from increases in revenue from bequests by \$344,000, increase in grant revenue by \$3,727,000, and increase in investment income from dividends and interest of \$791,000.

#### 6.3 Surplus for the year (\$'000)

	<b>2015</b>	2014
Adjusted (recurring) Operating Surplus	6,511	3,957
Adjust for non-operating and once off costs:		
	<b>2015</b>	2014
Net gain on disposal of assets	6,234	5,580
Impairment losses	(697)	(219)
Restructuring costs	(1,789)	(1,805)
Reported Surplus for the year	<b>10,259</b>	7,513

The reported surplus for the year was \$10,259,000 (2014: surplus of \$7,513,000). After adjusting for non-recurring items Vision Australia Limited reported an underlying operating surplus of \$6,511,000 (2014: surplus \$3,957,000), an increase in the operating results of \$2,554,000 arising primarily from higher Revenue (6.2 above) and the containment of costs.

The \$6,163,000 gain on sale of investments (2014: \$5,677,000) includes release of impairment charges \$935,000 (2014: \$1,394,000) taken up in previous periods against those investments.



## Vision Australia Limited

### 6.4 Impairments

In 2015, a total of \$697,000 (2014: \$219,000) of impairment losses on assets were charged to the Consolidated Statement of Profit or Loss and Other Comprehensive Income as stated below (\$'000):

	<b>2015</b>	2014
Impairment for reduction in market value of investments	(244)	(445)
Reversal of impairment	342	407
Impairment for reduction in market value of property, plant and equipment	(373)	(125)
Impairment for reduction in market value for property held for sale	(422)	(56)
<b>Total impairment losses</b>	<b>(697)</b>	<b>(219)</b>

An impairment charge is recognised as the investments affected had a market value of either less than 80% of cost or had experienced a prolonged reduction in their value.

### 7. Matters subsequent to the end of the financial year

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

### 8. Future developments

In the opinion of the Directors, there are no likely changes in the operations of the company which will adversely affect the results of the company in subsequent financial years.

### 9. Significant changes in the state of affairs

During the year there was no significant change in the state of affairs of the company other than that referred to in the financial statements or notes thereto.

### 10. Members' guarantee

Vision Australia Limited is a company limited by guarantee and does not have share capital. The contribution of each member to its debts and liabilities in the event of a winding up is restricted to an amount not exceeding \$25.

There were 476 members at 30 June 2015 (2014: 497).

### 11. Indemnification of officers and auditors

Vision Australia Limited paid insurance premiums during the financial year, insuring directors and officers (and any persons who are officers in the future) against certain liabilities incurred in that capacity. Vision Australia Limited has not otherwise, during or since the end of the financial year, indemnified or agreed to indemnify any officer of the company against any liabilities incurred in that capacity.

No indemnities have been given or insurance premium paid, during or since the end of the financial year, for any person who is or has been an auditor of Vision Australia Limited.

## **Vision Australia Limited**

### **12. Proceedings on behalf of the company**

There were no proceedings on behalf of the company during the financial year.

### **13. Auditor's independence declaration**

The auditor's independence declaration is included after the directors' declaration in the financial report.

### **14. Rounding off of amounts**

Vision Australia Limited is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the directors' report and the financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

Signed in accordance with a resolution of the directors.

On behalf of the directors:

Kevin Murfitt  
Director  
19 August 2015

Andrew Moffat  
Director  
19 August 2015

## Vision Australia Limited

### Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2015

Note: All following tables are \$'000

	NOTE	2015	2014
Revenue	5	92,877	87,762
Raw materials and consumables used	None	(5,648)	(3,020)
Employee benefits expense	6(b)	(51,597)	(51,663)
Depreciation and amortisation expense	6(b)	(3,763)	(4,926)
Occupancy expense	None	(4,980)	(4,797)
Communications expense	None	(1,431)	(1,182)
Transport expense	None	(2,826)	(2,279)
Administration expense	None	(1,482)	(1,724)
Finance costs	6(b)	(284)	(217)
Other expenses	6(b)	(14,355)	(13,997)
<b>Total</b>	<b>None</b>	<b>6,511</b>	<b>3,957</b>

	NOTE	2015	2014
Net gain on disposal of assets	6(a)	6,234	5,580
Impairment reversal – property, plant and equipment	12	0	407
Impairment expense – property, plant and equipment	12	(373)	(125)
Impairment expense – non-current assets held for resale	11	(422)	(56)
Impairment reversal – non-current assets held for resale	11	342	-
Impairment expense – available for sale investments	None	(244)	(445)
Restructuring Costs	32	(1,789)	(1,805)
<b>SURPLUS FOR THE YEAR</b>		<b>10,259</b>	<b>7,513</b>

#### Other comprehensive income

##### Items that may be reclassified subsequently to surplus or deficit:

	2015	2014
Mark to market revaluation on available for sale investments	(3,166)	3,029
Impairment loss on available for sale investments transferred to Statement of Comprehensive Income	244	445
Impairment loss derecognised on disposal of available for sale investments	(935)	(1,394)
Subtotal	(3,857)	2,080
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>6,402</b>	<b>9,593</b>

## Vision Australia Limited

### Consolidated Statement of Financial Position as at 30 June 2015

<b>Current assets</b>	NOTE	<b>2015</b>	2014
Cash and cash equivalents	23(a)	7,705	11,966
Trade and other receivables	7	2,954	2,991
Other financial assets	8	21,453	13,980
Inventories	9	1,028	1,225
Other current assets	10	585	787
<b>Current Assets Subtotal</b>	None	<b>33,725</b>	<b>30,949</b>
Assets classified as held for sale	11	880	2,232
<b>Total current assets</b>	None	<b>34,605</b>	<b>33,181</b>
<b>Non-current assets</b>	NOTE	<b>2015</b>	2014
Trade and other receivables	7	106	192
Other financial assets	8	88,538	82,394
Property, plant and equipment	12	92,879	96,744
Investment property	13	148	151
Intangible assets	14	3,536	1,613
<b>Total non-current assets</b>	None	<b>185,207</b>	<b>181,094</b>
<b>Total assets</b>	None	<b>219,812</b>	<b>214,275</b>
<b>Current liabilities</b>	NOTE	<b>2015</b>	2014
Trade and other payables	15	7,986	7,287
Provisions	16	7,288	8,198
Other current liabilities	17	2,339	2,947
<b>Total current liabilities</b>	None	<b>17,613</b>	<b>18,432</b>
<b>Non-current liabilities</b>	NOTE	<b>2015</b>	2014
Trade and other payables	15	3	3
Provisions	16	1,356	1,402
<b>Total non-current liabilities</b>	None	<b>1,359</b>	<b>1,405</b>
<b>Total liabilities</b>	None	<b>18,972</b>	<b>19,837</b>
<b>Net assets</b>	NOTE	<b>2015</b>	<b>2014</b>
<b>Net Assets Total</b>	None	<b>200,840</b>	<b>194,438</b>
<b>Equity</b>	NOTE	<b>2015</b>	2014
Retained surplus	20	194,017	184,205
Reserves	19	6,823	10,233
<b>Total equity</b>	None	<b>200,840</b>	<b>194,438</b>

## Vision Australia Limited

### Consolidated Statement of Changes in Equity for the year ended 30 June 2015

	Retained Surplus	General Reserve	Asset Revaluation Reserve	Total
<b>Balance at 30 June 2013</b>	<b>179,342</b>	<b>850</b>	<b>4,653</b>	<b>184,845</b>
Adjustment for impairment loss on available for sale investments recognised as an expense in the current year	Nil	Nil	445	445
Impairment loss derecognised on disposal of available for sale investments	Nil	Nil	(1,394)	(1,394)
Transfer of endowment fund to general reserve	(2,650)	2,650	Nil	Nil
Mark to market revaluation on available for sale investments	Nil	Nil	3,029	3,029
Other Comprehensive Income	(2,650)	2,650	2,080	2,080
Surplus for the year	7,513	Nil	Nil	7,513
Total comprehensive income for the year	4,863	2,650	2,080	9,593
<b>Balance at 30 June 2014</b>	<b>184,205</b>	<b>3,500</b>	<b>6,733</b>	<b>194,438</b>
Adjustment for impairment loss on available for sale investments recognised as an expense in the current year	Nil	Nil	244	244
Impairment loss derecognised on disposal of available for sale investments	Nil	Nil	(935)	(935)
Transfer of endowment fund to general reserve	(447)	447	Nil	Nil
Mark to market revaluation on available for sale investments	Nil	Nil	(3,166)	(3,166)
Other Comprehensive Income	(447)	447	(3,857)	(3,857)
Surplus for the year	10,259	Nil	Nil	10,259
Total comprehensive income for the year	9,812	447	(3,857)	6,402
<b>Balance at 30 June 2015</b>	<b>194,017</b>	<b>3,947</b>	<b>2,876</b>	<b>200,840</b>

The accompanying notes form part of these financial statements.

## Vision Australia Limited

### Consolidated Statement of Cash Flows for the year ended 30 June 2015

#### Cash flows from operating activities

	<b>Note</b>	<b>2015</b>	2014
Cash receipts from operations	None	86,342	82,825
Interest received	None	842	1,074
Dividends received	None	4,882	4,164
Payments to suppliers and employees	None	(84,012)	(80,798)
Bank charges and borrowing costs	None	(284)	(217)
Net cash provided by operating activities	23(b)	7,770	7,048

#### Cash flows from investing activities

	<b>Note</b>	<b>2015</b>	2014
Payment for property, plant and equipment	None	(3,637)	(6,050)
Payment for intangible assets	None	(852)	(795)
Payment for investments and term deposits	None	(102,807)	(44,476)
Proceeds from sale of property, plant and equipment	None	1,436	521
Proceeds from sale of property, and non-current assets classified as held for sale	None	2,205	-
Proceeds from sale of investments	None	91,624	49,648
Net cash (used in) investing activities	None	(12,031)	(1,152)

#### Net position

	<b>Note</b>	<b>2015</b>	2014
<b>Net (decrease) / increase in cash and cash equivalents</b>	None	(4,261)	5,896
<b>Cash and cash equivalents at the beginning of the financial year</b>	None	11,966	6,070
<b>Cash and cash equivalents at the end of the financial year</b>	23(a)	<b>7,705</b>	<b>11,966</b>

The accompanying notes form part of these financial statements.

## Vision Australia Limited

Notes to the Financial Statements  
for the financial year ended 30 June 2015

### Note 1: Reporting Entity

Vision Australia Limited (“the Company”) is a company limited by guarantee, incorporated in Australia and operating in Australia.

The Company’s registered office and its principal place of business are as follows:

454 Glenferrie Road  
KOOYONG Vic 3144  
Tel: 1300 84 74 66

The financial statements of the consolidated entity (“the Group”) consist of Vision Australia Limited and its controlled entities.

### Note 2: Application of new and revised Accounting Standards

#### 2.1 Standards and interpretations adopted with no effect on the financial statements

No new or revised standards have been required to be adopted in the current year.

#### 2.2 Standards and interpretations in issue not yet adopted

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 ‘Financial Instruments’, and the relevant amending standards	1 January 2018	30 June 2019
AASB 15 ‘Revenue from Contracts with Customers’ and AASB 2014-5 ‘Amendments to Australian Accounting Standards arising from AASB 15’	1 January 2018	30 June 2019
AASB 2014-4 ‘Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation’	1 January 2016	30 June 2017
AASB 2015-1 ‘Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle’	1 January 2016	30 June 2017
AASB 2015-2 ‘Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101’	1 January 2016	30 June 2017
AASB 2015-3 ‘Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality’	1 July 2015	30 June 2016
AASB 2015-5 ‘Amendments to Australian Accounting Standards – Investment Entities	1 January 2016	30 June 2017

## **Vision Australia Limited**

Notes to the Financial Statements  
for the financial year ended 30 June 2015

### **Note 3: Significant accounting policies**

#### **3.1 Statement of compliance**

These financial statements are general purpose financial statements which have been prepared in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and Australian Accounting Standards - Reduced Disclosure Requirements, and comply with other requirements of the law including the Charitable Collections Act (1946) [Section 15] WA and the Charitable Fundraising Act 1991.

These financial statements comprise the consolidated financial statements of the Group. For the purposes of preparing the consolidated financial statements, the Company is a not-for-profit entity.

The financial report was authorised for issue by the directors on 19 August 2015.

#### **3.2 Basis of preparation**

The consolidated financial report has been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars unless otherwise noted.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of AASB 117, and measurements that have some similarities to fair value but are not fair value, such as value in use in AASB 136.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Vision Australia Limited is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the directors' report and the financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.



**Vision Australia Limited**  
Notes to the Financial Statements  
for the financial year ended 30 June 2015

The principal accounting policies are set out below.

**3.3 Basis of Consolidation**

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and

any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

**3.3.1 Changes in the Group's ownership interests in existing subsidiaries**

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

**Vision Australia Limited**  
Notes to the Financial Statements  
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When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable AASBs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASB 139, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

### **3.4 Business Combinations**

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity instruments issued by the Group in exchange for control of the acquiree. Acquisition costs are recognised in profit or loss as incurred.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another Standard.

### **3.5 Cash and cash equivalents**

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value.

### **3.6 Employee benefits**

A liability is recognised for benefits accruing 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.

Liabilities recognised in respect of short term employee benefits, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of long term employee benefits are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date.

#### **3.6.1 Defined contribution plans**

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

**Vision Australia Limited**  
Notes to the Financial Statements  
for the financial year ended 30 June 2015

**3.6.2 Defined benefit plans**

As the defined benefit plan is a multi-employer plan, the defined benefit plan is accounted for as if it were a defined contribution plan.

**3.6.3 Termination benefit**

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

**3.7 Financial assets**

All 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, net of transaction costs.

Financial assets are classified into the following specified categories: 'held to maturity' investments, 'available-for-sale' investments, and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

**3.7.1 Effective interest method**

The effective interest method is a method of calculating the amortised cost of a debt instrument and allocating interest over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

**3.7.2 Held-to-maturity investments**

Investments with fixed or determinable receipts and fixed maturity dates that the Group has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are recorded at amortised cost using the effective interest method less any impairment.

**3.7.3 Available-for-sale investments**

Certain securities held by the Group are classified as being available-for-sale and are stated at fair value. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the asset revaluation reserve with the exception of impairment losses and interest calculated using the effective interest method, which are recognised in profit or loss. Where the investment is disposed of or determined to be impaired, the cumulative gain or loss previously recognised in the asset revaluation reserve is reclassified to profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established.

### **3.7.4 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 any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

### **3.7.5 Impairment of financial assets**

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that have occurred after the initial recognition of the financial asset the estimated future cash flows of the investment have been impacted.

A significant or prolonged decline in the fair value of an equity instrument below its cost is considered to be objective evidence of impairment. When the market value of an equity instrument held in the company's investment portfolios is below cost it is reviewed for impairment. The interpretation of impairment that has been used in the preparation of these accounts is that an impairment will have occurred when a stock has traded below its cost for more than 12 months or, at balance date, has a market value 20% or more less than its average cost.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 90 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectable, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance are recognised in profit and loss.

With the exception of available-for-sale 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 cost would have been had the impairment not been recognised.

In respect of available-for-sale equity instruments impairment losses previously recognised in profit and loss are not reversed through profit and loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated in the asset revaluation reserve.

**Vision Australia Limited**  
Notes to the Financial Statements  
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**3.8 Financial liabilities**

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

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

**3.9 Assets held for sale**

Assets classified as held for sale are measured at the lower of carrying amount or fair value less costs to sell and are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for such a sale and the sale is highly probable. The sale of the asset must be expected to be completed within one year from the date of classification, except in circumstances where sale is delayed by events or circumstances outside the Group's control and the Group remains committed to a sale.

**3.10 Intangible assets**

Intangible assets are recorded at cost less accumulated amortisation and impairment. Amortisation is charged on a straight-line basis over their useful lives as follows:

Audio Masters 5 years  
Computer Software 3 years

**3.11 Inventories**

Inventories are stated at the lower of cost and net realisable value. Costs are assigned to inventory on hand by the method most appropriate to each particular class of inventory, with the majority being valued on a weighted average basis. Manufactured goods include an appropriate portion of fixed and variable overhead expenses. Net realisable value represents the estimated selling price less all estimated costs of completion and costs necessary to make the sale.

**3.12 Investment property**

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured at cost, including transaction costs, less accumulated depreciation and impairment.

Depreciation is provided on investment property, including freehold buildings but excluding land. 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.

**Vision Australia Limited**  
Notes to the Financial Statements  
for the financial year ended 30 June 2015

**3.13 Property, plant and equipment**

Land is valued at cost less accumulated impairment. Buildings, leasehold improvements, plant and equipment, motor vehicles and computers are stated at cost less accumulated depreciation and accumulated impairment. Cost includes expenditure that is directly attributable to the acquisition of the item.

Depreciation is provided on property, plant and equipment, including freehold buildings but excluding land. Depreciation is calculated on a straight line basis so as to write off the cost each asset over its expected useful life to its estimated residual value. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, with the effect of any changes recognised on a prospective basis.

The following rates are used in the calculation of depreciation:

Asset	Rate
Buildings	2%
Leasehold Improvements	20%
Computer Equipment	3 years
Furniture, Plant and Equipment	10-20%
Motor Vehicles	15%

Leasehold Improvements and assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

All repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in profit or loss.

**3.14 Leased assets**

Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased asset to the lessee. All other leases are classified as operating leases.

**3.14.1 The Group as lessor**

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

**3.14.2 The Group as lessee**

**Vision Australia Limited**  
Notes to the Financial Statements  
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Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

**3.15 Impairment of non-current assets other than financial assets**

At each reporting date, the Group reviews the carrying amounts of its 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).

Recoverable amount is the higher of depreciated replacement cost and fair value less costs to sell. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss recognised immediately in the statement of profit or loss and other comprehensive income.

Where an impairment loss subsequently reverses, the carrying amount of the asset 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 amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit or loss and other comprehensive income.

**3.16 Provisions**

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is immaterial).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

**3.16.1 Restructurings**

A restructuring provision is recognised when the Group has developed a detailed formal plan for the restructuring and has raised a valid expectation for those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

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**3.17 Revenue**

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for customer returns.

**3.17.1 Revenue: General and Specific Grant Income**

General grant revenue is recognised at the time of receipt. Where specifically designated grant revenue and the designated expenditure for such grants during the year has not occurred or is incomplete and there is likely to be an obligation to repay, the resulting amount is carried forward and will be brought to account in future years as the funds are expended.

**3.17.2 Donations, Bequests and Estates**

Revenue from estates is recognised when the Group gains control of the contribution. The deemed cost of marketable securities is the market value of such securities at the date of transfer. Revenue from specifically designated bequests, where the designated expenditure for such bequests during the year has not occurred or is incomplete, and where there is an obligation to repay the funds, the resulting amount will be transferred to trade and other payables and will be brought to account in future years as the funds are expended. Revenue from donations is recognised at the time of receipt.

**3.17.3 Fundraising**

Revenue in relation to fundraising is recognised at the time the funds are received.

**3.17.4 Sale of Goods and Disposal of Assets**

Revenue from the sale of goods and disposal of other assets is recognised when all the following conditions are satisfied:

- (a) the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- (b) the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- (c) the amount of revenue can be measured reliably;
- (d) it is probable that the economic benefits associated with the transaction will flow to the Group; and
- (e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Specifically, revenue from the sale of goods is recognised when goods are delivered and legal title is passed.

**3.17.5 Rendering of Services**

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

The stage of completion is determined for revenue for time and material contracts at the contractual rates as labour hours delivered and direct expenses incurred. Services revenue is recognised when services have been delivered.



## **Vision Australia Limited**

Notes to the Financial Statements  
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### **3.17.6 Contributions of Assets**

Revenue arising from the contribution of assets is recognised when the Group gains control of the contribution or the right to receive the contribution, it is probable that the economic benefits comprising the contribution will flow to the Group and the amount of the contribution can be measured reliably. Revenue from contributed assets is recorded at fair value at the date that control of the assets is assumed by the Group.

### **3.17.7 Liabilities Forgiven**

The gross amount of liability forgiven by a creditor is recognised as revenue.

### **3.17.8 Dividend and interest income**

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount or revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Gains and losses from the sale of investments are recorded at the time of sale.

### **3.17.9 Other Income**

Income is recognised to the extent that it is probable that the economic benefits will flow to the Group and the income can be reliably measured.

### **3.18 Goods and services tax**

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Consolidated Statement of Financial Position.

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

### **3.19 Income tax**

Under Section 50-5 of the Income Tax Assessment Act 1997, the Group is exempt from income tax.

## **Vision Australia Limited**

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### **Note 4: Critical judgements and key sources of estimation uncertainty**

In the application of the Group's accounting policies, which are described in note 3, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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.

#### **4.1 Critical judgements in applying accounting policies**

The following are the critical judgements that directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

##### **4.1.1 Inventories**

Note 3.11 sets out the basis of valuation of inventory. The net realisable value of inventories is the estimated selling price in the ordinary course of business less estimated costs to sell which approximates fair value less cost to sell. The key assumptions require the use of management judgement and are reviewed annually. These key assumptions are the variables affecting the estimated costs to sell and the expected selling price. Any reassessment of cost to sell or selling price in a particular year may affect the valuation of inventory.

##### **4.1.2 Employee Entitlements**

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

- future increases in wages and salaries;
- future interest rates;
- future on-cost rates; and
- experience of employee departures and period of service

Liabilities recognised in respect of long term employee benefits are measured as the present value.

##### **4.1.3 Held to maturity financial assets**

The Directors have reviewed the Group's held to maturity financial assets and have confirmed the Group's positive intention and ability to hold these assets to maturity. The carrying amount of the held to maturity financial assets is \$21,453,000 (2014: \$13,980,000).

#### **4.2 Key sources of estimation uncertainty**

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at balance sheet date, that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

##### **4.2.1 Useful lives of property, plant and equipment and intangible assets**

Useful lives of property, plant and equipment and intangible assets are reviewed annually. Any reassessment of useful lives in a particular year will affect the depreciation and

## Vision Australia Limited

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amortisation expense (either increasing or decreasing) through to the end of the reassessed useful life for both the current and future years.

### Note 5: Revenue

An analysis of the consolidated entity's revenue for the year is as follows.

Revenue from operations consisted of the following items:

	2015	2014
Revenue from the sale of goods	5,256	5,786
Revenue from services rendered	2,981	2,296
Commonwealth Government grant income	6,948	7,066
State Government grant income	25,680	25,151
Other grant income	3,433	117
Legacies, bequests and donations	41,820	41,476
Rental revenue	570	472
Interest revenue	827	754
Dividend revenue	4,882	4,164
Other revenue	480	480
<b>TOTAL</b>	<b>92,877</b>	<b>87,762</b>

### Note 6: Surplus for the year

#### (a) Net Gain on disposal of assets

Surplus for the year has been arrived at after crediting/(charging) the following gains and losses on disposal of assets:

	2015	2014
Gain / (loss) on disposal of property, plant and equipment	70	(97)
Gain on disposal of investments	5,229	4,283
Derecognition of impairments on disposal of investments	935	1,394
<b>TOTAL</b>	<b>6,234</b>	<b>5,580</b>

**Vision Australia Limited**

Notes to the Financial Statements  
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**Note 6: Surplus for the year (cont'd)****(b) Expenses**

Surplus for the year includes the following expenses:

Employee benefit expense:	<b>2015</b>	2014
Company contributions to superannuation plans	4,195	4,039
Termination benefits	591	162
Other employee benefits	46,811	47,462
<b>TOTAL</b>	<b>51,597</b>	<b>51,663</b>
Depreciation and amortisation expense:	<b>2015</b>	2014
Buildings	1,389	1,345
Investment property	3	5
Plant and equipment, furniture and fittings	925	1,241
Motor vehicles	406	791
Computers	192	395
Intangible assets (Note 14)	848	1,149
<b>TOTAL</b>	<b>3,763</b>	<b>4,926</b>
Finance costs:	<b>2015</b>	2014
Other finance costs	284	217
<b>TOTAL</b>	<b>284</b>	<b>217</b>
Other expenses includes:	<b>2015</b>	2014
Equipment and technology	4,131	3,853
Events and fundraising	8,306	8,577
Miscellaneous	1,918	1,567
<b>TOTAL</b>	<b>14,355</b>	<b>13,997</b>
Operating lease rental expenses included in occupancy expense:	<b>2015</b>	2014
Minimum lease payments	2,513	2,340
Sub-lease payments received	(394)	(356)
<b>TOTAL</b>	<b>2,119</b>	<b>1,984</b>

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**Note 7: Trade and other receivables**

Current

	<b>2015</b>	2014
Trade receivables	1,233	1,343
Allowance for doubtful debts	(26)	(25)
Subtotal	1,207	1,318
Interest and dividends receivable	1,123	1,138
Sundry debtors	577	535
Net goods and services tax recoverable	47	0
Current Total	<b>2,954</b>	<b>2,991</b>

Non-current:

	<b>2015</b>	2014
Sundry debtors total	106	192

Movement in the allowance for doubtful debts:

	<b>2015</b>	2014
Balance at the beginning of the year	25	28
Amounts recovered during the year	(9)	(9)
Amounts provided for during the year	10	6
Balance at the end of the year	<b>26</b>	<b>25</b>

Ageing of past due but not impaired trade receivables:

	<b>2015</b>	2014
Current	723	939
30-60 days	235	113
60-90 days	61	76
90+ days	189	190
Total	<b>1,208</b>	<b>1,318</b>

Ageing of past due and impaired trade receivables:

	<b>2015</b>	2014
60-90 days	0	0
90+ days	26	25
Total	<b>26</b>	<b>25</b>

- (i) The credit period provided by Vision Australia Limited on sales of goods and services is 30 days from the date of the invoice. No interest is charged on the trade receivables. An allowance has been made for estimated irrecoverable amounts from the sale of goods and services, determined by reference to specific debtor balances.
- (ii) Receivables past due but not impaired are considered collectible despite being outside Vision Australia Limited's standard terms of trade as there are a number of debtors (typically business and government) that pay in 60 – 90 day cycles. This results in amounts being in the 90+ day category.

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**Note 8: Other financial assets**

Current

Held to maturity investments carried at cost:

	<b>2015</b>	2014
Interest bearing deposits	21,453	13,980
Total	21,453	13,980

Non-current

Available for sale investments carried at fair value:

	<b>2015</b>	2014
Managed trusts and funds	18,410	12,170
Fixed interest securities	18,426	19,639
Shares	51,702	50,585
Total	<b>88,538</b>	<b>82,394</b>

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**Note 9: Inventories**

	<b>2015</b>	2014
Goods available for sale at cost <sup>(i)</sup>	1,052	1,274
Provision for stock obsolescence	(24)	(49)
<b>Total</b>	<b>1,028</b>	<b>1,225</b>

(i) Goods available for sale at balance date comprise the following:

	<b>2015</b>	2014
Equipment Solutions	801	853
Other goods for sale	251	421
<b>Total</b>	<b>1,052</b>	<b>1,274</b>

**Note 10: Other current assets**

	<b>2015</b>	2014
Prepaid Rent	153	157
Prepaid Insurance	35	40
Prepaid IT services and support fees	379	554
Other prepayments	18	36
<b>Total</b>	<b>585</b>	<b>787</b>

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**Note 11: Non- current assets classified as held for sale**

<b>Gross carrying amount</b>	<b>2015</b>	2014
Balance at beginning of financial year	2,589	1,989
Disposals	(2,589)	-
Transfer from assets classified as property, plant and equipment	1,616	-
Transfer from assets classified as investment property	-	600
Balance at end of financial year	<u>1,616</u>	<u>2,589</u>
<b>Accumulated depreciation and impairment</b>	<b>2015</b>	2014
Balance at beginning of financial year	(357)	(197)
Disposals	14	-
Net impairment losses charged to surplus	(422)	(56)
Reversal of impairment losses credited to surplus	342	(56)
Transfer from assets classified as property, plant and equipment	(313)	0
Balance at end of financial year	<u>(736)</u>	<u>(357)</u>
<b>Net book value</b>	<u>880</u>	<u>2,232</u>

The Group disposed of a number of freehold properties that were gifted or previously acquired for operational development purposes and were found to be surplus to requirements.



## Vision Australia Limited

Notes to the Financial Statements  
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### Note 12: Property, plant and equipment

	Land at cost	Buildings at cost	Furniture, plant and equipment at cost	Motor vehicles at cost	Computers at cost	Capital work in progress	Total
<b>Gross carrying amount</b>							
Balance at 30 June 2013	41,745	52,408	13,365	6,092	8,337	2,858	124,805
Additions	4	454	344	420	121	4,707	6,050
Transfer	700	6,719	(9)	0	0	(7,410)	0
Disposals	0	(24)	(195)	(1,492)	(1,623)	0	(3,334)
Balance at 30 June 2014	42,449	59,557	13,505	5,020	6,835	155	127,521
Additions		416	281	24	327	2,589	3,637
Transfer	(1,057)	(559)	0	0	76	(1,994)	(3,534)
Disposals	-	(56)	(655)	(3,492)	(1,083)	0	(5,286)
Balance at 30 June 2015	41,392	59,358	13,131	1,552	6,155	750	122,338
<b>Accumulated depreciation and impairment</b>							
Balance at 30 June 2013	(753)	(8,268)	(10,231)	(3,020)	(7,753)	0	(30,025)
Disposals	0	23	204	903	1,608	0	2,738
Reversal of impairment losses credited to surplus <sup>(i)</sup>	174	233	0	0	0	0	407
Impairment losses charged to surplus <sup>(i)</sup>	(87)	(38)	0	0	0	0	(125)
Depreciation expense	0	(1,345)	(1,241)	(791)	(395)	0	(3,772)
Balance at 30 June 2014	(666)	(9,395)	(11,268)	(2,908)	(6,540)	0	(30,777)
Disposals	0	56	656	2,493	1,085	0	4,290
Reversal of impairment losses credited to surplus <sup>(i)</sup>	0	(373)	0	0	0	0	(373)
Transfer	176	137	0	0	0	0	313
Depreciation expense	0	(1,389)	(925)	(406)	(192)	0	(2,912)
Balance at 30 June 2015	(490)	(10,964)	(11,537)	(821)	(5,647)	0	(29,459)
<b>Net book value</b>							
As at 30 June 2014	41,783	50,162	2,237	2,112	295	155	96,744
As at 30 June 2015	40,902	48,394	1,594	731	508	750	92,879

(i) Impairment charge / release of impairment in the period where the depreciated replacement cost was less than its carrying value.

## Vision Australia Limited

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### Note 13: Investment property

	2015	2014
<b>Gross carrying amount</b>		
Balance at beginning of financial year	183	783
Transfer to non-current assets held for sale	0	(600)
Balance at end of financial year	183	183
<b>Accumulated depreciation and impairment</b>		
Balance at beginning of financial year	(32)	(131)
Depreciation expense	(3)	(5)
Transfer to non-current assets held for sale	0	104
Balance at end of financial year	(35)	(32)
<b>Net book value</b>	148	151

### Note 14: Intangible assets

#### Consolidated

	Audio Masters	Computer Software	Total
<b>Gross carrying amount</b>			
Balance at 30 June 2013	6,543	5,802	12,345
Additions	515	280	795
Disposals	0	(83)	(83)
Balance at 30 June 2014	7,058	5,999	13,057
Transfer	-	1,918	1,918
Additions	504	348	852
Balance at 30 June 2015	7,562	8,265	15,827
<b>Accumulated amortisation and impairment</b>			
Balance at 30 June 2013	(5,333)	(5,043)	(10,376)
Reversal of amortisation on disposal	0	82	82
Impairment reversal	0	24	24
Amortisation expense	(552)	(597)	(1,149)
Balance at 30 June 2014	(5,885)	(5,558)	(11,444)
Amortisation expense	(436)	(412)	(848)
Balance at 30 June 2015	(6,321)	(5,970)	(12,291)

## Vision Australia Limited

Notes to the Financial Statements  
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### Note 14: Intangible assets

<b>Net book value</b>	Audio Masters	Computer Software	Total
As at 30 June 2014	1,173	440	1,613
As at 30 June 2015	1,241	2,295	3,536

### Note 15: Trade and other payables

#### Current

	<b>2015</b>	2014
Trade payables <sup>(i)</sup>	601	779
Net goods and services tax payable	0	169
Other creditors and accrued expenses	7,385	6,339
Total	7,986	7,287

#### Non-current

	<b>2015</b>	2014
Endowment and scholarship funds	3	3
Total	3	3

(i) The standard credit period on purchases is 30 days from the end of the month in which the invoice is received. No interest is charged on trade payables.

### Note 16: Provisions

<u>Current</u>	<b>2015</b>	2014
Annual leave	2,538	2,626
Long service leave	4,661	5,458
Other leave	89	114
Total current employee benefits <sup>(i)</sup>	7,288	8,198

<u>Non-current</u>	<b>2015</b>	2014
Employee benefits – Long Service Leave	1,356	1,402

(i) The current provision for employee benefits includes \$3,827,000 (2014: \$4,490,000) of vested long service leave entitlements accrued but not expected to be taken within 12 months.

## Vision Australia Limited

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### Note 17: Other current liabilities

	2015	2014
Grant and other income received in advance	2,339	2,947
Total	2,339	2,947

### Note 18: Retirement Benefit Plans

Vision Australia Limited is a member of Health Super Pty Ltd multi-employer defined benefit superannuation plan and is required to contribute a specified percentage of payroll costs to fund the retirement benefits of 4 (2014: 6) employees.

As some members of the fund are current and former members of other employers, for the purposes of applying AASB 119 Employee Benefits, the fund actuary does not believe there is sufficient information available to allocate obligations, assets and costs between the members of the fund.

In accordance with the requirements of AASB 119, given the lack of sufficient information available, the plan is accounted for as if it were a defined contribution plan. Vision Australia Limited made total contributions to the plan of \$21,000 (2014: \$25,000) during the year which are recognised as an expense in the statement of profit or loss and other comprehensive income.

### Note 19: Reserves

<u>Asset Revaluation Reserve</u> <sup>(i)</sup>	2015	2014
Balance at beginning of financial year	6,733	4,653
Mark to market revaluation on available for sale investments	(3,166)	3,029
Impairment loss on available for sale investments reclassified to Statement of Comprehensive Income	244	445
Impairment loss derecognised on disposal of available for sale investments	(935)	(1,394)
Balance at end of financial year	2,876	6,733
<u>General Reserve</u> <sup>(ii)</sup>	2015	2014
Balance at beginning of financial year	3,500	850
Transfer of endowment fund from retained earnings	447	2,650
Balance at end of financial year	3,947	3,500
Overall Balance at end of financial year	6,823	10,233

(i) The asset revaluation reserve arises on the revaluation of investments to fair value.

(ii) The general reserve relates to designated donations received during the year for which there is no obligation to repay the funds.

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Notes to the Financial Statements  
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**Note 20: Retained surplus**

	<b>2015</b>	2014
Balance at beginning of financial year	184,205	179,342
Net surplus attributable to members of the parent entity	10,259	7,513
Transfer of endowment fund to general reserve	(447)	(2,650)
Balance at end of financial year	194,017	184,205

**Note 21: Contingent liabilities**

(a) At 30 June 2014 Vision Australia Limited had a bank guarantee relating to a leased property in Canberra of \$28,187 (2014: \$27,654).

(b) An additional bank guarantee facility is available for leased properties as follows:

	<b>2015</b>	2014
Amount used	23	36
Amount unused	77	64
Total	<u>100</u>	<u>100</u>

## Vision Australia Limited

Notes to the Financial Statements  
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### Note 22: Leases

#### Disclosures for lessees

Operating leases

Leasing arrangements: Operating leases relate to rental property and office equipment leases. Rental property lease contracts are typically 5 years and contain provisions for extending the lease on the same terms and conditions of the original lease. Leases for office equipment are for 5 years with a defined end date at which time the equipment is returned. The Group does not have an option to purchase the leased property or equipment at the expiry of the lease periods.

Non-cancellable operating lease commitments:	<b>2015</b>	2014
Not longer than 1 year	1,412	1,591
Longer than 1 year and not longer than 5 years	774	1,422
Longer than 5 years	0	0
Total	<b>2,186</b>	<b>3,013</b>

In respect of non-cancellable operating leases no liabilities have been recognised on the balance sheet.

#### Disclosures for lessors

Operating leases: Leasing arrangements

Operating leases relate to subleases on rental properties and lease for telecommunications towers located on Vision Australia Limited land. Subleases are provided on the same terms and conditions as the head lease.

Non-cancellable operating lease receivables:	<b>2015</b>	2014
Not longer than 1 year	227	142
Longer than 1 year and not longer than 5 years	295	351
Longer than 5 years	191	194
Total	<b>713</b>	<b>687</b>

**Vision Australia Limited**

Notes to the Financial Statements  
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**Note 23: Note to the cash flow statement****(a) Reconciliations of cash and cash equivalents**

For the purposes of the cash flow statement, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:

	<b>2015</b>	2014
Cash at bank	2,230	6,872
At call accounts	5,475	5,094
Cash and cash equivalents	<u>7,705</u>	<u>11,966</u>

**(b) Reconciliation of surplus for the year to net cash flows provided by operating activities**

	<b>2015</b>	2014
Net surplus for the year	10,259	7,513
Depreciation	2,915	3,777
Amortisation	848	1,149
Net impairment expense	697	219
Net gain on disposal of assets	(6,234)	(5,580)
Non-cash bequest of shares	(372)	(17)
(Increase) in provision for employee benefits	(956)	(378)
Decrease in trade receivables and sundry debtors	123	695
Decrease in other current assets	202	179
Decrease / (Increase) in inventories	197	(58)
Increase / (decrease) in trade payables and accruals	699	(146)
(Decrease) in income in advance	(608)	(305)
Net cash provided by operating activities	<u>7,770</u>	<u>7,048</u>

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**Note 23: Note to the cash flow statement (cont'd)**

**(c) Financing facilities available**

Finance Lease Facility	<b>2015</b>	2014
Amount used	0	0
Amount unused <sup>(i)</sup>	280	280
Total	<u>280</u>	<u>280</u>

(i) There is no line or unused limit fee associated with this facility.

**Note 24: Financial instruments**

**24.1 Fair Value of Financial Instruments**

The consolidated financial report has been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments that are measured at revalued amounts or fair values. Cost is based on the fair values of the consideration given in exchange for assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of AASB 117, and measurements that have some similarities to fair value but are not fair value, such as value in use in AASB 136.

In addition fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.



**Vision Australia Limited**

Notes to the Financial Statements  
for the financial year ended 30 June 2015

**24.1 Fair Value of Financial Instruments (cont'd)**

<b>Financial assets</b>	<b>2015 Carrying amount</b>	<b>2015 Fair value</b>	<b>2014 Carrying amount</b>	<b>2014 Fair value</b>
Cash and cash equivalents	7,705	7,705	11,966	11,966
Trade receivables	1,207	1,207	1,318	1,318
Other receivables	1,853	1,853	1,865	1,865
Interest bearing deposits	21,453	21,453	13,980	13,980
Shares	51,702	51,702	50,585	50,585
Managed trusts and funds	18,410	18,410	12,170	12,170
Fixed interest securities	18,426	18,426	19,639	19,639
<b>Total</b>	<b>120,756</b>	<b>120,756</b>	<b>111,523</b>	<b>111,523</b>

  

<b>Financial liabilities</b>	<b>2015 Carrying amount</b>	<b>2015 Fair value</b>	<b>2014 Carrying amount</b>	<b>2014 Fair value</b>
Trade payables	601	601	779	779
Other payables	7,388	7,388	6,511	6,511
<b>Total</b>	<b>7,989</b>	<b>7,989</b>	<b>7,290</b>	<b>7,290</b>

**Vision Australia Limited**  
Notes to the Financial Statements  
for the financial year ended 30 June 2015

**24.2 Financial Instruments**

	2015	2014
Cash and cash equivalents	7,705	11,966
Trade and other receivables	3,060	3,183
Held to maturity investments	21,453	13,980
Available for Sale Financial Assets	88,538	82,394

## Vision Australia Limited

Notes to the Financial Statements  
for the financial year ended 30 June 2015

### Note 25: Key management personnel remuneration and related party disclosures

The names and positions of those having authority for planning, directing and controlling the company's activities, directly or indirectly, during the financial year are:

- Mr Kevin Murfitt, Chair
- Mr Ron Hooton, Chief Executive Officer
- Mr David Speyer, Chief Financial Officer
- Ms Maryanne Diamond, General Manager Advocacy and Engagement
- Mr Leigh Garwood, General Manager Victoria, South Australia and Seeing Eye Dogs
- Ms Jan Chisholm, General Manager Service Promotion
- Mr Michael Simpson, General Manager New South Wales and AIS
- Ms Karen Knight, General Manager Queensland and Northern Territory
- Ms Linda Hornsey, General Manager Business Transformation
- Mr John Gow, General Manager People and Culture
- Mr Graeme Craig, General Manager NDIS

The aggregate compensation of the key management personnel of the Group is set out below:

Note: The below amounts are not in \$'000s.

Short term employee benefits	\$2,254,345	\$2,089,220
Post-employment benefits	\$193,313	\$162,125
Other long term employee benefits	\$374,455	\$320,036
Termination benefits	0	\$280,001
Total	\$2,822,113	\$2,851,382

#### 25.1 Parent entity

The parent entity of the Group is Vision Australia Limited.

#### 25.2 Ownership interest in related parties

Details and ownership interest held in subsidiaries are disclosed in Note 26 to the financial statements

#### 25.3 Loan disclosures

There were no loans between Vision Australia Limited and its directors or executives.

#### 25.4 Director transactions

Some directors receive services from Vision Australia Limited as clients on a normal commercial basis and pay the applicable fees, if any, for those services.

## Vision Australia Limited

Notes to the Financial Statements  
for the financial year ended 30 June 2015

### Note 26: Subsidiaries

The consolidated financial statements include the financial statements of Vision Australia Limited and the subsidiaries listed in the following table.

Parent entity Vision Australia Ltd incorporated in Australia.

<b>Subsidiaries</b>	<b>Country of incorporation</b>	<b>Ownership interest 2015 %</b>	<b>Ownership interest 2014 %</b>
Vision Australia Foundation	Australia	100%	100%
Vision Australia Trust	Not incorporated	100%	100%
RVIB Foundation (Charitable Trust)	Not incorporated	100%	100%
Seeing Eye Dogs Australia Pty Limited	Australia	100%	0

### Note 27: Parent entity disclosures

The accounting policies of the parent entity, which have been applied in determining the financial information below, are the same as those applied in the consolidated financial statements. Refer to note 3 for a summary of the significant accounting policies relating to the Group.

#### Surplus / (deficit) of the parent entity

Surplus / (deficit) for the year

Total comprehensive surplus for the year

2015	2014
868	(440)
9,903	7,916

#### Financial position of the parent entity

Current Assets (i)

Total Assets (ii)

Current Liabilities

Total Liabilities

Net assets

2015	2014
107,285	18,405
121,389	125,909
(17,085)	(18,124)
(14,494)	(19,526)
106,895	106,383

#### Total equity of the parent entity comprising of

Asset Revaluation Reserve

Retained Surplus

#### Total equity attributable to Vision Australia Limited

2015	2014
4,741	4,650
102,154	101,733
106,895	106,383

- (i) Included in current assets are net book values of land and buildings that are classified as held for sale to wholly owned subsidiary, Vision Australia Trust of \$89,104,000.
- (ii) Included in total assets are amounts owing by wholly owned subsidiary company, Vision Australia Trust of \$3,947,000.

The contingent liabilities (Note 21) and the commitments for expenditure (Note 22) of the Group are the liabilities of the parent entity.

**Vision Australia Limited**  
Notes to the Financial Statements  
for the financial year ended 30 June 2015

**Note 28: Remuneration of auditors**

	<b>2015</b>	2014
Audit of the Financial Report	87,500	89,250
Audit of grant and lottery returns	55,999	56,438
Non audit services (i)	39,000	-
<b>Total</b>	<b>143,499</b>	<b>145,688</b>

The auditor of the Group is Deloitte Touche Tohmatsu

- (i) Non audit services related to consulting services on upgrading existing budget and management reporting systems which required no involvement of financial data.

## Vision Australia Limited

Notes to the Financial Statements  
for the financial year ended 30 June 2015

### Note 29: Acquisition of businesses

29.1: During the year, the Company acquired its Seeing Eye Dogs Australia Pty Limited's business. Details of the acquisition are as follows:

29.2: Consideration transferred

Total of \$12 was in consideration for purchase of 12 shares in Seeing Eye Dogs Australia Pty Limited.

29.3: Assets acquired and liabilities assumed at the date of acquisition

Total assets of \$82,621 and liabilities of \$82,621 were acquired.

29.4: Net cash outflow on acquisition of businesses

Net cash outflow on acquisition of Seeing Eye Dogs Australia Pty Limited amounted to \$82,609 which is net off the consideration paid for shares \$12 and cash acquired \$82,621.

### Note 30: Information required by the Charitable Fundraising Act 1991 (NSW)

Fundraising appeals conducted under the Charitable Fundraising Act 1991, included direct mailings, special events, foundation and corporate sponsorship. Other fundraising activities were lotteries and bequests.

	2015	2014
Net surplus from fundraising appeals	14,990	13,654
Net surplus from bequests	16,000	16,623
Grant income	36,061	32,334
Investment income	5,709	4,918
Gain on sale of property, plant and equipment	6,235	5,580
Sales and fee income	7,150	6,960
Miscellaneous income	1,050	952
	<b>87,195</b>	<b>81,021</b>

#### Applied to charitable purposes

Cost of client and library and information services

	2015	2014
	<b>(65,644)</b>	<b>(63,567)</b>

#### Applied to organisation and management

Cost of corporate services

Cost of marketing services

Restructure redundancy costs

Impairment of available for sale investments

Impairment on non-current assets

Total applied to organisation and management

Net surplus

	2015	2014
	<b>(7,196)</b>	<b>(6,830)</b>
	<b>(1,609)</b>	<b>(1,087)</b>
	<b>(1,789)</b>	<b>(1,805)</b>
	<b>(244)</b>	<b>(445)</b>
	<b>(453)</b>	<b>226</b>
	<b>(11,291)</b>	<b>(9,941)</b>
	<b>10,259</b>	<b>7,513</b>

## Vision Australia Limited

Notes to the Financial Statements  
for the financial year ended 30 June 2015

	2015 (\$'000)	2015 (%)	2014 (\$'000)	2014 (%)
Total cost of fundraising / gross income from fundraising	11,244/ 26,233	43	11,781/ 25,435	46
Net surplus from fundraising / gross income from fundraising	14,990/ 26,233	57	13,654/ 25,435	54
Total cost of services / total expenditure (i)	65,644/ 85,826	76	63,567/ 83,805	76
Total costs of services / total income received (ii)	65,644/ 92,877	71	63,567/ 82,462	77

- (i) In arriving at total expenditure, adjustments have been made to exclude impairment charges and redundancy costs arising from restructure. Impairment charges are disclosed on the face of the statement of profit or loss and other comprehensive income and redundancy costs are disclosed above.

### Note 31: Information required by the Charitable Collections Act (1946) [Section 15] WA

	2015	2014
<b>Fundraising income</b>	26,233	25,435
<b>Less fundraising expenses:</b>	<b>2015</b>	<b>2014</b>
Salaries and wages	(1,546)	(2,253)
Telemarketing costs	(3,482)	(3,410)
Consulting fees	(37)	(81)
Face to face fundraising fees	(748)	(976)
Legal fees	(15)	(12)
Other fundraising expenses	(5,415)	(5,049)
Total expenses	(11,243)	(11,781)
Net surplus from fundraising appeals	14,990	13,654
<b>Bequest Income</b>	<b>2015</b>	<b>2014</b>
	16,674	17,164
<b>Less bequest expenses:</b>	<b>2015</b>	<b>2014</b>
Salaries and Wages	(353)	(359)
Legal Fees	(116)	(27)
Other Bequest Expenses	(205)	(155)
Total bequest expenses	(674)	(541)
Net surplus from Bequests	16,000	16,623
<b>Net surplus from fundraising appeals and bequests</b>	<b>2015</b>	<b>2014</b>
	30,990	30,277

**Vision Australia Limited**  
Notes to the Financial Statements  
for the financial year ended 30 June 2015

**Note 32: Restructuring Costs**

Termination Benefits	1,789	1,805
Total	1,789	1,805

**Note 33: Subsequent events**

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.



## **Vision Australia Limited**

### **Directors' declaration**

The directors declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the consolidated entity and company will be able to pay its debts as and when they become due and payable; and
- (b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and in compliance with the Charitable Fundraising Act 1991, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

Signed in accordance with a resolution of the directors made pursuant to s.60.15 of the Australian Charities and Not-for-profits Commission Regulation 2013.

On behalf of the Directors

Kevin Murfitt  
Director  
19 August 2015

Andrew Moffat  
Director  
19 August 2015

## **Vision Australia Limited**

### **Executives' declaration**

The Chief Executive Officer and the Chief Financial Officer of Vision Australia Limited declare that:

- (a) in the executives' opinion, there are reasonable grounds to believe that the consolidated entity and company will be able to pay its debts as and when they become due and payable; and
- (b) in the executives' opinion, the attached financial statements and notes thereto are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and in compliance with the Charitable Fundraising Act 1991, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

Ron Hooton  
Chief Executive Officer  
19 August 2015

David Speyer  
Chief Financial Officer  
19 August 2015



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The Board of Directors  
Vision Australia Limited  
454 Glenferrie Road  
Kooyong VIC 3144

19 August 2015

Dear Board Members,

**Auditor's Independence Declaration  
Vision Australia Limited**

In accordance with Subdivision 60-C of the *Australian Charities and Not-for-profits Commission Act 2012*, I am pleased to provide the following declaration of independence to the directors of Vision Australia Limited.

As the lead audit partner for the audit of the financial statements of Vision Australia Limited for the financial year ended 30 June 2015, I declare to the best of my knowledge and belief, there have been no contraventions of:

- i. the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- ii. any applicable code of professional conduct in relation to the audit.

Yours sincerely,

**DELOITTE TOUCHE TOHMATSU**

Robert D D Collie  
Partner  
Chartered Accountants  
Melbourne

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## **Independent Auditor's Report to the Members of Vision Australia Limited**

We have audited the accompanying financial report of Vision Australia Limited, which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity, comprising the company and the entities it controlled at the year's end or from time to time during the financial year as set out on pages 17 to 53. In addition, we have audited Vision Australia Limited's compliance with specific requirements of the Charitable Fundraising Act 1991, Charitable Fundraising Act 1991 (NSW) and Charitable Collections Act (1946) (Section 15) WA (collectively referred to as the "Charitable Fundraising Acts") for the year ended 30 June 2015.

### *Directors' Responsibility for the Financial Report and Compliance with the Charitable Fundraising Acts*

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012* and for compliance with the *Charitable Fundraising Acts*. The directors are also responsible for such internal control as the directors determine is necessary to enable compliance with requirements of the *Charitable Fundraising Acts* and the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the company's compliance with specific requirements of the *Charitable Fundraising Acts* and the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those 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 entity has complied with specific requirements of the *Charitable Fundraising Acts* and the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the company's compliance with specific requirements of the *Charitable Fundraising Acts* and amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of non-compliance with specific requirements of the *Charitable Fundraising Acts* and 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 company's compliance with the *Charitable Fundraising Acts* and preparation of the financial report that gives a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

## Vision Australia Limited

Because of the inherent limitations of any compliance procedure, it is possible that fraud, error, or non-compliance with the *Charitable Fundraising Acts* may occur and not be detected. An audit is not designed to detect all weaknesses in Vision Australia Limited's compliance with the *Charitable Fundraising Acts* as an audit is not performed continuously throughout the period and the tests are performed on a sample basis.

Any projection of the evaluation of compliance with the *Charitable Fundraising Acts* to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

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

### *Opinion*

In our opinion:

(a) the financial report of Vision Australia Limited is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

(i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2013*;

(b) the financial report agrees to the underlying financial records of Vision Australia Limited, that have been maintained, in all material respects, in accordance with the *Charitable Fundraising Acts* and its regulations for the year ended 30 June 2015; and

(c) monies received by Vision Australia Limited, as a result of fundraising appeals conducted during the year ended 30 June 2015, have been accounted for and applied, in all material respects, in accordance with the *Charitable Fundraising Acts* and its regulations.

DELOITTE TOUCHE TOHMATSU

Robert D D Collie  
Partner  
Chartered Accountants  
Melbourne, 19 August 2015